



2021-2022

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, 2022

SECTION I
CONSOLIDATED FINANCIAL STATEMENTS

HONOURABLE CAROLINE WAWZONEK

Minister of Finance

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Government of
Northwest Territories

November 15, 2022

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 and 35 of the *Financial Administration Act*, S.N.W.T. 2015, c.13, for the fiscal year ended March 31, 2022.



Caroline Wawzonek
Minister of Finance

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SECTION I

RESPONSIBILITY FOR FINANCIAL REPORTING

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FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

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November 15, 2022

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 financial position of the Government, the results of its operations, the change in its net debt, and its cash flows for the year in accordance with PSAS. During the course of the audit, she also examines transactions that came to her notice, to ensure they are, in all material respects, within the statutory powers of the Government and those organizations included in the consolidated financial statements.

Sincerely,

Julie Mujcin, CPA, CGA
Comptroller General



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 2022, and the consolidated statement of operations and accumulated surplus, consolidated statement of change in net debt 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 2022, 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 comprises the information included in Section I of the Public Accounts 2021–2022, but does not include the consolidated financial statements and our auditor's report thereon.

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

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

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

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

Report on Compliance with Specified Authorities

Opinion

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

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

Responsibilities of Management for Compliance with Specified Authorities

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

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

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

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

Karen Hogan, FCPA
Auditor General of Canada

Ottawa, Canada
15 November 2022

Government of the Northwest Territories

Consolidated Statement of Financial Position

As at March 31, 2022

(thousands of dollars)

	2022	(Note 26) 2021
	\$	\$
Financial assets		
Cash and cash equivalents (note 3)	216,016	115,820
Portfolio investments (note 4)	115,900	106,536
Due from the Government of Canada (note 13)	110,494	122,665
Accounts receivable (note 6)	119,793	113,857
Inventories for resale	37,358	39,590
Loans receivable (note 7)	72,187	80,323
Sinking fund (note 8)	500	78,099
Pension assets (note 16)	19,125	17,255
	691,373	674,145
Liabilities		
Short term loans (note 9)	365,922	324,873
Accounts payable and accrued liabilities (note 10)	372,024	344,052
Deferred revenue (note 11)	190,178	94,547
Environmental liabilities and asset retirement obligations (note 12)	99,164	76,737
Due to the Government of Canada (note 13)	106,984	149,089
Capital lease obligations (note 14)	15,950	16,355
Long-term debt (note 14)	553,316	560,976
Liabilities under public private partnerships (note 15)	270,510	353,050
Pension liabilities (note 16)	41,761	40,541
Other employee future benefits and compensated absences (note 17)	47,629	51,983
	2,063,438	2,012,203
Net debt	(1,372,065)	(1,338,058)
Non-financial assets		
Tangible capital assets (schedule A)	3,763,673	3,672,777
Inventories held for use	26,437	24,453
Prepaid expenses	14,827	11,676
	3,804,937	3,708,906
Accumulated surplus	2,432,872	2,370,848

Contractual obligations, rights, guarantees and contingencies (notes 19 and 20)

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 Surplus

For the year ended March 31, 2022

(thousands of dollars)

	(Note 1(b)) 2022 Budget \$	2022 Actual \$	(Note 26) 2021 Actual \$
Revenues			
Grant from the Government of Canada (note 2(p))	1,480,118	1,480,118	1,412,734
Transfer payments (note 21)	515,766	477,881	469,306
	1,995,884	1,957,999	1,882,040
Taxation, non-renewable resource and general revenues			
Corporate and personal income taxes (note 21)	94,602	158,312	103,331
Other taxes (note 21)	137,225	137,236	130,162
General (note 21)	127,549	96,638	66,636
Income from portfolio investments	815	5,145	4,867
Non-renewable resource revenue (note 21)	4,575	42,510	66,469
Sales	155,175	180,422	174,370
Recoveries	52,362	40,574	48,212
	572,303	660,837	594,047
Recoveries of prior years' expenses	3,000	15,876	23,375
	2,571,187	2,634,712	2,499,462
Expenses (schedule B) (note 22)			
Environment and Economic Development	183,625	191,480	184,057
Infrastructure	466,043	454,118	431,741
Education	435,186	422,947	400,070
Health and Social Services	679,726	708,793	683,256
Housing	108,309	106,838	97,406
Justice	134,396	141,300	131,087
General Government	446,220	522,688	460,241
Legislative Assembly and statutory offices	24,503	24,524	21,364
	2,478,008	2,572,688	2,409,222
Annual surplus	93,179	62,024	90,240
Accumulated surplus at beginning of year	2,370,848	2,370,848	2,280,608
Accumulated surplus at end of year	2,464,027	2,432,872	2,370,848

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, 2022

(thousands of dollars)

	2022 Budget \$	2022 Actual \$	2021 Actual \$
Net debt at beginning of year	(1,338,058)	(1,338,058)	(1,310,960)
Items affecting net debt:			
Annual surplus	93,179	62,024	90,240
Acquisition of tangible capital assets (<i>schedule A</i>)	(475,978)	(260,694)	(270,420)
Amortization of tangible capital assets (<i>schedule A</i>)	168,749	165,190	160,399
Loss on disposal of tangible capital assets	3,078	4,064	1,982
Proceeds on disposal of tangible capital assets	10,199	544	609
	(200,773)	(28,872)	(17,190)
Consumption of inventories held for use	7,500	25,039	17,111
Purchase of inventories held for use	(7,500)	(27,023)	(24,523)
Change in prepaid expenses	-	(3,151)	(2,496)
	-	(5,135)	(9,908)
Change in net debt	(200,773)	(34,007)	(27,098)
Net debt at end of year	(1,538,831)	(1,372,065)	(1,338,058)

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, 2022

(thousands of dollars)

	2022 \$	(Note 26) 2021 \$
Cash and cash equivalents provided by (used for)		
Operating transactions		
Annual surplus*	62,024	90,240
Items not affecting cash and cash equivalents:		
Change in valuation allowances	7,698	10,915
Loss on disposal of tangible capital assets	4,064	1,982
Amortization of tangible capital assets	165,190	160,399
Inflation adjustment on real return bonds	10,862	1,776
	249,838	265,312
Changes in non-cash assets and liabilities:		
Change in due to/from the Government of Canada	(29,934)	(21,412)
Change in accounts receivable	(11,648)	(13,049)
Change in inventories for resale	2,232	(4,041)
Change in accounts payable and accrued liabilities	17,108	18,416
Change in environmental liabilities and asset retirement obligations	22,465	1,583
Change in deferred revenue	95,631	29,373
Change in pension assets and liabilities	(650)	1,678
Change in other employee future benefits and compensated absences	(4,354)	(7,191)
Change in inventories held for use	(1,984)	(7,413)
Change in prepaid expenses	(3,151)	(2,496)
Cash and cash equivalents provided by operating transactions	335,553	260,760
Investing transactions		
Disposition of portfolio investments	27,106	69,576
Acquisition of portfolio investments	(36,470)	(65,740)
Loans receivable receipts	17,024	4,751
Loans receivable advanced	(10,874)	(15,332)
Sinking fund installments	(34,519)	(48,419)
Sinking fund withdrawals	112,118	-
Cash and cash equivalents provided by (used for) investing transactions	74,385	(55,164)
Capital transactions		
Acquisition of tangible capital assets	(213,934)	(192,828)
Proceeds of disposition of tangible capital assets	544	609
Cash and cash equivalents used for capital transactions	(213,390)	(192,219)
Financing transactions		
Net proceeds from short term loans	41,049	(145,365)
Repayment of capital lease obligations	(405)	(413)
Acquisition of long-term debt	-	177,474
Repayment of long-term debt	(18,522)	(9,042)
Repayment of liabilities under public private partnerships	(118,474)	(5,700)
Cash and cash equivalents provided by (used for) financing activities	(96,352)	16,954
Increase in cash and cash equivalents	100,196	30,331
Cash and cash equivalents at beginning of year	115,820	85,489
Cash and cash equivalents at end of year	216,016	115,820

*Total interest paid during the year \$45,116 (2021 - \$36,379).
Total interest received during the year \$7,703 (2021 - \$5,531).

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
- 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

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

Northwest Territories Housing Corporation Act

- Northwest Territories Housing Corporation (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, 2022, and that significantly affect the consolidation have been recorded. Revolving funds are incorporated directly into the Government's accounts while trust assets administered by the Government on behalf of other parties (*note 18*) are excluded from the Government reporting entity. Revolving Funds are segments of the Government that are engaged in commercial activities, with undefined and non-lapsing expense authority.

(b) Budget

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

The following table reconciles the Government's consolidated budget for 2021-22 as tabled in the Legislative Assembly on December 1, 2022 to the budget figures presented in the Consolidated Statement of Operations and Accumulated Surplus.

Government of the Northwest Territories

Notes to Consolidated Financial Statements

March 31, 2022

(All figures in thousands of dollars)

1. AUTHORITY AND OPERATIONS (continued)

(b) Budget (continued)

	2022 Consolidated Budget as Tabled \$	Projects on Behalf of Third Parties Adjustment ¹ \$	Carbon Tax Adjustment ² \$	2022 Consolidated Budget as Presented \$
Revenues				
Grant from the Government of Canada	1,480,118	-	-	1,480,118
Transfer payments	439,936	75,830	-	515,766
	1,920,054	75,830	-	1,995,884
Taxation, non-renewable resource and general revenues				
Corporate and personal income taxes	94,602	-	-	94,602
Other taxes	156,025	-	(18,800)	137,225
General	126,457	1,092	-	127,549
Income from portfolio investments	815	-	-	815
Non-renewable resource revenue	4,575	-	-	4,575
Sales	155,175	-	-	155,175
Recoveries	40,650	11,712	-	52,362
	578,299	12,804	(18,800)	572,303
Recoveries of prior years' expenses	3,000	-	-	3,000
	2,501,353	88,634	(18,800)	2,571,187

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. Within the consolidated statement of operations and accumulated 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 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, 2022

(All figures in thousands of dollars)

1. AUTHORITY AND OPERATIONS (continued)

(b) Budget (continued)

	2022 Consolidated Budget as Tabled \$	Projects on Behalf of Third Parties Adjustment ¹ \$	Carbon Tax Adjustment ² \$	Housing Northwest Territories Adjustment ³ \$	2022 Consolidated Budget as Presented \$
Expenses					
Environment and Economic Development	175,261	8,364	-	-	183,625
Infrastructure	455,544	10,499	-	-	466,043
Education	426,836	8,350	-	-	435,186
Health, Social Services and Housing	770,315	-	-	(770,315)	-
Health and Social Services	-	17,720	-	662,006	679,726
Housing	-	-	-	108,309	108,309
Justice	133,753	643	-	-	134,396
General Government	421,962	43,058	(18,800)	-	446,220
Legislative Assembly and statutory offices	24,503	-	-	-	24,503
	2,408,174	88,634	(18,800)	-	2,478,008
Annual operating surplus	93,179	-	-	-	93,179
Projects on behalf of third parties					
Expenses	(88,634)	88,634	-	-	-
Recoveries	88,634	(88,634)	-	-	-
Annual surplus	93,179	-	-	-	93,179

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. Within the consolidated statement of operations and accumulated 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 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.

(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 are investments in marketable securities and investments in organizations that do not form part of the government reporting entity and are accounted for by the cost or amortized cost method. 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 and it is recognized in the Statement of Operations and Accumulated Surplus. Interest income is recorded on the accrual basis, dividend income is recognized as it is declared, and capital gains and losses are recognized when realized.

(d) Restricted assets

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

(e) Inventories

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Inventories (continued)

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 and advances 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) 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Tangible capital assets and leases (continued)

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.

(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 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.

(j) Liabilities

Liabilities are 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, to pay for authorized grants and contributions where eligibility criteria are met and to pay for employee compensation earned prior to year-end.

Bonds and debentures included in long-term debt are recognized at amortized cost (initial cost, less unamortized discount and issuance costs).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) 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.

(l) Asset retirement obligations

On an annual basis, NT Hydro identifies legal obligations associated with the retirement of its tangible capital assets. Management's best estimate of the future expenditures required to settle the legal obligations are recognized to the extent that they can be reasonably estimated and are calculated based on the estimated future cash flows necessary to discharge the legal obligations, discounted using the NT Hydro's cost of borrowing for maturity dates that coincide with the expected cash flows.

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

NT Hydro has identified AROs for certain hydro, thermal, transmission and distribution assets where NT Hydro expects to maintain and operate these assets indefinitely and therefore no related ARO has been recognized.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) 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. 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.

(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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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.

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 or receivable before these criteria are fully met are recorded as deferred revenue. Transfers received or receivable for tangible capital assets are recognized as revenue when the tangible capital asset is put into service.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(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* (Canada). 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* (Canada), 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.

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 NT Hydro 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(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. Also included are expenses of other consolidated entities and other miscellaneous payments. 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 surplus. Pursuant to the *Financial Administration Act*, these recoveries cannot be used to increase the amount appropriated for current year expenses.

(u) Foreign currency translation

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 exchange gains and losses are included in annual surplus (deficit) for the year according to the activities to which they relate.

(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, the Northwest Territories Housing (Housing Northwest Territories) and Hydro Corporations 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(w) 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 will be no significant impact on the consolidated financial statements as a result of its application.

Other New Standards

Effective April 1, 2022, the Government will concurrently be required to adopt the following: 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 will be no significant impact on the consolidated financial statements as a result of its application.

Effective April 1, 2022, the Government 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 Government is assessing the impact of this standard on the consolidated financial statements and anticipates that it will significantly impact Liabilities, Tangible Capital Assets, Opening Accumulated Surplus and Accumulated Amortization.

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.

Government of the Northwest Territories

Notes to Consolidated Financial Statements

March 31, 2022

(All figures in thousands of dollars)

3. CASH AND CASH EQUIVALENTS

Cash and cash equivalents are made of the following:

	2022 \$	2021 \$
Cash	190,391	94,989
Cash equivalents	25,625	20,831
	<hr/>	<hr/>
	216,016	115,820

4. PORTFOLIO INVESTMENTS

	2022 \$	2021 \$
Marketable securities (market value \$112,232; 2021 - \$109,485)	115,528	106,096
Other investments	372	440
	<hr/>	<hr/>
	115,900	106,536

5. DESIGNATED AND RESTRICTED ASSETS

(a) Designated assets

Designated assets are included in cash and cash equivalents as well as in portfolio investments.

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

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

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

Portfolio investments, while forming part of the Consolidated Revenue Fund, are designated for the purpose of meeting the obligations of the Legislative Assembly Supplemental Retiring Allowance Pension Plan (*note 16*). Supplementary Retiring Allowance Regulations restrict the investments to those permitted under the *Pension Benefits Standards Act*. The remainder consists of investments held by public agencies listed in note 1(a).

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

Other designated assets will be used for various specified purposes.

Government of the Northwest Territories

Notes to Consolidated Financial Statements

March 31, 2022

(All figures in thousands of dollars)

5. DESIGNATED AND RESTRICTED ASSETS (continued)

(b) 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, 2022 is \$5,532 (2021 - \$7,793) and is included in cash and cash equivalents with a corresponding liability in deferred revenue.

	2022	2021
	\$	\$
<i>Student Financial Assistance Act</i>		
Student Loan Fund:		
Authorized limit for loans receivable	45,000	45,000
Less: Loans receivable balance (<i>note 7</i>)	(41,294)	(41,924)
<hr/>		
Funds designated for new loans	3,706	3,076
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<i>Northwest Territories Heritage Fund Act</i>		
Heritage Fund:		
Heritage Fund net assets	37,183	30,152
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<i>Waste Reduction and Recovery Act</i>		
Environment Fund:		
Beverage Container Program net assets	7,475	6,754
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<i>Pension Benefits Standard Act</i>		
Portfolio Investments for the Legislative Assembly Supplementary Retiring Allowance (<i>note 16</i>)		
Marketable securities (market value \$39,951; 2021 - \$39,602)	39,502	36,616
Money market (market value approximates cost)	197	27
Cash and other assets (market value approximates cost)	608	876
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	40,307	37,519
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<i>Northwest Territories Business Development and Investment Corporation Act</i>		
Loan and Investment Funds	9,573	10,724
<hr/>		
<i>Land Titles Act</i>		
Land Titles Assurance Fund net assets	5,301	5,092
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Other		
Cash	356	364
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	103,901	93,681
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Government of the Northwest Territories

Notes to Consolidated Financial Statements

March 31, 2022

(All figures in thousands of dollars)

6. ACCOUNTS RECEIVABLE

	Accounts Receivable \$	Allowance for Doubtful Accounts \$	Net 2022 \$	Net 2021 \$
General	86,086	(40,040)	46,046	51,638
Utilities	11,937	(203)	11,734	12,017
Non-renewable resource revenue	40,779	-	40,779	27,496
Government of Nunavut	11,337	-	11,337	14,152
Health related costs due from third parties	14,636	(10,263)	4,373	5,807
Revolving fund sales	5,046	-	5,046	2,282
Workers' Safety and Compensation Commission	478	-	478	465
	170,299	(50,506)	119,793	113,857

Government of the Northwest Territories

Notes to Consolidated Financial Statements

March 31, 2022

(All figures in thousands of dollars)

7. LOANS RECEIVABLE

	2022	2021
	\$	\$
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%, (2021 - between 1.75% and 7.95%) before valuation allowance of \$3,593 (2021 - \$5,199).	47,777	48,710
Northwest Territories Energy Corporation Ltd. loan to the Dogrib Power Corporation (DPC) due July 2026, bearing interest at an annual rate of 9.6% (2021 - 9.6%), repayable in equal monthly payments of \$195 (2021 - \$195), secured by a \$4,000 guarantee and a restricted bank account. During the year, DPC repaid the balance of the loan in full.	-	9,741
Students Loan Fund loans due in installments to 2035, bearing fixed interest between 0.00% and 11.75%, (2021 - between 0.00% and 11.75%) unsecured, before valuation allowance and loan remissions of \$17,266 (2021 - \$17,655).	41,294	41,924
Northwest Territories Housing Corporation (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%, (2021 - between 0.00% and 12.00%) before valuation allowance of \$7,510 (2021 - \$9,596).	11,479	12,383
Other	6	15
	100,556	112,773
Valuation allowances	(28,369)	(32,450)
	72,187	80,323

Interest earned on loans receivable during the year is \$3,043 (2021 - \$3,459).

Conditional grants have been provided by the Northwest Territories Housing Corporation (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 the Northwest Territories Housing Corporation (Housing Northwest Territories). Conditional grants expensed during the year were \$8,410 (2021 - \$6,558).

Government of the Northwest Territories

Notes to Consolidated Financial Statements

March 31, 2022

(All figures in thousands of dollars)

8. SINKING FUND

The Sinking Fund was established on July 15, 2019 and includes cash held in a separate bank account for the purpose of retiring liabilities under public private partnerships (note 15) for the Tlicho All Season Road contract. The Government made a contribution of \$33,910 to the sinking fund in 2022 and then 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, 2022, the balance of the Sinking Fund is \$500 (2021 - \$78,099); the carrying value approximates the market value. The weighted average effective rate of return for the year is 0.08% (2021 - 0.08%). Interest earned on the sinking fund during the year is \$554 (2021 - \$434).

9. SHORT TERM LOANS

Based upon operational needs, the Government may enter into short term borrowing arrangements with its banks. Short term loans of \$365,922 (2021 - \$324,873) incurred interest at a weighted average year-end rate of 0.48% (2021 - 0.50%). Interest expense on short term loans included in operations and maintenance expenses is \$1,581 (2021 - \$2,389).

10. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2022	2021
	\$	\$
Trade	239,833	212,307
Employee and payroll-related liabilities	120,259	117,719
Other liabilities	8,702	8,449
Accrued interest	2,438	2,429
Government of Nunavut	553	-
Workers' Safety and Compensation Commission	239	3,148
	372,024	344,052

Government of the Northwest Territories

Notes to Consolidated Financial Statements

March 31, 2022

(All figures in thousands of dollars)

11. DEFERRED REVENUE

	(Note 26) 2021 Balance \$	Additions \$	Usage \$	2022 Balance \$
Government of Canada	23,002	77,666	(67,214)	33,454
Government of Canada Agencies				
Canadian Northern Economic Development Agency	5,113	1,459	(2,208)	4,364
Canadian Space Agency	99	9	-	108
Crown - Indigenous Relations and Northern Affairs Canada	16,624	13,080	(6,075)	23,629
Department of National Defence	1,634	60,039	-	61,673
Fisheries and Oceans Canada	26	8	-	34
Health Canada	9,874	17,110	(11,483)	15,501
Indigenous Services Canada	5,720	6,378	(383)	11,715
Infrastructure Canada	63	2,206	-	2,269
Ministry of Finance	1,995	2,431	(1,995)	2,431
Natural Resources Canada	9	131	-	140
Natural Sciences and Engineering Research Canada	669	-	(455)	214
Parks Canada	60	28	(50)	38
Polar Knowledge Canada	22	32	(35)	19
Public Health Agency of Canada	656	2,242	(184)	2,714
Royal Canadian Mounted Police	161	4,521	(4,558)	124
Social Sciences and Humanities Research Council of Canada	67	11	-	78
Transport Canada	3,982	3,890	-	7,872
Arctic Research Foundation	608	-	(400)	208
Baggage handling and runway projects	1,895	1,922	(2,065)	1,752
Bilateral Water Management Agreements	2,561	900	(544)	2,917
Government of Nunavut	362	-	-	362
Large emitters carbon tax	2,048	2,123	-	4,171
Land leases and quarry permits	639	143	(54)	728
Lease Incentives	1,289	-	(307)	982
Mining Recorders Office	521	-	(506)	15
Restricted Assets (note 5)	7,793	1,595	(3,855)	5,533
Ventura	4,800	-	-	4,800
Work deposits, commercial use permits and tourism licenses	1,020	-	(340)	680
Other	1,235	481	(63)	1,653
	94,547	198,405	(102,774)	190,178

12. ENVIRONMENTAL LIABILITIES AND ASSET RETIREMENT OBLIGATIONS

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 248 (2021 - 277) sites as potentially requiring environmental remediation at March 31, 2022.

Type of Site	2021 Liability \$	New Sites in 2022 \$	Change in Estimate \$	Remediation Expenses \$	2022 Liability \$	Number of Sites
Abandoned mines ⁽¹⁾	11,076	20,175	512	(329)	31,434	9
Landfills ⁽²⁾	10,972	368	199	(485)	11,054	44
Abandoned infrastructure and schools ⁽³⁾	14,262	100	1,390	(1,530)	14,222	82
Airports, airport strips or reserves ⁽⁴⁾	4,397	-	(283)	(7)	4,107	25
Sewage lagoons ⁽⁵⁾	1,867	-	69	(149)	1,787	30
Fuel tanks and resupply lines ⁽²⁾	2,419	-	151	-	2,570	12
Abandoned lots and maintenance facilities ⁽³⁾	22,713	792	4,957	(2,509)	25,953	46
Total environmental liabilities	67,706	21,435	6,995	(5,009)	91,127	248
Asset retirement obligations	9,031	-	(994)	-	8,037	
Total	76,737	21,435	6,001	(5,009)	99,164	

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 3 (2021 - 7) sites closed during the fiscal year as they were either remediated or no longer meet all the criteria required to record a liability for contaminated sites. 35 (2021 - 0) sites were amalgamated with other already existing sites.

Included in the 248 (2021 - 277) sites, there are 68 (2021 - 67) sites where no liability has been recognized. The contamination is not likely to affect public health and safety, cause damage, or otherwise impair the quality of the surrounding environment and there is likely no need for action unless new information becomes available indicating greater concerns, in which case, the site will be re-examined. These sites will continue to be monitored as part of the Government's ongoing environmental protection program.

The asset retirement obligation includes NT Hydro's disposal of generating plants on leased land, storage tanks systems and the associated piping for petroleum products in all communities serviced by the Northwest Territories Power Corporation, a subsidiary of NT Hydro. The carrying amount of the obligation is based on total expected cash flows, expected timing of cash flows (majority to occur post 2054), and the weighted average discount rate of 3.33% (2021 - 2.40%) for obligations to be settled in 10 years or less and 3.61% (2021 - 3.12%) for obligations to be settled in 10 years or more.

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(All figures in thousands of dollars)

13. DUE TO (FROM) THE GOVERNMENT OF CANADA

	2022	(Note 26) 2021
	\$	\$
Due from the Government of Canada		
Projects on behalf of the Government of Canada	(47,761)	(34,191)
Miscellaneous receivables	(62,733)	(88,474)
	(110,494)	(122,665)
Due to the Government of Canada		
Excess income tax advanced	82,105	133,586
Miscellaneous payables	24,879	15,503
	106,984	149,089
	(3,510)	26,424

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

	\$
2023	57,965
2024	18,831
2025	5,309
	82,105

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14. LONG-TERM DEBT AND CAPITAL LEASE OBLIGATIONS	2022 \$	2021 \$
Loans due to Canada Mortgage and Housing Corporation, repayable in annual installments until the year 2033, bearing interest at a rate of 6.97% (2021 - 6.97%), unsecured.	3,959	4,441
Mortgages payable to Canada Mortgage and Housing Corporation for three third party loans under the Social Housing Agreement, maturing in 2026 and 2027, bearing interest at rates between 0.68% and 1.01% (2021 - between 0.68% and 1.05%), unsecured.	686	829
Mortgage payable to Canada Mortgage and Housing Corporation, repayable in monthly installments of \$7 (2021 - \$7) maturing June 2024, bearing interest at 3.30% (2021 - 3.30%), secured with real property.	197	283
Bond, due September 29, 2051, bearing interest at 2.20% (2021 - 2.20%) payable semi-annually, unsecured.	180,022	180,022
Debentures, due 2025 to 2052, bearing interest between 3.82% and 6.00% (2021 - 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% (2021 - between 3.98% and 6.42%), unsecured.	101,403	104,582
Series 1, 2 and 3 Debentures, repayable in monthly installments between \$69 and \$73 (2021 - between \$69 and \$73), maturing 2025 to 2026, bearing interest between 9.11% and 10.00% (2021 - between 9.11% and 10.00%), unsecured. During the year, the debentures were repaid in full.	-	9,532
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.	180,180	174,533
	556,447	564,222
Unamortized premium, discount and issuance costs	(3,131)	(3,246)
Total long-term debt	553,316	560,976
Capital lease obligations	15,950	16,355
Total long-term debt and capital lease obligations	569,266	577,331

Government of the Northwest Territories

Notes to Consolidated Financial Statements

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(All figures in thousands of dollars)

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

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

	\$
2023	8,570
2024	9,046
2025	9,423
2026	24,838
2027	10,260
2028 and beyond	494,310
	556,447

Interest expense on long-term debt, included in operations and maintenance expenses, is \$29,486 (2021 - \$20,037).

Interest expenses related to capital lease obligations for the year is \$1,358 (2021 - \$1,538), at an implicit average interest rate of 9.60% (2021 - 9.60%). Capital lease obligations (expiring between 2023 and 2061) are based upon contractual minimum lease obligations for the leases in effect as of March 31, 2022.

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.

	2022 \$	2021 \$
Short term loans (note 9)	365,922	324,873
Long-term debt (note 14)	556,447	564,222
Capital Lease Obligations (note 14)	15,950	16,355
Guarantees (note 20(a))	7,339	9,066
	945,658	914,516
Authorized borrowing limit	1,800,000	1,800,000
Available borrowing capacity before P3s	854,342	885,484
Liabilities under Public Private Partnerships (note 15)	270,510	353,050
Less sinking fund (note 8)	(500)	(78,099)
Available Borrowing capacity	584,332	610,533

15. 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 partner 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:

	2021 \$	Additions during the year \$	Principal Payments \$	2022 \$	Repayment date
Stanton Territorial Hospital Renewal	130,454	-	(3,326)	127,128	2048
Mackenzie Valley Fibre Link	72,800	-	(2,900)	69,900	2037
Tlicho All Season Road	149,796	35,934	(112,248)	73,482	2047
Total	353,050	35,934	(118,474)	270,510	

The details of the contracts under P3s are as follows:

	Partner	Date contract entered into	Scheduled/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:

	\$
2023	8,384
2024	8,016
2025	7,937
2026	8,067
2027	8,847
2028 and beyond	229,259
	270,510

15. 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 \$12,700 (2021 - \$12,100). Interest capitalized in the period as a function of construction or developing tangible capital assets relating to the Tlicho All Season Road is \$4,000 (2021 - \$3,500).

Tangible capital assets, commitments, and contractual rights related to P3 projects are included in note 19 and schedule A.

16. PENSIONS

a) Plans' description

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

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

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

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(All figures in thousands of dollars)

16. 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)

	2022 Regular Funded \$	2022 Supplemental Non funded \$
Accrued benefit obligation	124,957	43,014
Pension fund assets - market-related value	(144,093)	-
Unamortized actuarial losses	11	(1,253)
Pension liabilities (assets)	(19,125)	41,761
	2021 Regular Funded \$	2021 Supplemental Non funded \$
Accrued benefit obligation	110,655	41,719
Pension fund assets - market-related value	(127,097)	-
Unamortized actuarial gains	(813)	(1,178)
Pension liabilities (assets)	(17,255)	40,541

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16. PENSIONS (continued)

c) Change in pension liabilities (assets)	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
	2021 Regular Funded \$	2021 Supplemental Unfunded \$
Opening balance	(18,016)	39,624
Change from cash items:		
Contributions from plan members	(3,093)	-
Contributions from Government	(5,112)	-
Benefit payments to plan members	(7,246)	(1,795)
Drawdown from plan assets	7,246	-
Change from cash items	(8,205)	(1,795)
Change from accrual items:		
Current period benefit cost	6,733	1,327
Amortization of actuarial gains	(1,011)	(353)
Change in valuation allowance	558	-
Interest on average accrued benefit obligation	4,624	1,738
Impairment on value of accrued pension asset	3,695	-
Expected return on average plan assets	(5,633)	-
Change from accrual items	8,966	2,712
Ending balance	(17,255)	40,541

16. PENSIONS (continued)

d) Pension expense

The components of pension expense include current period benefit cost, amortization of actuarial net (gains)/losses and interest on average accrued benefit obligation net of the expected return on average plan assets, change in valuation allowance and contributions from plan members. The total expense is \$8,186 (2021 - \$4,890). 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 \$172 (2021 - gain of \$3,946).

In addition to the above, the Government contributed \$59,496 (2021 - \$58,053) to the Public Service Pension Plan. The employees' contributions to this plan were \$59,356 (2021 - \$56,454).

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 2022.

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, 2022	April 1, 2024
Judges Registered Plan	April 1, 2019	January 1, 2022	April 1, 2022
Retirement Plan for Employees of the Hay River Health and Social Services Authority	January 1, 2022	March 31, 2022	January 1, 2023
Retirement Plan for Employees of the Yellowknife Catholic Schools	June 30, 2020	June 30, 2021	June 30, 2022

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.

16. PENSIONS (continued)

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

Asset valuation method

The asset valuation method for all the plans is generally market-related value. The market value of the pension assets is \$148,385 (2021 - \$131,869).

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	4.8%	4.9%	4.4%	4.8%
Rate of compensation increase	2.0%	2.5%	2.0%	3.0%
Annual inflation rate	2.0%	2.0%	2.0%	2.0%
Discount rate	4.8%	4.3%	4.4%	4.8%

17. OTHER EMPLOYEE FUTURE BENEFITS AND COMPENSATED ABSENCES

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

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

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

Valuation results

The most recent actuarial valuation was completed as at February 11, 2022 and the results were extrapolated to March 31, 2022. 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 \$	2022 \$	2021 \$
Changes in Obligation				
Accrued benefit obligations, beginning of year	34,154	9,150	43,304	49,465
Current period benefit cost	2,575	894	3,469	3,585
Interest accrued	1,096	309	1,405	1,301
Benefits payments	(7,967)	(1,285)	(9,252)	(12,155)
Plan amendments	428	(102)	326	-
Actuarial (gains)/losses	8,920	165	9,085	1,111
Accrued benefit obligations end of year	39,206	9,131	48,337	43,307
Unamortized net actuarial gain/(loss)	(2,609)	(8,150)	(10,759)	(1,085)
Net future obligation	36,597	981	37,578	42,222
Other employee future benefits	7,675	-	7,675	7,332
Other compensated absences	-	2,376	2,376	2,429
Total employee future benefits and compensated absences	44,272	3,357	47,629	51,983

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

	Severance and Removal \$	Compensated Absences \$	2022 \$	2021 \$
Benefits Expense				
Current period benefit cost	2,575	894	3,469	3,585
Interest accrued	1,096	309	1,405	1,301
Plan amendments	428	(102)	326	-
Amortization of actuarial (gain)/loss	(1,945)	1,356	(589)	(724)
	2,154	2,457	4,611	4,162

The discount rate used 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:

	Severance and Removal \$	Compensated Absences \$	Total \$
2023	4,927	803	5,730
2024	4,317	746	5,063
2025	4,458	797	5,255
2026	4,328	793	5,121
2027	4,200	858	5,058
	22,230	3,997	26,227

18. TRUST ASSETS UNDER ADMINISTRATION

The Government administers trust assets on behalf of third parties, which are not included in the reported Government assets and liabilities. These consist of cash and term deposits of \$24,476 (2021 - \$20,068) 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 \$733,355 (2021 - \$666,425). The majority of these guarantees are held against water licenses issued to regulate the use of water and the deposit of waste.

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19. CONTRACTUAL OBLIGATIONS AND RIGHTS

The Government has entered into agreements for, or is contractually committed to, the following payments subsequent to March 31, 2022:

	Expiry Date	2023 \$	2024 \$	2025 \$	2026 \$	2027 \$	2028+ \$	Total \$
Operational commitments	2048	176,063	92,968	41,218	31,715	12,695	5,062	359,721
RCMP policing agreement	2032	54,974	56,301	56,301	56,301	56,301	274,988	555,166
Commercial leases	2052	85,943	27,728	18,998	13,748	10,009	126,765	283,191
Equipment leases	2028	1,118	820	501	275	63	6	2,783
TCAs in progress at year end	2030	129,140	24,918	1,220	365	185	370	156,198
P3 Operational commitments	2049	17,724	18,954	19,878	20,595	20,684	487,696	585,531
P3 TCAs in progress at year end	2024	202	202	-	-	-	-	404
		465,164	221,891	138,116	122,999	99,937	894,887	1,942,994

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, 2022:

	Expiry Date	2023 \$	2024 \$	2025 \$	2026 \$	2027 \$	2028+ \$	Total \$
Transfer Payments	2049	420,948	247,662	123,149	162,713	74,642	56,021	1,085,135
Regulatory Revenue	2027	2,037	5,807	1,472	444	-	-	9,760
Lease Revenue	2052	5,284	5,190	4,974	4,922	3,776	40,012	64,158
License Revenue	2047	595	485	326	154	137	422	2,119
Other	2040	25,613	22,899	23,526	22,483	22,893	47,056	164,470
		454,477	282,043	153,447	190,716	101,448	143,511	1,325,642

20. GUARANTEES AND CONTINGENCIES

(a) Guarantees

The Government has guaranteed residential housing loans to banks totalling \$262 (2021 - \$322) and indemnified Canada Mortgage and Housing Corporation for third party loans totalling \$4,781 (2021 - \$6,426). 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 (2021 - one) outstanding loan to a Northern Community Futures organization totalling \$296 (2021 - \$318). 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 2022, no accounts were assigned to BDIC (2021 - nil).

The BDIC has one (2021 - one) outstanding irrevocable standby letter of credit totalling \$2,000 (2021 - \$2,000) that will expire in fiscal 2023. 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 (2021 - nil).

(b) Contingent assets

Contingent assets are possible assets arising from existing conditions or situations involving uncertainty. There was a flood in Fort Simpson and surrounding areas in the spring of 2021. The Government will be making a claim from Canada under the Disaster Financial Assistance Arrangement Program for approximately \$38,000 in costs incurred to provide support and financial relief to those affected by the flood. No amount has been recorded as receivable in the consolidated financial statements because the receipt of funds under the claim is contingent on Canada's evaluation and approval.

(c) Contingent liabilities

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.

20. GUARANTEES AND CONTINGENCIES (continued)

(d) Claims and litigation

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

The Government has recorded a provision of \$2,672 (2021 - \$3,460) 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 \$150,564 (2021 - \$125,421). 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.

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

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

	2022	(Note 26) 2021
	\$	\$
Transfer payments		
Capital transfers	69,930	33,937
Canada Health and Social Transfer Reform Fund	86,948	179,312
Federal cost shared	242,835	188,956
Other	78,168	67,101
	477,881	469,306
Taxation		
Corporate income tax	24,729	3,300
Personal income tax	133,583	100,031
	158,312	103,331
Other taxes		
Cannabis	909	343
Carbon tax	12,797	8,781
Fuel	20,061	17,656
Tobacco	14,278	15,722
Payroll	45,820	43,000
Property and school levies	37,265	38,663
Insurance	6,106	5,997
	137,236	130,162
Non-renewable Resource Revenue		
Minerals, oil and gas royalties	37,012	19,152
Licenses, rental and other fees	5,202	47,174
Quarry fees	296	143
	42,510	66,469
General		
Sundry and other	46,723	29,430
Lease	4,292	603
Interest and investment income	6,911	6,469
Gains on disposition of assets	61	246
Regulatory revenue	38,487	29,813
Grants in kind	164	75
	96,638	66,636

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22. EXPENSES

Expenses of various Government departments, its territorial corporations and other public agencies are aggregated in the Consolidated Statement of Operations and Accumulated 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	Northwest Territories Housing Corporation (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

23. OVEREXPENDITURE

During the year, 4 departments (2021 - 0) exceeded their operations vote by \$10,131 (2021 - \$0) and no departments (2021 - 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".

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

Department of Municipal and Community Affairs (operations)	\$ 5,068
Department of Environment and Natural Resources (operations)	3,061
Department of Justice (operations)	1,173
Department of Finance (operations)	829

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

24. COVID-19

On March 22, 2020, the Government declared a public health emergency in response to the COVID-19 global pandemic. The Government implemented various programs and publicly announced supports and financial relief to individuals, businesses and organizations in response to the COVID-19 pandemic. The impact of COVID-19 on the Government's Consolidated Statement of Operations and Accumulated Surplus is as follows:

	2022 \$	2021 \$
Revenues		
Transfer payments from Canada	36,296	122,683
General Revenue	3,250	471
	<hr/> 39,546	<hr/> 123,154
Expenses		
Compensation and Benefits	37,301	14,972
Computer Hardware and Software	295	1,186
Contract Services	3,937	8,114
Economic Relief Programs (Grants and Contributions)	26,661	73,797
Enforcement and Compliance	27,726	31,859
Improvement of Housing Units	3,467	2,970
Materials and Supplies	4,591	8,114
Minor Equipment	96	1,227
Other Expenses	13,589	6,383
	<hr/> 117,663	<hr/> 148,622
	<hr/> (78,117)	<hr/> (25,468)

25. SUBSEQUENT EVENTS

In May 2022, the Government issued evacuation orders for Hay River and Katl'odeeche First Nation as unprecedented flooding, resulting from the annual ice breakup, affected residents in those communities. The Government implemented its disaster response and has since publicly announced support and financial relief to those affected. The GNWT Disaster Assistance Policy and the Ministerial Disaster Assisting Funding Policy is intended to cover displacement allowance, damage prevention, essential contents, repairing or replacing homes, and other mitigation enhancements. Further, the Government has announced that an exception to the policies will be granted such that eligible claims up to \$240 will be reimbursed at 90%, and eligible claims over \$240 will be reimbursed at 100% for the first \$240, and at 50% for the remainder of the claim to a maximum reimbursement of \$600. The actual amount to be paid in disaster relief will depend on the number of claims made; however, initial estimates indicate that approximately \$181,000 may be required. The Government will seek assistance from the federal government for this expenditure.

26. ACCOUNTING CHANGES AND COMPARATIVE FIGURES

(a) Projects on behalf of third parties

The Government undertakes projects for the Government of Canada, the Government of Nunavut and others.

Previously, where the agreement allowed, the Government received accountable advances and any unexpended balances remaining at year-end were recorded as liabilities in accounts payable and accrued liabilities or due to the Government of Canada, as applicable. Recoveries were accrued when expenses as allowed under the project contract, exceeded advances, and were recorded as receivables in accounts receivable or due from the Government of Canada, as applicable. These recoveries and expenses were presented separately on the Consolidated Statement of Operations and Accumulated Surplus below the annual operating surplus.

In the current year, the Government classified recoveries for projects on behalf of third parties to transfer payments revenues or general revenues based on the nature of the project contract. Related expenses have been classified with the appropriate department's expenses, and unexpended balances remaining at year-end have been classified to accounts payable and accrued liabilities, due to the Government of Canada, or deferred revenue as applicable. The Government has applied this change retroactively to conform to the current year presentation. The effect of the changes are described in the following table.

(b) Northwest Territories Housing Corporation (Housing Northwest Territories)

In the prior year Consolidated Statement of Operations and Accumulated Surplus, a single line item was used to present Health, Social Services and Housing expenses. In the current year, this line item has been disaggregated in order to present Health and Social Services expenses separately from Housing expenses. The comparative information has been reclassified to conform to the current year presentation. The effect of the changes are described in the following table.

(c) Other taxes (carbon tax)

In the prior year Consolidated Statement of Operations and Accumulated Surplus, gross basis accounting was used to recognize revenue and offsetting expenses relating to rebates for heating fuel, diesel for generation and large emitters. In the current year, these amounts were recognized on a net basis to better reflect their nature. The comparative information has been reclassified to conform to the current year presentation. The effect of the changes are described in the following table.

26. ACCOUNTING CHANGES AND COMPARATIVE FIGURES (continued)

(d) Pensions

In the prior year Consolidated Statement of Financial Position, a single line item was used to present a net pensions liability. In the current year, this line item has been disaggregated in order to present pension assets separately from pension liabilities. The comparative information has been reclassified to conform to the current year presentation. The effect of the changes are described in the following table.

Government of the Northwest Territories

Notes to Consolidated Financial Statements

March 31, 2022

(All figures in thousands of dollars)

26. ACCOUNTING CHANGES AND COMPARATIVE FIGURES (continued)

Consolidated Statement of Operations and Accumulated Surplus

	2021 As Previously Reported \$	Projects on Behalf of Third Parties \$	Housing Northwest Territories \$	Carbon Tax \$	2021 As Presented \$
Revenues					
Transfer payments	400,827	68,479	-	-	469,306
Taxation, non-renewable resource and general revenues					
Other taxes	146,047	-	-	(15,885)	130,162
General	66,373	263	-	-	66,636
Recoveries	39,811	8,401	-	-	48,212
Recoveries of prior years' expenses	23,269	106	-	-	23,375
Expenses					
Environment and Economic Development	177,526	6,531	-	-	184,057
Infrastructure	423,651	8,090	-	-	431,741
Education	396,268	3,802	-	-	400,070
Health, Social Services and Housing	752,091	-	(752,091)	-	-
Health and Social Services	-	28,571	654,685	-	683,256
Housing	-	-	97,406	-	97,406
Justice	130,467	620	-	-	131,087
General Government	446,491	29,635	-	(15,885)	460,241
Legislative Assembly and statutory offices	21,364	-	-	-	21,364
Projects on behalf of third parties					
Expenses	(77,249)	77,249	-	-	-
Recoveries	77,249	(77,249)	-	-	-

Government of the Northwest Territories

Notes to Consolidated Financial Statements

March 31, 2022

(All figures in thousands of dollars)

26. ACCOUNTING CHANGES AND COMPARATIVE FIGURES (continued)

Consolidated Statement of Financial Position

	2021 As Previously Reported \$	Projects on Behalf of Third Parties \$	Pension Assets and Pension Liabilities \$	2021 As Presented \$
Financial assets				
Pension assets	-	-	17,255	17,255
Liabilities				
Deferred revenue	63,754	30,793	-	94,547
Due to the Government of Canada	179,882	(30,793)	-	149,089
Pensions	23,286	-	(23,286)	-
Pension liabilities	-	-	40,541	40,541

Consolidated Statement of Cash Flow

	2021 As Previously Reported \$	Projects on Behalf of Third Parties \$	Pension Assets and Pension Liabilities \$	2021 As Presented \$
Change in due to/from the Government of Canada	(15,679)	(5,733)	-	(21,412)
Change in deferred revenue	23,640	5,733	-	29,373

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	2022	2021
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cost of tangible capital assets, opening balance	24,342	2,341,336	859,304	1,823,347	318,690	163,354	354,774	5,885,147	5,635,746
Transfers	1,195	34,283	18,117	249,026	13,711	7,221	(323,553)	-	-
Acquisitions	-	538	-	-	1,720	-	258,436	260,694	270,420
Write-downs	-	-	-	-	-	-	-	-	-
Disposals	-	(6,303)	(3,241)	-	(1,434)	(952)	-	(11,930)	(21,019)
Cost of tangible capital assets, closing	25,537	2,369,854	874,180	2,072,373	332,687	169,623	289,657	6,133,911	5,885,147
Accumulated amortization, opening	-	(935,284)	(349,877)	(653,061)	(158,575)	(115,573)	-	(2,212,370)	(2,070,398)
Amortization expense	-	(60,363)	(20,123)	(51,689)	(15,810)	(17,205)	-	(165,190)	(160,399)
Disposals	-	3,689	1,342	-	1,398	893	-	7,322	18,427
Accumulated amortization, closing	-	(991,958)	(368,658)	(704,750)	(172,987)	(131,885)	-	(2,370,238)	(2,212,370)
Net book value	25,537	1,377,896	505,522	1,367,623	159,700	37,738	289,657	3,763,673	3,672,777

¹ Included in buildings and leasehold improvements, infrastructure and other, and equipment are assets under capital lease cost \$32,643 (2021 - \$32,643); accumulated amortization, \$12,760 (2021 - \$12,202); net book value, \$19,883 (2021 - \$20,441).

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 \$46,760 (2021 - \$77,592).

⁵ Land with cost and net book value of \$0, market value \$1,431 (2021 - \$266) 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	2022	(Note 26) 2021
	\$	\$	\$	\$	\$	\$
Revenues						
Grant from the Government of Canada	1,480,118	-	1,480,118	-	1,480,118	1,412,734
Transfer payments	396,139	78,168	474,307	3,574	477,881	469,306
	1,876,257	78,168	1,954,425	3,574	1,957,999	1,882,040
Taxation, non-renewable resource and general revenues						
Corporate and personal income taxes	158,312	-	158,312	-	158,312	103,331
Other taxes	126,483	11,368	137,851	(615)	137,236	130,162
General	75,022	904,044	979,066	(882,428)	96,638	66,636
Income from portfolio investments	4,562	583	5,145	-	5,145	4,867
Non-renewable resource revenue	42,510	-	42,510	-	42,510	66,469
Sales	128,979	90,917	219,896	(39,474)	180,422	174,370
Recoveries	25,992	15,342	41,334	(760)	40,574	48,212
	561,860	1,022,254	1,584,114	(923,277)	660,837	594,047
Recoveries of prior years' expenses	17,334	-	17,334	(1,458)	15,876	23,375
	2,455,451	1,100,422	3,555,873	(921,161)	2,634,712	2,499,462
Expenses						
Grants and contributions	1,147,157	38,249	1,185,406	(773,533)	411,873	383,667
Operations and maintenance	684,158	390,315	1,074,473	(153,856)	920,617	831,614
Compensation and benefits	465,744	609,877	1,075,621	(6,388)	1,069,233	1,024,562
Change in valuation allowances	3,925	3,120	7,045	(1,270)	5,775	8,980
Amortization of tangible capital assets	125,469	39,686	165,155	35	165,190	160,399
	2,426,453	1,081,247	3,507,700	(935,012)	2,572,688	2,409,222
Annual surplus	28,998	19,175	48,173	13,851	62,024	90,240

¹ Departments consist of all those listed in Note 22 that begin with the word "Department" and the Legislative Assembly.

² Public agencies consist of those listed in Note 22 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, 2022

HONOURABLE CAROLINE WAWZONEK
Minister of Finance

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EXECUTIVE SUMMARY

The consolidated results of operations for the fiscal year ended March 31, 2022, and the consolidated financial position as at March 31, 2022 are summarized below:

(in \$000s)	<u>Budget 2022</u>	<u>Actual 2022</u>	<u>Actual 2021</u>
Total Revenues	\$2,571,187	\$2,634,712	\$2,499,462
<u>Total Expenses</u>	<u>\$2,478,008</u>	<u>\$2,572,688</u>	<u>\$2,409,222</u>
Annual surplus (deficit)	\$93,179	\$62,024	\$90,240
Financial Assets		\$691,373	\$674,145
<u>Less: Liabilities</u>		<u>\$2,063,438</u>	<u>\$2,012,203</u>
Net Debt		(\$1,372,065)	(\$1,338,058)
Non-financial Assets		<u>\$3,804,937</u>	<u>\$3,708,906</u>
<u>Accumulated Surplus</u>		<u>\$2,432,872</u>	<u>\$2,370,848</u>

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 2021-22 consolidated financial statements report an actual annual surplus of \$62.0 million, which is \$31.2 million or 33.4% lower than budgeted. The annual surplus is \$28.2 million or 31.3% lower 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 2021-22 is \$2.6 billion, which is \$63.5 million or 2.5% higher than the original budget. The total consolidated revenue is \$135.3 million or 5.4% 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 corporate and personal incomes taxes and increased general revenue.
- Total consolidated expenses in 2021-22 are \$2.6 billion, which is \$94.7 million or 3.8% higher than the original budget. The total consolidated expenses are \$163.5 million or 6.8% higher than the prior year. The increase in actual expenses is mainly due to the impact of COVID-19 expenditures, 2021 flood recovery assistance, collective agreement increases and projects previously classified as projects on behalf of others.

- The Government is in a net debt position of \$1.4 billion. In 2021-22, P3 obligations increased by \$35.9 million, deferred revenue increased by \$95.6 million, short term loans increased by \$41.0 million. In 2021-22 \$3.9 million in interest was paid on bonds issued in 2020-21. All these factors contributed to the increase in net debt. Combined with other changes in financial assets and liabilities, net debt increased by \$34.0 million during the 2021-22 fiscal year.
- Non-Financial Assets increased by \$96.0 million or 2.6% over the prior year. In 2022, the Government acquired \$260.7 million in tangible capital assets: \$41.2 million was added to the work in progress on the Tłıchq All Season Road; \$27.6 million was added as refurbishment of Stanton Legacy Building, \$30.3 million was added consisting of Housing NWT’s public, homeownership rental and market rental units and \$46.7 million was added consisting of NT Hydro Corporation’s electric power plants, equipment, and computers. The remaining spend was for various roads and bridges, community health centers and equipment.

The 2021-22 Consolidated Financial Statements report an actual annual surplus of \$62.0 million, which is \$146.0 million more than the revised budget of (\$83.9) million as shown and explained below:

(in \$000s)	Original Budget 2022	Supplementary Appropriations	Revised Budget 2022	Actual 2022	Actual 2021
Total revenue	\$2,571,187	\$0	\$2,571,187	\$2,634,712	\$2,499,462
Total Expenses	\$2,478,008	\$177,168	\$2,655,176	\$2,572,688	\$2,409,222
Annual Surplus (Deficit)	\$93,179	\$177,168	(\$83,989)	\$62,024	\$90,240

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 2021-22 are \$2.6 billion. This is \$82.5 million lower than the revised expense budget of \$2.6 billion. The revised expense budget was increased to address the impact of COVID-19 expenditures related to financial support programs for economic relief and the financial impact from collective agreements increases for the periods of 2020-21 to 2021-22.

The past two fiscal years was unprecedented globally due to the COVID-19 pandemic, which significantly impacted economies due to worldwide shutdowns. The Northwest Territories (NWT) was not immune to these impacts of the global COVID-19 pandemic as evidenced by the significant impacts on revenues as well as expenses.

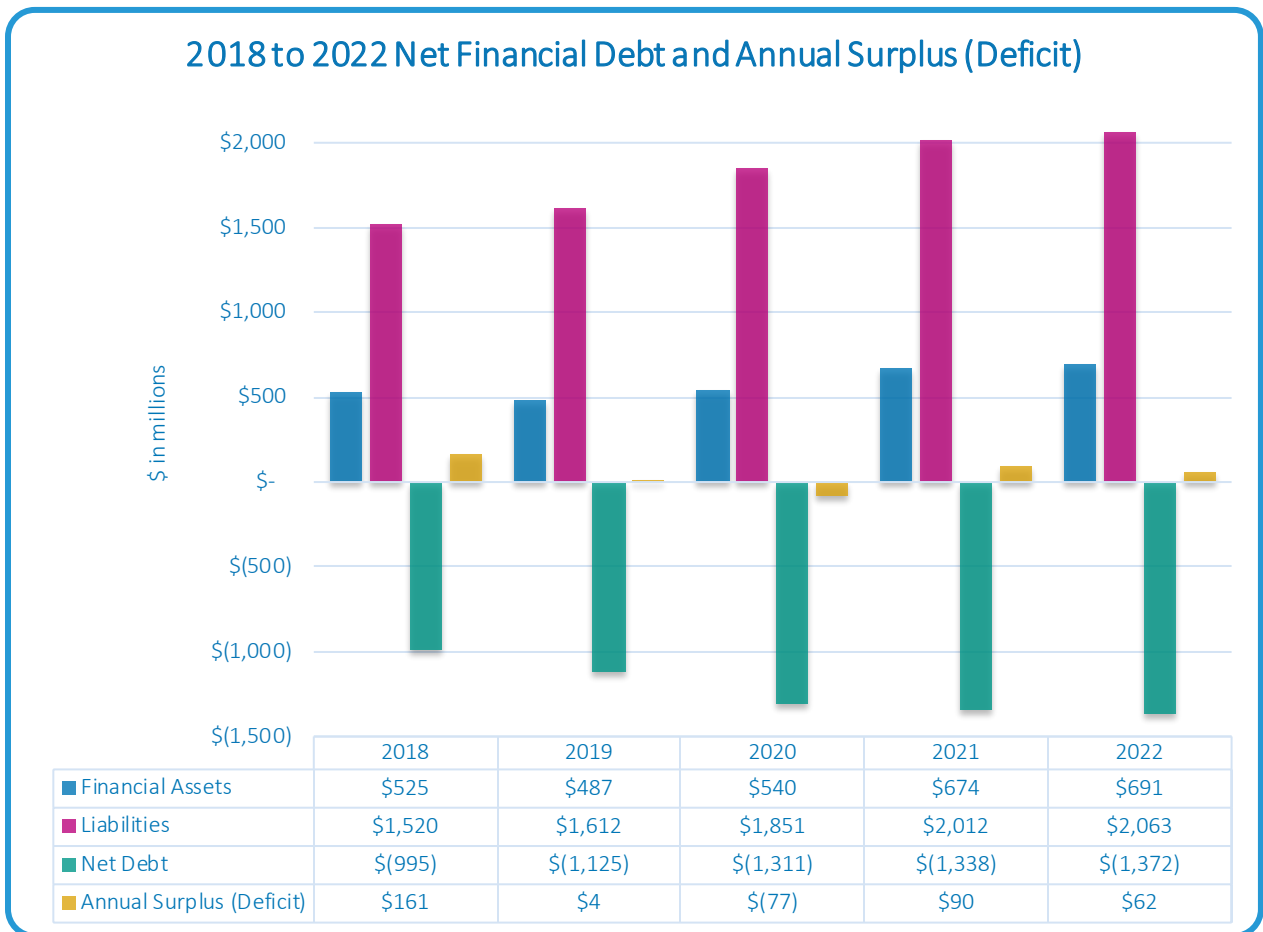
Even before the COVID-19 pandemic, the Northwest Territories economy experienced a contraction which had an impact on revenues in 2020-21 and 2021-22. Per Statistic Canada, the real Gross Domestic Product of the territory is estimated to have increased 6.3% in 2021 (the latest figures available), compared to the national increase of 4.8%. The 2021 real GDP increase is attributed to the NWT experiencing a V-shaped recovery from the COVID-19 pandemic.

FINANCIAL REVIEWS

Net Financial Debt and Accumulated Surplus(Deficit)

At the end of the 2021-22 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, deferred revenue and liabilities related to public private partnerships (P3. The change in net debt is shown on the Consolidated Statement of Change in Net Debt within **Section I** of the Public Accounts.

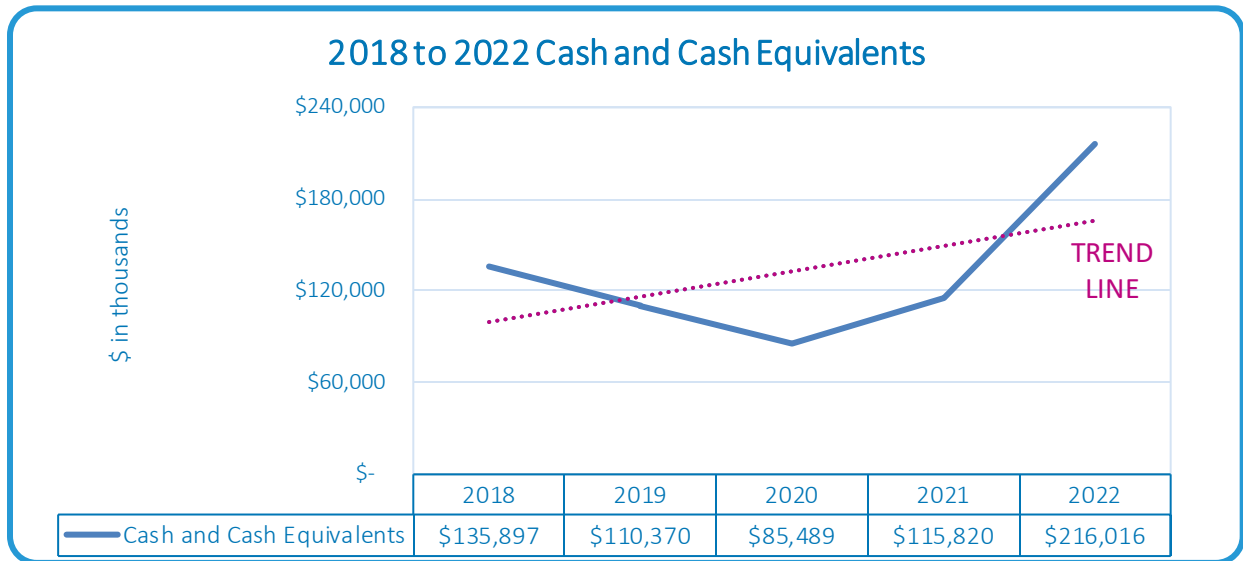
The graph below illustrates the Government’s net debt position and annual surplus/deficit at the end of each of the last five fiscal years.



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 on future generations 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 increased by \$100.2 million, from \$115.8 million in 2020-21 to \$216.0 million in 2021-22. The increase in fiscal 2021-22 is due to \$335.6 million cash inflows from operations, and \$74.4 million cash inflows from investing transactions. This increase was offset by \$96.4 million used in investing transactions, and \$213.4 million used in capital transactions.

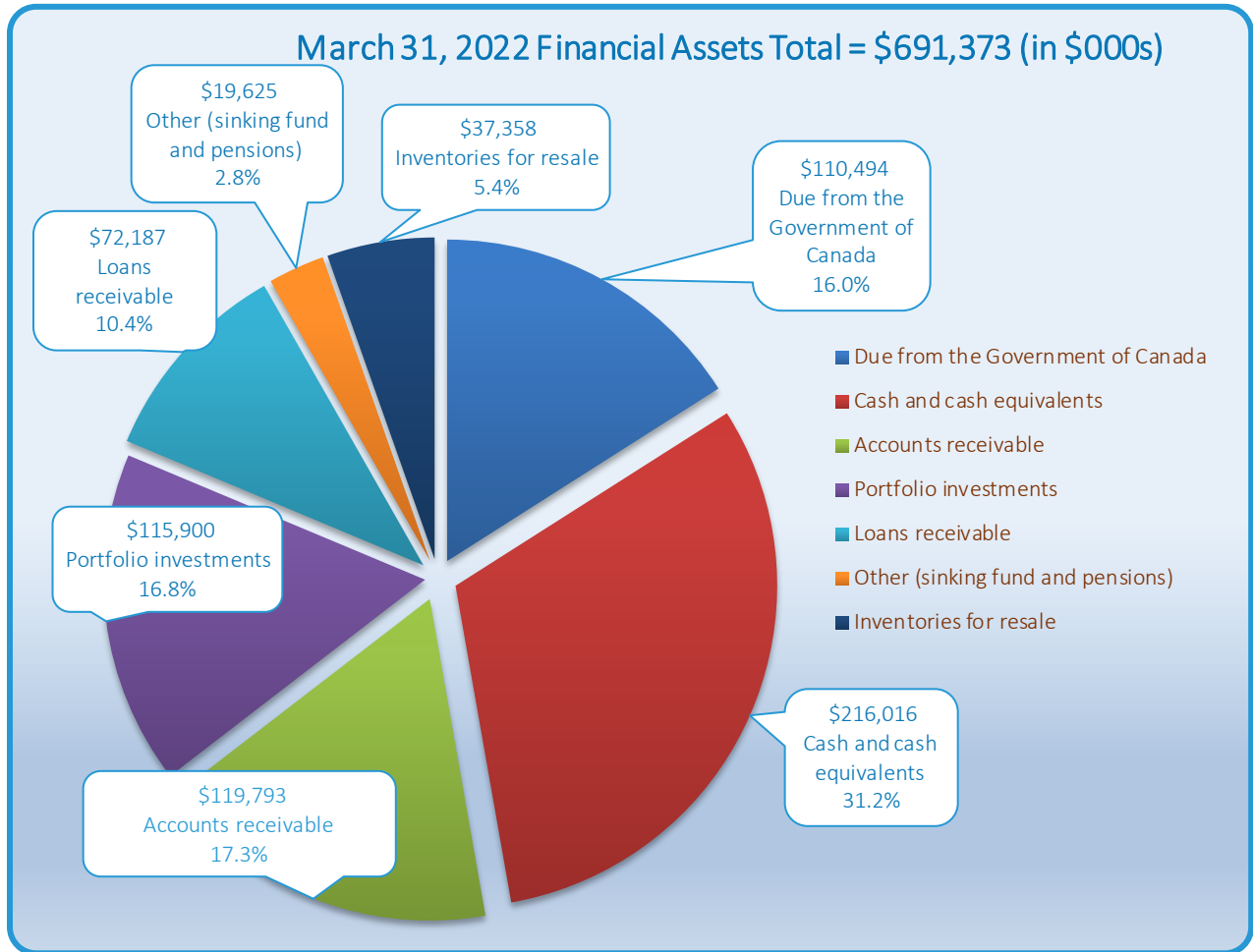


Cash and cash equivalents are used to meet operational expenses, reduce liabilities and to pay for the Government’s investment in infrastructure. More detail is available on the Statement of Cash Flows within **Section I** of the Public Accounts.

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.



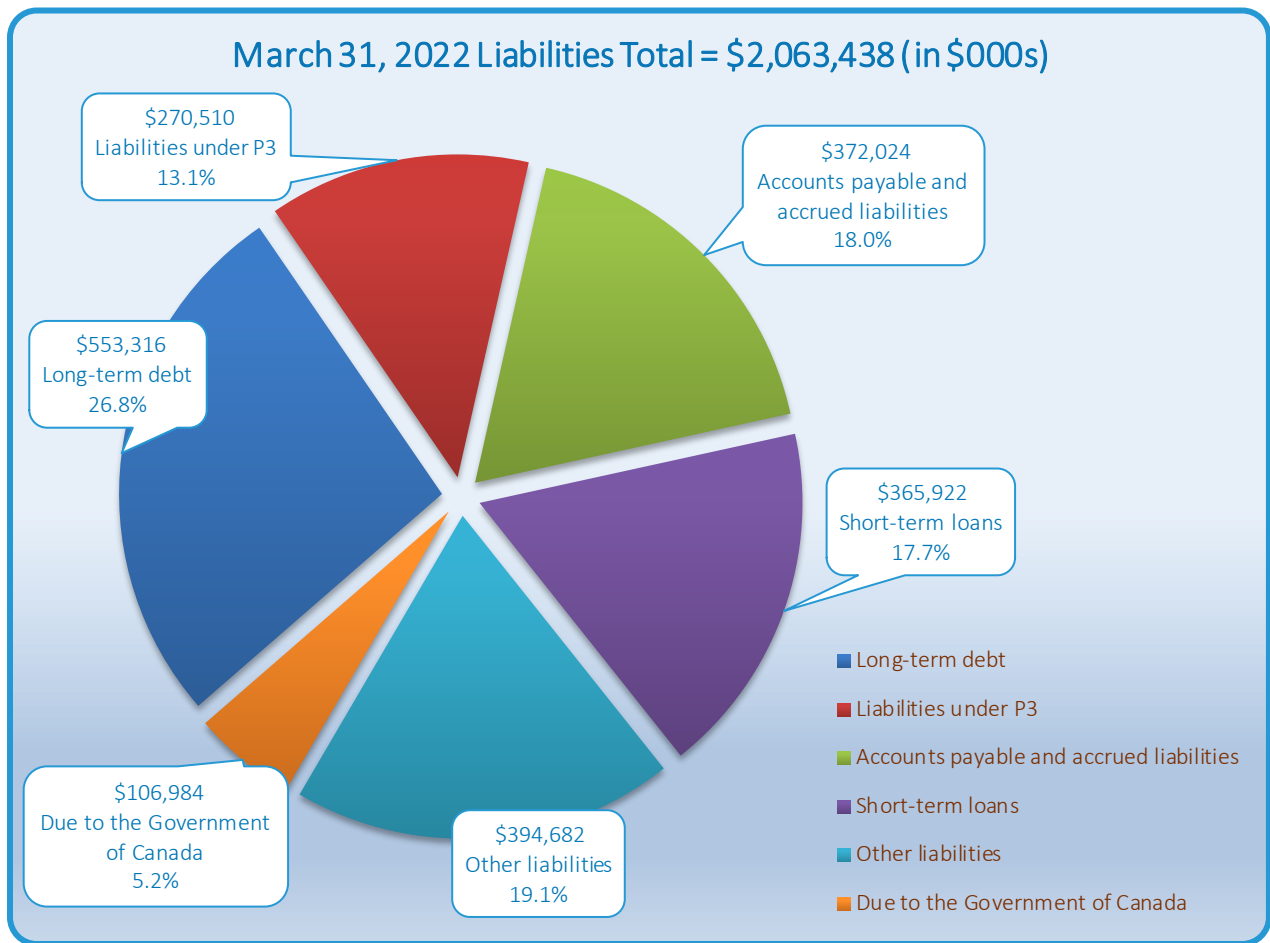
The above graph illustrates the composition of the Government's financial assets.

31.2% of the Government's financial assets are cash and cash equivalents. The 68.8% 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 \$394,682 is comprised of: Environmental liabilities \$99,164; Deferred revenue \$190,178; other employee future benefits \$47,629; pensions \$41,761 and capital lease obligations \$15,950.

The Government presently has \$691.4 million in financial assets available to discharge liabilities of \$2.1 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 \$41.0 million (a 12.6% increase) from \$324.9 million in 2020-21 to \$365.9 million in 2021-22 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 \$27.8 million (an 8.1% increase) from \$344.1 million in 2020-21 to \$372.0 million in 2021-22, mainly due to increases to trade, employee and related payroll expenses incurred in 2021-22 compared to 2020-21.

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 prior year and detailed information can be found within **Section I** of the Public Accounts (note 16).

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 by \$4.4M million (an 8.4% decrease) from \$52.0 million in 2020-21 to \$47.6 million in 2021-22. The decrease is due to lower removal benefits by \$0.8 million and higher unamortized net actuarial gains by \$4.6 million resulting mainly from NT Hydro Corporation and Government departments: Finance, Environment and Natural Resources and Infrastructure.

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 2k).

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 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 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 year end the environment liability balance was comparable to prior year as the cost of new sites added was comparable to the remediation expenditures incurred during the year.

<i>Environmental Liabilities</i>	<i>Number of Sites 2021</i>	<i>Amalgamated with other sites in 2022 *</i>	<i>New in 2022</i>	<i>Closed in 2022 *</i>	<i>Number of Sites 2022</i>
Abandoned Mines	8		1		9
Landfills	42		2		44
Abandoned Infrastructure and schools	74	8	1	(1)	82
Airports, airport strips or reserves	26	(1)			25
Sewage Lagoons	29	1			30
Fuel tanks and resupply lines	12				12
Abandoned lots and maintenance facilities	86	(43)	5	(2)	46

* Include sites that closed or no longer meet the criteria to record a liability for contaminated sites (38)

More information can be found at: English: <https://www.fin.gov.nt.ca/en/services/qnwt-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 must determine the liability associated with retiring those assets and record an adjustment. 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 establishes 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 exist on adoption as of April 1, 2022, the Government will follow the modified retroactive method, which will measure the liability as of the date the legal obligation was incurred and use a discount rate and assumptions as of the first day of application (April 1, 2022).

The Government's assessment to date on the impact of this standard on the consolidated financial statements foresees that it will significantly impact Liabilities, Tangible Capital Assets, Opening Accumulated Surplus, and Accumulated Amortization effective on adoption at the start of fiscal year 2023 (April 1, 2022).

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

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 \$2.0 million (an 8.1% increase) from \$24.5 million in 2020-21 to \$26.4 million in 2021-22. The increase is mainly attributable to a \$1.4 million increase in critical spare parts for NWT Hydro Corporation and fuel for Marine Transportation Services.

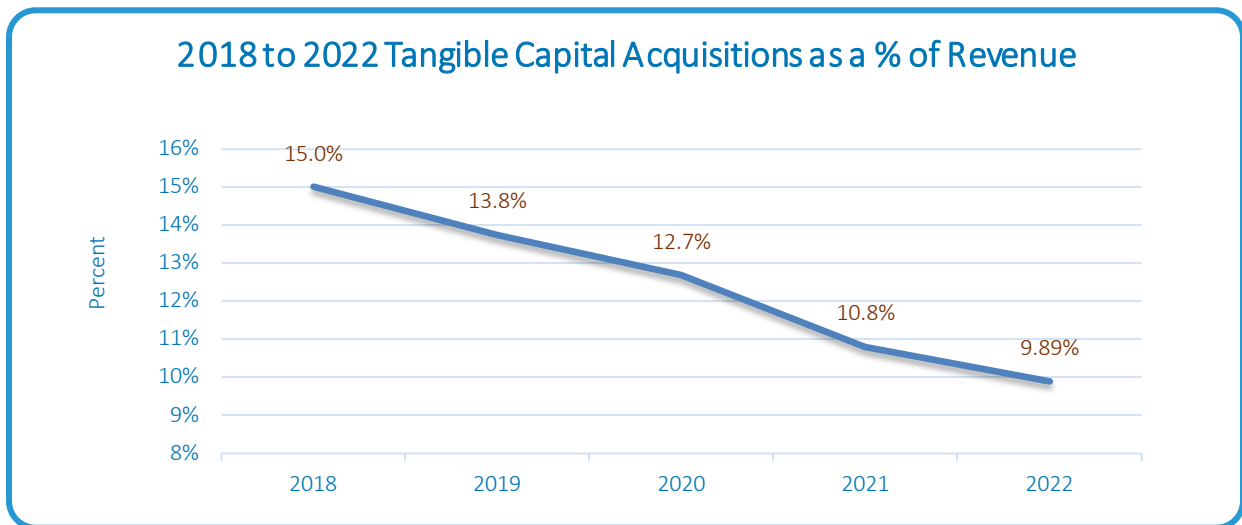
Prepaid Expenses

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 \$3.2 million (a 27.0% increase) from \$11.7 million in 2020-21 to \$14.8 million in 2021-22.

Tangible Capital Assets

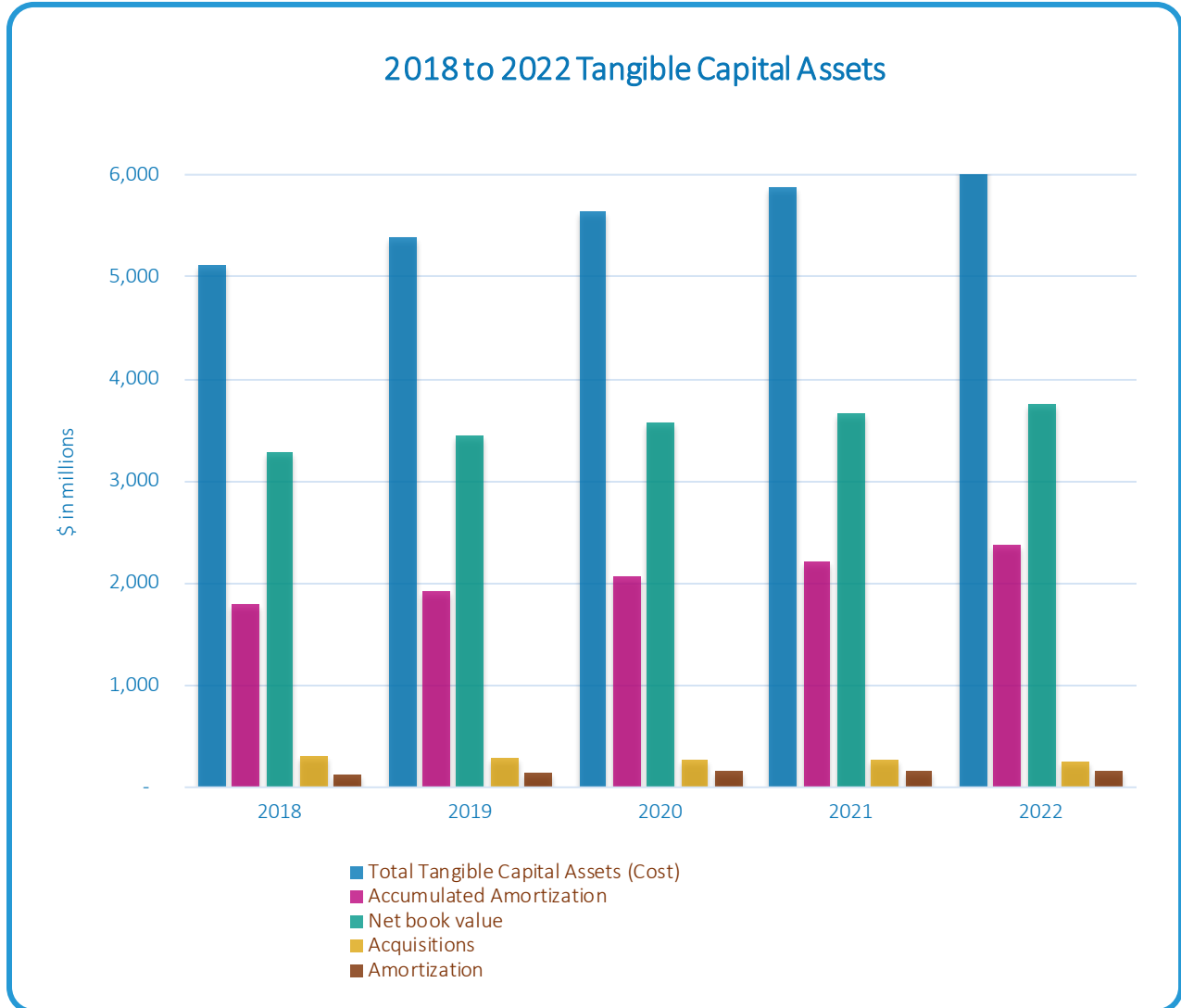
Under the Government’s capitalization policy, tangible capital assets are capitalized and amortized over time in the Consolidated Statement of Operations based on their estimated useful life. The Government plans capital expenditures to ensure that existing TCAs are replaced in a timely manner in conjunction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

In the past five years the Government’s acquisition of tangible capital assets has remained consistent while revenue has been rising, resulting in the percentage decline from 15.0% in 2017-18 to 9.9% in 2021-22.



Tangible Capital Assets (continued)

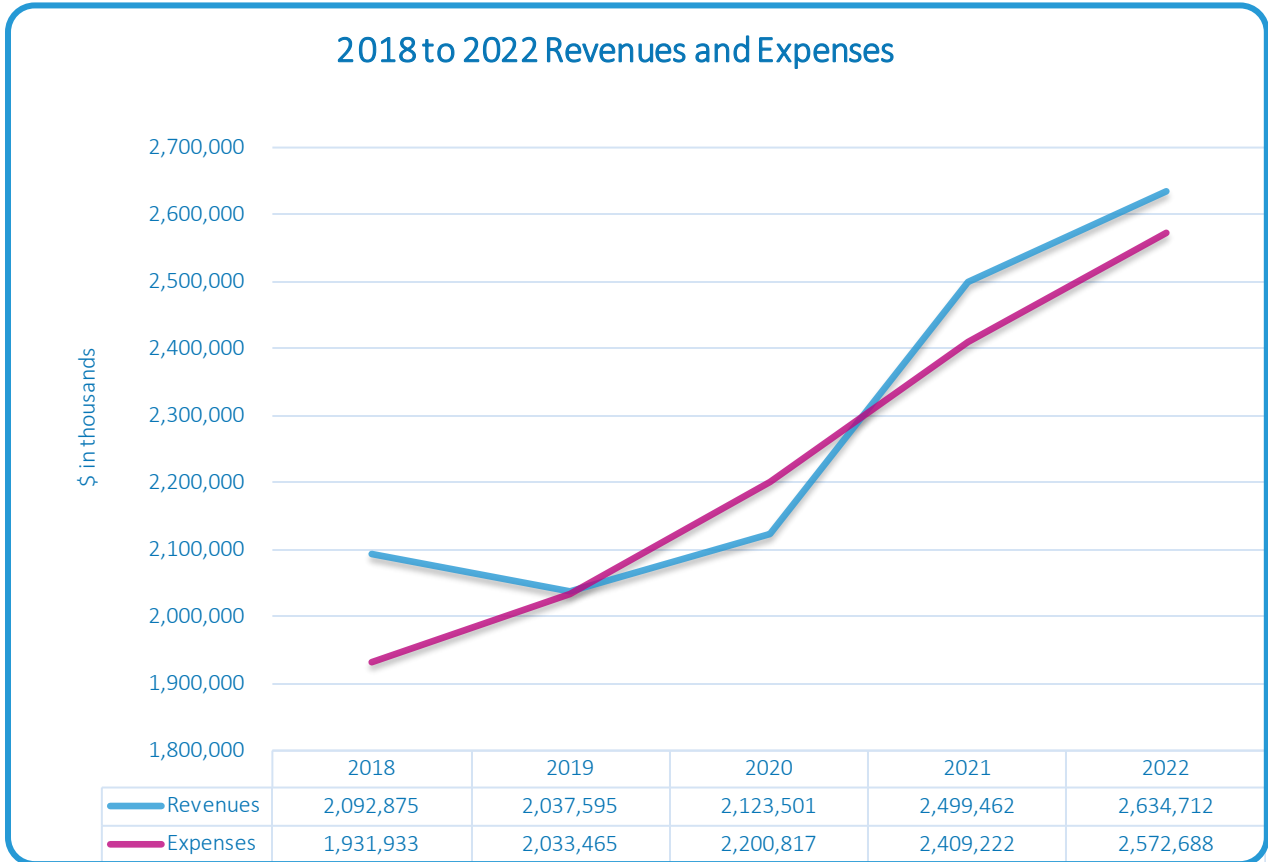
As illustrated by the graph below, the net book value of TCAs recognized by the government has steadily increased over the last five years indicating that the government has been acquiring new or replacing existing TCAs.



In 2021-22, the Government acquired \$260.7 million in tangible capital assets. Significant acquisitions included \$41.2 million for work in progress on the Tlicho All Season Road, \$27.6 million for refurbishment of Stanton Legacy Building, \$30.3 million for Housing NWT’s public, homeownership rental and market rental units and \$46.7 million for NT Hydro Corporation’s electric power plants, equipment, and computers.

Revenues and Expenses

Revenue increased by \$135.3 million (a 5.4% increase) from \$2.5 billion in 2020-21 to \$2.6 billion in 2021-22 mainly due to a higher Territorial Formula Financing grant from Canada because of an increase in the Gross Expenditure Base, increased corporate and personal income taxes and increased general revenue.



Total expense increased by \$163.5 million (a 6.8% increase) from \$2.4 billion in 2020-21 to \$2.6 billion in 2021-22. The biggest increases were in General Government, Health and Social Services, Education and Infrastructure.

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 complete in November 2021 with North Star Infrastructure GP operating and maintaining the new road.

The Government established a Sinking fund in 2019, whereby cash was being held in a separate bank account for the purpose of retiring liabilities under the TASR contract. In 2022, the Government made a lump sum payment of \$112.1 million from the Sinking fund to retire 60% of the TASR liability.

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 Gamèti and Wekweèti.

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

Summary of P3 Projects

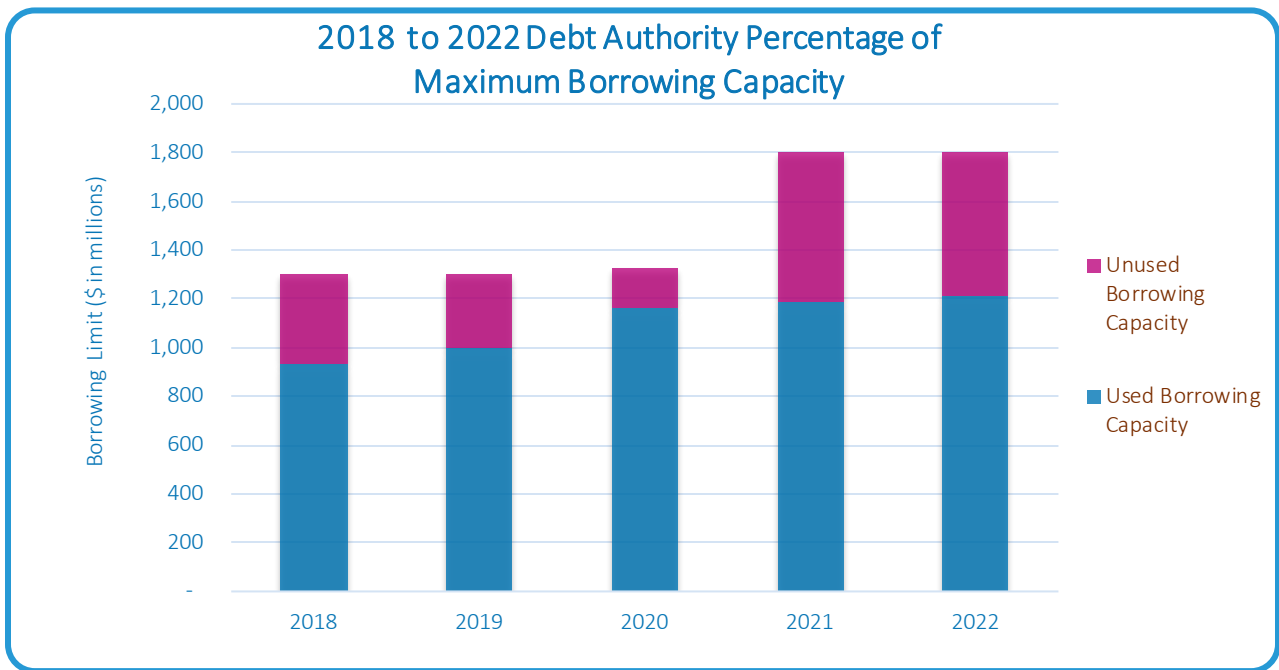
<i>P3 Project (in \$000s)</i>	Mackenzie Valley Fibre Link	Stanton Territorial Hospital Renewal	Tłjchq All Season Road
Partner	Northern Lights General Partnership	Boreal Health Partnership	North Star Infrastructure GP
Contract signing date	October, 2014	September, 2015	February, 2019
Substantial completion 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	2039	2050	2048
GNWT Liability at Mar 31, 2021	\$72,800	\$130,454	\$149,796
GNWT Liability at Mar 31, 2022	\$69,900	\$127,128	\$73,482
Tangible capital asset cost	\$95,036	\$321,211	\$209,223
Interest expense for the 2021-22	\$4,700	\$7,000	\$1,000
Annual Operational Amount *	\$3,190	\$7,000	\$6,000
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 14).



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 2021-22 paid interest payments of \$3.9 million on the bond.

INDICATORS OF FINANCIAL CONDITION

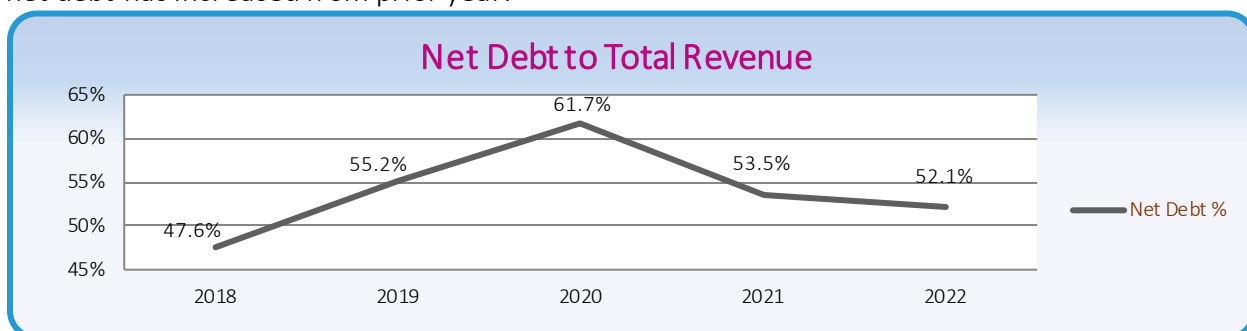
Financial condition describes a government's ability to meet its financial obligations with respect to its service commitments to the public and commitments to employees, creditors, and others.

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 2021-22 fiscal year the Government has a net debt position of \$1.37 billion compared to net debt of \$1.34 billion at the end of the prior fiscal year. The net debt represents 52.1% of total revenue.

The graph below shows that Government's net debt to total revenue has decreased from 53.5% in 2020-21 to 52.1% in 2021-22 mainly due to the increase in the Territorial Formula Financing Grant from the Government of Canada and other Transfer payments, Corporate and Personal Income taxes. A decrease in this ratio is occurring as the Government revenue increased, while net debt has increased from prior year.

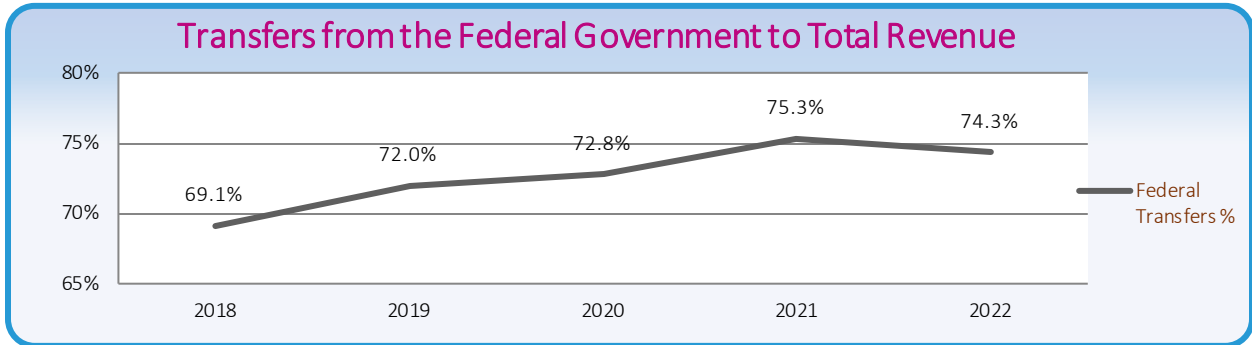


Net debt to total revenue is an indicator of the Government's ability to service the debt burden, where a decreasing ratio is a positive indicator that the rate of increase in net debt is lower than the rate of increase in revenue. A lower net debt to revenue ratio indicates higher sustainability, as 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 74.3% 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 decreased slightly from 75.3% in 2020-21 to 74.3% in 2021-22. The total share of own source revenue increased by 9.6% from prior year, while transfers from federal government increased by 4.0% from prior year.

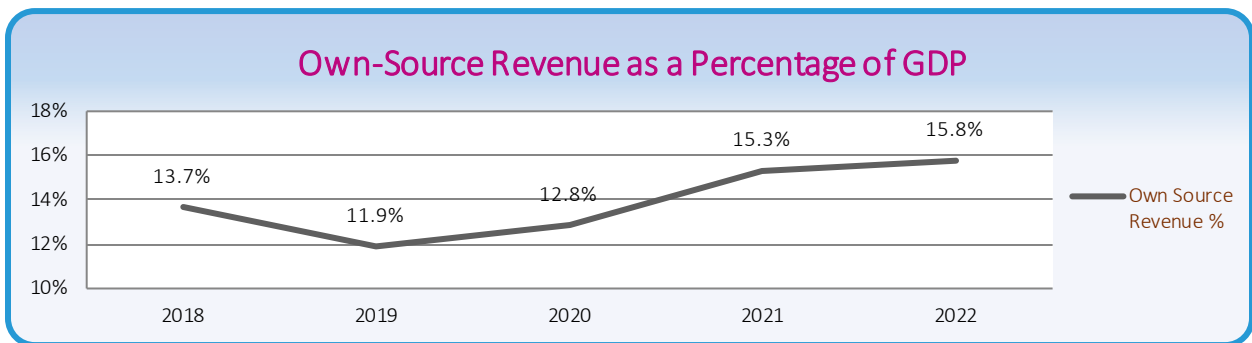


A decreasing ratio typically reflects that the Government is less reliant on transfers from Canada to fund its programs.

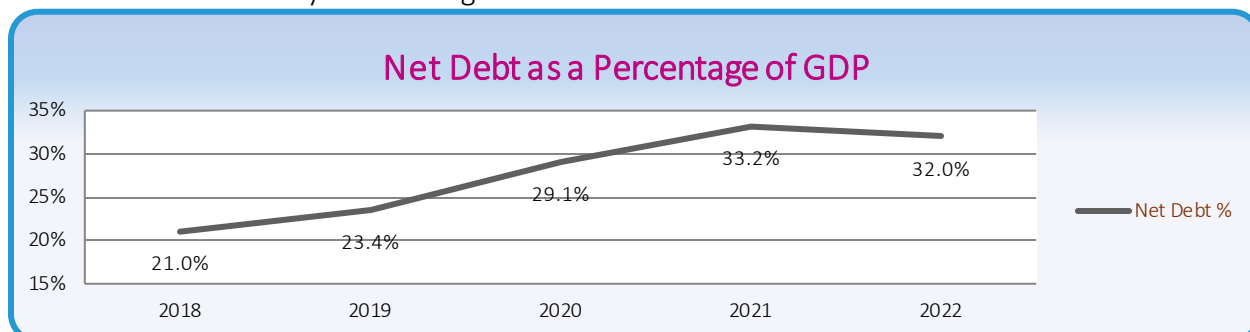
Flexibility: the degree to which a government can increase its financial resources to respond to rising commitments, by either expanding its revenues, or increasing its debt burden.

- At March 31, 2022, 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 74.3% of its total revenues, of which 56.2% comes from the Territorial Formula Financing Grant.
- The Government’s own-source revenues, (net of \$42.5 million in non-renewable resource revenues), increased to 24.1% of total revenue in 2021-22 (22.0% - 2020-21). 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 33.2% in 2020-21 to 32.0% in 2021-22. The decrease 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 a number of key indicators for the last ten years:

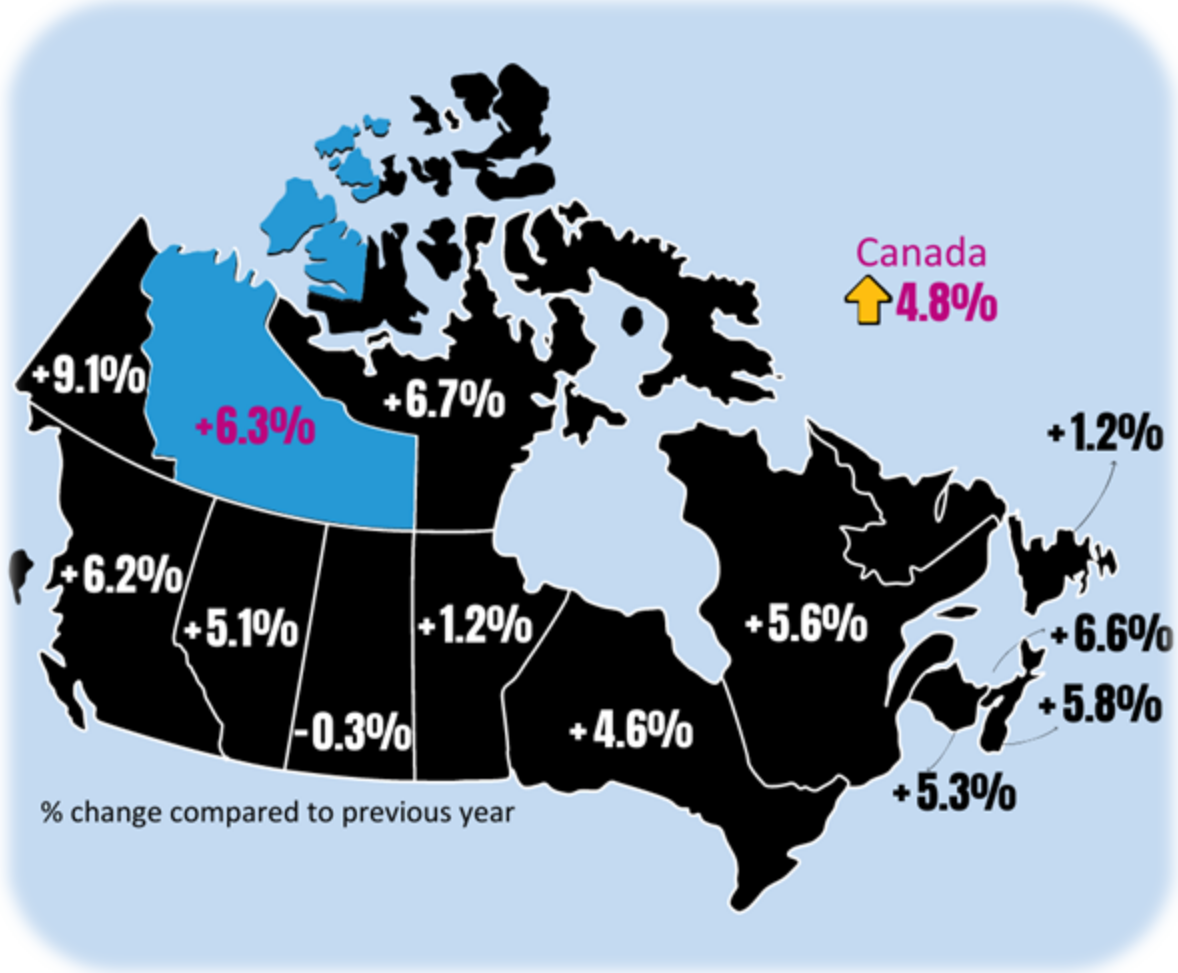
NWT Key Economic Indicators, 2011 to 2021

Indicator	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Real GDP (Chained \$)	-9.2	-0.6	2.8	4.7	1.0	-1.1	3.6	1.3	-6.1	-10.5	6.3
Employment Rate (July 1)	4.0	1.1	2.3	-5.2	0.8	0.4	-4.9	0.9	1.9	-9.7	13.7
NWT consumer price index	2.9	1.5	0.9	2.0	1.1	1.4	1.6	2.3	1.9	0.7	3.4
Population (July 1)	43,504	43,648	43,805	43,884	44,237	44,649	44,891	44,981	45,070	45,372	45,504
Population growth	0.51	0.33	0.36	0.18	0.8	0.93	0.54	0.2	0.2	0.67	0.29

(% 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 2021 (the latest year for which data is available), which represents a 6.3% increase relative to 2020. The mining, oil and gas industry grew by 11.9% between 2020 and 2021 following the reopening of Ekati mine in early 2021. The construction industry also grew largely as a result of increased engineering construction. Real estate, leasing, renting, Finance, and Insurance increased between 2020 and 2021.

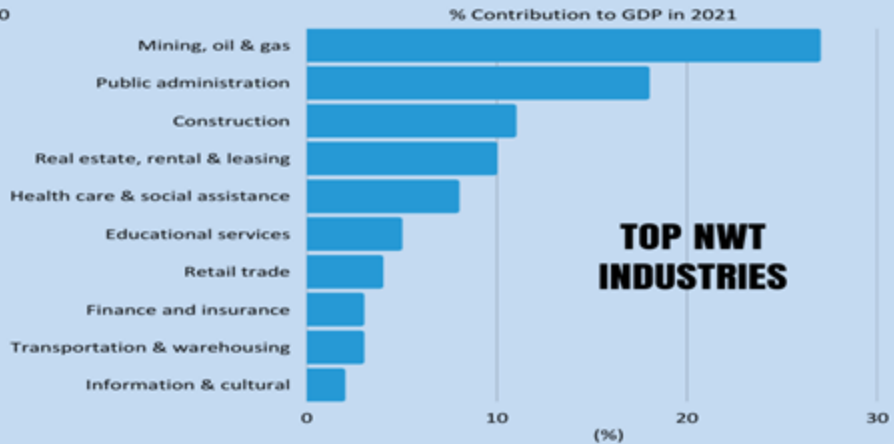


↑ 6.3%

\$4,291 million
2021 NWT GDP

*% change from 2020

- +12%
- +4%
- +27%
- +2%
- +8%
- +3%
- +1%
- +6%
- 1%
- +1%



Canada, Provinces and Territories GDP Comparison

Real GDP at Basic Prices, calendar years 2020 and 2021

Millions of Chained (2012) Dollars*

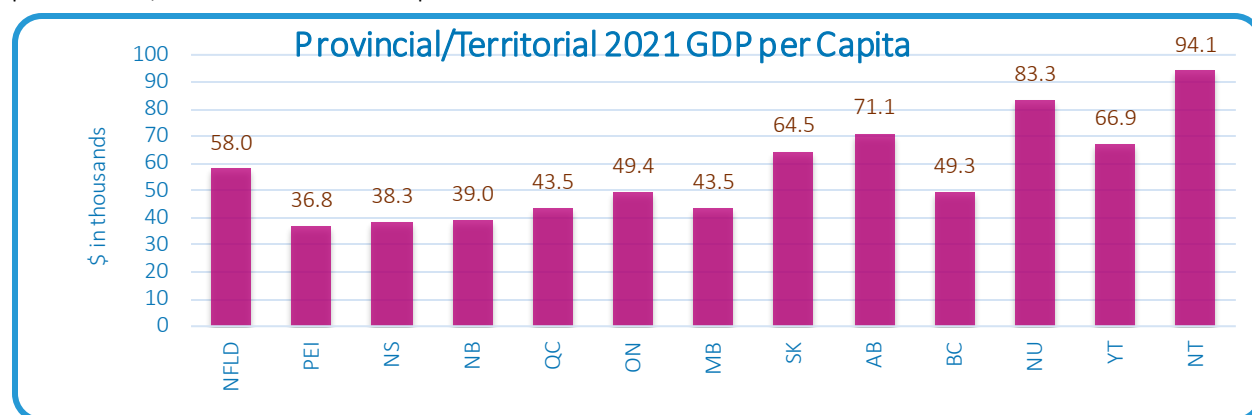
	2021	2020	Percent (%) Change
Canada	1,974,468	1,884,083	4.8
Northwest Territories	4,291	4,036	6.3
Nunavut	3,376	3,164	6.7
Yukon	2,931	2,687	9.1
British Columbia	262,187	246,927	6.2
Alberta	323,065	307,522	5.1
Saskatchewan	77,038	77,273	-0.3
Manitoba	61,279	60,545	1.2
Ontario	746,495	713,444	4.6
Quebec	377,909	357,742	5.6
New Brunswick	31,630	30,052	5.3
Nova Scotia	39,082	36,950	5.8
Prince Edward Island	6,273	5,883	6.6
Newfoundland and Labrador	30,493	30,138	1.2

Source: Statistics Canada (2021) 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

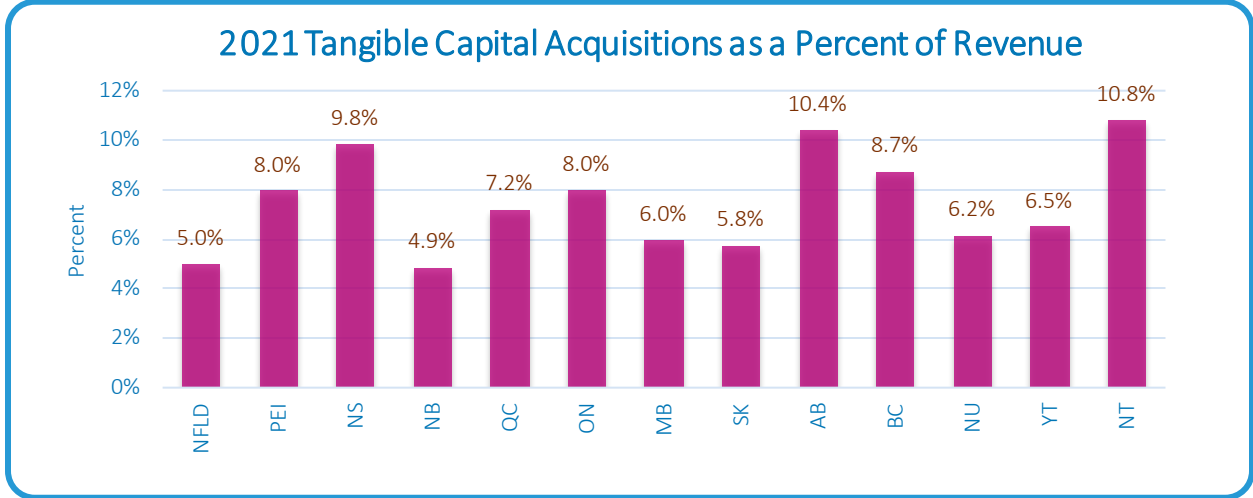
The NWT currently has the highest GDP per capita in Canada. This is an important indicator to note when considering GDP statistics as it shows that while the NWT has a relatively small population our GDP per capita is large by comparison. The NWT economy is less developed compared to provinces, with 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 2021.

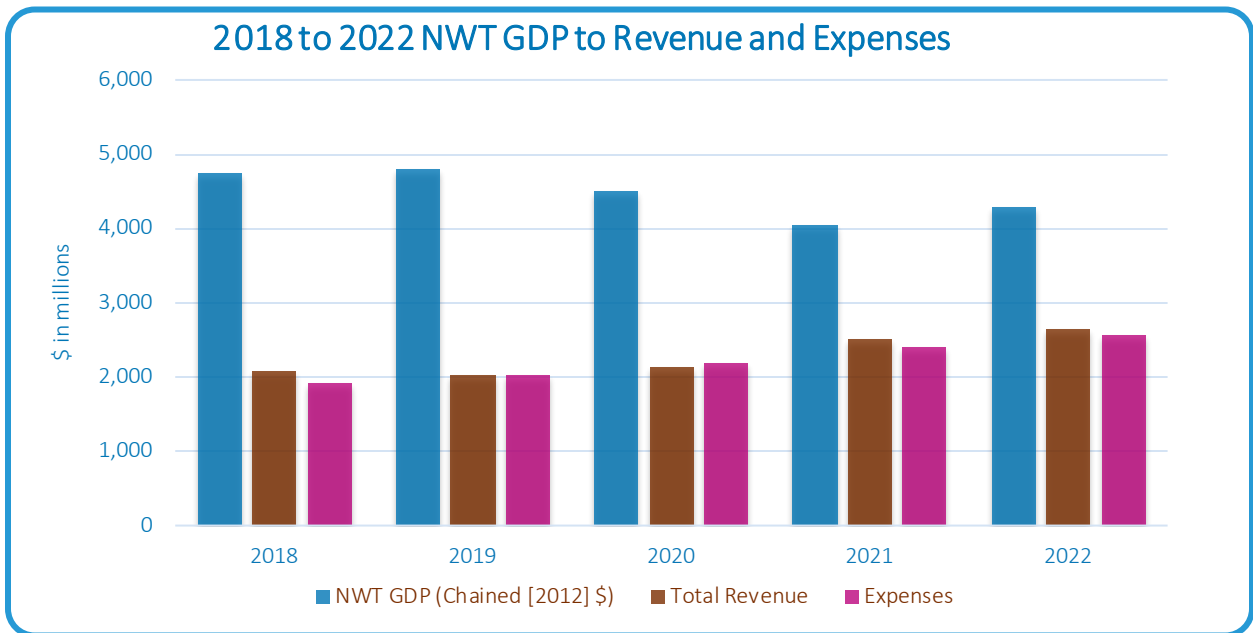
Provincial Comparisons – TCA Acquisitions as Percentage of Revenue Comparison

In 2021, at 10.8%, the Government has the highest percentage of revenue invested in infrastructure compared to other Territories and Provinces.



Figures calculated based on fiscal 2020-21 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.

Covid 19: The COVID-19 pandemic impacted the Government's fiscal results for the year ended March 31, 2022, the second full year operating in a COVID-19 environment since the global pandemic was declared, see Public Accounts – **Section I** (note 24) for details.

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

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

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 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 2021-22:

- 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 1.6% 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)

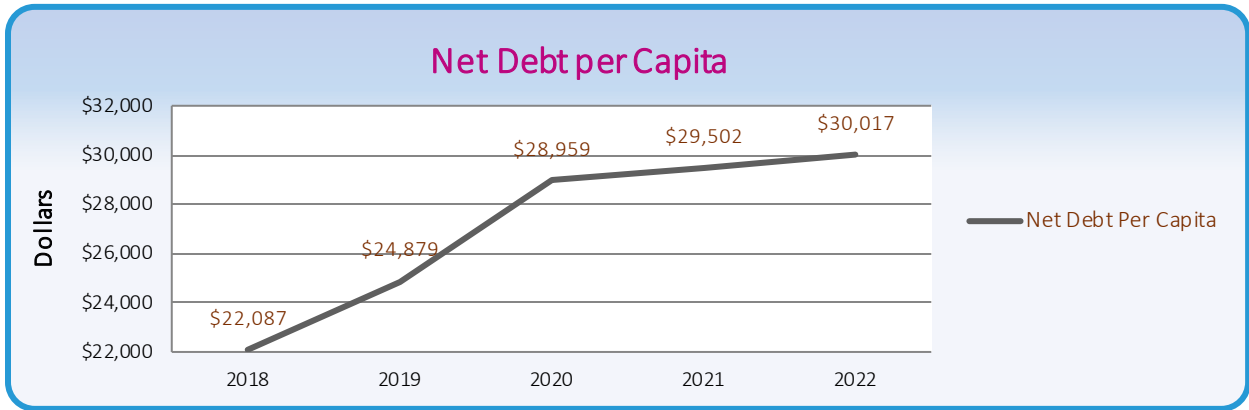
	2022	2021
	(\$ in Millions)	
Policy Provision 6(5)(a)- Debt Servicing Payments		
Revenues (Public Accounts, Section II, Schedule A)	2,307	2,179
<i>Maximum Debt Servicing Payments- 5% of Revenues</i>	115	109
Debt Servicing Payments		
Short-Term Interest Expense (Public Accounts, Section II, note 7)	1	2
Deh Cho Bridge (Public Accounts, Section II, note 12)	19	9
P3 Debt Servicing (Public Accounts, Section II, note 13)	<u>17</u>	<u>16</u>
Total Debt Servicing Payments	37	27
Actual Debt Servicing Payments as a % of Revenues	1.59%	1.22%
Provision 6(3)- Infrastructure Financing		
Capital Acquisitions (Public Accounts, Section II, Schedule 4)	171	183
Less: P3 Items - Out of Scope (Public Accounts, Section II)		
Tlicho All Season Road (Public Accounts, Section II, note 13)	<u>(59)</u>	<u>(85)</u>
<i>Cash Required for Infrastructure Investment Expenditures</i>	112	98
Operating Cash Required		
Minimum cash required from operating surplus (50% of Acquisitions less out of scope items)	56	49
<i>Total Operating Cash Requirement</i>	56	49
Operating Cash Available		
Operating Surplus (Public Accounts, Section II, Statement of Operations)	33	67
Add Non Cash Item - Amortization (Public Accounts, Section II, Statement of Cash Flow)	<u>125</u>	<u>121</u>
<i>Total Operating Cash Available</i>	158	188
Net cash surplus (deficit) for 50% of Infrastructure Investment	102	139

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

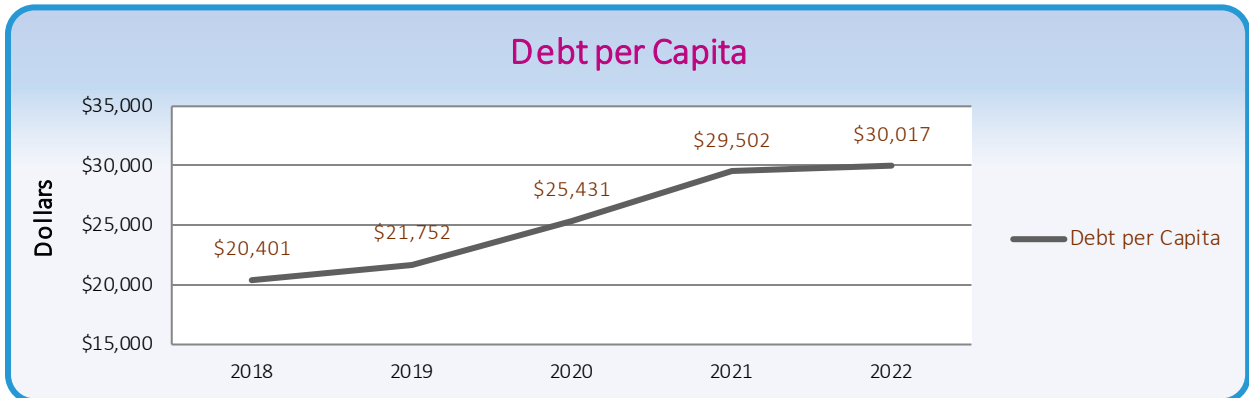
The Northwest Territories net debt per capita remains stable, increasing by \$515 per person from \$29,502 in 2020-21 to \$30,017 in 2021-22.



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

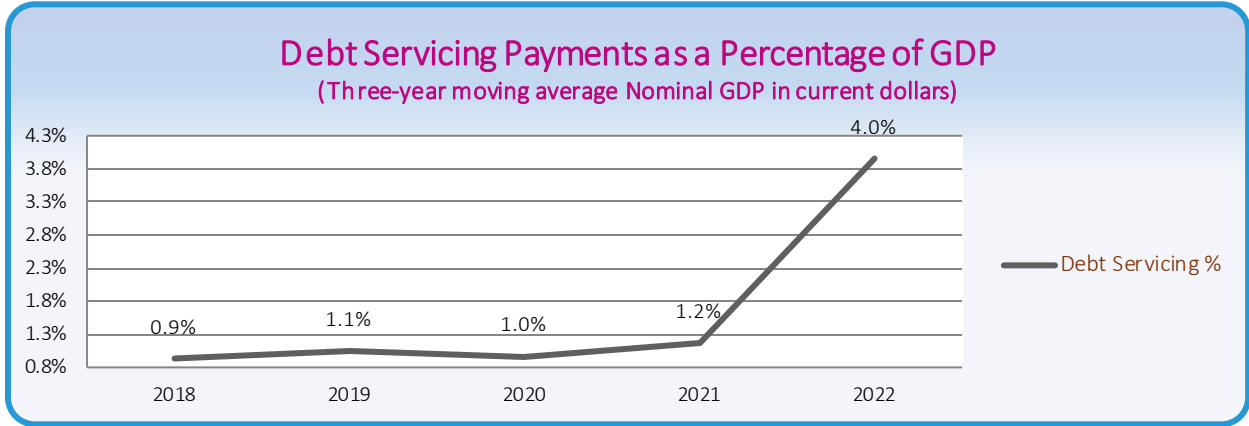
Debt per capita increased 1.8%; from \$29,502 in 2020-21 to \$30,017 in 2021-22. The debt per capita burden increased because high borrowing growth exceeded low population growth.



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

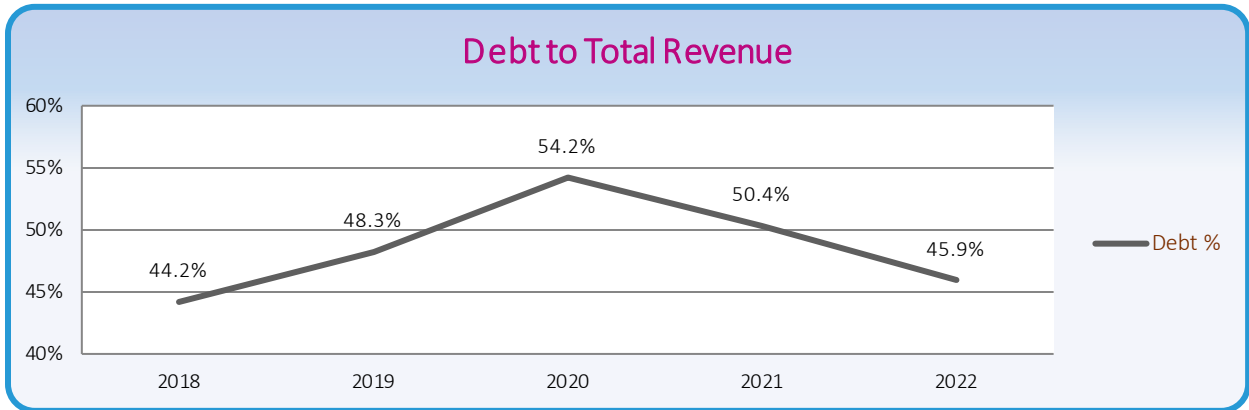
Debt servicing payments as a percentage of GDP for the Northwest Territories increased from 1.2% in 2020-21 to 4.0%, in 2021-22 mainly due to a large repayment of P3 debt relating for the Tlicho All Season Road.



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

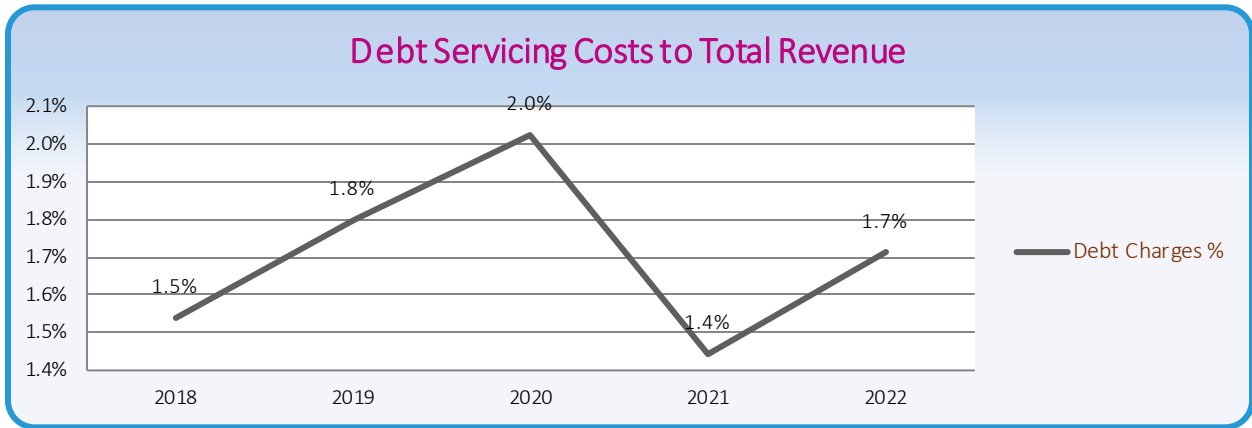
The Government’s debt to total revenue has decreased from 50.4% in 2020-21 to 45.9% in 2021-22 because mainly due to the payment towards the Tlicho All Season Road which decreased the overall debt.



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

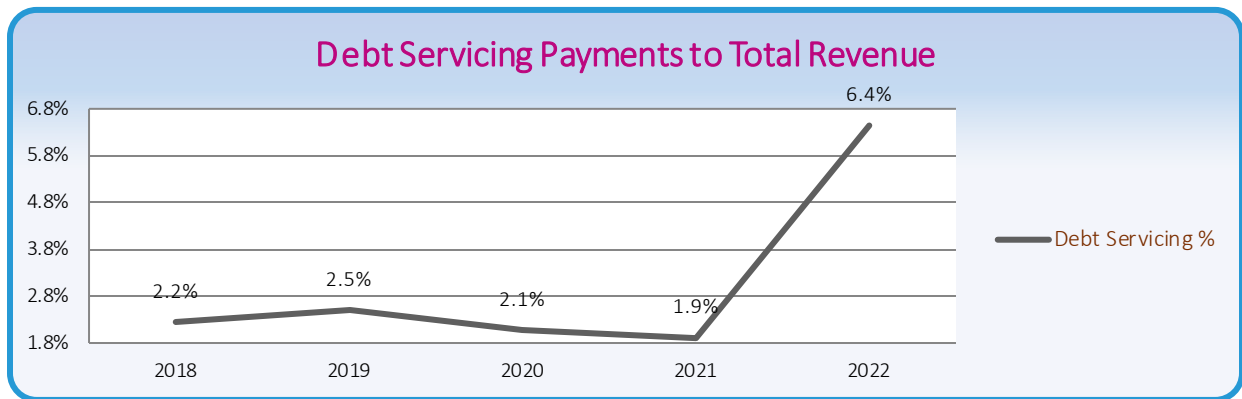
The Government’s debt servicing costs compared to total revenue has increased from 1.4% in 2020-21 to 1.7% in 2021-22 mainly due to higher interest on the Deh Cho Bridge loan as a result of inflation and higher interest on the bond due to the first full year of interest payments.



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 remained consistent at 1.9% in 2020-21 to 6.4% in 2021-22. This is mainly due to a large repayment of P3 debt relating for the Tlicho All Season Road.



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

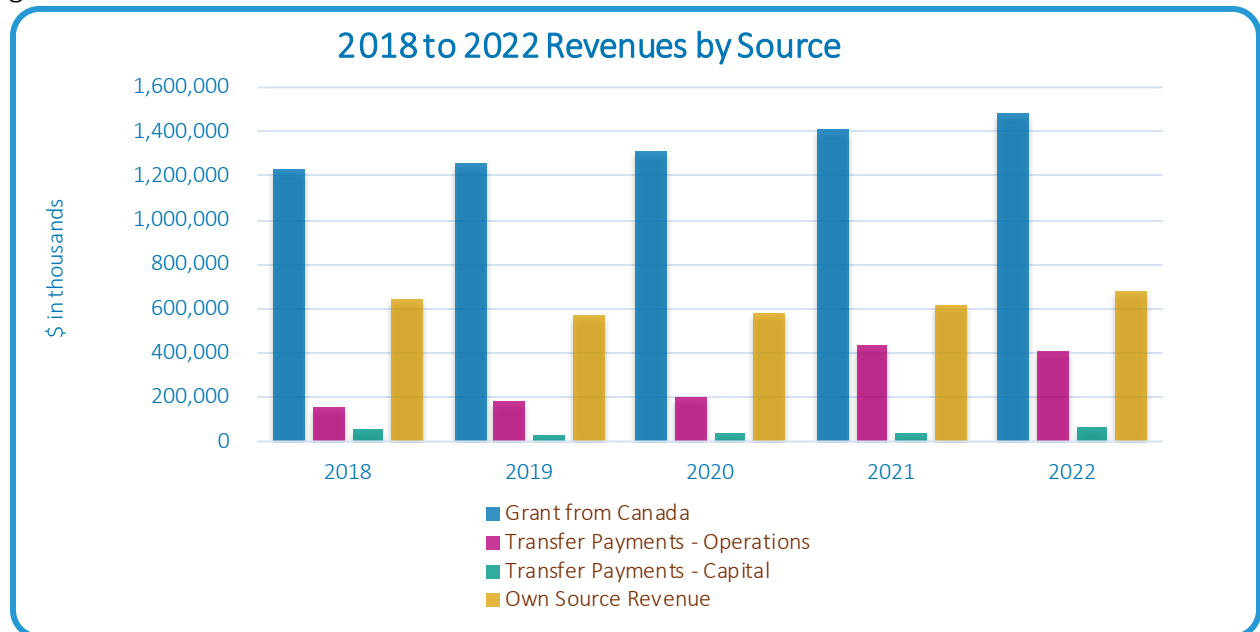
Balancing the budget entails not only controlling expenses but also finding the most effective and efficient mix of programs. During the fiscal year the variance review process assesses the present level of programs and services by monitoring the growth rates of revenues and expenditures on an ongoing 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 2021-22 is \$2.6 billion, an increase of \$63.5 million or 2.5% from the original budget. This increase is mainly due to a higher grant from Canada because of the Gross Expenditure Base increase, increased corporate and personal incomes taxes and increased general revenue.



Type of Revenue (in \$000s)	% of total 2022 Revenue Budget	% Change Actuals year over year	Variance Actual to Approved Budget 2022	Explanation
Territorial Formula Financing Grant	57.6%	4.8%	\$0	<ul style="list-style-type: none"> • 4.8% increase from 2021 to 2022 is mainly due to a higher grant from Canada because of the Gross Expenditure base increase • no significant difference from 2022 actuals to original budget
Transfer Payments	20.1%	1.8%	-\$37,885	<ul style="list-style-type: none"> • 1.8% increase from 2021 to 2022 was mainly due to the revenue recognition of TASR being brought into service offset by a decrease in COVID related funding • \$37.9 million decrease from 2022 original budget mainly due to delayed capital projects and ICIP projects (Inuvik Airport; Taltson Expansion; Investing in Canada)
Corporate & personal Income taxes	3.7%	53.2%	\$63,710	<ul style="list-style-type: none"> • 53.2% increase from 2021 to 2022 mainly due to increase revenue received from the Federal Government based on estimates and revenue estimates for potential late filers • \$63.7 million increase from the 2022 budget was mainly due to increases in corporate income tax of \$33.1 million and increases in personal income tax of \$30.6 million
Other taxes	5.3%	5.4%	\$11	<ul style="list-style-type: none"> • 5.4% increase from 2021 to 2022 was mainly due to the economy recovering after the Global pandemic • no significant difference from 2022 actuals to original budget
Non-renewable resources	0.2%	-36.0%	\$37,935	<ul style="list-style-type: none"> • 36% decline from 2021 to 2022 was due a \$45.0 million work bid forfeiture in 2021 • \$37.9 million increase from 2022 original budget due to budget taking into consideration uncertain impact on economy due to COVID-19 pandemic
Own Source	13.2%	6.7%	-\$246	<ul style="list-style-type: none"> • 6.7% increase from 2021 to 2022 was mainly due to increases in sales in MTS of \$8 million, regulatory fee increases of \$8.6 million, rental income increases of \$7.0 million, offset by a decline in Liquor sales revenue of \$3.0 million • no significant difference from 2022 actuals to original budget

Note: based on Government reporting entity at consolidated level and original approved budget tabled December 1, 2021.

Types of Government Revenues

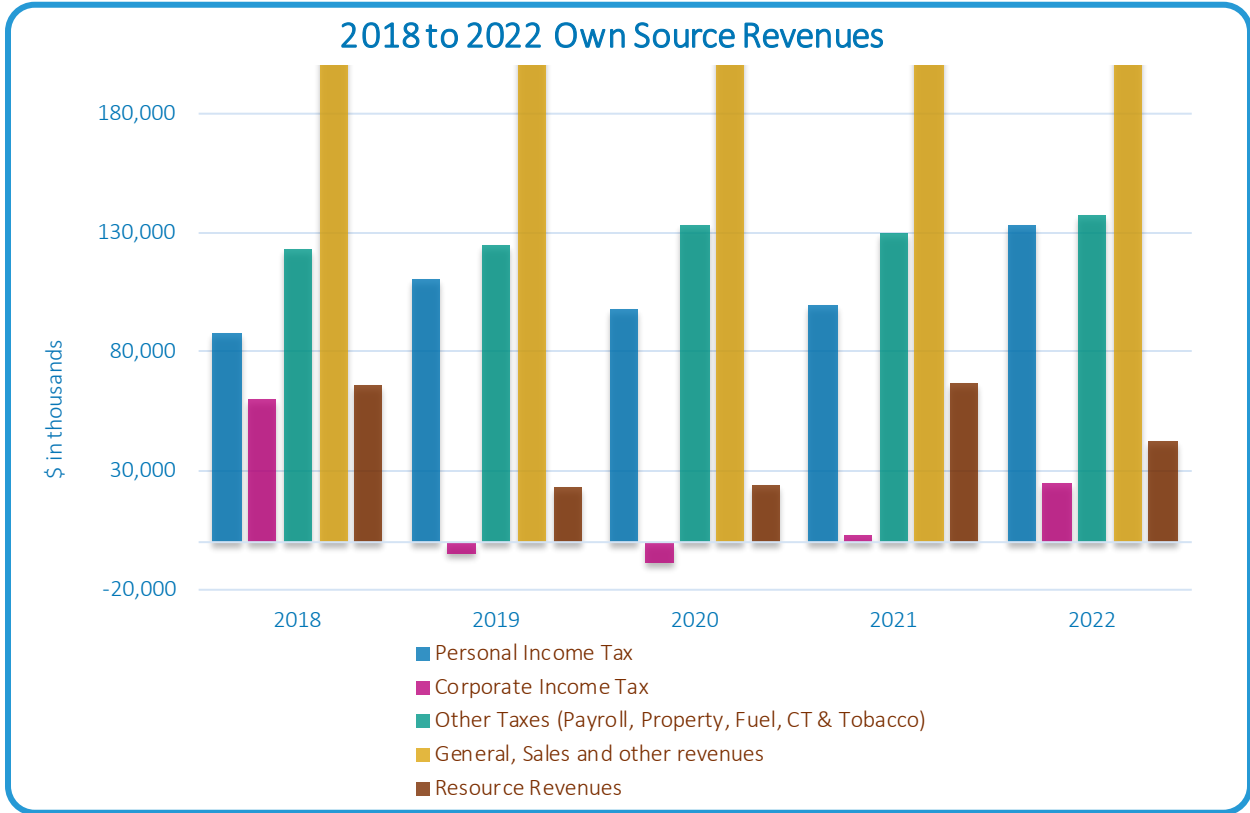
The Territorial Formula Financing Grant is an annual formula-based calculation based on a three-year moving average of data, which includes a two-year lag, to fill the fiscal gap between the Government's expenditure needs and its ability to raise revenues. The NWT's Grant equals the difference between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

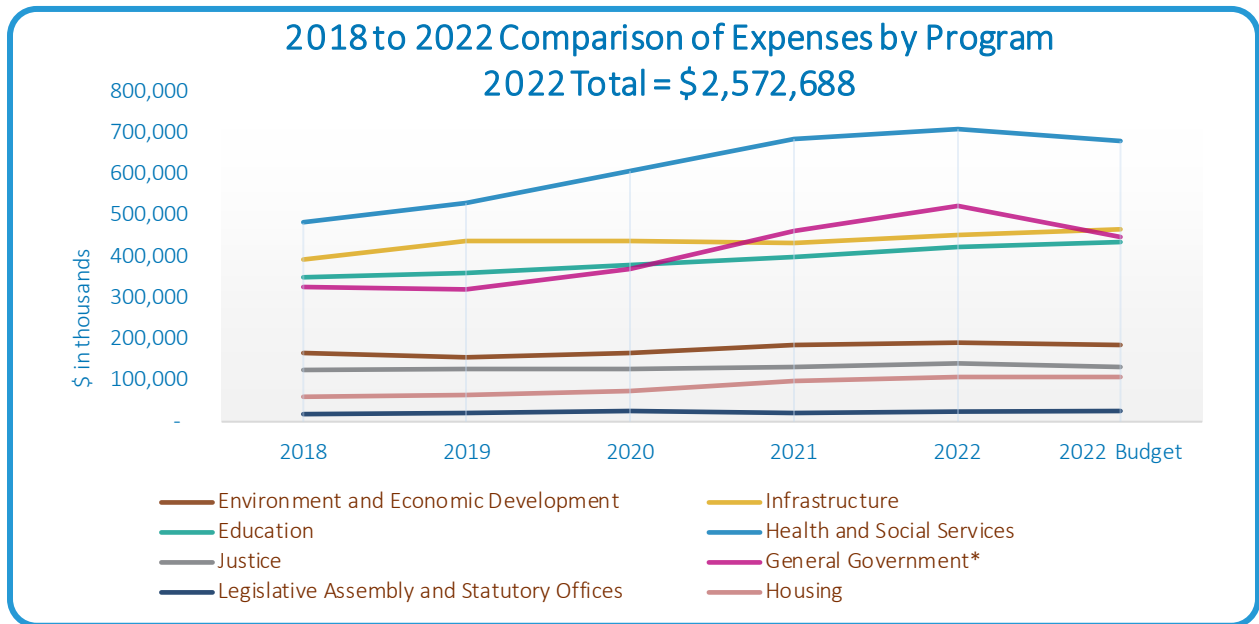
Resource revenues include all mineral revenues, oil and gas revenues and water revenues generated in the NWT but exclude royalty revenues that are part of land claim agreements. The resources revenues generated in the NWT and reported in the Public Accounts are shared with the federal government by reducing 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 2021-2022 Net Fiscal Benefit is outlined in the chart below:

Net Fiscal Benefit (in \$000s) *	Approved Budget 2022	Actuals 2022	Actuals 2021
Non- renewable Resource Revenue	\$4,575	\$42,510	\$66,469
Government of Canada's share through a reduction in Territorial Formula Grant Financing	\$2,288	\$21,255	\$33,235
Aboriginal Parties' share through Net Fiscal Benefit Transfers	\$572	\$5,314	\$8,308
Allocation to the Heritage Fund through annual contributions	\$429	\$5,656	\$2,538
Net Fiscal Benefit	\$1,286	\$10,285	\$22,388

* 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 \$2.6 billion in 2021-2022. This represents an increase of \$159.7 million, or 6.6% over the prior year. The biggest increases were in General Government, Health and Social Services, Education and Infrastructure.

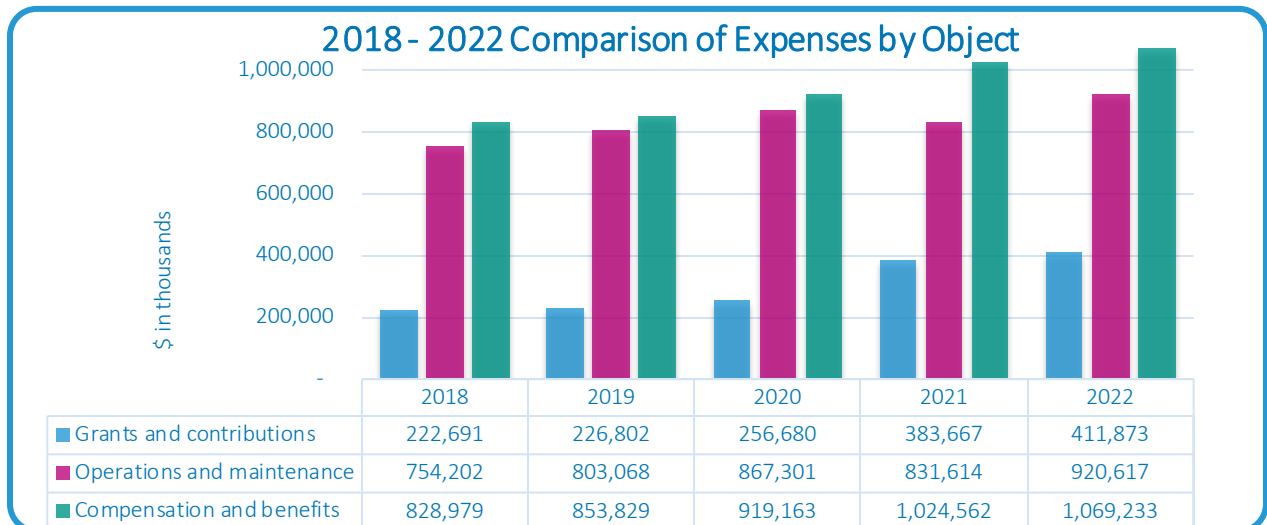
Type of Expenses by Program (in \$000s)	% of total Expenses in 2022	% Change Actuals year over year	Variance Actual to Approved Budget 2022	Explanation
Environment & Economic Development*	7.4%	4.0%	\$7,855	<ul style="list-style-type: none"> • 4.0% increase from 2021 to 2022 is mainly due to higher compensation and benefits and fire suppression costs • \$7.9 million increase from the 2022 budget is mainly due to higher fire suppression costs
Infrastructure	18.8%	5.2%	-\$11,925	<ul style="list-style-type: none"> • 5.2% increase from 2021 to 2022 is mainly due to increased contributions; and increased amortization as a result of new assets in service • \$11.9 million decrease from the 2022 budget is mainly due to decreased Low Carbon Economy program spend, as a result of less applications and project delays from the COVID pandemic
Education	17.6%	5.7%	-\$12,239	<ul style="list-style-type: none"> • 5.7% increase from 2021 to 2022 is mainly due to increase in compensation and benefits, and operational expenses due to COVID pandemic • \$12.2 million decrease from the 2022 budget is mainly due to decreased demand in income assistance and student financial assistance programs
Health & Social Services*	27.4%	3.7%	\$29,067	<ul style="list-style-type: none"> • 3.7% increase from 2021 to 2022 is mainly due to higher compensation and benefits expenses, medical travel and locum services • \$29.1 million increase from the 2022 budget is mainly due to higher compensation and benefits, travel costs, and COVID operational contracts
Housing	4.4%	9.7%	-\$1,471	<ul style="list-style-type: none"> • 9.7% increase from 2021 to 2022 is mainly due to increased operational expenses, including utilities, flooding costs and compensation and benefits • no significant difference from 2022 actuals to original budget
Justice	5.4%	7.8%	\$6,904	<ul style="list-style-type: none"> • 7.8% increase from 2021 to 2022 is mainly due to retroactive salary increases for the RCMP collective agreement • \$6.9 million increase from the 2022 budget is mainly due to retroactive salary increases for the RCMP collective agreement
General Government*	18.0%	13.6%	\$76,468	<ul style="list-style-type: none"> • 13.6% increase from 2021 to 2022 is mainly due to is mainly due to environmental liabilities adjustments, 2021 flood recovery assistance, increased interest expenses, and operational impacts from COVID • \$76.5 million increase from the 2022 budget is mainly due to environmental liabilities adjustments, 2021 flood recovery assistance, increased interest expenses, operational impacts from the COVID pandemic
Legislative Assembly & statutory offices*	1.0%	14.8%	\$21	<ul style="list-style-type: none"> • 14.8% increase from 2021 to 2022 is mainly due to compensation and benefits including new and previously vacant positions and pension and employee future benefits adjustments • no significant difference from 2022 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 December 1, 2021. *Note: For details of the program categories above see Note 22 Section I, Public Accounts.

Expense Variance Analysis by Object

Type of Expenses by Object (in \$000s)	% of total Expenses in 2022	% Change Actuals year over year	Variance Actual to Approved Budget 2022	Explanation
Grants & Contributions	14.2%	7.4%	\$59,357	<ul style="list-style-type: none"> •7.4% increase from 2021 to 2022 is mainly due to higher infrastructure contributions and gas tax contribution agreements •\$59.4 million increase from the 2022 budget is mainly due to additional funding received and additional COVID funding support
Operations & maintenance	40.1%	10.7%	-\$73,410	<ul style="list-style-type: none"> •10.7% increase from 2021 to 2022 is mainly due to environmental liabilities adjustments, 2021 flood recovery assistance, increased interest expenses, operational impacts from COVID and increased RCMP contract costs •\$73.4 million decrease from the 2022 budget is mainly due to reduced health, education, and infrastructure expenses, due to delays from the COVID pandemic; reduced travel; and various project work deferred
Compensation and benefits	38.9%	4.4%	\$106,517	<ul style="list-style-type: none"> •4.4% increase from 2021 to 2022 is mainly due to operational impacts from the COVID pandemic, and collective agreement and salary increases •\$106.5 million increase from the 2022 budget is mainly due to operational impacts from the COVID pandemic; and collective agreement and salary increases
Change in valuation allowance	0.0%	-35.7%	\$5,775	<ul style="list-style-type: none"> •35.7% decrease from 2021 to 2022 is mainly due to lower allowances for student financial assistance loans •Valuation allowances are not budgeted
Amortization of TCAs	6.8%	3.0%	-\$3,559	<ul style="list-style-type: none"> •3.0% increase from 2021 to 2022 is mainly due to new assets put in service •\$3.6 million decrease from the 2022 budget is mainly due to delays in capital projects

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 December 1, 2021.



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-2021		31-Jul-2021
Commission scolaire francophone Territoires du Nord-Ouest	28-Sep-2021		20-Sep-2021
Dehcho Divisional Education Council	28-Sep-2021		10-Sep-2021
Dettah District Education Authority	28-Sep-2021		29-Sep-2021
N'dilo Divisional Education Council	28-Sep-2021		29-Sep-2021
Sahtu Divisional Education Council	28-Sep-2021		13-Sep-2021
South Slave Divisional Education Council	28-Sep-2021		9-Aug-2021
Yellowknife Catholic Schools	28-Sep-2021		17-Sep-2021
Yellowknife No.1 District Education Authority	28-Sep-2021		14-Sep-2021
Aurora College	28-Sep-2021		9-Dec-2021
Northwest Territories Health and Social Services Authority	29-Jun-2022	28-Aug-2022	25-Aug-2022
Hay River Health and Social Services Authority	29-Jun-2022	28-Aug-2022	17-Aug-2022
Tłjchq Community Services Agency	29-Jun-2022		25-Jun-2022
Arctic Energy Alliance	29-Jun-2022		7-Jun-2022
Northwest Territories Hydro Corporation	29-Jun-2022	28-Aug-2022	3-Aug-2022
Northwest Territories Business Development and Investment Corporation	29-Jun-2022	28-Aug-2022	25-Aug-2022
Northwest Territories Heritage Fund	29-Jun-2022	28-Aug-2022	26-Aug-2022
Northwest Territories Housing Corporation (Housing Northwest Territories)	29-Jun-2022	28-Aug-2022	22-Aug-2022
Northwest Territories Human Rights Commission	29-Jun-2022		20-Jun-2022
Inuvialuit Water Board	29-Jun-2022		16-Jun-2022
Status of Women Council of the Northwest Territories	29-Jun-2022		15-Jun-2022
Northwest Territories Surface Rights Board	29-Jun-2022		6-Jun-2022



2021-2022 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, 2022

SECTION II
NON-CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

HONOURABLE CAROLINE WAWZONEK

Minister of Finance

NON-CONSOLIDATED FINANCIAL STATEMENTS (unaudited)

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Government of the Northwest Territories

Non-Consolidated Statement of Financial Position (unaudited)

as at March 31, 2022

(thousands of dollars)

	2022 Actual \$	(Note 24) 2021 Actual \$
Financial assets		
Portfolio investments (note 3)	40,307	37,519
Accounts receivable (note 4)	406,728	347,449
Due from the Government of Canada (note 10)	106,698	88,764
Inventories held for resale	37,100	39,250
Loans receivable (note 5)	88,988	91,042
Sinking fund (note 6)	500	78,099
Pension assets (note 14)	2,888	2,189
	683,209	684,312
Liabilities		
Bank overdraft (note 3)	23,159	50,093
Short-term loans (note 7)	364,972	324,871
Accounts payable and accrued liabilities (note 8)	354,125	332,208
Deferred revenue (note 9)	177,825	86,627
Due to the Government of Canada (note 10)	106,838	148,729
Environmental liabilities (note 11)	71,658	51,295
Long-term debt (note 12)	357,922	352,291
Liabilities under public private partnerships (note 13)	270,510	353,050
Pension liabilities (note 14)	41,631	40,453
Other employee future benefits and compensated absences (note 15)	21,863	24,940
	1,790,503	1,764,557
Net Debt	(1,107,294)	(1,080,245)
Non-financial assets		
Tangible capital assets (schedule C)	2,912,550	2,856,826
Inventories held for use	2,148	1,578
Prepaid expenses	9,845	7,592
	2,924,543	2,865,996
Accumulated surplus	1,817,249	1,785,751

Contractual obligations, rights, guarantees and contingencies (notes 18 and 19)

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 Surplus (unaudited)

for the year ended March 31, 2022

(thousands of dollars)

	(Note 1(b)) 2022 Budget \$	2022 Actual \$	(Note 24) 2021 Actual \$
Revenues			
Revenues by source (<i>schedule A</i>)	2,259,231	2,306,689	2,178,562
Recoveries of prior years' expenses (<i>schedule 3</i>)	3,000	17,334	24,107
	2,262,231	2,324,023	2,202,669
Expenses (<i>schedule B</i>)			
Environment and Economic Development	166,227	177,721	168,471
Infrastructure	331,609	341,090	314,800
Education	378,849	373,454	361,509
Health and Social Services	614,504	656,817	627,571
Housing	76,781	76,713	76,210
Justice	134,396	141,364	131,848
General Government	421,863	499,007	433,393
Legislative Assembly and statutory offices	24,443	24,636	21,476
	2,148,672	2,290,802	2,135,278
Annual operating surplus (deficit)	113,559	33,221	67,391
Petroleum Products Stabilization Fund Net loss for the year (<i>note 16</i>)	-	(1,723)	-
Annual surplus (deficit)	113,559	31,498	67,391
Accumulated surplus at beginning of year	1,785,751	1,785,751	1,718,360
Accumulated surplus at end of year	1,899,310	1,817,249	1,785,751

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, 2022

(thousands of dollars)

	(Note 1(b)) 2022 Budget \$	2022 Actual \$	2021 Actual \$
Net debt at beginning of year	(1,080,245)	(1,080,245)	(1,068,272)
Items affecting net financial resources:			
Annual surplus (deficit) for the year	113,559	31,498	67,391
Change in tangible capital assets, net book value (<i>schedule C</i>)	(247,525)	(55,724)	(78,323)
Change in inventories held for use	-	(570)	199
Change in prepaid expenses	-	(2,253)	(1,240)
Net debt at end of year	(1,214,211)	(1,107,294)	(1,080,245)

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, 2022

(thousands of dollars)

	2022 \$	2021 \$
Cash and cash equivalents provided by (used for)		
Operating transactions		
Annual surplus for the year*	31,498	67,391
Items not affecting cash and cash equivalents:		
Provision for bad debts and forgivable loans	2,551	5,755
Recoveries of forgivable loans	(389)	522
Amortization of tangible capital assets	125,470	121,249
	159,130	194,917
Changes in non-cash assets and liabilities:		
Change in due to (from) Canada	(59,825)	4,791
Change in other financial assets	(62,529)	(71,065)
Change in other financial liabilities	144,961	59,304
Change in prepaid expenses	(2,253)	(1,240)
Change in inventories held for use	(570)	199
Change in inventories for resale	2,149	(4,198)
Cash and cash equivalents provided by operating transactions	181,063	182,708
Investing transactions		
Designated cash and investments purchased	(9,119)	(10,623)
Designated cash and investments sold	6,331	8,291
Net loans receivable receipts (disbursements)	2,443	(46,107)
Sinking fund installments	(34,519)	(48,419)
Sinking fund redemption	112,118	-
Cash and cash equivalents provided by (used for) investing transactions	77,254	(96,858)
Capital transactions		
Acquisition of tangible capital assets	(194,819)	(193,363)
Disposal of tangible capital assets (net)	244	783
Cash and cash equivalents used for capital transactions	(194,575)	(192,580)
Financing transactions		
Acquisition (repayment) of short-term financing	40,101	(124,408)
Acquisition (repayment) of long-term financing	(76,909)	254,936
Cash and cash equivalents provided by (used for) financing activities	(36,808)	130,528
Increase in cash and cash equivalents	26,934	23,798
Cash and cash equivalents at beginning of year	(50,093)	(73,891)
Cash and cash equivalents at end of year	(23,159)	(50,093)

* Interest paid during the year \$23,532 (2021 - \$19,175). Interest received during the year \$3,186 (2021 - \$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, 2022

(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
- Northwest Territories Housing Corporation
- 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 2021-2022 as tabled in the Legislative Assembly to the budget figures in the Statement of Operations and Accumulated Surplus.

Government of the Northwest Territories

Notes to Non-Consolidated Financial Statements (unaudited)

March 31, 2022

(All figures in thousands of dollars)

1. AUTHORITY, OPERATIONS AND REPORTING ENTITY (continued)

(b) Budget (continued)

	2022 Main Estimates as Tabled \$	Projects on Behalf of Third Parties Adjustment ¹ \$	Carbon Tax Adjustment ² \$	Housing Northwest Territories Adjustment ³ \$	2022 Budget as Presented \$
Revenues					
Revenues by source	2,189,397	88,634	(18,800)	-	2,259,231
Recoveries of prior years' expenses	3,000	-	-	-	3,000
	2,192,397	88,634	(18,800)	-	2,262,231
Expenses					
Environment and Economic Development	157,863	8,364	-	-	166,227
Infrastructure	321,110	10,499	-	-	331,609
Education	370,499	8,350	-	-	378,849
Health and Social Services	596,784	17,720	-	-	614,504
Housing	-	-	-	76,781	76,781
Justice	133,753	643	-	-	134,396
General Government	474,386	43,058	(18,800)	(76,781)	421,863
Legislative Assembly and statutory offices	24,443	-	-	-	24,443
	2,078,838	88,634	(18,800)	-	2,148,672
Annual operating surplus (deficit)	113,559	-	-	-	113,559
Projects on behalf of third parties					
Expenses	(88,634)	88,634	-	-	-
Recoveries	88,634	(88,634)	-	-	-
Annual surplus	113,559	-	-	-	113,559

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 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 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.

(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 are investments in marketable securities and investments in organizations that do not form part of the government reporting entity and are accounted for by the cost or amortized cost method. 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 and it is recognized in the Statement of Operations and Accumulated Surplus. Interest income is recorded on the accrual basis, dividend income is recognized as it is declared, and capital gains and losses are recognized when realized.

(d) Restricted assets

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Inventories

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

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

(f) Loans receivable

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

(g) 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.

(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.

(j) 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 and to pay for authorized grants and contributions where eligibility criteria are met and to pay for employee compensation earned prior to year-end.

Bonds and debentures included in debt are recognized at amortized cost (initial cost, less unamortized discount and issuance costs).

Long-term debt is recognized at cost and inflation adjusted.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) 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.

(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. 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Liabilities under Public-Private Partnership(continued)

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) 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.

(n) Contractual obligations and contingent liabilities

The nature of the Government's activities requires entry into 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, 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(o) Grant from the Government of Canada

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

(p) Transfer payments

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

(q) 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 (Canada)*. 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 (Canada)*, 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)

(q) 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(o)*) 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*.

(r) 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.

(s) 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 statement of operations and accumulated 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)

(t) 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 exchange gains and losses are included in net income for the year according to the activities to which they relate.

(u) 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.

(v) 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 non-consolidated financial statements as a result of its application.

Other New Standards

Effective April 1, 2022, the Government will concurrently be required to adopt: PS 2601 Foreign Currency Translation, PS 1201 Financial Statement Presentation, and PS 3041 Portfolio Investments in the same fiscal period. Government organizations that apply PSAS were required to adopt these standards effective April 1, 2012, however there is no significant impact on the non-consolidated financial statements as a result of its application.

Effective April 1, 2022, the Government 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 Government is currently assessing the impact of this standard on the non-consolidated financial statements.

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 is no significant impact on the non-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 is no significant impact on the non-consolidated financial statements as a result of its application.

3. CASH AND CASH EQUIVALENTS, RESTRICTED ASSETS AND DESIGNATED ASSETS

(a) Investment pool

Surplus (deficit) in cash and cash equivalents of the Government is pooled with the surplus cash 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, 2022, the investment pool had no net overdraft balance (2021 - nil).

As at March 31, 2022, the Government's share in the investment pool was a deficit of \$23,159 (2021 - \$50,093).

The Government's cash deficit related to the investment pool carried interest at an average rate of 2.47% (2021 - 2.45%).

The investment pool had an average portfolio yield range for the year of 0.65% - 0.96% (2021 was 0.70% - 0.89%). In 2022, the Government received interest on short-term investments of \$191 (2021 - \$77).

(b) 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, 2022 is \$5,533 (2021 - \$7,793) and is included in deferred revenue (note 9).

3. CASH, RESTRICTED ASSETS AND DESIGNATED ASSETS (continued)

(c) Designated Assets

Designated assets are included in cash and cash equivalents, and portfolio investments.

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.

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 14*). 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:

	2022 %	2021 %
Canadian stocks	19.97	20.43
Cash and other assets	2.00	2.41
Fixed income mutual funds	42.80	40.99
Federal bonds	10.80	11.60
Foreign stocks	24.43	24.57
	<u>100.00</u>	<u>100.00</u>

Government of the Northwest Territories

Notes to Non-Consolidated Financial Statements (unaudited)

March 31, 2022

(All figures in thousands of dollars)

3. CASH, RESTRICTED ASSETS AND DESIGNATED ASSETS (continued)

(c) Designated Assets (continued)

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

	2022	2021
	\$	\$
Students Loan Fund:		
Authorized limit for loans receivable	45,000	45,000
Less: Loans receivable balance	(41,294)	(41,924)
	<hr/>	<hr/>
Funds designated for new loans	3,706	3,076
	<hr/>	<hr/>
Environment Fund:		
Beverage Container Program net assets	7,475	6,754
	<hr/>	<hr/>
Land Titles Assurance Fund:		
Land Titles net assets	5,301	5,092
	<hr/>	<hr/>
Portfolio Investments for the Legislative Assembly Supplementary Retiring Allowance Pension Plan:		
Marketable securities (market value \$39,951; 2021 - \$39,602)	39,502	36,616
Money Market (market value approximates cost)	197	27
Cash and other assets (market value approximates cost)	608	876
	<hr/>	<hr/>
	40,307	37,519
	<hr/>	<hr/>
	56,789	52,441
	<hr/>	<hr/>

Government of the Northwest Territories

Notes to Non-Consolidated Financial Statements (unaudited)

March 31, 2022

(All figures in thousands of dollars)

4. ACCOUNTS RECEIVABLE

	Accounts Receivable \$	Allowance for Doubtful Accounts \$	Net 2022 \$	Net 2021 \$
General	76,844	(27,780)	49,064	54,129
Government of Nunavut	8,997	-	8,997	12,363
Revolving fund sales	1,520	-	1,520	1,296
Non-renewable resource revenue	40,779	-	40,779	27,496
Workers' Safety Compensation Commission	84	-	84	129
	<hr/>	<hr/>	<hr/>	<hr/>
	128,224	(27,780)	100,444	95,413
<hr/>				
Receivables from related parties:				
Divisional Education Councils and District Education Authorities	15,256	-	15,256	13,703
Health and Social Services Authorities	275,606	-	275,606	225,750
Northwest Territories Business Development and Investment Corporation	254	-	254	219
Northwest Territories Housing Corporation	3,883	-	3,883	2,239
Tlicho Community Services Agency	5,080	-	5,080	4,289
Northwest Territories Hydro Corporation	211	-	211	201
Aurora College	5,900	-	5,900	5,392
Inuvialuit Water Board	94	-	94	243
	<hr/>	<hr/>	<hr/>	<hr/>
	306,284	-	306,284	252,036
	<hr/>	<hr/>	<hr/>	<hr/>
	434,508	(27,780)	406,728	347,449

During the year, no accounts receivable (2021 - \$0) were written off and \$97 (2021 - \$0) were forgiven.

Government of the Northwest Territories

Notes to Non-Consolidated Financial Statements (unaudited)

March 31, 2022

(All figures in thousands of dollars)

5. LOANS RECEIVABLE

	2022	2021
	\$	\$
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.	26,067	26,798
Students Loan Fund loans due in installments to 2035, bearing fixed interest between 0.00% and 11.75%, unsecured.	41,294	41,924
Yellowknife Catholic School Board Advance, unsecured, repayable in monthly installments of \$10 (2021 - \$10). Interest is calculated monthly based upon the Government's current borrowing rate.	315	432
Northwest Territories Power Corporation loan, unsecured, repayable in semi-annual installments of \$922, bearing fixed interest at 2.265%.	38,572	39,527
Other	6	16
	106,254	108,697
Valuation allowance - Student Loan Fund	(17,266)	(17,655)
	88,988	91,042

During the year, \$1,958 in student loans (2021 - \$1,933) was remised with proper authority.

Interest earned on loans receivable during the year is \$1,492 (2021 - \$672).

6. SINKING FUND

The Sinking Fund was established on July 15, 2019 and includes 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 13). The Government made a contribution of \$33,910 to the sinking fund in 2022 and then 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, 2022, the Sinking Fund balance is \$500 (2021 - \$78,099); the carrying value approximates the market value. The weighted average effective rate of return for the year is 0.08% (2021 - 0.08%). Interest earned on the sinking fund during the year is \$554 (2021 - \$434).

7. SHORT-TERM LOANS

Based upon operational needs, the Government may enter into short term borrowing arrangements with its banks. Short term loans of \$364,972 (2021 - \$324,871) incurred interest at the weighted average year-end rate of 0.48% (2021 - 0.50%). Interest paid is \$1,332 (2021 - \$2,078).

The short-term borrowing limit under the *Appropriation Act* as at March 31, 2022 is \$731,000 (2021 - \$565,000).

Government of the Northwest Territories

Notes to Non-Consolidated Financial Statements (unaudited)

March 31, 2022

(All figures in thousands of dollars)

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2022	2021
	\$	\$
Trade	214,814	187,243
Government of Nunavut	553	-
Employee and payroll-related liabilities	87,171	85,507
Other liabilities	4,252	3,887
Non-renewable resource sharing	11,341	9,493
Workers' Safety and Compensation Commission (Northwest Territories and Nunavut)	1	2,979
	318,132	289,109
Payables to related parties:		
Arctic Energy Alliance	21	-
Aurora College	327	37
Divisional Education Councils and District Education Authorities	139	101
Health and Social Services Authorities	31,396	36,260
Northwest Territories Business Development and Investment Corporation	2,042	-
Status of Women Council of the Northwest Territories	-	13
Northwest Territories Housing Corporation	17	4,567
Northwest Territories Hydro Corporation	734	1,116
Tlicho Community Services Agency	1,295	981
Northwest Territories Human Rights Commission	23	24
	35,994	43,099
	354,125	332,208

Government of the Northwest Territories

Notes to Non-Consolidated Financial Statements (unaudited)

March 31, 2022

(All figures in thousands of dollars)

9. DEFERRED REVENUE

	Reclassified (Note 24) 2021 Balance \$	Additions \$	Usage \$	2022 Balance \$
Government of Canada	22,968	77,628	(65,723)	34,873
Government of Canada Agencies				
Canadian Northern Economic Development Agency	5,113	1,459	(2,208)	4,364
Crown - Indigenous Relations and Northern Affairs				
Canada	16,404	13,080	(6,060)	23,424
Department of National Defence	1,634	60,039	-	61,673
Health Canada	9,874	17,110	(11,483)	15,501
Infrastructure Canada	63	2,206	-	2,269
Ministry of Finance	1,995	2,431	(1,995)	2,431
Parks Canada	60	28	(50)	38
Polar Knowledge Canada	-	32	(14)	18
Public Health Agency of Canada	656	2,242	(184)	2,714
Royal Canadian Mounted Police	161	4,521	(4,559)	123
Transport Canada	3,982	3,890	-	7,872
Arctic Research Foundation	608	-	(400)	208
Baggage handling and runway projects	1,895	1,922	(2,065)	1,752
Bilateral Water Management Agreements	2,561	900	(544)	2,917
Government of Nunavut	362	-	-	362
Land leases and quarry permits	639	143	(54)	728
Large emitters carbon tax	2,048	2,123	-	4,171
Lease incentives	1,264	-	(301)	963
Mining recorders office	521	-	(506)	15
Restricted assets (note 3(b))	7,793	1,595	(3,855)	5,533
Ventura	4,800	-	-	4,800
Work deposits, commercial use permits and tourism				
licenses	1,020	-	(340)	680
Other	206	247	(57)	396
	86,627	191,596	(100,398)	177,825

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10. DUE TO (FROM) THE GOVERNMENT OF CANADA

	2022	(Note 24) 2021
	\$	\$
Due from Canada:		
Projects on behalf of the Government of Canada	(47,761)	(34,191)
Miscellaneous receivables	(58,937)	(54,573)
	(106,698)	(88,764)
Due to Canada:		
Excess income tax advanced	82,105	133,586
Miscellaneous payables	24,733	15,143
	106,838	148,729
	140	59,965

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

	\$
2023	57,965
2024	18,831
2025	5,309
	82,105

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11. ENVIRONMENTAL LIABILITIES

The Government recognizes that there are costs related to the remediation of environmentally contaminated sites for which the Government is responsible. The Government has identified 209 (2021 - 240) sites as potentially requiring environmental remediation at March 31, 2022.

Type of Site	2021 Liability	New Sites in 2022	Change in estimate	Remediation Expenses	2022 Liability	Number of Sites
	\$	\$	\$	\$	\$	
Abandoned mines ⁽¹⁾	11,076	20,175	512	(329)	31,434	9
Landfills ⁽²⁾	10,972	368	199	(485)	11,054	44
Abandoned infrastructure and schools ⁽³⁾	13,325	100	1,390	(1,530)	13,285	79
Airports, airport strips or reserves ⁽⁴⁾	4,397	-	(282)	(7)	4,108	25
Sewage lagoons ⁽⁵⁾	1,867	-	69	(149)	1,787	30
Fuel tanks and resupply lines ⁽³⁾	2,419	-	151	-	2,570	12
Abandoned lots and maintenance facilities ⁽³⁾	7,239	-	546	(365)	7,420	9
Total environmental liabilities	51,295	20,643	2,585	(2,865)	71,658	208

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, 2022 is \$1,070 (2021 - \$1,385). 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.

1 (2021 - 5) sites were closed during the fiscal year as they were either remediated or no longer met all the criteria required to record a liability for contaminated sites. 35 (2021 - 0) sites were amalgamated with other already existing sites.

4 (2021 - 1) sites were added during the fiscal year.

Included in the 208 (2021 - 240) sites, the Government has identified 68 (2021 - 67) sites where no liability has been recognized. The contamination is not likely to affect public health and safety, cause damage, or otherwise impair the quality of the surrounding environment and there is likely no need for action unless new information becomes available indicating greater concerns, in which case, the site will be re-examined. These sites will continue to be monitored as part of the Government's ongoing environmental protection program.

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12. LONG-TERM DEBT

	2022 \$	2021 \$
Mortgage payable to Canada Mortgage and Housing Corporation, repayable in monthly installments of \$7 (2021 - \$7), maturing June 2024, bearing interest at 3.30% (2021 - 3.30%), secured with real property.	197	284
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.	180,180	174,533
Bond, due in September 2051, bearing interest at 2.20% semi-annually (2021 - 2.20%), unsecured.	180,022	180,022
	360,399	354,839
Unamortized discount and issuance costs	(2,477)	(2,548)
Total long-term debt	357,922	352,291

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

	\$
2023	4,614
2024	4,931
2025	5,168
2026	5,467
2027	331,937
Beyond 2027	5,805
	357,922

Interest expense on long-term debt, included in operations and maintenance expenses, is \$19,327 (2021 - \$9,362).

13. 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 partner 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:

	2021 \$	Additions during the year \$	Principal Payments \$	2022 \$	Repayment date
Stanton Territorial Hospital Renewal	130,454	-	(3,326)	127,128	2048
Mackenzie Valley Fibre Link	72,800	-	(2,900)	69,900	2037
Tlicho All Season Road	149,796	35,934	(112,248)	73,482	2047
Total	353,050	35,934	(118,474)	270,510	

The details of the contracts under P3s are as follows:

	Partner	Date contract entered into	Scheduled/ 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:

	\$
2023	8,384
2024	8,016
2025	7,937
2026	8,067
2027	8,847
2027 and beyond	229,259
	270,510

13. 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 \$12,700 (2021 - \$12,100). Interest capitalized in the period as a function of construction or developing tangible capital assets relating to the Tlicho All Season Road is \$4,000 (2021 - \$3,500).

Tangible capital assets, contractual obligations, and contractual rights related to P3 projects are included in note 18 and schedule C.

14. 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(c)).

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.

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14. PENSIONS (continued)

(b) Pension liabilities (assets)

	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 (losses)	143	(1,228)
Pension liabilities (assets)	(2,888)	41,631

	2021 Regular Funded \$	2021 Supplemental Non Funded \$
Accrued benefit obligation	26,732	41,610
Pension fund assets - market related value	(28,955)	-
Unamortized actuarial gains	34	(1,157)
Pension liabilities (assets)	(2,189)	40,453

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14. PENSIONS (continued)

(c) Change in pension liabilities (assets)

	2022 Regular Funded \$	2022 Supplemental Non Funded \$
Opening balance	(2,189)	40,453
Change to pension liabilities (assets) 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 liabilities (assets) 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 average plan assets	(1,295)	-
Net change to pension liabilities from accrual items	560	3,174
Ending balance	(2,888)	41,631

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14. PENSIONS (continued)

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

	2021 Regular Funded \$	2021 Supplemental Non Funded \$
Opening balance	(1,233)	39,553
Change to pension liability (asset) from cash items:		
Contributions from plan members	(308)	-
Contributions from Government	(874)	-
Benefit payment to plan members	(1,674)	(1,795)
Drawdown from plan assets	1,674	-
Net change to pension assets from cash items	(1,182)	(1,795)
Change to pension liability (asset) from accrual items:		
Current period benefit cost	1,052	1,311
Amortization of actuarial gains	(691)	(353)
Interest on average accrued benefit obligation	1,092	1,737
Expected return on plan assets	(1,227)	-
Net change to pension liabilities from accrual items	226	2,695
Ending balance	(2,189)	40,453

(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 \$3,428 (2021 - \$2,613). The interest cost on the accrued benefit obligation is determined by applying the discount rate determined at the beginning of the period to the average value of the accrued benefit obligation for the period. The expected return on plan assets is determined by applying the assumed rate of return on plan assets to the average market-related value of assets for the period. The difference between the expected and the actual return on plan assets is a gain of \$1,054 (2021 - \$1,121).

In addition to the above, the Government contributed \$33,156 (2021 - \$31,716) to the Public Service Superannuation Plan. The employees' contributions to this plan were \$31,836 (2021 - \$30,314).

(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 2022 (no changes in 2021).

14. 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, 2022	April 1, 2024
Judges Registered Plan	April 1, 2019	January 1, 2022	April 1, 2022

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 \$23,875 (2021 - \$23,461). The asset valuation method for the Judges' plans is market value. The market value of the Judges' regular plan is \$7,546 (2021 - \$7,446).

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 5.5 years (2021 - 6.5 years) for the MLA's plans and 0.3 years (2021 - 1.3 years) for the Judges' plans.

Actuarial assumptions

	Judges' plans	MLAs' plans
Expected rate of return on plan assets	4.8%	4.4%
Rate of compensation increase	3.0%	2.0%
Annual inflation rate	2.0%	2.0%
Annual interest rate	4.8%	4.4%

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.

15. 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, 2022. 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 \$	2022 \$	2021 \$
Changes in Obligation				
Accrued benefit obligations, beginning of year	14,921	4,516	19,437	22,494
Benefits earned	923	426	1,349	1,396
Interest	477	152	629	587
Benefits paid	(3,550)	(665)	(4,215)	(5,122)
Plan amendments	(6)	(83)	(89)	-
Actuarial (gains)/losses	4,352	286	4,638	82
Accrued benefit obligations, end of year	17,117	4,632	21,749	19,437
Unamortized net actuarial gain/(loss)	(2,439)	(3,885)	(6,324)	(1,748)
Net future obligation	14,678	747	15,425	17,689
Other employee future benefits	5,402	-	5,402	5,877
Other compensated absences	-	1,036	1,036	1,374
Total employee future benefits and compensated absences	20,080	1,783	21,863	24,940

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

	Severance and Removal \$	Compensated Absences \$	2022 \$	2021 \$
Benefits Expense				
Benefits earned	923	426	1,349	1,396
Implicit interest	477	152	629	587
Plan amendments	(6)	(83)	(89)	-
Amortization of actuarial (gain)/loss	(572)	634	62	52
	822	1,129	1,951	2,035

The discount rate used 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:

	Severance and Removal \$	Compensated Absences \$	Total \$
2023	2,067	391	2,458
2024	1,856	363	2,219
2025	2,027	401	2,428
2026	1,911	404	2,315
2027	1,855	436	2,291
	9,716	1,995	11,711

16. PETROLEUM PRODUCTS STABILIZATION FUND

The Petroleum Products Stabilization Fund is included in the accumulated 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 surplus or deficit balance in the fund cannot exceed \$3,000 (2021 - \$1,000).

	2022 \$	2021 \$
Deficit at beginning of the year	(999)	(999)
Add: Petroleum Products Stabilization Fund		
Net loss for the year	(1,723)	-
Deficit at end of the year	(2,722)	(999)

17. TRUST ASSETS UNDER ADMINISTRATION

The Government administers trust assets of \$23,607 (2021 - \$19,316) 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 \$733,355 (2021 - \$666,425). The majority of these guarantees are held against land use permits, environmental agreements and water licenses issued to regulate the use of water and the deposit of waste.

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18. 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, 2022:

	Expiry Date	2023 \$	2024 \$	2025 \$	2026 \$	2027 \$	2028+ \$	Total \$
Operational commitments	2048	153,246	90,526	39,844	30,714	12,564	4,762	331,656
RCMP policing agreement	2032	54,974	56,301	56,301	56,301	56,301	274,988	555,166
Commercial leases	2052	21,698	19,050	14,642	12,175	8,646	125,808	202,019
Equipment leases	2026	379	268	125	50	-	-	822
TCAs in progress at year end	2030	57,593	24,919	1,220	365	185	370	84,652
P3 Operational commitments	2049	17,724	18,954	19,878	20,595	20,684	487,696	585,531
P3 TCAs in progress at year end	2024	202	202	-	-	-	-	404
		305,816	210,220	132,010	120,200	98,380	893,624	1,760,250

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 (2021 - 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 \$632 for the fiscal year ended 2022 (2021 - \$1,725). 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, 2022:

	Expiry Date	2023 \$	2024 \$	2025 \$	2026 \$	2027 \$	2028+ \$	Total \$
Transfer Payments	2049	416,367	246,747	122,854	162,504	74,433	55,394	1,078,299
Regulatory Revenue	2026	2,037	5,807	1,472	444	-	-	9,760
Lease Revenue	2051	4,754	4,660	4,444	4,392	3,246	32,335	53,831
Licence Revenue	2047	595	485	326	154	137	422	2,119
Other	2043	4,435	2,027	2,382	1,242	1,242	4,842	16,170
		428,188	259,726	131,478	168,736	79,058	92,993	1,160,179

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19. GUARANTEES AND CONTINGENCIES

(a) Guarantees

The Government is contingently liable for the following guarantees:

	2022
	\$
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 the Northwest Territories Housing Corporation	262

Total Guarantees	191,665
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The Government has also provided a guarantee to the Canadian Blood Services and Canadian Blood Services Captive Insurance Company Ltd to cover a share of potential claims made by users of the national blood supply. The Government's share is limited to the ratio of the Northwest Territories' population to the Canadian population.

(b) Contingent assets

Contingent assets are possible assets arising from existing conditions or situations involving uncertainty. There was a flood in Fort Simpson and surrounding areas in the spring of 2021. The Government will be making a claim from Canada under the Disaster Financial Assistance Arrangement Program for approximately \$38,000 in costs incurred to provide support and financial relief to those affected by the flood. No amount has been recorded as receivable in the consolidated financial statements because the receipt of funds under the claim is contingent on Canada's evaluation and approval.

(c) Contingent liabilities

The Government has identified various sites where contamination or other environmental liabilities exist and the level of contamination is either known or unknown at this time. In addition to the environmental liabilities described in note 11, there may be other instances of contamination that have not yet been identified for which the Government may be obligated to incur remediation costs. No liability has been recognized for these instances of contamination as the future costs of remediation and the Government's obligation to incur these costs are undeterminable at this time.

19. GUARANTEES AND CONTINGENCIES (continued)

(d) 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 (2021 - \$8,200) 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 \$143,458 (2021 - \$125,355). 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.

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

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20. 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:

	2022	2021
	\$	\$
Arctic Energy Alliance	4,845	5,283
Aurora College	36,427	35,891
Inuvialuit Water Board	599	674
Divisional Education Councils and District Education Authorities	157,298	162,806
Health and Social Services Authorities	407,009	369,090
Northwest Territories Hydro Corporation	43,499	27,725
Tlicho Community Services Agency	40,745	39,733
Northwest Territories Business Development and Investment Corporation	2,042	2,012
Northwest Territories Heritage Fund	5,656	2,538
Northwest Territories Housing Corporation	77,158	76,303
Northwest Territories Human Rights Commission	180	180
Northwest Territories Surface Rights Board	318	313
Status of Women Council of the Northwest Territories	511	498
	776,287	723,046

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.

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21. OVEREXPENDITURE

During the year, 4 departments (2021 - 0) exceeded their operations vote (2021 - 0) and no departments (2021 - 0) exceeded their capital vote.

Overexpenditure of a vote contravenes subsection 71 of the *Financial Administration Act* which states that "No person shall incur an expenditure that causes the amount of the appropriation set out in the Estimates for a department to be exceeded." The voted items that were over expended in the current year are as follows:

Department of Municipal and Community Affairs (operations)	\$ 5,068
Department of Environment and Natural Resources (operations)	3,061
Department of Justice (operations)	1,173
Department of Finance (operations)	829

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

22. COVID-19

On March 22, 2020, the Government declared a public health emergency in response to the COVID-19 global pandemic. The Government implemented various programs and publicly announced supports and financial relief to individuals, businesses and organizations in response to the COVID-19 pandemic. The impact of COVID-19 on the Government's Non-consolidated Statement of Operations and Accumulated Surplus is as follows:

	2022	2021
	\$	\$
Revenue		
Transfer Payments	31,176	122,683
Expenses		
Economic Relief Programs:		
Aviation Sector Support	19,150	31,937
Community Futures Regional Relief and Recovery Fund	-	3,305
Contribution to Education Boards	-	8,377
Growth and Recovery Investment in Tourism	-	3,000
Safe Restart Funding	44,993	50,493
Wage Subsidy Program	2,765	3,562
Other Supports	9,254	10,872
Enforcement and Compliance	27,308	31,859
Personal Protective Equipment, Safety and Signage	725	3,322
Other Expenses	2,874	6,201
	107,069	152,928
	(75,893)	(30,245)

23. SUBSEQUENT EVENTS

In May 2022, the Government issued evacuation orders for Hay River and Katl'odeeche First Nation as unprecedented flooding, resulting from the annual ice breakup, affected residents in those communities. The Government implemented its disaster response and has since publicly announced support and financial relief to those affected. The GNWT Disaster Assistance Policy and the Ministerial Disaster Assisting Funding Policy is intended to cover displacement allowance, damage prevention, essential contents, repairing or replacing homes, and other mitigation enhancements. Further, the Government has announced that an exception to the policies will be granted such that eligible claims up to \$240 will be reimbursed at 90%, and eligible claims over \$240 will be reimbursed at 100% for the first \$240, and at 50% for the remainder of the claim to a maximum reimbursement of \$600. The actual amount to be paid in disaster relief will depend on the number of claims made; however, initial estimates indicate that approximately \$181,000 may be required. The Government will seek assistance from the federal government for this expenditure.

24. COMPARATIVE FIGURES

(a) Housing Northwest Territories

In the prior year Statement of Operations and Accumulated Surplus, contributions to Housing Northwest Territories were included under General Government. In the current year, this line item has been disaggregated in order to present Housing expenses separately from General Government. The comparative information has been reclassified to conform with the current year presentation. The effect of the changes are described in the table below.

(b) Projects on behalf of third parties

The Government undertakes projects for the Government of Canada, the Government of Nunavut and others.

Previously, where the agreement allowed, the Government received accountable advances and any unexpended balances remaining at year-end were recorded as liabilities in accounts payable and accrued liabilities or due to the Government of Canada, as applicable. Recoveries were accrued when expenses as allowed under the project contract, exceeded advances, and were recorded as receivables in accounts receivable or due from the Government of Canada, as applicable. These recoveries and expenses were presented separately on the Consolidated Statement of Operations and Accumulated Surplus below the annual operating surplus.

In the current year, the Government classified recoveries for projects on behalf of third parties to transfer payments revenues or general revenues based on the nature of the project contract. Related expenses have been classified with the appropriate department's expenses, and unexpended balances remaining at year-end have been classified to accounts payable and accrued liabilities, due to the Government of Canada, or deferred revenue as applicable. The Government has applied this change retroactively to conform to the current year presentation. The effect of the changes are described in the table below.

(c) Other taxes (carbon tax)

In the prior year Statement of Operations and Accumulated Surplus, gross basis accounting was used to recognize revenue and offsetting expenses relating to rebates for heating fuel, diesel for generation, and large emitters. In the current year, these amounts were recognized on a net basis to better reflect their nature. The comparative information has been reclassified to conform to the current year presentation. The effect of the changes are described in the following table.

24. COMPARATIVE FIGURES (continued)

(d) Pensions

In the prior year Non-consolidated Statement of Financial Position, a single line item was used to present a net pension liability. In the current year, this line item has been disaggregated in order to present pension assets separately from pension liabilities. The comparative information has been reclassified to conform to the current year presentation. The effect of the changes are described in the table below.

Government of the Northwest Territories

Notes to Non-Consolidated Financial Statements (unaudited)

March 31, 2022

(All figures in thousands of dollars)

24. COMPARATIVE FIGURES (continued)

Non-consolidated Statement of Operations and Accumulated Surplus (unaudited)

	2021 As Previously Reported \$	Projects on Behalf of Third Parties Reclassification \$	Housing Reclassification \$	Carbon Tax Reclassification \$	2021 As Presented \$
Revenues					
Revenues by source	2,117,304	77,143	-	(15,885)	2,178,562
Recoveries of prior years' expenses	24,001	106	-	-	24,107
Expenses					
Environment and Economic Development	161,940	6,531	-	-	168,471
Infrastructure	306,710	8,090	-	-	314,800
Education	357,707	3,802	-	-	361,509
Health, Social Services and Housing	599,000	-	(599,000)	-	-
Health and Social Services	-	28,571	599,000	-	627,571
Housing	-	-	76,210	-	76,210
Justice	131,228	620	-	-	131,848
General Government	495,853	29,635	(76,210)	(15,885)	433,393
Legislative Assembly and statutory offices	21,476	-	-	-	21,476
Projects on behalf of third parties					
Expenses	(77,249)	77,249	-	-	-
Recoveries	77,249	(77,249)	-	-	-

24. COMPARATIVE FIGURES (continued)

Non-consolidated Statement of Financial Position (unaudited)

	2021 As Previously Reported \$	Projects on Behalf of Third Parties Reclassification \$	Pension Assets and Liabilities \$	2021 As Presented \$
Financial Assets				
Pension assets	-	-	2,189	2,189
Liabilities				
Deferred revenue	55,834	30,793	-	86,627
Due to the Government of Canada	179,522	(30,793)	-	148,729
Pensions	38,264	-	(38,264)	-
Pension liabilities	-	-	40,453	40,453

Non-consolidated Statement of Cash Flow (unaudited)

	2021 As Previously Reported \$	Projects on Behalf of Third Parties Reclassification \$	Pension Assets and Liabilities \$	2021 As Presented \$
Change in due to/from the Government of Canada	10,524	(5,733)	-	4,791
Change in other financial assets	(70,107)	-	(958)	(71,065)
Change in other financial liabilities	52,613	5,733	958	59,304

Government of the Northwest Territories

Non-Consolidated Schedule of Revenues by Source (unaudited)

Schedule A

for the year ended March 31, 2022

(thousands of dollars)

	2022 Main Estimates (Note 1(b)) \$	2022 Actual \$	(Note 24) 2021 Actual \$
Revenue from the Government of Canada			
Grant	1,480,118	1,480,118	1,412,734
Transfer payments	390,587	395,355	388,651
	1,870,705	1,875,473	1,801,385
Taxation			
Corporate income tax	(8,418)	24,729	3,300
Personal income tax	103,020	133,583	100,031
	94,602	158,312	103,331
Other taxes:			
Cannabis	331	909	343
Carbon tax	34,977	12,797	8,782
Fuel	18,367	20,061	17,656
Tobacco	14,476	14,278	15,722
Payroll	42,470	45,820	43,000
Property and school levies	28,617	26,512	27,996
Insurance	5,500	6,106	5,997
	144,738	126,483	119,496
Non-renewable resource revenue			
Minerals, oil and gas royalties	1,511	37,012	19,153
Licenses, rental and other fees	2,964	5,202	47,174
Quarry fees	100	296	143
	4,575	42,510	66,470
General			
Sundry and other	21,344	33,750	34,298
Lease	4,024	4,420	616
Interest revenue	200	2,764	917
Gains on disposition of assets	-	61	246
Revolving Funds net revenue	25,016	31,048	25,262
Regulatory revenue	23,653	27,200	22,444
Investment income	400	4,504	4,022
Grants in kind	140	164	75
	74,777	103,911	87,880
Total Revenues	2,189,397	2,306,689	2,178,562

Government of the Northwest Territories

Non-Consolidated Schedule of Expenses (unaudited)

Schedule B

for the year ended March 31, 2022

(thousands of dollars)

	Main Estimates (note 1b) \$	Compensation and Benefits \$	Grants and Contributions* \$	Valuation Allowances \$	Other \$	Amortization \$	2022 Total Expenses \$	(Note 24) 2021 Total Expenses \$
Legislative Assembly	24,443	17,260	180	-	6,633	563	24,636	21,476
Executive and Indigenous Affairs	22,428	16,310	2,109	-	2,210	-	20,629	21,028
Finance	301,826	84,916	155,872	887	81,527	8,150	331,352	299,526
Municipal and Community Affairs	150,132	16,371	171,970	-	35,360	37	223,738	189,050
Infrastructure	298,685	65,544	45,471	770	143,589	64,653	320,027	248,858
Health and Social Services	596,784	45,974	443,048	3	144,291	23,501	656,817	627,570
Justice	133,753	62,781	4,481	62	70,724	3,316	141,364	131,848
Education, Culture and Employment	370,499	39,168	277,091	2,110	40,049	15,036	373,454	361,509
Environment and Natural Resources	97,874	46,208	15,430	69	46,910	3,489	112,106	104,702
Industry Tourism and Investment	59,989	26,161	26,107	15	11,482	1,850	65,615	63,770
Lands	22,425	16,818	776	10	3,316	144	21,064	21,852
	2,078,838	437,511	1,142,535	3,926	586,091	120,739	2,290,802	
Prior Year Totals	1,973,182	419,379	1,077,368	6,736	514,040	117,755		2,135,278

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

Government of the Northwest Territories

Non-Consolidated Schedule of Tangible Capital Assets (unaudited)

Schedule C

As at March 31, 2022

(thousands of dollars)

	Land ⁵	Buildings and Leasehold Improvements ¹	Infrastructure and Other ²	Roads and Bridges	Equipment ^{1,3}	Computers	Work in Progress	2022	2021
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cost of tangible capital assets, opening balance	5,859	1,681,024	315,863	1,823,350	263,781	144,617	271,024	4,505,518	4,319,110
Transfers	-	12,835	7,308	249,026	11,642	5,322	(286,133)	-	-
Acquisitions	-	-	-	-	-	-	181,438	181,438	200,354
Disposals	-	(471)	-	-	(451)	-	-	(923)	(13,946)
Cost of tangible capital assets, closing	5,859	1,693,388	323,171	2,072,376	274,972	149,939	166,329	4,686,033	4,505,518
Accumulated amortization, opening	-	(624,943)	(146,376)	(653,061)	(121,679)	(102,633)	-	(1,648,692)	(1,540,607)
Amortization expense	-	(42,128)	(4,753)	(51,690)	(12,120)	(14,779)	-	(125,470)	(121,249)
Disposals	-	228	-	-	451	-	-	679	13,164
Accumulated amortization, closing	-	(666,843)	(151,129)	(704,751)	(133,348)	(117,412)	-	(1,773,483)	(1,648,692)
Net book value	5,859	1,026,545	172,042	1,367,625	141,624	32,527	166,329	2,912,550	2,856,826

¹ Included in buildings, leasehold improvements and equipment are assets under capital leases: cost, \$3,910 (2021 - \$3,910); accumulated amortization, \$2,159 (2021 - \$2,061); net book value, \$1,751 (2021 - \$1,849).

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 \$1,431 (2021 - \$266) was contributed to third parties.

Change in net book value of tangible capital assets	2022 \$	2021 \$
Assets transferred from work in progress	286,133	104,172
Disposals/write-downs/adjustments	(244)	(782)
Amortization	(125,470)	(121,249)
Increase (decrease) in work in progress	(104,695)	96,182
Increase	55,724	78,323

Government of the Northwest Territories

Non-Consolidated Schedule of Revenues by Department (unaudited)

Schedule 1

for the year ended March 31, 2022

(thousands of dollars)

	Main Estimates \$	Projects on Behalf of Others \$	Increases (Decreases) \$	Budget \$	Actual Revenues \$	Over(Under) Budget \$
Legislative Assembly						
General Revenues						
Service and miscellaneous	5	-	-	5	4	(1)
Lease	-	-	-	-	46	46
Regulatory revenue	-	-	-	-	3	3
Investment income	-	-	-	-	4,504	4,504
	5	-	-	5	4,557	4,552
Executive and Indigenous Affairs						
Transfer Payments						
Federal cost shared	-	946	-	946	674	(272)
Industry, Tourism and Investment						
Transfer Payments						
Federal cost shared	5,712	805	2,163	8,680	1,875	(6,805)
Non-renewable Resources Revenue						
Licences, rental, and other fees	2,909	-	-	2,909	5,187	2,278
Minerals, oil and gas royalties	1,511	-	22,665	24,176	37,012	12,836
	4,420	-	22,665	27,085	42,199	15,114
General Revenues						
Regulatory revenue	606	-	-	606	1,038	432
Programs	-	-	-	-	343	343
	606	-	-	606	1,381	775
	10,738	805	24,828	36,371	45,455	9,084
Environment and Natural Resources						
Transfer Payments						
Federal cost shared	7,213	13,018	-	20,231	14,211	(6,020)
Non-renewable Resource Revenue						
Licences, rental, and other fees	55	-	-	55	15	(40)
General Revenue						
Regulatory revenue	1,027	-	93	1,120	2,155	1,035
Service and miscellaneous	32	790	-	822	8,363	7,541
	1,059	790	93	1,942	10,518	8,576
	8,327	13,808	93	22,228	24,744	2,516

Government of the Northwest Territories

Non-Consolidated Schedule of Revenues by Department (unaudited)

Schedule 1 (continued)

for the year ended March 31, 2022

(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	1,480,118	-	-	1,480,118	1,480,118	-
Transfer Payments						
Federal cost shared	4,500	-	13,747	18,247	16,792	(1,455)
Canada Health Transfer	50,787	-	5,638	56,425	51,669	(4,756)
Canada Social Transfer	18,223	-	316	18,539	18,539	-
	73,510	-	19,701	93,211	87,000	(6,211)
Taxation						
Corporate	(8,418)	-	32,885	24,467	24,729	262
Personal	103,020	-	27,799	130,819	133,583	2,764
Fuel	18,367	-	902	19,269	20,061	792
Tobacco	14,476	-	927	15,403	14,278	(1,125)
Cannabis	331	-	334	665	909	244
Carbon	4,277	-	1,554	5,831	12,797	6,966
Payroll	42,470	-	1,390	43,860	45,820	1,960
Property and school levies	28,617	-	(271)	28,346	26,512	(1,834)
Insurance	5,500	-	-	5,500	6,106	606
	208,640	-	65,520	274,160	284,795	10,635
General Revenues						
Service and miscellaneous	1,300	-	500	1,800	1,887	87
Program	60	-	-	60	583	523
Revolving funds net revenue	24,217	-	1,443	25,660	26,166	506
Interest income	400	-	-	400	1,553	1,153
Regulatory revenue	600	-	-	600	712	112
	26,577	-	1,943	28,520	30,901	2,381
	1,788,845	-	87,164	1,876,009	1,882,814	6,805
Municipal and Community Affairs						
Transfer Payments						
Federal cost shared	-	42,112	-	42,112	43,789	1,677
General Revenues						
Regulatory revenue	1,269	-	-	1,269	1,100	(169)
Service and miscellaneous	6	-	-	6	840	834
	1,275	-	-	1,275	1,940	665
	1,275	42,112	-	43,387	45,729	2,342

Government of the Northwest Territories

Non-Consolidated Schedule of Revenues by Department (unaudited)

Schedule 1 (continued)

for the year ended March 31, 2022

(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	6,584	-	316	6,900	9,589	2,689
General Revenue						
Program	2,785	643	-	3,428	1,351	(2,077)
Regulatory revenue	6,881	-	-	6,881	8,445	1,564
	9,666	643	-	10,309	9,796	(513)
	16,250	643	316	17,209	19,385	2,176
Infrastructure						
Transfer Payments						
Federal cost shared	193,446	9,777	(66,281)	136,942	104,495	(32,447)
Canada Social Transfer	20,000	-	9,845	29,845	-	(29,845)
	213,446	9,777	(56,436)	166,787	104,495	(62,292)
General Revenues						
Service and miscellaneous	454	-	-	454	314	(140)
Lease	1,215	146	-	1,361	1,523	162
Program	780	576	-	1,356	2,913	1,557
Interest revenue	-	-	-	-	867	867
Regulatory revenue	12,803	-	-	12,803	13,252	449
Revolving fund net revenue	799	-	(4,768)	(3,969)	4,882	8,851
Grants in kind	140	-	-	140	-	(140)
	16,191	722	(4,768)	12,145	23,751	11,606
	229,637	10,499	(61,204)	178,932	128,246	(50,686)
Health and Social Services						
Transfer Payments						
Federal cost shared	54,377	17,720	25,086	97,183	94,296	(2,887)
Capital transfers	2,999	-	-	2,999	-	(2,999)
	57,376	17,720	25,086	100,182	94,296	(5,886)
General Revenues						
Program	15,915	-	1,021	16,936	16,602	(334)
Interest	-	-	-	-	10	10
Grants in Kind	-	-	-	-	164	164
Regulatory revenue	415	-	-	415	415	-
	16,330	-	1,021	17,351	17,191	(160)
	73,706	17,720	26,107	117,533	111,487	(6,046)

Government of the Northwest Territories

Non-Consolidated Schedule of Revenues by Department (unaudited)

Schedule 1 (continued)

for the year ended March 31, 2022

(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	26,370	8,350	6,529	41,249	39,108	(2,141)
General Revenue						
Service and miscellaneous	7	-	-	7	562	555
Interest income	200	-	136	336	334	(2)
Regulatory revenue	32	-	-	32	27	(5)
	239	-	136	375	923	548
	26,609	8,350	6,665	41,624	40,031	(1,593)
Lands						
Transfer Payments						
Federal cost shared	376	-	5	381	318	(63)
	376	-	5	381	318	(63)
Non-renewable Resource Revenue						
Quarry royalties, fees	100	-	50	150	296	146
General Revenues						
Regulatory revenue	20	-	20	40	53	13
Lease	2,809	-	-	2,809	2,851	42
Service and miscellaneous	-	-	-	-	49	49
	2,829	-	20	2,849	2,953	104
	3,305	-	75	3,380	3,567	187
	2,158,697	94,883	84,044	2,337,624	2,306,689	(30,935)

Government of the Northwest Territories

Non-Consolidated Schedule of Expenses by Department (unaudited)

Schedule 2

for the year ended March 31, 2022

(thousands of dollars)

	Main Estimates \$	Supplementary Estimates \$	Transfers \$	Total Appropriation \$	Expenses \$	(Over) Under Appropriation \$	Projects On Behalf Of Others Adjusted* \$	Total Expenses \$	(Over) Under \$
Legislative Assembly									
Office of the Clerk	9,417	70	-	9,487	9,929	(442)	-	9,929	(442)
Expenses on Behalf of Members	9,957	-	-	9,957	9,383	574	-	9,383	574
Office of the Chief Electoral Officer	514	4	-	518	435	83	-	435	83
Statutory Offices	4,047	40	-	4,087	3,496	591	-	3,496	591
Office of the Speaker	508	806	-	1,314	1,393	(79)	-	1,393	(79)
	24,443	920	-	25,363	24,636	727	-	24,636	727
Executive and Indigenous Affairs									
Executive Council Offices	4,460	(259)	-	4,201	4,296	(95)	-	4,296	(95)
Directorate	6,511	(43)	-	6,468	6,112	356	-	6,112	356
Cabinet Support	2,493	(16)	-	2,477	2,339	138	-	2,339	138
Indigenous and Intergovernmental Affairs	7,491	(7)	-	7,484	6,166	1,318	-	6,166	1,318
Corporate Communications	1,473	19	-	1,492	1,230	262	-	1,230	262
	22,428	(306)	-	22,122	20,143	1,979	-	20,143	1,979
Industry, Tourism and Investment									
Economic Diversification and Business Support	18,195	980	750	19,925	18,991	934	506	19,497	428
Corporate Management	9,216	10	-	9,226	8,722	504	-	8,722	504
Tourism and Parks	16,232	6,502	(750)	21,984	20,694	1,290	-	20,694	1,290
Minerals and Petroleum Resources	16,346	322	-	16,668	16,687	(19)	-	16,687	(19)
	59,989	7,814	-	67,803	65,094	2,709	506	65,600	2,203

* Operations expenses for Projects on Behalf of Others are offset by an equivalent amount of revenue within the applicable departments.

Government of the Northwest Territories

Non-Consolidated Schedule of Expenses by Department (unaudited)

Schedule 2 (continued)

For the year ended March 31, 2022

(thousands of dollars)

	Main Estimates \$	Supplementary Estimates \$	Transfers \$	Total Appropriation \$	Expenses \$	(Over) Under Appropriation \$	Projects On Behalf Of Others Adjusted* \$	Total Expenses \$	(Over) Under \$
Environment and Natural Resources									
Wildlife and Fish	16,156	302	-	16,458	16,604	(146)	160	16,764	(306)
Forest Management	38,498	2,674	138	41,310	40,752	558	3,003	43,755	(2,445)
Corporate Management	14,547	178	(138)	14,587	14,864	(277)	-	14,864	(277)
Water Management and Monitoring	9,780	36	-	9,816	9,774	42	545	10,319	(503)
Environmental Stewardship and Climate Change	14,638	1,028	-	15,666	15,000	666	33	15,033	633
Environmental Protection and Waste Management	4,255	23	-	4,278	4,441	(163)	-	4,441	(163)
	97,874	4,241	-	102,115	101,435	680	3,741	105,176	(3,061)
Finance									
Directorate	82,789	501	-	83,290	84,931	(1,641)	-	84,931	(1,641)
Management Board Secretariat	97,683	20,926	-	118,609	93,975	24,634	-	93,975	24,634
Office of the Comptroller General	76,631	7,034	-	83,665	108,981	(25,316)	-	108,981	(25,316)
Information Systems Shared Services	22,883	131	-	23,014	22,714	300	-	22,714	300
Human Resources	21,840	105	-	21,945	20,665	1,280	-	20,665	1,280
	301,826	28,697	-	330,523	331,266	(743)	-	331,266	(743)
Amortization of tangible capital assets of the NWT Liquor & Cannabis Commission	-	-	-	-	86	(86)	-	86	(86)
	301,826	28,697	-	330,523	331,352	(829)	-	331,352	(829)
Municipal and Community Affairs									
Regional Operations	130,516	2,573	-	133,089	130,084	3,005	-	130,084	3,005
Community Operations	2,277	(42)	-	2,235	2,039	196	13,370	15,409	(13,174)
Directorate	3,942	672	-	4,614	4,302	312	-	4,302	312
School of Community Government	2,933	6	-	2,939	1,746	1,193	-	1,746	1,193
Community Governance	2,118	5	-	2,123	1,880	243	-	1,880	243
Sport, Recreation and Youth	5,507	(146)	-	5,361	4,394	967	441	4,835	526
Public Safety	2,839	35,492	-	38,331	35,504	2,827	-	35,504	2,827
	150,132	38,560	-	188,692	179,949	8,743	13,811	193,760	(5,068)

* Operations expenses for Projects on Behalf of Others are offset by an equivalent amount of revenue within the applicable departments.

Government of the Northwest Territories

Non-Consolidated Schedule of Expenses by Department (unaudited)

Schedule 2 (continued)

for the year ended March 31, 2022

(thousands of dollars)

	Main Estimates \$	Supplementary Estimates \$	Transfers \$	Total Appropriation \$	Expenses \$	(Over) Under Appropriation \$	Projects On Behalf Of Others Adjusted* \$	Total Expenses \$	(Over) Under \$
Justice									
Corrections	38,574	531	(128)	38,977	38,837	140	-	38,837	140
Policing Services	48,234	4,229	-	52,463	58,005	(5,542)	-	58,005	(5,542)
Court Services	14,759	104	-	14,863	12,345	2,518	-	12,345	2,518
Services to Government	12,574	65	128	12,767	12,910	(143)	-	12,910	(143)
Legal Aid Services	7,130	74	-	7,204	6,785	419	-	6,785	419
Services to the Public	4,564	35	-	4,599	4,505	94	-	4,505	94
Community Justice	5,990	1,169	-	7,159	6,743	416	1	6,744	415
Office of the Regulator of Oil and Gas Operations	1,928	11	-	1,939	1,013	926	-	1,013	926
	133,753	6,218	-	139,971	141,143	(1,172)	1	141,144	(1,173)
Health and Social Services									
Administration and Support Services	53,007	2,585	(228)	55,364	57,824	(2,460)	619	58,443	(3,079)
Health and Social Programs	337,150	24,772	14,308	376,230	372,599	3,631	535	373,134	3,096
Long Term and Continuing Care Services	59,088	8,907	(4,014)	63,981	63,316	665	977	64,293	(312)
Out of Territory Services	77,688	2,236	-	79,924	76,733	3,191	-	76,733	3,191
Supplementary Health Benefits	35,262	5,000	(2,666)	37,596	36,957	639	-	36,957	639
COVID Secretariat	34,589	263	(7,400)	27,452	26,860	592	-	26,860	592
	596,784	43,763	-	640,547	634,289	6,258	2,131	636,420	4,127
Education, Culture and Employment									
Corporate Management	10,933	87	-	11,020	12,148	(1,128)	-	12,148	(1,128)
Culture, Heritage and Languages	20,799	140	-	20,939	19,976	963	-	19,976	963
Early Learning and Child Care	11,980	4,747	-	16,727	15,636	1,091	-	15,636	1,091
Income Security	60,336	114	-	60,450	51,247	9,203	-	51,247	9,203
Labour Development and Advanced Education	54,518	365	-	54,883	54,206	677	5,496	59,702	(4,819)
Junior Kindergarten to Grade 12 School Services	211,933	4,208	-	216,141	212,672	3,469	-	212,672	3,469
	370,499	9,661	-	380,160	365,885	14,275	5,496	371,381	8,779

* Operations expenses for Projects on Behalf of Others are offset by an equivalent amount of revenue within the applicable departments.

Government of the Northwest Territories

Non-Consolidated Schedule of Expenses by Department (unaudited)

Schedule 2 (continued)

for the year ended March 31, 2022

(thousands of dollars)

	Main Estimates \$	Supplementary Estimates \$	Transfers \$	Total Appropriation \$	Expenses \$	(Over) Under Appropriation \$	Projects On Behalf Of Others Adjusted* \$	Total Expenses \$	(Over) Under \$
Infrastructure									
Corporate Management	7,898	37	-	7,935	8,469	(534)	-	8,469	(534)
Asset Management	20,138	2,259	(63)	22,334	18,274	4,060	-	18,274	4,060
Programs and Services	33,518	17,655	(26,729)	24,444	24,104	340	153	24,257	187
Regional Operations	218,101	449	-	218,550	210,337	8,213	6,792	217,129	1,421
Energy and Strategic Initiatives	19,030	17,055	26,792	62,877	50,166	12,711	-	50,166	12,711
	298,685	37,455	-	336,140	311,350	24,790	6,945	318,295	17,845
Lands									
Corporate Management	3,592	12	-	3,604	4,368	(764)	-	4,368	(764)
Operations	11,153	124	-	11,277	9,955	1,322	-	9,955	1,322
Planning and Coordination	7,680	9	-	7,689	6,741	948	-	6,741	948
	22,425	145	-	22,570	21,064	1,506	-	21,064	1,506
	2,078,838	177,168	-	2,256,006	2,196,340	59,666	32,631	2,228,971	27,035

* Operations expenses for Projects on Behalf of Others are offset by an equivalent amount of revenue within the applicable departments.

DEPARTMENT	Over-Accruals \$	Other Recoveries \$	Total \$
Legislative Assembly	1	471	472
Executive and Indigenous Affairs	5	994	999
Finance	1,031	1,363	2,394
Municipal and Community Affairs	31	263	294
Infrastructure	837	2,781	3,618
Health and Social Services	5,376	789	6,165
Justice	82	239	321
Education, Culture and Employment	154	1,229	1,383
Environment and Natural Resources	288	610	898
Industry, Tourism and Investment	76	556	632
Lands	6	152	158
	7,887	9,447	17,334

for the year ended March 31, 2022

(thousands of dollars)

DEPARTMENT	Main Estimates* \$	Supplementary Estimates \$	Total Appropriation \$	Actual Expenditure \$
Legislative Assembly	110	966	1,076	617
Lands	234	84	318	8
Finance	9,254	796	10,050	1,634
Infrastructure	272,301	(56,752)	215,549	106,857
Health and Social Services	61,628	7,167	68,795	38,429
Justice	1,563	766	2,329	637
Education, Culture and Employment	13,406	9,870	23,276	12,582
Environment and Natural Resources	2,159	2,676	4,835	1,546
Industry, Tourism and Investment	14,250	6,928	21,178	8,579
	374,905	(27,499)	347,406	170,889

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.

* \$14 of the operations expenditures budget associated with infrastructure investments has been transferred to capital.

for the year ended March 31, 2022

(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)
Aboriginal Rights Claim Assessment	-	-	-	-	16	(16)
Annual General Assembly	-	-	-	-	2	(2)
Arctic Inspiration Prize	100	-	-	100	50	50
Core Funding to Métis Locals	225	-	-	225	266	(41)
Gender Equity Grant	-	-	-	-	25	(25)
MMIW Grant	-	-	-	-	32	(32)
Special Events - Indigenous Organization	50	-	-	50	74	(24)
Ukraine Humanitarian Crisis -						
Canadian Red Cross	-	-	-	-	50	(50)
Women in Leadership	-	-	-	-	30	(30)
Women's Initiative	100	-	-	100	45	55
	775	-	-	775	1,190	(415)
Infrastructure						
Band Council Subsidized Leases	140	-	-	140	-	140
Deh Cho Bridge Opportunities	200	-	-	200	200	-
	340	-	-	340	200	140
Finance						
Aviation Sector Support	-	-	-	-	117	(117)
Carbon Tax Offset	30,700	-	-	30,700	8,668	22,032
Cost of Living Tax Credit	22,150	-	-	22,150	25,564	(3,414)
NWT Child Benefit	2,200	-	-	2,200	2,168	32
United Way NWT	-	-	-	-	150	(150)
Wage Top Up	-	1,178	-	1,178	2,767	(1,589)
Whati Fibre Project	-	-	-	-	850	(850)
	55,050	1,178	-	56,228	40,284	15,944

Government of the Northwest Territories

Non-Consolidated Schedule of Grants (unaudited)

Schedule 5 (continued)

for the year ended March 31, 2022

(thousands of dollars)

	Main Estimates \$	Supplementary Estimates \$	Transfers \$	Total Appropriation \$	Actual Expenditures \$	(Over)Under Appropriation \$
Municipal and Community Affairs						
Communities Mandate Funding	3,334	-	-	3,334	2,594	740
Community Government Funding	49,853	-	-	49,853	49,853	-
Deline Self-Government Designated Authority Additional Funding	3,521	-	-	3,521	3,640	(119)
Grant-in-Lieu of Taxes	624	-	-	624	414	210
High Performance Athlete Grant	14,319	-	-	14,319	13,236	1,083
New Deal Taxation Revenue Program	100	-	-	100	48	52
Senior Citizens and Disabled Persons Property Tax Relief	565	-	-	565	574	(9)
	1,005	-	-	1,005	1,120	(115)
	73,321	-	-	73,321	71,479	1,842
Environment and Natural Resources						
Disaster Compensation	15	-	-	15	324	(309)
Fire Damage Compensation	100	-	-	100	452	(352)
Fur Price Program	605	-	-	605	-	605
	720	-	-	720	776	(56)
Health and Social Services						
Medical Professional Development	40	-	-	40	41	(1)
Justice						
National Justice Issues	9	-	-	9	7	2

for the year ended March 31, 2022

(thousands of dollars)

	Main Estimates \$	Supplementary Estimates \$	Transfers \$	Total Appropriation \$	Actual Expenditures \$	(Over)Under Appropriation \$
Education, Culture and Employment						
Early Childhood Enhanced Cleaning Grant	-	490	-	490	553	(63)
Early Childhood Program Operator Subsidy	4,253	200	-	4,453	4,946	(493)
Early Childhood Program Quality Enhancement Grants	76	405	14	495	354	141
Early Childhood Program Sustainability Funding	-	150	-	150	137	13
Early Childhood Scholarship	165	20	(20)	165	175	(10)
Early Childhood Worker Grant Program	884	-	6	890	1,044	(154)
French Language Broadcasting	10	-	-	10	10	-
Labour Market Development Agreement	-	-	-	-	2,020	(2,020)
NWT Arts Council	700	-	-	700	709	(9)
Senior Home Heating Subsidy	2,192	-	-	2,192	2,151	41
Student Financial Assistance	13,164	-	-	13,164	11,423	1,741
Support to Northern Performers	101	-	-	101	126	(25)
Trades and Occupations Wage Subsidy	1,072	-	-	1,072	939	133
Workforce Development Agreement	1,522	-	(71)	1,451	846	605
	24,139	1,265	(71)	25,333	25,433	(100)
Total	154,394	2,443	(71)	156,766	139,410	17,356

Land with cost and net book value of \$0, market value \$1,321 (2021 - \$266) was contributed to third parties.

for the year ended March 31, 2022

(thousands of dollars)

	Main Estimates \$	Supplementary Estimates \$	Transfers \$	Total Appropriation \$	Actual Expenditures \$	(Over)Under Appropriation \$
Legislative Assembly						
Capital Area Development Fund	50	-	-	50	-	50
Human Rights Commission Core Funding	180	-	-	180	180	-
	230	-	-	230	180	50
Executive and Indigenous Affairs						
Native Women's Association Core Funding	476	-	-	476	476	-
Status of Women Council	444	-	-	444	444	-
	920	-	-	920	920	-
Finance						
Aviation Sector Support	-	19,691	-	19,691	19,724	(33)
Net Fiscal Benefit Transfer to Aboriginal Parties	10,100	-	-	10,100	5,314	4,786
Northwest Territories Heritage Fund	7,600	-	-	7,600	5,656	1,944
Northwest Territories Housing Corporation Core Funding	76,781	370	-	77,151	77,151	-
Territorial Power Subsidy Program	7,153	-	-	7,153	7,743	(590)
	101,634	20,061	-	121,695	115,588	6,107

for the year ended March 31, 2022

(thousands of dollars)

	Main Estimates \$	Supplementary Estimates \$	Transfers \$	Total Appropriation \$	Actual Expenditures \$	(Over)Under Appropriation \$
Municipal and Community Affairs						
A Brilliant North		565	-	565	74	491
Annual Non-Government-Organization Stabilization Fund		700	-	700	653	47
Children and Youth Resiliency Program		450	-	450	409	41
Community Governments:						
Capital Formula Funding	29,000	2,500	-	31,500	31,500	-
Community Financial Services	135	-	-	135	19	116
Recreation Funding	825	-	-	825	816	9
Water and Sewer Services Funding	19,887	-	-	19,887	20,628	(741)
Get Active NWT	100	-	-	100	100	-
Ground Ambulance and Highway Rescue	185	-	-	185	185	-
Healthy Choices Initiative	765	-	-	765	717	48
Investing in Canada Infrastructure	-	-	-	-	9,896	(9,896)
Pan Territorial Sport Program	272	-	-	272	713	(441)
Partners Contribution - Assessment Services	125	-	-	125	125	-
Partners Contributions	460	-	-	460	460	-
Recreation Contributions	450	-	-	450	34	416
Regional Youth Sport Events	400	-	-	400	228	172
Small Community Fund	-	-	-	-	3,318	(3,318)
Volunteer Contributions	70	-	-	70	30	40
Volunteer Recognition	30	-	-	30	-	30
Youth Centres	500	-	-	500	472	28
Youth Contribution Programs	225	-	-	225	78	147
Youth Corps - Regional Operations	500	-	-	500	220	280
Youth Corps - Sport, Recreation and Youth	675	-	-	675	500	175
	56,319	2,500	-	58,819	71,175	(12,356)
Lands						
Integrated Resource management Systems	75	-	-	75	15	60
Land Use Planning Initiatives	265	-	-	265	302	(37)
Northwest Territories Surface Rights Board	303	-	-	303	317	(14)
Sustainable Land Use Management	150	-	-	150	142	8
	793	-	-	793	776	17

for the year ended March 31, 2022

(thousands of dollars)

	Main Estimates \$	Supplementary Estimates \$	Transfers \$	Total Appropriation \$	Actual Expenditures \$	(Over)Under Appropriation \$
Health and Social Services						
Addictions Recovery and Aftercare Fund	-	750	-	750	471	279
Addictions Recovery Capacity Building Fund	-	200	(100)	100	251	(151)
Addictions Recovery Peer Support Fund	180	-	-	180	56	124
Anti-Indigenous Racism Navigators	-	-	-	-	21	(21)
Anti-Poverty Fund	1,000	750	-	1,750	1,705	45
Child and Family Services	217	100	(100)	217	226	(9)
Community Based Suicide Prevention	225	-	-	225	226	(1)
Community Wellness Initiatives Fund	1,014	-	-	1,014	869	145
Disabilities Fund	335	-	-	335	224	111
Early Childhood Development	330	-	12	342	243	99
Family Violence Prevention	395	-	-	395	211	184
French Language Services	970	-	-	970	676	294
Health and Social Services Authority Funding	377,117	33,713	11,508	422,338	426,627	(4,289)
Healthy Family Program	304	-	(12)	292	521	(229)
Home and Community Care Enhancement	-	-	-	-	734	(734)
Mental Health and Addictions	100	-	-	100	111	(11)
Northern Wellness Initiatives	7,576	356	-	7,932	6,804	1,128
On the Land Healing Fund	1,825	-	-	1,825	1,091	734
Respite Fund	475	-	-	475	224	251
Seniors Fund	305	-	-	305	216	89
Supportive Care Initiative Fund	-	1,748	-	1,748	1,277	471
THIF Oral Health	-	-	-	-	156	(156)
Tlicho Cultural Coordinator	35	-	-	35	42	(7)
	392,403	37,617	11,308	441,328	442,982	(1,654)

for the year ended March 31, 2022

(thousands of dollars)

	Main Estimates \$	Supplementary Estimates \$	Transfers \$	Total Appropriation \$	Actual Expenditures \$	(Over)Under Appropriation \$
Environment and Natural Resources						
Adaptation Plan	25	-	-	25	-	25
Alberta and Northwest Territories Bilateral Water Management Agreement	-	-	-	-	236	(236)
Caribou Monitoring	40	-	-	40	52	(12)
Climate Change Community Adaptation	353	-	-	353	431	(78)
Community Harvester Assistance Program	1,074	-	-	1,074	1,153	(79)
Conservation Planning	415	-	-	415	173	242
Country Foods	50	-	-	50	125	(75)
Cumulative Impact Monitoring Program	1,751	-	-	1,751	1,863	(112)
Disease Contaminants	16	-	-	16	16	-
Industry Development	50	-	-	50	236	(186)
Interim Resource Management Assistance Program	1,655	-	-	1,655	1,523	132
Inuvialuit Water Board	924	7	-	931	599	332
Local Wildlife Committees	257	-	-	257	148	109
MacKenzie River Basin Board	50	-	-	50	-	50
Modelling and Remote Sensing	65	-	-	65	-	65
Monitoring and Range Planning	76	-	-	76	3	73
Nature Fund Protected Areas	1,954	859	-	2,813	2,671	142
On the Land Collaborative	-	-	-	-	133	(133)
Stewardship Program	210	-	-	210	-	210
Sustainable Livelihoods	110	-	-	110	80	30
Take A Kid Trapping	125	-	-	125	126	(1)
Traditional Knowledge	65	-	-	65	44	21
Transboundary Waters	175	-	-	175	281	(106)
Water Regulatory	-	-	100	100	192	(92)
Water Research and Monitoring	-	-	120	120	177	(57)
Water Strategy Action Plan	250	-	-	250	-	250
Wildfire Research Support	25	-	-	25	-	25
Wildfire Risk Management Plan	75	200	-	275	283	(8)
Wildlife Management Boards	78	-	-	78	128	(50)
	9,868	1,066	220	11,154	10,673	481

for the year ended March 31, 2022

(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	200	-	-	200	250	(50)
Canadian Agricultural Partnership	2,012	30	-	2,042	2,042	-
Commercial Fisheries	488	-	-	488	810	(322)
Community Futures	550	-	150	700	564	136
Community Tourism Coordinators	825	-	-	825	828	(3)
Community Tourism Infrastructure	150	-	-	150	420	(270)
Community Transfers Initiative	200	-	-	200	606	(406)
Convention Bureau	1,587	-	-	1,587	1,375	212
Film Industry Rebate Program	100	-	-	100	100	-
Great Northern Arts Festival	100	-	-	100	100	-
Indigenous Mineral Development Support Program	25	-	-	25	25	-
Mining Incentive Program	-	-	-	-	97	(97)
Northern Food Development Program	1,000	500	-	1,500	1,501	(1)
Northwest Territories Chamber of Mines	550	-	-	550	384	166
Pandemic Relief Extension Program	55	-	-	55	51	4
Regional Relief and Recovery Fund	-	2,500	-	2,500	1,706	794
Supplement for Tourism Accommodation Relief Program	-	628	-	628	921	(293)
Support for Entrepreneur and Economic Development	-	3,200	(750)	2,450	936	1,514
Tourism 2020	3,866	-	750	4,616	4,206	410
Tourism Industry Funding	400	-	-	400	-	400
Tourism Product Diversification Program	4,136	-	-	4,136	4,128	8
Tourism Restart Recovery Program	1,086	-	-	1,086	861	225
Tourism Skills Development	-	800	-	800	2,133	(1,333)
Various Contributions Economic Diversification	50	-	-	50	6	44
Various Contributions Minerals and Petroleum Resources	-	-	-	-	349	(349)
Various Contributions Tourism and Parks	-	-	-	-	1,285	(1,285)
Yellowknife Visitor Services	-	-	-	-	60	(60)
	161	-	-	161	347	(186)
	17,541	7,658	150	25,349	26,091	(742)
Justice						
Community Justice Committees and Projects	1,805	416	-	2,221	1,948	273
Gun and Gang Strategy	350	-	-	350	460	(110)
Offender Reintegration	179	-	-	179	-	179
Men's Healing Program	-	-	292	292	292	-
Victims Assistance Support Projects	945	750	-	1,695	1,669	26
YWCA of Yellowknife	105	-	-	105	105	-
	3,384	1,166	292	4,842	4,474	368

for the year ended March 31, 2022

(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	1,400	200
Electric Vehicle Rebates	-	-	-	-	100	(100)
Aurora Research Institute Energy						
Projects	70	-	-	70	100	(30)
Biomass Energy Program	200	-	-	200	100	100
Business Support Program	200	-	-	200	200	-
Community Access Program	1,480	-	-	1,480	1,148	332
Community Government Retrofits	200	-	-	200	190	10
Community Renewable Energy Program	100	-	-	100	100	-
Electricity System Analysis	30	-	-	30	-	30
Energy Efficiency Incentive Program	100	-	-	100	200	(100)
Energy Guide for Houses	190	-	-	190	110	80
Dehcho First Nation Energy Plan	-	-	-	-	25	(25)
Infrastructure Contributions						
Northwest Territories Power						
Corporation	17,791	25,161	-	42,952	36,508	6,444
Inuvik Soccer and Ball Field	-	650	-	650	590	60
Transmission Line Ft Providence/Kakisa	-	-	-	-	10	(10)
Transmission Line Whati	-	-	-	-	125	(125)
Low Carbon Economy Leadership Fund	7,590	1,291	-	8,881	3,517	5,364
NWT Energy Corporation - Lease						
Agreement	96	-	-	96	98	(2)
NWT Energy Efficiency Projects	300	-	-	300	250	50
Electric Vehicle Charging Stations	-	-	-	-	300	(300)
Students Against Drinking and Driving	12	-	-	12	-	12
	30,179	27,102	-	57,281	45,271	12,010

for the year ended March 31, 2022

(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	470	(10)
Aurora College Funding	33,877	-	-	33,877	34,246	(369)
Career Development and Training	30	-	-	30	-	30
Community Library Services	839	-	-	839	804	35
Cultural Organizations	424	-	-	424	424	-
Early Childhood Infrastructure Fund	500	780	-	1,280	1,202	78
Early Childhood Child Care Fee Reduction Subsidy	-	1,181	-	1,181	790	391
Early Childhood Program	1,320	952	-	2,272	1,871	401
Education Authority Funding	161,465	3,446	2,536	167,447	169,197	(1,750)
Education Renewal and Innovation	240	-	(240)	-	303	(303)
Healthy Food for Learning	650	-	-	650	-	650
Heritage Centres	491	-	-	491	491	-
Infrastructure Contributions:						
Early Childhood and School Services	16,900	323	-	17,223	14,606	2,617
Indigenous Languages Revitalization	200	-	-	200	-	200
Labour Market Programs	-	-	-	-	25	(25)
Labour Market Development Agreement	-	-	-	-	1,416	(1,416)
Literacy Funding	2,356	-	-	2,356	2,961	(605)
Minority Language Education and Second Language Instruction (French)	3,250	-	-	3,250	3,894	(644)
Northern Distance Learning	2,140	-	-	2,140	1,688	452
Northern Youth Abroad	100	-	-	100	100	-
NWT Teachers' Association Professional Development Fund	2,019	-	-	2,019	2,078	(59)
Official Languages:						
Indigenous Languages	5,465	-	-	5,465	5,295	170
Indigenous Languages Broadcasting	1,028	-	-	1,028	1,038	(10)
Francophone Affairs	127	-	-	127	182	(55)
Skills Canada	70	-	-	70	70	-
Small Community Employment	4,244	-	-	4,244	3,977	267
Supporting Child Inclusion and Participation	1,700	-	-	1,700	1,552	148
Tlicho Cultural Coordinator	35	-	-	35	42	(7)
Workforce Development Agreement	1,291	-	71	1,362	1,611	(249)
	241,221	6,682	2,367	250,270	250,333	(63)
Total	854,492	103,852	14,337	972,681	968,463	4,218

MUNICIPAL AND COMMUNITY AFFAIRS

A special warrant was approved to coordinate, assess and provide supports to community governments, Northwest Territories residents and small businesses that incurred damages and losses as a result of severe flooding in mid-May 2021.	30-Jun-2021	31,195
---	-------------	--------

Total Special Warrants		<u>31,195</u>
-------------------------------	--	----------------------

	Transfer to (from) \$	Explanation
OPERATIONS AND MAINTENANCE		
Health and Social Services		
COVID Secretariat	(7,400)	One-time transfer of surplus funding from COVID Secretariat (7,400), Long Term and Continuing Care Services (4,000) and Supplementary Health Benefits (2,666) to Health and Social Programs to offset increased expenses related to the COVID-19 pandemic incurred by the Health and Social Services Authorities. Ongoing reallocation of surplus interest budget (14) from Long Term and Continuing Care Services to Administrative and Support Services.
Long Term and Continuing Care Services	(4,014)	
Supplementary Health Benefits	(2,666)	
Administrative and Support Services	14	
Health and Social Programs	14,066	
Infrastructure		
Programs and Services	(1,116)	Transfer of the Low Carbon Economy Leadership Fund supplementary appropriation amount to the activity where the program will be administered.
Energy and Strategic Initiatives	1,116	
Industry, Tourism, and Investment		
Tourism and Parks	(750)	Transfer of funding from the Supplement for Tourism Accommodations Relief Program to the Support for Entrepreneurs and Economic Development program to support businesses with COVID-related operations support.
Economic Diversification and Business Support	750	

	Transfer to (from) \$	Explanation
CAPITAL INVESTMENT		
Industry, Tourism and Investment		
Tourism and Parks	(762)	Transfer of funding from various Tourism and Parks projects to the Hay River Fish Processing Plant project to offset budget deficit.
Economic Diversification and Business Support	762	
Infrastructure		
Program and Services	(50,558)	Transfer of capital projects to the newly created activity Energy and Strategic Initiatives where they will be administered.
Corporate Management	(30,533)	
Asset Management	(9,279)	Transfer budget to Programs and Services to cover deficits in Mobile Assets projects from surplus in Asset Management projects.
Energy and Strategic Initiatives	90,370	

for the year ended March 31, 2022

ACCOUNTS RECEIVABLE WRITTEN OFF

No amounts were written off during the fiscal year ended March 31, 2022.

FORGIVENESS OF DEBT

The total debts forgiven during the fiscal year ended March 31, 2022 was \$96,650.

	\$
Education, Culture and Employment	
Abel, Tina	3,667
Adams, Laura May	2,645
Andrew-Firth, Richard Stephen	542
Antoine, Gloria Darlene	1,100
Apples, Paul	4,134
Bearard, Clayton Shawn	3,264
Beaulieu, Colleen Denise Madeline	613
Drybones, Cynthia	400
Duchesne, Mary Anne	8,144
Gattoni, Valerie Ann	48
Halldorson, Amanada Lynn	3,151
Inuktalik, Adam Joe Stanley	1,300
Johnson, Pamela Mae	5,895
MacLean, Campbell J.	14,846
MacNeil, Vincent Jared	6,455
Perry, Rebecca	15
Rene, Kathleen Marie	6,614
Wilson, Erin Marie	2,291
	<u>65,124</u>
Environment and Natural Resources	
G&G Wood Products	5,154
Jack, Joe Paul	1,431
	<u>6,585</u>
Finance	
Bevan, Kyle Matthew	<u>1,079</u>
Infrastructure	
King, David	<u>5,111</u>

for the year ended March 31, 2022

FORGIVENESS OF DEBT (continued)

Industry, Tourism and Investment

Abel, Harry	1,057
Anikina, Norman	546
Bernarde, Albert	604
Ciboci, Shannon Maegan	1,310
Gathering of Nations Conference & Workshops	2,000
M & M Tours/River Taxi	6,500
Simpson, Garry	2,051
Simpson, Mary Jane	655
	<u>14,723</u>

Justice

Vickers, Martin	4,028
	<u>4,028</u>

Total Forgiveness	<u>96,650</u>
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REMISSION OF STUDENT LOANS

The total student loans remised during the fiscal year ended March 31,2022 was \$1,957,868.

for the year ended March 31, 2022

REMISSION OF TAXES AND PENALTY

The total taxes and penalties remised during the fiscal year ended March 31, 2022 was \$132,633.

	\$
Finance	
Guy Morin	51,700
Joe Wedzin	31,447
Morris Blake	6,481
Robert Sayine	6,199
Albertine Canadien & Vernon Gargon	5,098
Olga Ruben	3,830
Theodore Nitsiza	3,772
Leon Edda	3,754
John Paul & Josephine Rabesca	3,750
Rosa Huskey	3,031
Grace Martin	2,255
Paul Robert Beaulieu	2,066
Louisa Wedzin & David Lafferty	1,700
Frances Zoe	1,575
Alfred Lafferty	1,546
Lena Zoe & Giselle Marion	1,197
Joseph King	795
Joseph Bond & Lillian Gargon	629
Joseph & Helen Rabesca	460
Bernice & Morris Neyelle	435
Andy & Millie Thrasher	365
Joseph Rabesca	249
Charles & Elizabeth Ekendia	231
Loretta Edjericon	68
	<u>132,633</u>

Government of the Northwest Territories

Non-Consolidated Schedule of Projects for the Government of Canada, Nunavut and Others - Expenditures Recovered (unaudited)

Schedule 10

for the year ended March 31, 2022

\$

Executive and Indigenous Affairs

Gwich'in Land Claim Implementation	24,287
Inuvialuit Land Claim Implementation	244,514
Sahtu Land Claim Implementation	24,112
Tlicho Land Claim Implementation	192,898

485,811

Municipal and Community Affairs

Clean Water and Waste Water Fund	1,494,222
Emergency Management Development	85,271
Gas Tax	28,393,912
Inuvialuit Land Claim Implementation	4,090

29,977,495

Infrastructure

Gwich'in Land Claim Implementation	5,100
Inuvialuit Land Claim Implementation	50,000
Sahtu Land Claim Implementation	5,099
Tlicho Land Claim Implementation	14,197
Western Arctic Research Centre Warehouse Expansion - Inuvik	240,385
Wood Pellet Boiler Installation	1,417,644

1,732,425

Justice

Court-ordered Counsel	11,884
Estates Clerk	150,047
Gwich'in Land Claim Implementation	25,302
Sahtu Land Claim Implementation	25,302
Tlicho Land Claim Implementation	8,250

220,785

Health and Social Services

Non-insured Health Benefits	20,324,735
Non-insured Health Benefits - Dental	44,139
Northern Wellness Funding	27,967

20,396,841

Government of the Northwest Territories

Non-Consolidated Schedule of Projects for the Government of Canada, Nunavut and Others - Expenditures Recovered (unaudited)

Schedule 10 (continued)

for the year ended March 31, 2022

\$

Education, Culture and Employment

Forum of Labour Market Ministers	1,951,081
Gwich'in Land Claim Implementation	15,482
Sahtu Land Claim Implementation	49,959
Tlicho Land Claim Implementation	56,308

2,072,830

Environment and Natural Resources

Barren-ground Caribou Bathurst Study	100,000
Bison Control Program	49,813
Bluenose West Caribou Survey	40,000
Boreal Caribou Habitat Restoration	49,250
Conservation Data Centre Data Development	31,399
Economic Opportunities Analysis of Contaminated Sites	31,500
Forest Management Boarder Zone Agreements	13,721
Gwich'in Land Claim Implementation	157,766
Inuvialuit Implementation Funding	4,751,909
Knowledge on resource management	60,000
Legacy Contaminants	60,993
Monitoring Activities Thaidene Nene Territorial Protected Area	399,989
Monitoring of polar bears using non-invasive genetic methods	63,034
Northern Science and Technology Program	13,290
NWT Open Data Program	26,000
Peary Caribou Collar Deployment Aulavik National Park	20,000
Polar Bear Subpopulations	200,000
Remeasurement of the National Forest Inventory	347,907
Sahtu Land Claim Implementation	137,568
Survey of Barren Ground Caribou Western Herds	200,000
Tlicho Agreement Implementation Funding	15,658
West Barren Ground - Bathurst and Bluenose Caribou Survey	20,000
Wolf Surveys	95,227
Wood Bison Working Groups	44,960

6,929,984

Industry, Tourism and Investment

Sahtu Land Claim Implementation	15,340
---------------------------------	--------

15,340

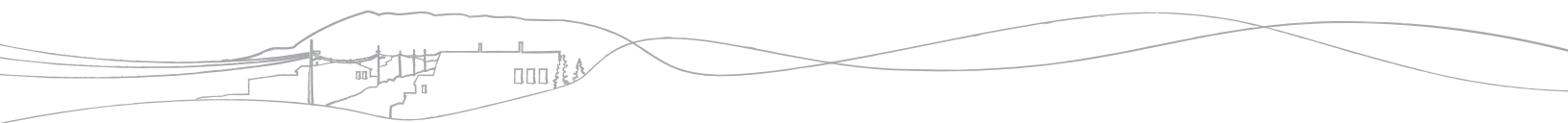
Total **61,831,511**



2021-2022 PUBLIC ACCOUNTS

SECTION III: SUPPLEMENTARY
FINANCIAL STATEMENTS - OTHER
ENTITIES

Government of
Northwest Territories





Aurora College
ANNUAL REPORT
2020/21



VISION

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

MISSION

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

VALUES



RESPECT

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



INCLUSIVENESS AND DIVERSITY

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



INNOVATION

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



ACADEMIC INTEGRITY

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

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 - Aurora College Team21
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2020/21

AT A GLANCE

1

CENTRE FOR TEACHING & RESEARCH

established in the fall of 2020, has three Adult Learning Specialists in the areas of Education Technology, Instructional Design and Scholarship of Teaching.

STUDENT-CENTRED WEBSITE

launched in April 2021 with online application submission, program descriptions and student support information.

MENTION IN THE FEDERAL BUDGET

with an \$8 million commitment to support the transformation of Aurora College into a polytechnic university.

RESEARCH

RESEARCH CHAIR

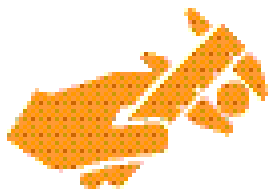
positions established at Aurora College:

- Climate Change Adaptation;
- Indigenous Approaches to Environmental Management; and
- Health and Community.

3

32

Aurora Research Institute-led projects



12

Aurora Research Institute-partnered projects

\$2,683,850 NEW

research funding awarded to Aurora Research Institute.

PARTNERSHIPS

\$1.69m

received from Canadian Foundation of Innovation (CFI) to upgrade and replace Western Arctic Research Centre infrastructure.

\$95,000

granted by the Northern Responsible Energy Approach for Community Health and Electricity (REACHE) to the Aurora Research Institute and Gwich'in-owned Delta Enterprises to study the potential to convert waste cardboard into heating pellets for homes and businesses in Inuvik and the Beaufort Delta.

STUDENTS

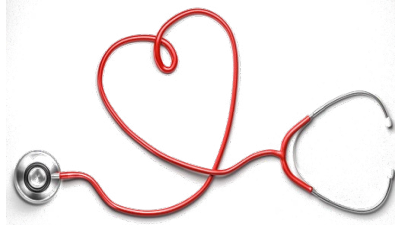
2 YEARS OF GRADUATES

6 FACE-TO-FACE CONVOCATION CEREMONIES

210 GRADUATES

from 24 NWT communities, Nunavut and Ontario, graduated from degree, diploma and certificate programs.

21 COURSES delivered in the Office Administration program that expanded to Yellowknife in the 2020-21 academic year.



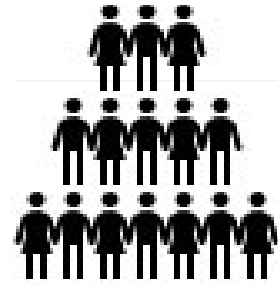
376 NURSES

have graduated from Aurora College since the nursing program began in 1994 -- including 22 new Bachelor of Science in Nursing graduates in 2021.

70 PSW

students participated in the personal support worker (PSW) pilot program which offered a blended delivery of courses allowing students to maintain full-time work while completing their certificate.

EMPLOYEES



Aurora College Team

235 STRONG

15 have doctoral degrees plus 4 PhD candidates

59 have masters degrees

57 have bachelor degrees

12 have Red Seal Tickets

FORT SIMPSON FLOOD RELIEF EFFORTS

35

+

115



MEALS

served twice a day to displaced residents of Fort Simpson during the time they spend evacuated in Fort Smith .



EVACUEES

housed by Aurora College campus in Fort Smith when the town of Fort Simpson flooded.

ADMINISTRATOR'S MESSAGE



The 2020-21 academic year brought a number of unique challenges not only to Aurora College, but to post-secondary institutions around the world.

Not only did we meet the challenges of teaching and learning from a distance during COVID-19, we continued to make huge strides towards the successful transformation to a polytechnic university. Early in the academic year, we released a new three-year strategic plan – Strengthening the Foundation and Planning for Change. The plan sets out a new vision, mission, values and strategic direction that will guide the College's operations from 2020 to 2023, will help strengthen the foundation and set the context for key transformational changes.

The three-year plan reflects the leading role of Aurora College in implementing the overall vision presented in the Government of the Northwest Territories' Post-secondary Education Strategic Framework 2019-2029, a vision that every resident of the NWT has an equitable opportunity to reach their full potential by obtaining a quality post-secondary education from institutions that are student-centred, accessible, high quality relevant and accountable.

Aurora College also took steps towards improving our student-centred and learning-centred approach. Two examples of this are the launch of a new website and the introduction of an early admissions process. The new website is easier for students to navigate, and provides more important and relevant information for students. Improving the admissions process allows students to know sooner whether they are accepted, whether they need additional upgrading or credentials to qualify, and if they have been accepted into student housing. The new website also helps students to take advantage of the early admissions process, which in turn can provide more

certainty and support when students are planning their futures.

The 2020-21 academic year also reminded us that, at its core, Aurora College is about community. When unprecedented spring flooding forced entire communities in the Deh Cho to evacuate, Aurora College's Thebacha Campus offered housing, meals and support to evacuees from Fort Simpson until they could return to their homes.

One of the major learnings for Aurora College that has come out of the global pandemic is that the Aurora College team and our students have proven that they can meet any challenge head on, find solutions and execute those solutions while looking out for and supporting each other. I continue to be proud to be associated with this institution that supports the people of the North and life-long learners everywhere.

Denny Rogers
Administrator,
Aurora College

PRESIDENT'S MESSAGE



As president of Aurora College, it is my honour to share with you the 2020/21 Annual Report.

As we look back on the 2020 academic year our commitment to quality post-secondary education took on renewed meaning. To meet our students needs and keep the college community safe during the COVID-19 pandemic the majority of Aurora College's programs and courses were adjusted to online formats. Both students and instructors successfully transitioned to online learning and that adaptability speaks volumes to their resiliency and the future success of our institution.

As an institution we took on a new direction as outlined in the 3-Year Strategic Plan released in the fall of 2020, with a new vision, mission and values to guide our way. Over

the next three years we will focus on four strategic pillars:

- Academic and Research Excellence;
- Learning Centred;
- Organizational Effectiveness; and
- Connections

Throughout each of these pillars is our unwavering commitment to provide high-quality education in a welcoming and inclusive environment; an environment that supports academic success as well as personal well-being. Increasingly, success in education and research will support the institution as it moves closer to becoming a polytechnic university.

Along with setting the strategic direction for the College, the institution, through consultation and a discussion paper, identified the Initial Areas of Specialization for the polytechnic university. Areas of specialization are at the core of a post-secondary education institution's identity and will serve as a foundation for planning around teaching and research programs, along with student supports and facilities as we move closer to a polytechnic university. The

Initial Areas of Specialization for the polytechnic university are:

- Skilled Trades and Technology;
- Earth Resources and Environmental Management;
- Northern Health, Education and Community Services; and
- Business and Leadership.

The 2020/21 academic year was filled with change balanced by extraordinary resilience. Despite the extraordinary energy that went into the College's response to COVID-19, and the time and commitment that went into transformation and strengthening its foundation, the College remains strong and students continue to succeed. In the spring of 2020, convocations were held for more than 200 students who successfully completed their programs during the two years of the pandemic.

It has been an exceptional year of growth and change. I look forward to what the future holds.

Andy Bevan
President,
Aurora College

2020/21

FACTS, FIGURES & FINANCE

STUDENTS

Number of Students by Campus

CAMPUS / YEAR	2020-21		2019-20		2018-19		2017-18	
	Full-Time	Part-Time	Full-Time	Part-Time	Full-Time	Part-Time	Full-Time	Part-Time
Aurora	22	67	84	394	124	450	107	410
Thebacha	84	163	161	494	161	669	217	610
Yellowknife North Slave	167	189	224	471	201	404	203	442
Community Learning Centres	19	953						
TOTAL	292	1372	469	1359	486	1523	527	1462

NOTE: Until 2020-21 students learning in community learning centres were included in campus student counts.

Full-Time Equivalent (FTE) Students by Campus

CAMPUS / YEAR	2020-21	2019-20	2018-19	2017-18
Aurora	31.1	107.1	189.5	166.9
Thebacha	129.3	209.1	275.4	300.7
Yellowknife North Slave	204.3	283.4	274.3	315.3
Community Learning Centres	100.7			
TOTAL	465.4	599.6	739.2	782.9

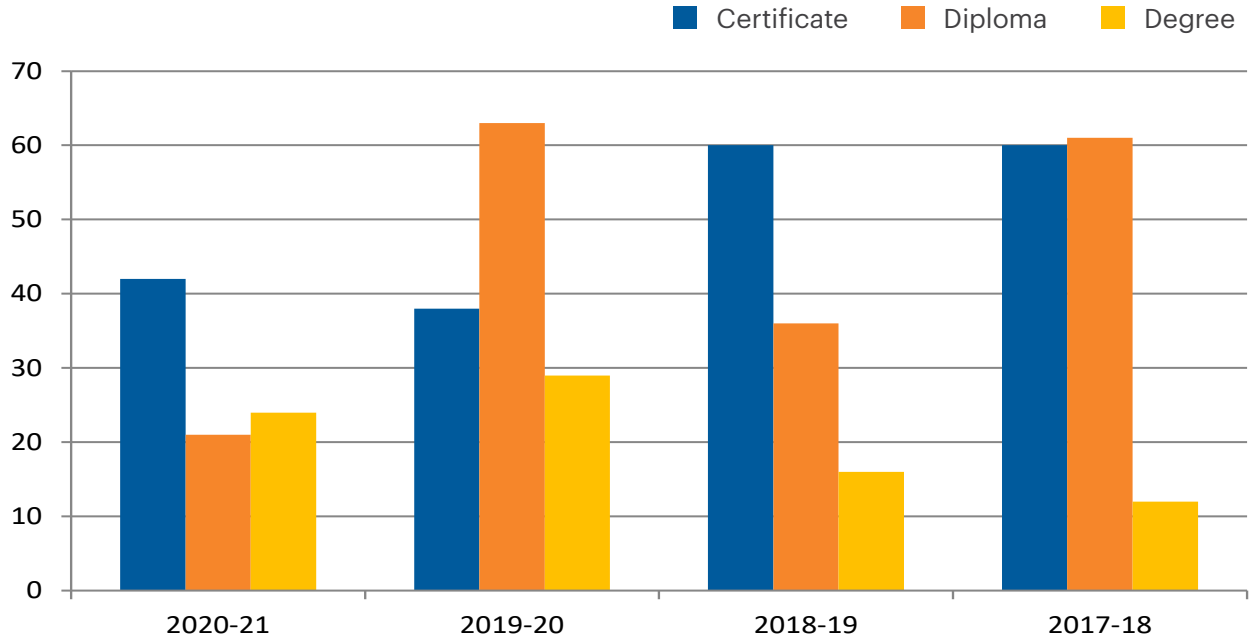
NOTE: Until 2020-21 students learning in community learning centres were included in campus student counts.

FTE Students by School - Division

SCHOOL-DIVISION / YEAR	2020-21	2019-20	2018-19	2017-18
Continuing Education	34.5	35	79	56.4
Developmental Studies	136.1	240.2	287.2	332.8
Arts & Science	22.2	18	23.5	42
Business & Leadership	50.5	72.9	90.3	74.6
Education	34.5	43.2	56.4	42.7
Health & Human Services	127.7	131.6	124.7	160
Trades, Apprenticeships & Industrial Training	59.9	58.7	78.1	74.4
TOTAL	465.4	599.6	739.2	782.9

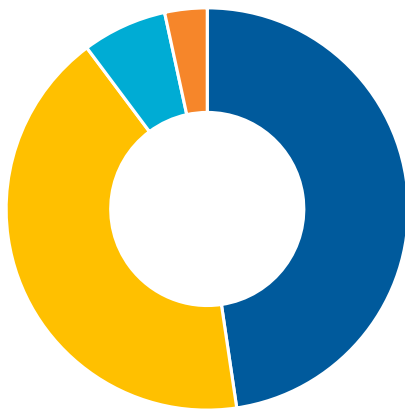
GRADUATES BY CREDENTIAL

Graduates by Credential Earned



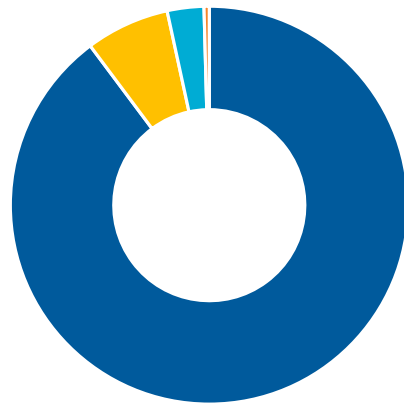
FACULTY & STAFF

Employees by Function*



Support/Administration	112
Faculty	99
Full-Time Students	16
Senior Management	9

Employees by Employment Status*



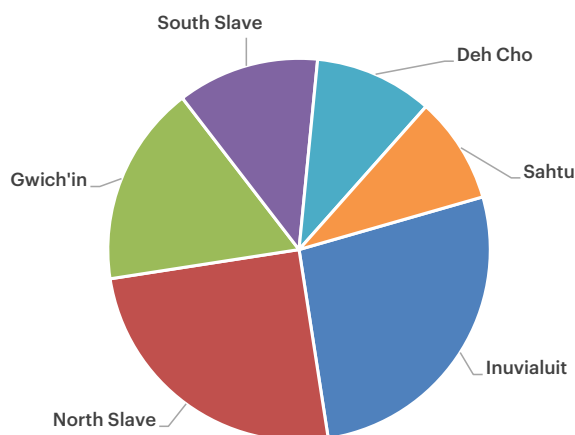
Indeterminate	211
Relief	16
Term	7
Casual	1

* These statistics are a snapshot of employees on May 31, 2021

RESEARCH

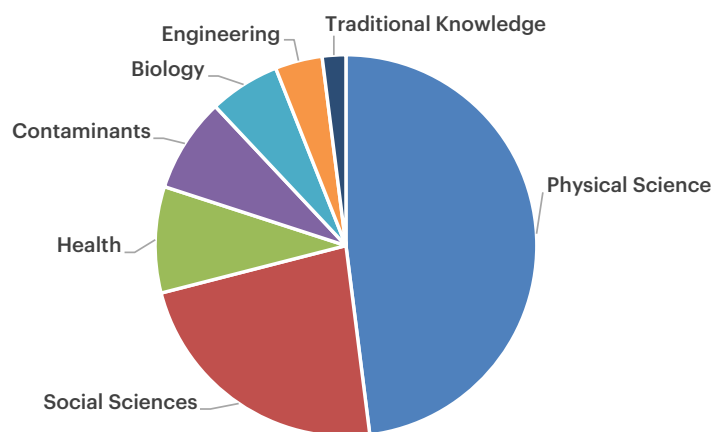
2020 Research Licences by NWT Region

Inuvialuit	27%
North Slave	25%
Gwich'in	17%
South Slave	12%
Deh Cho	10%
Sahtu	9%



2020 Research Licences by Research Category

Physical Science	48%
Social Sciences	23%
Health	9%
Contaminants	8%
Biology	6%
Engineering	4%
Traditional Knowledge	2%



Aurora Research Institute Metrics (July 1, 2020 – June 30, 2021)

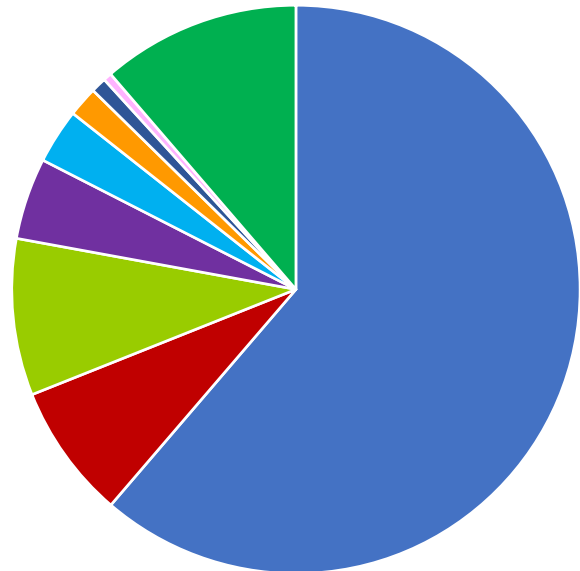


Research Projects – ARI Led	32
Research Projects – ARI Partnered	12
New funding (\$\$) awarded:	\$2,683,850.00
Research Partnerships	39
In-Kind Support Received	\$354,802.00
ArcticNet North by North Funding (over 4 years)	\$1,416,668.00
Peer-reviewed scientific publications	12

FINANCES AT A GLANCE

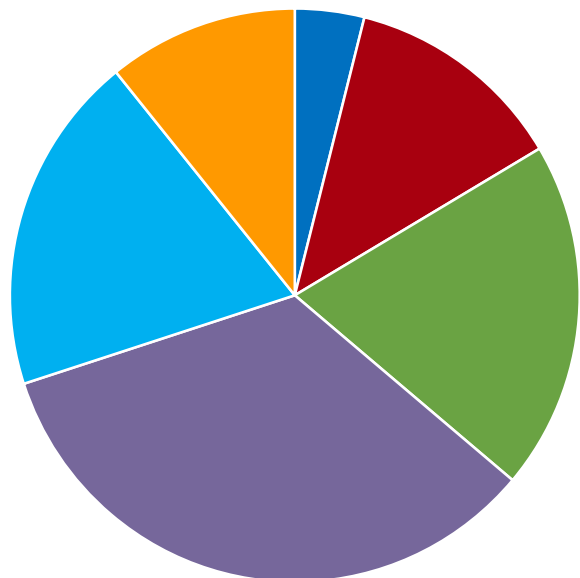
REVENUE

Government base	63.4%
Other GNWT	8.4%
Government of Canada	7.8%
Other 3rd party	3.0%
Tuition fees	3.5%
Room and board	1.5%
Recoveries and other	1.7%
Interest income	0.3%
Services provided without charge	10.5%



EXPENDITURES

Financial and accounting services	3.7%
Pooled services	16.5%
Student services	20.9%
Education and Training	30.6%
Community and Extensions	18.9%
Aurora Research Institute	9.4%



2020/21 HIGHLIGHTS

TRANSFORMING TO A POLYTECHNIC UNIVERSITY

Tremendous progress has been made toward completing Phase 1: Strengthening the Foundation and Planning for Change. Aurora College and the Department of Education, Culture and Employment have collaborated around the development of key planning documents that will help to ensure we remain on track for the launch of an effective, efficient and sustainable polytechnic university in May 2025.

Transformation Implementation Plan

In collaboration with Aurora College, the GNWT released the Aurora College Transformation Implementation Plan (Implementation Plan) in October 2020. The document outlines the path to establishing a polytechnic university that will support the aspirations of Northerners, diversify the economy, and contribute to the long-term prosperity of the NWT. At the centre of the Implementation Plan is a series of 21 critical milestones that must be met in the right order and at the right time to keep the transformation on target and to ensure overall success.

As a public post-secondary education institution, Aurora College and eventually the polytechnic university, will increase transparency and public accountability. To exemplify these values through the transformation process itself, a website has been created that allows partners, stakeholders and members of the public to explore the 100+ projects being undertaken as part of the multi-year transformation process. All documents and reports associated with transformation can also be viewed online at: <https://www.ece.gov.nt.ca/aurora-transformation/>

Areas of Teaching and Research

Initial Areas of Teaching and Research Specialization for the Polytechnic University (areas of specialization) was released alongside the Implementation Plan and is available on the transformation website. Feedback from Indigenous government partners, Aurora College employees, business, industry, post-secondary institutions, non-government organizations, and members of the public informed the four initial areas of teaching and research specialization.

Areas of specialization are important to the identity of a post-secondary institution as they indicate the institution's teaching and research focus to current and prospective students, educators, researchers, funders and partners. As part of the transformation process, these areas of specialization will inform a wide range of changes that will help to ensure the polytechnic university is efficient, effective and sustainable. The areas outlined in the document include: skilled trades and technology; earth resources and environmental management; Northern health, education and community services; business and leadership.

Aurora College 3-year Strategic Plan

Strengthening the Foundation and Planning for Change: Aurora College's 3-year Strategic Plan (Strategic Plan) sets out a new vision, mission, values and strategic direction that will guide the College's operations from 2020 to 2023 and help to strengthen the foundation and set the context for key transformational changes. The Strategic Plan was developed with input from Aurora College students, employees, partners and stakeholders.

The Strategic Plan reflects the leading role of Aurora College in implementing the overall vision presented in the GNWT's Post-secondary Education Strategic Framework 2019-2029 – a vision that every resident of the NWT has an equitable opportunity to reach their full potential by obtaining a quality post-secondary education from institutions that are student-centred, accessible, high quality, relevant and accountable.

This Strategic Plan is the first of three strategic plans that will guide the institution as it transforms from a college to a polytechnic university. Ongoing and public engagement remains a priority for the transformation of Aurora College into a polytechnic university and will take place throughout the process.

New Approach to Corporate Planning

The Corporate Plan is a document released annually that lays out a clear planning approach for the College with timely reporting focused on transparency and accountability. It outlines objectives set by the institution for the year, and includes a discussion of business activities, strategic issues and future objectives. The Corporate Plan outlines a new approach to performance measures called a “balanced score card approach” that will increase transparency and drive continuous quality improvement throughout the College's transformation to a polytechnic university and beyond.

New Research Chairs

Three new Research Chair positions have been established at Aurora College that will play a significant role in strengthening the institution's foundation as it transforms into a polytechnic university. Innovative research and capacity development will be driven by these Research Chairs who are each based at one of the three Aurora College campuses –Western Arctic Research Centre in Inuvik, Thebacha Campus in Fort Smith and Yellowknife North Slave Campus in Yellowknife.

Each Research Chair will be responsible for developing and implementing an applied research program related to Aurora College's areas of specialization. Their work will also align with Aurora College's strategic direction and values, build Northern capacity and address Northern research needs.

The positions are co-funded through ArcticNet, a Network of Centres of Excellence of Canada, providing \$1.4 million to Aurora College, over four years, to help expand research capacity in the NWT.

Draft bill to amend Aurora College Act

The GNWT is proposing changes to the Aurora College Act as part of the transformation of Aurora College into a polytechnic university. Within the Implementation Plan, two legislative processes are anticipated. Spreading changes across two legislative processes will allow time for Aurora College and the GNWT to adapt to a new way of working together as Aurora College becomes more arm's length from government.

The first legislative process is now underway to make changes to the existing Aurora College Act. The second legislative process is anticipated to take place in 2024 and will establish a Polytechnic University Act to replace the amended Aurora College Act and formally launch the polytechnic university.

The changes to the Act, presented in Bill 30, will result in a new governance system that will help to ensure Aurora College is effective, efficient and sustainable. Aurora College will be better positioned to identify and respond to the needs of Northern residents and do so at arm's length from government. The Northwest Territories Legislative Assembly is anticipated to approve amendments to the Aurora College Act in December 2021. These amendments are anticipated to result in governance changes, including the roles and responsibilities of the Minister and Aurora College Board of Governors. In accordance with the Act, these changes will come into force at a later date. The transformation process will then move into Phase 2: Transformational Change.

2020/21 HIGHLIGHTS

TEACHING AND LEARNING DURING COVID-19

On-the-land adaptations under COVID-19

To comply with COVID-19 restrictions, the Environment and Natural Resources Technology program came up with creative ways to meet experiential and on-the-land requirements. While the summer field camp was cancelled in August 2020, instructors were able to organize COVID-19 compliant day trips for courses such as chainsaw safety and wilderness survival. In addition, Smith's Landing First Nation provided opportunities on two occasions for students to attend and participate in fish camp activities, fish and wildlife sampling and wildlife necropsy. Following a strict exemption plan, students were able to attend a two-night winter field camp to apply learned skills such as emergency shelter building and survival techniques in an on-the-land setting. During the camp, a local Elder led the students on a caribou hunt. Partnerships with industry, Indigenous groups and the Government of the Northwest Territories continue to add value to the academic programming.

Unique learning opportunities for Early Learning and Child Care

The pandemic provided unique opportunities for students to engage in using technology to communicate and receive information. As the program requirements had to be adapted to online learning, students learned strategies that will better prepare them to use technology for teaching and learning in the future. Students created a 90-minute online workshop presentation on physical literacy that was delivered to a diverse audience of northern professionals who are responsible for leading physical literacy in their communities. They also partnered with the NWT Literacy Council to develop and deliver live video presentations to five day homes, developing a learning kit of activities and stories to support the online delivery of the project to children at the day homes.

Pandemic Learning Opportunities for student nurses

Innovation and clinical placement opportunities continued to grow for nursing students. Students followed all COVID-19 protocols and restrictions of the clinical sites where they were assigned and were able to contribute to the pandemic response. Year 1 and 2 students continued to be in their practice placements at Stanton Territorial Hospital and Avens: A Community for Seniors throughout the entire academic year. Students in Years 3 and 4 were able to work both inter-professionally and intersectorally with many government and non-government departments in their project-based practica.

In partnership with the Northwest Territories Health and Social Services Authority (NTHSSA), Year 4 students were able to complete the Canadian Pediatric Society's Education Program for Immunization Course (EPIC) in order to assist with the COVID-19 vaccine campaigns. Students administered hundreds of vaccines and helped with COVID-19 testing, which contributed greatly to the human resource needs during the outbreak. The knowledge gained from being on the front line during the pandemic will contribute significantly to their professional careers.

Blended delivery and distance learning create new opportunities for PSW students

For the first time, Personal Support Worker (PSW) students were able to maintain full-time work while completing their certificates. Blended delivery offered flexibility, with both synchronous and asynchronous opportunities to connect with faculty and classmates. While students missed the face-to-face interaction, many appreciated the opportunity to learn in this format. Students completed practicum courses at Yellowknife Home Care, Avens: A Community for Seniors, various units at Stanton Territorial Hospital, and Hay River Home Care. Staff and management of these partner agencies graciously mentored and supported Aurora College students during a time that was tremendously stressful for health care workers. In addition to the full-time program, four evening courses were offered by distance to residents in six communities as part a pilot distance program. There was a great deal of interest in the pilot; more than 70 individuals signed up for courses across four semesters. Some students completed all of the pilot courses, a few became full-time students in the program, and others plan to continue in the blended delivery program being offered in 2021-22.

Libraries expand virtual services

The College's Library Services rose to the COVID-19 challenge by quickly pivoting to virtual library support in 2020-21. Some of the innovations employed were: implementing a live chat service in which staff provided synchronous support to all students, regardless of their location in the NWT; introducing contactless borrowing via doorstep delivery and curbside pick-up access to books, videos and printed materials; expanding digital collections with a focus on e-books; and creating a number of short "how to" videos to guide students and staff through the basics of searching for resources and reaching library staff for assistance.

Computers and turbo sticks support home learning

The Information Systems and Technology (IST) department has been key in supporting distance and online teaching and learning during COVID-19. IST supported the quick pivot to distance learning by supporting faculty and staff to work remotely and by providing students access to online systems. Laptops and turbo sticks (to access internet services) were issued to Adult Literacy and Basic Education (ALBE) and community-based students who required them to continue their studies. Without this support, these students would not have been able to participate in online learning due to a lack of access to technology and the internet.

Virtual student supports break down barriers and have lasting positive impact

The pivot to online learning also impacted the supports and services provided by the Student Services division. Student orientation took on a new meaning as the Student Services team had to guide new students on how to walk into the virtual classroom, become part of the virtual college community and get virtual academic and non-academic supports. New courses, workshops, videos and resources were developed to help students learn how to use the tools available to them. For the first time ever, students across all campuses and learning centres engaged together in orientation events, presentations and workshops because the technology in many ways broke down the physical barriers between students and staff in different locations. Students who requested counselling and tutoring met with College counsellors and tutors on Microsoft Teams. While Student Services welcomes the return to face-to-face interactions with students, there are definite opportunities that will benefit students' ability to access virtual supports long after the pandemic is over.

2020/21 HIGHLIGHTS

TEACHING & LEARNING

Centre for Teaching and Learning Pilot

When the COVID-19 pandemic closed the doors to universities and colleges across Canada and the globe in March 2020, Aurora College quickly transitioned to online learning for most programs. In response, a committee consisting of 11 faculty and staff from divisions across the College worked together to address the need to rapidly shift to provide online educational programming. This committee provided the foundation for a pilot Centre for Teaching and Learning (CTL) in October 2020. Three adult learning specialists in the areas of Education Technology, Instructional Design and Scholarship of Teaching joined a centre director and an administrative assistant to make up the pilot team. The centre's accomplishments in the area of professional development for staff will be formally evaluated for proof of concept. The team has provided College-wide training and have been delivering brown bag education lunch sessions and webinars to share experiences related to remote delivery strategies. The centre hosted 18 professional development sessions with 365 attendees. In addition, the CTL team supported virtual in-servicing around distance education for Community and Extensions division faculty in January 2021.

Office Administration expands to Yellowknife North Slave Campus

The Office Administration (OA) program was expanded to include delivery at Yellowknife North Slave Campus in the 2020-21 academic year. Three new instructors were hired and the program delivered 21 courses using a variety of delivery methods. Employers in the public and private sector continue to support the program, mentoring OA student through 150-hour practicum placements prior to graduation. Nearly 80 per cent of 2020-21 OA students earned certificates, and many were hired by their employers after completing their practicum placements.

Truth and reconciliation in health programs

The School of Health and Human Services programs remain committed to truth and reconciliation, honouring and teaching Indigenous ways of knowing, being and doing and incorporating learnings into both the curriculum and nursing practice. This year, all students in the School of Health and Human Services had the privilege to meet with and learn from Dr. Marie Wilson about truth and reconciliation and systemic racism.

80%



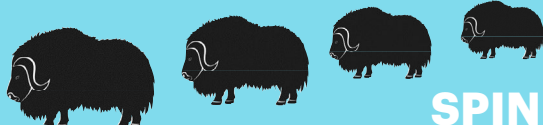
OFFICE ADMINISTRATION

Students earned certificates in 2020-21

100%

**OF AURORA
COLLEGE
STUDENTS**

experienced some form of distance learning during the 2020-2021 academic year due to COVID-19.



MUSKOX WOOL SPINNING WORKSHOPS

2

Si Dene (I am ...) – A Celebration of Northern Indigenous Heritage

Between January 2019 and March 2021, Bachelor of Education (BEd) students were involved in a research project — “Si Dene (“I am...”) – A Celebration of Northern Indigenous Heritage”. The collaborative research initiative was undertaken to strengthen relationships between Indigenous people and museums to celebrate Northern Indigenous cultural heritage. This interdisciplinary initiative brought an Indigenous researcher and a cohort of Dene, Métis and Inuvialuit Aurora College BEd students together with the Curator, staff and supporting community members from the Northern Life Museum and Cultural Centre in Fort Smith. The research culminated in a publication *Si Dene: A Celebration of Northern Indigenous Heritage* published by the Northern Life Museum and Cultural Centre.

Face-to-Face Convocations – June 2021

In June, Aurora College was able to hold face-to-face convocation ceremonies to celebrate both our 2019-20 and 2020-21 graduates. No convocation ceremonies were held in 2020 due to the pandemic. In order to meet COVID-19 protocols restricting the size of gatherings, multiple outdoor ceremonies were held in Yellowknife (3) and Fort Smith (2), and one indoor event was held in Inuvik. Less than 24 hours prior to the Yellowknife ceremonies, NWT COVID-19 protocols changed to allow double the number of people at outdoor events, so arrangements were quickly made to invite and accommodate increased numbers at ceremonies in Yellowknife and Fort Smith. As many as 210 individuals from 24 NWT communities, Nunavut and Ontario were on track to graduate from degree, diploma and certificate programs in 2019-20 and 2020-21.



Aurora College President, Andy Bevan, right, bumps elbows with a student in celebration during spring 2021 convocation.

New options for Business Administration

A new elective was developed and delivered during evenings and weekends of the spring term. In partnership with the Canadian Executive Service Organization (CESO) MERIT project, Aurora College offered a course focusing on how to start a business in the resource extraction sector in the North to Business Administration students and members of the public.

Healthy Campuses Funding - Qiviut Spinning Workshop in Łutselk'e

Using Healthy Campuses funding, Łutselk'e Community Learning Centre partnered with Łutselk'e Dene First Nation to provide equipment for two qiviut (ejere lalen in Dēne Sų́nē) spinning workshops. Spinning muskox wool makes use of an abundant natural resource and has the potential to create new economic benefits. Learning and engaging in creative hobbies also helps maintain mental health and a healthy lifestyle.

2020/21 HIGHLIGHTS

RESEARCH

Research Chairs created through ArcticNet Partnership

Three newly established research chair positions will be responsible to develop and implement applied research programs related to Aurora College's areas of specialization: Climate Change Adaptation (Western Arctic Research Centre, Inuvik), Indigenous Approaches to Environmental Management (Thebacha Campus, Fort Smith) and Health and Community (Yellowknife North Slave Campus). The work of each research chair will align with Aurora College's strategic direction and values, build Northern capacity and address Northern research needs. The positions will also play a significant role in strengthening the College's foundation as we transform into a polytechnic university. The research chair positions were co-created through a partnership with ArcticNet that will provide Aurora College with \$1.4 million over four years. ArcticNet is a Network of Centres of Excellence of Canada that brings together scientists, engineers, and managers in the natural, human health and social sciences with community partners to study the impacts of climate change in the Canadian North.

Western Arctic Minerals Geographic Information System

Aurora Research Institute released a Western Arctic Minerals Geographic Information System (MGIS) to support Northern stakeholders in making informed decisions with respect to mineral strategy management and land use planning. The MGIS integrates geospatial data with the most up-to-date information on existing oil, gas and mineral rights, important wildlife areas and ranges to visualize, store, analyze and provide information critical to support the development of mineral strategies in the Western Arctic. As Aurora College transforms into a polytechnic university, projects such as this will complement academic programs and strengthen the capacity to train and prepare Northerners for careers in the earth resource and environmental management sectors.

STEM Outreach expanded through Polar Knowledge Canada grant

Aurora College received \$450,000 through the Polar Knowledge Canada Capacity Building Grant to support the expansion of STEM (Science, Technology, Engineering and Math) education and outreach for youth in the NWT. The funding allowed full-time Outreach Coordinators to be hired in Fort Smith and Yellowknife. During 2020-21, innovative COVID-19-compliant STEM activities included virtual educator training, one-on-one educator consultations, delivery of science kits to communities in the Beaufort Delta and to Fort Smith, and approved in-person outreach events.



A student takes part in a STEM outreach session.

Converting waste cardboard into Northern heating fuel

A Northern Responsible Energy Approach for Community Health and Electricity (REACHE) grant of \$95,000 was awarded to Aurora Research Institute and Gwich'in-owned Delta Enterprises to study the potential to convert waste cardboard into heating pellets for homes and businesses in Inuvik and the Beaufort Delta. REACHE grants are funded by Crown Indigenous Relations and Northern Affairs Canada. Potential benefits from the biomass pellet project are reduced waste, the option of a clean, alternative fuel option for the Inuvik area, and economic development and the creation of new jobs. An existing building was retrofitted to house the new Inuvik Pellet Mill, which became operational in late 2019. Earlier feasibility studies, funded and supported by the GNWT Energy Division and the Environmental Career Organization Canada's internship program, determined that up to 60 tonnes per year of Inuvik's cardboard waste could be diverted from the landfill and converted into fuel pellets.

Helping northern businesses find pandemic-related opportunities

In response to COVID-19, the Arts, Crafts and Technology Micro-Manufacturing Centre (ACTMC) in Inuvik engaged in a research project to better understand how small businesses and entrepreneurs in the NWT could respond to the pandemic by manufacturing non-medical personal protective equipment (PPE) such as fabric face coverings. A series of informational pamphlets was created to provide manufacturers with guidance on best practices for manufacturing requirements and quality control. The research also looks to gain an understanding of the pandemic's impacts on micro-credentialing opportunities, on technical support pathways with relation to ACTMC clients, and how it relates to technical staff in private sector positions.

Canada's Top 50 Research Colleges 2020

Aurora College was recognized by Research Infosource Inc. as one of Canada's Top 50 Research Colleges for 2020. Aurora College is ranked #29 overall among the nation's top research Colleges, up from the 2019 ranking of #48. Aurora College was in the top 10 in two categories: seventh place in both research growth, showing a 197.4 per cent increase in research income from the 2019 fiscal year, and research intensity, a measure of research dollars per researcher.

STEM OUTREACH

71 **STEM**
(Science, technology,
engineering and mathematics)
events took place with



1844

NORTHERN YOUTH
and residents in attendance

RESEARCH

RANKED

29th

Overall out of Canada's
Top 50 Research College



7th

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

2020/21 HIGHLIGHTS

STUDENT SUCCESS

School of Developmental Studies celebrates two years of learners

Nearly 150 learners from 2019-20 and 2020-21 were celebrated for their achievements in the School of Developmental Studies (DS) at virtual Completion Ceremonies in June. Due to COVID-19, all learning in DS programs was delivered online from late March 2020 through June 2021. Despite challenges with internet access, computer hardware, adapting to online learning and juggling additional family responsibilities, these learners showed their resilience, perseverance and determination to succeed. Between the three campuses and two years, 4 learners achieved their NWT Secondary School Diploma, 44 completed the University and College Access Program, 33 completed the Occupations and College Access Program, and nearly 70 completed courses in Adult Literacy and Basic Education. Numerous academic and non-academic awards were presented at the three ceremonies.

Literacy Outreach Centre learner publishes first book

With support from the Yellowknife Literacy Outreach Centre and Rio Tinto, learner Susan Chaffee wrote and self-published a book of stories about her experiences as the NWT's first female fishing guide. The book, *Happy Thoughts of Arctic Star Lodge*, features photos of Chaffee's time as a guide and is written to be accessible to all reading levels. She decided to publish the book to help fill the void of engaging, easy-to-read northern stories that appeal to adults who are beginning readers.



42

CERTIFICATES
granted in 2020-21

21



DIPLOMAS
granted in 2020-21



24

DEGREES
granted in 2020-21

150

Learners
participated in
the School of
Developmental
Studies completion
ceremonies

Nursing student receives \$20,000 Edets'seèhdzà research award

Third-year Bachelor of Science in Nursing student Samantha Morandin received the 2021 Edets'seèhdzà Studentship Award. The funding supports an Aurora College student to be involved in health research during their studies and is awarded jointly by Hotù ts'eeda and Aurora College.

Edets'seèhdzà (eh-DEY-tsay-zah) means "stepping forward to challenge yourself" in the Tłıchǫ language. Morandin is the fourth student to be supported through the Edets'seèhdzà Studentship since its launch in 2019. She is committed to holistic health care, and plans to use the opportunity to learn more about Indigenous health, traditions, medicines and ways of healing in order to provide superior culturally safe nursing care.

Student Leadership Awards, Aurora Campus

Board of Governors' Student Leadership Awards for 2019-20 and 2020-21 at Aurora Campus were announced at the convocation ceremony in Inuvik in June. Developmental Studies student Myha Martin received the 2019-20 award. Rachel Nakimayak, a University and College Access, Nursing Stream student, was recognized with the 2020-21 award.

Highest mark on diploma exam

Yellowknife upgrading student Keanan Campbell earned the Minister's Award for Academic Achievement. He achieved the highest mark in Northwest Territories on the Alberta Diploma Exam for English Language Arts 30-2.

Bachelor of Science in Nursing awards

Outstanding graduating nursing students were recognized at the Yellowknife North Slave Campus Convocation Ceremonies in June. Jillian Grobbeck received the Academic and Clinical Excellence Award from the Registered Nurses Association of Northwest Territories and Nunavut (RNANTNU). The award is granted to a student who has exemplified academic and clinical excellence throughout their nursing education. The recipient is chosen based on being: academically in the top 30 per cent of their class throughout the program; in good standing with the school of nursing and has not failed a theoretical course or clinical practicum; and demonstrates professional responsibility and accountability competencies.

Erica Abel was honoured with the Bachelor of Science in Nursing Faculty Award for 2020-21. The award is presented to a graduating student who has demonstrated resilience, professionalism and leadership as evidenced by a positive attitude, determination, professional growth, reflexivity, initiative, being a role model and inspiration to others and promoting the profession of nursing.

Personal Support Worker awards

The recipient of the 2020-21 Personal Support Worker (PSW) Clinical Excellence Award was Karin von Allmen. The award recognizes a student who has demonstrated excellence in the practical setting throughout their program, based on their ability to build strong relationships with clients, growth as a student, leadership, professionalism, clinical performance, academic standing and initiative. The award was presented in conjunction with NWT Personal Support Worker's Day in June.

At the June 10 convocation ceremonies, PSW student Theresa Simon was presented with the Avens Sheila Broders Award, which recognizes excellence in patient care in a graduating Personal Support Worker.

2020/21 HIGHLIGHTS

PARTNERSHIPS

NWT higher learning institutions sign MOU

Aurora College, College Nordique Francophone and Dechinta Centre for Research and Learning entered into an agreement to formalize a collaborative relationship and build capacity to increase access to post-secondary programming and services in the NWT. Each will contribute their institutional strengths to support the development of complementary programs and services that will provide students with more program choices, attract research investments and respond to workforce development needs. The Memorandum of Understanding (MOU) provides collaboration across the strategic alignment of objectives, collaboration on projects and initiatives and potential exchanges or secondments of staff and shared training opportunities.

Collaborative partnerships key to INNOVATE's success

Interest in, and use of the INNOVATE centre (formerly the Arts, Crafts and Technology Micro-Manufacturing Centre or ACTMC) continues to grow substantially. A large part of the success is due to the collaborative partnership support of the Gwich'in Tribal Council (GTC), Inuvialuit Regional Corporation, Industry, Tourism and Investment, CanNor and the Healthy Communities Initiative. INNOVATE began 2020-21 closed to the public and clients, but through careful and responsible planning to comply with COVID-19 protocols, finished the year with the highest client usage numbers to date. Since the centre began permitting clients back into the space through an appointment system, the demand has steadily increased, and is now frequently more than 80 user days per month. These numbers are expected to continue to increase with the addition of new technician staff and the addition of new equipment, including sublimation and computer controlled embroidery machines. In June, INNOVATE hosted an open house that attracted 25 prospective clients to learn about the services provided. Interest is building in other NWT communities as well. An eight-week course – Merging Arts and Crafts with Technology and Manufacturing – was held in Tsiigehtchic through the Community Learning Centre in early 2021 and the Tuktoyaktuk Community Corporation established a community makerspace, leveraging training and equipment supports from the INNOVATE.

Online academic journal highlights work of Indigenous scholars and northern science

A team of Aurora College and Hotii ts'eeda staff successfully secured a \$62,500 funding award from the Social Sciences and Humanities Research Council (SSHRC) for a project to develop an online journal hosted by Aurora College. The project team will establish an open access peer-reviewed journal at Aurora College, with an editorial board composed of a majority of Northerners. The journal will highlight the work of Indigenous scholars and northern science that impacts, and is relevant to, the peoples of the Northwest Territories. 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. 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. This is a joint project between Dechinta, Hotii ts'eeda and Aurora College.

NWT Literacy Council partnership

In 2020-2021, Aurora College worked in partnership with the NWT Literacy Council to develop and revise several ALBE courses and resource packages. This included the development of the Literacy and Essential Skills (LES) courses Numeracy Essentials III, Literacy Skill Builders III, and Introduction to Support Assistant. The NWT Literacy Council worked with Aurora College and outside contractors to complete the three courses as well as to pilot the Numeracy Essentials I and II, Literacy Skill Builders I and II courses. Feedback from the pilots will be used to revise and finalize the courses. The NWT Literacy Council also revised and finalized the LES Skill Boosters resource. All of the key objectives in the Curriculum Development Plan for 2020-2021 involving the NWT Literacy Council were completed.

\$1.69 million Canada Foundation for Innovation grant

Aurora College was awarded \$1,686,897 through the Canada Foundation for Innovation's (CFI) 2020 Innovation Fund to enhance and expand warehouse infrastructure at the Western Arctic Research Centre (WARC) in Inuvik. The project will enhance the research support infrastructure at WARC with a purpose-built steel warehouse containing an unheated space for long-term equipment storage, a heated loading bay and marshalling space to support field research programs, a heated garage and a heated workshop. This will enable WARC to meet the increased needs of the research community in the western Arctic and will also support the on-going growth of regional research activity by making it easier and more efficient for researchers to do their work. Prior to COVID-19 restrictions on international travel, the research centre supported more than 200 external users annually. That number has been growing annually with the increased international focus on northern research and climate change.



Adult Literacy and Basic Education partnerships funded

Aurora College received funding for the 2020-2021 academic year from the GNWT Department of Education, Culture and Employment for supplementary Adult Literacy and Basic Education (ALBE) programming and projects. The College received \$1,614,764 to support ALBE curriculum committee meetings and in-servicing, distance education projects and student tuition, three Literacy Outreach programs, and to top-up the Community Learning Centres. The funds were also used to purchase textbooks for ALBE students and to support salaries and resources for ALBE curriculum development.

39 RESEARCH PARTNERSHIPS

3 NWT POST-SECONDARY INSTITUTIONS

54 INNOVATE MEMBERSHIPS

sign memorandum of understanding to formalize a collaborative relationship and build capacity to increase access to post-secondary programming and services in the NWT

(formerly the Arts, Crafts and Technology Micro-Manufacturing Centre) resulted in



80 USER DAYS PER MONTH

2020-21 HIGHLIGHTS

AURORA COLLEGE TEAM

Acting WARC Director awarded Garfield Weston Award in Northern Research

Erika Hille, right, Acting Director of the Western Arctic Research Centre (WARC), was awarded the Garfield Weston Award in Northern Research. The award, which includes a \$50,000 cash prize, supports early-career scientists in Canada pursuing research in Canada's North. Recipients of the Garfield Weston Award in Northern Research must demonstrate the importance of their research in furthering understanding of northern ecosystems and biodiversity, demonstrate excellence in research and communication with both northern and scientific communities, in addition to receiving support from both northern and academic partners. In addition to her 10 years of service with Aurora Research institute, Hille began her PhD in 2019 with Queen's University. The goal of her PhD research project, "The geochemical responses of Arctic freshwater systems to regional variability in permafrost thaw across the Canadian Arctic", is to examine how the sensitivity and response of aquatic systems to permafrost thaw varies across contrasting permafrost landscapes. Hille's research focuses on the Beaufort Delta region, which is experiencing dramatic landscape change associated with permafrost thaw. Hille also plans to compare her results to watersheds less sensitive to permafrost thaw, including the Apex River Watershed (Iqaluit) and the Meacham River Watershed (Resolute). She has also received an Alexander Graham Bell Canadian Graduate Scholarship (NSERC) and a POLAR Northern Resident Award (Polar Knowledge Canada).



Eight faculty and staff members receive Aurora College credentials

Modelling commitment to lifelong learning, eight faculty and staff members received Aurora College certificates, diplomas and degrees at Aurora College's convocation ceremonies in June. Receiving new credentials were:

Donna-Lynn Baskin, Instructor Developmental Studies: Certificate in Adult Education

Sandy Burns, Instructor Developmental Studies: Certificate in Adult Education

72



Indigenous

164



Non-Indigenous

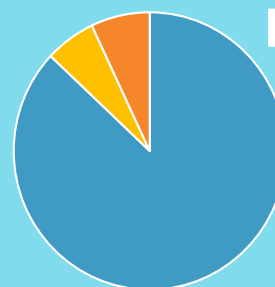
18

**PROFESSIONAL
DEVELOPMENT**

Sessions with

365

PARTICIPANTS



EMPLOYEES*

Full-time	205
Part-time	14
Relief	16

* On May 31, 2021

Ryanna Bourke, Executive Assistant:
Business Administration Diploma

Dexter Castada, Administrative Assistant:
Business Administration Diploma

Joshua MacDonald, Community Adult Educator – Behchoko:
Certificate in Adult Education

Jason Messier, Instructor Developmental Studies:
Certificate in Adult Education

Darla Rabesca, Community Adult Educator – Whati:
Bachelor of Education

One faculty member asked to remain anonymous.



Retired Research Associate and instructor wins National Award

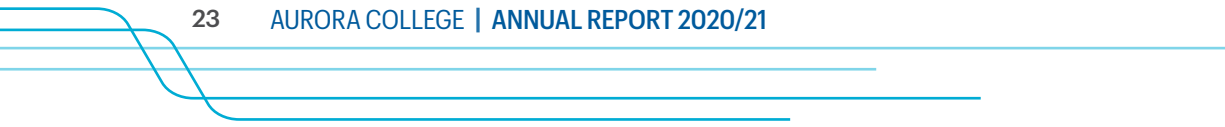
Dr. Pertice Moffitt, below, Research Associate, retired instructor and Health Research Program



Manager – received the bronze Leadership Excellence Award for Faculty 2021 from Colleges and Institutes Canada (CICan). Awarded annually since 2010, the CICan Leadership Excellence Award for Faculty recognizes an individual or team who has exhibited consistent excellence in teaching and has had a significant impact on the personal and academic growth of students. This is the first CICan Excellence Award for Aurora College and the first CICan Leadership Excellence Award for Faculty to be awarded to an institution in a Canadian territory. Dr. Moffitt has had a distinguished career with Aurora College spanning three decades. She was instrumental in the development and implementation of the first nursing program in the Northwest Territories.

Aurora College presents at CANARIE's national technology summit

Based on its successful support of students and staff through the sudden and ongoing pivot to online learning and remote work, Aurora College staff presented two sessions at a national virtual summit hosted by Canada's National Research & Education Network (NREN). The annual summit focuses on high-level research, education and innovation supported by the NREN and Global Research and Education Networks (GREN). "Internet Access Issues and Solutions" outlined the work Aurora College did to ramp up the use of tools to support online learning and remote work by staff and instructors, including solutions such as supplying turbo sticks to students with limited internet access. "Keeping Students Engaged in a Virtual Environment" showcased ways College faculty and staff kept students interested and involved when they were unable to interact in person on campus. CANARIE (formerly the Canadian Network for the Advancement of Research, Industry and Education) is the federal partner of Canada's NREN, and the CANARIE network provides interprovincial and international connectivity for Canada's NREN. Provincial and territorial partners in the NREN provide connectivity to institutions in their jurisdictions and connect to CANARIE to collaborate and share data and tools across Canada and around the world. The NREN connects universities, colleges, research hospitals and government research labs. CANARIE links Canada's NREN to over 100 NRENs around the world.



AURORA COLLEGE
**AUDITED FINANCIAL
STATEMENTS**

AS OF JUNE 30, 2021

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.



Andy Bevan
President



Celestine Starling
Director of Finance/Chief Financial Officer

Fort Smith, Canada
December 9, 2021



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 2021, 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 2021, 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.



David Irving, CPA, CA
Principal
for the Auditor General of Canada

Edmonton, Canada
9 December 2021

AURORA COLLEGE
STATEMENT OF FINANCIAL POSITION
as at June 30, 2021
(in thousands of dollars)

	<u>2021</u>	<u>2020</u>
Financial assets		
Cash	\$ 19,714	\$ 22,702
Accounts receivable (Note 3)	<u>1,666</u>	<u>1,940</u>
	<u>21,380</u>	<u>24,642</u>
Liabilities		
Accounts payable and accrued liabilities	1,273	1,329
Payroll liabilities	2,394	2,084
Deferred revenue	2,027	1,748
Due to the Government of the Northwest Territories (Note 9)	2,696	6,129
Employee future benefits (Note 4)	1,421	1,505
Professional development fund (Note 5)	<u>2,750</u>	<u>2,344</u>
	<u>12,561</u>	<u>15,139</u>
Net financial assets	<u>8,819</u>	<u>9,503</u>
Non-financial assets		
Prepaid expenses	510	365
Tangible capital assets (Note 6)	<u>5,666</u>	<u>6,268</u>
	<u>6,176</u>	<u>6,633</u>
Accumulated surplus (Note 7)	<u>\$ 14,995</u>	<u>\$ 16,136</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



Andy Bevan
President

AURORA COLLEGE
STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS
for the year ended June 30, 2021
(in thousands of dollars)

	Budget	<u>2021</u> Actual	<u>2020</u> Actual
Revenues			
Government contributions (Note 8)	\$ 32,465	\$ 32,375	\$ 31,999
Project income			
Government of the Northwest Territories	4,065	4,300	4,316
Government of Canada	4,722	3,974	4,153
Other third party contributions	2,457	1,520	2,408
Own Source revenues			
Tuition fees	1,652	1,785	1,723
Room and board	906	744	1,067
Recoveries and other	462	868	993
Interest income	250	148	382
Services provided without charge (Note 10)	<u>5,992</u>	<u>5,369</u>	<u>5,701</u>
	<u>52,971</u>	<u>51,083</u>	<u>52,742</u>
Expenses			
Financial and accounting services	2,267	1,952	1,916
Pooled services	7,218	8,602	7,361
Student services	11,356	10,897	11,042
Education and training	19,519	15,995	16,826
Community and extensions	11,063	9,863	9,954
Aurora Research Institute	6,228	4,915	4,798
	<u>57,651</u>	<u>52,224</u>	<u>51,897</u>
Annual (deficit) surplus	(4,680)	(1,141)	845
Accumulated surplus at beginning of year	<u>16,136</u>	<u>16,136</u>	<u>15,291</u>
Accumulated surplus at end of year	<u>\$ 11,456</u>	<u>\$ 14,995</u>	<u>\$ 16,136</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, 2021
(in thousands of dollars)

	Budget	<u>2021</u> Actual	<u>2020</u> Actual
Annual (deficit) surplus	\$ (4,680)	\$ (1,141)	\$ 845
Acquisition of tangible capital assets	-	(911)	(1,297)
Amortization of tangible capital assets	<u>1,100</u>	<u>1,513</u>	<u>1,261</u>
	<u>1,100</u>	<u>602</u>	<u>(36)</u>
Decrease (increase) in prepaid expenses	<u>-</u>	<u>(145)</u>	<u>15</u>
(Decrease) increase in net financial assets	(3,580)	(684)	824
Net financial assets at beginning of year	<u>9,503</u>	<u>9,503</u>	<u>8,679</u>
Net financial assets at end of year	<u><u>\$ 5,923</u></u>	<u><u>\$ 8,819</u></u>	<u><u>\$ 9,503</u></u>

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

AURORA COLLEGE
STATEMENT OF CASH FLOW
for the year ended June 30, 2021
(in thousands of dollars)

	<u>2021</u>	<u>2020</u>
Operating transactions		
Cash received from:		
Government of the Northwest Territories	\$ 36,336	\$ 37,083
Students and other third parties	5,210	6,376
Government of Canada	4,573	3,541
Interest	148	382
 Cash paid for/to:		
Compensation and benefits	(36,119)	(29,050)
Suppliers	<u>(12,284)</u>	<u>(13,518)</u>
 Cash (used for) provided by operating transactions	 <u>(2,136)</u>	 <u>4,814</u>
 Capital transactions		
Acquisition of tangible capital assets	<u>(852)</u>	<u>(1,173)</u>
 Cash used for capital transactions	 <u>(852)</u>	 <u>(1,173)</u>
 (Decrease) increase in cash	 (2,988)	 3,641
 Cash at beginning of year	 <u>22,702</u>	 <u>19,061</u>
 Cash at end of year	 <u>\$ 19,714</u>	 <u>\$ 22,702</u>

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

AURORA COLLEGE
Notes to the Financial Statements
June 30, 2021

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, 2021

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)

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 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.

AURORA COLLEGE
Notes to the Financial Statements
June 30, 2021

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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 of the Northwest Territories, 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, 2021

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

Prepaid expenses are charged to expense over the year the 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 of the Northwest Territories 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 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.

AURORA COLLEGE
Notes to the Financial Statements
June 30, 2021

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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 transaction 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 provided without charge revenues in order to reflect the cost of the College's operations in its financial statements.

3. ACCOUNTS RECEIVABLE

	<u>2021</u>			<u>2020</u>
	(in thousands)			
	<u>Accounts Receivable</u>	<u>Allowance</u>	<u>Net</u>	<u>Net</u>
Government of the Northwest Territories	\$ 961	\$ -	\$ 961	\$ 562
Government of Canada	25	-	25	691
Other	724	150	574	497
Students	387	281	106	190
	<u>\$ 2,097</u>	<u>\$ 431</u>	<u>\$ 1,666</u>	<u>\$ 1,940</u>

AURORA COLLEGE
Notes to the Financial Statements
June 30, 2021

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 \$ 1.01 (2020 - \$ 1.01) for every dollar contributed by the employee, and \$ 3.59 (2020 - \$ 3.80) for every dollar contributed by the employee for the portion of the employee's salary above \$181,600 (2020 - \$173,000).

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 (2020 - \$ 1.00) for every dollar contributed by the employee, and \$ 3.59 (2020 - \$ 3.80) for every dollar contributed by the employee for the portion of the employee's salary above \$181,600 (2020 - \$173,000).

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

	<u>2021</u>	<u>2020</u>
	(in thousands)	
College's contributions	\$ 2,284	\$ 2,135
Employees' contributions	<u>2,280</u>	<u>2,120</u>
	<u>\$ 4,564</u>	<u>\$ 4,255</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, 2021

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 15, 2019. The results were extrapolated to June 30, 2021. The effective date of the next actuarial valuation is June 30, 2022. The liabilities are actuarially determined as the present value of the accrued benefits at June 30, 2021. 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		2021	2020
	Removal	Absences		
			(in thousands)	
Accrued benefit obligation, beginning of year	\$1,018	\$381	\$1,399	\$1,514
Current service cost	51	40	91	85
Interest cost	27	11	38	48
Benefits paid	(190)	-	(190)	(210)
Actuarial (gain)/loss	12	(61)	(49)	(38)
Accrued benefit obligation, end of year	918	371	1,289	1,399
Unamortized net actuarial loss	49	83	132	106
Accrued benefit liability	\$ 967	\$ 454	\$ 1,421	\$ 1,505

Benefits Expense	Severance and Compensated		2021	2020
	Removal	Absences		
			(in thousands)	
Current service cost	\$51	\$40	\$91	\$85
Interest cost	27	11	38	49
Amortization of net actuarial (gain)	(24)	-	(24)	(20)
Total	\$54	\$51	\$105	\$114

AURORA COLLEGE
Notes to the Financial Statements
June 30, 2021

4. EMPLOYEE FUTURE BENEFITS (continued)

Assumptions

	<u>June 30, 2021</u>	<u>June 30, 2020</u>
Discount Rate	3.3% per annum	2.7% 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)		
2022	\$ 110	\$ 37	\$ 147
2023	110	40	150
2024	92	39	131
2025	95	40	135
2026	105	39	144
Total	\$ 512	\$ 195	\$ 707

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>2021</u>	<u>2020</u>
	(in thousands)	
Professional development fund, beginning of year	\$2,344	\$2,209
Contributions	556	515
Professional development paid during the year	<u>(150)</u>	<u>(380)</u>
Professional development fund, end of year	<u>\$2,750</u>	<u>\$2,344</u>

AURORA COLLEGE
Notes to the Financial Statements
June 30, 2021

6. TANGIBLE CAPITAL ASSETS

June 30, 2021

(in thousands)	Mobile equipment	Building additions and renovations	Furniture and equipment	Leasehold improvements	2021 Total	2020 Total
Cost						
Opening balance	\$ 5,850	\$ 1,991	\$ 8,437	\$ 1,732	\$ 18,010	\$ 18,096
Additions	53	-	858	-	911	1,297
Disposals	(46)	-	-	-	(46)	(1,383)
Closing balance	<u>5,857</u>	<u>1,991</u>	<u>9,295</u>	<u>1,732</u>	<u>18,875</u>	<u>18,010</u>
Accumulated amortization						
Opening balance	3,651	1,991	4,873	1,227	11,742	11,863
Amortization	320	-	1,072	121	1,513	1,261
Disposals	(46)	-	-	-	(46)	(1,382)
Closing balance	<u>3,925</u>	<u>1,991</u>	<u>5,945</u>	<u>1,348</u>	<u>13,209</u>	<u>11,742</u>
Net book value	<u>\$ 1,932</u>	<u>\$ -</u>	<u>\$ 3,350</u>	<u>\$ 384</u>	<u>\$ 5,666</u>	<u>\$ 6,268</u>

AURORA COLLEGE
Notes to the Financial Statements
June 30, 2021

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, 2020	Net results of operations	Appropriated	Used in operations	Balance, ending June 30, 2021
a) Northern strategic research reserve	\$ 625	\$ -	\$ -	\$ -	625
b) Program delivery	300	-	-	-	300
c) Research & development	278	-	23	-	301
d) Restricted donations	35	-	-	-	35
Total reserves	1,238	-	23	-	1,261
Operating surplus (deficit)	14,898	(1,141)	(23)	-	13,734
Total accumulated surplus	\$ 16,136	\$ (1,141)	\$ -	\$ -	14,995

AURORA COLLEGE
Notes to the Financial Statements
June 30, 2021

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.

8. GOVERNMENT CONTRIBUTIONS

	<u>2021</u>	<u>2020</u>
	(in thousands)	
Operating contributions	\$ 32,375	\$ 31,999
Capital contributions	-	-
	<u>\$ 32,375</u>	<u>\$ 31,999</u>

AURORA COLLEGE
Notes to the Financial Statements
June 30, 2021

9. RELATED PARTIES

The College has Government receivables from tuition revenue, contract revenue and the base funding contribution. 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>2021</u>	<u>2020</u>
	(in thousands)	
Due from Government of the Northwest Territories (Note 3)	\$ 961	\$ 562
Due to the Government of the Northwest Territories		
Liability for payroll services provided	\$ 2,452	\$ 5,786
Other & Repayable program advances	<u>\$ 244</u>	<u>\$ 343</u>
Total amount due to Government of the Northwest Territories	<u>\$ 2,696</u>	<u>\$ 6,129</u>

The above liabilities are non-interest bearing and payable on demand.

Expenses

The employees of the College are paid by the Government of the Northwest Territories. The College reimbursed the Government for payroll expenses paid (Schedule A) of \$33,417,000 during 2021 (2020 - \$31,771,000) which are recorded at the exchange amount.

Under the terms of administrative agreements, the Government charges for certain support services provided to the College. The College reimbursed the Government \$ 4,138,000 (2020 – \$ 831,000) 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 PROVIDED WITHOUT CHARGE

During the year, the College received without charge from the Government services including utilities and repairs and maintenance, which are based on the carrying amount confirmed by the Government.

Payroll processing, insurance and risk management, legal counsel, construction management, records storage, computer operations, asset disposal, project management, and translation services were also provided to the College without charge.

AURORA COLLEGE
Notes to the Financial Statements
June 30, 2021

10. SERVICES PROVIDED WITHOUT CHARGE (continued)

The College also receives from the Government, without any rental charges, the use of facilities for two of its campuses, certain student 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.

The Government also pays for medical travel costs for the College. The medical travel costs paid by the Government on behalf of the College for the period cannot be quantified because in 2017 the government ceased tracking each individual medical travel assistance claim by type of originating department, and could not reasonably measure the dollar value of all services provided by the Financial and Employee Shared Services, Government of the Northwest Territories.

	<u>2021</u>	<u>2020</u>
	(in thousands)	
Contract services	\$ 235	\$ 162
Repairs and maintenance	1,342	1,440
Building utilities	2,164	2,383
Building leases	1,628	1,716
	<u>\$5,369</u>	<u>\$5,701</u>

11. CONTRACTUAL OBLIGATIONS

In addition to facilities provided by the Government, the College has operating leases and service agreements for student accommodation, classroom space, office equipment and other services and is committed to payments as follows:

	<u>Service</u> <u>agreements</u>	<u>Operating</u> <u>leases</u>	<u>Capital</u> <u>projects</u>
	(in thousands)		
2022	\$ 690	\$ 2,874	\$ 430
2023	205	462	4,210
2024	137	-	590
2025	55	-	-
	<u>\$ 1,087</u>	<u>\$ 3,336</u>	<u>\$ 5,230</u>

AURORA COLLEGE
Notes to the Financial Statements
June 30, 2021

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, 2021:

Funding Partner	2021- 2022	2023-2030	Total
	(in thousands)		
Government of the Northwest Territories	\$1,727	\$ 25	\$1,752
Government of Canada	1,822	398	2,220
Other	1,677	1,065	2,742
	\$5,226	\$1,488	\$6,714

13. FINANCIAL RISK MANAGEMENT

The College's financial instruments consist of cash, accounts receivable, accounts payable and accrued liabilities, payroll liabilities, due to Government of the Northwest Territories and the professional development fund, which are all measured at cost. The College has exposure to the following risks from its use of financial instruments:

(a) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting its obligations associated with its financial liabilities. The College manages its liquidity risk by regularly monitoring forecasted and actual cash flows. The College does not believe that it will encounter difficulty in meeting its future obligations associated with its financial liabilities.

(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 \$19,714,000 (2020 - \$22,702,000).

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, 2021, the College's debtors are the Government of the Northwest Territories, the federal government, students, and others.

AURORA COLLEGE
Notes to the Financial Statements
June 30, 2021

13. FINANCIAL RISK MANAGEMENT (continued)

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 \$1,666,000 (2020 - \$1,940,000).

At June 30, 2021, the following accounts receivable were past due but not impaired.

	<u>91-365 days</u>	<u>1 to 2 years</u>	<u>over 2 years</u>
Government of the Northwest Territories	\$ 6,000	\$419,000	\$ -
Other third parties	51,200	53,500	-
Government of Canada	5,000	-	2,000
Students	11,700	19,600	-
	<u>\$ 73,900</u>	<u>\$492,100</u>	<u>\$ 2,000</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 of the Northwest Territories, and professional development fund approximate their carrying amounts because of the short term to maturity.

AURORA COLLEGE
Notes to the Financial Statements
June 30, 2021

15. 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, 2021

15. 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.

16. IMPACT OF COVID-19 PANDEMIC RESPONSE

Similar to post-secondary institutions across Canada, the pandemic has had financial implications for Aurora College operations.

Approximately \$769,000 of additional expenses were directly attributed to the pandemic response. Funds were allotted to support the shift from face-to-face to online learning, additional campus cleaning and personal protective equipment for staff remaining at the worksite.

Students were offered an experience guarantee that allowed a tuition refund if they were not satisfied with their online learning experience and each full-time student was provided a \$260 grant in the fall and winter terms, along with a \$130 grant in the spring term to support remote learning. There was also an overall reduction of revenues and expenditures for third party programming due to the closure of College facilities to meet public health requirements.

The situation is dynamic. An accurate estimate of the future financial effect on the College is difficult due to the potential for impacts resulting from future public health orders.

AURORA COLLEGE
Notes to the Financial Statements
June 30, 2021

17. SUBSEQUENT EVENTS

Contractual obligations:

The College has signed a student accommodation lease agreement subsequent to June 30, 2021 and is committed to payments of \$4,740,000 for base rent, laundry rent, a proportionate share of the direct operating and maintenance costs, and a furniture, fixture and equipment buyout to be paid over the next five years. The College has also signed an office space lease agreement subsequent to June 30, 2021 and is committed to payments of \$1,123,000 for base rent and a proportionate share of direct operating and maintenance costs to be paid over the next four years.

Contractual rights:

The College has signed an agreement in the amount of \$2,662,000 on November 9, 2021, retroactive to January 1, 2020 with the Northwest Territories Health and Social Services Authority to deliver programming. The College has incurred eligible expenses of \$405,000 and has accrued revenue of \$405,000 related to this contract. The College is eligible to receive \$1,120,000 in 2022 and \$1,137,000 in 2023.

AURORA COLLEGE
Segmented disclosures
June 30, 2021

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>2021 Total</u>	<u>2021 Budget</u>	<u>2020 Total</u>
For the year ended June 30, 2021 (in thousands)									
Revenues									
Government contributions	\$ 2,015	\$ 498	\$ 10,190	\$ 10,647	\$ 6,469	\$ 2,556	\$ 32,375	\$ 32,465	\$ 31,999
Project income									
Government of the Northwest Territories	-	2	35	2,378	1,660	225	4,300	4,065	4,316
Other third party contributions	-	-	-	802	257	461	1,520	2,457	2,408
Federal government	-	-	-	6	2,059	1,909	3,974	4,722	4,153
Own Source Revenue									
Tuition fees	-	-	9	1,194	582	-	1,785	1,652	1,723
Recoveries and other	17	216	285	126	5	219	868	462	993
Room and board	-	-	743	-	-	1	744	906	1,067
Interest income	148	-	-	-	-	-	148	250	382
Services provided without charge	-	1,577	-	3,792	-	-	5,369	5,992	5,701
	<u>2,180</u>	<u>2,293</u>	<u>11,262</u>	<u>18,945</u>	<u>11,032</u>	<u>5,371</u>	<u>51,083</u>	<u>52,971</u>	<u>52,742</u>
Expenses									
Compensation and benefits	1,871	3,940	5,045	10,834	8,234	3,493	33,417	33,764	31,771
Building leases	-	13	4,676	1,628	34	-	6,351	6,552	6,754
Materials and supplies	14	294	137	549	445	209	1,648	2,519	1,568
Utilities	-	-	87	2,172	1	13	2,273	2,638	2,534
Contract services	17	620	209	50	810	935	2,641	3,121	2,411
Repairs and maintenance	-	1,318	212	217	26	21	1,794	1,822	1,984
Small equipment	2	3	32	64	24	30	155	884	158
Fees and payments	40	804	145	183	120	44	1,336	1,347	1,069
Travel and accommodation	-	16	6	112	16	25	175	919	954
Professional services	-	-	1	116	-	-	117	1,894	556
Amortization of tangible capital assets	-	1,513	-	-	-	-	1,513	1,100	1,261
Communication, postage and freight	8	81	347	70	153	145	804	1,091	877
	<u>1,952</u>	<u>8,602</u>	<u>10,897</u>	<u>15,995</u>	<u>9,863</u>	<u>4,915</u>	<u>52,224</u>	<u>57,651</u>	<u>51,897</u>
Annual (deficit) surplus	<u>\$ 228</u>	<u>\$(6,309)</u>	<u>\$ 365</u>	<u>\$ 2,950</u>	<u>\$ 1,169</u>	<u>\$ 456</u>	<u>\$(1,141)</u>	<u>\$(4,680)</u>	<u>\$ 845</u>

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

APPENDIX A

UNAUDITED WRITE-OFFS

A total of \$2,352.79 has been approved to be written off in 2020-21. This figure includes seven-year write-offs of debts less than \$30, credits less than \$10 and write-offs for customers who filed bankruptcy.

Balance exceeds seven years		
Customer Name	Accounting Date	Amount
Millennium Construction	03/12/2013	\$1,000.00
Trent University	12/19/2012	\$125.08
Wegernoski, Susie	09/11/2012	\$1,151.58
Total		\$2,276.66

Balance under \$30		
Customer Name	Accounting Date	Amount
Beck, Roger	12/04/2020	\$15.81
Environment Canada	01/25/2021	\$21.87
Marten, Ty	03/09/2020	\$16.10
University of Edinburgh	07/22/2020	\$15.00
University of Helsinki	08/22/2016	\$17.78
Total		\$86.56

There are seven accounts with credit balances under \$10. The total amount of these credits is \$-10.43.



COLLÈGE
AURORA
COLLEGE

ARCTIC ENERGY ALLIANCE
Yellowknife, NT

FINANCIAL STATEMENTS
For the year ended March 31, 2022

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MANAGEMENT'S RESPONSIBILITY FOR REPORTING

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

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

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



Mark Heyck
Executive Director
June 7, 2022

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, 2022, 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, 2022, 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 7, 2022

ARCTIC ENERGY ALLIANCE

STATEMENT OF FINANCIAL POSITION

March 31, 2022

ASSETS

	2022	2021
CURRENT		
Cash	\$ 1,550,223	\$ 998,417
Short term investments (note 3)	90,380	90,011
Accounts receivable (note 4)	573,132	767,750
Government remittances receivable (note 6)	2,709	17,356
	2,216,444	1,873,534
TANGIBLE CAPITAL ASSETS (note 5)	27,159	33,861
	\$ 2,243,603	\$ 1,907,395


LIABILITIES

CURRENT		
Wages and benefits payable	\$ 35,840	\$ 51,882
Government remittances payable (note 6)	78,787	90,353
Trade payables and accruals (note 7)	164,631	133,557
Contributions payable	203,036	105,523
Deferred revenue (note 8)	31,500	50,000
Deferred lease inducement liability	5,000	-
	518,794	431,315
DEFERRED GOVERNMENT ASSISTANCE (note 9)	11,870	15,546
	530,664	446,861

NET ASSETS

ACCUMULATED SURPLUS per page 3	721,723	464,261
RESERVES per page 3	983,925	985,958
INVESTED IN TANGIBLE CAPITAL ASSETS per page 3	7,291	10,315
	1,712,939	1,460,534
	\$ 2,243,603	\$ 1,907,395

Approved:



Director



Director

ARCTIC ENERGY ALLIANCE

STATEMENT OF OPERATIONS

For the year ended March 31, 2022

	(note 15) 2022 <u>Budget</u>	2022 <u>Actual</u>	2021 <u>Actual</u>
REVENUES			
Contributions from GNWT	\$ 6,612,408	\$ 4,595,487	\$ 4,924,216
Contributions from Canada	300,000	225,652	138,000
Membership fees (note 11)	227,500	227,500	227,500
Other source income	120,500	159,820	80,091
Interest income	<u>20,000</u>	<u>5,934</u>	<u>10,988</u>
	<u>7,280,408</u>	<u>5,214,393</u>	<u>5,380,795</u>
EXPENSES			
Advertising and promotion	82,880	45,982	166,337
Amortization	3,978	6,700	5,981
Bad debts (recovered)	-	(20,000)	86,969
Consulting fees	258,495	131,267	117,378
Equipment rental	3,280	3,278	3,279
Facility rental and tradeshow fees	24,950	8,379	8,599
Fees and dues	18,515	14,693	15,313
Hospitality	51,300	8,351	8,874
Insurance	13,000	13,753	12,949
Interest and bank charges	5,500	4,458	7,175
Office and general	84,720	122,412	62,854
Professional development	47,200	48,964	6,204
Professional fees	26,000	34,637	32,061
Rebates	3,177,176	1,853,667	1,800,771
Rent and utilities	175,281	171,409	166,410
Telephone, Internet and Website	49,256	43,943	46,591
Travel and accommodation	278,050	111,491	113,097
Wages and benefits	<u>2,566,809</u>	<u>2,358,604</u>	<u>2,553,715</u>
	<u>6,866,390</u>	<u>4,961,988</u>	<u>5,214,557</u>
EXCESS OF REVENUES OVER EXPENSES	<u>\$ 414,018</u>	<u>\$ 252,405</u>	<u>\$ 166,238</u>

ARCTIC ENERGY ALLIANCE

STATEMENT OF CHANGES IN NET ASSETS

For the year ended March 31, 2022

	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>
	2021			
	Accumulated Surplus	Reserves	Invested in Tangible Capital Assets	Total
BALANCE, opening	\$ 402,629	\$ 885,040	\$ 6,627	\$ 1,294,296
Excess of revenues over expenses	166,238	-	-	166,238
Transfer to reserves (note 19)	(100,918)	100,918	-	-
Purchase of tangible capital assets	(5,993)	-	5,993	-
Amortization of tangible capital assets	5,981	-	(5,981)	-
Amortization of deferred government assistance	(3,676)	-	3,676	-
BALANCE, closing	<u>\$ 464,261</u>	<u>\$ 985,958</u>	<u>\$ 10,315</u>	<u>\$ 1,460,534</u>

ARCTIC ENERGY ALLIANCE

STATEMENT OF CASH FLOWS

For the year ended March 31, 2022

	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES (note 20)		
Cash received from		
GNWT contributions	\$ 4,884,047	\$ 4,670,751
Membership fees	447,500	172,500
Other source income	44,124	234,714
Canada contributions	97,433	89,274
Interest income	<u>5,565</u>	<u>22,207</u>
	<u>5,478,669</u>	<u>5,189,446</u>
Cash paid to		
Wages and benefits	2,380,211	2,518,357
Materials and services	<u>2,546,663</u>	<u>2,706,303</u>
	<u>4,926,874</u>	<u>5,224,660</u>
	<u>551,795</u>	<u>(35,214)</u>
CASH FLOWS FROM CAPITAL ACTIVITIES		
Purchase of tangible capital assets	<u>-</u>	<u>(5,993)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Redemption of short term investments	378	646,613
Purchase of short term investments	<u>(367)</u>	<u>(11)</u>
	<u>11</u>	<u>646,602</u>
INCREASE IN CASH	551,806	605,395
CASH, opening	<u>998,417</u>	<u>393,022</u>
CASH, closing	<u>\$ 1,550,223</u>	<u>\$ 998,417</u>

ARCTIC ENERGY ALLIANCE

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2022

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, 2022

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, 2022

3. SHORT TERM INVESTMENTS

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

	2022	2021
0.50% interest, non-redeemable, matures January 2023	\$ 90,000	\$ 90,000
Accrued interest	380	11
	\$ 90,380	\$ 90,011

4. ACCOUNTS RECEIVABLE

	2022	2021
Contributions receivable:		
Government of the Northwest Territories	\$ 299,456	\$ 459,002
Government of Canada	176,946	48,726
Total contributions receivable	476,402	507,728
Members	10,000	230,000
Other	153,699	116,991
Allowance for doubtful accounts	(66,969)	(86,969)
	\$ 573,132	\$ 767,750

5. TANGIBLE CAPITAL ASSETS

	2022		2021	
	Cost	Accumulated amortization	Net	Net
Computer equipment	\$ 36,010	\$ 36,010	\$ -	\$ -
Computer software	26,224	21,768	4,456	7,427
Heating equipment	36,242	16,415	19,827	21,640
Leasehold improvements	27,396	27,396	-	-
Office equipment	48,452	45,576	2,876	4,794
	\$ 174,324	\$ 147,165	\$ 27,159	\$ 33,861

Net assets invested in tangible capital assets as at March 31, 2022, are as follows:

ARCTIC ENERGY ALLIANCE

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2022

5. TANGIBLE CAPITAL ASSETS, continued

	2022	2021
Tangible capital assets	\$ 27,161	\$ 33,861
Asset retirement obligation (note 7)	(8,000)	(8,000)
Deferred government assistance (note 9)	(11,870)	(15,546)
Net assets invested in tangible capital assets per page 3	\$ 7,291	\$ 10,315

6. GOVERNMENT REMITTANCES

	2022	2021
Goods & Services Tax rebates receivable	\$ 2,709	\$ 17,356
	2022	2021
Payroll remittances payable	\$ 73,178	\$ 78,646
Related parties:		
Workers' Safety and Compensation Commission payable	-	5,472
GNWT Finance - NWT Payroll Tax payable	5,609	6,235
	\$ 78,787	\$ 90,353

7. TRADE PAYABLES AND ACCRUALS

	2022	2021
Accrued liabilities:		
Pellet boiler asset retirement obligation	\$ 8,000	\$ 8,000
Other	42,015	42,466
	-	-
	50,015	50,466
Trade payables	114,618	83,091
	\$ 164,633	\$ 133,557

ARCTIC ENERGY ALLIANCE

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2022

8. DEFERRED REVENUE

During the year, the Society entered into contribution agreements with the GNWT, Department of Infrastructure (INF). 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.

	2022	2021
Restricted contributions balance, opening	\$ 50,000	\$ 122,670
Receipts	4,512,207	4,421,000
Funding receivable	437,945	420,547
Transfer to funding repayable	(97,513)	(40,000)
Funding expended	(4,871,139)	(4,924,217)
Restricted contributions balance, closing	31,500	-
Membership fees received in advance: GNWT-ENR	-	50,000
Deferred revenue, closing	\$ 31,500	\$ 50,000

9. DEFERRED GOVERNMENT ASSISTANCE

	2022		2021	
	Cost	Accumulated amortization	Net	Net
GNWT-ENR - Alternative Energy Technology:				
Wood pellet boiler	\$ 14,121	\$ 6,707	\$ 7,414	\$ 8,119
GNWT-ENR - Energy Efficiency Incentive Program: Database	14,853	10,397	4,456	7,427
	\$ 28,974	\$ 17,104	\$ 11,870	\$ 15,546

ARCTIC ENERGY ALLIANCE

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2022

10. RESERVES

During the year, Arctic Energy Alliance transferred \$2,033 to unrestricted net assets to meet its capital management objectives as described in Note 20. In prior year, \$100,918 was transferred from the unrestricted net assets for the same purpose. The reserves at March 31, 2022, of \$983,925 (2021 - \$985,958) 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:

	2022 Budget	2022 Actual	2021 Actual
Excess of revenues over expenses per page 2	\$ 414,018	\$ 252,405	\$ 166,238
	-	-	-
Amortization of tangible capital assets	3,978	6,702	5,981
Purchase of tangible capital assets	-	-	(5,993)
Amortization - deferred government assistance	-	(3,676)	(3,676)
Increase (decrease) in net financial assets	417,996	255,431	162,550
Net financial assets, opening	1,442,219	1,442,219	1,279,669
Net financial assets, closing (note 19)	\$ 1,860,215	\$ 1,697,650	\$ 1,442,219

11. MEMBERSHIP FEES

Membership fees revenue for the year consist of the following:

	2022	2021
Government of the Northwest Territories	\$ 150,000	\$ 150,000
GNWT - Crown Corporations	67,500	67,500
Other	10,000	10,000
	\$ 227,500	\$ 227,500

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

ARCTIC ENERGY ALLIANCE

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2022

11. MEMBERSHIP FEES, continued

	<u>2022</u>	<u>2021</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>

12. SUBSEQUENT EVENTS

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

Contractual rights

- Entered into a contribution agreement with GNWT, Department of Infrastructure, for 2022-23 core and program funding for a maximum of \$2,740,000.

13. TRUSTS UNDER ADMINISTRATION

At March 31, 2022, the Society holds \$15,918 (2021 - \$14,343) in a bank account in trust on behalf of the Tlicho Government. As trustee, the Society administers these funds in accordance with a partnership agreement under the Wood Stove program. These funds are excluded from the financial statements.

14. BUDGET

The 2022 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 October 12, 2021.

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.

ARCTIC ENERGY ALLIANCE

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2022

15. 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 Society is unable to quantify the overall financial effect of these events, it continues to take measures to mitigate the effects of the current crisis.

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, Dehcho, Inuvik, and Norman Wells offices, expiring between May 31, 2022 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>
2023	\$ 94,591	\$ 3,200	\$ 97,791
2024	80,640	3,200	83,840
2025	73,920	3,200	77,120
2026	-	1,600	1,600
	<u>\$ 249,151</u>	<u>\$ 11,200</u>	<u>\$ 260,351</u>

ARCTIC ENERGY ALLIANCE

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2022

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, 2022, the renovation had not commenced.

The lease for office space in Norman Wells carries an extension of term option for two years from September 1, 2022 to August 31, 2024.

The lease for office space in Inuvik carries an extension of term option for two years from June 1, 2022 to May 31, 2024.

The lease for office space in Hay River is for the period April 1, 2022 to March 31, 2023 with the option to extend on a yearly basis to March 31, 2025. Rent is \$1,480 plus GST payable on the first day of each month.

During the year, included in other source income revenue are in-kind contributions with a total fair value of \$58,575 (2021- \$11,975). 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 \$36,900 (2021 - \$6,375), office expenses \$18,875 (2021 - \$nil), and facility rental of \$2,800 (2021 - \$5,600).

18. CONTRACTUAL RIGHTS

The Society signed a multi-year non-repayable contribution agreement with the Federal Government's Department of Natural Resources under the Renewable Energy and Smart Grid Deployment Programs. Maximum contribution remaining under the Agreement is as follows:

	Clean Energy in Rural and Remote Communities Deployment Program
2022-2023	\$ 311,000
2023-2024	<u>27,000</u>
	<u>\$ 338,000</u>

ARCTIC ENERGY ALLIANCE

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2022

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, 2022, 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, 2022, are as follows:

	<u>2022</u>	<u>2021</u>
Accumulated surplus	\$ 721,723	\$ 464,261
Reserves	983,925	985,958
Invested in tangible capital assets	<u>7,291</u>	<u>10,314</u>
Net assets per page 3	<u>1,712,939</u>	<u>1,460,533</u>
Tangible capital assets	27,159	33,860
Deferred government assistance	<u>(11,870)</u>	<u>(15,546)</u>
	<u>15,289</u>	<u>18,314</u>
Net financial assets (note 10)	<u>\$ 1,697,650</u>	<u>\$ 1,442,219</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 \$70,000-capped reserve is increased annually as applicable based on one half of one percent of the Society's total revenue for the year.

ARCTIC ENERGY ALLIANCE

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2022

19. CAPITAL MANAGEMENT, continued

	Opening Balance	Transfers	Closing Balance
Operating Reserve	\$ 825,958	\$ (2,033)	\$ 823,925
Credit Card Reserve	90,000	-	90,000
Contingency Reserve	70,000	-	70,000
	\$ 985,958	\$ (2,033)	\$ 983,925

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:

	2022	2021
Excess of revenues over expenses per page 2	\$ 252,405	\$ 166,238
Items not affecting cash:		
Amortization of tangible capital assets	6,700	5,981
Amortization of deferred government assistance	(3,676)	(3,676)
Change in accrued interest from GICs	369	11,219
Interest income received relating to short-term investments	(748)	(12,929)
Bad debts (recovered)	(20,000)	86,969
	235,050	253,802
Net change in non-cash operating working capital accounts:		
Decrease (increase) in accounts receivable	214,618	(190,263)
Decrease in GST receivable	14,647	33,455
Increase (decrease) in wages and benefits payable	(16,042)	21,222
(Decrease) increase in government remittances payable	(11,566)	14,136
Increase (decrease) in trade payables and accruals	31,075	(84,896)
Increase in contribution repayable	97,513	40,000
Decrease in deferred revenue	(18,500)	(122,670)
Increase in deferred lease inducement liability	5,000	-
	316,745	(289,016)
Cash flows used for operating activities per page 4	\$ 551,795	\$ (35,214)

ARCTIC ENERGY ALLIANCE

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2022

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.

	2022	2021
Revenue		
Revenue - Northwest Territories Housing Corporation	\$ 17,550	\$ 17,450
Expenses		
Aurora College:		
Rent, hospitality, office, telephone, and professional development	\$ -	\$ 600
Workers' Safety and Compensation Commission	23,157	21,319
	\$ 23,157	\$ 21,919
Receivables from related parties:		
GNWT - Environment & Natural Resources (ENR)	\$ 37,176	\$ 37,176
GNWT - Health and Social Services	21,000	13,965
GNWT - Infrastructure	241,280	607,862
Northwest Territories Power Corporation	-	20,000
Northwest Territories Housing Corporation	113,885	94,333
	\$ 413,341	\$ 773,336

ARCTIC ENERGY ALLIANCE

SCHEDULE OF DEFERRED REVENUE

For the year ended March 31, 2022

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) Program	\$ -	\$ 48,706	\$ 176,946	\$ -	\$ -	\$ 225,652	\$ 225,652	\$ -
GOVERNMENT OF THE NORTHWEST TERRITORIES (GNWT)								
Department of Infrastructure - Core and Program Funding								
Core Funding	\$ -	\$ 1,360,000	\$ 240,000	\$ -	\$ (17,543)	\$ 1,582,457	\$ 1,582,457	\$ -
Alternative Energy Technologies Program (AETP)	-	300,000	-	-	(9,431)	290,569	290,569	-
Energy Rating Services Support Program (ERS)	-	150,000	-	-	-	150,000	150,000	-
Energy Efficiency Incentive Program (EEIP)	-	200,000	-	-	85,852	285,852	285,852	-
Biomass Energy	-	100,000	-	-	(31,196)	68,804	68,804	-
Commercial Energy Conservation & Efficiency Program (CECEP)	-	200,000	-	-	(17,558)	182,442	182,442	-
Community Government Retrofits (CGERP)	-	190,000	-	-	(10,123)	179,877	179,877	-
Electric Vehicle (EV)	-	100,000	-	-	-	100,000	68,500	31,500
	-	2,600,000	240,000	-	-	2,840,000	2,808,500	31,500
Department of Infrastructure - Low Carbon Economy Leadership Fund (LCELf)								
Alternative Energy Technologies Program (AETP)	-	620,818	-	97,513	-	523,304	523,304	-
Energy Efficiency Incentive Program (EEIP)	-	174,530	-	-	-	174,530	174,530	-
Commercial Energy Conservation & Efficiency Program (CECEP)	-	317,826	-	-	-	317,826	317,826	-
Community Government Building Energy Retrofit (CGBERP)	-	18,009	-	-	-	18,009	18,009	-
Deep Home Energy Retrofit	-	222,242	-	-	-	222,242	222,242	-
Low Income Energy Assistance	-	114,774	-	-	-	114,774	114,774	-
Energy Efficiency and Conservation Retrofits - NGO	-	149,806	-	-	-	149,806	149,806	-
Community Energy Plan Implementation	-	277	-	-	-	277	277	-
Community Wood Stoves	-	181,718	-	-	-	181,718	181,718	-
	-	1,800,000	-	97,513	-	1,702,487	1,702,487	-
Total INF	-	4,400,000	240,000	97,513	-	4,542,487	4,510,987	31,500
Department of Health & Social Services (H&SS)								
Low Income Energy Retrofits	-	21,000	21,000	-	-	42,000	42,000	-
Department of Environment and Natural Resources (ENR)								
Cold Climate Air Source Heat Pumps	-	42,500	-	-	-	42,500	42,500	-
Total GNWT	-	4,463,500	261,000	97,513	-	4,626,987	4,595,487	31,500
Other Revenue								
Membership fees received in advance from ENR	50,000	-	-	-	-	50,000	50,000	-
Total contributions	\$ 50,000	\$ 4,512,206	\$ 437,946	\$ 97,513	\$ -	\$ 4,902,638	\$ 4,871,138	\$ 31,500

ARCTIC ENERGY ALLIANCE
SCHEDULE OF CORE FUNDING AND ENERGY PROGRAMS
For the year ended March 31, 2022

Schedule II

	Total	Core Funding	Alternative Energy Technologies Program (AETP)	Energy Rating Services Support Program	Biomass Energy	Commercial Energy Conservation & Efficiency Program (CECEP)
REVENUES						
Contributions from GNWT	\$ 4,595,487	1,624,957	359,069	150,000	68,804	182,442
Contributions from Canada	225,652	-	-	-	-	-
Membership fees	227,500	227,500	-	-	-	-
Other source income	156,143	54,259	-	40,350	-	-
Interest income	5,934	5,934	-	-	-	-
	<u>5,210,717</u>	<u>1,912,650</u>	<u>359,069</u>	<u>190,350</u>	<u>68,804</u>	<u>182,442</u>
EXPENDITURES						
Advertising and promotion	45,982	40,420	-	-	1,249	-
Bad debts (recovered)	(20,000)	(20,000)	-	-	-	-
Consulting fees	131,267	24,855	-	-	1,043	-
Equipment rental	3,278	3,278	-	-	-	-
Facility rental and tradeshow fees	8,379	5,579	-	-	-	-
Fees and dues	14,693	14,594	-	-	-	-
Hospitality	8,351	7,446	-	-	346	-
Insurance	13,753	13,753	-	-	-	-
Interest and bank charges	4,458	4,458	-	-	-	-
Office and general	122,413	101,717	-	286	154	382
Professional development	48,964	33,648	-	-	-	-
Professional fees	34,637	34,637	-	-	-	-
Rebates	1,853,667	-	312,700	-	-	108,210
Rent and utilities	171,409	171,409	-	-	-	-
Telephone, Internet and Website	43,943	43,943	-	-	-	-
Travel and accommodation	111,491	69,449	-	1,180	-	-
Wages and benefits	2,358,604	1,152,398	46,368	152,491	66,013	73,849
	<u>4,955,288</u>	<u>1,701,584</u>	<u>359,069</u>	<u>153,957</u>	<u>68,804</u>	<u>182,442</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>255,429</u>	<u>211,066</u>	<u>-</u>	<u>36,393</u>	<u>-</u>	<u>-</u>
TRANSFERS						
Amortization of tangible capital assets	(6,700)	(6,700)	-	-	-	-
Acquisition of prepaid expenses	-	-	-	-	-	-
Use of prepaid expenses	-	-	-	-	-	-
Amortization of government assistance	3,677	3,677	-	-	-	-
	<u>(3,024)</u>	<u>(3,024)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES OVER EXPENSES	<u>\$ 252,405</u>	<u>\$ 208,043</u>	<u>\$ -</u>	<u>\$ 36,393</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes.

ARCTIC ENERGY ALLIANCE
SCHEDULE OF CORE FUNDING AND ENERGY PROGRAMS
For the year ended March 31, 2022

Schedule II

	Community Government Retrofits (CGERP)	Energy Efficiency Incentive Program (EEIP)	Alternative Energy Technologies LCELf	Energy Efficiency Incentive Program LCELf	Commercial Energy Conservation & Efficiency LCELf	Community Government Building Energy Retrofit LCELf
REVENUES						
Contributions from GNWT	179,877	285,852	523,304	174,530	317,826	18,009
Contributions from Canada						
Membership fees			-	-	-	-
Other source income	2,960		-	-	-	-
Interest income			-	-	-	-
	<u>182,836</u>	<u>285,852</u>	<u>523,304</u>	<u>174,530</u>	<u>317,826</u>	<u>18,009</u>
EXPENDITURES						
Advertising and promotion	-	-	-	2,479	238	-
Bad debts (recovered)						
Consulting fees	-	-	-	3,211	-	-
Equipment rental	-	-	-	-	-	-
Facility rental and tradeshow fees	-	-	-	-	-	-
Fees and dues	-	-	-	-	-	-
Hospitality	-	-	-	-	-	-
Insurance	-	-	-	-	-	-
Interest and bank charges	-	-	-	-	-	-
Office and general	25	-	-	-	975	-
Professional development	-	-	4,376	-	4,376	-
Professional fees	-	-	-	-	-	-
Rebates	116,430	247,843	406,473	145,527	178,519	6,754
Rent and utilities	-	-	-	-	-	-
Telephone, Internet and Website	-	-	-	-	-	-
Travel and accommodation	-	-	-	-	-	-
Wages and benefits	63,422	38,009	112,455	23,312	133,719	11,255
	<u>179,877</u>	<u>285,852</u>	<u>523,304</u>	<u>174,530</u>	<u>317,826</u>	<u>18,009</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TRANSFERS						
Amortization of tangible capital assets	-	-	-	-	-	-
Acquisition of prepaid expenses	-	-	-	-	-	-
Use of prepaid expenses	-	-	-	-	-	-
Amortization of government assistance	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES OVER EXPENSES	<u>\$ -</u>	<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, 2022

Schedule II

	Deep Home Energy Retrofit LCELF	Low Income Home Energy Assistance LCELF	Energy Efficiency & Conservation Retrofits NPOs LCELF	Community Energy Plan Implementation LCELF	Community Wood Stoves LCELF
REVENUES					
Contributions from GNWT	222,242	114,774	149,806	277	181,718
Contributions from Canada	-	-	-	-	-
Membership fees	-	-	-	-	-
Other source income	-	-	-	-	-
Interest income	-	-	-	-	-
	<u>222,242</u>	<u>114,774</u>	<u>149,806</u>	<u>277</u>	<u>181,718</u>
EXPENDITURES					
Advertising and promotion	-	-	-	-	-
Bad debts (recovered)	-	-	-	-	-
Consulting fees	-	-	298	-	-
Equipment rental	-	-	-	-	-
Facility rental and tradeshow fees	-	-	-	-	-
Fees and dues	-	-	-	-	-
Hospitality	-	-	90	-	-
Insurance	-	-	-	-	-
Interest and bank charges	-	-	-	-	-
Office and general	-	-	-	-	-
Professional development	2,188	2,188	2,188	-	-
Professional fees	-	-	-	-	-
Rebates	108,505	24,224	72,392	-	84,091
Rent and utilities	-	-	-	-	-
Telephone, Internet and Website	-	-	-	-	-
Travel and accommodation	8,932	4,870	-	-	6,723
Wages and benefits	102,616	83,492	74,840	277	90,904
	<u>222,242</u>	<u>114,774</u>	<u>149,806</u>	<u>277</u>	<u>181,718</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TRANSFERS					
Amortization of tangible capital assets	-	-	-	-	-
Acquisition of prepaid expenses	-	-	-	-	-
Use of prepaid expenses	-	-	-	-	-
Amortization of government assistance	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS 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, 2022

Schedule II

	Low Income Home Winterization GNWT	CERRC Canada
REVENUES		
Contributions from GNWT	42,000	-
Contributions from Canada		225,652
Membership fees	-	-
Other source income	-	58,575
Interest income	-	-
	<u>42,000</u>	<u>284,227</u>
EXPENDITURES		
Advertising and promotion	-	1,596
Bad debts (recovered)		-
Consulting fees	-	101,860
Equipment rental	-	
Facility rental and tradeshow fees	-	2,800
Fees and dues	-	98
Hospitality	-	469
Insurance	-	
Interest and bank charges	-	
Office and general		18,875
Professional development		
Professional fees		
Rebates	42,000	
Rent and utilities		
Telephone, Internet and Website		
Travel and accommodation		20,336
Wages and benefits		133,182
	<u>42,000</u>	<u>279,217</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>5,010</u>
TRANSFERS		
Amortization of tangible capital assets	-	-
Acquisition of prepaid expenses	-	-
Use of prepaid expenses	-	-
Amortization of government assistance	-	-
	<u>-</u>	<u>-</u>
EXCESS OF REVENUES OVER EXPENSES	<u>\$ -</u>	<u>\$ 5,010</u>

See accompanying notes.

Inuvialuit Water Board

Financial Statements

March 31, 2022

Inuvialuit Water Board

Financial Statements

March 31, 2022

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Management's Responsibility for the Financial Statements

June 16, 2022

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 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, 2022, 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, 2022, 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 16, 2022

Chartered Professional Accountants

Inuvialuit Water Board

Statement of Operations

For the year ended March 31,	Budget (Note 12)	2022	2021
Revenue			
Contributions from GNWT	\$ 924,000	\$ 924,000	\$ 924,000
Donation in-kind (Note 12)	61,693	61,693	61,693
Other revenue	-	1,209	-
Total revenues before repayable contributions	-	986,902	985,693
Repayable contributions (Note 7)	-	(344,372)	(283,890)
Total revenues	985,693	642,530	701,803
Expenses			
Advertising	2,000	1,560	1,956
Amortization	10,000	11,975	11,942
Board travel and training	18,000	3,867	439
Communications	30,500	22,572	35,146
Communication strategy implementation	50,000	8,512	638
Community capacity initiative	30,000	-	10
Community tour	20,000	11,351	9,863
Conferences (recovery)	4,000	3,060	(3,065)
Consulting	5,000	-	600
Equipment maintenance	5,500	5,668	2,457
Equipment rental	5,000	7,297	3,965
Honoraria	75,000	58,381	63,227
Hospitality	-	815	907
Interest and bank charges	1,000	67	335
Office supplies	3,200	2,117	1,162
Postage	2,000	260	159
Professional fees	71,800	49,130	56,657
Publications - French translation	20,000	-	-
Rent (Note 12)	61,693	61,693	61,693
Salaries and benefits	543,000	384,234	465,637
Implications of In House Staffing - Ph II	5,000	-	-
Staff travel	17,000	9,346	17
Staff training	4,000	-	-
Staff recruitment and relocation	2,000	-	-
Total expenses	985,693	641,905	713,745
Surplus (deficit) before other items	-	625	(11,942)
Loss on disposal of tangible capital assets	-	-	1,982
Operating surplus (deficit)	-	625	(13,924)
Transfer to (from) tangible capital assets	-	585	13,924
Surplus	\$ -	\$ 1,210	\$ -

Inuvialuit Water Board**Statement of Accumulated Surplus**

For the year ended March 31,	2022			2021
	Capital Asset Fund	Operating Fund	Total	Total
Balance, beginning of year	\$ 24,118	\$ 290,964	\$ 315,082	\$ 329,006
Operating surplus (deficit)	-	625	625	(13,924)
Acquisition of tangible capital assets	11,390	(11,390)	-	-
Amortization of tangible capital assets	(11,975)	11,975	-	-
Balance, end of year	\$ 23,533	\$ 292,174	\$ 315,707	\$ 315,082

Inuvialuit Water Board**Statement of Change in Net Financial Assets**

For the year ended March 31,	Budget (Note 12)	2022	2021
Operating surplus (deficit)	\$ -	\$ 625	\$ (13,924)
Acquisition of tangible capital assets	(11,390)	(11,390)	-
Amortization of tangible capital assets	10,000	11,975	11,942
Loss on disposal of tangible capital assets	-	-	1,982
Net change in financial assets	(1,390)	1,210	-
Net financial assets, beginning of year	290,964	290,964	290,964
Net financial assets, end of year	\$ 289,574	\$ 292,174	\$ 290,964

Inuvialuit Water Board

Statement of Financial Position

As at March 31, **2022** **2021**

Financial Assets

Cash	\$ 560,975	\$ 515,031
Temporary investments (Note 4)	201,200	200,000
Accounts receivable (Note 5)	3,008	3,084
	<hr/> 765,183	<hr/> 718,115

Liabilities

Accounts payable and accrued liabilities (Note 6)	128,637	143,261
Repayable contributions (Note 7)	344,372	283,890
	<hr/> 473,009	<hr/> 427,151

Net financial assets **292,174** **290,964**


Non-Financial Assets

Tangible capital assets (Note 8) **23,533** **24,118**

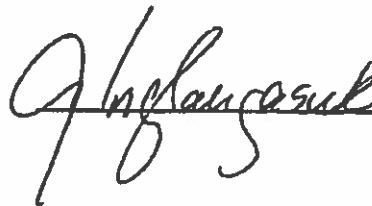
Accumulated surplus **\$ 315,707** **\$ 315,082**

Commitments (Note 10)

Approved on behalf of the Board



Director



Director

Inuvialuit Water Board**Statement of Cash Flows**

For the year ended March 31,	2022	2021
Cash provided by (used in)		
Operating activities		
Operating surplus (deficit)	\$ 625	\$ (13,924)
Item not affecting cash:		
Amortization of tangible capital assets	11,975	11,942
Loss on disposal of tangible capital assets	-	1,982
Changes in non-cash operating working capital		
Accounts receivable	75	1,974
Accounts payable and accrued liabilities	(14,625)	11,700
Repayable contributions	60,483	162,402
	58,533	176,076
Investing activity		
Purchase of temporary investments	(201,200)	(200,000)
Maturity of temporary investments	200,000	-
	(1,200)	(200,000)
Capital activity		
Acquisition of tangible capital assets	(11,390)	-
Increase (decrease) in cash	45,943	(23,924)
Cash, beginning of year	515,032	538,956
Cash, end of year	\$ 560,975	\$ 515,032

Inuvialuit Water Board

Notes to Financial Statements

March 31, 2022

1. Organization and Jurisdiction

The Inuvialuit Water Board (the "Board") is established under the *Northwest Territories Waters Act* (Canada) and continued under the *Waters Act* (Northwest Territories). The Board monitors and approves water use and disposal of waste in that portion of the Northwest Territories in the Inuvialuit Settlement Region.

The Board is exempt from income tax under paragraph 149(1)(c) of the *Income Tax Act* (Canada).

2. Significant Accounting Policies

The financial statements have been prepared by management in accordance with Canadian Public Sector Accounting Standards ("PSAS") as established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. The following is a summary of the significant accounting policies used by management in preparing these financial statements.

(a) Financial Instruments

The Board classifies its financial instruments at cost or amortized cost. The Board's accounting policy for this financial instrument category is as follows:

This category includes cash, temporary investments, accounts receivable, 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 8.

Inuvialuit Water Board

Notes to Financial Statements

March 31, 2022

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, 2022

3. Future Accounting Standards

(a) Asset Retirement Obligations, Section PS 3280

This Section will be effective for fiscal years beginning on or after April 1, 2022. Earlier adoption is permitted. The Section 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 been reported. This Section would require public sector entities to review existing contract, legislation, etc., to identify retirement activities associated with its controlled capital assets. If any, the impact of the transition to this proposed accounting standard has not yet been determined.

(b) 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.

4. 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 0.45% per annum and mature on November 9, 2022.

5. Accounts Receivable

	2022	2021
Expense recoveries receivable	\$ -	\$ 175
Goods and Services Tax rebate	3,008	2,909
	<u>\$ 3,008</u>	<u>\$ 3,084</u>

As at March 31, 2022, the allowance for doubtful accounts is \$nil (2021 - \$nil).

6. Accounts Payable and Accrued Liabilities

	2022	2021
Government of the Northwest Territories - wages payable	\$ 94,324	\$ 126,536
Accrued liabilities	10,711	10,711
Credit card payable	20,585	1,747
Other accounts payable	3,017	4,267
	<u>\$ 128,637</u>	<u>\$ 143,261</u>

Inuvialuit Water Board

Notes to Financial Statements

March 31, 2022

7. Repayable Contributions

	2022	2021
Government of the Northwest Territories:		
- Department of Environment and Natural Resources	\$ 344,372	\$ 283,890

8. Tangible Capital Assets

	Rate	Cost	Accumulated Amortization	2020 Net Book Value	2021 Net Book Value
Furniture and equipment	20%	\$ 52,597	\$ 34,625	\$ 17,972	\$ 18,035
Computer equipment	30%	47,907	42,346	5,561	6,083
Computer software	100%	-	-	-	-
		\$ 100,504	\$ 76,971	\$ 23,533	\$ 24,118

9. Economic Dependence

The Board depends on funding as contributions from the Government of the Northwest Territories ("GNWT"). Management is of the opinion that if the funding were reduced or altered, operations would be significantly affected.

10. Commitments

The Board's total commitments under various operating leases for office equipment are as follows:

2023	\$	4,945
2024		206
	\$	5,151

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.

Inuvialuit Water Board

Notes to Financial Statements

March 31, 2022

11. Risk Management (Continued)

The Board's maximum exposure to credit risk is represented by the balance of the financial assets of \$762,175 (2021 - \$715,031).

(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, 2022, 100% (2021 - 100%) of the Board's cash and temporary investments were held within one of Canada's chartered banks. 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 \$473,009 (2021 - \$427,151). 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, 2022, 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

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, 2022

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.

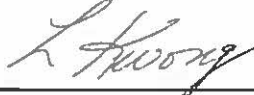
In discharging its responsibility for the integrity, fairness and quality of the consolidated financial statements, management is responsible for maintaining financial and management control systems and practices designed to provide reasonable assurance that transactions are properly authorized and recorded, 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



Leonard Kwong
Director, Finance and Programs

August 25, 2022



INDEPENDENT AUDITOR'S REPORT

To the Minister responsible for the Northwest Territories Business Development and Investment Corporation

Opinions

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 2022, 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.

Qualified Opinion on the Results of Operations and Changes in Net Financial Assets

In our opinion, except for the possible effects on the comparative information of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying consolidated statement of operations and accumulated surplus and consolidated statement of change in net financial assets present fairly, in all material respects, the consolidated results of operations and consolidated changes in net financial assets of the Group for the year ended 31 March 2022 in accordance with Canadian public sector accounting standards.

Opinion on the Financial Position and Cash Flows

In our opinion, the accompanying consolidated statement of financial position and consolidated statement of cash flows present fairly, in all material respects, the consolidated financial position of the Group as at 31 March 2022 and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinions, Including Basis for Qualified Opinion on the Results of Operations and Changes in Net Financial Assets

On 11 March 2020, the World Health Organization declared a global pandemic due to the novel coronavirus (COVID-19). As a result, measures were put in place that impacted our ability to observe the counting of physical inventories as at 31 March 2020. We were also unable to satisfy ourselves concerning those inventory quantities by alternative means. Since opening inventories affect the determination of the results of operations and changes in net financial assets, we were unable to determine whether adjustments to the results of operations and changes in net financial assets might have been necessary in the consolidated statement of operations and accumulated surplus and in the consolidated statement of change in net financial assets, respectively, for the year ended 31 March 2021. Our audit opinion on the consolidated financial statements for the year ended 31 March 2021 was modified accordingly because of the possible effects of this limitation in scope. As a result, our opinion on the current

year's consolidated financial statements is modified because of the possible effects of this matter on the comparability of the current year's figures and the comparative information.

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 unmodified opinion on the financial position and cash flows and our qualified opinion on the results of operations and changes in net financial assets.

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.

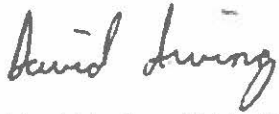
Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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.

A handwritten signature in black ink that reads "David Irving". The signature is written in a cursive, flowing style.

David Irving, CPA, CA
Principal
for the Auditor General of Canada

Edmonton, Canada
25 August 2022

Northwest Territories Business Development and Investment Corporation**Consolidated Financial Statements (March 31, 2022)**

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Northwest Territories Business Development and Investment Corporation**Consolidated Statement of Financial Position (000's)**

	March 31, 2022	March 31, 2021
	\$	\$
Financial Assets		
Cash (Notes 3 and 19)	15,473	18,229
Accounts receivable (Notes 4, 16 and 19)	2,195	130
Inventories for sale (Note 5)	257	340
Loans receivable (Notes 6, 7, 8 and 19)	44,184	43,511
Venture investments (Note 9)	350	-
	<hr/> 62,459	<hr/> 62,210
Liabilities		
Accounts payable and accrued liabilities	1,142	1,061
Post-employment benefits (Note 10)	286	297
Advances from the Government of the NWT (Notes 11 and 16)	26,067	26,798
Asset retirement obligations	34	31
	<hr/> 27,529	<hr/> 28,187
Net financial assets	<hr/> 34,930	<hr/> 34,023
Non financial assets		
Tangible capital assets (Schedule A)	172	244
Prepaid expenses	2	12
	<hr/> 174	<hr/> 256
Accumulated surplus	<hr/> 35,104	<hr/> 34,279

Contractual obligations and contingencies (Notes 14 and 15)

The accompanying notes and Schedule A are an integral part of these consolidated financial statements

Approved by:



Denny Rodgers
Chairperson of the Board of Directors

Northwest Territories Business Development and Investment Corporation**Consolidated Statement of Change in Net Financial Assets (000's)**

For the year ended March 31	Budget 2022	Actual 2022	Actual 2021
	\$	\$	\$
Annual surplus (deficit)	187	825	(358)
Amortization of tangible capital assets	77	72	74
Acquisition of prepaid expenses	-	(2)	(12)
Use of prepaid expenses	-	12	1
	-	10	(11)
Increase (decrease) in net financial assets	264	907	(295)
Net financial assets, beginning of year	34,023	34,023	34,318
Net financial assets, end of year	34,287	34,930	34,023

The accompanying notes and Schedule A 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 2022	Actual 2022	Actual 2021
	\$	\$	\$
Revenues			
Interest on loans receivable	1,950	2,270	2,212
Sales and other income	706	607	468
Interest on pooled cash (Note 3)	301	102	139
	2,957	2,979	2,819
Government transfers (Note 12)	2,879	2,882	2,954
	5,836	5,861	5,773
Expenses (Note 13)			
Lending and investments	4,310	3,912	5,171
Retail and manufacturing	1,339	1,124	960
	5,649	5,036	6,131
Annual surplus (deficit)	187	825	(358)
Accumulated surplus, beginning of year	34,279	34,279	34,637
Accumulated surplus, end of year	34,466	35,104	34,279

The accompanying notes and Schedule A 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	2022	2021
	\$	\$
Operating transactions		
Cash received from:		
Governments	130	2,109
Customers	675	491
Interest	2,793	1,352
	<hr/>	<hr/>
	3,598	3,952
Cash paid for:		
Compensation and benefits	2,240	1,953
Payments to suppliers	914	743
Interest on advances from the Government of the NWT	633	-
Grants and contributions	206	199
	<hr/>	<hr/>
	3,993	2,895
Cash (used for) provided by operating transactions	<hr/>	<hr/>
	(395)	1,057
Investing transactions		
Loans receivable disbursed	(6,002)	(9,649)
Venture investment disbursed	(350)	-
Loans receivable repaid	4,358	1,885
	<hr/>	<hr/>
Cash (used for) investing transactions	<hr/>	<hr/>
	(1,994)	(7,764)
Financing transactions		
Repayment of advances from the Government of the NWT	(367)	-
Advances from the Government of the NWT	-	5,500
	<hr/>	<hr/>
Cash (used for) provided by financing transactions	<hr/>	<hr/>
	(367)	5,500
(Decrease) in cash	<hr/>	<hr/>
	(2,756)	(1,207)
Cash, beginning of year	18,229	19,436
Cash, end of year	<hr/>	<hr/>
	15,473	18,229

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

Northwest Territories Business Development and Investment Corporation

Notes to the Consolidated Financial Statements March 31, 2022

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 18).

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, 2022**

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 receivables, impaired loans, venture investments, amortization, and the allowance for credit losses, the provision for termination and removal benefits, and services received without charge. 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 Ulukhaktok 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

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 for sale

Inventories for sale consist of finished goods, work-in-process and raw material and are carried at the lower of cost and net realizable value, with cost being determined on a first in, first out basis.

(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 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.

Previously, 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.

Loans receivable with concessionary terms are considered in part to be grants and are recorded on the date of issuance at face value discounted by the amount of the grant portion. The discounted value and the effective interest rate are determined using the prime rate adjusted for risk at the date of issuance. At the date of issue, the grant portion is calculated as the difference between the face and discounted value of the loan and recorded as interest expense. The grant portion is recognized as an expense at the date of issuance of the loan or when the concession is provided. These loans are carried at amortized costs with the discount being recorded as an increase in the loan balance and an increase to interest income over the term of the loan using the effective interest rate method.

When a loan is classified as impaired, the carrying amount of the loan is reduced to its estimated net recoverable value through an adjustment to the allowance for credit losses. Subsequent changes in the estimated net recoverable value are also adjusted through the allowance for credit losses.

Interest income is recognized on an accrual basis using the effective interest rate method until such time as the loan is classified as impaired. All payments received (i.e., recoveries) subsequent to a

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

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. An account can only be approved for forgiveness by the board of directors (\$500 or less) or the FMB (over \$500). 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.

(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.

2. Summary of significant accounting policies (continued)

(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.

(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.

Northwest Territories Business Development and Investment Corporation

Notes to the Consolidated Financial Statements
March 31, 2022

2. Summary of significant accounting policies (continued)

(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:

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.

(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) Future accounting changes

The PSAB issued the following two new sections effective on or after April 2022 and 2023. The Corporation is currently assessing the impact of the two sections.

Section PS 3280, "Asset Retirement Obligation": This section establishes standards on how to account for and report for assets retirement obligations. This section is effective for fiscal year beginning on or after April 1, 2022 with earlier adoption permitted.

Section PS 3400, "Revenue": 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 is effective for fiscal year beginning on or after April 1, 2023 with earlier adoption permitted.

Northwest Territories Business Development and Investment Corporation**Notes to the Consolidated Financial Statements
March 31, 2022**

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 \$102,000 in interest at an average investment yield of 0.71% during the year (2021: \$139,000 at an average investment yield of 0.83%).

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 10b).

	000's	
	2022	2021
	\$	\$
Cash held by the Corporation for operations	3,509	5,284
Cash held by the Corporation's organizations	2,105	1,924
Cash held for post-employment benefits	286	297
	5,900	7,505
Venture Investment Fund	3,805	4,190
Capital Fund	873	873
Subsidy Fund	559	435
Venture Reserve Fund	521	486
Loans and Bonds Fund	3,668	4,593
Capital Reserve Fund	147	147
	9,573	10,724
	15,473	18,229

Northwest Territories Business Development and Investment Corporation**Notes to the Consolidated Financial Statements
March 31, 2022**

4. Accounts receivable

	000's	
	2022	2021
	\$	\$
Receivables	182	218
Receivables from the Government of the NWT	2,079	9
Receivable from the Government of Canada	49	48
Less: provision for doubtful accounts	115	145
	2,195	130

5. Inventories for sale

	000's	
	2022	2021
	\$	\$
Arts and crafts	70	146
Canvas products	187	194
	257	340

During the year, \$60,000 of inventories were written down (2021: \$101,000) and no inventories were pledged as security. Also, during the year, the Corporation had \$99,000 recoveries on inventory that had been previously written down (2021: \$35,000). Inventory write-downs and recoveries are included in the cost of goods sold.

6. Impact of COVID-19

On March 11, 2020 the World Health Organization declared COVID-19 a global pandemic. Global business and investment markets were immediately and substantively affected. Within the Corporation's portfolio, industries have been impacted differently. In response to the pandemic, the Government of the NWT announced on March 20, 2020 certain economic relief measures through the Corporation effective April 1, 2020. The Corporation's interest rate reduction measure was considered to provide concessionary terms to qualified businesses.

Interest Rate Differential

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%). Two loans totalling \$55,000 approved in 2021, were disbursed under this measure (2021: Ninety-one loans totaling \$2,319,000). At March 31, 2022, allowance for credit losses on these loans totalled \$56,000 (2021: \$111,000).

Northwest Territories Business Development and Investment Corporation

Notes to the Consolidated Financial Statements March 31, 2022

6. Impact of COVID-19 (continued)

Economic relief measure extended

In 2021, the Corporation allowed clients that applied to have their loan repayments reduced or deferred until March 31, 2021 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, the Corporation's Application Review Committee approved thirty-one loans (2021: thirty-two loans) additional deferral options March 31, 2022.

These deferrals have no concessionary terms and will include penalty and/or additional interest charges. Of these loans a total of \$6,645,000 have been classified as impaired (2021: \$4,491,000) due to the increased risk of default on account and \$2,029,000 (2021: \$1,220,000) are included in specific allowance.

7. 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			
		2022		2021	
		Rate Range	Balances	Rate Range	Balances
		%	\$	%	\$
Performing	1 year	4.70-7.95	6,305	4.70-7.95	7,657
loans due	1-2 years	5.45-7.45	3,636	4.70-6.70	7,857
within:	2-3 years	2.95-6.95	3,920	5.45-7.45	3,591
	3-4 years	1.75-6.95	9,881	2.95-6.95	4,501
	over 4 years*	1.75-6.45	12,173	1.75-6.95	12,790
			35,915		
Accrued loan interest receivable			662		
Impaired loans			11,200		
			47,777		
Less: allowance for credit losses (Note 8)			3,593		
			44,184		
				43,511	

* These loans receivable have been reduced by \$153,000 (2021: \$303,000) under the concessionary terms (Note 6)

In 2022, four accounts representing two borrowers totalling \$230,000 (including impaired interest of \$36,000 not recognized) were written off by the board of directors (2021: nil) and fourteen accounts

Northwest Territories Business Development and Investment Corporation

Notes to the Consolidated Financial Statements March 31, 2022

7. Loans receivable (continued)

representing ten borrowers totalling \$3,473,000 (including impaired interest of \$1,513,000 not recognized) were forgiven (2021: nil) by the FMB. The board of directors also wrote off a receivable unrelated to loans in the amount of \$6,000. Recoveries on loans previously written off from both loans receivable and allowance totalled \$18,000 (2021: \$38,000).

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			
	2022		2021	
	Performing	Impaired	Performing	Impaired
	\$	\$	\$	\$
Accommodations, food and beverage	6,852	1,207	5,493	1,791
Agriculture	276	2,333	1,715	388
Arts and craft	5	346	6	375
Business services	125	3	185	304
Communication	-	523	-	559
Construction	5,566	2,715	6,345	2,870
Educational services	31	-	25	-
Entertainment and recreation	18	-	39	58
Finance and insurance	296	-	318	-
Fisheries and wildlife	37	13	22	30
Forestry and logging	57	-	89	-
Health care	68	-	82	-
Information and cultural industries	69	-	84	-
Management of companies	1,555	-	1,232	-
Manufacturing	1,183	2	1,113	8
Mining	123	-	127	-
Oil and gas	-	359	-	359
Other services	1,852	38	2,073	82
Professional, scientific and technical services	331	-	385	-
Real estate	7,498	157	6,752	155
Retail	6,390	1,236	6,058	1,243
Transportation and storage	2,317	1,495	2,961	897
Travel and tourism	539	773	565	2,041
Wholesale	727	-	727	-
	35,915	11,200	36,396	11,160

Northwest Territories Business Development and Investment Corporation

Notes to the Consolidated Financial Statements
March 31, 2022

7. Loans receivable (continued)

Geographic concentration

Regions	000's			
	2022		2021	
	Performing	Impaired	Performing	Impaired
	\$	\$	\$	\$
Beaufort-Delta	3,387	512	3,536	856
Dehcho	4,990	2,251	5,634	1,658
North Slave	7,893	4,465	6,920	4,185
Sahtu	2,071	67	2,176	133
South Slave	17,574	3,905	18,130	4,328
	35,915	11,200	36,396	11,160

The following table illustrates performing loans outstanding classified by the Corporation's credit risk rating system:

Credit risk rating	000's	
	2022	2021
	\$	\$
Low	19,293	19,040
Medium	14,193	15,020
High	2,429	2,336
	35,915	36,396

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	000's	
	2022	2021
	\$	\$
31 – 60 days	22	-
61 – 90 days	-	-
Over 90 days	-	-
	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 2022 (2021: nil).

Northwest Territories Business Development and Investment Corporation**Notes to the Consolidated Financial Statements**
March 31, 2022

7. Loans receivable (continued)

The table represents loans receivable with and without concessionary terms before allowance:

Concessionary loans	000's	
	2022	2021
	\$	\$
With no concessionary terms	45,278	45,846
With concessionary terms	1,837	1,710
Accrued loan interest receivable	662	1,154
	47,777	48,710

8. Allowance for credit losses

	000's	
	2022	2021
	\$	\$
Balance, beginning of year	5,199	3,490
Provision for credit losses	912	1,878
Loans written off and forgiven	(2,154)	-
Recoveries from repayments of allowance	(364)	(169)
Balance, end of year	3,593	5,199
Comprised of:		
Specific allowance*	2,875	4,471
General allowance	718	728
Balance, end of year	3,593	5,199

* The specific allowance includes \$56,000 (2021: \$111,000) for the economic relief working capital loans that were disbursed in 2021 (Note 6).

9. 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, 2022, the Corporation does not have significant influence in the companies in which it has invested.

The total cumulative venture investments at March 31, 2022 were \$943,000 (2021: \$593,000) with accumulated write-downs of \$593,000 (2021: \$593,000). In 2022, no venture investments were approved for write-off (2021: nil) by the board or for forgiveness by the FMB (2021: 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

Northwest Territories Business Development and Investment Corporation**Notes to the Consolidated Financial Statements
March 31, 2022**

9. Venture investments (continued)**Preferred shares and dividends (continued)**

redeemable at the option of the Corporation and earn dividends at variable rates. Investment yields vary from year to year due to the amount and timing of the dividends received.

10. Post-employment benefits**(a) Pension benefits**

Substantially all of the employees of the Corporation are covered by the Plan (Note 2(j)(i)). Contributions are required by both the employees and the Corporation. The President of the Treasury Board of Canada sets the required employer contributions based on a multiple of the employees' required contribution. The required employer contribution rate is dependent on the employee's employment start date. For employment start dates before January 1, 2013, the Corporation's contribution rate effective at year-end was 1.01 times (2021: 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 (2021: 1.0) the employee's contribution. Total contributions of \$154,000 (2021: \$126,000) 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	
	2022	2021
	\$	\$
Corporation's contributions	154	126
Employees' contributions	154	125

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 February 2022 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.

Northwest Territories Business Development and Investment Corporation**Notes to the Consolidated Financial Statements
March 31, 2022**

10. Post-employment benefits (continued)**(b) Termination, removal benefits and leave (continued)**

Change in Obligation	000's	
	2022	2021
	\$	\$
Accrued benefit obligation, beginning of year	142	249
Current period benefit cost	11	11
Interest cost	4	5
Benefit payments	(21)	(58)
Actuarial loss (gain)	62	(65)
Accrued benefit obligation, end of year	198	142
Unamortized net actuarial gain	88	155
Accrued benefit liability*	286	297

*Total retirement, post-employment, and other leave benefits includes \$246,158 (2021 - \$262,922) related to severance and removal and \$31,955 (2021 - \$34,376) related to compensated absences.

Benefit Expense

	000's	
	2022	2021
	\$	\$
Current period benefit cost	11	11
Interest cost	4	5
Amortization of actuarial (gain) loss	(6)	(6)
Post-employment benefits	9	10

The discount rate used in determining the accrued benefit obligation is an average of 4.10% (2021: 3.30%). The assumed rate of compensation increase is 2% (2021: 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 (2021: 8.3 years). No inflation was applied.

11. Advances from the Government of the NWT

For the purpose of providing financial assistance to or making investments in business enterprises, the Act authorizes the Corporation to borrow up to \$150 million 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 (2021: \$45 million) as at March 31, 2022.

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 0.48% to 2.31% (2021: 0.19% to 0.49%) during the year.

Northwest Territories Business Development and Investment Corporation

**Notes to the Consolidated Financial Statements
March 31, 2022**

11. Advances from the Government of the NWT (continued)

	000's	
	2022	2021
	\$	\$
Balance, beginning of year	26,798	21,228
Interest charged on Advances (Note 13)	269	70
Repayment of Advances (Note 19)	(1,000)	
Advances received	-	5,500
Balance, end of year	26,067	26,798

During the year, no advances were provided to the Corporation (2021: \$5,500,000) to cover new loans and economic relief working capital loans (Notes 6 and 7). The \$1,000,000 paid during the year represents \$367,000 in principal and \$633,000 in interest.

12. Government transfers

	000's					
	2022			2021		
	Lending/ Invest- ments	Retail/ Manufac- turing	Total	Lending/ Invest- ments	Retail/ Manufac- turing	Total
	\$	\$	\$	\$	\$	\$
Government of the NWT:						
Operations and maintenance	1,565	510	2,075	1,410	602	2,012
Services received without charge (Note 17)	710	-	710	845	-	845
	2,275	510	2,785	2,255	602	2,857
Federal programs	97	-	97	97	-	97
	2,372	510	2,882	2,352	602	2,954

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 2022 (2021: nil).

Northwest Territories Business Development and Investment Corporation

Notes to the Consolidated Financial Statements March 31, 2022

13. Consolidated budgeted figures and expenses by object

The consolidated budgeted figures have been approved by the Minister and the FMB.

	Consolidated (000's)							
	2022				2021			
	Total Budget	Lending / Investments	Retail / Manufacturing	Total	Total Budget	Lending / Investments	Retail / Manufacturing	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Advertising and promotion	29	14	2	16	31	10	2	12
Amortization	77	53	19	72	77	52	22	74
Asset retirement	-	-	2	2	-	-	1	1
Bad debts	6	-	2	2	-	-	5	5
Bank charges and interest	29	2	26	28	26	18	21	39
Board members	48	14	2	16	52	37	2	39
Business Development Fund	200	206	-	206	200	199	-	199
Business Service Centre	233	246	-	246	240	223	-	223
Compensation and benefits	2,727	2,203	225	2,428	2,598	2,154	209	2,363
Computers and communications	128	81	21	102	133	102	21	123
Cost of goods sold	763	-	640	640	794	-	497	497
Insurance	24	-	28	28	27	-	23	23
Interest expense and cost of interest rate reduction*	225	269	-	269	425	373	-	373
Office and general	77	50	10	60	70	44	11	55
Provision for (recovery of) credit losses (net)	650	547	-	547	400	1,709	-	1,709
Professional services	118	47	53	100	350	68	39	107
Rent	176	170	15	185	216	169	15	184
Repairs and maintenance	15	-	19	19	10	-	29	29
Training and workshops	-	7	-	7	-	13	-	13
Travel	53	3	1	4	55	-	2	2
Utilities	71	-	59	59	59	-	61	61
	5,649	3,912	1,124	5,036	5,763	5,171	960	6,131

* Cost of interest rate reduction totalling \$303,000 as a result of concessionary terms was recorded in 2021 (Note 6). The unamortized balance of this reduction has been reduced to \$153,000 (2021: \$222,000).

14. Contractual obligations

As at March 31, 2022, loans to businesses approved but not yet disbursed, totalled \$370,000 at a weighted average interest rate of 5.1% (2021: \$3,592,000 at a weighted average interest rate of 5.0%). These loans do not form part of the loans receivable balance until disbursed. Also, as at March 31, 2021, there were no approved ventures not disbursed (2021: \$350,000) and all contributions to businesses approved have been disbursed (2021: nil).

15. Contingencies**Loans**

The Corporation has one outstanding loan to a Northern Community Futures organization for their own lending purposes totalling \$296,000 (2021: one loan totalling \$318,000). 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 2022, no accounts were assigned to the Corporation (2021: nil).

Letters of credit

The Corporation has one outstanding irrevocable standby letter of credit in the amount of \$2,000,000 (2021: \$2,000,000) that expires in fiscal 2023. 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 (2021: nil).

16. 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 17).

Northwest Territories Business Development and Investment Corporation**Notes to the Consolidated Financial Statements
March 31, 2022**

16. Related party transactions (continued)

Transactions with related parties during the year and balances at year end are as follows:

	000's	
	2022	2021
	\$	\$
Revenues		
Sales	15	3
Government of the NWT transfers (Note 12)	2,785	2,857
Expenses		
Purchases	208	225
Interest on advances from the Government of the NWT	269	70
Balances at year end		
Accounts receivable	2,079	9
Accounts payable and accrued liabilities	182	129
Advances from the Government of the NWT	26,067	26,798

17. 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	
	2022	2021
	\$	\$
Staff support	488	623
Accommodation	222	222
	710	845

18. Economic dependence

The Corporation received 47.5% (2021: 49.5%) 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, 2022**

19. 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, 2022, \$4,649,000 (2021: \$3,378,000) 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 (Note 6).

The table below illustrates the maximum credit exposure to the Corporation if all counterparties defaulted on March 31, 2022:

	000's	
	2022	2021
	\$	\$
Cash	15,473	18,229
Accounts receivable	2,195	130
Loans receivable	44,184	43,511
Letters of credit	2,000	2,000

19. 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, \$1,000,000 (Note 11) were made to the Government (2021: nil).

Based on the Corporation's advances from the Government of the NWT as at March 31, 2022 and the monthly cash balance on hand, a 100-basis point increase in interest rates would decrease annual surplus by \$117,000 (2021: decrease of \$85,000). A 100-basis point decrease in interest rates would increase annual surplus by \$102,000 (2021: decrease of \$57,000).

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.

Northwest Territories Business Development and Investment Corporation

**Consolidated Schedule of Tangible Capital Assets
March 31, 2022**

Schedule A
000's

	Land	Buildings	Vehicle and Equipment	Leasehold Improvements	Computer Equipment	March 31, 2022	March 31, 2021
Cost of tangible capital assets, opening	\$ 78	\$ 1,789	\$ 668	\$ 540	\$ 9	\$ 3,084	\$ 3,100
Acquisitions	-	-	-	-	-	-	-
Disposals	-	-	(10)	-	-	(10)	(16)
Cost of tangible capital assets, closing	78	1,789	658	540	9	3,074	3,084
Accumulated amortization, opening	-	1,698	654	479	9	2,840	2,782
Amortization expense	-	11	8	53	-	72	74
Disposals	-	-	(10)	-	-	(10)	(16)
Accumulated amortization, closing	-	1,709	652	532	9	2,902	2,840
Net book value	78	80	6	8	-	172	244

NORTHWEST TERRITORIES HERITAGE FUND

Financial Statements

For The Year Ended March 31, 2022

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 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
August 26, 2022

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, 2022, 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, 2022, and the results of its operations and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

(continues)

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

METRIX GROUP LLP

Chartered Professional Accountants

Edmonton, Alberta
August 26, 2022


NORTHWEST TERRITORIES HERITAGE FUND

Statement of Financial Position

As at March 31, 2022

	2022	2021
FINANCIAL ASSETS		
Cash	\$ 20,446	\$ 1,361,947
Interest receivable	159,267	143,998
Portfolio investments (Note 2)	<u>37,034,743</u>	28,676,851
	<u>37,214,456</u>	30,182,796
LIABILITIES		
Accounts payable and accrued liabilities	<u>31,227</u>	30,674
NET FINANCIAL ASSETS	<u>37,183,229</u>	30,152,122
ACCUMULATED SURPLUS	<u>\$ 37,183,229</u>	\$ 30,152,122

ON BEHALF OF COUNCIL



Chairperson 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, 2022

	2022 (Budget)	2022 (Actual)	2021 (Actual)
REVENUES			
Contributions from the Government of the Northwest Territories	\$ 7,600,000	\$ 5,655,952	\$ 2,538,486
Investment income	-	1,190,279	877,857
Gain on sale of investments	-	252,163	52,038
	7,600,000	7,098,394	3,468,381
EXPENSES			
Professional fees	-	67,287	69,088
	7,600,000	7,031,107	3,399,293
ANNUAL SURPLUS	7,600,000	7,031,107	3,399,293
ACCUMULATED SURPLUS, BEGINNING OF YEAR	-	30,152,122	26,752,829
ACCUMULATED SURPLUS, END OF YEAR	\$ 7,600,000	\$ 37,183,229	\$ 30,152,122

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, 2022

	2022 (Budget)	2022 (Actual)	2021 (Actual)
ANNUAL SURPLUS	\$ 7,600,000	\$ 7,031,107	\$ 3,399,293
NET FINANCIAL ASSETS, BEGINNING OF YEAR	30,152,122	30,152,122	26,752,829
NET FINANCIAL ASSETS, END OF YEAR	\$ 37,752,122	\$ 37,183,229	\$ 30,152,122

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, 2022**

	2022	2021
OPERATING ACTIVITIES		
Annual surplus	\$ 7,031,107	\$ 3,399,293
Items not affecting cash:		
Gain on disposal of investments	(252,163)	(52,038)
Amortization of investment premiums/discounts	(72,112)	(91,613)
	6,706,832	3,255,642
Changes in non-cash working capital:		
Interest receivable	(15,269)	149,885
Accounts payable and accrued liabilities	553	11,978
	(14,716)	161,863
	6,692,116	3,417,505
INVESTING ACTIVITIES		
Purchase of investments	(21,681,934)	(16,402,656)
Proceeds from disposals and redemptions of investments	13,648,317	14,217,421
	(8,033,617)	(2,185,235)
INCREASE (DECREASE) IN CASH FLOWS	(1,341,501)	1,232,270
CASH, BEGINNING OF YEAR	1,361,947	129,677
CASH, END OF YEAR	\$ 20,446	\$ 1,361,947

The accompanying notes are an integral part of these financial statements

NORTHWEST TERRITORIES HERITAGE FUND

Notes to Financial Statements

Year Ended March 31, 2022

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. Significant aspects of the accounting policies adopted by the Fund are as follows.

(a) *Portfolio investments*

Portfolio investments are long-term investments in organizations that do not form part of the government reporting entity and are accounted for by the cost or amortized cost method. Investment premiums and discounts are amortized over the term of the respective investments. Where there is a loss in value of a portfolio investment that is other than a temporary decline, the investment is written down to recognize the loss.

Interest income is recorded on the accrual basis, dividend income is recognized as it is declared, and gains and losses on disposal and redemption of investments are recognized when realized.

(b) *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.

(c) *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.

(continues)

NORTHWEST TERRITORIES HERITAGE FUND

Notes to Financial Statements

Year Ended March 31, 2022

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

(d) Future changes in significant accounting policies

The following summarizes upcoming changes to the Canadian public sector accounting standards. The Fund will continue to assess the impact and prepare for the adoption of these standards.

(i) Financial Statement Presentation

PS 1201, Financial Statement Presentation, requires a new statement of re-measurement gains and losses separate from the statement of operations. Included in this new statement are the unrealized gains and losses arising from the re-measurement of financial instruments and items denominated in foreign currencies, as well as the government's proportionate share of other comprehensive income that arises when a government includes the results of government business enterprises and partnerships. This standard is applicable for fiscal years beginning on or after April 1, 2022.

(ii) Foreign Currency Translation

PS 2601, Foreign Currency Translation, requires that monetary assets and liabilities denominated in a foreign currency be adjusted to reflect the exchange rates in effect at the financial statement dates. Unrealized gains and losses are to be presented in the new statement of re-measurement gains and losses. This standard must be adopted in conjunction with PS 2601 and PS 3450 and is applicable for fiscal years beginning on or after April 1, 2022.

(iii) Portfolio Investments

PS 3041, Portfolio Investments, has removed the distinction between temporary and portfolio investments and amended to conform to PS 3405. This standard must be adopted in conjunction with PS 1201, PS 2601, and PS 3450 and is applicable for fiscal years beginning on or after April 1, 2022.

(iv) Financial Instruments

PS 3450, Financial Instruments, established recognition, measurement and disclosure requirements for derivative and non-derivative financial instruments. The standard requires fair value measurement of derivative and equity instruments; all other financial instruments can be measured at cost/amortized cost or fair value at the election of the government. Unrealized gains and losses are presented in a new statement of re-measurement gains and losses. There is the requirement to disclose the nature and extent of risks arising from financial instruments and clarification is given for the de-recognition of financial liabilities. This standard is applicable for fiscal years beginning on or after April 1, 2022.

(v) Asset Retirement Obligations

PS 3280, Asset Retirement Obligations, establishes standards on how to account and report for legal obligations associated with the retirement of certain tangible capital assets including solid waste landfill sites. As a result, PS 3270, Solid Waste Landfill Closure and Post-Closure Liability has been withdrawn but will remain in effect until the adoption of PS 3280. This standard is applicable for fiscal years beginning on or after April 1, 2022.

(continues)

NORTHWEST TERRITORIES HERITAGE FUND

Notes to Financial Statements

Year Ended March 31, 2022

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

(vi) 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.

(vii) 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.

2. PORTFOLIO INVESTMENTS

	2022 Cost	2022 Market value	2021 Cost	2021 Market value
Canadian papers	\$ 24,488,222	\$ 23,187,816	\$ 18,923,427	\$ 19,209,094
Equities and other financial instruments	8,093,605	9,137,439	5,976,693	6,798,282
Bonds	4,452,916	3,597,669	3,776,731	3,919,234
	\$ 37,034,743	\$ 35,922,924	\$ 28,676,851	\$ 29,926,610

Bonds are recorded at amortized cost. Bond premiums and discounts are amortized over the term of the bond. The effective interest rate method is used to determine investment income. Total bond amortization in the year amounted to \$72,112 (2021 - \$91,613).

Any declines in market value below cost are considered to be temporary and therefore no write-downs have been recorded.

3. FINANCIAL INSTRUMENTS

The Fund 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 Fund's risk exposure and concentration as of March 31, 2022.

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 comprises three types of risk: currency rate risk, interest rate risk and other price risk. The Fund is mainly exposed to other price risk.

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 risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Fund is exposed to other price risk through its investment in equities and other financial instruments.

Unless otherwise noted, it is management's opinion that the Fund is not exposed to significant other price risks arising from these financial instruments.

NORTHWEST TERRITORIES HERITAGE FUND

Notes to Financial Statements

Year Ended March 31, 2022

4. BUDGET

Budget figures presented in these financial statements are based on the 2021-2022 Government of Northwest Territories "Main Estimates".

Northwest Territories Housing Corporation
Consolidated Financial Statements
March 31, 2022

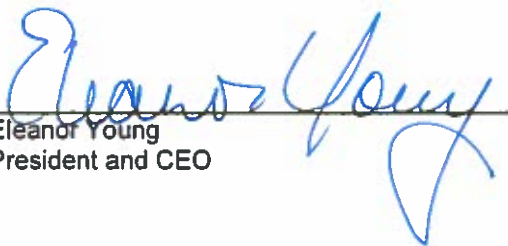
MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

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 the Corporation 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 the Corporation's statutory requirements and policies.

The Corporation's external auditor, the Auditor General of Canada, conducts an independent audit, in accordance with Canadian general accepted auditing standards, and expresses her opinion on the consolidated financial statements. The Corporation's external auditor has full and free access to financial management of Northwest Territories Housing Corporation.

On behalf of the Northwest Territories Housing Corporation



Eleanor Young
President and CEO



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

Yellowknife, Northwest Territories
August 22, 2022



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 Housing Corporation

Opinion

We have audited the consolidated financial statements of the Northwest Territories Housing Corporation and its controlled entities (the Group), which comprise the consolidated statement of financial position as at 31 March 2022, 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 2022, 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

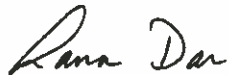
Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not 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
22 August 2022

NORTHWEST TERRITORIES HOUSING CORPORATION

Consolidated Statement of Financial Position As at March 31, 2022 (in thousands)

	2022	2021
Financial assets		
Cash and cash equivalents	\$ 91,465	\$ 48,996
Portfolio investments (Note 3)	37,467	37,406
Accounts receivable (Note 4)	6,126	41,775
Mortgages and loans receivable (Note 5)	3,969	2,787
	139,027	130,964
Liabilities		
Accounts payable and accrued liabilities (Note 6)	24,000	25,920
Deferred revenue	359	261
Loans and mortgages payable to CMHC (Note 7)	4,645	5,270
Environmental liabilities (Note 8)	913	1,106
Retirement, post-employment, and other leave benefits (Note 9)	2,236	2,383
	32,153	34,940
Net financial assets	106,874	96,024
Non-financial assets		
Tangible capital assets (Schedule A)	337,981	325,550
Inventories held for use	2,529	2,635
Prepaid expenses	116	69
	340,626	328,254
Accumulated surplus	\$ 447,500	\$ 424,278
Contractual rights, obligations and contingencies (Notes 12, 13 and 14)		

Approved by:



Hon. Paulie Chinna
Minister Responsible for the
Northwest Territories Housing Corporation



Eleanor Young
President and CEO

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

NORTHWEST TERRITORIES HOUSING CORPORATION

Consolidated Statement of Operations and Accumulated Surplus

For the year ended March 31, 2022

(in thousands)

	2022 Budget	2022 Actual	2021 Actual
Revenues			
Government funding:			
Government of the Northwest Territories	\$ 76,781	\$ 77,286	\$ 76,600
CMHC (Note 10)	20,703	20,725	45,086
CIRNAC (Note 11)	-	25,000	-
Other grants and transfers	-	532	583
	<u>97,484</u>	<u>123,543</u>	<u>122,269</u>
Generated revenues:			
Rental revenue	9,754	13,338	10,654
Recoveries from mortgages and loans	475	692	605
Income from portfolio investments	440	735	686
Other revenue and recoveries	419	2,759	1,808
Interest revenue on mortgages and loans	120	82	94
	<u>11,208</u>	<u>17,606</u>	<u>13,847</u>
	<u>108,692</u>	<u>141,149</u>	<u>136,116</u>
Expenses (Note 15)			
Public housing program	69,817	68,532	63,335
Unilateral CMHC programs and other programs	2,533	2,419	2,199
HELP and market housing	6,400	10,021	9,243
Non-residential building operations	200	925	971
Rent subsidy program	1,750	1,658	749
Homelessness fund program	3,876	4,677	3,874
Homeownership assistance grants	14,858	8,410	6,558
Housing operations and support	18,875	21,285	21,435
	<u>118,309</u>	<u>117,927</u>	<u>108,364</u>
Annual (deficit) surplus	<u>\$ (9,617)</u>	<u>\$ 23,222</u>	<u>\$ 27,752</u>
Accumulated surplus, beginning of year	<u>424,278</u>	<u>424,278</u>	<u>396,526</u>
Accumulated surplus, end of year	<u>\$ 414,661</u>	<u>\$ 447,500</u>	<u>\$ 424,278</u>

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

NORTHWEST TERRITORIES HOUSING CORPORATION

Consolidated Statement of Change in Net Financial Assets For the year ended March 31, 2022 (in thousands)

	2022 Budget	2022 Actual	2021 Actual
Net financial assets, beginning of the year	\$ 96,024	\$ 96,024	\$ 74,390
Items affecting net financial assets:			
Annual (deficit) surplus	(9,617)	23,222	27,752
Acquisition of tangible capital assets	(10,625)	(30,297)	(22,043)
Amortization of tangible capital assets	14,800	15,495	15,373
Proceeds from disposal of tangible capital assets	-	441	249
Loss on disposal of tangible capital assets	-	1,018	369
Grants in kind	-	912	-
Acquisition of inventories held for use	-	(1,614)	(1,428)
Consumption of inventories held for use	-	1,720	1,361
Acquisition of prepaid expenses	-	(106)	(54)
Consumption of prepaid expenses	-	59	55
Increase/(decrease) in net financial assets	(5,442)	10,850	21,634
Net financial assets, end of the year	<u>\$ 90,582</u>	<u>\$ 106,874</u>	<u>\$ 96,024</u>

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

NORTHWEST TERRITORIES HOUSING CORPORATION

Consolidated Statement of Cash Flow For the year ended March 31, 2022 (in thousands)

	2022	2021
Operating transactions		
Annual surplus	\$ 23,222	\$ 27,752
Items not affecting cash:		
Amortization of tangible capital assets	15,495	15,373
Other grants and transfers	-	(583)
Building from foreclosure	-	(110)
Loss on disposal of tangible capital assets	1,018	369
Grant in kind	912	-
Non-cash portfolio investment income	39	47
Non-cash mortgage funding	(88)	(45)
Change in valuation allowance for doubtful accounts	104	180
Change in valuation allowance for mortgages and loans receivable	<u>(1,432)</u>	<u>-</u>
	16,048	15,231
Change in non-cash assets and liabilities:		
Change in accounts receivable	35,649	(29,878)
Change in inventories held for use	106	(67)
Change in prepaid expenses	(47)	1
Change in accounts payable and accrued liabilities	229	4,308
Change in deferred revenue	98	(148)
Change in environmental liabilities	(193)	548
Change in retirement, post-employment, and other leave benefits	<u>(147)</u>	<u>(383)</u>
	<u>35,695</u>	<u>(25,619)</u>
Cash provided by operating transactions	<u>74,965</u>	<u>17,364</u>
Capital transactions		
Acquisition of tangible capital assets	(32,504)	(19,501)
Proceeds from disposal of tangible capital assets	<u>441</u>	<u>249</u>
Cash used for capital transactions	<u>(32,063)</u>	<u>(19,252)</u>
Financing transactions		
Repayment of loans payable to CMHC	<u>(625)</u>	<u>(588)</u>
Cash used for financing transactions	<u>(625)</u>	<u>(588)</u>

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

NORTHWEST TERRITORIES HOUSING CORPORATION

Consolidated Statement of Cash Flow (continued)

For the year ended March 31, 2022

(in thousands)

	2022	2021
Investing transactions		
Proceeds from sale of portfolio investments	5,000	44,421
Acquisition of portfolio investments	(5,058)	(38,511)
Repayments of mortgages and loans receivable	250	288
Cash provided by investing transactions	192	6,198
Increase in cash and cash equivalents	42,469	3,722
Cash and cash equivalents at beginning of the year	48,996	45,274
Cash and cash equivalents at end of the year	\$ 91,465	\$ 48,996

Total interest paid during the year was \$312 (2021 - \$354).

Total interest received during the year was \$817 (2021 - \$879).

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 \$65,840 (2021 - \$28,165) of cash and \$25,625 (2021 - \$20,831) of cash equivalents.

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

NORTHWEST TERRITORIES HOUSING CORPORATION

Notes to Consolidated Financial Statements For the year ended March 31, 2022 (in thousands)

1. PURPOSE OF THE ORGANIZATION

(a) Authority and reporting entity

The Northwest Territories Housing Corporation (the "Corporation") is a territorial corporation, established under the *Northwest Territories Housing Corporation Act* (the "Act") and named in Schedule B of the *Financial Administration Act* (FAA) of the Northwest Territories (NWT). Accordingly, the Corporation operates in accordance with its Act and regulations, the FAA, and any directives issued to it by the Minister responsible for the Corporation. The Corporation is exempt from income tax but is subject to Goods and Services Tax.

The Corporation'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. The Corporation 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

The Corporation'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 the Corporation and the LHOs which outline the roles and responsibilities of each party.

The Corporation 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 the Corporation 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 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.

NORTHWEST TERRITORIES HOUSING CORPORATION

Notes to Consolidated Financial Statements For the year ended March 31, 2022 (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 the Corporation and the accounts of the following twenty-three LHOs, via consolidation, which are controlled by the Corporation:

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

The Yellowknife Dene First Nation (Housing Division) has been excluded from the reporting entity since it is considered to be part of a separate level of government.

All inter-entity balances and transactions have been eliminated in the preparation of the consolidated financial statements.

(c) Revenue recognition

The Corporation receives funding for operating and capital purposes from the Government.

The Corporation 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.

The Corporation 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. The Corporation records these transfers consistent with its policy for government transfer revenues above at estimated fair value. Where the Corporation owns or leases the land that housing units are being constructed on, the Corporation records the assets and the related transfer revenues as the housing units are being built on a percentage of completion basis.

NORTHWEST TERRITORIES HOUSING CORPORATION

Notes to Consolidated Financial Statements For the year ended March 31, 2022 (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)

The Corporation provides income-based subsidies for the rental of housing for residents in need. The Corporation provides financial, administrative, maintenance, construction and repair to its public and affordable housing units. The Corporation operates multiple public housing units located in NWT communities.

ii) Contributions for unilateral Canada Mortgage and Housing Corporation (CMHC) programs and other programs

The Corporation 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

The Corporation, 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 the Corporation. 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 or community of the applicant and are not expected to be repaid unless certain conditions are not met, are 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 borrower.

The Corporation 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.

NORTHWEST TERRITORIES HOUSING CORPORATION

Notes to Consolidated Financial Statements For the year ended March 31, 2022 (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. The costs related to a mortgage or loan restructuring, if any, 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 the Corporation 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 the Corporation to transfer ownership of the housing unit back to the Corporation 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.

NORTHWEST TERRITORIES HOUSING CORPORATION

Notes to Consolidated Financial Statements For the year ended March 31, 2022 (in thousands)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Tangible capital assets

i) Land and buildings

Land and housing units constructed or purchased by the Corporation are recorded at cost. Housing materials are also recorded at cost and included in construction in progress.

Tangible capital assets transfers are recorded at their estimated fair value at the date of contribution.

When the Corporation enters into lease agreements where the risks and benefits of ownership are transferred to the Corporation, 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	

(j) 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.

(k) Employee future benefits

i) Pension benefits

All eligible employees of the Corporation 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 the Corporation to cover current service cost. The Corporation's contributions are charged as an expense on a current year basis and represent the total pension obligations. The Corporation is not required under present legislation to make contributions with respect to actuarial deficiencies of the Public Service Pension Plan.

NORTHWEST TERRITORIES HOUSING CORPORATION

Notes to Consolidated Financial Statements For the year ended March 31, 2022 (in thousands)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Employee future benefits (continued)

ii) Retirement, post-employment, and other leave benefits

Under the terms and conditions of employment, government employees may earn non-pension benefits for resignation, retirement and removal costs. Eligible employees earn benefits based on years of service to a maximum entitlement based on terms of employment. Eligibility is based on a variety of factors including place of hire, date employment commenced, and reason for termination. Benefits entitlements are paid upon resignation, retirement or death of an employee.

The expected cost of providing these benefits is recognized as employees render service. Termination benefits are also recorded when employees are identified for lay-off. Compensated absences including sick, special, parental and maternity leave. Accumulating non-vesting sick and special leave are recognized in the period the employee provides service, whereas parental and maternity leave are event driven and are recognized when the leave commences. An actuarial valuation of the cost of these benefits (except maternity and parental leave) has been prepared using data provided by management and assumptions based on management's best estimates.

iii) 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'òdèe	Inuvik Housing Authority
Deline Housing Association	Lutsel K'e Housing Authority
Fort McPherson Housing Association	Radlilh Koe Housing Association
Fort Resolution Housing Authority	Tulita Housing Association
Fort Simpson Housing Authority	Whati Housing Authority
Fort Smith Housing Authority	Yellowknife Housing Authority
Gameti Housing Authority	

NEBS establishes contribution rates for participating employers/employees, and contributions are remitted to NEBS on a regular basis throughout the year.

(I) 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. the Corporation:
 - 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.

The liability is recognized net of any expected recoveries.

NORTHWEST TERRITORIES HOUSING CORPORATION

Notes to Consolidated Financial Statements For the year ended March 31, 2022 (in thousands)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) Related party transactions

The Corporation 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 the Corporation. 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

The Corporation receives services provided by the Government without charge which include legal, human resource and other services. The Corporation does not recognize any amounts related to these services.

(n) Future accounting changes

Effective April 1, 2022, the Corporation 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 Corporation is currently assessing the potential future impact of this standard and anticipates that it will significantly impact liabilities, tangible capital assets, opening accumulated surplus and accumulated amortization. The Corporation will not early adopt this standard.

Effective April 1, 2023, the Corporation 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 Corporation is assessing the impact of this standard however does not expect the adoption will have a significant impact on the consolidated financial statements.

NORTHWEST TERRITORIES HOUSING CORPORATION

Notes to Consolidated Financial Statements For the year ended March 31, 2022 (in thousands)

3. PORTFOLIO INVESTMENTS

	2022	2021
Marketable Securities (fair value \$35,989; 2021 - \$37,463)	\$ <u>37,467</u>	\$ <u>37,406</u>

4. ACCOUNTS RECEIVABLE

	2022	2021
Trade accounts receivable	\$ 3,503	\$ 5,110
Tenant rents receivable	<u>13,482</u>	<u>12,407</u>
	16,985	17,517
Less allowance for doubtful accounts	<u>(12,534)</u>	<u>(12,334)</u>
	4,451	5,183
Receivables from CMHC	1,095	31,903
Receivables from related parties:		
Government of the Northwest Territories	<u>580</u>	<u>4,689</u>
	<u>\$ 6,126</u>	<u>\$ 41,775</u>

Of the allowance for doubtful accounts balance disclosed above, \$954 (2021 - \$950) relates to trade accounts receivable and \$11,580 (2021 - \$11,384) relates to tenant rents receivable. Tenant rents receivable of \$191 were forgiven (2021 - \$1,009) during the year.

NORTHWEST TERRITORIES HOUSING CORPORATION

Notes to Consolidated Financial Statements For the year ended March 31, 2022 (in thousands)

5. MORTGAGES AND LOANS RECEIVABLE

	2022	2021
The Corporation'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% (2021 - 0.00% and 12.00%).	\$ 11,479	\$ 12,383
Less allowance for impaired mortgages and loans receivable	<u>(7,510)</u>	<u>(9,596)</u>
	<u>\$ 3,969</u>	<u>\$ 2,787</u>

There were 28 write-offs in the current year totalling \$1,447 (2021 - two write-offs totalling \$37).

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2022	2021
Trade payables	\$ 11,138	\$ 13,874
Contractor holdbacks	1,364	1,830
Tender and security deposits	596	442
Wages and employee benefits	2,450	2,438
Accrued interest	79	79
Damage deposits	2,536	2,469
Payables to related parties:		
Government of the Northwest Territories	<u>5,837</u>	<u>4,788</u>
	<u>\$ 24,000</u>	<u>\$ 25,920</u>

NORTHWEST TERRITORIES HOUSING CORPORATION

Notes to Consolidated Financial Statements For the year ended March 31, 2022 (in thousands)

7. LOANS AND MORTGAGES PAYABLE TO CMHC

	2022		2021	
	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 2023 to 2038, at interest rates from 7.63% to 19.00% (2021 - 6.88% to 19.00%).	\$ 19,230	\$ (19,230)	\$ -	\$ -
Loans payable to CMHC (NHA Section 82 debt), repayable in annual installments until the year 2033, bearing interest of 6.97% (2021 - 6.97%). These loans are guaranteed by the Government.	8,907	(4,948)	3,959	4,441
Mortgages payable to CMHC for housing projects acquired from third parties in accordance with the provisions of the SHA related to third party loans, maturing in 2026 and 2027, at interest rates from 0.68% to 1.01%, (2021 - 0.68% to 1.05%).	<u style="border-bottom: 3px double black;">686</u> <u style="border-bottom: 3px double black;">\$ 28,823</u>	<u style="border-bottom: 3px double black;">-</u> <u style="border-bottom: 3px double black;">\$ (24,178)</u>	<u style="border-bottom: 3px double black;">686</u> <u style="border-bottom: 3px double black;">\$ 4,645</u>	<u style="border-bottom: 3px double black;">829</u> <u style="border-bottom: 3px double black;">\$ 5,270</u>

Under the terms of the 1999 Social Housing Agreement (SHA), CMHC originally provided funding to the Corporation 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 the Corporation 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 the Corporation would make each year to CMHC. This additional funding receivable from CMHC and the related payments due by the Corporation each year on the long-term debt payable to CMHC are offset, resulting in no exchange of cash between the Corporation and CMHC.

Had CMHC not funded the repayments of the long-term debt principal and interests payable to CMHC, the Corporation would have incurred additional interest expense of \$2,913 (2021 - \$3,048) and would have made additional principal long-term debt repayments to CMHC of \$1,353 (2021 - \$1,467).

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

NORTHWEST TERRITORIES HOUSING CORPORATION

Notes to Consolidated Financial Statements For the year ended March 31, 2022 (in thousands)

7. LOANS AND MORTGAGES PAYABLE TO CANADA MORTGAGE AND HOUSING CORPORATION (CMHC) (continued)

Principal repayments and interest requirements over the life of the outstanding loans are as follows:

	Principal	Interest	Total
2023	\$ 661	\$ 285	\$ 946
2024	699	248	947
2025	711	207	918
2026	695	166	861
2027	638	126	764
2027-2031	1,197	206	1,403
2032-2038	44	3	47
	\$ 4,645	\$ 1,241	\$ 5,886

8. ENVIRONMENTAL LIABILITIES

The Corporation has identified fourteen fuel spill sites and no other contaminated sites (2021 - eleven fuel spill sites and no other contaminated sites) for which an environmental liability has been recorded. There were two sites (2021 - one) closed during the fiscal year as it has been remediated. Five new sites (2021 - four) 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 (2021 - nil). The Corporation has not identified any sites where an environmental liability may exist but no liability has been recorded.

9. RETIREMENT, POST-EMPLOYMENT, AND OTHER LEAVE BENEFITS

Pension benefits

Employees of the Corporation participate in Canada's Public Service Pension Plan (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 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 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. The Corporation contributed \$1,285 (2021 - \$1,170) to the Public Service Pension Plan. The employees' contributions to this plan were \$1,199 (2021 - \$1,121). Total contributions were recognized as an expense in the current year.

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

NORTHWEST TERRITORIES HOUSING CORPORATION

Notes to Consolidated Financial Statements For the year ended March 31, 2022 (in thousands)

9. RETIREMENT, POST-EMPLOYMENT, AND OTHER LEAVE BENEFITS (continued)

Other employee future benefits and compensated absences

In addition to pension benefits, the Corporation 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 Corporation's employees based on the type of termination (e.g. resignation versus retirement) and 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. Accrued compensated absence benefits were valued actuarially using the expected utilization methodology.

Valuation results

The most recent actuarial valuation was completed as at February 11, 2022 and extrapolated to March 31, 2022. The effective date of the next actuarial valuation is March 31, 2023. The values presented below are for all of the benefits under the severance and removal and compensated absences for the Corporation.

Changes in Obligation	2022	2021
Accrued benefit obligation, beginning of year	\$ 1,927	\$ 2,509
Current period benefit cost	130	94
Accrued interest	29	29
Benefits payments	(232)	(462)
Actuarial losses/(gains)	<u>701</u>	<u>(243)</u>
Accrued benefit obligation, end of year	2,555	1,927
Unamortized net actuarial (gains)/loss	<u>(319)</u>	<u>456</u>
Retirement, post-employment, and other leave benefits*	<u>\$ 2,236</u>	<u>\$ 2,383</u>

*Total retirement, post-employment, and other leave benefits includes \$2,121 (2021 – \$2,278) related to severance and removal and \$115 (2021 – \$105) related to compensated absences.

NORTHWEST TERRITORIES HOUSING CORPORATION

Notes to Consolidated Financial Statements For the year ended March 31, 2022 (in thousands)

9. RETIREMENT, POST-EMPLOYMENT, AND OTHER LEAVE BENEFITS (continued)

Benefits Expense	2022	2021
Current period benefit cost	\$ 130	\$ 94
Accrued interest	29	29
Actuarial gains	<u>(74)</u>	<u>(44)</u>
	<u>\$ 85</u>	<u>\$ 79</u>

The discount rate used to determine the accrued benefit obligation is an average of 4.10% (2021 - 3.30%). The assumed rate of compensation increase is 2% (2021 – 2%). Unamortized actuarial gains and losses are amortized straight line over the expected average remaining service lives of active employees which is ten years (2021 – eight years). No inflation rate was applied.

Northern Employees Benefits Services (NEBS) Pension Plan

Eligible employees of member LHOs are covered by the Northern Employee Benefits Services (NEBS) Pension Plan, a contributory defined benefit plan. 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. The employer and employee contribution rates effective at year end were both 8% (2021 - 8%). The Corporation's and employees' contribution to the NEBS Pension Plan for the year were \$439 and \$440 (2021 - \$414 and \$406 respectively).

The plan serves 3,655 Employee Members and 118 Employer Members. As of April 2004, the Office of the Superintendent of Financial Institutions (OSFI) exempted NEBS from compliance with the *Pension Benefits Standards Act* (PBSA). NEBS has agreed to voluntarily comply with PBSA until the plan can be registered under Territorial legislation. The Governments of the NWT and Nunavut passed the *NEBS Pension Plan Protection Act* in February 2014 which sets rules to protect Plan Members funds. As of December 31, 2021, the plan had a surplus of \$102,750 (December 31, 2020 - \$64,776).

10. FUNDING FROM CMHC

	<u>2022</u>	<u>2021</u>
Funding from CMHC recognized as government funding under the:		
SHA (Note 12):		
Contributions for public housing rental subsidies	\$ 8,147	\$ 8,659
Contributions to non-profit housing sponsor groups and cooperatives	3,600	3,600
Repairs, maintenance and other costs	1,068	1,132
Bilateral Agreement (Note 12)	7,910	6,195
Co-Investment Fund Agreement	<u>-</u>	<u>25,500</u>
	<u>\$ 20,725</u>	<u>\$ 45,086</u>

Under the terms of the 1999 SHA with CMHC, the Corporation assumed full responsibility for the management of various public housing programs specified in the SHA. CMHC provides annual funding to the Corporation to manage these programs. The SHA and the funding expire in 2038.

NORTHWEST TERRITORIES HOUSING CORPORATION

Notes to Consolidated Financial Statements For the year ended March 31, 2022 (in thousands)

10. FUNDING FROM CMHC (continued)

On March 31, 2021, the Corporation signed the Co-Investment Fund Agreement under National Housing Co-Investment Fund. Funding under this agreement is provided to assist with financing the construction of a portfolio of new construction projects of 60 housing units.

On April 1, 2018, the Corporation 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 2019-2022 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.

11. FUNDING FROM CROWN-INDIGENOUS RELATIONS AND NORTHERN AFFAIRS CANADA (CIRNAC)

On August 12, 2021, the Corporation signed the CIRNAC Agreement with the Government of Canada to provide one-time funding in the amount of \$25,000. Funding under this agreement is provided to assist with financing of expenditures related to infrastructure including housing needs.

12. CONTRACTUAL RIGHTS

	Expiry Date	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028+</u>	<u>Total</u>
CMHC SHA	2039	\$ 11,868	\$ 11,068	\$ 9,659	\$ 8,394	\$ 7,346	\$ 26,517	\$ 74,852
CMHC Bilateral	2028	9,310	9,804	11,485	12,847	14,305	15,697	73,448
RCMP Lease	2042	<u>530</u>	<u>530</u>	<u>530</u>	<u>530</u>	<u>530</u>	<u>7,677</u>	<u>10,327</u>
		<u>\$ 21,708</u>	<u>\$ 21,402</u>	<u>\$ 21,674</u>	<u>\$ 21,771</u>	<u>\$ 22,181</u>	<u>\$ 49,891</u>	<u>\$158,627</u>

13. CONTRACTUAL OBLIGATIONS

The Corporation 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 2023 contractual obligations are capital construction commitments for housing construction projects with contracts signed prior to year-end.

	Expiry Date	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028+</u>	<u>Total</u>
Lease	2031	\$ 4,368	\$ 3,700	\$ 2,409	\$ 565	\$ 448	\$ 1,119	\$ 12,609
Construction	2023	<u>41,220</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>41,220</u>
		<u>\$ 45,588</u>	<u>\$ 3,700</u>	<u>\$ 2,409</u>	<u>\$ 565</u>	<u>\$ 448</u>	<u>\$ 1,119</u>	<u>\$ 53,829</u>

NORTHWEST TERRITORIES HOUSING CORPORATION

Notes to Consolidated Financial Statements For the year ended March 31, 2022 (in thousands)

14. CONTINGENCIES

The Corporation provided guarantees to banks in financing certain new or renovated residential housing construction. As at March 31, 2022 a total of five (2021 - seven) loan guarantees were in effect, and the outstanding balance of loans guaranteed was \$262 (2021 - \$322). All of these loans are secured by registered charges against real property. The period covered by these guarantees extends up to 2026.

Under the terms of the Social Housing Agreement with CMHC, the Corporation 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 the Corporation 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, 2022 was \$4,781 (2021 - \$6,426). 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 the Corporation. The obligation under loan guarantees as at March 31, 2022 is nil (2021 - nil).

15. EXPENSES BY OBJECT

	2022	2021
Amortization	\$ 15,495	\$ 15,373
Compensation and benefits	31,452	28,928
Computer costs	84	54
Contract services	8,658	6,633
Controllable assets	224	341
Fees and payments	166	157
Grants and contributions	16,815	14,195
Interest on long-term debt	312	354
Loss on TCA Disposal	1,018	369
Materials and supplies	2,951	2,563
Minor modernization and improvements	5,535	5,489
Other expenses	984	928
Property taxes and land leases	2,256	2,245
Purchased services	924	841
Rental leasing	3,755	3,738
Travel	557	420
Utilities	26,637	25,556
Valuation allowances	104	180
	\$ 117,927	\$ 108,364

16. FINANCIAL RISK MANAGEMENT

The Corporation'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. The Corporation has exposure to the following risks from its use of financial instruments:

NORTHWEST TERRITORIES HOUSING CORPORATION

Notes to Consolidated Financial Statements For the year ended March 31, 2022 (in thousands)

16. 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. The Corporation 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. The Corporation 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	\$ 24,000	\$ -	\$ -	\$ 24,000
Loans and mortgages payable to CMHC	<u>661</u>	<u>2,743</u>	<u>1,241</u>	<u>4,645</u>
Total financial liabilities	<u>\$ 24,661</u>	<u>\$ 2,743</u>	<u>\$ 1,241</u>	<u>\$ 28,645</u>

Credit risk

The Corporation is exposed to credit risk on its cash and cash equivalents, portfolio investments, accounts receivable and mortgages and loans receivable.

Cash and cash equivalents and portfolio investments

Credit risk on cash equivalents and portfolio investments arises from the possibility that the counter-party to the instrument fails to meet their obligations. In order to manage this risk, the Corporation only invests in high quality fixed income investments. The maximum exposure to credit risk held in cash and cash equivalents and portfolio investments is \$63,092 (2021 - \$58,237).

Accounts receivable

Credit risk on accounts receivable arises from the possibility that the customer fails to meet their obligations. In order to manage this risk, the Corporation actively monitors the age of accounts receivable and initiates collection action. The maximum exposure to credit risk is \$6,126 (2021 - \$41,775).

Mortgages and loans receivable

Credit risk on mortgages and loans receivable arises from the possibility that the borrower fails to meet their obligations. In order to manage this risk, the Corporation 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 is \$3,969 (2021 - \$2,787).

As at March 31, 2022, \$1,212 (2021 - \$1,142) of the impaired mortgages and loans are secured by homes the Corporation 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.

NORTHWEST TERRITORIES HOUSING CORPORATION

Notes to Consolidated Financial Statements For the year ended March 31, 2022 (in thousands)

16. FINANCIAL RISK MANAGEMENT (continued)

As at March 31, 2022, 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	\$ 387	\$ 292	\$ 171	\$ 560	1,410
Trade accounts receivable	64	5	11	205	285
Mortgages and loans receivable	20	152	205	194	571

The Corporation 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 the Corporation 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.

17. RELATED PARTY TRANSACTIONS

The Corporation 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 the Corporation had with related parties during the year are disclosed in Notes 4 and 6.

Related party expenses	<u>2022</u>	<u>2021</u>
Arctic Energy Alliance	\$ 159	\$ 50
Aurora College	-	2
Fuel Services Division	2,968	3,183
Government of the Northwest Territories Departments	3,304	2,099
Marine Transportation Services	3	-
Northwest Territories Power Corporation	<u>7,177</u>	<u>7,244</u>
	<u>\$ 13,611</u>	<u>\$ 12,578</u>

NORTHWEST TERRITORIES HOUSING CORPORATION

Consolidated Schedule of Tangible Capital Assets

As at March 31, 2022

(in thousands)

Schedule A

Lands and Buildings:

	Cost					Accumulated amortization				Net Book Value (NBV)	
	Opening balance	Acquisitions	Transfers	Disposals	Closing balance	Opening balance	Amortization	Disposals	Closing balance	2022	2021
Land	\$ 9,375	\$ 972	\$ 223	\$ -	\$ 10,570	\$ -	\$ -	\$ -	\$ -	\$ 10,570	\$ 9,375
Public Housing ¹	403,272	1,078	10,352	(2,510)	412,192	185,514	11,067	(1,823)	194,758	217,434	217,758
HELP and market housing	101,733	-	10,016	(1,043)	110,706	35,556	3,602	(440)	38,718	71,988	66,177
Non-residential properties	8,246	-	-	(2,012)	6,234	4,218	155	(1,061)	3,312	2,922	4,028
Work in Progress	20,445	28,029	(20,591)	-	27,883	-	-	-	-	27,883	20,445
Sub-total	543,071	30,079	-	(5,565)	567,585	225,288	14,824	(3,324)	236,788	330,797	317,783
Property and equipment:											
Warehouses and offices	12,890	-	-	(267)	12,623	6,781	299	(137)	6,943	5,680	6,109
Mobile equipment	3,697	218	-	-	3,915	2,540	253	-	2,793	1,122	1,157
Leasehold improvements	1,030	-	-	-	1,030	828	40	-	868	162	202
Office furniture and equipment	6,073	-	-	-	6,073	5,800	68	-	5,868	205	273
Software	114	-	-	-	114	88	11	-	99	15	26
Sub-total	23,804	218	-	(267)	23,755	16,037	671	(137)	16,571	7,184	7,767
Total	\$ 566,875	\$ 30,297	\$ -	\$ (5,832)	\$591,340	\$ 241,325	\$ 15,495	\$ (3,461)	\$ 253,359	\$ 337,981	\$ 325,550

(1) Not included in acquisition of tangible capital assets on the Consolidated Statement of Cash Flow are non-cash items of \$nil (2021 - \$2,063)

(2) There were no capital leases as at March 31, 2022

Northwest Territories Human Rights Commission

Financial Statements

March 31, 2022

Northwest Territories Human Rights Commission

Financial Statements

March 31, 2022

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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

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
--	----------	----------

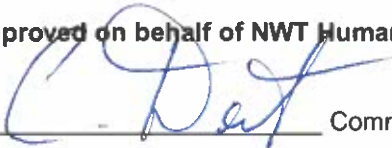
Net Assets

General Fund	362,194	280,008
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\$ 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, 2022**

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, are protected from loss or unauthorized use and that NT Hydro acts in accordance with the laws of the Northwest Territories and Canada. Management recognizes its responsibility for conducting NT Hydro's affairs in accordance with the requirements of applicable laws and sound business principles, and for maintaining standards of conduct that are appropriate to an agent of the territorial government. An internal auditor reviews the operation of financial and management systems to promote compliance and to identify changing requirements or needed improvements.

The Auditor General of Canada provides an independent, objective audit for the purpose of expressing her opinion on the consolidated financial statements. She also considers whether the transactions that come to her notice in the course of the audit are, in all significant respects, in accordance with the specified legislation.

The Board of Directors oversees management's responsibilities for financial reporting and reviews and approves the consolidated financial statements. The internal and external auditors have full and free access to the Board.

These consolidated financial statements have been approved by the Board of Directors.



Cory Strang
Chief Executive Officer



Paul Grant
Chief Financial Officer

Hay River, NT
August 3, 2022



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 subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 March 2022, 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 2022, and the consolidated results of its operations, consolidated changes in its net debt, and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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

Other Information

Management is responsible for the other information. The other information obtained at the date of this auditor's report is the Management Discussion and Analysis section included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

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

Report on Compliance with Specified Authorities

Opinion

In conjunction with the audit of the consolidated financial statements, we have audited transactions of the Northwest Territories Hydro Corporation coming to our notice for compliance with specified authorities. The specified authorities against which compliance was audited are the *Financial Administration Act* of the Northwest Territories and regulations, the *Northwest Territories Hydro Corporation Act* and regulations, and the by-laws of the Northwest Territories Hydro Corporation.

In our opinion, the transactions of the Northwest Territories Hydro Corporation that came to our notice during the audit of the consolidated financial statements have complied, in all material respects, with the specified authorities referred to above. Further, as required by the *Northwest Territories Hydro Corporation Act*, we report that, in our opinion, proper books of account have been kept by the Northwest Territories Hydro Corporation and the consolidated financial statements are in agreement therewith.

Responsibilities of Management for Compliance with Specified Authorities

Management is responsible for the Northwest Territories Hydro Corporation's compliance with the specified authorities named above, and for such internal control as management determines is necessary to enable the Northwest Territories Hydro Corporation to comply with the specified authorities.

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

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

A handwritten signature in black ink that reads "Lana Dar". The signature is written in a cursive style with a large initial 'L' and 'D'.

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

Vancouver, Canada
3 August 2022

NORTHWEST TERRITORIES HYDRO CORPORATION

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

	2022	2021
Financial assets		
Cash	\$ 9,927	\$ 4,748
Revenues receivable (Note 3)	13,229	13,292
Government contributions receivable (Note 17)	3,505	2,364
Loan receivable (Note 4)	-	9,741
Investment in Aadrii Ltd.	372	440
	27,033	30,585
Liabilities		
Operating line of credit (Note 5)	950	2
Accounts payable and accrued liabilities	27,276	20,342
Debenture debt owing to third parties (Note 6)	190,749	203,415
Debenture debt owing to the GNWT (Note 6)	38,573	39,527
Asset retirement obligations (Note 7)	7,962	8,959
Environmental liabilities (Note 8)	17,619	14,368
Capital lease obligation (Note 4)	15,950	16,355
Other employee future benefits (Note 9)	1,977	2,831
Deferred government contributions (Note 17)	13,117	5,343
	314,173	311,142
Net debt	(287,140)	(280,557)
Non-financial assets		
Tangible capital assets (Note 10)	458,839	433,910
Inventories (Note 11)	10,459	9,025
Prepaid expenses	1,472	1,554
	470,770	444,489
Accumulated surplus / equity (Note 12)	\$ 183,630	\$ 163,932

Contractual obligations and contingent liability (Note 19)

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)

	<u>2022 Budget</u>	<u>2022 Actual</u>	<u>2021 Actual</u>
Revenues			
Sale of power (Note 13)	\$ 109,599	\$ 110,155	\$ 109,536
Fuel rider revenue	2,062	2,150	2,120
Other revenue and customer contributions (Note 14)	1,816	2,117	1,521
Interest income (Note 16)	947	424	1,091
(Loss) income from investment in Aadrii Ltd.	75	(69)	(39)
	<u>114,499</u>	<u>114,777</u>	<u>114,229</u>
Expenses (Note 15)			
Thermal generation	67,039	69,164	63,265
Hydro generation	24,222	22,770	20,646
Corporate services	16,663	14,661	14,465
Transmission, distribution and retail	11,262	10,811	11,036
Purchased power	2,707	3,141	2,063
Alternative power generation	203	201	218
	<u>122,096</u>	<u>120,748</u>	<u>111,693</u>
Surplus (Deficit) for the year before government contributions	<u>(7,597)</u>	<u>(5,971)</u>	<u>2,536</u>
Government contributions			
Other government contributions (Note 17)	23,613	25,669	17,582
Surplus for the year	<u>\$ 16,016</u>	<u>\$ 19,698</u>	<u>\$ 20,118</u>
Accumulated surplus / equity, beginning of year	<u>163,932</u>	<u>163,932</u>	<u>143,814</u>
Accumulated surplus / equity, end of year	<u>\$ 179,948</u>	<u>\$ 183,630</u>	<u>\$ 163,932</u>

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)

	2022 Budget	2022 Actual	2021 Actual
Surplus for the year	\$ 16,016	\$ 19,698	\$ 20,118
Tangible capital assets			
Additions	(82,902)	(41,874)	(39,796)
Capitalized overhead	(6,160)	(3,339)	(5,597)
Capitalized interest (Note 16)	(1,400)	(1,488)	(1,288)
Disposals	10,199	2,043	1,185
Amortization (Note 10)	19,558	19,729	19,684
	(60,705)	(24,929)	(25,812)
Acquisition of inventories	(7,500)	(7,745)	(7,687)
Use of inventories	7,500	6,311	7,789
Acquisition of prepaids	(1,700)	(3,307)	(2,992)
Use of prepaids	1,700	3,389	2,766
	-	(1,352)	(124)
Increase in net debt for the year	\$ (44,689)	\$ (6,583)	\$ (5,818)
Net debt, beginning of year	(280,557)	(280,557)	(274,739)
Net debt, end of year	\$ (325,246)	\$ (287,140)	\$ (280,557)

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)

	2022	2021
Cash provided by operating activities		
Cash receipts from customers	\$ 115,386	\$ 113,766
Government contributions received (Note 17)	32,302	20,786
Cash paid to suppliers	(50,978)	(56,940)
Cash paid to employees	(30,607)	(30,448)
Interest paid	(10,071)	(10,011)
Interest received	64	85
	56,096	37,238
Cash provided by investing activities		
Loan receivable receipts (Note 4)	9,220	397
	9,220	397
Cash used in capital activities		
Acquisition and development of tangible capital assets	(45,459)	(48,978)
Proceeds on sale of tangible capital assets	27	139
	(45,432)	(48,839)
Cash (used in) provided by financing activities		
Issuance of debenture debt	-	40,000
Repayment of capital lease obligation (Note 4)	(202)	(8)
Repayment of debenture debt	(13,664)	(5,086)
Prepayment penalty for debenture debt (Note 6)	(1,787)	-
Proceeds from (repayments of) operating line of credit	948	(20,957)
	(14,705)	13,949
Increase in cash	\$ 5,179	\$ 2,745
Cash, beginning of year	4,748	2,003
Cash, end of year	\$ 9,927	\$ 4,748

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 12).

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 is a regulated company, established under the *Northwest Territories Power Corporation Act* and 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 hydro facility (Note 4). 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 2016/19 GRA on June 30, 2016. 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 16-2017 the PUB approved amortization rates and a return on equity for 2018-19 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.

The regulatory hearing process used to establish or change rates begins when NTPC makes a General Rate Application (GRA) for its proposed electricity rate changes.

NORTHWEST TERRITORIES HYDRO CORPORATION

Note 1. The Corporation (continued)

On March 15, 2019, NTPC filed a collection rider application with the PUB to reduce the balance of the regulated Territory-wide Rate Stabilization Fund as a result of high fuel costs as well as reduced access to lower cost generation through purchased power in Norman Wells and liquefied natural gas generation in Inuvik in the last two years. PUB Decision 4-2019 approved the rider effective May 1, 2019. The rider ranges between 0.69 cents/kWh to 0.99 cents/kWh for all firm power customers with the exception of Northland Utilities (NWT) Limited.

NTPC filed a GRA in March 2022 with a single test year of 2022-23. The application is currently pending approval. There are no accounting implications of filing the GRA on the 2021-22 consolidated financial statements.

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, loan receivable, due from related party, operating line of credit, accounts payable and accrued liabilities, debenture debt, and capital lease obligations.

A provision for impairment of revenues receivable, government contributions receivable, and the loan 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 2021-22 was 4.97% (2020-21 – 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 8-2018 (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 remain unchanged since 2016-17. Assets under construction are not amortized until they are ready for their intended productive use. NT Hydro uses amortization studies and other information to assess amortization rates and substantiate amortization rate changes. Amortization rate changes are accounted for on a prospective basis.

Annual amortization rates are as follows:

	2022	2021
	Rates (%)	Rates (%)
Electric power plants	1.00 – 4.86	1.00 – 4.86
Transmission and distribution systems	1.54 – 6.67	1.54 – 6.67
Warehouse, equipment, motor vehicles and general facilities	1.31 – 20.00	1.31 – 20.00
Electric power plant under capital lease	1.00 – 4.86	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 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)

Liabilities are recognized for statutory, contractual or legal obligations, associated with the retirement of tangible capital assets when those obligations result from the acquisition, construction, development or normal operation of the assets. The obligations are measured initially at fair value, determined using present value methodology, and the resulting costs capitalized into the carrying amount of the related asset. In subsequent periods, the liability is adjusted for the accretion of discount and any changes in the expected amount or timing of the underlying future cash flows. The amortization method utilized on ARO costs is consistent with the rates as outlined under Tangible Capital Assets *iv) Amortization*.

NT Hydro has identified sites where NT Hydro expects to maintain and operate these assets indefinitely and therefore no related ARO has been recognized. NT Hydro reviews its estimates of ARO on an annual basis.

k) Environmental liabilities

A contaminated site is a site where physical, chemical, biological or radiological substances have been introduced in air, soil, water or sediment and have an adverse effect. A liability for remediation of contaminated sites is recognized when all of the following criteria are satisfied: an environmental standard exists, contamination exceeds the environmental standard, NT Hydro is directly responsible or accepts responsibility, it is expected that future economic benefits will be given up and a reasonable estimate of the amount can be made. The liability reflects NT Hydro's best estimate of the amount required to remediate the sites to the current minimum standard for its use prior to contamination.

Environmental liabilities consist of the estimated costs related to the monitoring, maintenance and remediation of environmentally contaminated sites. Environmental liabilities are discounted for the time value of money. NT Hydro reviews its estimates of environmental liabilities on an annual basis.

l) Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into Canadian dollars using exchange rates at year-end. Foreign currency transactions are translated into Canadian dollars using rates in effect at the time the transactions were entered into. All realized exchange gains and losses are included in surplus for the year according to the activities to which they relate.

m) Revenues

Revenues 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, other revenue and customer contributions are recognized on an accrual basis.

NORTHWEST TERRITORIES HYDRO CORPORATION

Note 2. Significant accounting policies (continued)

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 Revenues in November 2018. This standard has an effective date of April 1, 2023.

PSAB issued a new standard in November 2018 on Asset Retirement Obligations (PS 3280). This standard has an effective date of April 1, 2022.

NT Hydro continues to evaluate the potential impacts on its consolidated financial statements from the adoption of these standards.

NORTHWEST TERRITORIES HYDRO CORPORATION

3. Revenues receivable

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)
	<u>\$ 12,248</u>	<u>\$ 842</u>	<u>\$ 139</u>	<u>\$ 13,229</u>

At March 31, 2021, the aging of revenues receivable was as follows:

	2021			Total
	Current (less than 28 days)	29-90 days	Over 90 days	
Utility	\$ 12,256	\$ 857	\$ 449	\$ 13,562
Non-utility	246	15	48	309
Allowance for doubtful accounts	-	(82)	(497)	(579)
	<u>\$ 12,502</u>	<u>\$ 790</u>	<u>\$ -</u>	<u>\$ 13,292</u>

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

	2022	2021
Balance, beginning of the year	\$ (579)	\$ (482)
Receivables written off	191	74
Change to allowance	185	(171)
Balance, end of the year	<u>\$ (203)</u>	<u>\$ (579)</u>

Revenues receivable on utility and non-utility accounts are generally due in 28 days and interest is charged after 28 and 30 days, respectively, at rates in the terms of service agreement. As at March 31, 2022, 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 20.

NORTHWEST TERRITORIES HYDRO CORPORATION

4. Loan receivable and capital lease obligations

Loan receivable

NWTEC loaned \$22,900 to the Dogrib Power Corporation (DPC) to finance the construction of a hydroelectric generating plant on the Snare River (Snare Cascades) in the NWT between 1994 and 1996. The interest rate on the loan was 9.6%, which was the average rate of interest on NWTEC's debenture debt issued to finance the loan. During the year, DPC repaid the balance of the loan in full.

Prior to DPC paying off the loan receivable, the loan payments and the capital lease payments for the Snare Cascades were settled on a net basis and are presented on a net basis on the consolidated statement of cash flows. Loan receivable principal payments of \$9,741 (2020-21 - \$1,335) were received in the year and interest income of \$360 (2020-21 - \$1,005) was recorded in the year. The receipts net of lease payments received from DPC in the year were \$9,220 (2020-21 - \$397).

The lease payments made on the Snare Cascades lease after the DPC loan repayment were \$202 (2020-21- \$NIL).

Capital lease obligation

Snare Cascades

NTPC has a 65-year lease from the DPC for the Snare Cascades at a variable interest rate based on the weighted average return of equity and cost of debt. The interest rate on the lease as of March 31, 2022 was 7.75% (2020-21 – 8.92%). 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 10).

NORTHWEST TERRITORIES HYDRO CORPORATION

Note 4. Loan receivable and capital lease obligation (continued)

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:

	2023	\$	1,687
	2024		1,656
	2025		1,624
	2026		1,593
	2027		1,562
	Thereafter		34,575
			42,697
Less: amounts representing imputed interest			(26,747)
Total capital lease obligation			\$ 15,950

Additional disclosures on NT Hydro's exposure and management of risk associated with the loan receivable and capital lease obligation can be found in Note 20.

5. Operating line of credit

NT Hydro has a \$50,000 (2020-21 - \$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, 2022, NT Hydro has borrowed \$950 (2020-21 - \$2) against the line of credit including outstanding cheques and bank overdraft.

NT Hydro has one outstanding letter of credit for \$3,145 as of March 31, 2022 (2020-21 - two letters of credit totalling \$3,645) against its operating line of credit. This commitment terminates in 2022-23.

NORTHWEST TERRITORIES HYDRO CORPORATION

6. Debenture debt

a) Owing to Third Parties

	<u>2022</u>	<u>2021</u>
3.982% amortizing debenture, due February 17, 2047 repayable semi-annually in blended payments of \$1,722	\$ 54,224	\$ 55,472
5.16% amortizing debenture, due September 13, 2040 repayable semi-annually in blended payments of \$1,684	39,846	41,109
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	7,333	8,000
9.11% debenture series 3	-	3,737
9.75% debentures series 2	-	2,988
10% debenture series 1	-	2,807
	<u>\$ 191,403</u>	<u>\$ 204,113</u>
Less: unamortized premium, discount and issuance costs	(654)	(698)
	<u>\$ 190,749</u>	<u>\$ 203,415</u>

The GNWT guarantees all third party debenture debt.

The series 1, 2 and 3 debentures had due dates between May 1, 2025 and September 1, 2026. During the year, NWTEC repaid these three debentures after DPC repaid NTPC's loan receivable (Note 4). Included in the payout amount was principal, accrued interest and a prepayment penalty. The prepayment penalty of \$1,787 is included in expenses (Note 15).

b) Owing to the GNWT

	<u>2022</u>	<u>2021</u>
2.265% amortizing debenture, due September 30, 2050 repayable semi-annually in blended payments of \$922	\$ 38,573	\$ 39,527

NORTHWEST TERRITORIES HYDRO CORPORATION

Note 6. Debenture debt (continued)

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

<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>Thereafter</u>	<u>Total</u>
\$ 4,271	\$ 4,413	\$ 4,566	\$ 19,721	\$ 4,885	\$192,120	\$ 229,976

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.

Following is a summary of the key assumptions upon which the carrying amount of the ARO is based:

- Total expected future cash flows - \$14,161 (2020-21 - \$15,103).
- Expected timing of payments of the cash flow – asset removal and/or site remediation is expected to occur between 1 and 30 years with the majority occurring after 2039.
- The discount rate is the year-end cost of borrowing of 3.33% (2020-21 – 2.40%) for those obligations to be settled in less than 10 years and 3.61% (2020-21– 3.12%) for those obligations to be settled in 10 years or longer.

Following is a summary of the asset retirement obligations:

	<u>2022</u>	<u>2021</u>
Opening balance	\$ 8,959	\$ 8,878
Liabilities settled	(2)	-
Accretion expense	259	259
Valuation adjustment	(1,292)	(334)
Additions	38	156
Balance, end of year	<u>\$ 7,962</u>	<u>\$ 8,959</u>

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 sites (2020-21 - 23 sites) 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 - \$52,551 (2020-21 - \$35,779).
- 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 2054.
- The discount rate is the year-end cost of borrowing of 3.33% (2020-21 – 2.40%) for those obligations to be settled in less than 10 years and 3.61% (2020-21 – 3.12%) for those obligations to be settled in 10 years or longer.

Following is a summary of the estimated environmental liabilities:

	2022	2021
Opening balance	\$ 14,368	\$ 16,521
Liabilities settled	(1,383)	(171)
Valuation adjustment	4,634	(1,982)
Balance, end of year	\$ 17,619	\$ 14,368

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 15).

9. 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 (2020-21 – 1.01) the employees' contributions for employees who started prior to January 2013 and 1.00 times (2020-21 – 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 \$191 (2020-21 - \$182) was 5.91 times (2020-21 – 3.59) the employee's contributions. Employer contributions of \$2,288 (2020-21 - \$2,306) were recognized as an expense in the current year. The employees' contribution to this plan was \$2,148 (2020-21 - \$2,188).

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 9. Other employee future benefits (continued)

b) Other employee future benefits

Summary of other employee future benefit liabilities:

	2022			2021		
	Severance and Removal Benefit	Accumulated Sick Leave Benefit	Total	Severance and Removal Benefit	Accumulated Sick Leave Benefit	Total
Accrued benefit obligation, beginning of year	\$ 2,799	\$ 221	\$ 3,020	\$ 3,089	\$ 250	\$ 3,339
Benefits earned	299	21	320	295	21	316
Interest	77	6	83	80	6	86
Benefits paid	(1,269)	(36)	(1,305)	(415)	(158)	(573)
Actuarial (gains) losses	1,391	55	1,446	(250)	102	(148)
Accrued benefit obligation, end of year	3,297	267	3,564	2,799	221	3,020
Unamortized net actuarial gain/(loss)	(1,255)	(332)	(1,587)	144	(333)	(189)
Net future obligation	<u>\$ 2,042</u>	<u>\$ (65)</u>	<u>\$ 1,977</u>	<u>\$ 2,943</u>	<u>\$ (112)</u>	<u>\$ 2,831</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 9. Other employee future benefits (continued)

Total expenses related to the severance, removal and sick leave benefits include the following components:

	2022	2021
Current benefits earned	\$ 320	\$ 316
Interest	83	86
Amortization of net actuarial loss	48	65
	\$ 451	\$ 467

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

	2022	2021
Expected inflation rates	2%	2%
Discount rate used to determine the accrued benefit obligation	3.4%	2.7%
Expected average remaining service life of related employee groups (EARSL)	10.4 years	8.5 years

NORTHWEST TERRITORIES HYDRO CORPORATION

10. Tangible capital assets

March 31, 2022						
	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	\$ 399,016	\$ 107,816	\$ 77,480	\$ 28,733	\$ 63,291	\$ 676,336
Additions	38	-	-	-	46,663	46,701
Transfers – completed projects	9,763	997	3,762	-	(14,522)	-
Disposals and adjustments	(2,933)	(165)	(1,891)	-	-	(4,989)
Closing balance	405,884	108,648	79,351	28,733	95,432	718,048
Accumulated amortization						
Opening balance	(148,662)	(40,279)	(43,344)	(10,141)	-	(242,426)
Amortization	(11,854)	(2,624)	(4,791)	(460)	-	(19,729)
Disposals and adjustments	1,303	144	1,499	-	-	2,946
Closing balance	(159,213)	(42,759)	(46,636)	(10,601)	-	(259,209)
Net book value	\$ 246,671	\$ 65,889	\$ 32,715	\$ 18,132	\$ 95,432	\$ 458,839
March 31, 2021						
	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	\$ 366,414	\$ 104,929	\$ 73,833	\$ 28,733	\$ 58,222	\$ 632,131
Additions	156	-	-	-	46,525	46,681
Transfers – completed projects	34,404	3,098	3,954	-	(41,456)	-
Disposals and adjustments	(1,958)	(211)	(307)	-	-	(2,476)
Closing balance	399,016	107,816	77,480	28,733	63,291	676,336
Accumulated amortization						
Opening balance	(138,003)	(37,784)	(38,565)	(9,681)	-	(224,033)
Amortization	(11,574)	(2,597)	(5,053)	(460)	-	(19,684)
Disposals and adjustments	915	102	274	-	-	1,291
Closing balance	(148,662)	(40,279)	(43,344)	(10,141)	-	(242,426)
Net book value	\$ 250,354	\$ 67,537	\$ 34,136	\$ 18,592	\$ 63,291	\$ 433,910

NORTHWEST TERRITORIES HYDRO CORPORATION

11. Inventories

	<u>2022</u>	<u>2021</u>
Materials, supplies and lubricants	\$ 5,200	\$ 5,253
Critical spare parts	4,989	3,483
Fuel	270	289
	<u>\$ 10,459</u>	<u>\$ 9,025</u>

Inventories are used to make repairs, complete overhauls or generate electricity. Production fuel inventory is held in five of NTPC's operating plants. The liquefied natural gas (LNG) fuel requirement for NTPC's Inuvik plant is managed under the LNG fuel supply agreement described in Note 19. Diesel fuel requirements for the remaining 20 plants are managed under the fuel management services agreement described in Note 19.

12. Accumulated surplus / equity

	<u>2022</u>	<u>2021</u>
Share capital, common and preferred shares	\$ 43,129	\$ 43,129
Accumulated operating surplus / equity	140,501	120,803
	<u>\$ 183,630</u>	<u>\$ 163,932</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, 2022, 1 common share (2020-21 – 1 common share), at \$43,129 per share (2020-21 – \$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.

13. Sale of power

	<u>2022</u>	<u>2021</u>
Power sales to external customers	\$ 82,023	\$ 81,954
Power sales to GNWT and related parties	16,947	16,441
GNWT TPSP payments	6,550	6,442
GNWT HSP payments	4,635	4,699
	<u>\$ 110,155</u>	<u>\$ 109,536</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 13. 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.

14. Other revenue and customer contributions

	2022	2021
Contract work	\$ 575	\$ 343
Heat revenues	482	370
Connection fees	410	302
Pole rental	373	346
Contributions in aid of construction	277	160
	<u>\$ 2,117</u>	<u>\$ 1,521</u>

15. Expenses

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

	2022	2021
Salaries and wages	\$ 29,485	\$ 30,320
Fuel and lubricants (Notes 18, 19)	27,638	27,178
Supplies and services	27,449	19,471
Amortization (Note 10)	19,729	19,684
Interest expense (Note 16)	10,775	11,569
Travel and accommodation	2,422	2,033
Loss on settlement of NWTEC debentures (Note 6)	1,787	-
Loss on disposal of assets	1,204	1,179
Accretion on ARO (Note 7)	259	259
	<u>\$ 120,748</u>	<u>\$ 111,693</u>

16. Interest expense and interest income

Interest expense

	2022	2021
Interest on debenture debt and capital leases (Notes 4, 6)	\$ 12,014	\$ 12,526
Short-term debt financing costs	249	331
Capitalized interest during construction	(1,488)	(1,288)
	<u>\$ 10,775</u>	<u>\$ 11,569</u>

Interest income

	2022	2021
Income on loan receivable (Note 4)	\$ 360	\$ 1,005
Income from overdue accounts and bank balances	64	86
	<u>\$ 424</u>	<u>\$ 1,091</u>

NORTHWEST TERRITORIES HYDRO CORPORATION

17. Other government contributions

Government of Canada's Low Carbon Economy Leadership Fund

In 2021-22, NTPC entered into an agreement with the GNWT under the Government of Canada's Low Carbon Economy Leadership Fund (LCELF) for the following project:

Inuvik Power Plant – 3rd LNG Fuel Tank

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 \$659. The agreement expires on March 31, 2023. During the year, NTPC did not receive any payments but incurred \$135 in eligible expenditures. The amount of expenditures in excess of amount received, \$135, has been recorded as a deferred government contribution.

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:

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. The agreement expired March 31, 2022. During the year, NTPC received payments of \$3,586 (2020-21 - \$11,269). As of March 31, 2022, NTPC has 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 (2020-21 - \$2,306), has been recorded as a deferred government contribution.

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. The agreement expired March 31, 2022. During the year, NTPC received payments of \$6,000 (2020-21 - \$2,775). As of March 31, 2022, NTPC has incurred \$7,155 of eligible expenditures. The amount received in excess of eligible expenditures incurred, \$1,620 (2020-21 - \$698), has been recorded as a deferred liability.

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. The agreement expires March 31, 2023. During the year, NTPC received payments of \$0 (2020-21 - \$2,350). As of March 31, 2022, NTPC has incurred \$835 of eligible expenditures. The amount received in excess of eligible expenditures incurred, \$1,515 (2020-21 - \$1,631), has been recorded as a deferred liability.

NORTHWEST TERRITORIES HYDRO CORPORATION

Note 17. Other government contributions (continued)

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. During the year, the agreement's expiry date was extended to May 30, 2022.

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, 2022, the amount of additional insurance proceeds cannot be reasonably estimated.

During the year, NTPC received payments of \$1,080 (2020-21 - \$0). Lifetime payments of \$9,270 have been received. As of March 31, 2022, NTPC has incurred \$9,170 of eligible expenditures. The amount received in excess of eligible expenditures incurred, \$100 (2020-21 - \$726), has been recorded as a deferred liability.

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. The agreement expired March 31, 2022 and NTPC is currently in talks with the GNWT to amend the original agreement to extend beyond the expiration date. During the year, NTPC received payments of \$1,881 (2020-21 - \$1,200). Lifetime payments of \$7,481 have been received. As of March 31, 2022, NTPC has incurred \$5,265 of eligible expenditures. The amount received in excess of eligible expenditures incurred, \$2,216 (2020-21 - \$517), has been recorded as a deferred liability.

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. The agreement has an expiry date of March 31, 2023. During the year, NT Energy received payments of \$19,205 (2020-21 - \$2,588). Lifetime payments of \$26,652 have been received. As of March 31, 2022, NT Energy has incurred \$19,556 (2020-21 - \$5,698) of eligible expenditures. The amount received in excess of eligible expenditures incurred, \$7,096, (2020-21 - \$1,750) has been recorded as a deferred liability.

NORTHWEST TERRITORIES HYDRO CORPORATION

Note 17. Other government contributions (continued)

The following table summarizes NT Hydro's budget and the actual eligible costs incurred on the respective projects. The actuals reflect the amounts that NT Hydro has recorded as other government contributions:

	2022 Budget	2022 Actuals	2021 Actuals	Total Lifetime Costs
Taltson Hydroelectric Overhaul				
Salaries and wages	\$	4	\$	19
Supplies and services		4,209		10,084
Transportation costs		32		3
	\$ -	\$ 4,245	\$ 10,106	\$ 17,820
Lutsel K'e Diesel Plant				
Salaries and wages	\$	8	\$	8
Supplies and services		5,029		1,765
Transportation costs		41		1
	\$ 6,000	\$ 5,078	\$ 1,774	\$ 7,155
Fort Simpson LNG				
Salaries and wages	\$	(9)	\$	91
Supplies and services		124		490
Transportation costs		1		2
	\$	\$ 116	\$ 583	\$ 835
Snare Forks Overhauls				
Salaries and wages	\$	25	\$	114
Supplies and services		1,651		1,070
Transportation costs		30		84
	\$ 3,800	\$ 1,706	\$ 1,268	\$ 9,170
Sachs Harbour Plant Replacement				
Salaries and wages	\$	9	\$	17
Supplies and services		165		1,841
Transportation costs		8		11
	\$ 1,881	\$ 182	\$ 1,869	\$ 5,265
Inuvik Wind				
Salaries and wages	\$	74	\$	270
Supplies and services		13,785		1,110
Transportation costs		-		(2)
	\$ 11,586	\$ 13,859	\$ 1,378	\$ 19,557
Total ICIP contributions	\$ 23,267	\$ 25,186	\$ 16,978	\$ 59,802
LCELF and other contributions	\$ 346	\$ 483	\$ -	\$ 483
Total government contributions	\$ 23,613	\$ 25,669	\$ 16,978	\$ 60,285

NORTHWEST TERRITORIES HYDRO CORPORATION

Note 17. Other government contributions (continued)

Other agreements

In 2021-22, 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 recognized as revenue in 2021-22 and included in government contributions receivable as of March 31, 2022.

The second agreement was to support lease costs for the NT Energy office in Hay River. The total agreement was for \$98 of which \$98 was recognized as revenue in 2021-22 and included in government contributions receivable as of March 31, 2022.

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 year. No costs as of March 31, 2022 were incurred for the project, and the amounts received are recorded as a deferred liability as it is anticipated that the agreement will be extended to March 31, 2023.

18. 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	2022	2021
Other revenue	\$ 558	\$ 341
Fuel rider revenue	457	458
	\$ 1,015	\$ 799
Expenses		
Purchases of fuel from Fuel Services Division of the GNWT (FSD) (Note 19)	\$ 20,295	\$ 21,418
Other operating expenses	1,302	1,128
	\$ 21,597	\$ 22,546
Financial assets		
Revenues receivable		
Utility	\$ 469	\$ 966
Non-utility	-	2
	\$ 469	\$ 968
Liabilities		
Accounts payable to FSD for fuel (Note 19)	\$ 3,731	\$ 3,007
Other accounts payable and accrued liabilities	152	44
	\$ 3,883	\$ 3,051

NORTHWEST TERRITORIES HYDRO CORPORATION

19. Contractual obligations and contingent liability

a) Contractual obligations

NT Hydro is contractually committed for the following expenses with non-related parties that will be incurred subsequent to March 31, 2022.

	2023	2024 and subsequent
Operational and lease commitments	\$ 18,158	\$ 60

Capital projects

NT Hydro has contractual obligations of \$30,327 related to capital projects, of which payments are expected to be made in 2022-23 and \$4,880 in 2023-24.

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

Fuel management services agreement

NTPC had a fuel management services agreement with the FSD. Under this agreement, fuel inventory and maintenance of fuel tank farms of 20 communities served by NTPC were provided by FSD. The price of fuel under this agreement changed 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 was an annual minimum purchase requirement of 13,000 liters averaged over a 2 year period. The contract expired March 31, 2021 and a new contract is currently under negotiation. NTPC is following the terms of the old contract until a new contract is finalized.

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 liability

NTPC has been charged with 11 counts of violating the Safety Act with respect to a worker fatality. Each charge carries a potential \$500 fine and a \$25 victim impact surcharge. The total fine and surcharge may therefore be \$5,775. The likelihood of loss is unknown.

NORTHWEST TERRITORIES HYDRO CORPORATION

20. Financial instruments and risk management

NT Hydro's financial instruments include cash, revenues receivable, government contributions receivable, loan receivable, accounts payable and accrued liabilities, capital lease obligations, the operating line of credit and debenture debt.

NT Hydro is exposed to the following risks from its use of financial instruments: credit risk, liquidity risk, and interest rate risk. NT Hydro manages these risk exposures on an ongoing basis.

a) Credit risk

Credit risk is the risk that a third party will cause a financial loss for NT Hydro by failing to discharge its obligation. The following table sets out NT Hydro's maximum exposure to credit risk under a worst case scenario and does not reflect results expected.

	<u>2022</u>	<u>2021</u>
Revenues receivable	\$ 13,229	\$ 13,292
Government contributions receivable	3,505	2,364
Loan receivable	-	9,741
Cash	9,927	4,748
	<u>\$ 26,661</u>	<u>\$ 30,145</u>

Revenues receivable

NT Hydro minimizes revenues receivable credit risk by taking cash deposits from customers. The size of the deposit varies depending on the risk exposure. Established customers or those with good credit are waived from having to provide a deposit. Thirty-seven percent (2020-21 - 37%) of NTPC's sales of power are to two other utilities. Twenty-six percent (2020-21 - 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.

Loan receivable

The credit risk for the loan receivable for the Snare Cascades hydro project was minimized by security in place.

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 20. Financial instruments and risk management (continued)

b) Liquidity risk

Liquidity risk is the risk that NTPC will encounter difficulty in meeting its obligations associated with its financial liabilities. Debt liquidity risk is managed by the use of amortization provisions. NTPC 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 NTPC 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 \$50,000 operating line of credit with a reputable financial institution. The following table shows the maturities of the debenture debt, operating line of credit, Share capital lease obligation and the associated loan receivable:

	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

	March 31, 2021				
	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	\$ 5,834	\$ 45,687	\$ 133,212	\$ 58,907	\$ 243,640
Operating line of credit	2	-	-	-	2
Capital lease obligation	1,886	8,482	18,564	16,012	44,944
Loan receivable	(2,341)	(10,144)	-	-	(12,485)
	\$ 5,381	\$ 44,025	\$ 151,776	\$ 74,919	\$ 276,101

NORTHWEST TERRITORIES HYDRO CORPORATION

Note 20. 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 loan receivable and 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.

21. Comparative figures

Certain comparative figures included in these financial statements have been reclassified to conform with the current year presentation.

**NORTHWEST TERRITORIES
SURFACE RIGHTS BOARD**

Financial Statements

March 31, 2022

NORTHWEST TERRITORIES SURFACE RIGHTS BOARD
Financial Statements
Year ended March 31, 2022

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INDEPENDENT AUDITOR'S REPORT

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

FINANCIAL STATEMENTS

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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, 2022, the statement of changes in net financial asset, statement of operations, statements of accumulated surplus and cash flow 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, 2022, 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
Yellowknife, Northwest Territories
June 6, 2022

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', written in a cursive style.

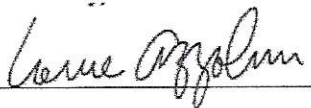
Doug Rankin, Executive Director
Northwest Territories Surface Rights Board
June 6, 2022

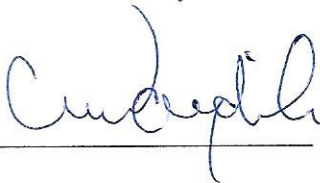
NORTHWEST TERRITORIES SURFACE RIGHTS BOARD
Statement of Financial Position
As At March 31, 2022

Statement I

	2022	2021
FINANCIAL ASSETS		
Cash & cash equivalents	\$ 185,586	\$ 182,008
Accounts receivable (Note 4)	-	52
TOTAL FINANCIAL ASSETS	185,586	182,060
LIABILITIES		
Current liabilities		
Accounts Payable (Note 5)	31,143	132,975
Deferred Revenue (Note 6)	156,573	51,116
	187,716	184,089
NET FINANCIAL ASSETS	(2,130)	(2,029)
NON FINANCIAL ASSETS		
Prepaid Expenses	2,130	2,029
	2,130	2,029
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, 2022

Statement II

	2022	2021
REVENUE		
Government of NWT Contributions	317,645	313,189
Prior year surplus	51,117	18,372
Interest revenue	205	325
Transferred to deferred revenue	(156,573)	(51,117)
TOTAL REVENUE	212,394	280,769
OPERATING EXPENSES		
Advertising and external communication	-	900
Bank charges and interest	550	531
Board travel and other costs	368	2,024
Honorarium	35,861	54,429
Insurance	2,421	2,008
Information technology and computer costs	1,972	995
Office and other supplies	10,184	29,723
Professional fees	61,867	74,511
Rent	28,122	51,604
Staff Travel and training	-	3,423
Telephone, fax and Internet	3,514	2,723
Wages and Benefits	67,535	57,898
TOTAL EXPENSES	212,394	280,769
OPERATING SURPLUS FOR THE YEAR	-	-
ACCUMULATED SURPLUS, BEGINNING OF YEAR	-	-
ACCUMULATED SURPLUS, END OF YEAR	\$ -	\$ -

NORTHWEST TERRITORIES SURFACE RIGHTS BOARD
Statement of Changes in Net Financial Assets
For The Year Ended March 31, 2022

Statement III

	2022		2021
NET FINANCIAL ASSETS, BEGINNING OF YEAR	\$ (2,029)	\$	(1,643)
Items Affecting Net Financial Asset:			
Operating surplus for the year	-		-
Acquisition of Prepaid	(101)		(386)
NET FINANCIAL ASSETS, END OF YEAR	\$ (2,130)	\$	(2,029)

NORTHWEST TERRITORIES SURFACE RIGHTS BOARD
Statement of Cash Flows
For the Year Ended March 31, 2022

Statement IV

	2022		2021
CASH PROVIDED BY (USED IN)			
OPERATING ACTIVITIES			
Operating surplus (deficit) for the year	\$ -	\$	-
Items not involving cash:			
Amortization of deferred capital contributions	-		-
Deferred capital contributions recognized as revenue in the year	-		-
	-		-
Net change in non-cash working capital balances:			
Decrease in accounts receivable	52		6
Increase in prepaid expenses	(101)		(387)
Increase in accounts payable	(101,830)		33,352
Increase in deferred revenue	105,457		32,745
	3,578		65,716
Net increase (decrease) in cash and equivalents	3,578		65,716
Cash and equivalents, beginning of year	182,008		116,292
CASH AND EQUIVALENTS, END OF YEAR	185,586		182,008
Cash consists of :			
Cash in bank	\$ 185,586	\$	182,008

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

1. NATURE OF ORGANIZATION

NORTHWEST TERRITORIES SURFACE RIGHTS 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.

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.

NORTHWEST TERRITORIES SURFACE RIGHTS BOARD
Notes to the Financial Statements
For the Year Ended March 31, 2022

Financial Instruments (Contd...)

iii) Fair Values

The methods and assumptions followed to disclose fair value are inherently matters of judgment. Accordingly, fair values do not necessarily reflect the amounts that would be recovered or paid under the circumstances that immediate settlement of the financial instruments were required. The use of different methods of estimating and different assumptions could have a material effect on the estimated fair value amounts. Due to the short-term nature of accounts receivable, accounts payable and accrued liabilities the carrying amounts approximate fair value.

2e) Risk Management

The Board reviews financial risks and sets appropriate limits and controls when necessary.

3. FUTURE ACCOUNTING CHANGES

PS 3400-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. This section is effective for fiscal years beginning on or after April 1, 2022. Earlier adoption is permitted.

4. ACCOUNTS RECEIVABLE

	2022	2021
Interest Receivable	-	52
	\$ -	\$ 52

5. ACCOUNTS PAYABLE

	2022	2021
Trades payable	\$ 10,765	\$ 88,481
Wages and honoraria fee payable	16,533	28,639
Vacation payable	1,935	321
WCB payable	108	211
Payroll remittances payable	1,619	14,374
GNWT payroll tax payable	183	947
	\$ 31,143	\$ 132,973

NORTHWEST TERRITORIES SURFACE RIGHTS BOARD
Notes to the Financial Statements
For the Year Ended March 31, 2022

6. 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 \$156,573 is repayable to GNWT.

	2022	2021
Balance, beginning of year	\$ 51,116	\$ 18,371
Deferred Revenue recognized as revenue during for the year	(51,116)	(18,371)
Deferred revenue for general operating expenses	156,573	51,116
Balance, end of year	\$ 156,573	\$ 51,116

7. 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.

8. 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.

9. COMMITMENTS

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

2023	\$26,430
2024	\$26,430
2025	\$26,430
2026	\$26,430

	\$105,720

2021 – 2022 ANNUAL REPORT

June 22, 2022

Honorable Caroline Wawzonek
Minister Responsible for the Status of Women
Government of the Northwest Territories

Dear Minister Wawzonek:

I am pleased to present our Annual Report, for the year ending 31 March 2022, on behalf of the Status of Women Council of the Northwest Territories.

The Status of Women coordinated numerous events and activities intended to advance gender equality this past year. These activities include those designed to develop greater awareness, to encourage discussion of issues affecting the status of women, as well as those intended to promote a change in attitudes so that women may enjoy equality. We also conducted research, were busy with advocacy initiatives, and continued to support and encourage women seeking leadership in its many forms.

We would like to thank our funding partners for supporting our efforts over the past year to improve the status of women living in the Northwest Territories. We are encouraged to see so many individuals, organizations, and businesses participating in and supporting efforts to advance gender equality.

I would also like to thank our Status of Women Council board members and staff for their continued collaboration and coordinated efforts as we strive to advance gender equality in the territory.

Sincerely,



Violet Camsell-Blondin
President, 2021 – 2022

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December 6th Vigil: National Day of Remembrance and Action on
Violence Against Women in Canada

Safety Planning Resources

Responding to Economic Abuse

Amazing Northern Women

Appendix 1

Appendix 2

Financial Statements

Background

The Leader of the Government of the Northwest Territories ('GNWT') appointed the first Minister Responsible for the Status of Women in 1982. The following year, the GNWT enacted the NWT Advisory Council on the Status of Women Act. The first Advisory Council on the Status of Women was appointed in 1984 and two years later, the name was changed to the Women's Secretariat. In 1989, the GNWT announced its intent to establish an independent Status of Women Council that would be separate from the Women's Secretariat. In 1990, the Status of Women Council of the Northwest Territories was created through the enactment of the Status of Women Council Act. The Status of Women Council of the NWT continues to function under this legislation and remains focused on advancing equality in the territory.

The Status of Women Board

Board members are appointed by the Minister Responsible for the Status of Women. The Board is comprised of six (6) members and each member represents a region of the territory. Board members may serve for a three-year term. The Board typically meets face-to-face twice a year and holds additional virtual meetings as required. The Board directs the agencies' efforts to achieve our vision and mission. Accordingly, the Board is a group of women dedicated to improving the lives of women in the territories. They seek to empower women, to end violence against women and children, and to achieve equality.

Violet Camsell-Blondin, President
Tłıchq Region Board member
Term: June 2019 – June 2022

Violet is a Tłıchq citizen, born and raised in Behchokò. Violet is married to Ted Blondin, and they have two adult children and four grandchildren.

Violet has a passion for learning and attained a General Management Certificate through the University of Lethbridge. She is committed to lifelong learning as evidenced by the numerous business and community administration courses she has completed.

Violet has held a variety of executive director and coordinator positions and is currently the Manager of Lands Regulation with the Tłıchq Government. Violet demonstrates a commitment to women in leadership through her professional and personal life and to advancing the Status of Women's objectives so that women and girls may enjoy equality in all aspects of their lives.



**Martina Norwegian, Vice President
Deh Cho Region Board member
Term: June 2019 – June 2022**

Martina was born and raised in Líídlı́ Kúé and comes from humble origins. She has learned through experience not to take anyone for granted in her life and is a voice for women who struggle to find their own voice. Martina is passionate about language and speaks South Slavey.



Her dedication to education is strong and she has been the chairperson for the Dehcho Divisional Education Council and participated in the local District Education Authority. Martina is dedicated to spreading the word of God as a Lay Presider for the local Catholic Church and is also involved in On Eagle's Wings, a Christian ministry program. She has also been involved with the Historical Society preserving the local history for over 25 years. Martina is a strong leader, with a quiet and caring nature, who is always helping to empower women to be their best.

Denise McDonald

Beaufort Delta Board member

Term: September 2020 – November 2021

Denise McDonald is Gwich'in from the Beaufort Delta region. She is a mother, grandmother, and advocate for education, wellness, healthy families, and women's issues. She is semi-retired, having worked for many years in education throughout the north.



Currently she is adjunct faculty at the University of Alberta, School of Public Health, and is working on various educational and health research projects. She also enjoys spending time at her camp with her husband, sewing, and berry picking.

Denise left the Status of Women Council to become the President of the Native Women's Association of the Northwest Territories.

Priscilla Lepine

South Slave Board member

Term: March 2021 to March 2024

Priscilla Lepine is a Chipewyan/Métis from Fort Smith. Along with learning Traditional Knowledge from family and community members, Priscilla also completed degrees in Western educational institutions.



She has a certificate in Adult Education, a certificate in Addictions Counselling, a diploma in Social Work, as well as a B.A. & M.A. in First Nations Studies. Priscilla has sat on several boards over the years, and always worked in the healing and/or education field with the goal of helping others achieve self-empowerment. She is an active member and part-time facilitator of a local sewing/crafting group where they design and create items for self, family, or gifting to community and/or national projects/events. Priscilla retired in 2017 having worked for the GNWT for 30+ years.

Delphine Pierrot

Sahtu Board member

Term: June 2021 to June 2024

Delphine brings a wealth of knowledge and experience to the Board. Fort Good Hope is her home community, and she was their first female Chief. Delphine has worked as a social worker in the Sahtu for many years. She is currently the Sahtu Supervisor for the Healthy Family Program Team.



Shelley Browne

North Slave Board member

Term: January 2022 to January 2025

Board activities

The 2021/2022 fiscal year was a busy year for the governing board. They participated in the preliminary engagement sessions to inform the Government of the Northwest Territories **draft action plan** to address the *Calls for Justice in Reclaiming Power and Place: The Final Report of the National Inquiry into Missing and Murdered Indigenous Women and Girls*. The Board members also participated in the **review of the *Status of Women Council Act***, with recommended changes making their way throughout the legislative process. Additionally, the Board conducted a review of the Wise Woman's Award program, which included a public survey to seek input into whether to continue this program and what, if any, changes should be made.

A new finance manual was developed throughout the 2021/22 fiscal year to strengthen the organization's operational capacity. The resulting **finance policies** were approved by the board during their face-to-face March 2022 board meeting. These policies complement **human resource policies** which were approved by the board in 2020. A **Research Code of Practice** was approved in 2021 and an **advocacy strategy** and **communications strategy** were finalized in 2021. The Board directed the development of these policies, procedures, and strategies in the 2019 – 2022 Strategic Plan as a means of modernizing and formalizing policies and practices, and to strengthen the **organization's operational capacity**.

Board activities

The Board wrapped up the 2021 – 2022 fiscal year with the development of a Strategic Plan for the coming fiscal year. This plan presented an opportunity to expand on and define our values and to adopt new strategic goals. Our values now include equality and equity, diversity, inclusion, integrity, respect, compassion, and professionalism.

2022 – 2023 Strategic Goals:

1. Women in Leadership
2. A Safe Society
3. Women and the Economy
4. Advancing Gender Equity through Gender Mainstreaming
5. Celebrating Women – their contributions and achievements

For more information, please visit our website:
<https://www.statusofwomen.nt.ca/about-1>

Advocacy

In 1990, the Legislative Assembly separated the Status of Women Council from the Women's Directorate to better support the Status of Women's ability to achieves its goals and objectives and to provide women with a voice – a voice not filtered or directed by the government. As a result, the NWT Status of Women has been **listening to and advocating on behalf of women for thirty-two (32) years.**

Sometimes this advocacy takes the form of **supporting an individual woman** as she faces barriers and/or discrimination and sometimes this advocacy takes the form of **making recommendations** to government and other public entities.

We participate in various consultations, committees, groups, and make presentations throughout the year – at the local, territorial, and national level. As a public agency, we have the unique opportunity to participate in these forums from a **feminist intersectional position.**

Our participation supports sharing of information, facilitates learning from one another, and create greater awareness of gendered issues and the positions of the NWT Status of Women. (See Appendix 1 for a list of committees, groups, and consultations.)

Our national participation ensure a voice for all women of the NWT is heard in these forums and represents an opportunity to inform national policy and actions. It also helps us stay abreast of trends and best practices. The advent of the common use of virtual platforms has allowed us to have a wider reach and impact than in years past where we needed to travel to national forums to be heard.

Territorially, we focused our advocacy efforts on **family violence** and **sexual violence** with specific efforts related to emergency protection orders and services for people who have experienced sexual violence in the NWT. We provided recommendations to improve the administration of **emergency protection orders** in the NWT to the GNWT Department of Justice and the RCMP.

We continued our dialogue with GNWT Justice and the Department of Health and Social Services about **services for people who have experienced sexual violence**. This dialogue included clarifying the information in the NWT Guidelines for the Care of Survivors of Sexual Assault and providing specialized responses to people who have experienced sexual violence. The provision of these specialized responses **starts with specialized training** for existing frontline service providers.

The NWT Status of Women supports and participates in the Sexual Assault Investigation Review Committee (SAIRC) to help improve the RCMP response to people who have experienced sexual violence. In doing so, our goal is to **reduce the potential for re-traumatization** during the investigation process, to inform the creation of **safer, more supportive, and empowering environments** for these people, and to increase the likelihood that they will **seek further help** as part of their healing journey. We also want to see less sexual assault cases classified as unfounded unless they are truly unfounded. See Appendix 2 for the most recent SAIRC Annual Report which committee members inform.

We also continue to respond to media about sexual violence and other gendered issues as part of our ongoing efforts to work for the women of the NWT.



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Review of sexual assault cases must be followed by action, groups say

Published: April 9, 2021 at 7:34am - MEAGHAN BRACKENBURY

LAST MODIFIED: APRIL 9, 2021 AT 7:48PM

In the media

North

'Gender never came into my mind,' says woman who brought N.W.T. Legislature to Canada's 1st female majority

10 out of 19 N.W.T. MLAs are women, a first for Canada

CBC News · Posted: Jul 29, 2021 8:57 AM CT | Last Updated: 21 minutes ago



Jane Weyallon Armstrong, MLA-elect for the N.W.T.'s Monfwi riding, admits that along the campaign trail, in which she competed against three men, 'A lot of people said ... that we need a woman there.' (Chantal Dubuc/CBC)

At Friday's ceremony, Status of Women's executive director Louise Elder told Cabin Radio the council was currently in the middle of a two-day engagement session with the GNWT to "help shape their action plan."



Violet Blondin-Camsell (right), president of the Status of Women Council, stands with Louise Elder, executive director. Meaghan Brackenbury/Cabin Radio

North

N.W.T. committee reviewed how RCMP handled 7 sexual assault cases. Here's what was found

Some officers misunderstood consent law, rape myths or included irrelevant personal opinions

Avery Zingel · CBC News · Posted: Apr 06, 2021 7:00 AM CT | Last Updated: April 6



RCMP are working to improve sexual assault investigations by drawing on the expertise of victim advocates. (CBC)

North

N.W.T. RCMP to undergo focused sexual assault training

Advocate says N.W.T. is at 'early stages' when it comes to resources for gender-based violence

Natalie Pressman · CBC News ·
Posted: Mar 12, 2022 9:00 AM CT | Last Updated: March 12



Leadership Gathering for Women

The Status of Women Council and the Gender Equity Division co-hosted a virtual Leadership Gathering for Women on April 27, 2021. Elder Ruth Mercredi opened the gathering with a blessing followed by Opening Remarks from Minister Wawzonek. Throughout the day, 161 women joined us for panel presentations, break-out sessions, and fabulous speeches and discussions. Premier Cochrane joined us to give the Closing Remarks, concluding an amazing gathering.

Women leading at work

1
Tara Marchiori

Senior Advisor,
Communities
Rio Tinto

2
Dawn Skinner

Women's
Committee Chair
Public Service
Alliance of Canada

3
Renee Comeau

Executive Director
Yellowknife
Chamber of
Commerce

10 minutes Q&A after panel if time allows

STATUS OF WOMEN COUNCIL
OF THE NORTHWEST TERRITORIES

Leadership challenges, triumphs and success strategies

1
Amy Amos,
Executive Director
Gwich'in
Renewable
Resources Board

2
Lucy Kuptana,
Director of
Operations,
Culture and
Communications
Inuvialuit Regional
Corporation

3
Eleanor Young,
Deputy Minister,
Department of
Municipal and
Community Affairs
GNWT

30 minute panel

15 minutes Q&A

STATUS OF WOMEN COUNCIL
OF THE NORTHWEST TERRITORIES

What is special about women as leaders?

1
Her Worship
Mayor
Rebecca Alty,
City of Yellowknife

2
Her Worship
Mayor
Lynn Napier,
Town of Fort
Smith

3
Her Worship
Mayor
Natasha
Kulikowski,
Town of Inuvik

30 minute panel

15 minutes Q&A

STATUS OF WOMEN COUNCIL
OF THE NORTHWEST TERRITORIES

STATUS OF WOMEN COUNCIL
OF THE NORTHWEST TERRITORIES



**“There will be obstacles.
These too shall pass.”**

Caroline Cochrane
13th Premier of the Northwest Territories

**“Always be
humble, be kind.”**



Lucy Kuptana
Director of Operations
Culture and Communication
Inuvialuit Regional Corporation


STATUS OF WOMEN COUNCIL
OF THE NORTHWEST TERRITORIES



**“We don't want a return
to normal. We want to
reset normal.”**

Dawn Skinner
NWT Women's Committee Chair,
Public Service Alliance of Canada

**“Leadership
needs to reflect
the society we all
want to live in.”**



Honourable Caroline Wawzonek
Minister Responsible for the Status of Women

Funded by Women
and Gender Equality
Canada

Workplace Sexual Harassment – Education & Information

Our territorial-wide workplace sexual harassment ('WSH') project is focused on increasing awareness and understanding of workplace sexual harassment in the Northwest Territories, with the ultimate goal of eliminating it.

Public education and information resources about workplace sexual harassment continue to be developed and distributed. These materials are for employers and employees and include information about the legal framework, rights and obligations, how to prevent and address WSH, and identify resources available in the NWT.

This past fiscal year, three training courses and related materials were developed and delivered: What to do if it happens to you – responding to workplace sexual harassment; How to be an ally; and WSH for employers. Three one-hour webinars and three information booklets were also developed. The booklets include Death by 1000 Cuts – responding to microaggressions, Incivility, Bullying and Harassment, and Responding to Disclosures for Employers. Consultations also identified the need for customized materials and training for specific audiences.



Trauma and Violence-Informed Approaches Resources

Family violence, sexual violence, and all forms of gender-based violence occur daily throughout the Northwest Territories. Gender-based violence causes immediate, short-term, and long-term suffering and trauma for the person who experienced it and may also have a negative impact on their caring circle of family and friends.

This reality highlights the need for widespread adopting of trauma- and violence-informed approaches; a need and a reality identified through our intimate partner violence research project. Accordingly, Women and Gender Equality Canada provided funding to support the development of trauma and violence-informed resources for the Northwest Territories.



This project involved consultations with relevant community partners, in the gender-based violence sector, to inform the scope and development of these resources. Additionally, input was provided by consultants with the Centre for Research and Education on Violence Against Women and Children, Faculty of Education at the University of Western Ontario. Some content within these resources was also modified with permission from Equip Health Care – Equipping for Equity.

Resources developed include a comprehensive Practical Guide to Trauma and Violence-Informed Approaches available in a print and virtual format, and on a dedicated website: <https://www.walkasonetvia.com/>

This practical guide is designed to help staff and organizations deliver trauma and violence-informed services to their clients and to take better care of themselves and their staff. Training is to accompany this guide to facilitate understanding and implementation.

Below are key terms reflecting trauma and violence-informed approaches.



Family Violence Prevention Month 2021

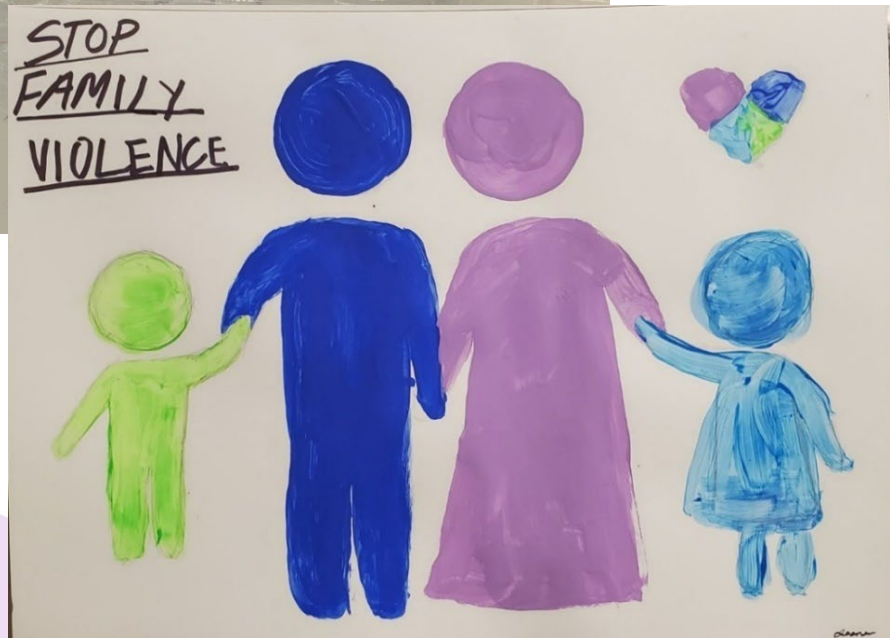
The Status of Women worked with numerous community partners to coordinate Family Violence Prevention Month activities across the territory in November 2021 (and beyond). Funding was provided to thirty community entities to host events in eighteen communities plus Yellowknife (bringing the total to 19 communities). Some community entities focused on youth, some focused specifically on women or men, and some focused on the whole community.

Scavenger hunts, community walks, family movie nights, art contests, sewing circles, workshops, training, game nights, radio shows, and more took place across the NWT as communities held covid-friendly family violence prevention/health family activities.



Photo from the Fort Liard Community Awareness Walk

The Status of Women hosted weekly public skates in Yellowknife to promote healthy relationships and healthy families. We also ran a family violence prevention month video at the local theatre. Additionally, we hosted a virtual, territorial-wide art contest. Many children submitted colouring sheets for us to feature on our Facebook. Other submissions included a video, art, and a poem featured on the next page.



Picture above submitted to our art contest by Jaana in Fort Liard

Home

By Rachel Schooley, Inuvik

Home sounds like

Laughter, music, little voices making big noise in echoing hallways

Words of encouragement, we apologize as needed.

Home smells like

Warm coffee, food cooking, clean laundry and wet dogs,

The air is clear, not heavy; we breathe deep in our shared space.

Home looks like

Laundry, LEGOs, and more indoor plants than I can realistically manage

The lights are soft, we do not need to shield our eyes.

Home tastes like

A crisp pea from the garden plot, a kiss, my child's half-eaten apple

Sweet and sour, but nothing leaves a bad taste lingering too long.

Home feels like

Walking onto the tundra on a warm summer night, softness beneath the feet

No need to creep cautiously on thin ice, we can plant our feet firmly.

16 Days of Activism against Gender-Based Violence

The 16 Days of Activism against Gender-Based Violence is an international campaign to **end violence** against women, girls, 2SLGBTQ+ and gender diverse individuals. This social media campaign runs from November 25th, the International Day for the Elimination of Violence Against Women, to December 10th, Human Rights Day. Over the 16 Days, our goal is to create greater awareness and encourage a dialogue about gender-based violence which continues to prevail as a reality that impacts women, girls, 2SLGBTQ+ and gender diverse individuals worldwide and in our communities. We shared gender-based violence statistics and information, **how to be part of the change**, encouraged everyone to **believe** and be **supportive**, and highlighted that gender equality is a human right. **Freedom from violence is a human right.**



December 6th Vigil: the National Day of Remembrance and Action on Violence Against Women

In 2021, we were able to hold our annual vigil indoors in Yellowknife on the evening of December 6th. Due to the gathering restrictions and to include people from across the territory, we also livestreamed the vigil. Each year, we host this vigil to remember the 14 women killed at L'Université de Montréal's École Polytechnique in 1989; to remember all the women we have lost to gender-based violence; to remember the missing and murdered Indigenous women; and to remember the 22 women killed in the Northwest Territories between 1997 and 2021. We paid a special tribute to the three young women murdered in the Northwest Territories in 2020:



Breanna Menacho

Breanna was violently killed in Yellowknife on May 5, 2020. She was 22 years old at the time of her death.

Breanna planned to go to college to become a personal support worker.

"She was sweet and kind and loving. This is why it is so hard to believe anyone would consider harming her in any way. I can't explain how broken my heart is or how empty I feel," says Menacho's mother, Lisa Zoe. "Each day is a struggle because sadly for us life goes on without Breanna."

December 6th Vigil: the National Day of Remembrance and Action on Violence Against Women



Meg Kruger

Meg was violently killed in Hay River on September 9, 2020.

She was 18 years old at the time of her death; mere days away from her 19th birthday.

Meg has five siblings and was the youngest child of Marnie and Jack Kruger of Hay River. Jack was a long-serving member of the RCMP. In her mother's words, Meg was "that adorable, spunky girl that brought a smile to everyone's face."

Meg is sadly missed by her family, friends, and the community of Hay River.



Viktoria Lafferty

Viktoria was violently killed in Yellowknife on October 31, 2020.

Viktoria was 29 years old at the time of her death; a lifetime of love, laughter, and adventure ahead of her.

In the words of her mother, "A piece of my heart left with you. Forever in my heart my baby girl."

Viktoria is dearly missed by her family, friends, and community.

Each year, this vigil is also a call to action – to end violence against women. Thus, after the candles were lit for Breanna, Meg, and Viktoria, and the remaining 19 women, we observed a moment of silence. Then, we invited those in attendance to make a pledge – to identify concrete actions they or all of us working together can take to eliminate violence against women and girls.

National Day of Remembrance and Action on Violence Against Women

I pledge to:

- Never stop talking about violence against women
- Believe and support those expressing violence in their relationship /life.
- Never condone jokes or slurs against women & girls
- Never justify violent acts
- Continue praying that one day violence against women & girls will end.

Premier Cochrane, NWT
Dec 6, 2021



National Day of Remembrance and Action on Violence Against Women

We pledge to:

- always face each and every situation and/circumstance with compassion to honour and be a voice against violence against women and girls.

Lisa and Chanise
In memory of Breanna Menacho
Dec 6, 2021



National Day of Remembrance and Action on Violence Against Women

I pledge to:

- continue to engage men to think about their personal accountability and complicity on issues of gender-based violence and sexual assault & harassment.

Jay Boast
Answer the Call
Dec 6, 2021



STATUS
OF THE

National Day of Remembrance and Action on Violence Against Women

I pledge to:

- Listen
- Advocate
- Act
- Raise boys who stand up and do the same

Caitlin, MLA Kam Lake
Dec 6, 2021



STATUS OF WOMEN COUNCIL
OF THE NORTHWEST TERRITORIES

National Day of Remembrance Action on Violence Against Wo

I pledge to:

- speak out when I see violence, whether physical or mental and to be a role model with my own behaviour.

Charles Dent,
NWT Human Rights
Commission
Dec 6, 2021



STATUS OF WOMEN COUNCIL
OF THE NORTHWEST TERRITORIES

Funded by NAPEG and PSAC
NWT Women's Regional
Committee

Safety Planning Resources

Women who participated in our intimate partner violence ('IPV') research project told us that they needed safe and timely access to discrete and accurate safety planning resources to help them plan and make decisions to keep them and their loved ones safe.

We secured funding from Mountain Province Diamonds and De Beers Group, operator of the Gahcho Kué Mine in the NWT, and the NWT Victims Assistance Fund to support the development of these resources.

**Trying to survive in or
escape a violent relationship
can be exhausting and
emotionally draining.**

There are a number of things you can do to help you cope in difficult times.

Always remember that safety – your own as well as the safety of your children – is what matters the most.

Get help with creating your own safety plan whether you are staying or wanting to leave your partner. Visit [safepathwaysnt.ca](https://www.safepathwaysnt.ca)

CALL 911 IF YOU ARE IN IMMEDIATE DANGER.

STATUS OF WOMEN COUNCIL
OF THE NORTHWEST TERRITORIES

The Safety Planning print resources were distributed across the territory and at least one resource binder was provided to each community. Additionally, a dedicated Safety Planning website, <https://www.safepathwaysnt.com/>, which interacts with a web app, went live early in 2022. These resources were also advertised extensively in February 2022 with Cabin Radio and NNSL media. Bookmarks, postcards, and posters advertising SafePathways (the website and app) were distributed to an additional 80 recipients to create greater awareness of these resources.

Responding to Economic Abuse

The Status of Women started a new project, Responding to Economic Abuse – a systemic approach to change, in the fall of 2021. This project is designed to create systemic change for marginalized women in the NWT by:

- Encouraging policy and procedure changes in government, employers, and financial services around economic abuse;
- Developing resources to educate service providers and survivors of economic abuse on signs of economic abuse, and strategies for, reclaiming economic empowerment; and
- Reducing the stigma felt by those with lived experience of economic abuse

Research and consultations were conducted in 2021/22 resulting in the identifying of specific gaps in information and resources needed in the NWT. A report will be published in the summer of 2022 capturing the research findings, consultations, and resulting recommendations.

Thank you to Women and Gender Equality Canada for providing the funding to realize this project.



Policy-Makers & Legislators



Financial Institutions & Organizations



Service Providers & Affected Individuals

Amazing Northern Women

International Women's Month 2022

March 8th is International Women's Day – a global day to **celebrate** the social, economic, cultural, and political achievements of women and girls. It is a day to **recognize** women who inspire us. It is also a day to **reflect and renew our commitment** to advancing gender equality.

In 2022, we celebrated International Women's Day for the entire month of March. We partnered with the NWT Chamber of Commerce and TrueNorth 100.1 FM to feature amazing northern women.



Amazing Northern Women 2022

**DIRECTOR OF PROTECTIVE SERVICES & FIRE CHIEF
CYNTHIA HAMMOND**
EDMONTON, ALBERTA

In 1996, Cynthia earned her first job as a volunteer fire responder in Edmonton, Alberta. In 2012, she was named the Young Chief for the City of Edmonton. In 2015, she was named the Young Chief for the City of Edmonton. In 2017, she was named the Young Chief for the City of Edmonton. In 2019, she was named the Young Chief for the City of Edmonton. In 2021, she was named the Young Chief for the City of Edmonton.

STATUS OF WOMEN COUNCIL OF THE NWT

LASKA NERYSOO
INUVIK

Laska is a proud Inuvik resident and a member of the Inuvik Inuit community. She is currently working as a project manager for the Inuvik Inuit community. She is also a member of the Inuvik Inuit community. She is also a member of the Inuvik Inuit community.

STATUS OF WOMEN COUNCIL OF THE NWT

BETH HUDSON
LUTHER AND FIRST NATION

Beth is a proud member of the Inuvik Inuit community. She is currently working as a project manager for the Inuvik Inuit community. She is also a member of the Inuvik Inuit community. She is also a member of the Inuvik Inuit community.

STATUS OF WOMEN COUNCIL OF THE NWT

RENEE SANDERSON
YELLOWKNIFE

Renee is a proud member of the Inuvik Inuit community. She is currently working as a project manager for the Inuvik Inuit community. She is also a member of the Inuvik Inuit community. She is also a member of the Inuvik Inuit community.

STATUS OF WOMEN COUNCIL OF THE NWT

MARIE SWANSON
INUVIK

Marie is a proud member of the Inuvik Inuit community. She is currently working as a project manager for the Inuvik Inuit community. She is also a member of the Inuvik Inuit community. She is also a member of the Inuvik Inuit community.

STATUS OF WOMEN COUNCIL OF THE NWT

DORATHY JANE
NORMAN WELLS

Dorothy is a proud member of the Inuvik Inuit community. She is currently working as a project manager for the Inuvik Inuit community. She is also a member of the Inuvik Inuit community. She is also a member of the Inuvik Inuit community.

STATUS OF WOMEN COUNCIL OF THE NWT

KAYLA TURNER
NORMAN WELLS

Kayla is a proud member of the Inuvik Inuit community. She is currently working as a project manager for the Inuvik Inuit community. She is also a member of the Inuvik Inuit community. She is also a member of the Inuvik Inuit community.

STATUS OF WOMEN COUNCIL OF THE NWT

MAHALIA YAKELYA NEWMARK
YELLOWKNIFE

Mahalia is a proud member of the Inuvik Inuit community. She is currently working as a project manager for the Inuvik Inuit community. She is also a member of the Inuvik Inuit community. She is also a member of the Inuvik Inuit community.

STATUS OF WOMEN COUNCIL OF THE NWT

DARLENE SIBBESTON
FORT SIMPSON

Darlene is a proud member of the Inuvik Inuit community. She is currently working as a project manager for the Inuvik Inuit community. She is also a member of the Inuvik Inuit community. She is also a member of the Inuvik Inuit community.

STATUS OF WOMEN COUNCIL OF THE NWT

SUZANNE BOUCHER-HANNA
INUVIK

Suzanne is a proud member of the Inuvik Inuit community. She is currently working as a project manager for the Inuvik Inuit community. She is also a member of the Inuvik Inuit community. She is also a member of the Inuvik Inuit community.

STATUS OF WOMEN COUNCIL OF THE NWT

KIERA-DAWN KOLSON
YELLOWKNIFE

Kiera-Dawn is a proud member of the Inuvik Inuit community. She is currently working as a project manager for the Inuvik Inuit community. She is also a member of the Inuvik Inuit community. She is also a member of the Inuvik Inuit community.

STATUS OF WOMEN COUNCIL OF THE NWT

CHARLOTTE DIGNESS
YELLOWKNIFE

Charlotte is a proud member of the Inuvik Inuit community. She is currently working as a project manager for the Inuvik Inuit community. She is also a member of the Inuvik Inuit community. She is also a member of the Inuvik Inuit community.

STATUS OF WOMEN COUNCIL OF THE NWT

KIRSTEN FISHER
INUVIK

Kirsten is a proud member of the Inuvik Inuit community. She is currently working as a project manager for the Inuvik Inuit community. She is also a member of the Inuvik Inuit community. She is also a member of the Inuvik Inuit community.

STATUS OF WOMEN COUNCIL OF THE NWT

WESTERN ARCTIC YOUTH COLLECTIVE (WAYC)

WAYC is a proud member of the Inuvik Inuit community. She is currently working as a project manager for the Inuvik Inuit community. She is also a member of the Inuvik Inuit community. She is also a member of the Inuvik Inuit community.

STATUS OF WOMEN COUNCIL OF THE NWT

"A butterfly supernova spreads its silken wings..."

Jennifer Elise Foerster

Appendix 1

Below is a list of committees, groups, and consultations we've participated in over the past fiscal year. This list is by no means exhaustive.

Committees/Groups/Consultations

Advisory Council, Equal Futures Network, Canadian Partnership for Women and Children's Health

Canadian Centre for Women's Empowerment – Policy Development Committee

Coalition Against Family Violence

Government of Canada – Policy Community Group

Government of the Northwest Territories – Budget Dialogue 2021

GNWT Diversity and Inclusion Framework – Stakeholder Engagement

Missing and Murdered Indigenous Women and Girls Territorial Group

National Advisory Council on Poverty

National Working Group for Economic Justice

NWT Anti-Poverty Roundtable

NWT Network to Prevent Abuse of Older Adults

Committees/Groups/Consultations – cont.

PLEAC Workplace Sexual Harassment Working Group

Sexual Assault Investigation Review Committee

Women in Leadership Foundation – Bridges to Gender Equality
Advisory Committee

Presentations

Gender-Based Violence in the North – presentation to CDETNO and open to the public

Various presentations related to our Workplace Sexual Harassment project

Leadership presentation at the Yellowknife Chamber's Trailblazer event

Various presentations and webinars related to advancing gender equity

Appendix 2 – SAIRC Annual Report



**RCMP G Division Criminal Operations
Summary - Sexual Assault Investigations Review
Committee's Feedback, Recommendations & RCMP
Actions - 2021**

Appendix 2 – SAIRC Annual Report



BACKGROUND

The NT Sexual Assault Investigations Review Committee (SAIRC) was created to provide investigative oversight to randomly selected NT sexual assault cases classified as “not cleared by charge,” including files classified as “unfounded” to ensure investigations are thorough, impartial, and properly classified as well as to identify any systemic gaps or barriers.

The NT SAIRC is comprised of territorial stakeholders, representing victim services organizations and victim/community advocates and the RCMP. The NT SAIRC is supported by the GNWT Department of Justice.

METHODOLOGY

Since its inception, twenty-six investigations have been reviewed by the committee: two in 2019, seven in 2020, and seventeen in 2021.

In 2021, committee meetings were held on April 15th and 16th, 2021 and November 18th and 19th, 2021. The randomly selected investigations were from eight communities, varying in size from small to large. The status for these files included the clearance codes of: Insufficient Evidence to Proceed, Unfounded and Victim/Complainant Declines to Proceed. The committee completed one standardized checklist after reviewing each case. The checklist assisted the committee in navigating police investigations and will assist the NT RCMP in identifying trends, gaps and barriers in police investigations.

Included in the checklists are feedback for: the victims, subject of complaints (SOC), witnesses, evidence collection, reports, case specific findings/recommendations and the RCMP’s follow-up actions.

RESULTS

The following information gives an overall summary of the feedback and recommendations provided by the committee; it also includes the RCMP’s follow-up actions.

Overall the committee found that NT RCMP investigations continue to improve in thoroughness, timeliness and trauma informed practices.

The NT RCMP has held five review committee meetings since 2019

Appendix 2 – SAIRC Annual Report



The committee provided feedback on all cases reviewed and gave specific recommendations on one investigation which included steps for the RCMP to consider. The NT RCMP concurred with these recommendations and they were forwarded to investigators for follow up.

The committee identified that police reports should be consistent, objective and proofread. Victims should be referred to available community supports such as Victim Services and Medical Services and the NT RCMP should ensure that appropriate interview rooms are available.

The committee recommended that investigators should not assume a person's gender identity and that the NT RCMP should continue to improve upon interview training for its officers.

The committee also found that supervisory oversight and guidance were well documented on most investigations.

Detachment supervisors for each of the files reviewed were advised of the committee's findings with the goal of improving investigations.

Feedback from the review committee is presented to all Detachment Commanders by the RCMP Divisional SAIRC Coordinator on a yearly basis. The advocates' feedback has also contributed to the creation of a NT RCMP specific Sexual Assault Investigators Course.

CONCLUSION

The NT RCMP is committed to continually improving its response to survivors of sexual violence and would like to thank all their partners who are committed to SAIRC.

One Yellowknife community advocate who has been involved in all five reviews stated, "It is encouraging to be able to see improvements over time in the practices we're seeing in file reviews. Our feedback is taken seriously and acted upon, and we've witnessed real changes in the way that investigations are conducted and victims are treated, supported and followed up with."

"The NT Sexual Assault Investigations Review Committee helps bring transparency and accountability to our investigations. We are committed to providing the best service possible to survivors of sexual assault," states Cpl. Jesse Aubin, NT RCMP SAIRC Coordinator.

"The importance of having concerned and engaged members of our communities involved in initiatives, such as the SAIRC, cannot be stressed enough," states Inspector Dyson Smith, Assistant Criminal Operations Officer.

STATUS OF WOMEN COUNCIL OF THE NWT
Yellowknife, NT

FINANCIAL STATEMENTS
For the year ended March 31, 2022

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Status of Women Council of the N.W.T.

P.O. Box 1320, Yellowknife, NWT X1A 2L9

MANAGEMENT'S RESPONSIBILITY FOR REPORTING

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

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

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

Executive Director

June 15, 2022



AVERY COOPER & Co. LTD.

Chartered Professional Accountants

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Yellowknife, NT X1A 2P2
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Facsimile: (867) 873-2353
Toll-Free: 1-800-661-0787

INDEPENDENT AUDITOR'S REPORT

To the Members of
Status of Women Council of the NWT

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Status of Women Council of the NWT (the "Council"), which comprise the Statement of Financial Position as at March 31, 2022, 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, 2022, 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.

Emphasis of Matter

Without modifying our opinion, we draw attention to note 8 to the financial statements, concerning the worldwide spread of a novel coronavirus known as COVID-19 prior to year-end and its effect on the global economy. Our opinion is not modified in respect of this matter.

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.

INDEPENDENT AUDITOR'S REPORT, continued

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

- ♦ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ♦ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control.
- ♦ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ♦ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Council's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Council to cease to continue as a going concern.
- ♦ Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

INDEPENDENT AUDITOR'S REPORT, continued

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

Report on Other Legal and Regulatory Requirements

As required by the *Financial Administration Act* ("FAA Act") of the Northwest Territories, we report that, in our opinion, the accounting principles in the Canadian public sector accounting standards have been applied.

Further, in our opinion, proper books of account have been kept by the Council and the financial statements are in agreement therewith. In addition, the transactions of the Council have, in all significant respects, been in accordance with the FAA Act and regulations; the *Status of Women Council Act* (the "Act") and regulations; the by-laws of the Council; and any directives issued to the Council by the Minister under the FAA or Act.

Avery Cooper & Co. Ltd.

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

June 15, 2022

STATUS OF WOMEN COUNCIL OF THE NWT

STATEMENT OF FINANCIAL POSITION

March 31, 2022

ASSETS

	2022	2021
CURRENT		
Cash	\$ 306,457	\$ 8,185
Accounts receivable (note 3)	58,052	114,515
	364,509	122,700
DESIGNATED CASH	81,751	81,745
TANGIBLE CAPITAL ASSETS (note 4)	5,321	7,601
	\$ 451,581	\$ 212,046

LIABILITIES

CURRENT		
Trade payables and accruals (note 5)	\$ 120,623	\$ 28,354
Wages and benefits payable (note 6)	66,415	36,367
Deferred revenue (note 7)	48,617	28,057
Government remittances payable	14,443	16,129
	250,098	108,907

CONTINGENCIES (note 8)

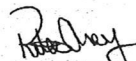
FUND BALANCES

UNRESTRICTED SURPLUS (DEFICIT) per page 3	100,624	13,806
INVESTED IN TANGIBLE CAPITAL ASSETS per page 3	5,321	7,601
CONTINGENCY FUND per page 3	65,538	51,732
BENEFITS FUND per page 3	30,000	30,000
	201,483	103,139
	\$ 451,581	\$ 212,046

Approved:



Chairperson



Member

STATUS OF WOMEN COUNCIL OF THE NWT

STATEMENT OF OPERATIONS

For the year ended March 31, 2022

	2022	2021
REVENUES		
Core - Schedule 1	\$ 565,882	\$ 515,693
Family Violence Prevention Month - Schedule 2	57,600	53,000
Leadership Gathering for Women - Schedule 3	30,263	48,468
NGO Stabilization Fund - Schedule 4	19,238	-
Safety Planning - Schedule 5	90,000	-
Economic Abuse - Schedule 6	81,920	-
MMIWG Engagement Session - Schedule 7	8,500	-
Trauma and Violence Informed - Schedule 8	106,635	-
Vigil - Schedule 9	1,150	2,500
Wise Women Awards - Schedule 10	804	23,456
Workplace Sexual Harassment - Schedule 11	310,218	255,530
MMIWG Tree of Honour Ceremonies	-	70,250
Elimination of Violence	-	20,068
Lens and Language	-	24,150
	<u>1,272,210</u>	<u>1,013,115</u>
EXPENSES		
Core - Schedule 1	467,538	483,104
Family Violence Prevention Month - Schedule 2	57,600	53,000
Leadership Gathering for Women - Schedule 3	30,263	48,468
NGO Stabilization Fund - Schedule 4	19,238	-
Safety Planning - Schedule 5	90,000	-
Economic Abuse - Schedule 6	81,920	-
MMIWG Engagement Session - Schedule 7	8,500	-
Trauma and Violence Informed - Schedule 8	106,635	-
Vigil - Schedule 9	1,150	2,499
Wise Women Awards - Schedule 10	804	23,456
Workplace Sexual Harassment - Schedule 11	310,218	255,525
MMIWG Tree of Honour Ceremonies	-	70,250
Elimination of Violence	-	20,068
Lens and Language	-	24,143
	<u>1,173,866</u>	<u>980,513</u>
EXCESS OF REVENUES OVER EXPENSES	<u>\$ 98,344</u>	<u>\$ 32,602</u>

STATUS OF WOMEN COUNCIL OF THE NWT

STATEMENT OF CHANGES IN FUND BALANCES

For the year ended March 31, 2022

	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	2,280	(2,280)	-	-	-
BALANCE, closing	\$ 100,624	\$ 5,321	\$ 65,538	\$ 30,000	\$ 201,483
	2021				
	Unrestricted Surplus (Deficit)	Invested in Tangible Capital Assets	Contingency Fund	Benefits Fund	Total
BALANCE, opening	\$ (20,073)	\$ 8,878	\$ 51,732	\$ 30,000	\$ 70,537
Excess of revenues over expenses	32,602	-	-	-	32,602
Amortization of tangible capital assets	1,277	(1,277)	-	-	-
BALANCE, closing	\$ 13,806	\$ 7,601	\$ 51,732	\$ 30,000	\$ 103,139

STATUS OF WOMEN COUNCIL OF THE NWT

STATEMENT OF CASH FLOWS

For the year ended March 31, 2022

	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from contributions and donations	\$ 1,278,233	\$ 834,580
Cash paid for materials and services	(617,455)	(550,910)
Cash paid for wages and benefits	<u>(362,500)</u>	<u>(411,964)</u>
INCREASE (DECREASE) IN CASH	298,278	(128,294)
CASH, opening	<u>89,930</u>	<u>218,224</u>
CASH, closing	<u>\$ 388,208</u>	<u>\$ 89,930</u>
REPRESENTED BY:		
Cash	\$ 306,457	\$ 8,185
Designated cash	<u>81,751</u>	<u>81,745</u>
	<u>\$ 388,208</u>	<u>\$ 89,930</u>

STATUS OF WOMEN COUNCIL OF THE NWT

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2022

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, 2022

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, 2022

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>2022</u>	<u>2021</u>
GNWT - Health & Social Services	\$ 14,201	\$ 25,076
Canada - Justice Partnership and Innovation Program	31,022	89,439
Canada - Women and Gender Equality (WAGE)	<u>12,829</u>	<u>-</u>
	<u>\$ 58,052</u>	<u>\$ 114,515</u>

STATUS OF WOMEN COUNCIL OF THE NWT

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2022

4. TANGIBLE CAPITAL ASSETS

			<u>2022</u>	<u>2021</u>
	<u>Cost</u>	<u>Accumulated amortization</u>	<u>Net</u>	<u>Net</u>
Computer equipment	\$ 58,081	\$ 52,760	\$ 5,321	\$ 7,601
Equipment	<u>4,870</u>	<u>4,870</u>	<u>-</u>	<u>-</u>
	<u>\$ 62,951</u>	<u>\$ 57,630</u>	<u>\$ 5,321</u>	<u>\$ 7,601</u>

5. TRADE PAYABLES AND ACCRUALS

	<u>2022</u>	<u>2021</u>
Trade payables	\$ 90,734	\$ 1,940
Scotiabank Visa	9,209	8,289
Accrued liabilities	<u>20,680</u>	<u>18,125</u>
	<u>\$ 120,623</u>	<u>\$ 28,354</u>

6. WAGES AND BENEFITS PAYABLE

	<u>2022</u>	<u>2021</u>
Wages payable	\$ 27,959	\$ 12,449
Severance liability	11,372	5,365
Vacation and lieu payable	<u>27,084</u>	<u>18,553</u>
	<u>\$ 66,415</u>	<u>\$ 36,367</u>

STATUS OF WOMEN COUNCIL OF THE NWT

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2022

7. DEFERRED REVENUE

Deferred revenue as at March 31, 2022, consists of the following:

	<u>2022</u>	<u>2021</u>
Gender Equity	\$ 2,237	\$ -
NGO Stabilization	-	19,238
Trauma and Violence Informed	38,365	-
Wise women	<u>8,015</u>	<u>8,819</u>
	<u>\$ 48,617</u>	<u>\$ 28,057</u>
Deferred revenue, opening	28,057	59,049
Receipts	175,000	41,000
Funding expended	<u>(154,440)</u>	<u>(71,992)</u>
	<u>48,617</u>	<u>28,057</u>

8. CONTINGENCIES

There has been 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 Council 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 Council's activities have not been significantly impacted thus far; however, the Council continues to assess the impact COVID-19 will have on its operations.

STATUS OF WOMEN COUNCIL OF THE NWT

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2022

9. CONTRACTUAL RIGHTS

As at March 31, 2022, the Council had entered into contribution agreements with the GNWT - Department of Status of Women with the term April 1, 2021 - March 31, 2026, and Canada - Justice Partnership and Innovation Program with the term January 6, 2020 - 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	\$ 444,000	\$ 503,426	\$ 159,916	\$ 947,426
2024	444,000	490,615	103,644	934,615
2025	444,000	-	-	444,000
2026	444,000	-	-	444,000
	<u>\$ 1,776,000</u>	<u>\$ 994,041</u>	<u>\$ 263,560</u>	<u>\$ 2,770,041</u>

10. 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.

11. REVENUES BY OBJECT

	<u>2022</u>	<u>2021</u>
Government grants and contributions	\$ 1,085,760	\$ 892,579
Contributed rent	71,000	71,000
Sponsorship, donations and events	65,882	2,986
Administration fees	49,562	46,538
Interest income	6	13
	<u>\$ 1,272,210</u>	<u>\$ 1,013,116</u>

STATUS OF WOMEN COUNCIL OF THE NWT

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2022

12. COMMITMENT

As at March 31, 2022, the Council has outstanding quarterly commitments of \$1,356 with respect to an office equipment lease expiring March 31, 2026 as follows:

2023	\$	5,424
2024		5,424
2025		5,424
2026		<u>5,424</u>
	<u>\$</u>	<u>21,696</u>

13. 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>2022</u>	<u>2021</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.

14. 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>2022</u>	<u>2021</u>
Contingency Fund	\$ 51,732	\$ 38,882
Transfer from unrestricted surplus	<u>13,806</u>	<u>12,850</u>
Contingency Fund, closing	<u>\$ 65,538</u>	<u>\$ 51,732</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, 2022

15. 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, 2022, the Council has a \$20,000 (2021 - \$20,000) credit card facility with the Bank of Nova Scotia.

16. 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>2022</u>	<u>2021</u>
Revenue		
GNWT - Executive & Indigenous Affairs	\$ 481,067	\$ 417,456
GNWT - Department of Justice	54,200	47,067
GNWT - Health & Social Services	28,400	50,150
GNWT - Municipal & Community Affairs	19,238	-
GNWT - Infrastructure (Contributed rent)	<u>71,000</u>	<u>71,000</u>
	<u>\$ 653,905</u>	<u>\$ 585,673</u>
Expenses		
GNWT - Infrastructure (Contributed rent)	\$ 71,000	\$ 71,000
GNWT - Financial Shared Services	2,347	3,077
Northwest Territories Health and Social Services Authority	<u>1,250</u>	<u>1,250</u>
	<u>\$ 74,597</u>	<u>\$ 75,327</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, 2022

17. 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, 2022

SCHEDULE OF CORE

Schedule 1

	<u>2022</u>	<u>2021</u>
REVENUES		
GNWT - Executive & Indigenous Affairs	\$ 444,000	\$ 393,999
GNWT - Infrastructure - Contributed Rent	71,000	71,000
Administration Recovery	49,562	46,538
Miscellaneous	<u>1,320</u>	<u>4,156</u>
	<u>565,882</u>	<u>515,693</u>
EXPENSES		
Advertising	10,280	2,970
Amortization	2,280	1,277
Contributed Rent	71,000	71,000
Equipment Rental	5,627	7,554
Honoraria	6,009	7,250
Interest & Bank Charges	104	77
Mail Service	1,852	995
Meetings	957	1,996
Professional Development - Staff	3,727	7,441
Professional/Contract Services	35,063	39,004
Resources/Subscriptions	1,092	2,198
Supplies	5,788	5,253
Technology	4,516	9,424
Telecommunications	9,414	10,051
Travel	8,412	5,500
Wages & Benefits	<u>301,417</u>	<u>311,114</u>
	<u>467,538</u>	<u>483,104</u>
EXCESS OF REVENUES OVER EXPENSES	<u>\$ 98,344</u>	<u>\$ 32,589</u>

STATUS OF WOMEN COUNCIL OF THE NWT

SCHEDULES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2022

SCHEDULE OF FAMILY VIOLENCE PREVENTION MONTH

Schedule 2

	<u>2022</u>	<u>2021</u>
REVENUES		
GNWT - Justice	\$ 29,200	\$ 27,000
GNWT - Health & Social Services	<u>28,400</u>	<u>26,000</u>
	<u>57,600</u>	<u>53,000</u>
EXPENSES		
Administration	3,196	3,169
Community Events	39,340	34,545
FV Resource Package	10,199	9,828
Marketing & Communications	2,170	2,605
Postage & printing	1,464	1,752
YK Event	<u>1,231</u>	<u>1,101</u>
	<u>57,600</u>	<u>53,000</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, 2022

SCHEDULE OF LEADERSHIP GATHERING FOR WOMEN

Schedule 3

	<u>2022</u>	<u>2021</u>
REVENUES		
GNWT - Executive & Indigenous Affairs	\$ 27,763	\$ -
Other	2,500	-
Deferred Revenue	<u>-</u>	<u>48,468</u>
	<u>30,263</u>	<u>48,468</u>
EXPENSES		
Administration	-	5,105
Facility Rental	-	2,500
Freight	64	-
Honoraria	1,762	-
Marketing & Communications	15,055	30,640
Materials & Supplies	2,076	223
Wages & Benefits	-	10,000
Program delivery/costs	<u>11,306</u>	<u>-</u>
	<u>30,263</u>	<u>48,468</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, 2022

SCHEDULE OF NGO STABILIZATION FUND

Schedule 4

	<u>2022</u>	<u>2021</u>
REVENUE		
GNWT - Municipal & Community Affairs	\$ 19,238	\$ -
EXPENSES		
Professional Fees	<u>19,238</u>	<u>-</u>
EXCESS OF REVENUES OVER EXPENSES	<u>\$ -</u>	<u>\$ -</u>

STATUS OF WOMEN COUNCIL OF THE NWT

SCHEDULES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2022

SCHEDULE OF SAFETY PLANNING

Schedule 5

	<u>2022</u>	<u>2021</u>
REVENUE		
GNWT - Justice	\$ 25,000	\$ -
De Beers Canada	<u>65,000</u>	<u>-</u>
	<u>90,000</u>	<u>-</u>
EXPENSES		
Professional fees	71,623	-
Marketing & communications	7,500	-
Print/Publication & Distribution	10,078	-
Freight/Transportation	<u>799</u>	<u>-</u>
	<u>90,000</u>	<u>-</u>
EXCESS OF REVENUES OVER EXPENSES	<u>\$ -</u>	<u>\$ -</u>

STATUS OF WOMEN COUNCIL OF THE NWT

SCHEDULES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2022

SCHEDULE OF ECONOMIC ABUSE	Schedule 6	
	<u>2022</u>	<u>2021</u>
REVENUE		
Canada - Women and Gender Equity	<u>\$ 81,920</u>	<u>\$ -</u>
EXPENSES		
Professional Fees	71,200	-
Catering	1,500	-
Salaries and benefits	7,100	-
Administration	<u>2,120</u>	<u>-</u>
	<u>81,920</u>	<u>-</u>
EXCESS OF REVENUES OVER EXPENSES	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

STATUS OF WOMEN COUNCIL OF THE NWT

SCHEDULES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2022

SCHEDULE OF MMIWG ENGAGEMENT SESSION

Schedule 7

	<u>2022</u>	<u>2021</u>
REVENUE		
Executive & Indigenous Affairs	\$ 8,500	\$ -
EXPENSES		
Administration fees	1,864	-
Wages and benefits	69	-
Project travel	4,167	-
Honoraria	<u>2,400</u>	<u>-</u>
	<u>8,500</u>	<u>-</u>
EXCESS OF REVENUES OVER EXPENSES	<u>\$ -</u>	<u>\$ -</u>

STATUS OF WOMEN COUNCIL OF THE NWT

SCHEDULES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2022

SCHEDULE OF TRAUMA AND VIOLENCE INFORMED

Schedule 8

	<u>2022</u>	<u>2021</u>
REVENUE		
Canada - Women and Gender Equity	<u>\$ 106,635</u>	<u>\$ -</u>
EXPENSES		
Materials & Supplies	700	-
Office Equipment	280	-
Program delivery/costs	407	-
Professional fees	40,609	-
Marketing & Communications	39,145	-
Print/Publication & Distribution	9,494	-
Salaries and Benefits	<u>16,000</u>	<u>-</u>
	<u>106,635</u>	<u>-</u>
EXCESS OF REVENUES OVER EXPENSES	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

STATUS OF WOMEN COUNCIL OF THE NWT

SCHEDULES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2022

SCHEDULE OF VIGIL

Schedule 9

	<u>2022</u>	<u>2021</u>
REVENUE		
Sponsorship, Donations & Events	\$ 1,150	\$ 2,500
EXPENSES		
Catering	-	16
Facility Rental	140	-
Marketing & Communications	216	1,175
Materials & Supplies	434	1,308
Administration	<u>360</u>	<u>-</u>
	<u>1,150</u>	<u>2,499</u>
EXCESS OF REVENUES OVER EXPENSES	<u>\$ -</u>	<u>\$ 1</u>

STATUS OF WOMEN COUNCIL OF THE NWT

SCHEDULES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2022

SCHEDULE OF WISE WOMEN AWARDS

Schedule 10

	<u>2022</u>	<u>2021</u>
REVENUES		
Deferred Revenue	\$ 804	\$ 7,275
Grants, Sponsorships	<u>-</u>	<u>16,181</u>
	<u>804</u>	<u>23,456</u>
EXPENSES		
Awards & Recognition	25	4,372
Catering	-	9,816
Freight/Transportation	29	168
Marketing & Communications	806	6,139
Materials & Supplies	-	15
Print/Publication & Distribution	-	50
Program Delivery	(56)	1,000
Project Travel	<u>-</u>	<u>1,896</u>
	<u>804</u>	<u>23,456</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, 2022

SCHEDULE OF WORKPLACE SEXUAL HARASSMENT

Schedule 11

	<u>2022</u>	<u>2021</u>
REVENUE		
Justice Canada	\$ 310,218	\$ 255,530
EXPENSES		
Accounting & Legal	5,105	5,000
Administration	40,463	33,330
Honoraria	6,000	3,000
Marketing & Communications	5,650	20,000
Office Equipment	-	8,820
Operating	996	5,220
Print/Publication & Distribution	15,880	1,840
Professional Fees	99,500	43,500
Program Delivery	70,950	69,000
Project Travel	130	415
Wages & Benefits	62,550	65,400
Training	2,994	-
	<u>310,218</u>	<u>255,525</u>
EXCESS OF REVENUES OVER EXPENSES	<u>\$ -</u>	<u>\$ 5</u>

STATUS OF WOMEN COUNCIL OF THE NWT

SCHEDULES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2022

SCHEDULE OF EXPENSES BY OBJECT

Schedule 12

	<u>2022</u>	<u>2021</u>
Program delivery costs	\$ 11,713	\$ -
Administration Fees	48,247	50,104
Advertising & Promotion	80,846	74,800
Amortization	2,280	1,277
Awards/Volunteer Appreciation	25	4,372
Community Events	43,168	64,974
Computer	4,516	18,324
Equipment Rental	5,627	7,554
Equipment Use	3,723	3,766
Freight/ Postage	2,743	3,345
Honoraria	16,171	10,250
Interest & Bank Charges	104	77
Office Supplies	6,244	5,476
Office and administration	996	5,220
Print/Publication & Distribution	36,916	3,642
Professional/Contract Services	409,821	208,687
Contributed Rent	71,000	71,000
Resources & Subscriptions	13,746	35,828
Staff Training	2,994	-
Telecommunications	9,414	10,051
Travel and Accommodation	12,709	7,811
Wages & Benefits	<u>390,863</u>	<u>393,955</u>
	<u>\$ 1,173,866</u>	<u>\$ 980,513</u>

Status of Women Council of the NWT

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5201 Franklin Avenue Yellowknife | NT X1A 2L9

statusofwomen.nt.ca

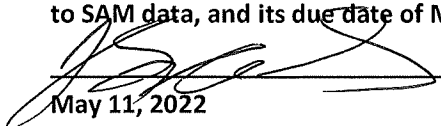
Fur Marketing Service Revolving Fund

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)

	2021/22 Actuals	2021/22 Revised Estimates	2021/22 Main Estimates	2020/21 Actuals
Authorized Limit	1,500	1,500	1,500	1,500
Opening Accounts Receivable	1,231	1,231	1,277	1,281
Advances to Trappers	198	70	500	488
Repayment of Fur Account Loans	(462)	(353)	(739)	(538)
Closing Accounts Receivable	967	948	1,038	1,231
Cash	(2,079)			(2,505)
Other Asset Accounts	7			3
Asset (Liability) Accounts	302			190
Clearing Accounts	64			63
Closing Balance Fund 12	(739)			(1,018)
Authorized limit	1,500			1,500

The information provided within this working paper addresses all requirements of YE Directive #51 with regards to content, format, completeness, analysis and reconciliation to SAM data, and its due date of May 12th, 2022.

 Jessica St. Arnaud, DFA
May 11, 2022

**Marine Transportation Services
(Marine Transportation Services Revolving Fund)**

Financial Statements

March 31, 2022

**Marine Transportation Services
(Marine Transportation Services Revolving Fund)**

Financial Statements

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Management's Responsibility for Financial Reporting

To the Minister of Infrastructure

Government of the Northwest Territories

Management is responsible for the reliability, integrity and objectivity of the data in the accompanying financial statements, which have been prepared in accordance with Canadian public sector accounting standards. Where appropriate, the financial statements include estimates and judgments based on careful consideration of the information available to management.

In discharging its responsibility for financial reporting, management maintains and relies on internal control systems and practices, which are designed to provide reasonable assurance that the transactions are authorized, the assets are safeguarded, and proper records are maintained. These control systems and practices ensure the orderly conduct of business, the accuracy of the accounting records, reliability of financial information and compliance to legislation governing the Marine Transportation Services revolving fund (the "Fund").

The auditor provides an independent, objective audit for the purpose of expressing an opinion on the financial statements. The auditor also considers whether the transactions that come to their notice during the course of the audit are, in all significant respects, in accordance with specified legislation.



Steve Hagerman, Director
Marine Transportation Services Revolving Fund
Hay River, Northwest Territories
September 12, 2022

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, 2022, 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, 2022, 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, 2022, and payroll liabilities, employee future benefits, net financial resources, and accumulated surplus (deficit) as at March 31, 2022, 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
September 12, 2022



Ashton Chartered Professional Accountants

Marine Transportation Services
(Marine Transportation Services Revolving Fund)

Statement I

Statement of Financial Position

March 31,	2022	2021
Financial Assets		
Accounts receivable (note 4)	\$ 1,298,444	\$ 8,340,313
Employee future benefits (note 5)	9,140	15,312
	1,307,584	8,355,625
Liabilities		
Bank indebtedness (note 6)	22,587,906	16,346,629
Accounts payable and accrued liabilities (note 7)	3,974,908	2,421,081
Deferred revenue	208,417	608,417
Due to Government of Northwest Territories - Revolving fund (note 8)	19,160,103	30,070,809
Due to Government of Northwest Territories - long-term loan (note 9)	10,260,438	10,260,438
Net financial debt	(54,884,188)	(51,351,749)
Non-financial assets		
Tangible capital assets (note 10)	52,062,790	50,106,852
Prepaid expenses and deposits (note 11)	1,362,833	341,254
Inventory (note 12)	1,458,565	903,643
	54,884,188	51,351,749
Surplus (deficit)	\$ -	\$ -

Contributed capital (note 13)
 Contractual rights (note 14)
 Subsequent event (note 20)

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,	2022	2022	2021
	Budget	Actual	Actual
Net financial debt, beginning of year	\$ (51,351,749)	\$ (51,351,749)	\$ (36,672,033)
Deficiency of revenues over expenses	(4,317,615)	-	-
Amortization	1,878,016	2,111,431	1,473,500
(Acquisition) consumption of inventories	-	(554,922)	1,351,708
(Acquisition) use of prepaid expenses	-	(1,021,579)	119,667
Purchase of tangible capital assets	(2,109,125)	(4,067,369)	(17,624,591)
Change in net financial debt	(4,548,724)	(3,532,439)	(14,679,716)
Net financial debt, end of year	\$ (55,900,473)	\$ (54,884,188)	\$ (51,351,749)

See accompanying notes

Marine Transportation Services
(Marine Transportation Services Revolving Fund)

Statement III

Statement of Operations

For the year ended March 31,	2022 Budget	2022 Actual	2021 Actual
Revenues			
Cargo delivery revenue	\$ 4,665,684	\$ 6,663,695	\$ 2,567,694
Fuel delivery revenue	8,320,768	9,204,184	10,977,713
Fuel sales	4,452,500	5,951,635	3,085,334
Shipyards services	3,746,600	1,191,246	2,255,397
Charter revenue	2,628,000	3,464,835	283,895
Rental and other revenue	315,600	376,142	202,409
	24,129,152	26,851,737	19,372,442
Expenses (note 15)			
Fuel cost of sales	4,452,500	5,995,238	3,292,069
Maintenance	5,728,087	8,634,100	10,222,566
Marine operations	8,731,010	10,496,395	12,145,802
Shipyards service	2,233,800	750,661	1,742,444
Terminal operations	2,172,151	3,045,922	3,001,021
General and administrative	3,251,203	3,353,445	3,279,438
	26,568,751	32,275,761	33,683,340
Deficiency of revenue over expenses before other expenses and items	(2,439,599)	(5,424,024)	(14,310,898)
Other expenses			
Amortization	1,878,016	2,111,431	1,473,500
Finance charges (note 16)	-	1,016,842	1,057,192
	1,878,016	3,128,273	2,530,692
Deficiency of revenue over expenses before other item	(4,317,615)	(8,552,297)	(16,841,590)
Other item			
Grant contributions (note 17)	-	8,552,297	16,841,590
Deficiency of revenue over expenses	\$ (4,317,615)	\$ -	\$ -

See accompanying notes

Marine Transportation Services
(Marine Transportation Services Revolving Fund)

Statement IV

Statement of Accumulated Surplus (Deficit)

For the year ended March 31,	2022	2021
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,	2022	2021
Cash provided by (used for)		
Operating activities		
Deficiency of revenues over expenses	\$ -	\$ -
Items not affecting cash		
Amortization	2,111,431	1,473,500
Finance charges	1,016,842	1,057,193
	3,128,273	2,530,693
Changes in non-cash working capital items		
Accounts receivable	7,041,869	(5,735,450)
Accounts payable and accrued liabilities	1,553,827	(3,766,291)
Deferred revenue	(400,000)	608,417
Employee future benefits	6,172	(37,978)
Inventory	(554,922)	1,351,708
Prepaid expenses and deposits	(1,021,579)	119,667
	9,753,640	(4,929,234)
Financing activities		
(Payments) proceeds from Government of Northwest Territories	(11,927,548)	33,313
Investing activity		
Purchase of tangible capital assets	(4,067,369)	(17,624,591)
Decrease in cash	(6,241,277)	(22,520,512)
Cash (bank indebtedness), beginning of year	(16,346,629)	6,173,883
Cash (bank indebtedness), end of year	\$ (22,587,906)	\$ (16,346,629)

See accompanying notes

Marine Transportation Services (Marine Transportation Services Revolving Fund)

Notes to the Financial Statements

March 31, 2022

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, 2022

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, 2022

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 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 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, 2022

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, 2022

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, 2022

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, 2022, 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, 2022

3. Future changes to significant accounting policies (continued)

Asset Retirement Obligations, Section PS 3280

This section will be effective for fiscal years 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. This section would require public sector entities to review existing contract, legislation, regulations, and other sources to identify retirement activities associated with its controlled tangible capital assets.

The impact of the transition to this accounting standard, if any, has not yet been determined.

Financial Instruments, Section PS 3450

This section will be 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.

The impact of the transition to this accounting standard, if any, has not yet been determined.

4. Accounts receivable

	2022	2021
Customer receivable	\$ 566,859	\$ 308,855
Government of Canada		
Transport Canada	975,000	8,150,384
Federal excise tax	52,612	-
Fisheries and Oceans	1,234	216,008
	1,595,705	8,675,247
Less: Allowance for doubtful accounts	297,261	334,934
	\$ 1,298,444	\$ 8,340,313

Marine Transportation Services (Marine Transportation Services Revolving Fund)

Notes to the Financial Statements

March 31, 2022

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, 2022. 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.

	2022	2021
Accrued benefit obligation, beginning of year	\$ 55,778	\$ 70,287
Benefits earned	4,608	4,751
Interest	1,797	1,770
Benefit paid	(4,106)	(50,887)
Actuarial loss	33,513	29,857
Plan amendment	(6,112)	-
Accrued benefit obligation, end of year	85,478	55,778
Unamortized net actuarial loss	(94,618)	(71,090)
	\$ (9,140)	\$ (15,312)

Marine Transportation Services
(Marine Transportation Services Revolving Fund)

Notes to the Financial Statements

March 31, 2022

5. Employee future benefits (continued)

	2022	2021
Benefits Expense		
Current service cost	4,608	4,751
Interest cost	1,797	1,770
Amortization of net actuarial loss	9,985	6,388
Plan amendment	<u>(6,112)</u>	-
	\$ 10,278	\$ 12,909

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 contributions during the next five fiscal years are as follows:

	Total
2022	\$ 14,560
2023	8,383
2024	11,221
2025	9,704
2026	<u>10,514</u>
Total	\$ 54,382

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.

**Marine Transportation Services
(Marine Transportation Services Revolving Fund)**

Notes to the Financial Statements

March 31, 2022

7. Accounts payable and accrued liabilities

	2022	2021
Trade accounts payable and accrued liabilities	\$ 3,799,855	\$ 2,144,934
Government of Canada		
Goods and service tax	94,079	188,994
Federal excise tax	-	87,153
Government of Northwest Territories		
Department of Finance - Carbon tax	15,440	-
Department of Finance - Petroleum tax	12,719	-
Department of Infrastructure - Fuel Services Division	52,815	-
	\$ 3,974,908	\$ 2,421,081

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 \$867,368 (2021 - \$861,729).

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 \$149,474 (2021 - \$195,463).

Fund made \$nil (2021 - \$nil) payment against the Government of Northwest Territories long-term loan.

	2022	2021
Government of Northwest Territories long-term loan, due in December 2027	\$ 10,260,438	\$ 10,260,438
Estimated principle repayments are as follows:		
2023	\$ 4,353,079	
2024	1,138,786	
2025	1,159,740	
2026	1,181,079	
2027	1,202,811	
Subsequent year	1,224,943	
	\$ 10,260,438	

Marine Transportation Services
(Marine Transportation Services Revolving Fund)

Notes to the Financial Statements

March 31, 2022

10. Tangible capital assets

For the year ended March 31,					2022	2021
	Land	Vessels and barges	Machinery and equipment	Capital work in progress	Total	Total
Cost						
Balance, beginning of the year	\$ 2,212,843	\$ 43,128,056	\$ 1,178,261	\$ 6,996,032	\$ 53,515,192	\$ 35,890,601
Addition during the year	-	4,396,154	315,237	4,067,369	8,778,760	48,433,215
Capitalized from capital work in progress				(4,711,391)	(4,711,391)	(30,808,624)
Balance, end of year	2,212,843	47,524,210	1,493,498	6,352,010	57,582,561	53,515,192
Accumulated amortization						
Balance, beginning of the year	-	3,178,807	229,533	-	3,408,340	1,934,840
Annual amortization	-	2,016,886	94,545	-	2,111,431	1,473,500
Balance, end of year	-	5,195,693	324,078	-	5,519,771	3,408,340
Net book value	\$ 2,212,843	\$ 42,328,517	\$ 1,169,420	\$ 6,352,010	\$ 52,062,790	\$ 50,106,852

11. Prepaid expenses and deposits

	2022	2021
Insurance	\$ 299,854	\$ 237,694
Other	1,062,979	103,560
	\$ 1,362,833	\$ 341,254

Prepaid expenses other includes \$955,968 in costs related to cargo deliveries in transit that will be completed in fiscal year 2023.

12. Inventory

	2022	2021
Fuel	\$ 1,088,191	\$ 546,860
Parts and supplies	370,374	356,783
	\$ 1,458,565	\$ 903,643

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, 2022 the Government of Northwest Territories made accumulated contributions of \$15,359,515 (2021 - \$8,608,287).

Marine Transportation Services (Marine Transportation Services Revolving Fund)

Notes to the Financial Statements

March 31, 2022

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
2023	\$ 400,000
2024	400,000
2025	400,000
2026	400,000
2027	400,000
Subsequent years	5,968,767
	<u>\$ 7,968,767</u>

15. Expenses

	Fuel cost of sales	Maintenance	Marine operations	Shipyard service	Terminal operations	General and administrative	2022 Actual
Wages and benefits	\$ -	\$ 7,387,610	\$ 6,342,838	\$ -	\$ 1,949,786	\$ 1,951,898	\$ 17,632,132
Fuel cost of sales	5,995,238	-	-	-	-	-	5,995,238
Insurance	-	202,535	1,276,697	-	249,090	-	1,728,322
Fuel consumption	-	151,854	1,295,186	-	93,756	-	1,540,796
Shipyard service cost of sales	-	-	-	750,661	-	-	750,661
Other	-	892,101	1,581,674	-	753,290	1,401,547	4,628,612
	<u>\$ 5,995,238</u>	<u>\$ 8,634,100</u>	<u>\$ 10,496,395</u>	<u>\$ 750,661</u>	<u>\$ 3,045,922</u>	<u>\$ 3,353,445</u>	<u>\$ 32,275,761</u>

16. Financing charges

	2022	2021
Interest on revolving fund - due to Government of Northwest Territories	\$ 867,368	\$ 861,729
Interest on long-term loan - due to Government of Northwest Territories	149,474	195,463
	<u>\$ 1,016,842</u>	<u>\$ 1,057,192</u>

Marine Transportation Services
(Marine Transportation Services Revolving Fund)

Notes to the Financial Statements

March 31, 2022

17. Grant contributions

	2022	2021
Government of Canada		
Low Carbon Economy Leadership Fund - capital expenditure for the refit of the Jock McNiven vessel	\$ 784,227	\$ -
Transport Canada - Ocean Protection Fund - 75% of doubled hulled barges	-	13,554,540
Government of Northwest Territories - Department of Infrastructure		
Operating losses	6,751,228	2,229,858
Finance charges	1,016,842	1,057,192
	\$ 8,552,297	\$ 16,841,590

18. Related party transactions

During the year the Fund incurred the following transactions with the related parties:

	2022	2021
Revenue		
Government of Northwest Territories		
Department of Infrastructure - Fuel Services Division	\$ 5,667,346	\$ 6,289,571
Northwest Territories Power Corporation	147,184	227,005
Department of Environmental and Natural Resources	144,293	65,856
NWT Housing Corporation	26,089	15,925
Department of Infrastructure	10,723	17,317
Northwest Territories Health and Social Services Authorities	5,401	-
Beaufort Delta Divisional Education Council	3,683	-
Ft Good Hope Renewable Resources Corp	1,494	-
Shut Divisional Education Council	700	2,390
Department of Industry, Tourism and Investment	266	1,529
Department of Infrastructure - Yellowknife Airport Revolving Fund	-	17,066
Department of Justice	-	2,041
NWT Liquor and Cannabis Commission	-	888
	\$ 6,007,179	\$ 6,639,588

**Marine Transportation Services
(Marine Transportation Services Revolving Fund)**

Notes to the Financial Statements

March 31, 2022

18. Related party transactions (continued)

	2022	2021
Expenses		
Government of Northwest Territories		
Department of Finance	\$ 263,893	\$ 246,801
Department of Infrastructure - Fuel Services Division	84,852	45,529
Department of Infrastructure	67,875	-
Northwest Territories Power Corporation	56,429	22,946
	\$ 473,049	\$ 315,276

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.

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 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 \$1,298,444 (2021 - \$8,340,313). At March 31, 2022, the Fund's management has determined that \$297,261 (2021 - \$334,934) 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	\$ 129,634	\$ -	\$ -	\$ 1,466,071	\$ 1,595,705
Allowance for doubtful accounts	-	-	-	(297,261)	(297,261)
	\$ 129,634	\$ -	\$ -	\$ 1,168,810	\$ 1,298,444

Marine Transportation Services (Marine Transportation Services Revolving Fund)

Notes to the Financial Statements

March 31, 2022

19. Risk management (continued)

(a) Credit risk (continued)

Concentration of credit risk

Concentration of credit risk is the risk that a customer(s) has more than ten percent of the total accounts receivable balance and thus there is a higher risk to the Fund in the event of a default. The Fund does have concentration risk. At March 31, 2022, receivables from one customer comprised 75% (2021 – 98%) of the total outstanding accounts receivables. The risk is considered low since the receivable is from a customer who is considered creditworthy by the Fund management. The Fund reduces this risk by monitoring overdue balances.

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

(b) Liquidity risk

Liquidity risk is the risk that the Fund will not be able to meet all cash outflow obligations as they come due. The Fund mitigates this risk by monitoring cash activities and expected outflows and utilizing the overdraft availability on the Funds bank account to cover unexpected cash outflow should they arise.

The Fund's maximum exposure to liquidity risk is represented by the financial liabilities for a total of \$55,983,355 (2021 - \$59,098,957). 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.

**Marine Transportation Services
(Marine Transportation Services Revolving Fund)**

Notes to the Financial Statements

March 31, 2022

19. Risk management (continued)

(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. Subsequent event

On May 12, 2022, the Marine Transportation Services shipyard and terminal facilities in Hay River were impacted by a flood. The flood caused minor damage to the facilities and several barges in the area and is expected to cause appropriately a month delay to the start of the sailing season.

At the date of the audit report, the financial impact of the flood is not determinable and still under assessment. A portion of the physical damages are expected to be recovered through insurance.

Northwest Territories Liquor & Cannabis Commission

Financial Statements

Year ended March 31, 2022

Northwest Territories Liquor & Cannabis Commission

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March 31, 2022

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Management's Responsibility for Financial Reporting

The preparation of the financial statements of the Northwest Territories Liquor & Cannabis Commission (Commission) is the responsibility of the Commission's management.

The financial statements have been prepared in accordance with 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.



Carrie Herring-Cooper
Director, Liquor & Cannabis Operations
NWT Liquor & Cannabis Commission
June 30, 2022

Northwest Territories Liquor & Cannabis Commission

Statement of Financial Position

As at March 31 (\$000)	2022	2021
Financial Assets		
Cash	\$ 6,898	\$ 5,015
Accounts receivable	72	142
Inventories for resale (note 3)	3,399	3,698
	<u>10,369</u>	<u>8,855</u>
Financial Liabilities		
Accounts payable and accrued liabilities (note 7)	2,256	2,573
Pension and other employee benefits (note 4)	48	69
Due to the NWT Liquor Licensing Board (note 5)	114	138
	<u>2,418</u>	<u>2,780</u>
Net Financial Assets	<u>7,951</u>	<u>6,075</u>
Non-Financial Assets		
Tangible capital assets (note 6)	409	553
Prepaid expenses	92	37
	<u>501</u>	<u>590</u>
Accumulated Surplus	<u>\$ 8,452</u>	<u>\$ 6,665</u>

Contractual obligations (note 8)

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

Approved by the Northwest Territories Liquor & Cannabis Commission:



Carrie Herring-Cooper
Director of Liquor & Cannabis Operations

Northwest Territories Liquor & Cannabis Commission

Statement of Operations

For the year ended March 31 (\$000)	2022		2021	
	Budget	Actual	Actual	
Sales				
Beer	\$ 18,985	\$ 18,079	\$ 19,467	
Spirits	23,680	24,574	27,814	
Wine	8,494	7,875	8,848	
Coolers and Ciders	3,867	5,213	4,736	
Cannabis	8,243	7,447	5,141	
	<u>63,269</u>	<u>63,188</u>	<u>66,006</u>	
Cost of goods sold				
Beer	7,738	7,506	7,937	
Spirits	7,049	7,491	8,451	
Wine	3,847	3,645	4,011	
Coolers and ciders	1,639	2,207	2,004	
Cannabis	6,654	6,042	3,384	
	<u>26,927</u>	<u>26,891</u>	<u>25,787</u>	
Gross profit on sales	<u>36,342</u>	<u>36,297</u>	<u>40,219</u>	
Other income				
Government contribution - services provided without charge (note 7)	-	1	13	
Import fees and Income	8	5	6	
	<u>8</u>	<u>6</u>	<u>19</u>	
Expenses (notes 7)				
Commissions to agents - Liquor	6,642	6,510	6,779	
Commissions to agents - Cannabis	263	275	534	
Licensee Discounts	559	455	396	
Salaries, wages and employee benefits	1,080	1,165	1,094	
Administration - Liquor	794	759	682	
Administration - Cannabis	113	150	200	
Travel	30	20	21	
Rent	298	255	242	
Amortization of tangible capital assets (note 6)	161	175	243	
	<u>9,940</u>	<u>9,764</u>	<u>10,191</u>	
Annual surplus	<u>\$ 26,410</u>	<u>\$ 26,539</u>	<u>\$ 30,047</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)	2022		2021	
	Budget	Actual	Actual	
Accumulated surplus, beginning of the year	\$ 6,665	\$ 6,665	\$ 5,622	
Annual surplus	26,410	26,539	30,047	
Amounts transferred to the Consolidated Revenue Fund	(25,660)	(24,217)	(28,496)	
Amounts Transferred to the NWT Liquor Licensing Board (note 5)	(748)	(535)	(508)	
Increase in accumulated surplus	2	1,787	1,043	
Accumulated surplus, end of year	\$ 6,667	\$ 8,452	\$ 6,665	

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

Northwest Territories Liquor & Cannabis Commission

Statement of Changes in Net Financial Assets

<u>For the year ended March 31 (\$000)</u>	<u>2022</u>		<u>2022</u>		<u>2021</u>	
	<u>Budget</u>		<u>Actual</u>		<u>Actual</u>	
Net financial assets, beginning of year	\$	6,075	\$	6,075	\$	4,972
Items affecting net financial resources:						
Increase (decrease) in accumulated surplus		2		1,787		1,043
Net investment in tangible capital assets:						
Acquisitions		-		(30)		(170)
Amortization expense		161		174		243
Increase in prepaid expenses		-		(55)		(13)
Net financial assets, end of year	\$	6,238	\$	7,951	\$	6,075

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)	2022	2021
Operating activities		
Cash received from customers	\$ 63,263	\$ 65,967
Cash paid to employees and suppliers	(36,574)	(38,210)
Cash provided by operating activities	26,689	27,757
Capital activities		
Purchase of tangible capital assets	(30)	(170)
Financing activities		
Cash transferred to the Consolidated Revenue Fund	(24,217)	(28,496)
Cash transferred to the NWT Licensing Board	(559)	(431)
Cash provided by financing activities	(24,776)	(28,927)
Change in cash	1,883	(1,340)
Cash, beginning of year	5,015	6,355
Cash, end of Year	\$ 6,898	\$ 5,015

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

Northwest Territories Liquor & Cannabis Commission

Notes to Financial Statements

March 31, 2022 (\$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, 2022 the Fund's assets exceeded the liabilities by \$7,951 (2021 - \$6,075).

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, 2022 (\$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.

(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.

Northwest Territories Liquor & Cannabis Commission

Notes to Financial Statements

March 31, 2022 (\$000)

3. Inventories for resale

	2022	2021
Spirits	\$ 1,167	\$ 1,244
Beer	770	904
Wine	546	548
Coolers and ciders	253	230
Cannabis	663	772
	\$ 3,399	\$ 3,698

4. Pension and other employee benefits

a) Pension benefits

The employees of the Commission participate in the public service pension plan (the "Plan"), a contributory defined benefit plan established through legislation and sponsored by the Government of Canada. 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 two percent per year of pensionable service multiplied by the average of the five consecutive years of highest paid service. The employer contribution rate effective at the end of the year was 1.01 times (2021 - 1.01) the employees' contributions for employees who started prior to January 2013 and 1.00 times (2021 - 1.00) the employees' contributions for all other employees. The Employers contributions and the Commission's employees' contribution for the year were as follows:

	2022	2021
Commission's contributions (recognized as expense)	\$ 87	\$ 90
Employees' contribution	87	89

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 Liquor & Cannabis Commission

Notes to Financial Statements

March 31, 2022 (\$000)

4. Pension and other employee benefits (continued)

b) Other employee benefits

	2022			2021		
	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	\$ 59	\$ 15	\$ 74	\$ 95	\$ 16	\$ 111
Current Service Costs	4	1	5	4	1	5
Interest Cost	2		2	2	0	2
Benefits paid during the year	(29)	(2)	(31)	-	-	-
Actuarial (gain)/loss	53		53	(42)	(2)	(44)
Accrued benefit obligation, end of the year	\$ 89	\$ 14	\$ 103	\$ 59	\$ 15	\$ 74
Unamortized net actuarial gain (loss)	(18)	(37)	(55)	38	(43)	(5)
Accrued benefit (liability)/asset	\$ 71	\$ (23)	\$ 48	\$ 97	\$ (28)	\$ 69

The Commission provides severance benefits to its employees based on years of service and final salary. The Commission also provides removal assistance to eligible employees, as provided under labour contracts. These benefit plans are not pre-funded and thus have no assets, resulting in a plan deficit equal to the accrued benefit obligation.

The Commission provides accumulating sick and special leave employee benefits. Sick leave accrues at a rate of one and a one quarter day per month and special leave accumulates at a rate of one-half day per month. These leave balances require funding in future periods when employees become sick or require special leave. Sick leave can only be used for paid time off for illness of the employee. Special leave can only be claimed in certain circumstances (e.g. sick family members, family deaths, marital leave). Sick and special leave taken is paid at the employee's normal rate of pay. Sick and special leave benefits are not paid out to an employee upon termination of employment, resignation or retirement. Unused sick and special days accumulate and there are no limits to the accumulation.

An actuarial valuation for accounting purposes was prepared at March 31, 2022 for the Commission's other employee future benefit plans using the projected benefits method prorated on services.

Northwest Territories Liquor & Cannabis Commission

Notes to Financial Statements

March 31, 2022 (\$000)

4. Pension and other employee benefits (continued)

b) Other employee benefits (continued)

The actuarial valuation at March 31, 2022 reflects management's best estimate based upon a number of future orientated assumptions including:

	<u>2022</u>	<u>2021</u>
Expected inflation rate	2.0%	2.0%
Discount rate used to determine the accrued benefit obligation	4.1%	3.3%
Expected average remaining service life of related employee groups (EARSL)	10.3	8.3

Timing of expected payments for other employee benefits are as follows:

2023	\$	15
2024		13
2025		13
2026		17
2027		13
2028 and beyond		<u>44</u>
	\$	<u>115</u>

Northwest Territories Liquor & Cannabis Commission

Notes to Financial Statements

March 31, 2022 (\$000)

5. Due to/from the NWT Liquor Licensing Board

As explained in Note 1, the financial activities of the Board are administered by the Commission. The Commission receives all amounts receivable to the Board and pays all amounts payable by the Board. The Board does not keep separate cash accounts, nor does it directly own any tangible capital assets. Any amounts owing from the Board to the Commission (or vice versa) are settled through transfers to/from accumulated surplus.

The Commission provides capital assets for use by the Board and Enforcement without charge.

6. Tangible capital assets

	Furniture and fixtures	Computer hardware and software	Leasehold improvements	2022	2021
Cost:					
Opening balance	\$ 133	\$ 1,074	\$ 860	\$ 2,067	\$ 1,897
Acquisitions	12	18	-	30	170
Disposals and write-downs	-	(346)	-	(346)	-
Closing balance	145	746	860	1,751	2,067
Accumulated Amortization:					
Opening balance	(121)	(872)	(520)	(1,513)	(1,270)
Amortization	(6)	(135)	(34)	(175)	(243)
Disposals and write-downs	-	346	-	346	-
	(127)	(661)	(554)	(1,342)	(1,513)
Net book value	\$ 18	\$ 85	\$ 305	\$ 409	\$ 553

Northwest Territories Liquor & Cannabis Commission

Notes to Financial Statements

March 31, 2022 (\$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 \$1,165 (2021 – \$1,094) related to salaries, wages, and employee benefits for the Commission’s employees. The Commission reimburses the Department of Finance for these costs.

The Department of Justice provides the Commission with legal services without charge. The total cost of these services has been estimated to be \$1 (2021 – \$13). 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 \$158 (2021 – \$168) for bottle deposits payable to the Department of Environment and Natural Resources, \$176 (2021 – \$261) for salaries, wages, and employee benefits payable to the Department of Finance, and \$0 (2021 - \$12) 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:

2022/23	\$ 248
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.



**68th Annual Report
2021-2022**



June 14th, 2022

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 2021 - 2022 Annual Report.

Sincerely,

A handwritten signature in blue ink, appearing to read "Louis Sebert". The signature is fluid and cursive, with a large initial "L" and "S".

Louis Sebert
Chairperson

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Board Overview

The Northwest Territories Liquor Licensing Board (the Board) is established under Subsection 2(1) of the Northwest Territories *Liquor Act*. The Minister of Finance appoints Board Members for a term of three years. Currently there are vacancies on the Board.

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*)

Adelle Guigon – Vice-Chairperson (*Yellowknife*)

Wayne Smith - Board Member (*Inuvik*)

Heather Bourassa - Board Member (*Fort Good Hope*)

Linda Martin - Board Member (*Fort Smith*)

June Tobin - Board Member (*Hay River*)

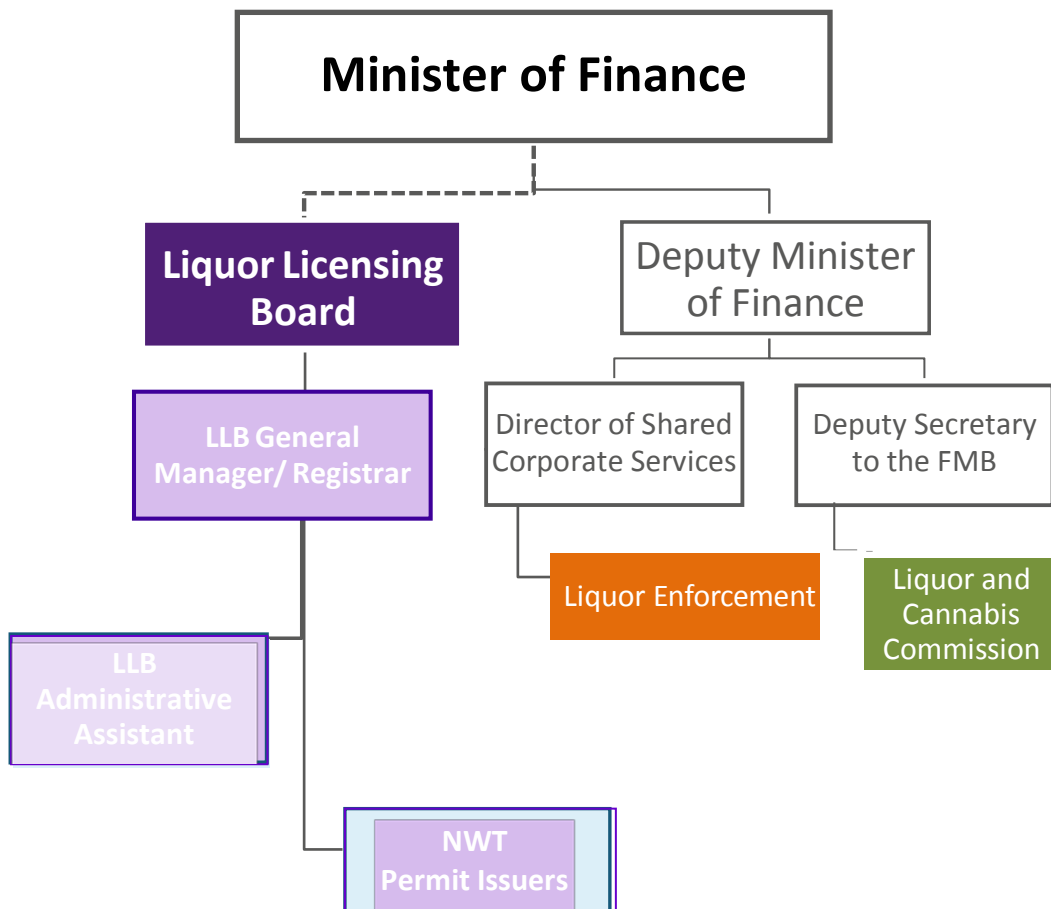
Jaimie Graham – General Manager/Registrar (*Hay River*)

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. One occasion required Board Member participation by teleconference.

Total Meetings

Board Meeting Type	2020 - 2021	2021-2022
Orientation	0	1
Administrative	0	1
Teleconferences	2	1
Public Hearings	0	0
Compliance Hearings	0	0
Total	2	3

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 one administrative meeting and one orientation meeting.

Licence Applications and Public Hearings

The Board must consider each application for a liquor licence and other specific requests. Most often these are conducted by teleconference, but there are times the Board must meet in person and/or conduct a public hearing of an application. During this reporting period, the Board conducted 1 teleconference to discuss and consider 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	2021-22	2020-21
Fort Providence	2	1	0	0	0	0	3	3
Fort Simpson	2	2	0	2	0	0	6	6
Fort Smith	1	0	0	2	0	0	3	4
Hay River	2	5	0	6	0	0	13	13
Inuvik	2	2	0	4	0	0	8	8
Norman Wells	2	2	0	2	0	0	6	6
Remote Lodges	-	-	-	8	-	-	8	8
Yellowknife	13	23	3	11	1	1	52	49
Total	24	34	3	34	1	1	99	97

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	2021-22	2020-21
Fort Providence	0	3	0	3	0
Fort Simpson	2	1	2	5	1
Fort Smith	7	3	13	23	0
Hay River	11	0	17	28	18
Inuvik	1	1	4	6	2
Norman Wells	0	0	3	3	0
Yellowknife	17	3	35	55	18
Total	38	11	74	123	39

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 six Special Purpose Permits in effect on March 31st, 2022.

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 2021-2022

**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	
	2020-2021	2021-2022
Fort Providence	9	21
Fort Simpson	9	23
Fort Smith	15	6
Hay River	164	232
Inuvik	44	141
Norman Wells	37	157
Yellowknife	224	552
TOTAL	502	1,132

Fluctuations in the number of inspections performed are affected by the availability of the inspectors and vacancies in inspector positions.

Server Training

Liquor Enforcement offers an online SafeServe Certification Program free of charge, released on March 15, 2022. 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.

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 and the Department of Finance is working on creating policies/guidelines for the SafeServe Certification Program.

Licence holders are provided with a newsletter on a quarterly basis and provided with up-to-date information to assist them in complying with the *Liquor Act and Regulations*. Licence holders also have access to a toll-free number for assistance. Every licence holder has been provided with a licence holder handbook and a copy of the *Liquor Act and Regulations*. When a large number of persons are expected to attend an event such as a concert the permit holder is contacted and offered server training for persons working the event.

Server Training Course Participants

There have been 130 completions since the program launched March 15, 2022 and 231 registrants as of June 29, 2022.

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/liquor warehouse.

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 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

Gamètì	Nahanni Butte	Whatì
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.

Gamètì

Prohibited area lies within a 20 km of the building in Gamètì commonly known as the Gamètì 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 within 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, 2022

Northwest Territories Liquor Licensing Board and Liquor Enforcement

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March 31, 2022

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Management's Responsibility for Financial Reporting

The preparation of the financial statements of the Northwest Territories Liquor Licensing Board and Liquor Enforcement (Board) is the responsibility of the Board's management.

The financial statements have been prepared in accordance with 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, 2022

INDEPENDENT AUDITOR'S REPORT

To the Ministers of Northwest Territories Liquor Licensing Board and Liquor Enforcement

Qualified Opinion

We have audited the financial statements of Northwest Territories Liquor Licensing Board and Liquor Enforcement (the organization), which comprise the statement of financial position as at March 31, 2022, and the statements of operations, changes in accumulated surplus, changes in net financial assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the organization as at March 31, 2022, and the results of its operations and cash flows for the year then ended in accordance with Canadian public sector accounting standards (PSAS)

Basis for Qualified Opinion

The Government of the Northwest Territories is responsible for the calculation and distribution of the Commission's salaries, wages and employee benefits expense for public service employees, the accuracy of which is not susceptible to complete audit verification. We have satisfied ourselves that the payroll information provided by the GNWT is properly reflected in the Commission's records. As a result, we were not able to determine whether any adjustments might be necessary to expenses, liabilities or accumulated surplus.

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with PSAS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

(continues)

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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



Hay River, Northwest Territories
June 30, 2022

Ashton Chartered Professional Accountants

Northwest Territories Liquor Licensing Board and Liquor Enforcement

Statement of Financial Position

Statement of Financial Position

As at March 31, (\$000)	2022	2021
Financial Assets		
Accounts Receivable	\$ -	\$ 5
Due from NWT Liquor & Cannabis Commission (note 3)	113	138
Pension and other employee benefits (note 4)	22	30
	135	173
Financial Liabilities		
Accounts payable (Note 6)	107	140
Deferred revenue	28	33
	135	173
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)	2022	2022	2021
	Budget	Actual	Actual
Revenue			
License fees and permits	\$ 62	\$ 34	\$ 28
Government contribution - services provided without charge (note 6)	-	-	1
	62	34	29
Expenses (notes 5 and 6)			
Salaries, wages and employee benefits	515	413	396
Honoraria	50	7	13
Inspector's fees	68	56	34
Rent	30	31	29
Travel	75	15	11
Professional fees	29	15	21
Administration	43	32	33
	810	569	537
Annual loss	\$ (748)	\$ (535)	\$ (508)

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)	2022		2021	
	Budget	Actual	Actual	Actual
Accumulated surplus, beginning of the year	\$ -	\$ -	\$ -	-
Annual loss	(748)	(535)		(508)
Amounts transferred from the NWT Liquor & Cannabis Commission	748	535		508
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)	2022	2022	2021
	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)	2022	2021
Operating activities		
Cash received from customers	\$ 34	\$ 31
Cash paid to employees and suppliers	(593)	(462)
Cash provided by operating activities	(559)	(431)
Financing activities		
Cash transferred from the NWT Liquor & Cannabis Commission	559	431
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, 2022 (\$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, 2022, the Fund's assets exceeded the liabilities by \$7,951 (2021 – \$6,075).

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, 2022 (\$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, 2022 (\$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. Pension and other employee benefits

a) Pension benefits

The employees of the Board participate in the public service pension plan (the "Plan"), a contributory defined benefit plan established through legislation and sponsored by the Government of Canada. 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 two percent per year of pensionable service multiplied by the average of the five consecutive years of highest paid service. The employer contribution rate effective at the end of the year was 1.01 times (2021 - 1.01) the employees' contributions for employees who started prior to January 2013 and 1.0 times (2021 - 1.0) the employees' contributions for all other employees. The Employers contributions and the Board & Enforcement's employees' contribution for the year were as follows:

	2022	2021
Commission's contributions (recognized as expense)	\$ 29	\$ 27
Employees' contribution	29	27

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 Liquor Licensing Board and Liquor Enforcement

Notes to Financial Statements

March 31, 2022 (\$000)

4. Pension and other employee benefits (continued)

b) Other employee benefits

	2022			2021		
	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	\$ 5	\$ 4	\$ 9	\$ 6	\$ 3	\$ 9
Current Service Costs	-	-	-	-	-	-
Interest Cost	-	-	-	-	-	-
Benefits paid during the year	-	-	-	-	(3)	(3)
Actuarial (gain)/loss	(2)	(2)	(4)	(1)	3	2
Accrued benefit obligation, end of the year	\$ 3	\$ 2	\$ 5	\$ 5	\$ 3	\$ 8
Unamortized net actuarial gain (loss)	(8)	(19)	(27)	(12)	(26)	(38)
Accrued benefit (liability)/asset	\$ (5)	\$ (17)	\$ (22)	\$ (7)	\$ (23)	\$ (30)

The Board provides severance benefits to its employees based on years of service and final salary. The Board also provides removal assistance to eligible employees, as provided under labour contracts. These benefit plans are not pre-funded and thus have no assets, resulting in a plan deficit equal to the accrued benefit obligation.

The Board provides accumulating sick and special leave employee benefits. Sick leave accrues at a rate of one and a one quarter day per month and special leave accumulates at a rate of one-half day per month. These leave balances require funding in future periods when employees become sick or require special leave. Sick leave can only be used for paid time off for illness of the employee. Special leave can only be claimed in certain circumstances (e.g. sick family members, family deaths, marital leave). Sick and special leave taken is paid at the employee's normal rate of pay. Sick and special leave benefits are not paid out to an employee upon termination of employment, resignation or retirement. Unused sick and special days accumulate and there are no limits to the accumulation.

An actuarial valuation for accounting purposes was prepared at March 31, 2022 for the Board's other employee future benefit plans using the projected benefits method prorated on services.

Northwest Territories Liquor Licensing Board and Liquor Enforcement

Notes to Financial Statements

March 31, 2022 (\$000)

4. Pension and other employee benefits (continued)

b) Other employee benefits (continued)

The actuarial valuation at March 31, 2022 reflects management's best estimate based upon a number of future orientated assumptions including:

	<u>2022</u>	<u>2021</u>
Expected inflation rate	2.0%	2.0%
Discount rate used to determine the accrued benefit obligation	4.1%	3.3%
Expected average remaining service life of related employee groups (EARSL)	10.3	8.3

Timing of expected payments for other employee benefits are as follows:

2023	\$	0
2024		0
2025		0
2026		0
2027		0
2028 and beyond		2
	\$	<u>2</u>

Northwest Territories Liquor Licensing Board and Liquor Enforcement

Notes to Financial Statements

March 31, 2022 (\$000)

5. Expenses

As explained in note 1, the liquor enforcement activities are included in total expenses as follows:

For the year ended March 31 (\$000)	Enforcement		
	2022 Budget	2022 Actual	2021 Actual
Expenses (notes 5 and 6)			
Salaries, wages and employee benefits	\$ 310	\$ 197	\$ 189
Inspector's fees	54	56	34
Rent	19	19	17
Travel	18	15	11
Professional fees	5	-	0
Administration	14	25	26
	420	312	277
Annual loss	\$ (420)	\$ (312)	\$ (277)

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 \$413 (2021 - \$396) related to salaries, wages, and employee benefits for the Board's employees and \$7 (2021 - \$13) 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 (2021 - \$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 \$52 (2021 - \$94) 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, 2022 (\$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:

2022/23	\$ 31
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, 2022

Fuel Services Division

Financial Statements

March 31, 2022

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Management's Responsibility for Financial Reporting

To the Minister of Infrastructure Government of the Northwest Territories

Management is responsible for the reliability, integrity and objectivity of the data in the accompanying financial statements, which have been prepared in accordance with Canadian public sector accounting standards. Where appropriate, the financial statements include estimates and judgments based on careful consideration of the information available to management.

In discharging its responsibility for financial reporting, management maintains and relies on internal control systems and practices, which are designed to provide reasonable assurance that the transactions are authorized, the assets are safeguarded and proper records are maintained. These control systems and practices ensure the orderly conduct of business, the accuracy of the accounting records, reliability of financial information and compliance to legislation governing the Fuel Services Division 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.



Lorne Browne, Director
Fuel Services Division
Yellowknife, Northwest Territories
July 20, 2022

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, 2022, 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, 2022, 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
July 20, 2022



Chartered Professional Accountants

Fuel Services Division

Statement of Financial Position

March 31, 2022 2021
(restated)

Financial Assets

Accounts receivable (note 5)	\$ 8,231,219	\$ 10,072,941
Inventory for resale (note 6)	33,701,963	35,551,751
	<u>41,933,182</u>	<u>45,624,692</u>

Financial Liabilities

Accounts payable and accrued liabilities (note 7)	5,550,804	6,076,311
Salaries payable	163,566	160,398
Employee future benefits payable (note 8)	27,125	22,608
Due to the Government of the Northwest Territories (note 9)	38,915,766	40,417,556
	<u>44,657,261</u>	<u>46,676,873</u>

Net Debt \$ (2,724,079) \$ (1,052,181)

Non-financial Assets

Prepaid expenses	911	52,182
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Accumulated Deficit \$ (2,723,168) \$ (999,999)

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,	2022 Budget	2022 Actual	2021 Actual
Annual deficit	\$ -	\$ (1,723,169)	\$ -
Change in prepaid expenses	-	51,271	(47,571)
Increase in net financial debt		(1,671,898)	(47,571)
Net financial debt, beginning of year	(1,052,181)	(1,052,181)	(1,004,610)
Net financial debt, end of year	\$ (1,052,181)	\$ (2,724,079)	\$ (1,052,181)

Fuel Services Division

Statement of Operations

For the year ended March 31,	2022 Budget	2022 Actual	2021 Actual (restated)
Revenues			
Sales of petroleum products (note 11)	\$ 37,500,000	\$ 38,936,427	\$ 38,021,618
Cost of sales			
Cost of goods sold	30,400,000	32,409,826	30,886,096
Loss due to evaporation	100,000	-	6,024
Commission	2,300,000	3,319,207	2,893,668
	32,800,000	35,729,033	33,785,788
Gross margin	4,700,000	3,207,394	4,235,830
Gross margin percentage	12.5 %	8.2 %	11.1 %
Expenses			
Bad debts (recovered)	200,000	(84,921)	100,635
Contracts and purchased services	700,000	617,896	700,301
Operating and maintenance costs	1,200,000	1,005,710	2,630,130
Miscellaneous	-	22,805	36,637
Salaries, wages and employee benefits	2,000,000	2,489,258	2,229,642
Travel	400,000	378,831	438,529
Utilities	200,000	493,376	507,391
	4,700,000	4,922,955	6,643,265
Annual deficit before Other items	-	(1,715,561)	(2,407,435)
Other revenue (expenses)			
Grant contribution (note 12)	-	-	1,582,066
Grant-in-kind, Government assets provided at no cost (note 13)	-	1,923,863	2,136,817
Tangible capital assets - rent expenses (note 13)	-	(1,632,093)	(1,670,887)
Financing charges (note 13)	-	(291,770)	(465,930)
Other revenues and expenses (note 16)	-	(7,608)	825,369
	-	(7,608)	2,407,435
Annual deficit	\$ -	\$ (1,723,169)	\$ -

Fuel Services Division

Statement of Accumulated Deficit

For the year ended March 31,	2022	2021
Accumulated deficit, beginning of year	\$ (999,999)	\$ (999,999)
Annual deficit	(1,723,169)	-
Accumulated deficit, end of year	\$ (2,723,168)	\$ (999,999)

Fuel Services Division

Statement of Cash Flows

For the year ended March 31,	2022	2021 (restated)
Cash provided by (used for)		
Operating activities		
Annual deficit	\$ (1,723,169)	\$ -
Change in non-cash working capital items		
Accounts receivable	1,841,722	6,593,956
Inventory for resale	1,849,788	(4,774,501)
Accounts payable and accrued liabilities	(525,507)	(173,341)
Salaries payable	3,168	19,235
Employee future benefits payable	4,517	(51,807)
Due to the Government of the Northwest Territories	(1,501,790)	(1,565,971)
Prepaid expenses	51,271	(47,571)
Cash, beginning and end of year	\$ -	\$ -

Fuel Services Division

Notes to the Financial Statements

March 31, 2022

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 (2021 - \$1,000,000) at the end of the fiscal year. The balance in the Stabilization Fund at March 31, 2022 is a deficit of \$2,723,168 (2021 - deficit of \$999,999).

2. COVID-19

On March 11, 2020, the World Health Organization declared a global pandemic. The potential economic effects within the Funds 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) could have a material impact on the Fund's operations.

At the time of approval of these financial statements, in response to the COVID-19 pandemic:

- The management of the Fund 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 Fund.
- The impact to operations has been minimal.
- The Fund has not received government assistance specifically related to COVID-19.

Subsequent to April 1, 2022, all restrictions in the Northwest Territories were lifted, and the Fund resumed its pre-pandemic activities.

Fuel Services Division

Notes to the Financial Statements

March 31, 2022

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. 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 13.

(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 13.

(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, 2022

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 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 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 of the Northwest Territories, 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 \$142,427 (2021 - \$161,890) to the plan which was recognized as an expense while employees contributed \$142,636 (2021 - \$115,636). 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, 2022

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, 2022

3. Significant accounting policies (continued)

(j) 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.

(k) 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 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.

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, 2022

3. Significant accounting policies (continued)

(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 (I).

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

- Arctic Energy Alliance
- Aurora College
- Education Authorities
- Health and Social Services Authorities
- 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, 2022

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.

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. This Section would require public sector entities to review existing contract, legislation, regulations, and other sources to identify retirement activities associated with its controlled tangible capital assets.

The impact of the transition to this accounting standard, if any, has not yet been determined.

5. Accounts receivable

	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
Health and Social Services Authorities	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 Natural Resources	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

Fuel Services Division

Notes to the Financial Statements

March 31, 2022

5. Accounts receivable (continued)

	Balance	Allowance	2021
Non-Government	\$ 1,314,286	\$ 120,327	\$ 1,193,959
Government of Canada	10,233	-	10,233
Government of the Northwest Territories			
Boards and Agencies			
Education Authorities	6,503	-	6,503
Health and Social Services Authorities	3,508	-	3,508
Marine Transportation Services - Revolving Fund	473,248	-	473,248
Northwest Territories Housing Corporation	1,350,956	-	1,350,956
Northwest Territories Power Corporation	5,741,642	-	5,741,642
Tlicho Community Services Agency	1,527	-	1,527
Departments			
Education, Culture and Employment	170,301	2,050	168,251
Environment and Natural Resources	4,946	-	4,946
Infrastructure	235,269	-	235,269
Local (Municipalities, Community Governments)	907,471	24,572	882,899
	\$10,219,890	\$ 146,949	\$10,072,941

6. Inventory for resale

	2022	2021
Diesel	\$ 26,627,472	\$ 29,586,471
Gasoline	4,785,630	3,972,220
Jet A1	2,246,519	1,896,632
Naphtha	42,342	96,428
	\$ 33,701,963	\$ 35,551,751

An inventory write-down of \$- (2021 - \$6,024) 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 \$15,903 (2021 - \$86,445) was expensed during the year (note 16). This represents a reduction in the net realizable value for diesel in Ulukhaktok (in 2021 - diesel in Tsiigehtchic, Tuktoyaktok and Ulukhaktok).

Fuel Services Division

Notes to the Financial Statements

March 31, 2022

7. Accounts payable and accrued liabilities

	2022	2021
Non-Government trade accounts payable	\$ 5,253,722	\$ 5,801,304
Government of Canada - Federal excise tax	52,830	43,667
Government of Canada - Goods and services tax	218,473	203,552
Government of the Northwest Territories Boards and Agencies		
Northwest Territories Power Corporation	25,779	27,788
	\$ 5,550,804	\$ 6,076,311

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, 2022. 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, 2022

8. Employee future benefits payable (continued)

Changes in Liability	Severance and Removal	Compensated Absences	2022	2021 (restated)
Accrued benefit obligation, beginning of year	\$ 40,220	\$ 16,556	\$ 56,776	\$ 74,415
Benefits earned	3,095	1,911	5,006	5,191
Interest	1,233	530	1,763	1,844
Benefits paid	-	(4,783)	(4,783)	(11,800)
Actuarial (gains)/losses	74,995	21,222	96,217	(12,874)
Plan amendment	-	(44)	(44)	-
Accrued benefit obligation, end of year	119,543	35,392	154,935	56,776
Unamortized net actuarial loss	(93,643)	(34,167)	(127,810)	(34,168)
Accrued benefit liability	\$ 25,900	\$ 1,225	\$ 27,125	\$ 22,608

Benefits expense

	Severance and Removal	Compensated Absences	2022	2021
Current service cost	\$ 3,095	\$ 1,911	\$ 5,006	\$ 5,191
Interest cost	1,233	530	1,763	1,844
Amortization of net actuarial loss	48	2,526	2,574	4,125
Plan amendment	-	(44)	(44)	-
	\$ 4,376	\$ 4,923	\$ 9,299	\$ 11,160

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	\$ 12,667	\$ 2,927	\$ 15,594
2024	20,892	4,780	25,672
2025	23,837	5,257	29,094
2026	17,335	4,323	21,658
2027	14,285	5,298	19,583
	\$ 89,016	\$ 22,585	\$ 111,601

Fuel Services Division

Notes to the Financial Statements

March 31, 2022

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:

	2022	2021 (restated)
Balance, beginning of year	\$ 40,417,556	\$ 41,983,527
Payments made by the Government of the Northwest Territories		
Purchases of petroleum products	30,559,991	35,094,819
Other cash disbursements	9,821,974	8,045,488
Cash paid to the Government of the Northwest Territories	8,011,320	(44,706,278)
	\$ 38,915,766	\$ 40,417,556

10. Commitments

Fuel resupply contracts

The Fund has entered into contracts with Imperial Oil Limited, E Gruben's Transport Ltd., AFD Petroleum Inc, Midnight Petroleum Ltd., Midnight Petroleum Distributors Ltd., Glencore Ltd. and Campus Energy Partners Infrastructure LP, for the supply and transportation of bulk petroleum destined for delivery to communities served by road by tanker truck; the carrier for these contracts is Bassett Petroleum Ltd. There are varying contracts with different termination dates; the earliest contract terminates in June 2022 and the last contract terminates in September 2023.

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 \$25,530,484 (2021- \$51,112,404) as follows:

2023	\$ 21,898,022
2024	3,632,462
	\$ 25,530,484

Fuel Services Division

Notes to the Financial Statements

March 31, 2022

11. Sales of petroleum products

	2022	2021
Non-Government	\$ 9,177,604	\$ 8,288,188
Government of Canada	306,396	341,290
Government of the Northwest Territories		
Boards and Agencies		
Education Authorities	10,394	15,001
Health and Social Services Authorities	38,820	39,056
Northwest Territories Housing Corporation	2,961,805	3,181,768
Northwest Territories Power Corporation	19,987,754	19,990,699
Tlicho Community Services Agency	20,416	9,632
Departments		
Department of Education, Culture and Employment	796,236	788,160
Department of Environment and Natural Resources	24,511	19,291
Department of Infrastructure	1,687,960	1,675,066
Local (Municipalities, Community Governments)	3,924,531	3,673,467
	\$ 38,936,427	\$ 38,021,618

12. Grant contribution

The Fund recognized grant contribution revenue under the Government of Northwest Territories Revolving Funds Act Section 8(3), which states that when the deficit balance exceeds \$3,000,000 (2021 - \$1,000,000), the excess shall be charged to an appropriation.

On December 9, 2021, Bill 24 received assent amending the *Revolving Funds Act* to increase the authorized debit and credit limits of the Petroleum Products Stabilization Fund from \$1,000,000 to \$3,000,000 to ensure petroleum pricing in the Northwest Territories remains stable.

Fuel Services Division

Notes to the Financial Statements

March 31, 2022

13. Grant in kind

Financing charges

Management estimated that the Fund required up to \$40 million (2021 - \$42 million) in working capital with an estimated annual financing cost of \$291,770 (2021 - \$465,930).

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	2022	2021
Fuel storage facilities	\$ 60,235,487	\$ 31,182,948	\$ 29,052,539	\$ 30,205,871
Fuel delivery vehicles	4,724,353	3,409,587	1,314,766	1,508,943
Construction in process	2,554,325	-	2,554,325	516,838
Buildings	561,513	170,202	391,311	719,365
	\$ 68,075,678	\$ 34,762,737	\$ 33,312,941	\$ 32,951,017

Rent expense for 2022 is \$1,632,093 (2021 - \$1,670,887).

14. Budget information

The budget figures are from the 2021-2022 Main Estimate approved by the Legislative Assembly of the Northwest Territories.

15. Comparative figures

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year.

Fuel Services Division

Notes to the Financial Statements

March 31, 2022

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:

	2022	2021
Other revenues		
Northwest Territories Power Corporation - Tank maintenance	\$ 8,295	\$ 907,565
Other recoveries	-	4,249
	8,295	911,814
Other expenses		
Write-down of inventory to net realizable value (note 6)	(15,903)	(86,445)
	\$ (7,608)	\$ 825,369

17. Related party transactions

Significant expenses incurred from related parties are as follows:

	2022	2021
Government of the Northwest Territories		
Marine Transportation Services - Revolving Fund - Cost of goods sold	\$ 5,643,606	\$ 6,289,571
Department of Infrastructure - Contracts and purchased services	6,424	12,641
Northwest Territories Power Corporation - Utilities	482,353	489,253
	\$ 6,132,383	\$ 6,791,465

Fuel Services Division

Notes to the Financial Statements

March 31, 2022

18. Risk management

The Fund is exposed to credit and liquidity risks from its financial instruments. Qualitative and quantitative analysis of the significant risks from the Fund's financial instruments is provided below.

Transactions in financial instruments may result in an entity assuming or transferring to another party one or more of the financial risks described below. The required disclosures provide information that assists users of financial statements in assessing the extent of risk related to financial instruments.

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 \$8,231,219 (2021-\$10,072,941).

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, 2022, receivables from two customers comprised 67% of the total outstanding accounts receivables (2021-78% from three customers). 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.

At March 31, 2022, the following accounts receivable were past due:

	30 days	60 days	90 days	Total
Accounts receivable	\$ 3,259,895	\$ 719,434	\$ 339,481	4,318,810
Allowance for doubtful accounts	-	-	(62,903)	(62,903)
	\$ 3,259,895	\$ 719,434	\$ 276,578	4,255,907

Fuel Services Division

Notes to the Financial Statements

March 31, 2022

18. 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 \$44,657,261 (2021 - \$46,676,873). 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.

Fuel Services Division

Notes to the Financial Statements

March 31, 2022

19. Prior period adjustment

Financial statements for the year ended March 31, 2021 were restated for, grant contribution, salaries, wages and employee benefits, due to the Government of the Northwest Territories, and for employee future benefits payable. Salaries payable are disclosed separately from employee future benefits liabilities on the Statement of Financial Position.

The impact of the restatements on the financial statements for the year ended March 31, 2021 are shown on the table below.

	Previously reported	Adjustment	Restated
Statement of Operations			
Grant contribution	\$ (1,616,234)	\$ 34,168	\$ (1,582,066)
Salaries, wages and employee benefits	\$ 2,263,810	\$ (34,168)	\$ 2,229,642
Statement of Financial Position			
Due to the Government of the Northwest Territories	\$ 40,383,388	\$ (34,168)	\$ 40,417,556
Employee future benefits payable	\$ 217,174	\$ (126,230)	\$ 22,608
Salaries payable	\$ -	\$ 160,398	\$ 160,398
Note 9 Due to the Government of the Northwest Territories			
Other cash disbursements	\$ 8,011,320	\$ 34,168	\$ 8,045,488

PUBLIC STORES REVOLVING
FOR THE YEAR ENDED MARCH 31, 2022

Unaudited

**Schedule of Public Stores Revolving Fund Inventories
for the year ended March 31, 2022**

Public Stores	Balance March 31, 2021	Net Receipts	Net Issues	Board of Survey	Inventory (Write- downs) Write- ups	Balance March 31, 2022
	\$	\$	\$	\$	\$	\$
Yellowknife	177,144			0	0	177,144
		90,502	(75,860)	0	0	14,642
	177,144	90,502	(75,860)	0	0	191,786

Prepared by: Alex Mulooki

Finance and Administration Manager (NSRO)

Approved: Cameron Wilson

Regional Superintendent (NSRO)

Yellowknife Airport Revolving Fund

Financial Statements

March 31, 2022

Yellowknife Airport Revolving Fund

Financial Statements

March 31, 2022

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Management's Responsibility for Financial Reporting

**To the Minister of Infrastructure
Government of the Northwest Territories**

The accompanying financial statements are the responsibility of management. The financial statements have been prepared by management in accordance with Canadian public sector accounting standards and necessarily include estimates which are based on management's best judgements.

In discharging its responsibility for financial reporting, management maintains and relies on internal control systems and practices, which are designed to provide reasonable assurance that the transactions are authorized, the assets are safeguarded and proper records are maintained. These control systems and practices ensure the orderly conduct of business, the accuracy of the accounting records, reliability of financial information and compliance to legislation governing the Yellowknife Airport Revolving Fund (the "Fund").

The auditor provides an independent, objective audit for the purpose of expressing an opinion on the financial statements. The auditor also considers whether the transactions that come to their notice during the course of the audit are, in all significant respects, in accordance with specified legislation.

**Randy Straker, Regional Airport Manager
Yellowknife Airport Revolving Fund
Yellowknife, Northwest Territories
July 28, 2022**

Independent Auditors' Report

To the Minister of Infrastructure Government of Northwest Territories

Qualified Opinion

We have audited the accompanying financial statements of Yellowknife Airport Revolving Fund, which comprise the statement of financial position as at March 31, 2022, 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, 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 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, 2022 and March 31, 2021 and payroll liabilities, employee future benefits, net financial assets, and accumulated surplus as at April 1 and March 31 for both the 2022 and 2021 years as well as note disclosures associated with transactions and period-end balances relating to compensation and benefits. Our audit opinion on the financial statements for the year ended March 31, 2021 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 2022 and 2021 years and amortization expense and annual surplus for the years ended March 31, 2022 and March 31, 2021. Our audit opinion on the financial statements for the year ended March 31, 2021 was modified accordingly because of the possible effect of this limitation in scope.

Independent Auditors' Report (continued)

Inventory records were not updated to reflect the quantities on hand at March 31, 2022 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, 2022.

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the 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 Organization's internal control.

Independent Auditors' Report (continued)*Auditors' Responsibilities for the Audit of the Financial Statements (continued)*

- 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 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 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.

**Yellowknife, Northwest Territories
July 28, 2022**

Crowe Mackay LLP

Chartered Professional Accountants

Yellowknife Airport Revolving Fund

Statement of Financial Position

As at March 31,	2022	2021 Restated
Financial Assets		
Accounts receivable (note 5)	\$ 1,653,388	\$ 825,108
Due from the Government of the Northwest Territories (note 6)	10,427,735	12,855,990
	12,081,123	13,681,098
Liabilities		
Accounts payable and accrued liabilities	593,380	539,438
Deferred revenue (Note 8)	7,427,003	9,687,863
Employee future benefits (note 9)	39,150	34,318
Security deposits	81,769	81,769
	8,141,302	10,343,388
Net Financial Assets	3,939,821	3,337,710
Non-Financial Assets		
Inventories held for use	497,290	497,290
Tangible capital assets (note 10)	42,930,478	38,643,838
Prepaid expenses	4,721	11,390
	43,432,489	39,152,518
Accumulated Surplus	\$ 47,372,310	\$ 42,490,228

Contractual Obligations (note 14)
Contractual Rights (note 15)

Approved:



Yellowknife Airport Revolving Fund

Statement of Changes in Net Financial Assets

For the year ended March 31,	Budget (Unaudited)	2022	2021 Restated
Annual Surplus (Deficit)	\$ 349,000	\$ 4,882,082	\$ (2,987,772)
Change in prepaid expenses	-	(7,410)	4,969
Acquisition of tangible capital assets	-	(6,385,385)	(1,178,781)
Proceeds on disposal of tangible capital assets	-	-	125,000
Amortization of tangible capital assets	2,703,000	2,112,824	2,389,818
Increase (decrease) in Net Financial Assets	3,052,000	602,111	(1,646,766)
Net Financial Assets, beginning of year	3,337,710	3,337,710	4,984,476
Net Financial Assets, end of year	\$ 6,389,710	\$ 3,939,821	\$ 3,337,710

Yellowknife Airport Revolving Fund

Statement of Operations and Accumulated Surplus

For the year ended March 31,	Budget	2022	2021 Restated
Revenue			
Aeronautical revenue (Note 19)	\$ 4,488,000	\$ 4,355,518	\$ 1,367,941
Non-aeronautical revenue (Note 19)	3,149,000	2,630,677	878,521
	7,637,000	6,986,195	2,246,462
Government transfers (Note 11)		3,573,514	3,524,684
Airport improvement fees	3,080,000	3,855,111	415,973
	10,717,000	14,414,820	6,187,119
Expenses (Note 20)			
Airport capital	2,703,000	2,112,824	2,390,091
Finance and administration	1,325,000	1,184,364	939,683
Operations and maintenance	3,703,000	3,389,202	3,105,906
Safety and security	2,637,000	2,882,034	2,813,580
	10,368,000	9,568,424	9,249,260
Operating Surplus (Deficit) before other items	349,000	4,846,396	(3,062,141)
Other Items			
Grant-in-kind, Occupancy costs (Note 12)		1,158,753	985,043
Occupancy costs (Note 12)		(1,158,753)	(985,043)
Recovery of prior year expenses		35,687	74,369
	-	35,686	74,369
Annual Surplus (Deficit)	349,000	4,882,082	(2,987,772)
Accumulated Surplus, beginning year	42,460,504	42,490,228	45,478,000
Accumulated Surplus, end year	\$ 42,809,504	\$ 47,372,310	\$ 42,490,228

Yellowknife Airport Revolving Fund

Statement of Cash Flows

For the year ended March 31,	2022	2021 Restated
Cash provided by (used in)		
Operating activities		
Annual Surplus (Deficit)	\$ 4,882,082	\$ (2,987,772)
Items not affecting cash:		
Amortization	2,112,824	2,389,818
	6,994,906	(597,954)
Changes in non-cash assets and liabilities		
Accounts receivable	(828,280)	726,256
Accounts payable and accrued liabilities	53,942	(884,118)
Deferred revenue	(2,260,860)	675,663
Employee future benefits	4,832	(241,558)
Prepaid expenses	6,669	(4,969)
Due from the Government of the Northwest Territories	2,428,255	1,370,523
	6,399,464	1,043,843
Cash from operating activities	6,399,464	1,043,843
Capital activity		
Acquisition of tangible capital assets	(6,385,385)	(1,178,781)
Disposal of capital assets	(14,079)	134,938
	(6,399,464)	(1,043,843)
Cash used in capital activities	(6,399,464)	(1,043,843)
Increase in cash	-	-
Cash, beginning and end of period	\$ -	\$ -

Yellowknife Airport Revolving Fund

Notes to Financial Statements

March 31, 2022

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. 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:

- In response to the COVID-19 outbreak the Government of the Northwest Territories imposed travel restrictions which resulted in a significant decrease in air traffic in and out of Yellowknife, Northwest Territories which has impacted the Fund's operations.
- The entity has implemented remote work arrangements for those able to do so.
- The entity has implemented stringent health and safety procedures.

Subsequent to April 1, 2022, restrictions in the Northwest Territories were lifted.

The rapidly evolving event, including health and safety conditions, economic environment and resulting government measures, creates a high level of uncertainty and risk that may result in significant impacts to the entity's activities, results of operations and financial condition. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of any interventions. As such it is not possible to estimate the length and severity of these development and the impact on the financial results and condition on the Fund and its operations in future periods.

Yellowknife Airport Revolving Fund

Notes to Financial Statements

March 31, 2022

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. 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 6.

(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.

(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.

Yellowknife Airport Revolving Fund

Notes to Financial Statements

March 31, 2022

3. Significant accounting policies (continued)

(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	15-25 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.

(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.

Yellowknife Airport Revolving Fund

Notes to Financial Statements

March 31, 2022

3. Significant accounting policies (continued)

(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 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 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 Financial Statements

March 31, 2022

3. 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 Financial Statements

March 31, 2022

3. 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 Financial Statements

March 31, 2022

3. 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
- Tlicho Community Services Agency
- Northwest Territories Heritage Fund
- Status of Women Council of the NWT
- NWT Human Rights Commission
- Arctic Energy Alliance
- Inuvialuit Water Board
- NWT Surface Rights Board
- NWT Environmental Fund
- NWT Liquor Commission
- NWT Liquor Licensing Board

The Fund enters into transactions with these entities in the normal course of business and are measured at the exchange amount which is the amount of consideration established and agreed to by the related parties.

4. Future accounting changes

(a) Asset Retirement Obligations, Section PS 3280

This section will establish the reporting of legal obligations associated with the retirement of certain tangible capital assets and solid waste landfill sites. This section applies to fiscal years beginning on or after April 1, 2022. The impact of the transition to these accounting standards has not yet been determined.

Yellowknife Airport Revolving Fund

Notes to Financial Statements

March 31, 2022

4 Future accounting changes (continued)

(b) 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.

5 Accounts receivable

	Accounts Receivable	Allowance for Doubtful Accounts	Net 2022	Net 2021
Accounts receivable	\$ 1,753,701	\$ (100,313)	\$ 1,653,388	\$ 825,108

6. 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:

	2022	2021
Balance, beginning of year	\$ 12,855,990	\$ 14,226,513
Add: Cash received by Treasury on behalf of the Fund	13,622,226	3,687,744
Less: Payments made by Treasury on the Fund's behalf	(16,050,481)	(8,358,267)
Add: Government transfers receivable from GNWT	-	3,300,000
Balance, end of year	\$ 10,427,735	\$ 12,855,990

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 Financial Statements

March 31, 2022

7. 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:

	2022	2021
Cumulative AIF revenue	\$ 13,490,895	\$ 11,896,093
Cumulative AIF expenses	(7,958,084)	(4,102,973)
Surplus of revenue over expenses	\$ 5,532,811	\$ 7,793,120

The excess of AIF revenues over expenses is recorded as deferred revenue.

8. Deferred revenue

Deferred revenue is comprised of:

	2022	2021
Airport improvement fees	\$ 5,532,811	\$ 7,793,120
Government transfers - Runway Lighting Upgrade project	-	1,894,743
Government transfers - Airfield Drainage project	990,739	-
Government transfers - ACAP equipment purchases	760,750	-
Prepaid lease revenues	142,703	-
	\$ 7,427,003	\$ 9,687,863

9 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.

Yellowknife Airport Revolving Fund

Notes to Financial Statements

March 31, 2022

9. 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 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, 2022. 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	2022	2021
Accrued benefit obligation, beginning of year	\$ 64,042	\$ 75,162
Benefits earned	4,863	4,990
Interest	2,087	1,953
Benefits paid	(4,428)	(60,823)
Actuarial (gains)/losses	(13,817)	42,760
Accrued benefit obligation, end of year	52,747	64,042
Unamortized net actuarial loss	(13,597)	(29,724)
Accrued benefit liability	\$ 39,150	\$ 34,318

Benefits Expense	2022	2021
Current service cost	\$ 4,863	\$ 4,990
Interest cost	2,087	1,953
Amortization of net actuarial (gain) loss	2,310	(2,842)
	\$ 9,260	\$ 4,101

The discount rate used 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:

	Total
2023	\$ 3,237
2024	3,723
2025	5,132
2026	4,838
2027	4,683
	\$ 21,613

Yellowknife Airport Revolving Fund

Notes to Financial Statements

March 31, 2022

10. Tangible capital assets

	Cost	Accumulated Amortization	March 31, 2022	March 31, 2021
Buildings	\$ 29,938,383	\$ 4,668,222	\$ 25,270,161	\$ 26,468,518
Water/sewer works	453,919	119,979	333,940	357,936
Machinery, equipment and vehicles	9,457,168	2,042,449	7,414,719	6,387,653
Airstrips/runways	10,553,809	2,072,452	8,481,357	2,457,192
Work in progress	1,324,041	-	1,324,041	2,862,615
Fuel Tanks	109,924	3,664	106,260	109,924
	\$ 51,837,244	\$ 8,906,766	\$ 42,930,478	\$ 38,643,838

Schedule 1 provides a breakdown of tangible capital assets and work in progress.

11. Government transfers

The Fund received and recorded as revenue the following grants:

Received from	Type of transfer	Project	2022	2021
Canadian Air Transport Security Authority	Capital	Baggage Handling System	\$ -	\$ 224,684
Transport Canada	Capital	Runway Lighting Upgrades	2,064,948	-
Transport Canada	Capital	Aircraft Rescue Fire Fighting Vehicle	1,508,566	-
Government of Northwest Territories	Operating	Supplementary funding - COVID-19	-	3,300,000
			\$ 3,573,514	\$ 3,524,684

12. 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.

13. Budget information

The budget figures are from the 2021-2022 Main Estimate approved by the Legislative Assembly of the Northwest Territories.

Yellowknife Airport Revolving Fund

Notes to Financial Statements

March 31, 2022

14. Contractual obligation

The Fund has commitments for leases and service agreements that will require payment in future years. As at March 31, 2022 the commitments amounted to \$1,514,207. The annual payments for these commitments are as follows:

	2023	2024	2025	2026
Equipment leases	\$ 1,887	\$ -	\$ -	\$ -
Service contracts	1,341,503	165,484	5,333	-
	\$ 1,343,390	\$ 165,484	\$ 5,333	\$ -

15. Contractual rights

Contractual rights are rights to economic resources arising from contracts or agreements that will result in revenues and assets in the future. The Fund's contractual rights arise because of contracts entered into for leases and licenses. The contractual rights of the Fund are as follows:

	2023	2024	2025	2026	2027 and subsequent years
Leases	\$ 2,180,530	\$ 2,143,284	\$ 2,044,197	\$ 2,019,656	\$ 21,906,531
Licenses	343,874	285,377	231,318	126,329	225,705
	\$ 2,524,404	\$ 2,428,661	\$ 2,275,515	\$ 2,145,985	\$ 22,132,236

16. Comparative amounts

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year.

Yellowknife Airport Revolving Fund

Notes to Financial Statements

March 31, 2022

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 \$12,081,123 (2021 - \$13,681,098). Accounts receivable are due from various corporations. Credit risk related to accounts receivable is mitigated by internal controls as well policies and oversight over arrears for ultimate collection. At March 31, 2022, the accounts receivable past due are as follows:

	30 days	60 days	90 days	Over 120 days	Total
Accounts receivable	\$ 1,197,720	\$ 237,199	\$ 14,162	\$ 103,994	\$ 1,553,075

The Fund's management has determined that a portion of accounts receivable is impaired. Management's assessment was based on specific identification and age of receivables. The portion impaired is \$100,313 (2021 - \$95,138).

Management believes the risk exposure related to amounts due from the Government of 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 a default. The Fund does have concentration risk. At March 31, 2022, receivables from two (2021 - two) customers comprised 51% (2021 - 52%) of the total outstanding accounts receivables. The Fund reduces this risk by monitoring overdue balances. The Fund also has concentration risk related to the amount due from the Government of the 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 outflow 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 cash outflows should they arise.

The Fund's maximum exposure to liquidity risk is represented by its financial liabilities for a total of \$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, 2022 mature within the next six months.

The Fund has disclosed future financial liabilities and commitments in Note 14.

Yellowknife Airport Revolving Fund

Notes to Financial Statements

March 31, 2022

18. Correction of accounting error

During the year it was determined that financial reporting and note disclosure related to Employee future benefits has not been consistent with the GNWT's financial reporting policies. Annual leave and lieu time should be recognized as accounts payable and accrued liabilities and the unamortized net actuarial gain/(loss) should be recognized in employee future benefits. In prior years annual leave and lieu time was recognized as employee future benefits and the unamortized net actuarial gain/(loss) was not recognized. The comparative figures have been retroactively restated to reflect the unamortized net actuarial gain/(loss). The impact of this restatement on the financial statements is detailed below.

	As previously stated 2021	Adjustments Increase (Decrease)	Restated 2021
Statement of Financial Position			
Accounts payable and accrued liabilities	\$ 211,906	\$ 327,532	\$ 539,438
Employee future benefits	\$ 391,574	\$ (357,256)	\$ 34,318
Net Financial Assets	\$ 3,307,986	\$ 29,724	\$ 3,337,710
Accumulated Surplus	\$ 42,460,504	\$ 29,724	\$ 42,490,228
Statement of Changes in Net Financial Assets			
Annual Surplus (Deficit)	\$ (3,017,496)	\$ 29,724	\$ (2,987,772)
Net Financial Assets, end of year	\$ 3,307,986	\$ 29,724	\$ 3,337,710
Statement of Operations and Accumulated Surplus			
Expenses	\$ 9,278,984	\$ (29,724)	\$ 9,249,260
Annual surplus	\$ (3,091,865)	\$ 29,724	\$ (2,987,772)
Accumulated Surplus, end of year	\$ 42,460,504	\$ 29,724	\$ 42,490,228

19. Revenue by object

The following is a summary of aeronautical and non-aeronautical revenues by object.

For the year ended March 31	2022 Budget	2022 Actual	2021 Restated
Apron fees	\$ 144,000	\$ 43,234	\$ 33,359
Concession fees	488,000	134,818	30,217
Landing and terminal fees	4,488,000	4,050,397	1,069,306
Leases	2,477,000	2,293,509	693,001
Parking	40,000	18,145	47,756
Recoveries	-	438,802	366,811
Other	-	7,290	6,012
Total Revenue	\$ 7,637,000	\$ 6,986,195	\$ 2,246,462

Yellowknife Airport Revolving Fund

Notes to Financial Statements

March 31, 2022

20. Expenses by object

For the year ended March 31	2022 Budget	2022 Actual	2021 Restated
Amortization	\$ 2,703,000	\$ 2,112,824	\$ 2,389,818
Bad debts (recovery)	225,000	-	(128,688)
Computer hardware and software	140,000	226,874	223,361
Contract services	1,600,000	1,551,354	1,476,108
Fees and payments	10,000	21,572	46,484
Materials and supplies	750,000	516,739	586,057
Purchased Services	90,000	60,563	62,436
Travel	10,000	286	108
Utilities	140,000	159,280	104,927
Salaries and benefits	4,700,000	4,918,932	4,488,649
Total Expenses	\$ 10,368,000	\$ 9,568,424	\$ 9,249,260

Yellowknife Airport Revolving Fund

Schedule of Tangible Capital Assets

For the Year Ended March 31, 2022

	Buildings	Fuel Tanks	Machinery, equipment and vehicles	Water & sewer works	Airstrips	Work in progress	Total 2022	Total 2021
Cost								
Balance, beginning of the year	\$ 29,938,383	\$ 109,924	\$ 7,864,843	\$ 453,919	\$ 4,222,175	\$ 2,862,615	\$ 45,451,859	\$ 44,501,183
Add: contributed tangible capital assets received	-	-	-	-	-	-	-	-
Add: additions during year	-	-	1,592,325	-	3,627,536	1,165,523	6,385,384	1,179,292
Add: transfers to tangible capital assets	-	-	-	-	2,704,097	(2,704,097)	-	(8,466)
Less: disposals during the year	-	-	-	-	-	-	-	(220,150)
Balance, end of year	29,938,383	109,924	9,457,168	453,919	10,553,808	1,324,041	51,837,243	45,451,859
Accumulated Amortization								
Balance, beginning of year	3,469,864	-	1,477,190	95,983	1,764,983	-	6,808,020	4,501,370
Add: amortization	1,198,358	3,664	579,338	23,996	307,468	-	2,112,824	2,389,818
Less: adjustment	-	-	(14,079)	-	-	-	(14,079)	(83,167)
Balance, end of the year	4,668,222	3,664	2,042,449	119,979	2,072,451	-	8,906,765	6,808,021
Net Book Value	\$ 25,270,161	106,260	7,414,719	333,940	8,481,357	1,324,041	42,930,478	38,643,838
2021 Net Book Value	\$ 26,468,518	\$ 109,924	\$ 6,387,652	\$ 357,936	\$ 2,457,192	\$ 2,862,616	\$ 38,643,838	

Environment Fund

Financial Statements

March 31, 2022

Environment Fund

Financial Statements

March 31, 2022


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Management Responsibility Statement

Management is responsible for the reliability, integrity and objectivity of the data in the accompanying financial statement, which has been prepared in accordance with Canadian public sector accounting standards for not-for-profit organizations. Management takes responsibility for the presentation of these financial statements. Where appropriate, the financial statements include estimates and judgments based on careful consideration of the information available to management.

In discharging its responsibility for financial reporting, management maintains and relies on internal control systems and practices, which are designated to provide reasonable assurance that the transactions are authorized, the assets are safeguarded and proper records are maintained. These control systems and practices ensure the orderly conduct of business, the accuracy of the accounting records, reliability of financial information and compliance to legislation governing the Environment Fund.

The auditor provides an independent, objective audit for the purpose of expressing an opinion on the financial statements. The auditor also considers whether the transactions that come to their notice during the course of the audit are, in all significant respects, in accordance with specified legislation.



Erin Kelly, PhD.
Deputy Minister
Department of Environment and Natural Resources



Jessica St. Arnaud, CPA, CA,
Director, Finance and Capital Planning
Department of Environment and Natural Resources

June 29, 2022

Independent Auditor's Report

To the Minister of the Department of Environmental and Natural Resources - 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, 2022, 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, 2022 and the results of its operations 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 \$6,076,740 (2021 - \$6,090,631), depot handling fees \$906,792 (2021 - \$904,229), processing fees \$653,854 (2021 - \$291,310) and refundable deposits \$2,380,022 (2021 - \$2,288,484). 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, 2022 and 2021, accounts receivable, accounts payable or fund balances as at March 31, 2022 and 2021.

The Environment Fund includes a liability for unredeemed containers in the amount of \$911,511 (2021 - \$912,432) 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, 2022 and 2021.

Wages and benefits of \$1,189,831 (2021 - \$1,167,870) were paid to employees of the Fund are administered by the Government of the Northwest Territories and are audited as part of the Government of the Northwest Territories' audit. Our audit scope was limited as we did not audit the components of wages and benefits expenses and related balances. Accordingly, we were not able to determine whether any adjustments might be necessary to wages and benefits expenses for the years ended March 31, 2022 and 2021, liabilities and fund balances as at March 31, 2022 and 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 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 Auditor's 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.

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.

Independent Auditor's 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 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.

Yellowknife, Canada
June 29, 2022

Crowe Mackay LLP
Chartered Professional Accountants

Environment Fund

Statement of Operations

For the year ended March 31,	2022	2021
Revenues		
Beverage Container Program (schedule 1)	\$ 6,448,470	\$ 6,398,865
Electronic Recycling Program (schedule 2)	271,757	315,975
Other Programs and Initiatives (schedule 3)	684,105	552,862
	<hr/>	<hr/>
	7,404,332	7,267,702
Expenses		
Beverage Container Program (schedule 1)	5,333,415	4,662,516
Electronic Recycling Program (schedule 2)	304,229	260,398
Other Programs and Initiatives (schedule 3)	1,045,987	730,857
	<hr/>	<hr/>
	6,683,631	5,653,771
Excess of revenues over expenses	<hr/>	<hr/>
	\$ 720,701	\$ 1,613,931

Environment Fund

Statement of Changes in Fund Balances

For the year ended March 31, 2022

	Unrestricted	Equipment replacement reserve	Total 2022	Total 2021
Balance, beginning of year	\$ 6,300,143	\$ 454,075	\$ 6,754,218	\$ 5,140,287
Excess of revenues over expenses	720,701	-	720,701	1,613,931
Transfer to reserve (Note 3c)	(30,396)	30,396	-	-
Balance, end of year	\$ 6,990,448	\$ 484,471	\$ 7,474,919	\$ 6,754,218

Environment Fund

Statement of Financial Position

March 31, 2022 2021

Assets

Accounts receivable	\$ 806,770	\$ 876,953
Due from Treasury (note 4)	8,317,443	7,189,347
Loan receivable (note 5)	6,122	15,250
	\$ 9,130,335	\$ 8,081,550


Liabilities

Accounts payable and accrued liabilities	\$ 743,905	\$ 414,900
Unredeemed container liability (note 6)	911,511	912,432
	1,655,416	1,327,332


Fund balances

Unrestricted	6,990,448	6,300,143
Equipment replacement reserve	484,471	454,075
	7,474,919	6,754,218
	\$ 9,130,335	\$ 8,081,550

Approved on behalf of the board:



Deputy Minister



Director, Finance and Capital Planning

Environment Fund

Notes to the Financial Statements

March 31, 2022

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 Natural Resources advised it will be examining other waste reduction and recovery programs that could, in the future, become part of the Fund.

Environment Fund

Notes to the Financial Statements

March 31, 2022

2. COVID-19

On March 11, 2020, the World Health Organization declared a global pandemic global due to an outbreak of a novel coronavirus identified as "COVID-19". In order to combat the spread of COVID-19 governments worldwide have enacted emergency measures including travel bans, legally enforced or self-imposed quarantine periods, social distancing and business and organization closures. These measures have caused material disruptions to businesses, governments and other organizations resulting in an economic slowdown and increased volatility in national and global equity and commodity markets.

The majority of the recycling depots were operational throughout the fiscal year, however a few depots had temporary closures due to community lockdowns. Safety protocols such as physical distancing and maximum occupancy limits impacted the service ability of these depots and as a result, there was a shift to many more customers utilizing the "Drop and Go" service and dropping off their bags of beverage containers at the Yellowknife and Hay River depots to be counted by staff later.

To ensure the on-going viability of recycling depots in the Northwest Territories, the Department of Environmental and Natural Resources provided a one-time retroactive payment of \$0.015 for containers collected by depots between April 1, 2020, and March 31, 2022, up to the first 1.5 million containers per year. This retroactive payment was considered a COVID-19 depot handling fee.

As at the date of these financial statements, all recycling depots have resumed operations.

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.

Environment Fund

Notes to the Financial Statements

March 31, 2022

3. Significant accounting policies (continued)

(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.

(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 2022 transfer is \$30,396 (2021 - \$30,396).

(d) Contributed services

The Department of Environment and Natural Resources 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 Natural Resources received \$1,143,000 in start-up funding from the Government of the Northwest Territories to cover the costs of implementing the Beverage Container Program. The start-up costs, which were incurred before the Beverage Container Program came into force on November 1, 2005, are not reflected in the financial statements as they are reported on in the consolidated financial statements of the Government of the Northwest Territories.

(f) Cash flow statement

As the Fund does not maintain a bank account, but rather receives working capital advances and finances accounts receivable and operating expenses through the Government's Consolidated Revenue Fund (the "CRF"); as a result a Statement of Cash Flows has not been presented.

Environment Fund

Notes to the Financial Statements

March 31, 2022

3. Significant accounting policies (continued)

(g) Financial instruments

The Fund classifies its financial instruments at cost or amortized cost. The Fund's accounting policy for this financial instrument category is as follows:

This category includes accounts receivable, loans receivable, due from treasury, accounts payable and accrued liabilities, and unredeemed container liability. They are initially recognized at cost and subsequently carried at amortized cost using the effective interest rate method, less any impairment losses on financial assets.

Transaction costs related to financial instruments in the amortized cost category are added to the carrying value of the instruments.

Write-downs on financial assets in the amortized cost category are recognized when the amount of a loss is known with sufficient precision, and there is no realistic prospect of recovery. Financial assets are then written down to net recoverable value with the write-down being recognized in the Statement of Operations.

(h) Related party transactions

The transactions with related parties are carried out in the normal course of operations. Expenses and revenues were measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties. Payables and receivables were measured at cost, determined using their undiscounted cash flows. No differences resulted from these transactions.

(i) Use of estimates

The preparation of financial statements in conformity with Canadian public sector accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates

4. Due from Treasury

The Fund is a special purpose fund as defined in subsection 1(1) of the *Financial Administration Act* that forms part of the Government of the Northwest Territories Consolidated Revenue Fund.

In April 2006, the Fund joined the Government of the Northwest Territories investment pool, which consolidates and invests the cash balances for all participants. The monies for these investments flow out of the CRF and do not affect the cash balances of the participants. The investment pool revenues are prorated and allocated to the participants.

Environment Fund

Notes to the Financial Statements

March 31, 2022

5. Loan receivable

The Fund loaned one (2021 - two) bottle depot operators funds to be used to pay persons returning empty beverage containers to the depots.

	2022	2021
Loan receivable, non-interest bearing and repayable in monthly installments of \$536 starting on May 1, 2018. Final payment due on November 1, 2021.	\$ 6,122	\$ 11,250
Loan receivable #2, non-interest bearing and repayable in monthly installments of \$250, starting on June 1, 2022. Final payment is due on November 1, 2022.	-	4,000
	\$ 6,122	\$ 15,250

6. Unredeemed container liability

The unredeemed container liability is an amount that is equal to 15% (2021 - 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*.

7. Comparative figures

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year.

8. 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 Natural Resources, as outlined in Note 3 (d).

The Fund entered into transactions with the following entities:

NWT Liquor Commission, Common control
Government of the Northwest Territories - Human Resources, Common control
Marine Transportation Services, Common control
Chief Julian Yendo School Education Authority, Common control
Chief T'Seleye School, Common control

Environment Fund

Notes to the Financial Statements

March 31, 2022

8. Related party transactions (continued)

	2022	2021
Revenue		
NWT Liquor Commission - Beverage container program fees	\$ 1,990,693	\$ 1,911,742
Expenses		
Wrigley District Education Authority - Chief Julian Yendo School - Grants and contributions	\$ -	\$ 2,063
Government of the Northwest Territories - Human Resources - Payroll	1,189,831	1,167,870
Chief T'Seleye School - Grants and contributions	10,423	-
Marine Transportation Services - Freight	37,700	52,451
	\$ 1,237,954	\$ 1,222,384
Accounts receivable		
NWT Liquor Commission	\$ 157,753	\$ 168,229

9. 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 due.

The Fund is exposed to this risk relating to its accounts receivable, loans receivable, and due from Treasury. Accounts receivable are 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.

The Fund's maximum exposure to credit risk is represented by the financial assets for a total of \$9,124,213 (2021 - \$8,066,300). All financial assets are considered current except for the loan receivable referenced in Note 5.

Environment Fund

Notes to the Financial Statements

March 31, 2022

9. Financial instruments (continued)

(b) Concentration of credit risk

Concentration of credit risk is the risk that a customer has more than ten percent of the total accounts receivable balance and thus there is a higher risk to the business in the event of a default by one of these customers. The Fund does have a concentration of credit risk.

Concentrations of credit risk relates to groups of counterparties that have similar economic or industry characteristics that cause their ability to meet contractual obligations to be similarly affected by changes in economic or other conditions.

At March 31, 2022, receivables from 3 (2021 - 3) customers comprised approximately 48% (2021 - 47%) of the total outstanding receivables. The Fund reduces this risk by regularly assessing the credit risk associated with these accounts.

Environment Fund

Schedules to the Financial Statements

For the year ended March 31,

Schedule of Beverage Container Program

Schedule 1

	2022	2021
Revenues		
Beverage container program fees	\$ 6,076,740	\$ 6,090,631
Salvage	312,916	254,531
Interest revenue	57,553	52,298
Recoveries	1,261	1,405
	6,448,470	6,398,865
Expenses		
Advertising and promotion	-	11,653
Contract service - satellite depot	58,855	78,950
Depot handling fees	906,792	904,229
Equipment, supplies and maintenance	206,356	107,531
Freight	374,001	254,136
Grants and contributions	86,390	91,250
Insurance	21,003	13,759
Office and software	8,508	5,027
Processing centre handling fees	653,854	291,310
Processing centre salvage	63,286	48,025
Professional fees	34,191	-
Quality control fees	41,044	35,902
Refundable deposit fees	2,380,022	2,288,484
Storage	60,200	50,000
Travel and training	1,551	7,300
Wages and benefits	437,362	474,960
	5,333,415	4,662,516
Excess of revenues over expenses	\$ 1,115,055	\$ 1,736,349

Environment Fund**Schedules to the Financial Statements**

For the year ended March 31,

Schedule of Electronic Recycling Program**Schedule 2**

	2022	2021
Revenues		
Electronic recycling program fees	\$ 271,757	\$ 315,975
Expenses		
Advertising and promotion	5,160	5,000
Contract service - satellite depot	2,500	13,500
Depot, processing centre and recycling fees	109,197	68,768
Equipment, supplies and maintenance	1,150	-
Freight	18,470	9,402
Professional fees	36,777	36,445
Storage	6,000	4,800
Wages and benefits	124,975	122,483
	304,229	260,398
Excess (deficiency) of revenues over expenses	\$ (32,472)	\$ 55,577

Environment Fund

Schedules to the Financial Statements

For the year ended March 31,

Schedule of Other Programs and Initiatives

Schedule 3

	2022	2021
Revenues		
Single-use retail bag program fees	\$ 684,105	\$ 552,862
Expenses		
Advertising and promotion	17,544	20,112
Grants and contributions	220,091	64,080
Contract services - satellite depot	25,699	28,368
Office	21,600	12,786
Professional fees	132,079	32,000
Travel and training	1,480	3,084
Wages and benefits - Single-use retail bag program	82,669	113,154
Wages and benefits - Policy development	498,822	419,945
Wages and benefits - Waste reduction and recycling	46,003	37,328
	1,045,987	730,857
Deficiency of revenues over expenses	\$ (361,882)	\$ (177,995)

**LEGISLATIVE ASSEMBLY
RETIRING ALLOWANCE FUND
Yellowknife, NT**

FINANCIAL STATEMENTS
For the Year Ended March 31, 2022

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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying financial statements have been prepared by management, which is responsible for the reliability, integrity and objectivity of the information provided. They have been prepared in accordance with Canadian accounting standards for pension plans. Where necessary the statements include amounts that are based on informed judgements and estimates by management, giving appropriate consideration to reasonable limits of materiality.

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



Tim Mercer, Clerk

August 31, 2022

INDEPENDENT AUDITOR'S REPORT

To the Members of Legislative Assembly Retiring Allowance Fund

Opinion

We have audited the financial statements of Legislative Assembly Retiring Allowance Fund (the Fund), which comprise the statement of financial position as at March 31, 2022, 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, 2022, and the changes in its net assets available for benefits, and changes in pension obligations for the year then ended in accordance with Canadian accounting standards for pension plans.

Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for pension plans, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

(continues)

Independent Auditor's Report to the Members of Legislative Assembly Retiring Allowance Fund
(continued)

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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



Hay River, Northwest Territories
August 31, 2022

Chartered Professional Accountants

**LEGISLATIVE ASSEMBLY RETIRING
ALLOWANCE FUND**

STATEMENT OF FINANCIAL POSITION
March 31, 2022

	<u>2022</u>	<u>2021</u>
ASSETS		
CURRENT		
Accounts Receivable (Note 3)	\$ 16,643	\$ 16,500
Accrued Interest Income	<u>18,502</u>	<u>17,600</u>
	35,145	34,100
INVESTMENTS (Note 4)	<u>23,968,061</u>	<u>23,558,600</u>
	<u>\$ 24,003,206</u>	<u>\$ 23,592,700</u>
LIABILITIES		
CURRENT		
Accounts Payable	<u>\$ 37,053</u>	<u>\$ 39,880</u>
NET ASSETS AVAILABLE FOR BENEFITS per page 2	23,966,153	23,552,820
PENSION OBLIGATIONS per page 3 (Note 5)	<u>19,948,300</u>	<u>19,306,300</u>
PENSION PLAN FUND SURPLUS	<u>4,017,853</u>	<u>4,246,520</u>

APPROVED

Fredrick Blumenthal

Speaker

John W. Green

Clerk

**LEGISLATIVE ASSEMBLY
RETIRING ALLOWANCE FUND**

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
For the Year Ended March 31, 2022

	<u>2022</u>	<u>2021</u>
INCREASE IN ASSETS		
Contributions:		
Members	224,854	224,492
Government of the NWT	856,000	785,000
In-Kind Contributions	<u>7,500</u>	<u>7,500</u>
	<u>1,088,354</u>	<u>1,016,992</u>
Investment Income:		
Interest	325,776	271,404
Dividends	259,104	265,376
Gain on Sale of Investments	<u>1,687,947</u>	<u>1,319,373</u>
	2,272,827	1,856,153
Current Period Change in Fair Values of Investments	<u>(1,734,036)</u>	<u>2,358,481</u>
Net Investment Income	<u>538,791</u>	<u>4,214,634</u>
Total Increase in Assets	<u>1,627,145</u>	<u>5,231,626</u>
DECREASE IN ASSETS		
Benefits		
Pension Payments	1,054,627	1,029,039
Termination/Lump sum Payments	<u>22,974</u>	<u>-</u>
Total Benefits	<u>1,077,601</u>	<u>1,029,039</u>
Administrative		
Actuary Fees	24,396	50,448
Audit Fees	7,500	7,500
Investment Management Fees	78,448	85,233
Trustee Fees	<u>25,867</u>	<u>30,411</u>
Total Administrative	<u>136,211</u>	<u>173,592</u>
Total Decrease in Assets	<u>1,213,812</u>	<u>1,202,631</u>
INCREASE IN NET ASSETS AVAILABLE FOR BENEFITS	\$ 413,333	\$ 4,028,995
NET ASSETS AVAILABLE FOR BENEFITS		
BEGINNING OF YEAR	<u>23,552,820</u>	<u>19,523,825</u>
END OF YEAR	<u>\$ 23,966,153</u>	<u>\$ 23,552,820</u>

**LEGISLATIVE ASSEMBLY
RETIRING ALLOWANCE FUND**

STATEMENT OF CHANGES IN PENSION OBLIGATIONS
For the Year Ended March 31, 2022

	<u>2022</u>	<u>2021</u>
INCREASE IN PENSION OBLIGATIONS		
Interest Accrued on Benefits	\$ 863,000	\$ 748,000
Benefits Accrued	849,000	813,000
Experience Loss	-	2,174,100
	<u>1,712,000</u>	<u>3,735,100</u>
 DECREASE IN PENSION OBLIGATIONS		
Benefits Paid	\$ 1,070,000	\$ 1,251,000
Experience Gains	-	-
	<u>1,070,000</u>	<u>1,251,000</u>
INCREASE IN PENSION OBLIGATIONS	642,000	2,484,100
 PENSION OBLIGATIONS, BEGINNING OF YEAR	 <u>19,306,300</u>	 <u>16,822,200</u>
PENSION OBLIGATIONS, END OF YEAR	<u>\$ 19,948,300</u>	<u>\$ 19,306,300</u>
 AS REPRESENTED BY		
Active Members	\$ 4,375,100	\$ 3,364,500
Pensioners & Terminated Members	<u>15,573,200</u>	<u>15,941,800</u>
	<u>\$ 19,948,300</u>	<u>\$ 19,306,300</u>

**LEGISLATIVE ASSEMBLY
RETIRING ALLOWANCE FUND**

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended March 31, 2022

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, 2022

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, 2022

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, 2022

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, 2022

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, 2022

3. ACCOUNTS RECEIVABLE

	2022	2021
Member Contributions	\$ 9,143	\$ 9,000
In-Kind Contributions- GNWT	7,500	7,500
	\$ 16,643	\$ 16,500

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	2022 Market	Cost	2021 Market
Cash & Cash Equivalents	89,132	89,132	17,267	17,267
Canadian Equity Mutual Funds	3,648,522	4,329,714	3,703,060	4,358,241
International Equity Mutual Funds	7,465,909	8,218,315	6,244,787	8,085,509
Temporary Investments	90,890	90,890	90,448	90,448
Canadian Fixed Income Funds	9,475,254	8,397,179	8,570,649	8,101,672
Government of Canada Bonds	1,957,327	2,175,035	1,957,327	2,237,129
Province of Ontario Bonds	430,653	667,796	430,653	668,334
	\$ 23,157,687	\$ 23,968,061	\$ 21,014,191	\$ 23,558,600

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, 2022

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:

	2022	2021
Level 1	\$ 23,968,061	\$ 23,558,600

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, 2022 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.

	2022	2021
Valuation Interest Rate (net of expenses)	4.40%	4.40%
Remuneration Projection Rate	2.00%	2.00%
Interest Credited on Contributions	4.40%	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, 2022 has been obtained using a measurement date of January 31, 2022 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, 2022

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, 2022

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, 2022

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, 2022

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, 2022, the Plan is not in violation of any externally imposed legal or regulatory requirements.

8. AUTHORIZATION

On August 31, 2022 the Board of Management authorized the issue of the financial statements for the year ended March 31, 2022.

**THE NATURAL RESOURCES
CONSERVATION TRUST FUND**
Yellowknife, NT

FINANCIAL STATEMENTS
For the year ended March 31, 2022

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MANAGEMENT'S RESPONSIBILITY FOR REPORTING

The accompanying financial statements have been prepared by management, which is responsible for the reliability, integrity and objectivity of the information provided. They have been prepared in accordance with the *Natural Resources Conservation Trust Act* of the Northwest Territories ("the Act"). Where necessary the statements include amounts that are based on informed judgments and estimates by management, giving appropriate consideration to reasonable limits of materiality.

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

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

Jessica St. Arnaud, CPA, CA
Director, Financial and Capital Planning
Department of Environment and Natural Resources

June 29, 2022



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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, 2022, and the Statements of Operations and Changes in Fund Balances for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are prepared, in all material respects, in accordance with the *Natural Resources Conservation Trust Act* of the Northwest Territories (the "Act").

Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the *Natural Resources Conservation Trust Act* of the Northwest Territories, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

INDEPENDENT AUDITOR'S REPORT, continued

- ◆ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- ◆ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ◆ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- ◆ Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves presentation per the Act.

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

Avery Cooper & Co. Ltd.

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

June 29, 2022

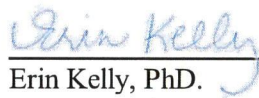
THE NATURAL RESOURCES CONSERVATION TRUST FUND

STATEMENT OF FINANCIAL POSITION

March 31, 2022

	<u>2022</u>	<u>2021</u>
ASSET		
CURRENT		
Cash	<u>\$ 239,484</u>	<u>\$ 240,583</u>
LIABILITY		
CURRENT		
Accounts payable and accrued liabilities	<u>\$ 2,900</u>	<u>\$ 2,700</u>
FUND BALANCES		
CAPITAL PORTION per page 3	187,828	187,828
INTEREST PORTION per page 3	<u>48,756</u>	<u>50,055</u>
	<u>236,584</u>	<u>237,883</u>
	<u>\$ 239,484</u>	<u>\$ 240,583</u>

Approved:



Erin Kelly, PhD.
Deputy Minister
Department of Environment and Natural Resources



Jessica St. Arnaud, CPA, CA,
Director, Finance and Capital Planning
Department of Environment and Natural Resources

THE NATURAL RESOURCES CONSERVATION TRUST FUND

STATEMENT OF OPERATIONS

For the year ended March 31, 2022

	<u>2022</u>	<u>2021</u>
REVENUE		
Interest income	\$ 1,789	\$ 2,011
EXPENSES		
Professional fees	<u>3,088</u>	<u>2,888</u>
DEFICIENCY OF REVENUE OVER EXPENSES	<u>\$ (1,299)</u>	<u>\$ (877)</u>

THE NATURAL RESOURCES CONSERVATION TRUST FUND

STATEMENT OF CHANGES IN FUND BALANCES

For the year ended March 31, 2022

	2022		
	Capital Portion	Interest Portion	Total
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>
	2021		
	Capital Portion	Interest Portion	Total
BALANCE, opening	\$ 187,828	\$ 50,932	\$ 238,760
Deficiency of revenue over expenses	-	(877)	(877)
BALANCE, closing	<u>\$ 187,828</u>	<u>\$ 50,055</u>	<u>\$ 237,883</u>

THE NATURAL RESOURCES CONSERVATION TRUST FUND

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2022

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, 2022

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 Natural Resources maintains the Fund's accounts. The cost of administering the Fund are borne by the Department. The Fund has elected not to recognize contributed materials and services in these financial statements.

(d) Expenses

Payments from the Interest portion and the Capital portion of the Fund are recognized as expenses in the period in which the events giving rise to the payment occurred, as long as the payment is authorized, eligibility criteria have been met and a reasonable estimate of the amount can be made. All other expenses are recognized on an accrual basis.

3. FINANCIAL INSTRUMENTS

(a) Fair value

The Fund's financial instruments consist of cash, and accounts payable and accrued liabilities. In the opinion of the Board, the Fund is not exposed to significant interest rate, market, currency, liquidity or credit risks from these financial instruments. The carrying value of these instruments approximates their fair value.

4. FUND PAYMENTS

In accordance with subsection 101 of the Act, the recipient and amount of each payment made from the Fund during the year is as follows:

Not Applicable - No payments in current or prior year.

**Report to the Commissioner of the
Northwest Territories
on the examination of the accounts
and financial statements of the**

**PUBLIC TRUSTEE FOR THE
NORTHWEST TERRITORIES**

For the year ended March 31, 2022

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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The Public Trustee for the Northwest Territories (the "Public Trustee") is responsible for the preparation, integrity and objectivity of the financial statements. The financial statements have been prepared in accordance with the *Public Trustee Act* of the Northwest Territories (the "Act"). Where appropriate, the preparation of financial information contained in this report includes estimates and judgements based on careful consideration of information available to management.

The Public Trustee has developed and maintained books of account, records, financial and management controls and management practices. These are designed to provide reasonable assurance as to the reliability of financial information in accordance with the Act.

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

Public Trustee for the Northwest Territories

Brian J. Asmundson
Public Trustee

April 30, 2022

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, 2022, 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, 2022, 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.

Emphasis of Matter – COVID 19

Without modifying our opinion, we draw attention to note 8 to the financial statements, concerning the worldwide spread of a novel coronavirus known as COVID-19 with uncertainty of events subsequent to year-end and its effect on the global economy. 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
April 30, 2022

**PUBLIC TRUSTEE FOR THE NORTHWEST TERRITORIES
ESTATE & TRUST FUND**

BALANCE SHEET

March 31, 2022

ASSETS

	<u>2022</u>	<u>2021</u>
Cash (Note 3)	\$8,345,649	\$7,851,627
Other assets at nominal value (Note 2b)	<u>1</u>	<u>1</u>
	<u>\$8,345,650</u>	<u>\$7,851,628</u>

NET ASSETS

Undistributed Common Fund earnings per Statement II (Note 4)	\$ 32,379	\$ 27,916
Public Trustee Management Fund (Note 6)	13,430	24,115
Estate & Trust Fund per Statement III (Note 5)	<u>8,299,841</u>	<u>7,799,597</u>
	<u>\$8,345,650</u>	<u>\$7,851,628</u>

Approved:

Bruce J. Asmundson

Public Trustee for the Northwest Territories

See the accompanying notes.

**PUBLIC TRUSTEE FOR THE NORTHWEST TERRITORIES
ESTATE & TRUST FUND**

STATEMENT OF OPERATIONS

For the year ended March 31, 2022

	<u>2022</u>	<u>2021</u>
Undistributed Common Fund earnings, opening	\$ <u>27,916</u>	\$ <u>66,855</u>
Add:		
Common Fund earnings	<u>49,011</u>	<u>65,883</u>
Less:		
Interest paid to estates and trusts (Statement III)	44,233	98,448
Excess interest paid to the Government of the Northwest Territories	-	-
Transfers to Public Trustee Management Fund (Note 6)	<u>315</u>	<u>6,374</u>
	<u>44,548</u>	<u>104,822</u>
Increase (decrease) in Undistributed Common Fund earnings balance	<u>4,463</u>	<u>(38,939)</u>
Undistributed Common Fund earnings, closing (Note 4)	<u>\$ 32,379</u>	<u>\$ 27,916</u>

See the accompanying notes.

**PUBLIC TRUSTEE FOR THE NORTHWEST TERRITORIES
ESTATE & TRUST FUND**

STATEMENT OF CHANGES IN ESTATE & TRUST FUND BALANCE

For the year ended March 31, 2022

	<u>2022</u>	<u>2021</u>
Estate & trust funds provided:		
Estate and trust assets received	\$ 2,075,510	\$ 1,583,936
Common Fund interest paid to estates and trusts (Statement II)	<u>44,233</u>	<u>98,448</u>
	<u>2,119,743</u>	<u>1,682,384</u>
Estate & trust funds applied:		
Payments to beneficiaries	622,875	652,000
Disbursements made on behalf of estates and trusts	842,015	854,318
Administration fees (Note 2c)	146,925	57,843
GST on Administration fees	7,346	2,889
Court fees	<u>338</u>	<u>676</u>
	<u>1,619,499</u>	<u>1,567,726</u>
Increase in Estate & Trust Fund balance	500,244	114,658
Estate & Trust Fund balance, opening	<u>7,799,597</u>	<u>7,684,939</u>
Estate & Trust Fund balance, closing (Note 5)	<u>\$ 8,299,841</u>	<u>\$ 7,799,597</u>

See the accompanying notes.

PUBLIC TRUSTEE FOR THE NORTHWEST TERRITORIES

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2022

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 \$146,925 (2021 - \$57,843) 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, 2022

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>2022</u>	<u>2021</u>
Common Fund	\$8,299,840	\$7,799,597
Other assets at nominal value	<u>1</u>	<u>1</u>
	<u>\$8,299,841</u>	<u>\$7,799,598</u>

PUBLIC TRUSTEE FOR THE NORTHWEST TERRITORIES

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2021

NOTE 6 PUBLIC TRUSTEE MANAGEMENT FUND

The change during the year in the Public Trustee Management Fund is as follows:

	<u>2022</u>	<u>2021</u>
Public Trustee Management Fund balance, opening	\$24,115	\$28,741
Add:		
Management fees transferred to the Public Trustee out of the excess interest earned (Statement II)	315	6,374
Less:		
Costs incurred in respect of the annual audit	<u>(11,000)</u>	<u>(11,000)</u>
Public Trustee Management Fund balance, closing	<u>\$13,430</u>	<u>\$24,115</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.

NOTE 8 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 through the restrictions put in place by the Canadian and international 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 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.

Government of the Northwest Territories
 Students Loan Fund
 Statement of Operations
 for the year ended March 31, 2022

	2022	2021
Loans Receivable, opening balance	41,925	40,799
Loans granted during the year	<u>4,872</u>	<u>5,682</u>
	46,797	46,481
Less:		
Principal amount of loans repaid	(3,196)	(2,181)
Principal amount of loan forgiveness	(37)	-
Principal amount of loan remissions	(1,958)	(1,933)
Principal Amount of Northern Bonus	<u>(312)</u>	<u>(444)</u>
Loans Receivable, closing balance	41,294	41,925
Less:		
Allowance for remissible and doubtful loans	<u>(17,266)</u>	<u>(17,655)</u>
Net Loans Receivable, closing balance	<u>24,028</u>	<u>24,269</u>

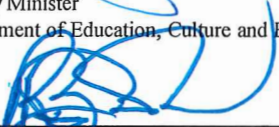
Effect of Students Loan Fund on Government Operations

Interest earned and credited to general revenues	331	148
Reduction to allowance for doubtful accounts credited to Recovery of Prior Year Expenses		
Less:		
Collection agency fees	(3)	(2)
Estimated provision for remission and doubtful accounts	<u>(2,087)</u>	<u>(2,913)</u>
Operating deficiency for the year	<u>(1,759)</u>	<u>(2,768)</u>

Approved:



 John MacDonald
 Deputy Minister
 Department of Education, Culture and Employment



 Richard Borkowski
 Director, Finance and Capital Planning
 Department of Education, Culture and Employment

Students Loan Fund

Notes to the Financial Statement

(in thousands)

March 31, 2022

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>2022</u>	<u>2021</u>
Allowance for Forgiveness – Remissible Loans	\$ 6,252	\$ 6,591
Allowance for Doubtful Accounts – Repayable Loans	11,014	11,064
Total Allowance	<u><u>\$17,266</u></u>	<u><u>\$17,655</u></u>

5. Related Party Transactions

In accordance with established government practice, all administrative and occupancy costs are paid by ECE. Accordingly, no provision for these costs is reflected in these financial statements. Costs paid to other agencies for loan collection services are paid by the SLF and reflected in the financial statement.

6. Financial Instruments and Risk Management

Through its financial assets and liabilities, the SLF is exposed to various risks.

a) Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge their responsibilities with respect to the financial instrument, and in doing so, cause a loss for the other party. For the Fund, credit risk is significant with respect to potential non-payment of student loans.

Mitigation processes aimed at minimizing credit losses begin with procedures that support the granting of loans and ongoing throughout the loan life cycle such as conducting credit checks, providing repayment support to low-income borrowers, and undertaking well defined procedures for addressing loan delinquencies.

Loans are interest-free during periods of study and become repayable in the seventh month after graduation or discontinuation of study. The SLF's maximum risk is represented by the Loans Receivable, Closing Balance.

b) Interest Rate Risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate due to changes in market interest rates. Interest rate risk is related to payment terms. Changes in interest rates will affect interest revenue.

Interest rates are set during the week of January 1st for students whose loan becomes repayable during the course of that calendar year. Interest rates are set based upon the Bank of Canada Prime Business Rate (less one percentage point). This will be the student's interest rate for the duration of their repayment, except students who return to the NWT. Effective September 2015, students who return to the NWT they 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, 2022

Territorial Court Judges Registered Pension Plan Fund

Financial Statements

January 1, 2022

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Management's Responsibility Statement

The accompanying financial statements have been prepared by the Government of the Northwest Territories, Department of Justice's management, which is responsible for the reliability, integrity and objectivity of the information provided. They have been prepared in accordance with Canadian accounting standards for pension plans. Where necessary the statements include amounts that are based on informed judgments and estimates by management, giving appropriate consideration to reasonable limits of materiality.

In discharging its responsibility for the integrity and fairness of the financial statements and for the accounting systems from which they are derived, management maintains the necessary system of internal controls 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, 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 26 2022

Date



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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, 2022 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, 2022, 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.

Other Matter

The financial statements of the Plan for the year ended January 1, 2021 were audited by another practitioner who expressed an unmodified audit opinion on those financial statements on May 22, 2021.

Responsibilities of Management

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for pension plans, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Independent Auditors' Report Continued

Auditors' Responsibility for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Plan's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Plan to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Crowe Mackay LLP

Yellowknife, Northwest Territories
May 25, 2022

Chartered Professional Accountants

Territorial Court Judges Registered Pension Plan Fund

Statement of Financial Position

As at January 1, 2022 2022 2021

Assets

Contributions receivable - Members	\$ -	\$ 6,937
Contributions receivable - Sponsor (note 4)	7,418	4,828
Investments (note 5)	8,048,464	7,400,982

Total Assets **8,055,882** **7,412,747**

Liabilities

Accounts payable and accrued liabilities	21,661	18,126
--	--------	--------

Total Liabilities **21,661** **18,126**

Net Assets Available for Benefits **8,034,221** **7,394,621**

Pension obligations (Note 5) **7,655,839** **7,426,200**

Surplus (Deficiency)

Pension Plan Fund Surplus (Deficit) **\$ 378,382** **\$ (31,579)**

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, 2022	2022	2021
Increase in assets:		
Contributions - members	\$ 69,023	\$ 74,950
Contributions - sponsor (current service cost)	95,350	88,250
Current year change in fair value of investments	199,745	517,979
In-kind contributions - sponsor	7,418	9,482
Investment income	591,509	323,522
Net realized capital gains income	133,599	94,238
	1,096,644	1,108,421
Decrease in assets:		
Administrative expenses (Note 8)	84,683	71,315
Benefit payments - regular	372,361	351,878
	457,044	423,193
Increase in net assets available for benefits	639,600	685,228
Net assets available for benefits, beginning of year	7,394,621	6,709,393
Net assets available for benefits, end of year	\$ 8,034,221	\$ 7,394,621
Changes in pension plan fund surplus (deficit):		
Beginning of year	\$ (31,579)	\$ (557,007)
Increase in net assets available for benefits	639,600	685,228
Decrease in pension obligation	(229,639)	(159,800)
Net change	409,961	525,428
End of year	\$ 378,382	\$ (31,579)

Territorial Court Judges Registered Pension Plan Fund

Statement of Changes in Pension Obligations

For the year ended January 1, 2022	2022	2021
Increase in pension obligations:		
Interest accrued on benefits	\$ 335,500	\$ 344,400
Benefits accrued	227,700	238,600
	563,200	583,000
Decrease in pension obligations:		
Benefits paid	372,361	423,200
Increase in pension obligation	190,839	159,800
Pension obligation, beginning of year	7,426,200	7,266,400
Pension obligation, end of year	\$ 7,617,039	\$ 7,426,200

Territorial Court Judges Registered Pension Plan Fund

Notes to Financial Statements

January 1, 2022

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, 2022

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, 2022

2. Basis of presentation and summary of significant accounting policies (continued)

(b) Investments

Investments are recorded and measured at market value (fair value). 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. Market value is determined by the Net Asset Value Per Unit as at December 31.

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, 2022

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 instrument's 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, 2022

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. Impact of the change in the basis of accounting

On January 1, 2021, the Plan adopted the amendments to Financial Instruments, Section 3856. The change affects how the entity accounts for financial instruments originated or exchanged in a related party transaction.

Initial Measurement

Under the new requirements, a related party financial instrument is initially measured at cost, which is determined depending on whether the instrument has repayment terms. If the instrument does have repayment terms, cost is determined using the instrument's undiscounted cash flows, excluding interest and dividend payments, less any impairment losses. Otherwise, the cost of the instrument is determined using the consideration transferred or received by the Plan.

Subsequent Measurement

Subsequent measurement is based on how the financial instrument is initially measured. A related party financial instrument initially measured at cost is subsequently measured at cost less any reduction for impairment.

Transitional Provision

The adoption of the new requirements has no impact on the Plan's financial statements.

4. Contribution receivable - GNWT

	2022	2021
In-Kind Contribution	\$ 7,418	\$ 4,778
Current Services Contributions	-	50
Current service contributions	\$ 7,418	\$ 4,828

Territorial Court Judges Registered Pension Plan Fund

Notes to Financial Statements

January 1, 2022

5. 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:

	2022	2021
Cash and cash equivalents	\$ 104,630	\$ 14,803
Canadian equities	1,674,081	1,532,003
Global equities	3,324,016	3,212,026
Fixed income funds	2,688,187	2,427,522
Real estate	257,550	214,628
Total market value of the investment portfolio	\$ 8,048,464	\$ 7,400,982

The book value of the investments for the year ended January 1, 2022 is \$5,294,718 (2021 - \$5,477,180).

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 (NAVPU 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.

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.

6. 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, 2019. The data and assumptions used for January 1, 2022 are the same as that used in the actuarial valuation as at April 1, 2019. 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.

	2022	2021
Discount rate	4.80 %	4.80 %
Salary projection rate	3.00 %	3.00 %
Price inflation	2.00 %	2.00 %
Real rate of return	2.50 %	2.50 %

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, 2019 was completed in August 2019. The next actuarial valuation must be performed no later than April 1, 2022.

Territorial Court Judges Registered Pension Plan Fund

Notes to Financial Statements

January 1, 2022

6. Obligation for pension benefits (continued)

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, 2022.

7. 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, 2019, the Plan had a going concern unfunded liability in the amount of \$583,400 and excess assets of \$803,900 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, 2019, special funding payments are not required.

The GNWT made quarterly contributions to the Fund based on the most recent actuarial valuation which was as at April 1, 2019. 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, 2022 fell within the permitted ranges as specified by the SIPP.

Territorial Court Judges Registered Pension Plan Fund

Notes to Financial Statements

January 1, 2022

8. 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.

	2022	2021
Audit	\$ 7,468	\$ 4,778
Investment management	51,352	40,694
Trustee and custodial fees	25,863	25,843
	\$ 84,683	\$ 71,315

9. 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.

Territorial Court Judges Registered Pension Plan Fund

Notes to Financial Statements

January 1, 2022

9. Risk Management (continued)

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, 2022 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 2.8% (2021 - 2.6%). In practice, actual results may differ from this sensitivity analysis and the difference could be significant.

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, 2022 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 2.1% (2021 - 2.2%). 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, 2022 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 5.1% (2021 - 5.4%). 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.

Territorial Court Judges Registered Pension Plan Fund

Notes to Financial Statements

January 1, 2022

9. Risk Management (continued)

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.

10. 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.

Territorial Court Judges Registered Pension Plan Fund

Notes to Financial Statements

January 1, 2022

11. 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.

12. Impact of COVID-19

On March 11, 2020, the World Health Organization declared a global pandemic of a novel coronavirus identified as "COVID-19". In order to combat the spread of COVID-19, governments worldwide have enacted emergency measures including travel bans, legally enforced or self-imposed quarantine periods, social distancing and business and organization closures. These measures have caused material disruptions to businesses, governments and other organizations resulting in an economic slowdown and increased volatility in national and global equity and commodity markets.

The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of any interventions. At the time of approval of these financial statements, in response to the COVID-19 pandemic, the Plans management continues to assess the impact COVID-19 will have on its operations. The fair value of investments may be negatively impacted as the pandemic continues, however the extent is undeterminable.

Northwest Territories and Nunavut Lotteries
Physical Activity, Sport and Recreation Fund Report
For the year ended March 31, 2022

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, 2022

	2022 Activity Unaudited	
Opening Balance, April 1, 2021		\$ 671,151
Revenue (Statement of Operations)	\$ 6,121,844	
Less: Contributions to Organizations (Schedule 2)	(4,336,254)	
Less: Contributions to Multisport Games (Schedule 3)	(25,000)	
Less: Administration Expenses (Statement of Operations)	(920,664)	
		<u>839,926</u>
Balance as at March 31, 2022 - Note 6		<u><u>\$ 1,511,077</u></u>

Northwest Territories and Nunavut Lotteries
Physical Activity, Sport and Recreation Statement of Operation
For the year ended March 31, 2022

	March 31, 2022 Unaudited	March 31, 2021 Unaudited
Opening Fund balance, Note 1	671,151	(751,595)
Revenue		
Other Grants - MACA	-	650,000
Lottery Revenue	6,612,277	6,115,869
Program Recipient Recoveries	(624,506)	
Nunavut Government Recoveries	124,901	332,611
Fees	500	5,000
Recoveries of Prior Year Expenses	8,672	658,672
	<u>6,121,844</u>	<u>7,762,152</u>
Expenses		
Compensation and Benefits	425,952	393,024
Grants, Contributions and Transfers	4,315,790	4,617,680
Travel	-	-
Material and Supplies	109,354	97,407
Purchased Services	72,504	93,538
Utilities	-	-
Contract Services	308,586	280,244
Fees & Payments	46,731	841,032
Interest Expense	-	-
Chargeback Expense	-	-
Controllable Assets	2,196	8,993
Computer Hardware/Software	805	7,489
	<u>5,281,918</u>	<u>6,339,406</u>
Net Income	<u>\$ 839,926</u>	<u>\$ 1,422,746</u>
Year End Fund balance	<u>\$ 1,511,077</u>	<u>671,151</u>

Northwest Territories and Nunavut Lotteries
Schedule 1 - Schedule of Lottery Revenue, Net
(amounts derived from Western Canada Lottery Corporation financial statements)
For the year ended March 31, 2022

	March 31, 2022 Unaudited	March 31, 2021 Unaudited
SALES		
Lottery Ticket Sales	\$ 21,885,915	\$ 22,890,528
Interest and other income	16,216	16,925
	<u>21,902,131</u>	<u>22,907,453</u>
DIRECT EXPENSES		
Free Tickets	1,198,605	1,164,870
Prizes	11,365,291	12,196,407
Retailer Commissions	1,173,845	1,235,309
Ticket Printing	317,475	310,068
	<u>14,055,216</u>	<u>14,906,654</u>
OPERATING INCOME	<u>7,846,915</u>	<u>8,000,799</u>
EXPENSES		
Amortization	145,178	139,762
Communications	100,911	138,630
Cost of premises	16,887	17,230
Draws and winning numbers publication	3,757	4,225
Employee development	4,200	3,016
Equipment	69,219	57,590
Federal Government	210,787	216,076
Freight and product transport	3,798	3,616
Goods and services tax	93,894	106,716
I. L. C. expense	21,948	10,405
Insurance and bank charges	18,741	13,021
Media & advertising	167,588	136,745
Overhead allocation	(287)	(291)
Presentations, publications and miscellaneous	7,495	1,173
Professional fees	91,716	71,596
Promotion	7,040	8,776
Supplies	1,663	2,224
Travel	312	380
Wages and Benefits	278,971	302,269
	<u>1,243,818</u>	<u>1,233,159</u>
EXCESS OF REVENUES OVER EXPENSES	<u>\$ 6,603,097</u>	<u>\$ 6,767,640</u>

Northwest Territories and Nunavut Lotteries
Schedule 2 - Contributions to Organizations
For the year ended March 31, 2022

	March 31, 2022 Unaudited	March 31, 2021 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	45,464	53,483
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	1,530,790	1,508,040
	<u>4,336,254</u>	<u>4,321,523</u>
DEFICIENCY OF REVENUES OVER EXPENSES	<u>\$ (4,336,254)</u>	<u>\$ (4,321,523)</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	10,000
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	23,750
Hockey	100,000	100,000
Judo	100,000	100,000
Karate	20,000	20,000
Kayak	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>\$ 1,530,790</u>	<u>\$ 1,508,040</u>

Northwest Territories and Nunavut Lotteries
Schedule 3 - Contributions Multisport Games
For the year ended March 31, 2022

	March 31, 2022 Unaudited	March 31, 2021 Unaudited
REVENUE		
MACA Contribution	<u>\$ -</u>	<u>\$ 650,000</u>
	<u>-</u>	<u>650,000</u>
EXPENSES		
Sport North Federation	-	68,610
Aboriginal Sports Circle of the NWT	-	-
NWT 55+ Games Association	<u>25,000</u>	<u>25,000</u>
	<u>25,000</u>	<u>93,610</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	<u>\$ (25,000)</u>	<u>\$ 556,390</u>

Northwest Territories and Nunavut Lotteries

Notes

For the year ended March 31, 2022

1. Basis of Presentation

The financial information in these reports for the year ended March 31, 2022 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, 2022

	\$	%
Eastern Arctic / Nunavut	2,377,693	11.8%
Western Arctic / NWT	17,814,457	88.2%
	20,192,150	100.0%

4. Number of Terminals as at March 31, 2022

	#	% of Total Sales
Eastern Arctic / Nunavut	4	10.5%
Western Arctic / NWT	34	89.5%
Total Number of Terminals	38	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

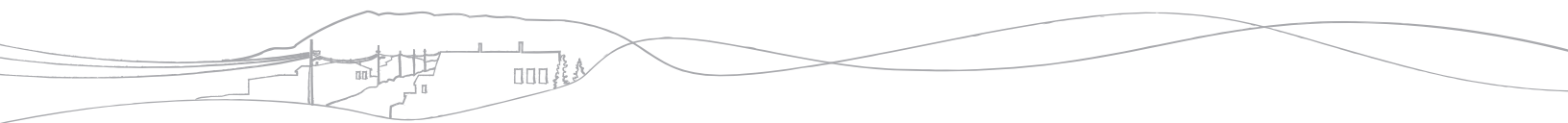
Funding for these sports was provided to the Aboriginal Sports Circle of the NWT.



2021-2022 PUBLIC ACCOUNTS

SECTION IV: SUPPLEMENTARY
FINANCIAL STATEMENTS - BOARDS

Government of
Northwest Territories



**BEAUFORT-DELTA EDUCATION COUNCIL
INUVIK, NT**

**CONSOLIDATED ANNUAL FINANCIAL REPORT
June 30, 2021**

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INDEPENDENT AUDITORS' REPORT

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Message from Superintendent of Schools Devin Roberts

On behalf of the Beaufort Delta Divisional Education Council (BDDEC), I am pleased to present the Annual Report for 2020 - 2021. The Management Discussion and Analysis (MD&A) is presented as a go-forward responsibility of the management and the Board Members to promote transparency and accountability.

The 2020 – 2021 year continued to be a challenging year. BDDEC operated the schools with enhanced cleaning and social distancing in the classrooms. Staff and students experienced additional mental stress operating in this environment. Some parents asked to be supported through on-line learning due to fears of exposure to Covid-19. The continuing challenge for our education council was to deliver meaningful education and support to our students and staff. All travel was restricted and staff training was accomplished via interactive on-line sessions. BDDEC continued to support the students with access to education through additional purchases of computers and data communication sticks for communicating over the internet.

The District Education Council (DEC) held regular meetings with monthly updates through video conferencing or remote call-in. All of the DEC Board members were active in their communities and supportive of the actions of the senior management in the operations of the schools.

Within the schools we experienced a retirement of some long-term teachers, and the turnover of other teachers was higher than normal with most citing Covid-19 restrictions as the reason for their resignation and return to the south. This has made recruiting additional teachers difficult, and we were successful in recruiting through a number of on-line career events held at a number of universities.

Personal Protective Equipment (PPE) continues to be required for all staff and students with continued protocols regarding cleaning of the school focusing on protection of our students and staff.

As the Covid-19 situation continues to develop we will be proactive in the protection of our students and our staff while maintaining high standards of education for our students.

BDDEC's goals defined in the 2020 - 2021 Operating Plan

- **To improve student success in Literacy**
- **To improve student success in Numeracy**
- **To improve student success in Indigenous Language(s) and Culture**
- **To increase understanding and practice of Social Responsibility of students**

This approach will enable BDDEC to state the progress that the organization has made and will highlight areas where improvement is needed. Some of the key accomplishments in 2020 - 2021 include:

- Continued partnership with the Gwich'in Tribal Council (GTC) on a course presented at the middle years to reflect the Gwich'in culture and history.
- Partnership with the Inuvialuit Regional Corporation (IRC). The IRC continues to support to Inclusive schooling with Educational Psychologist visits.
- Inclusive Schooling continued to experience improvement in the 2020 – 2021 year thanks to funding made available with the Jordan's Principle Program.
- Northern Distance learning statistics show continual improvement and show that the service has been utilized for those students in small schools that want dash one courses. The program with ECE's financial contribution continues to expand with additional schools throughout the NWT in the 2020 – 2021 year with plans for further expansion in the 2021 – 2022 year.
- BDDEC continues to focus on literacy and numeracy initiatives to improve teacher practices and development with a focus on student achievement. Jordan's Principle Funding support the additional support staff as Literacy Coaches and Math Coaches which work with the teachers to provide additional capacity.
- BDDEC in 2020 – 2021 finally fully staffed the Community Youth Crisis Counselors in each of the communities. This was a GNWT initiative in 2020 to provide mental and emotional supports to the students year round. Previously the school Counselors were not available to the students in the summer, and counselling services were often unavailable in the communities.
- BDDEC continues to provide the Access to High School Education program formerly known as the 'Home Boarding Program'. This program provides academic, behavioral and financial support for students who do not have access to high school courses in their communities. Students are from Sachs Harbour and Tsiigehtchic. Students are enrolled in school at East Three Secondary School in Inuvik or Chief Julius in Fort McPherson
- For the 2020 – 2021 year BDDEC continues to work with the recently adopted Aboriginal Language and Culture directive from ECE. On the land programming continues to be a major focus for the program.
- Staff changes for the 2021 – 2022 include the retirement of Superintendent Frank Galway and the appointment of Devin Roberts as Superintendent. Krista Cudmore was appointed as Asst. Superintendent for the 2021 – 2022 year.
- The 2020 – 2021 CAT 4 exams showed a considerable improvement in Literacy and Math. The continued focus will be to continue to achieve these significantly improved results.

The world of education is changing globally, nationally and territorially. The Beaufort Delta Education Council (BDDEC) recognizes the importance of embracing these changes to prepare northern students for participation in a 21st century economy. There is a significant achievement gap between Aboriginal students and non-Aboriginal students. BDDEC is committed to addressing this achievement gap. Research indicates that culture-based educational strategies impact student outcomes. With the increased focus on indigenizing education, BDDEC will continue to ensure teaching and learning is done in context and more and more meaningful to the students it serves.

Going forward into the 2022 year BDDEC is recognizing the change work locations and to better support students has a number of staff that work effectively from home.

Overview

The Beaufort Delta Divisional Education Council (BDDEC) for the 2020 – 2021 year provides Junior Kindergarten to Grade 12 instruction for 1,489 students through 9 schools in the in 8 communities of Inuvik, Aklavik, Fort McPherson, Tsiigehtchic, Tuktoyaktuk, Sachs Harbour, Ulukhaktok, and Paulatuk.

Sachs Harbour and Tsiigehtchic offer education from Junior Kindergarten to Grade 9 at which time the Access to Education program makes arrangements for the students to live in Fort McPherson or Inuvik for full time attendance of high school to complete Grades 10 – 12. The program encourages students to become role models for other students in their communities. The Access to Education program accomplishes this by ensuring that the students have regular visits with their families, regular trips home, and provides assistance for the family to attend the graduation of their children from High School.

BDDEC is committed to delivery of culture-based education to the students and receives extensive support for various programs from the Gwich'in Tribal Council (GTC) and the Inuvialuit Regional Corporation (IRC). Both GTC and IRC are actively involved in helping to develop on the land programs, and additional support was received from ITI for the Take a Kid Hunting and Take a Kid Trapping programs. All of the schools provide Aboriginal Language and Culture programs which encourages students to succeed through a better understanding and awareness of their culture and language.

BDDEC Board of Directors

The BDDEC Board of Directors are appointed by the DEA's from the local communities. Both Gwich'in Tribal Council and the Inuvialuit Regional Corporation have the authority to appoint one position (each) on the BDDEC Board. DEA positions are elected in the local communities and serve for a three year term. The BDDEC Board had one face-to-face meeting, and two video conference regular meetings during the 2020 – 2021 year. Due to Covid-19 additional meetings were scheduled via video conference or by telephone to address the issues arising in the education council due to the pandemic. As of June 30 2021 the following were in these positions.

Chairperson	Darlene Gruben
Vice-Chairperson	Jennifer Parrott
Member-at-Large	Gilber Thrasher Sr
Aklavik	Rita Arey (Acting)
Fort McPherson	Mary Rose Tetlichi
Inuvik	Jennifer Parrott
Paulatuk	Gilbert Thrasher Sr
Sachs Harbour	Vacant
Tsiigehtchic	Archie Inglangasuk Jr
Tuktoyaktuk	Darlene Gruben
Ulukhaktok	Joanne Ogina
Gwich'in Tribal Council	Bobbi Jo Greenland
Inuvialuit Regional Corporation	Lucy Kuptana

The Executive Committee consists of the Chairperson, the Vice-Chairperson, the Member-at-Large which are elected by the BDDEC Board, and a representative from each indigneous government. The Executive Committee meets monthly with the BDDEC Board Office Staff.

BDDEC Staff

Superintendent of Schools	Devin Roberts
Assistant Superintendent	Vacant
Assistant Superintendent	Richard McKinnon
Comptroller	Vacant
Public Affairs Coordinator	Vacant
LAN Manager	Michael Reardon
Technical Officer	Vacant
Finance Officers	Ken Crocker
	Kurt Scheiwiller
	Vacant
Administrative Assistant	Loni Noksana-Ruben

Consultants

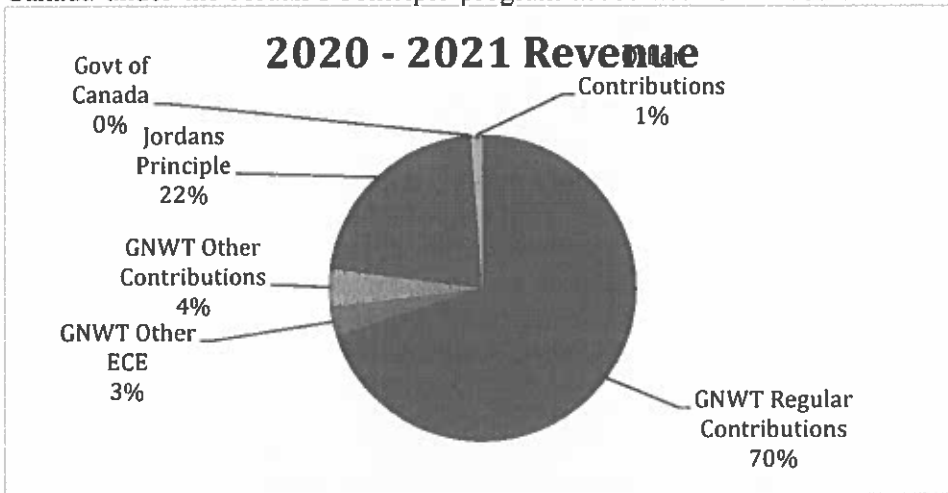
Inclusive Schooling	Justin Guy/Sonia Gregory
Indigenous Languages	Velma Illasiak/Erica Thompson
Literacy Coordinator k-12	Julie Donahue-Kpolugbo/Erica Thompson
Junior Kindergarten	Danielle Aylward
Math/Science	Shawn Feener
PowerSchool	William Logan
Northern Distance Learning	Edward Hartley/William Logan
Trauma Informed Education	Lori Brown
Data	Patrick MacIntyre

Principals

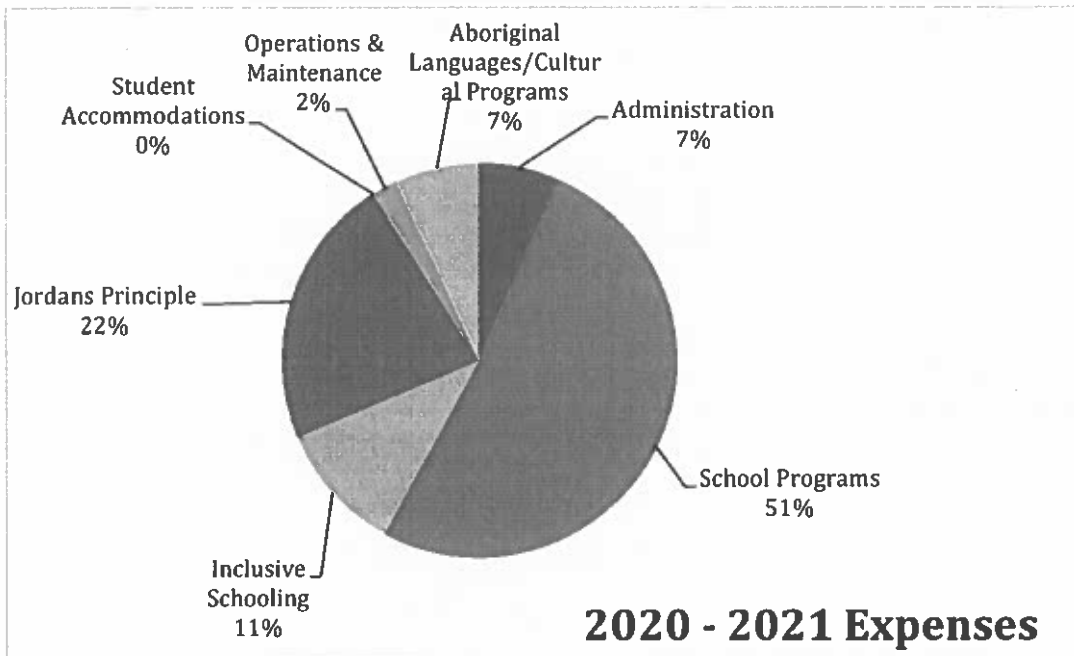
Angik – Paulatuk	Julliette Clark
Chief Julius – Fort McPherson	Shirley Peterson
Chief Paul Nitidchie – Tsiighetchic	Nicolas Kopot/Lara Gerritse appointed for 2022
Helen Kalvak – Uluhaktok	Patrick MacIntyre/Nicolas Kopot appointed for 2022
Inualthuyak – Sachs Harbour	Stephen Keoughan
Mangilaluk – Tuktoyaktuk	Ephraim Warren
Moose Ker School – Aklavik	Vivian Wirth/Daniel Summers appointed for 2022
East Three Elementary – Inuvik	Elizabeth McNeil
East Three Secondary – Inuvik	Krista Cudmore/To be appointed for 2022

Financial Highlights

Revenues for 2020 – 2021 of \$46.5 million was \$0.3 million lower than budgeted. GNWT regular contributions accounted for 70% of the revenue at \$32.5 million an increase of \$1.6 million from 2019 - 2020 year. Other contribution agreements from the GNWT brought the total GNWT contributions to \$35.9 million; which is an increase of \$3.4 million from the 2019 – 2020 year. Total revenues of \$46.5 million were an increase of \$6.7 million from the 2019 - 2020 year. Funding from the Government of Canada under the Jordan’s Principle program accounted for 21.7% of total revenue at \$10.1 million.



Expenses are broken into program cost; school programs accounted for 51.3% of cost at \$23.1 million, Inclusive schooling for 33.1% of cost at \$14.9 million. Total expenses at \$45.1 million were \$6.6 million greater than 2019 - 2020, and \$2.4 million less than the 2020 - 2021 Budget.

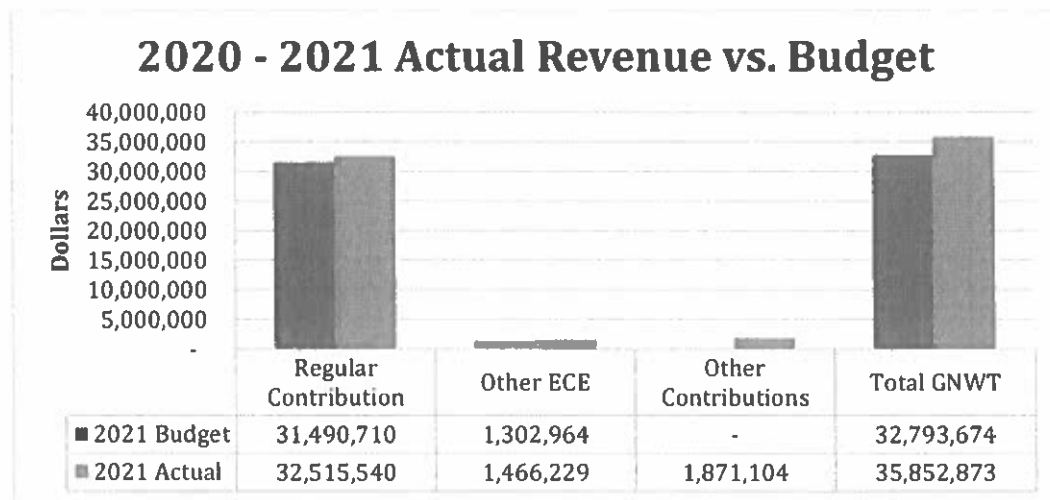


2020 – 2021 Revenues

For 2020 - 2021 BDDEC Consolidated Statement of Operations had an Operating Surplus of \$1.4 million compared to a Budgeted Operating Deficit of \$0.7 million.

The DEA’s and BDDEC continue to form strategic partnerships, and are successful in finding additional sources of funding for school activities.

Chart 1 displays our 2020 – 2021 Actual Revenues compared to the budgeted revenue.



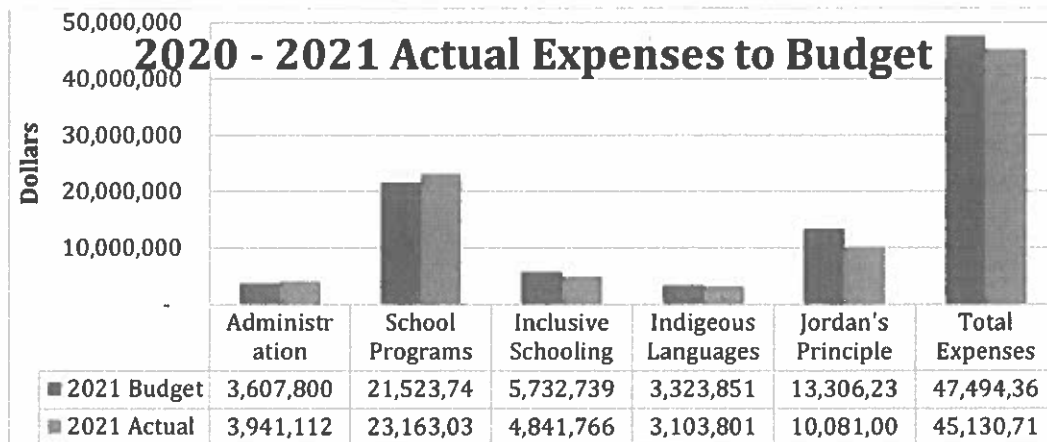
2020 – 2021 Expenses

Expenses for the year-end June 2021 were \$2.4 million less than the budget of \$47.5 million for a total cost of \$45.1 million. This represents a \$6.6 million increase in expenditures from 2019 -2020, or a 17.1% increase in spending from previous year.

Inclusive schooling had expenses of 14.9 million representing an increase in spending from the 2019 - 2020 year of \$4.0 million. The increase was due to increase staff and supplies funded through the Jordan’s Principle program.

Indigenous Languages had expenses of \$3.1 million; which represents an increase of expenditures of \$321 K from the 2019 – 2020 year.

Chart 2 is a program comparison of our expenses for 2020 - 2021 compared to the budgeted expenses.



When comparing 2021 against 2020, BDDEC experienced a 17.0% increase in revenues, and an increase in expenses of 17.1% resulting in an operating surplus of \$1.4 million. As a result for the year ended June 2021, the Accumulated Surplus is \$3.8 or 8.2% of revenues. ECE has an upper limit of a 7% Accumulated Surplus. Management is developing plans to reduce the Accumulated Surplus to the approved level.

Chart 3 is a comparison of the Year-end 2021 GNWT Revenues compared to the 2020 Revenues

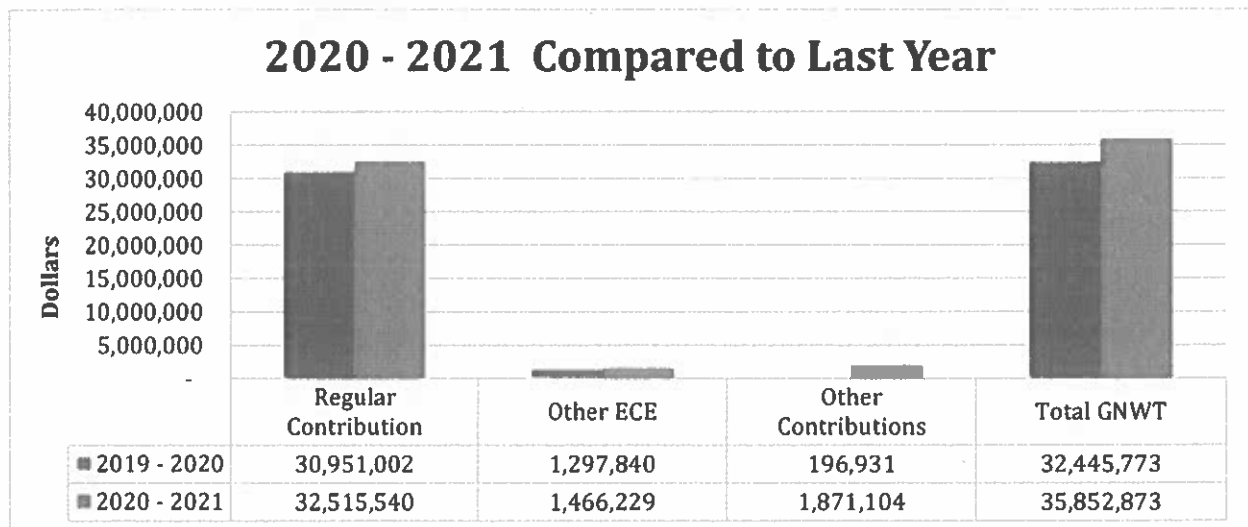
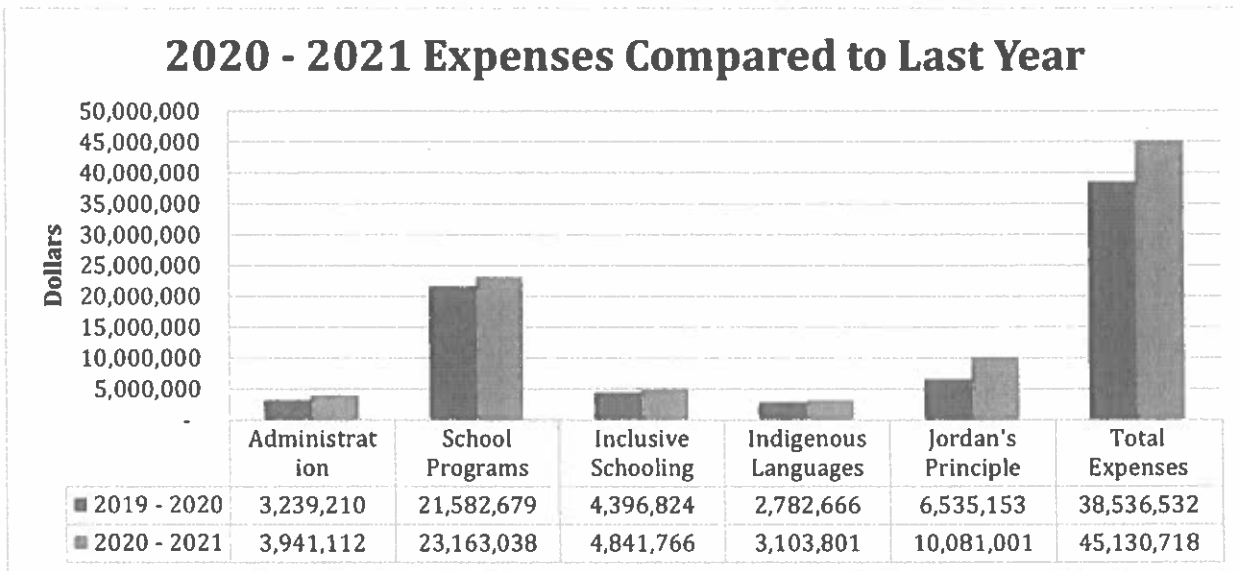


Chart 4 compares the 2021 Program Expenses against to the 2020 Program Expenses.



The plan for the 2020 – 2021 year was to have a Deficit of \$728K. Due to restrictions imposed due to Covid-19 planned activities and travel were deferred. Training, teacher development and meetings were presented with on-line platforms or was deferred until a later date. This combined with the partial closure of the schools resulted in a surplus of \$1.4 million which increased the Accumulated Surplus from \$2.4 million at the end of June 2020 to \$3.8 million for the end of June 2021.

The strength of the organization is the commitment of the staff working for the Beaufort Delta Divisional Education Council, and their dedication to the students in our area. The weakness of the organization is the remoteness of some of the schools, the distance between the schools and the high turnover of the staff. Each year represents a major recruiting drive to replace approximately 20% - 30% of the teaching staff. The turnover at the end of the 2021 year was substantially higher. This was due to a number of the long-term teacher retiring and a significant number of other teachers citing the Covid-19 restrictions as their reason for wanting to return to the South. Student attendance remains a high concern, and many initiatives have been implemented to increase the student's attendance in the schools.

Student and Teacher population for each school as of June year-end *

Community	School	2021 Students	2021 Teachers	2020 Students	2020 Teachers
Aklavik	Moose Kerr	148.00	19.00	128.00	12.00
Fort McPherson	Chief Julius	147.00	17.00	141.00	16.00
Inuvik	East 3 Elem	438.50	36.00	451.00	41.30
Inuvik	East 3 Second	273.80	30.00	275.80	26.50
Inuvik DEA	Subtotal	712.30	66.00	726.80	67.80
Paulatuk	Angik	67.50	8.00	59.50	8.00
Sachs Harbour	Inualthuyak	16.00	2.50	16.00	2.50
Tsiigehtchic	Chief Paul Niditchie	43.00	5.75	40.00	5.75

Tuktoyaktuk	Mangilaluk	235.00	23.00	237.50	20.00
Ulukhaktok	Helen Kalvak	120.00	13.00	121.00	13.00
Total		1488.80	154.25	1469.80	145.05

Note: *Teachers included NWTTA members who are classroom teachers, principals, assistant principals, program support teachers, wellness counsellors, indigenous language teachers, literacy coaches, etc.

Operating Environment

BDDEC operates in a remote part of the Northwest Territories and as result has some unique circumstances.

Strengths

- Each school has a Safe and Caring School Program
- Each school has procedure manuals, and practices lock down procedures on a regular basis
- Each school has staff that have completed first aid training
- Breakfast programs supplied at all schools
- Each school operating an On the Land Program is in possession of or in the process of getting Satellite phones in the event of an emergency
- Staff are well trained and supported in additional training
- Many of the Administration staff are long-term employees giving stability to the organization

Weakness

- Travel to remote communities by air and road, the concern has been addressed by having three well maintained vehicles equipped with Satellite phones for remote travel. Air travel is approved only with approved air carriers. Additional issues are the aircraft fuel availability at several of our remote communities, this adds to the difficulty in travel to the communities.
- Student attendance, each community is working on programs unique to the community to raise community awareness of the importance of attendance and to encourage students to attend

Threats

- Staff housing continues to be an issue in several of the communities, management is working with NWT Housing to ensure that housing will be available for teachers when they arrive
- High turnover of staff continues, management is getting involved in recruiting much earlier in the year knowing that there will be positions available

Opportunities

- Many staff including management are long-term employees of BDDEC, this give the school council a base to build upon in mentoring new teachers
- An active mentoring program for new teachers
- Introduction for new teachers in a New to the North Conference which identifies the cultural difference and differences working in the North
- BDDEC host an in-service for returning staff each year to provide additional support, training, and outline objectives for our region before school starts

The Mary Bryant Award for Improvement in English (Award)

A joint venture between the Beaufort Delta Education Council, (BDDEC) the Mary and Joe Bryant family (Family) and the Ottawa Independent Writers (OIW): “the Parties”, wish to establish a fund to be known as the “Mary Bryant Award for Student Improvement in English”. The fund shall consist of a principal amount, to be determined, and interest earned and accrued on such principal amount. Additional contributions may be received by BDDEC from individual donors to the fund in future years. Such contributions shall be added to the principal amount. The fund is currently administrated by the Ottawa Independent Writers in combination with other funds administrated through the organization.

Background

Ottawa resident Mary Bryant, now deceased, spent many years working in the North, and taught school in Aklavik. She was an avid writer and long-time member of the Ottawa Independent Writers organization (www.oiw.ca). Upon her passing in spring 2011, the OIW Board felt that an appropriate tribute to her amazing life would be an award to a deserving student within the BDDEC, with emphasis on English skills. The idea was proposed to the Family and the BDDEC, and was met with great enthusiasm. This paper sets out the proposed operation and other issues pertaining to the Award.

Concept

OIW, the Family and other interested parties will contribute to the Award, to be managed by the BDDEC. It will be set up as an endowment, with the principal to be invested and the annual award to be paid from interest earned, although the initial award, hopefully given in 2012, and some incidental set-up expenses may be drawn from the principal as there will be little time available for interest earning. The Family will act as financial advisors to BDDEC, to ensure the Award will be available for a deserving student for many years to come. The Award is intended to be a yearly event, unless for some reason no student qualifies for the criteria established by the BDDEC.

The Parties agree that they will act collegially on the ongoing management of the Award. OIW commits to an initial contribution of \$1000, the Family to at least \$2000, and OIW will solicit additional contributions from persons familiar with Mary. BDDEC will issue tax receipts to those contributors who indicate a desire for same.

The Award Recipient

The Award is intended for a high school student within the BDDEC jurisdiction, with particular emphasis, but not necessarily to the exclusion of other areas, on the regions of Aklavik, Tuktoyaktuk, and Fort McPherson, as these communities had special interest to Mary. The BDDEC will set up the selection process as it sees fit: the Award is intended for a high school student who has shown the most improvement in written English skills during the school year. BDDEC will develop the specific criteria to be used to select the winning student, and advise the other Parties of the winner and the reasons for choosing that student. The Award will be presented in a suitable ceremony near the end of the school year. The other Parties will attempt to take part in the ceremony in some electronic fashion if possible. The Award is independent of any other honors the recipient may receive. The recipient will receive a

cheque for the designated amount, as determined by the BDDEC and the Family, plus a small token of remembrance he or she may keep. There will also be a modest plaque or similar item created by the BDDEC that will identify the Award, and each year's recipient; the enduring plaque will rotate from school to school on an annual basis as winners are selected. While the student may use the Award in whatever manner he or she wishes, OIW and the Family would prefer that it be used in some way that advances the student's educational career.

The Award is open to all high school students attending a school within BDDEC's jurisdiction and shall be granted to the student who shows the most improvement in English studies throughout the school year. The Award is intended to be a yearly event, unless for some reason no student qualifies for the criteria established by BDDEC.

Criteria used to determine the recipient of the award shall be developed by BDDEC, in consultation with the Parties. The Parties and BDDEC agree to act collegially on the ongoing management of the fund/Award.

In the event that unforeseen circumstances make the specified use of this Fund no longer practical or desirable, BDDEC is hereby authorized to make any changes it may deem appropriate, such changes however to be in keeping, as far as possible, with the spirit and general intent of the fund and with agreement of the Parties.

No Award was given for the Mary Bryant Award for the 2020 – 2021 year.

Stallworthy-Carpenter Fund

Sarah Hilda Stallworthy was the widow of an RCMP officer who served the NWT during the 1940s. Mrs. Stallworthy had never been to the NWT, but maintained an interest in its development and was concerned about the difficulties she believed indigenous children faced in higher education.

The Superintendent of the BDDEC was able to describe for Mrs. Stallworthy an initiative the Board would be taking over the next few years to ease the transition for indigenous students from small communities as they are brought into the high school in Inuvik.

Mrs. Stallworthy felt that this plan has significant merit, and in April 1990 made the Beaufort-Delta Board the beneficiary of her estate.

Mrs. Stallworthy passed away in August 1990. The estate of approximately \$215,000 will be held in trust with the annual interest to be used at the discretion of the Superintendent to further the secondary education of indigenous students within the Board. The fund has been designated by the Board the Harry Stallworthy/Noah Carpenter fund. Mr. Stallworthy developed his wife's enduring interest in the north.

Dr. Carpenter is the first Inuit doctor, the only Inuvialuit specialist surgeon to emerge from the Northwest Territories, and is known for the development of surgical techniques. He attended a residential school, and in 1963 graduated from high school in Inuvik. He has a Honourary Doctor of Law from the University of Calgary, was appointed a Citizen Ambassador to China in 1987 and is a member of the Native Physicians Association of Canada, the Canadian College of Health Service Executives, the Science Institute of the NWT, the Canada Science Council, and the International Society of Endovascular Surgeons. He has been an inspiration to many northerners.

The Stallworthy will stated that BDDEC should receive this money with the provision that the principal remain intact and all interest earned to be used to fund aboriginal students for activities in keeping with the intent of the Will.

Initially, the intent of the Will was to fund orientation visits for students who would be attending high school outside of their community. After our regional residence closed, the BDDEC Executive broadened the scope to include activities for more senior students to travel nationally and internationally. Such travel must contain some element that supports or promotes the post-secondary education and/or success in school. Travel for sport activities is NOT eligible.

In 2004 - 2005 the BDDEC executive decided to allocate to a maximum of \$2K/eligible school. This was raised to \$2.5K/eligible school in 2011/12. Meritorious proposals are presented to the Executive each spring for the ensuing school year.

No funds were awarded for the 2020 – 2021 years

Terry Halifax Fund

Terry Halifax was a Town of Inuvik Councillor who passed away suddenly after a town council meeting in 2015. First elected to the town council in 2004; he served as the Chair of the community Energy Planning Committee and the Administration Committee. He was known for not holding back in expressing what he felt was the best interest of the Town and its residents. And as such he was well known through his work with community projects, volunteerism and school involvement.

In recognition of Terry Halifax's commitment to the community, the Terry Halifax Bursary will be awarded annually to the high school student who exemplifies what it means to be a capable citizen through community, school involvement, volunteerism and leadership.

Starting in 2019, the school administration will recommend a recipient after consultations with staff to the Superintendent of Schools. The selection will be made no later than mid-May with the bursary to be presented during the graduation ceremony in early June. Annual award will be \$500.

It is the desire of the Bursary Committee to present the award to a graduating students, but any student that best exemplifies being a capable citizen will be considered.

There was no award for the 2020 – 2021 year

R. Gosselin “Go For It Award”

The Council received a bequest to establish the R. Gosselin “Go For It Award” fund in 2020. The terms of the bequest state that the NWT Parks & Recreation Association will award annually to the individual who exemplifies what it means to be a capable citizen through community recreation volunteerism and leadership.

Annual award will be \$500.

There was no award for the 2020 – 2021 year

Summary and Outlook

BDDEC has completed a most successful year: culturally scholastically and financially. Many of the communities have introduced community specific programs which encourages attendance. This year resulted in a number of graduate looking to further their education through advanced schooling.

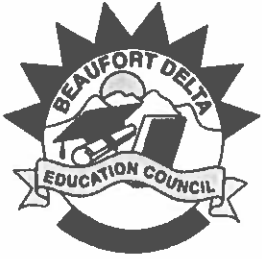
The impact of the Pandemic has been significant effecting both our operations and the mental well being of the students and the staff. BDDEC is committed to following the Emerging Wisely plan in dealing with Covid-19. During the summer our focus was on creating a safe environment for students and staff ensuring that social distancing was followed and that the correct Personal Protective Equipment would be in place for the start of school. The plan is for all of the schools to offer regular full-time attendance while supporting those students that have decided not attend at the current time. Programs are being evaluated as to what BDDEC will be able to offer in the school during the coming year.

Attendance continues to be a major concern. The schools are constantly reviewing and looking for better ways to engage the students and their parents in encouraging attendance. With our hiring program this year we were pleased to offer positions to a number of our former graduates. These individuals have become role models for our students as to what they can accomplish, and that they can bring their education back to their community to help others.

Financially we have managed to accumulate a surplus through effective cost controls, forming partnerships with other groups, and through the efforts of staff to bring forward ideas where we have been funded with additional contribution agreements.

For the 2020 – 2021 year a substantial amount of funding was received through the contribution agreement with the Government of Canada with the Jordan's Principle program. This helped to fund 12 Literacy Teachers and 62 Support Assistants in the schools. Latest discussions indicate that this program will continue in some form for at least another several years which will help to provide additional staffing to support the development of students.

Looking forward, there is a concern about the potential for reduced funding. BDDEC is well positioned financially and looking forward to 2021 – 2022 year and has identified areas where additional staffing will result in better services to our students, so reallocation of staff and increased staffing planned will continue into the 2021 – 2022 year. Our staff continues to look for opportunities to deliver education in an effective and efficient manner. The opportunities are forming education partnerships, eLearning, and new approaches to education. Staff continue to develop skill sets through attendance at conferences, and a number of staff continue to upgrade their skill set to become better at their positions. With this dedication, even with the possibility of reduced funding we believe the future is bright for the students of the Beaufort Delta.



MANAGEMENT RESPONSIBILITY FOR FINANCIAL STATEMENTS

The Minister of Education, Culture and Employment
Government of the Northwest Territories


The Management Discussion & Analysis, Financial Statements, Schedules and Notes herein submitted have been reviewed by management. They provide full disclosure and accurately reflect the financial and non-financial condition of the authority in all material respects and in accordance with Canadian Public Sector Accounting Standards (CPSAS) as well as the Financial Administration Manual (FAM) and the Financial Administration Manual for Education Authorities (FAMEA) of the Government of the Northwest Territories.

Management hereby asserts that adequate internal controls exist to ensure that transactions are complete, accurate and timely, appropriately authorized and include only valid transactions of the entity; that duties related to processes are appropriately segregated, that assets are safeguarded and that proper records are maintained. Controls further include quality standards regarding the hiring and training of employees, that ensure the adequate maintenance of written policies and procedural manuals and that further provide for appropriate accountability for performance within well-defined areas of responsibility. The operations and administration of Beaufort-Delta 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
June 30, 2021


Gary McBride
Comptroller



VERY COOPER & CO. LTD.

Chartered Professional Accountants

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INDEPENDENT AUDITORS' REPORT

To the Minister of Education, Culture and Employment
Government of the Northwest Territories

Report on the Audit of the Consolidated Financial Statements

Qualified Opinion

We have audited the accompanying consolidated financial statements of Beaufort-Delta Education Council which comprise the Consolidated Statement of Financial Position as at June 30, 2021 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, 2021 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

July 31, 2021

BEAUFORT-DELTA EDUCATION COUNCIL
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
 June 30, 2021

Statement I

	<u>2021</u>	<u>2020</u>
FINANCIAL ASSETS		
Cash and Cash Equivalents (Note 4)	\$ 16,129,122	\$ 10,450,789
Restricted Assets (Note 6)	294,960	293,125
Accounts Receivable (Note 8)	<u>419,017</u>	<u>456,432</u>
	<u>16,843,099</u>	<u>11,200,346</u>
LIABILITIES		
Accounts Payable and Accrued Liabilities (Note 10)	829,750	893,782
Payroll Liabilities (Note 10)	4,324,867	4,018,169
Employee Deductions Payable	2,597	1,687
Deferred Revenue (Note 11)	5,235,178	856,006
Post-Employment Benefits (Note 17)	2,352,075	2,704,647
Trust Liabilities (Note 6)	<u>294,960</u>	<u>293,125</u>
	<u>13,039,427</u>	<u>8,767,416</u>
NET FINANCIAL ASSETS (Statement III)	<u>3,803,672</u>	<u>2,432,930</u>
NON-FINANCIAL ASSETS		
Prepaid Expenses (Note 20)	<u>1,500</u>	<u>3,000</u>
	<u>1,500</u>	<u>3,000</u>
ACCUMULATED SURPLUS	<u>\$ 3,805,172</u>	<u>\$ 2,435,930</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, 2021

	2021 Budget <u>(Unaudited)</u>	2021 <u>Actual</u>	2020 <u>Actual</u>
REVENUE			
Government of the NWT			
Regular contributions	\$ 31,490,710	\$ 32,515,540	\$ 30,951,002
Other ECE contributions (Note 31)	1,302,964	1,466,229	1,297,840
Other contributions (Note 32)	-	137,407	196,931
GNWT - COVID contributions	<u>-</u>	<u>1,733,697</u>	<u>-</u>
Total Government of the NWT	<u>32,793,674</u>	<u>35,852,873</u>	<u>32,445,773</u>
Government of Canada			
Jordan Principial	13,306,232	10,081,000	6,601,884
Other Government of Canada	<u>8,020</u>	<u>7,900</u>	<u>25,445</u>
Total Government of Canada	<u>13,314,252</u>	<u>10,088,900</u>	<u>6,627,329</u>
Board Generated Funds			
Investment Income	160,000	125,685	113,234
Other	<u>498,649</u>	<u>432,502</u>	<u>565,326</u>
Total Board Generated Funds	<u>658,649</u>	<u>558,187</u>	<u>678,560</u>
TOTAL REVENUE	<u>46,766,575</u>	<u>46,499,960</u>	<u>39,751,662</u>
EXPENSES (Schedule 1)			
Indigenous Languages and Education	3,323,851	3,103,801	2,782,666
Administration	3,607,800	3,003,657	2,381,814
Inclusive Schooling	5,732,739	4,841,766	4,396,824
School Programs	21,523,745	23,131,068	21,478,463
Student Accommodations	-	31,970	104,216
Operations & Maintenance	-	937,455	857,396
Jordan's Principle	<u>13,306,232</u>	<u>10,081,001</u>	<u>6,535,153</u>
TOTAL EXPENSES	<u>47,494,367</u>	<u>45,130,718</u>	<u>38,536,532</u>
OPERATING SURPLUS (DEFICIT)	<u>\$ (727,792)</u>	<u>\$ 1,369,242</u>	<u>\$ 1,215,130</u>

See the accompanying notes and schedules.

BEAUFORT-DELTA EDUCATION COUNCIL

Statement III

CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS

June 30, 2021

	2021 Budget (Unaudited)	2021 Actual	2020 Actual
OPERATING SURPLUS (DEFICIT)	\$ (727,792)	\$ 1,369,242	\$ 1,215,130
Purchase of Prepaid Expenses	-	(1,500)	(3,000)
Use of Prepaid Expenses	<u>-</u>	<u>3,000</u>	<u>4,516</u>
	-	1,500	1,516
INCREASE (DECREASE) IN NET FINANCIAL ASSETS	<u>(727,792)</u>	<u>1,370,742</u>	<u>1,216,646</u>
NET FINANCIAL ASSETS, BEGINNING OF YEAR	<u>2,432,930</u>	<u>2,432,930</u>	<u>1,216,284</u>
NET FINANCIAL ASSETS, END OF YEAR	<u>\$ 1,705,138</u>	<u>\$ 3,803,672</u>	<u>\$ 2,432,930</u>

See the accompanying notes and schedules.

BEAUFORT-DELTA EDUCATION COUNCIL**Statement IV****CONSOLIDATED STATEMENT OF CASH FLOW**

For the Year Ended June 30, 2021

Cash provided by (used in):	<u>2021</u>	<u>2020</u>
OPERATING TRANSACTIONS		
Operating surplus (deficit)	\$ 1,369,242	\$ 1,215,130
Changes in non-cash assets and liabilities:		
Decrease (increase) in accounts receivable	37,415	(175,316)
Increase (decrease) in accounts payable	(64,032)	(82,807)
Increase (decrease) in payroll liabilities	306,698	(888,081)
Increase (decrease) in employee deductions payable	910	(299)
Increase (decrease) in deferred revenue	4,379,172	(404,673)
Increase (decrease) in post-employment benefits	(352,572)	(103,634)
Decrease (increase) in prepaid expenses	<u>1,500</u>	<u>1,516</u>
Cash provided by operating transactions	<u>5,678,333</u>	<u>(438,164)</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	5,678,333	(438,164)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>10,450,789</u>	<u>10,888,953</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 16,129,122</u>	<u>\$ 10,450,789</u>

See the accompanying notes and schedules.

BEAUFORT-DELTA EDUCATION COUNCIL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2021

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, 2021

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, 2021

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES, continued

(f) Revenue Recognition

Government Transfers:

Revenues are recognized in the period in which the transactions or events occur that gave rise to the revenues. All revenues are recorded on an accrual basis, except when the accruals cannot be determined with a reasonable degree of certainty or when their estimation is impracticable.

Government transfers are recognized as revenues when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

Operating transfers are recognized as revenue in the period in which the events giving rise to the transaction occur, providing the transfers are authorized, eligibility criteria have been met, and reasonable estimates of the amounts can be determined.

Capital transfers or transfers of tangible capital assets are initially recognized as deferred revenue and subsequently recognized as revenue when the related tangible capital assets are recognized as acquired or built.

GNWT - Regular contributions:

The regular contributions from the GNWT are determined by a funding formula and are received in monthly installments. The Beaufort-Delta 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, 2021

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.

BEAUFORT-DELTA EDUCATION COUNCIL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2021

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, 2021

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, 2021

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, 2021

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 \$xxxx at June 30, 2023.

Effective July 1, 2023, Education Bodies will be required to adopt PS 3400 Revenue. This standard provides guidance on how to account for and report on revenue. Specifically, it differentiates between revenue arising from transactions that include performance obligations and transactions that do not have performance obligations. The impact of these standards on the financial statement is currently being assessed.

NOTE 4 CASH AND CASH EQUIVALENTS

	<u>2021</u>	<u>2020</u>
Cash	\$ <u>16,129,122</u>	\$ <u>10,450,789</u>
	\$ <u>16,129,122</u>	\$ <u>10,450,789</u>

BEAUFORT-DELTA EDUCATION COUNCIL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2021

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>2021</u>	<u>2020</u>
Comprised of:			
Short-term	- GIC 2.0% due June 24, 2021	\$ 270,000	\$ 265,000
	- Due from general cash	<u>336</u>	<u>2,138</u>
		<u>\$ 270,336</u>	<u>\$ 267,138</u>
Stallworthy / Carpenter Endowment Fund:			
	Principal proceeds received	\$ 216,515	\$ 216,515
	Interest earned to date	271,624	268,438
	Expenses to date	<u>(217,803)</u>	<u>(217,815)</u>
		<u>\$ 270,336</u>	<u>\$ 267,138</u>

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 2.0% due June 24, 2021	\$ 21,000	\$ 21,000
	- Due from general cash	<u>(376)</u>	<u>379</u>
		<u>\$ 20,624</u>	<u>\$ 21,379</u>
Terry Halifax Fund:			
	Principal proceeds received	\$ 21,000	\$ 21,000
	Interest earned to date	1,124	840
	Expenses to date	<u>(1,500)</u>	<u>(500)</u>
		<u>\$ 20,624</u>	<u>\$ 21,379</u>

BEAUFORT-DELTA EDUCATION COUNCIL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2021

NOTE 6 RESTRICTED ASSETS, continued

The Council received a bequest to establish the R. Gosselin Go For It Award Fund in 2020. The terms of the bequest state that the NWT Parks & Recreation Association will award annually to the individual who exemplifies what it means to be a capable citizen through community recreation, volunteerism and leadership.

Comprised of:

Short-term	- GIC 2.0% due June 24, 2021	\$ 4,000	\$ 4,000
	- Due from general cash	<u>-</u>	<u>608</u>
		<u>\$ 4,000</u>	<u>\$ 4,608</u>

R. Gosselin Go For It Award Fund:

Principal proceeds received	\$ 5,000	\$ 5,000
Interest earned to date	-	-
Expenses to date	<u>(1,000)</u>	<u>(500)</u>
	<u>\$ 4,000</u>	<u>\$ 4,608</u>

TOTAL RESTRICTED ASSETS	\$ 294,960	\$ 293,125
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NOTE 7 PORTFOLIO INVESTMENTS

(Not applicable)

NOTE 8 ACCOUNTS RECEIVABLE

	<u>Accounts Receivable</u>	<u>Allowance</u>	<u>2021</u>	<u>2020</u>
Government of the Northwest Territories:				
- Education, Culture and Employment	\$ 212,269	\$ -	\$ 212,269	\$ 33,473
- Municipal and Community Affairs	<u>13,014</u>	<u>-</u>	<u>13,014</u>	<u>-</u>
Due from GNWT	<u>225,283</u>	<u>-</u>	<u>225,283</u>	<u>33,473</u>
Other Accounts receivable	<u>482,131</u>	<u>288,397</u>	<u>193,734</u>	<u>422,959</u>
	<u>\$ 707,414</u>	<u>\$ 288,397</u>	<u>\$ 419,017</u>	<u>\$ 456,432</u>

BEAUFORT-DELTA EDUCATION COUNCIL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2021

NOTE 9 INVENTORY

(Not applicable)

NOTE 10 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	<u>2021</u>	<u>2020</u>
Government of the Northwest Territories:		
Education, Culture and Employment	\$ 12,500	\$ 2,500
Municipal and Community Affairs	28,224	5,319
Department of Finance	<u>-</u>	<u>46,335</u>
Government of the Northwest Territories	40,724	54,154
Related Parties	449,969	383,966
Accounts payable	130,754	195,824
Accrued payables	<u>208,303</u>	<u>259,838</u>
	829,750	893,782
Payroll Liabilities		
To GNWT (A)	<u>\$ 4,324,867</u>	<u>\$ 4,018,169</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, 2021

NOTE 11 DEFERRED REVENUE

	<u>2021</u>	<u>2020</u>
Government of the Northwest Territories		
Education, Culture & Employment		
- Healthy Food For Learning	\$ 8,290	\$ 29,729
- Breakfast Program - Tuktoyaktuk & Paulatuk DEA's	15,900	2,084
- Hamlet of Sachs Harbour	9,457	9,457
- Facility Use - Inuvik DEA	3,502	3,503
- Tutor Program - Aklavik and Paulatuk DEA's	3,850	-
- School & Public Library Services -Uluhaktuk FEA	-	21,000
- Literacy Program - Ulukhaktok DEA	-	972
Environment & Natural Resources		
- TAKH & TAKT	9,083	28,757
Library		
- NWT Library	-	20,754
- School & Public Library Services - Paulatuk	-	1,850
- School & Public Library Services - Aklavik DEA	-	175
Healthy and Social Services		
- Drop the Pop	-	459
Municipal & Community Affairs		
- Experience/Encounter with Canada/Keepers/TGC On the Land	11,524	102,754
Government of Canada		
- Jordon Prinicipal	4,919,618	454,235
Other		
OTL Youth Wellness	1,078	-
Show Kids You Care	5,000	-
Breakfast Program - Paulatuk DEA	-	5,192
Lights on CAF America	7,418	7,419
Inuvialuit Regional Corporation	7,320	-
Food First Foundation	75,970	32,440
Presidents Choice Foundation	2,076	1,086
Trust Income	500	-
Breakfast Program	66,347	37,245
Get Active NWT	8,545	-
Tides - OTL - Collaborative Fund	79,700	92,432
NWT Parks & Rec Get Active NWT	-	4,463
	<u>\$ 5,235,178</u>	<u>\$ 856,006</u>

BEAUFORT-DELTA EDUCATION COUNCIL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2021

NOTE 12 CONTRIBUTION REPAYABLE

(Not applicable)

NOTE 13 DUE FROM AND TO THE GOVERNMENT OF CANADA

(Not applicable)

NOTE 14 CAPITAL LEASE OBLIGATION

(Not applicable)

NOTE 15 PENSIONS

(Not applicable)

NOTE 16 LONG-TERM DEBT

(Not applicable)

NOTE 17 POST-EMPLOYMENT BENEFITS, COMPENSATED ABSENCES AND TERMINATION BENEFITS

In addition to the pension benefits, The Beaufort-Delta 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 15, 2019. 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 15, 2019 and the results extrapolated to June 30,

BEAUFORT-DELTA EDUCATION COUNCIL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2021

NOTE 17 POST-EMPLOYMENT BENEFITS, COMPENSATED ABSENCES AND TERMINATION BENEFITS, continued

2021. The values presented below are for all of the benefits under the Compensated Absences and Termination Benefits for the consolidated Government.

	<u>Severance and Removal</u>	<u>Compensated Absences</u>	<u>2021</u>	<u>2020</u>
Changes in Obligation:				
Accrued benefit obligations				
beginning of year	\$ 1,603,419	\$ 335,752	\$ 1,939,171	\$ 2,022,767
Current period benefit cost	157,247	40,048	197,295	182,977
Interest accrued	44,648	9,527	54,175	65,811
Benefit payments	(281,122)	(182,081)	(463,203)	(200,673)
Actuarial (gains)/losses	<u>(34,152)</u>	<u>110,785</u>	<u>76,633</u>	<u>(131,711)</u>
Accrued benefit obligations				
end of year	1,490,040	314,031	1,804,071	1,939,171
Unamortized net actuarial				
gain	<u>(546,513)</u>	<u>159,981</u>	<u>(386,532)</u>	<u>(606,859)</u>
Net future obligation	<u>943,527</u>	<u>474,012</u>	<u>1,417,539</u>	<u>1,332,312</u>
Total employee future				
benefits and compensated				
absences	<u>943,527</u>	<u>474,012</u>	<u>1,417,539</u>	<u>1,332,312</u>
Benefits Expense:				
Current period benefit cost	157,247	40,048	197,295	182,977
Interest accrued	44,648	9,527	54,175	65,811
Amortization of actuarial				
gains	<u>(135,624)</u>	<u>(8,071)</u>	<u>(143,695)</u>	<u>(127,826)</u>
	<u>66,271</u>	<u>41,504</u>	<u>107,775</u>	<u>120,962</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, 2021

NOTE 17 POST-EMPLOYMENT BENEFITS, COMPENSATED ABSENCES AND TERMINATION BENEFITS, continued

	<u>Severance and Removal</u>	<u>Compensated Absences</u>	<u>Total</u>
2022	\$ 178,586	\$ 38,104	\$ 216,690
2023	154,285	31,802	186,087
2024	136,041	26,782	162,823
2025	125,812	24,552	150,364
2026	120,617	22,632	143,249
Next 5 years	543,738	96,924	640,662
Thereafter	<u>-</u>	<u>-</u>	<u>-</u>
Total	\$ <u>1,259,079</u>	\$ <u>240,796</u>	\$ <u>1,499,875</u>

NOTE 18 TRUST ASSETS UNDER ADMINISTRATION

(Not applicable)

NOTE 19 TANGIBLE CAPITAL ASSETS

(Not applicable)

NOTE 20 PREPAID EXPENSES

	<u>2021</u>	<u>2020</u>
LAS Holdings - R Ranking	\$ -	\$ 1,500
LAS Holdings - S Timothy	-	1,500
Prepaid Rent - Paula Stefure E-Learning Tuktoyaktuk	<u>1,500</u>	<u>-</u>
	\$ <u>1,500</u>	\$ <u>3,000</u>

BEAUFORT-DELTA EDUCATION COUNCIL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2021

NOTE 21 GNWT ASSETS PROVIDED AT NO COST

	<u>Cost</u>	<u>Accumulated Amortization</u>	2021 <u>Net Book Value</u>	2020 <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	559,379	748,721	775,781
Moose Kerr School	8,123,452	6,112,820	2,010,632	2,270,068
Aklavik Portable				
Classrooms	62,052	62,052	-	-
Chief Julius School	10,064,072	5,182,156	4,881,916	5,040,678
Mangilaluk School	7,146,891	5,319,273	1,827,618	2,036,489
Inualthuya School	2,750,507	1,943,752	806,755	1,021,890
Helen Kalvak School	8,864,887	7,675,719	1,189,168	1,416,947
Angik School	4,517,372	2,525,201	1,992,171	1,501,659
Chief Paul Niditchie	2,467,762	1,055,240	1,412,522	1,483,741
Moose Kerr Foundation				
Replacement	753,546	193,127	560,419	579,257
Chief Paul Niditchie				
School	1	-	1	1
Moose Kerr School -				
Ventilation	173,505	103,057	70,448	82,029
Moose Kerr School -				
Playscape	250,904	25,090	225,814	238,538
Helen Kalval HVAC	354,896	243,991	110,905	140,480
East 3 New Inuvik School	106,182,229	23,506,643	82,675,586	87,160,619
East Three - Wood Pellet				
System	2,040,628	351,442	1,689,186	-
Tsiigehtchic Gym Pilings	205,668	41,562	164,106	169,247
Aklavik Community				
Library	234,794	127,673	107,121	112,990
Angik Junior Kindergarden				
Play	350,877	17,544	333,333	-
East Three Carpentry Shop	734,188	48,946	685,242	712,774
Chief P. Niditchie -				
Playscape	208,874	20,887	187,987	201,912
Inualth Jr Kindergarden				
Playscape	233,044	12,947	220,097	-
E3 Elementary School -				
Playscape	347,809	34,781	313,028	336,215

BEAUFORT-DELTA EDUCATION COUNCIL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2021

Chief Julius Kinder Playscape	<u>190,051</u>	<u>8,447</u>	<u>181,604</u>	<u>-</u>
	<u>\$158,210,322</u>	<u>\$ 55,815,942</u>	<u>\$102,394,380</u>	<u>\$105,281,315</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, 2021:

	<u>Expiry Date</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>Total</u>
Equipment Leases	2025	\$ 45,233	\$ 45,233	\$ 45,233	\$ 3,769	\$ 139,468
Commercial Leases	December 2022	<u>146,100</u>	<u>73,050</u>	<u>-</u>	<u>-</u>	<u>219,150</u>
Total		<u>\$ 191,333</u>	<u>\$ 118,283</u>	<u>\$ 45,233</u>	<u>\$ 3,769</u>	<u>\$ 358,618</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, 2021

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>2021</u>	<u>2020</u>
Due to related parties		
Accounts payable:		
Contributions		
Government of the Northwest Territories:		
Department of Education, Culture & Employment	\$ 12,500	\$ 2,500
Department of Municipal & Community Affairs	28,224	5,318
Department of Finance	<u>-</u>	<u>46,335</u>
Government of the Northwest Territories	<u>40,724</u>	<u>54,153</u>
Other Related Parties:		
Various BDEC Schools	<u>449,969</u>	<u>383,966</u>
Total Accounts Payable	<u>490,693</u>	<u>438,119</u>
Due to Related Parties	\$ <u>490,693</u>	\$ <u>438,119</u>

	<u>Accounts</u> <u>Receivable</u>	<u>Allowance</u>	<u>Net 2021</u>	<u>2020</u>
Due from related parties				
Accounts receivable:				
Government of the Northwest Territories:				
Department of Education, Culture & Employment	\$ 181,684	\$ -	\$ 181,684	\$ 33,473
Department of Municipal & Community Affairs	<u>13,015</u>	<u>-</u>	<u>13,015</u>	<u>-</u>
Due from Related Parties	\$ <u>194,699</u>	\$ <u>-</u>	\$ <u>194,699</u>	\$ <u>33,473</u>

BEAUFORT-DELTA EDUCATION COUNCIL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2021

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, 2021

NOTE 28 EXPENSES BY OBJECT

	2021 Budget <u>(Unaudited)</u>	2021 <u>Actual</u>	2020 <u>Actual</u>
Compensation	\$ 41,824,780	\$ 39,593,657	\$ 34,283,589
Other	<u>5,669,587</u>	<u>5,537,061</u>	<u>4,252,943</u>
	<u>\$ 47,494,367</u>	<u>\$ 45,130,718</u>	<u>\$ 38,536,532</u>

NOTE 29 SUBSEQUENT EVENTS

(Not applicable)

NOTE 30 COMPARATIVE FIGURES

(Not applicable)

NOTE 31 ECE OTHER CONTRIBUTIONS

	<u>2021</u>	<u>2020</u>
French Program	\$ 78,000	\$ 75,000
eLearning	1,232,504	1,052,276
Literacy (Tuktoyaktuk)	27,811	36,404
Library (Aklavik)	48,614	55,374
Public Library Services (Ft McPherson)	29,574	27,035
Community Literacy Projects (Ft McPherson)	-	17,332
Literacy (Ulukhaktok)	15,000	7,350
Library (Ulukhaktok)	<u>34,726</u>	<u>27,069</u>
	<u>\$ 1,466,229</u>	<u>\$ 1,297,840</u>

BEAUFORT-DELTA EDUCATION COUNCIL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2021

NOTE 32 GNWT OTHER CONTRIBUTIONS

	<u>2021</u>	<u>2020</u>
Encounters with Canada	-	(3,578)
Self Regulation & Action Research (ECE)	-	2,502
Ivvavik	-	10,000
Regular Youth Sports Programs	-	4,665
RYS - Basketball (MACA)	7,000	2,000
RYS - Soccer (MACA)	-	613
NGDG Summit (MACA)	138	31,000
RYS - Volleyball (MACA)	956	1,000
Drop the Pop (H & SS)	23,193	18,533
TAKT	39,346	39,523
Experience Exchange Program	-	1,296
After School Physical Activity (MACA)	66,774	54,491
Enhancing Students (MACA)	-	2,480
Volleyball ISSR	-	4,744
Track and Field ISSR	-	6,000
Badminton ISSR	-	1,400
Keepers (MACA)	-	7,541
GSA Club	-	5,000
TGC - On The Land Program (Ft McPherson)	-	7,252
Misc revenue (Ulukhaktok)	-	469
	<u>137,407</u>	<u>196,931</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, 2021

	<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	\$ -	\$ 1,385,790	\$ 1,343,476	\$ 12,250,139	\$ -	\$ -	\$ 2,590,133	\$ 17,569,538
Instruction Assistants	-	-	52,196	150,829	-	-	773,129	976,154
Non-instructional Staff	1,200,723	1,619,775	368,087	3,181,635	-	-	3,793,937	10,164,157
Board/Trustee Honoraria	39,207	-	83,826	30,815	-	-	-	153,848
EMPLOYEE BENEFITS								
Employee Benefit/Allowance	336,151	1,202,589	622,056	5,145,312	-	431,900	2,923,802	10,661,810
Leave and Termination	-	-	-	68,150	-	-	-	68,150
SERVICES								
PURCHASED/ CONTRACTED								
Professional/Technical Services	62,842	60,768	-	-	-	-	-	123,610
Postage/Communication	42,618	1,107	624	104,783	1,869	-	-	151,001
Utilities & Leases	1,061	-	-	3,848	-	-	-	4,909
Travel	51,798	47,723	27,932	78,901	-	-	-	206,354
Student Travel	-	-	3,000	7,783	30,101	-	-	40,884
Advertising/Printing/Publishing	21,660	-	-	-	-	-	-	21,660
Maintenance/Repair	78,794	-	12,903	136,959	-	-	-	228,656
Rentals/Leases	32,843	-	36,794	162,092	-	146,100	-	377,829
Others	64,238	1,778	-	31,661	-	359,455	-	457,132
Contracted Services	33,281	61,265	15,445	272,862	-	-	-	382,853
MATERIALS/SUPPLIES/FREIGHT								
Materials	282,581	94,943	225,060	1,173,083	-	-	-	1,775,667
Furniture and Equipment	732,169	572,589	286,472	239,819	-	-	-	1,831,049
Freight	23,691	10,575	25,930	92,397	-	-	-	152,593
CONTRIBUTIONS/TRANSFERS								
Transfers - Other	-	(217,136)	-	-	-	-	-	(217,136)
Total	\$ 3,003,657	\$ 4,841,766	\$ 3,103,801	\$ 23,131,068	\$ 31,970	\$ 937,455	\$ 10,081,001	\$ 45,130,718

BEAUFORT-DELTA EDUCATION COUNCIL

Schedule 2

**REPORT ON ACTIVITIES OF SPECIFIC PROGRAMS
INCLUSIVE SCHOOLING EXPENSES**

For the Year Ended June 30, 2021

<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	\$ 1,385,791	\$ -	\$ -	\$ -	\$ 1,385,791
Consultants	434,294	-	-	-	434,294
Support Assistants	1,122,926	-	-	-	1,122,926
Non Instructional Staff	-	-	62,555	-	62,555
<u>EMPLOYEE BENEFITS</u>					
Employee Benefits/Allowances	1,202,589	-	-	-	1,202,589
<u>SERVICES PURCHASED/ CONTRACTED</u>					
Professional/Technical Services	1,707	1,178	-	-	2,885
Travel	47,723	-	-	-	47,723
Other Contracted Services	122,033	-	-	-	122,033
<u>MATERIAL/SUPPLIES/FREIGHT</u>					
Materials	92,854	-	569,551	-	662,405
Furniture and Equipment	5,127	-	-	-	5,127
Freight	<u>8,781</u>	<u>-</u>	<u>1,794</u>	<u>-</u>	<u>10,575</u>
TOTAL	\$ <u>4,423,825</u>	\$ <u>1,178</u>	\$ <u>633,900</u>	\$ <u>-</u>	\$ <u>5,058,903</u>

BEAUFORT-DELTA EDUCATION COUNCIL

Schedule 3

**REPORT ON ACTIVITIES OF SPECIFIC PROGRAMS
INDIGENOUS LANGUAGES AND EDUCATION EXPENSES
For the Year Ended June 30, 2021**

<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	\$ 1,343,476	\$ -	\$ -	\$ -	\$ 1,343,476
Language Consultants	210,123	-	-	145,478	355,601
Instruction Assistants	-	-	-	52,196	52,196
Honoraria	33,225	3,262	-	47,339	83,826
Elders in Schools	-	-	-	12,486	12,486
<u>EMPLOYEE BENEFITS</u>					
Employee Benefits/Allowances	583,680	-	-	38,376	622,056
<u>SERVICES PURCHASED/ CONTRACTED</u>					
Professional/Technical Services	624	-	-	-	624
Travel	752	27,931	-	11,755	40,438
Student Transportation (bussing)	-	-	-	3,000	3,000
Advertising/Printing/Publishing	-	-	-	395	395
Rentals/Leases	1,350	2,374	-	33,070	36,794
Other Contracted Services	3,550	11,075	-	820	15,445
<u>MATERIAL/SUPPLIES/FREIGHT</u>					
Materials	86,266	30,815	-	107,981	225,062
Furniture and Equipment	5,474	116,803	-	164,195	286,472
Freight	<u>4,446</u>	<u>3,733</u>	<u>-</u>	<u>17,751</u>	<u>25,930</u>
TOTAL	\$ <u>2,272,966</u>	\$ <u>195,993</u>	\$ <u>-</u>	\$ <u>634,842</u>	\$ <u>3,103,801</u>

BEAUFORT-DELTA EDUCATION COUNCIL

Schedule 4

**REPORT ON ACTIVITIES OF SPECIFIC PROGRAMS
INDIGENOUS LANGUAGES AND EDUCATION (CONTRIBUTIONS)**

For the Year Ended June 30, 2021

<u>Contibution Agreement Indigenous Languages</u>	<u>Budget</u>	<u>July 1 to March 31</u>	<u>April 1 to June 30</u>	<u>Total</u>
Revenue				
	<u>3,323,851</u>	<u>2,267,181</u>	<u>669,469</u>	<u>2,936,650</u>
Expenses				
Salaries	878,115	1,618,035	783,515	2,401,550
Other - O & M	-	130,734	62,621	193,355
Moose Kerr	355,056	40,986	49,750	90,736
Chief Paul Niditchie	152,731	12,186	28,645	40,831
Chief Julis	179,968	73,541	12,989	86,530
East Three Elementary	490,344	3,083	69,232	72,315
Angik	198,612	1,690	18,877	20,567
Inualthuyak	111,673	1,822	14,378	16,200
Mangilaluk	268,760	24,693	7,649	32,342
Helen Kalvak	215,124	83,875	16,700	100,575
East Three Secondary	<u>473,468</u>	<u>14,105</u>	<u>34,695</u>	<u>48,800</u>
Total Expenses	<u>3,323,851</u>	<u>2,004,750</u>	<u>1,099,051</u>	<u>3,103,801</u>
Net Surplus (Deficit)	<u>-</u>	<u>262,431</u>	<u>(429,582)</u>	<u>(167,151)</u>

BEAUFORT-DELTA EDUCATION COUNCIL

Schedule 5

**REPORT ON ACTIVITIES OF SPECIFIC PROGRAMS
FRENCH LANGUAGE PROGRAM**

For the Year Ended June 30, 2021

	ECE Contributions July <u>1 to June 30</u>	Commitment from Beaufort Delta <u>Education Council</u>	Total Expenses <u>July 1 to June 30</u>
Bilateral Agreement Funding			
Special Projects as listed in the agreement:			
Teacher's Assistant Salary	\$ 63,000	\$ 20,951	\$ 83,951
French Monitor - Wage	-	37,020	37,020
French Monitor - Travel	-	2,081	7,550
French Monitor - Housing	-	11,936	11,936
French Resources	5,000	(2,137)	2,863
Cultural Activities	5,000	(5,000)	-
Professional Development	5,000	(5,000)	-
Mentorship with YCS on Immersion Program	<u>15,000</u>	<u>-</u>	<u>15,000</u>
Total	<u>\$ 93,000</u>	<u>\$ 59,851</u>	<u>\$ 158,320</u>
Regular GNWT Funding			
Immersion Program	\$ 78,000		
Mentorship YCS	15,000		
CMEC Odysse Program	-		
GNWT - ECE - Food Allowance	<u>42,557</u>		
Total	<u>\$ 135,557</u>		

BEAUFORT-DELTA EDUCATION COUNCIL

Schedule 6

**REPORT ON ACTIVITIES OF SPECIFIC PROGRAMS
JORDAN'S PRINCIPLE
For the Year Ended June 30, 2021**

	<u>Full Year Total</u>			<u>9 and 3 Month Split</u>	
	June 30, 2021 Budget <u>Unaudited</u>	June 30, 2021 <u>Actual</u>	June 30, 2020 <u>Actual</u>	July 1, 2019 - March 31, 2021 <u>Actual</u>	April 1, 2020 - June 30, 2021 <u>Actual</u>
Revenue					
First Nations and Inuit Health Branch	\$12,851,997	\$14,546,383	\$ 6,000,568	\$14,546,383	\$ -
Carry Forward from Previous Year	<u>454,235</u>	<u>454,235</u>	<u>1,055,551</u>	<u>454,235</u>	<u>8,187,227</u>
Total Revenue	<u>13,306,232</u>	<u>15,000,618</u>	<u>7,056,119</u>	<u>15,000,618</u>	<u>8,187,227</u>
Expenses					
Administration	1,319,707	773,128	86,479	317,698	455,430
Personnel	11,986,525	9,307,872	6,061,479	6,495,693	2,812,179
Transportation	-	-	66,371	-	-
Materials and Supplies	-	-	168,853	-	-
	<u>-</u>	<u>-</u>	<u>218,702</u>	<u>-</u>	<u>-</u>
Total Expenses	<u>13,306,232</u>	<u>10,081,000</u>	<u>6,601,884</u>	<u>6,813,391</u>	<u>3,267,609</u>
Net Surplus (Deficit)	<u>\$ -</u>	<u>\$ 4,919,618</u>	<u>\$ 454,235</u>	<u>\$ 8,187,227</u>	<u>\$ 4,919,618</u>
Deferred Revenue	<u>\$ -</u>	<u>\$ 4,919,618</u>	<u>\$ 454,235</u>	<u>\$ 8,187,227</u>	<u>\$ 4,919,618</u>

BEAUFORT-DELTA EDUCATION COUNCIL

Schedule 7

NORTHERN DISTANCE LEARNING

For the Year Ended June 30, 2021

<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>1,279,504</u>	<u>762,128</u>	<u>517,376</u>	<u>1,279,504</u>
Expenses				
Salaries/Wages				
Instructional Staff				
- 3 OBL teachers and support	535,804	368,901	153,129	522,030
- DL coordinator	266,200	269,124	133,150	402,274
Non-Instructional Staff				
- IT coordinator & support	120,000	68,911	36,753	105,664
- Coordinator Travel (15 schools)	40,000	37,830	6,375	44,205
Coordinator telephone	-	1,299	477	1,776
Services Purchased/ Contracted				
In-class support person (person, phone, doc cam)	175,500	174,972	30,767	205,739
Classroom materials and other supplies	-	8,469	1,176	9,645
Hardware and software				
Computer Equipment				
- Inuvik Hardware/software	142,000	80,293	78,568	158,861
Amendment 1: shared portion of 1 year license	<u>-</u>	<u>1,620</u>	<u>1,609</u>	<u>3,229</u>
Total Expenses	<u>1,279,504</u>	<u>1,011,419</u>	<u>442,004</u>	<u>1,453,423</u>
Net Surplus (Deficit)	<u>-</u>	<u>(249,291)</u>	<u>75,372</u>	<u>(173,919)</u>

BEAUFORT-DELTA EDUCATION COUNCIL

Schedule 7 cont'd

NORTHERN DISTANCE LEARNING

For the Year Ended June 30, 2021

	Total Fiscal <u>Year</u>	<u>Inuvik</u>	<u>Total</u>
REVENUE:			
Education, Culture and Employment	\$ <u>1,279,504</u>	\$ <u>1,279,504</u>	\$ <u>1,279,504</u>
EXPENSES			
Salaries/Wages			
Instructional Staff			
- 3 OBL teachers and support	522,030	522,030	522,030
- DL coordinator	402,274	402,274	402,274
Non-Instructional Staff			
- IT coordinator & support	105,664	105,664	105,664
- Coordinator Travel (15 schools)	44,205	44,205	44,205
Coordinator telephone	1,776	1,776	1,776
Classroom materials and other supplies	9,645	9,645	9,645
Services Purchased/ Contracted			
In-class support persom (person, phone, doc cam)	-	205,739	205,739
Hardware and software			
Computer Equipment			
- Inuvik Hardware/software	158,861	158,861	158,861
Freight	<u>3,229</u>	<u>3,229</u>	<u>3,229</u>
Total Expenses	<u>1,247,684</u>	<u>1,453,423</u>	<u>1,453,423</u>
Net Surplus/(Deficit)	\$ <u>31,820</u>	\$ <u>(173,919)</u>	\$ <u>(173,919)</u>

BEAUFORT-DELTA EDUCATION COUNCIL

Schedule 8

**REPORT ON ACTIVITIES OF SPECIFIC PROGRAMS
STUDENT SUCCESS INITIATIVE**

For the Year Ended June 30, 2021

NWT Student Success Initiative

Professional Development Initiative

Title of Project: Ongoing Development of Collaborative Teams and Response to Intervention

	2021 Budget <u>(Unaudited)</u>	2021 <u>Actual</u>	2020 <u>Actual</u>
Revenue	\$ <u>130,000</u>	\$ <u>77,850</u>	\$ <u>132,850</u>
Expenses:			
Salaries/Wages			
Facilitator Fees	25,500	3,554	44,050
Travel			
Air Charter	76,500	112	37,629
Accommodation	25,500	-	43,049
Daily Per Diems	8,500	-	26,005
Workshop Expenses			
Refreshments	25,500	-	14,861
Miscellaneous	<u>8,500</u>	<u>8,632</u>	<u>8,994</u>
Total Expenses	<u>170,000</u>	<u>12,298</u>	<u>174,588</u>
Net Surplus (Deficit)	\$ <u>(40,000)</u>	\$ <u>65,552</u>	\$ <u>(41,738)</u>

AKLAVIK DISTRICT EDUCATION AUTHORITY
STATEMENT OF FINANCIAL POSITION
For the year ended June 30, 2021

	<u>2021</u>	<u>2020</u>
FINANCIAL ASSETS		
Cash and Cash Equivalents	\$ 21,612	\$ 6,295
Due from Related Parties	2,558	1,060
Accounts Receivable	<u>10,241</u>	<u>14,869</u>
	<u>34,411</u>	<u>22,224</u>
LIABILITIES		
Due to Related Parties	3,822	4,391
Payroll Liabilities	512	869
Deferred Revenue	<u>4,349</u>	<u>175</u>
	<u>8,683</u>	<u>5,435</u>
ACCUMULATED SURPLUS	<u>\$ 25,728</u>	<u>\$ 16,789</u>

AKLAVIK DISTRICT EDUCATION AUTHORITY
STATEMENT OF FINANCIAL OPERATIONS
For the Year Ended June 30, 2021

	2021 Budget (Unaudited)	2021 Actual	2020 Actual
REVENUE			
Contributions from Divisional Council	\$ 72,740	\$ 71,327	\$ 60,389
Other ECE contributions	56,745	48,614	55,374
Other	<u>13,382</u>	<u>7,586</u>	<u>13,025</u>
TOTAL REVENUE	<u>142,867</u>	<u>127,527</u>	<u>128,788</u>
EXPENSES			
Indigenous Languages and Education	-	-	9,656
Administration	31,512	20,486	35,413
School Programs	<u>111,355</u>	<u>98,102</u>	<u>80,983</u>
TOTAL EXPENSES	<u>142,867</u>	<u>118,588</u>	<u>126,052</u>
OPERATING SURPLUS	-	8,939	2,736
OPENING ACCUMULATED SURPLUS	<u>16,789</u>	<u>16,789</u>	<u>14,053</u>
CLOSING ACCUMULATED SURPLUS	<u>\$ 16,789</u>	<u>\$ 25,728</u>	<u>\$ 16,789</u>

AKLAVIK DISTRICT EDUCATION AUTHORITY
DETAILS OF EXPENSES
 For the Year Ended June 30, 2021

	<u>Administration</u>	<u>School Programs</u>	<u>Total</u>
SALARIES:			
Non-instructional Staff	\$ 3,873	\$ 47,085	\$ 50,958
Board/Trustee Honoraria	2,925	-	2,925
EMPLOYEE BENEFITS			
Employee Benefit/Allowance	-	3,895	3,895
SERVICES PURCHASED/ CONTRACTED			
Postage/Communication	1,250	-	1,250
Rentals/Leases	-	16,500	16,500
Others	3,023	-	3,023
Contracted Services	-	60	60
MATERIALS/SUPPLIES/FREIGHT			
Materials	9,323	30,562	39,885
Furniture and Equipment	<u>92</u>	<u>-</u>	<u>92</u>
Total	<u>\$ 20,486</u>	<u>\$ 98,102</u>	<u>\$ 118,588</u>

FT MCPHERSON DISTRICT EDUCATION AUTHORITY
STATEMENT OF FINANCIAL POSITION
For the year ended June 30, 2021

	<u>2021</u>	<u>2020</u>
FINANCIAL ASSETS		
Cash and Cash Equivalents	\$ 54,124	\$ 70,243
Due from Related Parties	7,516	12,331
Accounts Receivable	<u>11,556</u>	<u>2,736</u>
	<u>73,196</u>	<u>85,310</u>
LIABILITIES		
Accounts Payable and Accrued Liabilities	62,176	50,112
Due to Related Parties	4,366	4,517
Payroll Liabilities	568	(174)
Deferred Revenue	<u>2,491</u>	<u>37,054</u>
	<u>69,601</u>	<u>91,509</u>
ACCUMULATED SURPLUS (DEFICIT)	<u>\$ 3,595</u>	<u>\$ (6,199)</u>

FT MCPHERSON DISTRICT EDUCATION AUTHORITY
STATEMENT OF FINANCIAL OPERATIONS
For the Year Ended June 30, 2021

	2021 Budget (Unaudited)	2021 <u>Actual</u>	2020 <u>Actual</u>
REVENUE			
Contributions from Divisional Council	\$ 71,564	\$ 56,177	\$ 51,375
Other ECE contributions	64,579	29,574	44,367
Other contributions	-	5,257	7,252
Other	<u>19,270</u>	<u>25,952</u>	<u>55,385</u>
TOTAL REVENUE	<u>155,413</u>	<u>116,960</u>	<u>158,379</u>
EXPENSES			
Indigenous Languages and Education	16,295	13,802	24,252
Administration	44,746	32,345	61,981
School Programs	<u>94,372</u>	<u>61,019</u>	<u>76,568</u>
TOTAL EXPENSES	<u>155,413</u>	<u>107,166</u>	<u>162,801</u>
OPERATING SURPLUS	-	9,794	(4,422)
OPENING ACCUMULATED DEFICIT	<u>(6,199)</u>	<u>(6,199)</u>	<u>(1,777)</u>
CLOSING ACCUMULATED SURPLUS (DEFICIT)	<u>\$ (6,199)</u>	<u>\$ 3,595</u>	<u>\$ (6,199)</u>

FT MCPHERSON DISTRICT EDUCATION AUTHORITY
DETAILS OF EXPENSES
For the Year Ended June 30, 2021

	<u>Administration</u>	<u>Indigenous Languages and Education</u>	<u>School Programs</u>	<u>Total</u>
SALARIES:				
Instruction Assistants	\$ -	\$ -	\$ 25,369	\$ 25,369
Non-instructional Staff	10,751	12,036	-	22,787
Board/Trustee Honoraria	775	-	-	775
EMPLOYEE BENEFITS				
Employee Benefit/Allowance	1,393	486	1,361	3,240
SERVICES PURCHASED/ CONTRACTED				
Postage/Communication	1,955	-	-	1,955
Student Travel	-	-	1,283	1,283
Rentals/Leases	-	-	14,640	14,640
Others	784	-	15,071	15,855
MATERIALS/SUPPLIES/FREIGHT				
Materials	16,687	1,280	1,676	19,643
Freight	-	-	1,619	1,619
Total	<u>\$ 32,345</u>	<u>\$ 13,802</u>	<u>\$ 61,019</u>	<u>\$ 107,166</u>

INUVIK DISTRICT EDUCATION AUTHORITY
STATEMENT OF FINANCIAL POSITION
For the year ended June 30, 2021

	<u>2021</u>	<u>2020</u>
FINANCIAL ASSETS		
Cash and Cash Equivalents	\$ 56,621	\$ 43,470
Due from Related Parties	19,353	29,801
Accounts Receivable	<u>12,230</u>	<u>11,740</u>
	<u>88,204</u>	<u>85,011</u>
LIABILITIES		
Accounts Payable and Accrued Liabilities	2,650	5,225
Payroll Liabilities	11,641	4,820
Deferred Revenue	<u>5,823</u>	<u>3,502</u>
	<u>20,114</u>	<u>13,547</u>
ACCUMULATED SURPLUS	<u>\$ 68,090</u>	<u>\$ 71,464</u>

INUVIK DISTRICT EDUCATION AUTHORITY
STATEMENT OF FINANCIAL OPERATIONS
For the Year Ended June 30, 2021

	2021 Budget <u>(Unaudited)</u>	2021 <u>Actual</u>	2020 <u>Actual</u>
REVENUE			
Contributions from Divisional Council	\$ 115,612	\$ 125,873	\$ 99,337
Other	<u>88,683</u>	<u>37,669</u>	<u>67,013</u>
TOTAL REVENUE	<u>204,295</u>	<u>163,542</u>	<u>166,350</u>
EXPENSES			
Indigenous Languages and Education	24,292	55,123	50,465
Administration	99,200	77,807	85,552
Inclusive Schooling	-	-	11,930
School Programs	<u>80,803</u>	<u>33,986</u>	<u>(36,255)</u>
TOTAL EXPENSES	<u>204,295</u>	<u>166,916</u>	<u>111,692</u>
OPERATING DEFICIT	-	(3,374)	54,658
OPENING ACCUMULATED SURPLUS	<u>71,464</u>	<u>71,464</u>	<u>16,806</u>
CLOSING ACCUMULATED SURPLUS	<u>\$ 71,464</u>	<u>\$ 68,090</u>	<u>\$ 71,464</u>

INUVIK DISTRICT EDUCATION AUTHORITY
DETAILS OF EXPENSES
For the Year Ended June 30, 2021

	<u>Administration</u>	<u>Indigenous Languages and Education</u>	<u>School Programs</u>	<u>Total</u>
SALARIES:				
Instruction Assistants	\$ -	\$ 52,196	\$ -	\$ 52,196
Non-instructional Staff	49,545	-	7,281	56,826
Board/Trustee Honoraria	5,750	-	-	5,750
EMPLOYEE BENEFITS				
Employee Benefit/Allowance	4,310	2,927	895	8,132
SERVICES PURCHASED/ CONTRACTED				
Postage/Communication	47	-	-	47
Utilities & Leases	1,061	-	-	1,061
Travel	7,069	-	-	7,069
Others	9,214	-	-	9,214
Contracted Services	429	-	25,810	26,239
MATERIALS/SUPPLIES/FREIGHT				
Materials	<u>382</u>	<u>-</u>	<u>-</u>	<u>382</u>
Total	<u>\$ 77,807</u>	<u>\$ 55,123</u>	<u>\$ 33,986</u>	<u>\$ 166,916</u>

PAULATUK DISTRICT EDUCATION AUTHORITY
STATEMENT OF FINANCIAL POSITION
For the year ended June 30, 2021

	<u>2021</u>	<u>2020</u>
FINANCIAL ASSETS		
Cash and Cash Equivalents	\$ 13,779	\$ 17,483
Due from Related Parties	23,364	7,559
Accounts Receivable	<u>2,115</u>	<u>-</u>
	<u>39,258</u>	<u>25,042</u>
LIABILITIES		
Due to Related Parties	4,716	7,485
Payroll Liabilities	3,956	1,329
Deferred Revenue	<u>10,668</u>	<u>7,042</u>
	<u>19,340</u>	<u>15,856</u>
ACCUMULATED SURPLUS	<u>\$ 19,918</u>	<u>\$ 9,186</u>

PAULATUK DISTRICT EDUCATION AUTHORITY
STATEMENT OF FINANCIAL OPERATIONS
For the Year Ended June 30, 2021

	2021 Budget (Unaudited)	2021 <u>Actual</u>	2020 <u>Actual</u>
REVENUE			
Contributions from Divisional Council	\$ 39,843	\$ 46,284	\$ 31,642
Other	<u>12,569</u>	<u>11,325</u>	<u>8,399</u>
TOTAL REVENUE	<u>52,412</u>	<u>57,609</u>	<u>40,041</u>
EXPENSES			
Administration	17,751	13,968	11,705
School Programs	<u>34,661</u>	<u>32,909</u>	<u>21,305</u>
TOTAL EXPENSES	<u>52,412</u>	<u>46,877</u>	<u>33,010</u>
OPERATING SURPLUS	-	10,732	7,031
OPENING ACCUMULATED SURPLUS	<u>9,186</u>	<u>9,186</u>	<u>2,155</u>
CLOSING ACCUMULATED SURPLUS	<u>\$ 9,186</u>	<u>\$ 19,918</u>	<u>\$ 9,186</u>

**PAULATUK DISTRICT EDUCATION AUTHORITY
 DETAILS OF EXPENSES
 For the Year Ended June 30, 2021**

	<u>Administration</u>	<u>School Programs</u>	<u>Total</u>
SALARIES:			
Non-instructional Staff	\$ 8,156	\$ 840	\$ 8,996
Board/Trustee Honoraria	2,702	-	2,702
EMPLOYEE BENEFITS			
Employee Benefit/Allowance	560	264	824
SERVICES PURCHASED/ CONTRACTED			
Others	112	-	112
Contracted Services	1,423	31,319	32,742
MATERIALS/SUPPLIES/FREIGHT			
Materials	<u>1,015</u>	<u>486</u>	<u>1,501</u>
Total	<u>\$ 13,968</u>	<u>\$ 32,909</u>	<u>\$ 46,877</u>

SACHS HARBOUR DISTRICT EDUCATION AUTHORITY
STATEMENT OF FINANCIAL POSITION
For the year ended June 30, 2021

	<u>2021</u>	<u>2020</u>
FINANCIAL ASSETS		
Cash and Cash Equivalents	\$ 42,173	\$ 34,656
Due from Related Parties	<u>6,376</u>	<u>2,550</u>
	<u>48,549</u>	<u>37,206</u>
LIABILITIES		
Accounts Payable and Accrued Liabilities	-	15
Payroll Liabilities	453	459
Deferred Revenue	<u>14,457</u>	<u>9,457</u>
	<u>14,910</u>	<u>9,931</u>
ACCUMULATED SURPLUS	<u>\$ 33,639</u>	<u>\$ 27,275</u>

SACHS HARBOUR DISTRICT EDUCATION AUTHORITY
STATEMENT OF FINANCIAL OPERATIONS
For the Year Ended June 30, 2021

	2021 Budget <u>(Unaudited)</u>	2021 <u>Actual</u>	2020 <u>Actual</u>
REVENUE			
Contributions from Divisional Council	\$ 6,376	\$ 6,376	\$ 6,376
Other	<u>-</u>	<u>-</u>	<u>1,017</u>
TOTAL REVENUE	<u>6,376</u>	<u>6,376</u>	<u>7,393</u>
EXPENSES			
Administration	5,376	18	1,863
School Programs	<u>1,000</u>	<u>-</u>	<u>6,500</u>
TOTAL EXPENSES	<u>6,376</u>	<u>18</u>	<u>8,363</u>
OPERATING SURPLUS	-	6,358	(970)
OPENING ACCUMULATED SURPLUS	<u>27,281</u>	<u>27,281</u>	<u>28,251</u>
CLOSING ACCUMULATED SURPLUS	<u>\$ 27,281</u>	<u>\$ 33,639</u>	<u>\$ 27,281</u>

SACHS HARBOUR DISTRICT EDUCATION AUTHORITY
DETAILS OF EXPENSES
 For the Year Ended June 30, 2021

SERVICES PURCHASED/ CONTRACTED

Others

Total

<u>Administration</u>	<u>Total</u>
\$ _____ 18	\$ _____ 18
<u>\$ _____ 18</u>	<u>\$ _____ 18</u>

TSIIGEHTCHIC DISTRICT EDUCATION AUTHORITY
STATEMENT OF FINANCIAL POSITION
For the year ended June 30, 2021

	<u>2021</u>	<u>2020</u>
FINANCIAL ASSETS		
Cash and Cash Equivalents	\$ 24,420	\$ 29,239
Due from Related Parties	<u>8,698</u>	<u>2,532</u>
	<u>33,118</u>	<u>31,771</u>
LIABILITIES		
Payroll Liabilities	<u>8</u>	<u>186</u>
	<u>8</u>	<u>186</u>
ACCUMULATED SURPLUS	<u>\$ 33,110</u>	<u>\$ 31,585</u>

TSHIGEHTCHIC DISTRICT EDUCATION AUTHORITY
STATEMENT OF FINANCIAL OPERATIONS
For the Year Ended June 30, 2021

	2021 Budget (Unaudited)	2021 <u>Actual</u>	2020 <u>Actual</u>
REVENUE			
Contributions from Divisional Council	\$ 8,698	\$ 8,698	\$ 8,440
Other	<u>4,388</u>	<u>-</u>	<u>17,154</u>
TOTAL REVENUE	<u>13,086</u>	<u>8,698</u>	<u>25,594</u>
EXPENSES			
Indigenous Languages and Education	-	-	9,399
Administration	4,070	4,058	12,945
School Programs	<u>9,016</u>	<u>3,115</u>	<u>3,476</u>
TOTAL EXPENSES	<u>13,086</u>	<u>7,173</u>	<u>25,820</u>
OPERATING SURPLUS	-	1,525	(226)
OPENING ACCUMULATED SURPLUS	<u>31,585</u>	<u>31,585</u>	<u>31,811</u>
CLOSING ACCUMULATED SURPLUS	<u>\$ 31,585</u>	<u>\$ 33,110</u>	<u>\$ 31,585</u>

TSIIGEHTCHIC DISTRICT EDUCATION AUTHORITY
DETAILS OF EXPENSES
 For the Year Ended June 30, 2021

	<u>Administration</u>	<u>School Programs</u>	<u>Total</u>
EMPLOYEE BENEFITS			
Employee Benefit/Allowance	\$ 282	\$ -	\$ 282
SERVICES PURCHASED/ CONTRACTED			
Contracted Services	3,286	550	3,836
MATERIALS/SUPPLIES/FREIGHT			
Materials	<u>490</u>	<u>2,565</u>	<u>3,055</u>
Total	<u>\$ 4,058</u>	<u>\$ 3,115</u>	<u>\$ 7,173</u>

TUKTOYAKTUK DISTRICT EDUCATION AUTHORITY
STATEMENT OF FINANCIAL POSITION
For the year ended June 30, 2021

	<u>2021</u>	<u>2020</u>
FINANCIAL ASSETS		
Cash and Cash Equivalents	\$ 87,612	\$ 36,152
Due from Related Parties	2,521	42,848
Accounts Receivable	<u>21,765</u>	<u>15,139</u>
	<u>111,898</u>	<u>94,139</u>
LIABILITIES		
Accounts Payable and Accrued Liabilities	39,692	43,134
Due to Related Parties	10,933	10,933
Payroll Liabilities	681	1,105
Deferred Revenue	<u>7,084</u>	<u>2,084</u>
	<u>58,390</u>	<u>57,256</u>
NET FINANCIAL RESOURCES	<u>53,508</u>	<u>36,883</u>
NON-FINANCIAL ASSETS		
Prepaid Expenses	<u>1,500</u>	<u>-</u>
ACCUMULATED SURPLUS	<u>\$ 55,008</u>	<u>\$ 36,883</u>

TUKTOYAKTUK DISTRICT EDUCATION AUTHORITY
STATEMENT OF FINANCIAL OPERATIONS
For the Year Ended June 30, 2021

	2021 Budget (Unaudited)	2021 <u>Actual</u>	2020 <u>Actual</u>
REVENUE			
Contributions from Divisional Council	\$ 82,994	\$ 69,758	\$ 67,113
Other ECE contributions	-	27,811	36,404
Other Government of Canada	29,000	-	17,425
Other	<u>35,000</u>	<u>56,483</u>	<u>36,156</u>
TOTAL REVENUE	<u>146,994</u>	<u>154,052</u>	<u>157,098</u>
EXPENSES			
Indigenous Languages and Education	-	-	3,000
Administration	43,000	22,329	24,942
School Programs	<u>103,994</u>	<u>113,598</u>	<u>114,447</u>
TOTAL EXPENSES	<u>146,994</u>	<u>135,927</u>	<u>142,389</u>
OPERATING SURPLUS	-	18,125	14,709
OPENING ACCUMULATED SURPLUS	<u>36,883</u>	<u>36,883</u>	<u>22,174</u>
CLOSING ACCUMULATED SURPLUS	<u>\$ 36,883</u>	<u>\$ 55,008</u>	<u>\$ 36,883</u>

TUKTOYAKTUK DISTRICT EDUCATION AUTHORITY
DETAILS OF EXPENSES
 For the Year Ended June 30, 2021

	<u>Administration</u>	<u>School Programs</u>	<u>Total</u>
SALARIES:			
Non-instructional Staff	\$ 2,814	\$ 36,909	\$ 39,723
Board/Trustee Honoraria	2,250	-	2,250
EMPLOYEE BENEFITS			
Employee Benefit/Allowance	2,011	3,993	6,004
SERVICES PURCHASED/ CONTRACTED			
Utilities & Leases	-	3,848	3,848
Rentals/Leases	7,363	16,500	23,863
Others	1,891	-	1,891
Contracted Services	(450)	-	(450)
MATERIALS/SUPPLIES/FREIGHT			
Materials	<u>6,450</u>	<u>52,348</u>	<u>58,798</u>
Total	<u>\$ 22,329</u>	<u>\$ 113,598</u>	<u>\$ 135,927</u>

ULUKHAKTOK DISTRICT EDUCATION AUTHORITY
STATEMENT OF FINANCIAL POSITION
For the year ended June 30, 2021

	<u>2021</u>	<u>2020</u>
FINANCIAL ASSETS		
Cash and Cash Equivalents	\$ 16,591	\$ 39,197
Due from Related Parties	4,568	13,905
Accounts Receivable	<u>(690)</u>	<u>1,940</u>
	<u>20,469</u>	<u>55,042</u>
LIABILITIES		
Accounts Payable and Accrued Liabilities	250	250
Due to Related Parties	-	11,335
Payroll Liabilities	686	442
Deferred Revenue	<u>972</u>	<u>21,972</u>
	<u>1,908</u>	<u>33,999</u>
ACCUMULATED SURPLUS	<u>\$ 18,561</u>	<u>\$ 21,043</u>

ULUKHAKTOK DISTRICT EDUCATION AUTHORITY
STATEMENT OF FINANCIAL OPERATIONS
For the Year Ended June 30, 2021

	2021 Budget <u>(Unaudited)</u>	2021 <u>Actual</u>	2020 <u>Actual</u>
REVENUE			
Contributions from Divisional Council	\$ 57,250	\$ 60,240	\$ 46,021
Other ECE contributions	35,000	49,726	34,419
Other contributions	-	-	469
Other	<u>10,608</u>	<u>20,614</u>	<u>17,780</u>
TOTAL REVENUE	<u>102,858</u>	<u>130,580</u>	<u>98,689</u>
EXPENSES			
Indigenous Languages and Education	450	450	-
Administration	16,370	20,572	14,054
School Programs	<u>86,038</u>	<u>112,040</u>	<u>70,110</u>
TOTAL EXPENSES	<u>102,858</u>	<u>133,062</u>	<u>84,164</u>
OPERATING DEFICIT	-	(2,482)	14,525
OPENING ACCUMULATED SURPLUS	<u>21,043</u>	<u>21,043</u>	<u>6,518</u>
CLOSING ACCUMULATED SURPLUS	<u>\$ 21,043</u>	<u>\$ 18,561</u>	<u>\$ 21,043</u>

ULUKHAKTOK DISTRICT EDUCATION AUTHORITY
DETAILS OF EXPENSES
For the Year Ended June 30, 2021

	<u>Administration</u>	Indigenous Languages and <u>Education</u>	<u>School Programs</u>	<u>Total</u>
SALARIES:				
Non-instructional Staff	\$ 4,780	\$ 450	\$ 90,334	\$ 95,564
Board/Trustee Honoraria	8,125	-	-	8,125
EMPLOYEE BENEFITS				
Employee Benefit/Allowance	370	-	3,331	3,701
SERVICES PURCHASED/ CONTRACTED				
Student Travel	-	-	485	485
Others	4,670	-	150	4,820
MATERIALS/SUPPLIES/FREIGHT				
Materials	<u>2,627</u>	<u>-</u>	<u>17,740</u>	<u>20,367</u>
Total	<u>\$ 20,572</u>	<u>\$ 450</u>	<u>\$ 112,040</u>	<u>\$ 133,062</u>

NON-CONSOL BEAUFORT DELTA EDUCATION COUNCIL
STATEMENT OF FINANCIAL POSITION
For the year ended June 30, 2021

	<u>2021</u>	<u>2020</u>
FINANCIAL ASSETS		
Cash and Cash Equivalents	\$ 15,812,190	\$ 10,174,054
Accounts Receivable	361,802	410,008
Restricted Assets	<u>294,960</u>	<u>293,124</u>
	<u>16,468,952</u>	<u>10,877,186</u>
LIABILITIES		
Accounts Payable and Accrued Liabilities	724,982	795,046
Due to Related Parties	51,117	73,925
Payroll Liabilities	4,306,381	4,009,154
Employee Deductions Payable	2,603	1,696
Deferred Revenue	5,189,334	774,720
Post-Employment Benefits	2,352,075	2,704,647
Trust Liabilities	<u>294,960</u>	<u>293,124</u>
	<u>12,921,452</u>	<u>8,652,312</u>
NET FINANCIAL RESOURCES	<u>3,547,500</u>	<u>2,224,874</u>
NON-FINANCIAL ASSETS		
Prepaid Expenses	<u>-</u>	<u>3,000</u>
ACCUMULATED SURPLUS	<u>\$ 3,547,500</u>	<u>\$ 2,227,874</u>

NON-CONSOL BEAUFORT DELTA EDUCATION COUNCIL
STATEMENT OF FINANCIAL OPERATIONS
For the Year Ended June 30, 2021

	2021 Budget (Unaudited)	2021 Actual	2020 Actual
REVENUE			
Government of the NWT			
Regular contributions	\$ 32,514,424	\$ 32,515,540	\$ 30,951,002
Other ECE contributions	75,000	1,310,504	1,127,276
Other contributions	74,250	132,150	189,210
GNWT - COVID contributions	<u>-</u>	<u>1,733,697</u>	<u>-</u>
Total Government of the NWT	<u>32,663,674</u>	<u>35,691,891</u>	<u>32,267,488</u>
Government of Canada			
Jordan Princippal	13,306,232	10,081,000	6,601,884
Other Government of Canada	<u>8,020</u>	<u>7,900</u>	<u>8,020</u>
Total Government of Canada	<u>13,314,252</u>	<u>10,088,900</u>	<u>6,609,904</u>
Board Generated Funds			
Investment Income	160,000	125,685	113,234
Other	<u>628,649</u>	<u>272,873</u>	<u>349,397</u>
Total Board Generated Funds	<u>788,649</u>	<u>398,558</u>	<u>462,631</u>
TOTAL REVENUE	<u>46,766,575</u>	<u>46,179,349</u>	<u>39,340,023</u>
EXPENSES			
Indigenous Languages and Education	3,253,851	3,034,426	2,694,288
Administration	3,120,387	3,005,107	2,329,762
Inclusive Schooling	5,802,739	5,058,902	4,514,018
School Programs	20,869,705	22,710,863	21,178,101
Student Accommodations	176,453	31,970	104,216
Operations & Maintenance	965,000	937,455	857,396
Jordan's Principle	<u>13,306,232</u>	<u>10,081,000</u>	<u>6,535,153</u>
TOTAL EXPENSES	<u>47,494,367</u>	<u>44,859,723</u>	<u>38,212,934</u>
OPERATING SURPLUS (DEFICIT)	(727,792)	1,319,626	1,127,089
OPENING ACCUMULATED SURPLUS	<u>2,227,874</u>	<u>2,227,874</u>	<u>1,100,785</u>
CLOSING ACCUMULATED SURPLUS	<u>\$ 1,500,082</u>	<u>\$ 3,547,500</u>	<u>\$ 2,227,874</u>

NON-CONSOL BEAUFORT DELTA EDUCATION COUNCIL
DETAILS OF EXPENSES
For the Year Ended June 30, 2021

	<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	\$ -	\$ 1,385,790	\$ 1,343,476	\$ 12,250,139	\$ -	\$ -	\$ 2,590,133	\$ 17,569,538
Instruction Assistants	-	-	-	125,460	-	-	773,129	898,589
Non-instructional Staff	1,120,804	1,619,775	355,601	2,999,186	-	-	3,793,937	9,889,303
Board/Trustee Honoraria	16,680	-	83,826	30,815	-	-	-	131,321
EMPLOYEE BENEFITS								
Employee Benefit/Allowance	327,225	1,202,589	618,643	5,131,573	-	431,900	2,923,802	10,635,732
Leave and Termination	-	-	-	68,150	-	-	-	68,150
SERVICES PURCHASED/ CONTRACTED								
Professional/Technical Services	62,842	60,768	-	-	-	-	-	123,610
Postage/Communication	39,366	1,107	624	104,783	1,869	-	-	147,749
Travel	44,729	47,723	27,932	78,901	-	-	-	199,285
Student Travel	-	-	3,000	6,015	30,101	-	-	39,116
Advertising/Printing/Publishing	21,660	-	-	-	-	-	-	21,660
Maintenance/Repair	78,794	-	12,903	136,959	-	-	-	228,656
Rentals/Leases	25,480	-	36,794	114,452	-	146,100	-	322,826
Others	44,526	1,778	-	16,440	-	359,455	-	422,199
Contracted Services	28,593	61,265	15,445	215,123	-	-	-	320,426
MATERIALS/SUPPLIES/FREIGHT								
Materials	245,607	94,943	223,780	1,067,706	-	-	-	1,632,036
Furniture and Equipment	732,077	572,589	286,472	239,819	-	-	-	1,830,957
Freight	23,691	10,575	25,930	90,778	-	-	-	150,974
CONTRIBUTIONS/TRANSFERS								
Transfers - Other	193,033	-	-	34,564	-	-	-	227,597
Total	\$ 3,005,107	\$ 5,058,902	\$ 3,034,426	\$ 22,710,863	\$ 31,970	\$ 937,455	\$ 10,081,001	\$ 44,859,724

**Commission scolaire francophone
Territoires du Nord-Ouest**

Consolidated Financial Statements

June 30, 2021

Commission scolaire francophone Territoires du Nord-Ouest

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June 30, 2021

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Commission scolaire francophone
Territoires du Nord-Ouest

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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 des TNO. Le rapport de gestion est la responsabilité de la direction générale et du Conseil des commissaires de la Commission scolaire francophone des 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 des TNO (CSFTNO) 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 2020-21 sont comme suit :

Nom	Titre
Simon Cloutier	Président
Jessica King	Vice-présidente
Jean De Dieu Tuyishime	Commissaire
Catherine Boulanger	Commissaire
Marie-Ève Martel	Commissaire
Michael St-Amour	Commissaire

La commissaire Jessica King à Hay River a été nommée en octobre 2020.

La commissaire Catherine Boulanger a été nommée en novembre 2020.

La CSFTNO 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 2020-21, le personnel (en termes de FTE) de la CSFTNO se chiffrait à 44.4 FTE et se présente comme suit :

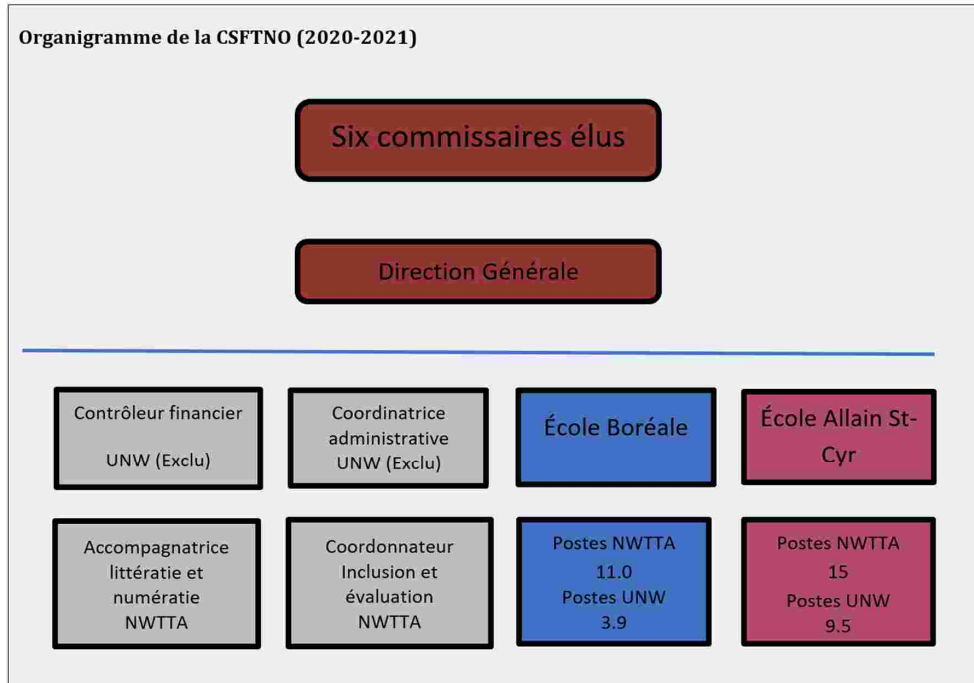
- Bureau central : 5 FTE
- École Allain St-Cyr (EASC) : 15 NWTTA et 9.5 UNW
- École Boréale : 11 NWTTA et 3.9 UNW

Effectif des élèves

Au 30 septembre 2020, 164.5 élèves fréquentaient l'école Allain St-Cyr et 78.5 l'école Boréale, soit un total de 243 élèves.

Organigramme de la Commission scolaire francophone

L'organigramme de la Commission scolaire francophone des TNO pour l'année 2020-2021 se présente comme suit :



Plan stratégique 2021-2026

La Commission scolaire 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 qui a été achevé en juin 2021.

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 post-secondaire 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.**

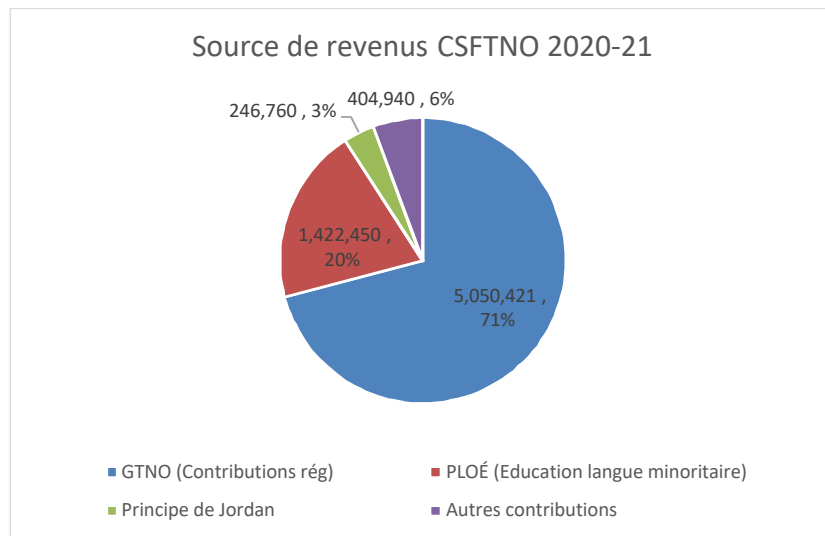
Un citoyen éthique et engagé qui...

- **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.**

Revenus

La source principale de revenu provient du Gouvernement des Territoires du Nord-Ouest. Cette source de revenu est majoritairement divisée en 3 catégories :

- Les contributions régulières calculées selon le Cadre de financement scolaire des Territoires du Nord-Ouest (5,050 M\$ dont 128 k\$ constitue un revenu différé de l'exercice fiscal 20-21 au titre des programmes Intégration scolaire – 93 k\$ et Programme autochtone – 35 k\$);
- La contribution provenant de l'entente Plan sur les langues officielles en éducation - *Enseignement en français langue de la minorité* de Patrimoine canadien (1.423 M);
- Les autres revenus provenant essentiellement des autres contributions du gouvernement (GTNO) et du Principe de Jordan s'élèvent à 652 k\$



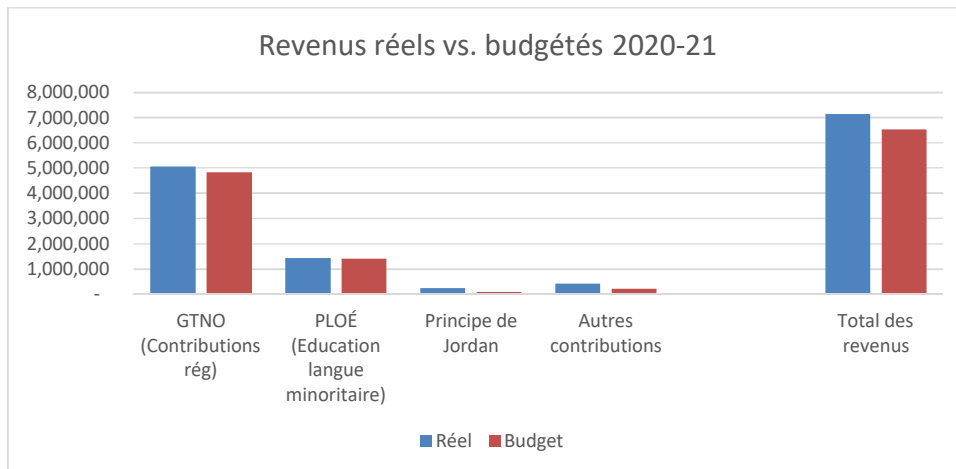
En 2020-2021, la Commission scolaire francophone TNO a enregistré des revenus d'un montant de 7.125 M\$ comparativement à un montant budgété de 6.513 M\$. Cette variance de 612 k\$ s'explique principalement par les facteurs suivants :

- Une hausse des contributions régulières de 244.3 k\$, dont comme mentionné précédemment 128 k\$ constitue un revenu différé de l'exercice

précédent sur cet exercice. D'autres facteurs de la hausse des contributions régulières concernent l'augmentation des salaires des enseignants du syndicat NWTTA d'un montant de 93 k\$ (2.5% d'augmentation) et la contribution pour inscriptions exceptionnelles (EEF), SSI et mentorat de \$100 K\$. Cette hausse est cependant atténuée par la baisse du budget initial de 61 k\$ concernant les lignes « *School Counselling* » et « *Wellness Counsellors* ».

- Une hausse de 181.3 k\$ des autres contributions, dont notamment la somme de 114 k\$ relative à la contribution COVID-19. Un revenu de 84 k\$ sur les 187 k\$ a été constaté sur 20-21 et un revenu de 30 k\$ concernant les ordinateurs portables, contribution séparée de la contribution de 187 k\$, a été également gagné. En outre, le programme PES 440 d'un montant de 25 k\$ a été appliqué au cours de l'exercice 20-21 et la dotation d'un fonds de tiroir de 28 k\$ a été attribué.
- Une hausse du montant du programme « Français – Langue première » de 19.4 k\$ relatifs à des fonds additionnels octroyés de façon ponctuelle.
- Une augmentation de 166.5 k\$ du revenu concernant le Principe de Jordan due à l'ajout d'autres étudiants éligibles à ce programme au début de la rentrée.

Voici un tableau illustrant les revenus réels comparativement aux revenus budgétés :



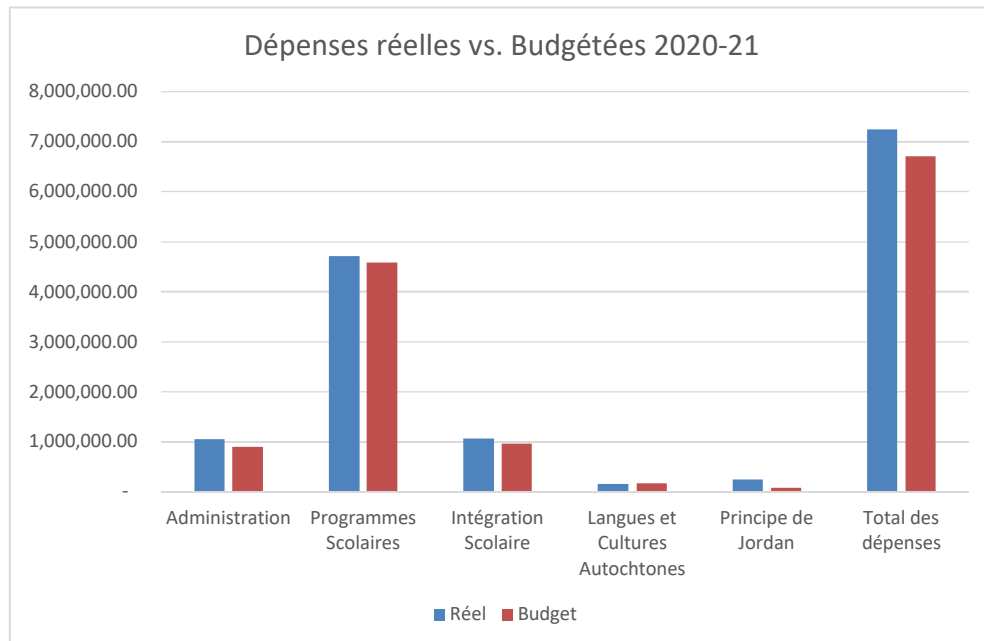
Dépenses

Le total des dépenses de la Commission scolaire francophone des TNO au 30 juin 2021 se chiffre à 7.236 M\$ comparativement à un budget approuvé de 6.699 M\$, soit un dépassement de 537 k\$.

Ce dépassement s'explique essentiellement par les facteurs suivants :

- Une hausse des frais d'administration de 161 k\$;
- Une hausse des dépenses de programmes scolaires de 119 k\$;
- Une augmentation des dépenses d'intégration scolaire de 96 k\$ relative au report d'un revenu de 93 k\$ de l'exercice 19-20 sur l'exercice 20-21;
- Une augmentation des dépenses relatives au Principe de Jordan de 166.4 k\$, à la suite de l'éligibilité de nouveaux élèves.
- Une légère diminution des dépenses du programme autochtone de 5 k\$.

Voici un tableau illustrant les dépenses réelles comparativement (hors dépenses extraordinaires) aux dépenses budgétées par programme :



Programmes

Administration

L'augmentation des dépenses d'administration s'expliquent essentiellement par hausse des frais de CSTIT (WSCC) et des frais de départ pour 57 k\$, l'augmentation des salaires (*Merit Pay inclus*) du Bureau Central et des honoraires de 14 k\$, une hausse des achats de services de 43 k\$.

Programmes scolaires

L'effet combiné des mouvements du personnel et des ressources supplémentaires des ressources liées au COVID-19, au PES 440 et au fonds de tiroir additionnel de Patrimoine Canadien a permis une augmentation des dépenses des programmes scolaires de 119 k\$.

Intégration scolaire

Le report de 93 k\$ des dépenses d'intégration scolaire de l'exercice fiscal 19-20 sur 20-21 a permis une hausse des dépenses relatives de 96 k\$.

Principe de Jordan

Au cours de l'exercice fiscal 20-21, de nouveaux élèves ont été admis à ce programme. Cependant, après quelques mois, certains élèves ont été transférés vers d'autres écoles ou à la demande des parents, le programme a été arrêté. Les dépenses comptabilisées ont pris en compte la période du 31 mars 2021. Après cette date, seule une élève de la CSFTNO restait éligible au Principe de Jordan. La différence de 166.4 k\$ explique cette hausse constatée.

Langues 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 2019-2020 s'est soldé par des dépenses réelles de 163 k\$ contre un budget de 168 k\$, soit une légère baisse de 5 k\$. Ce programme a bénéficié d'un report de revenus de 35 k\$.

Perspectives 2021-2022

L'année 2021-2022, toujours marquée par l'avènement de la pandémie COVID-19 au niveau mondial qui a bouleversé la société dans son ensemble, a permis au bureau central de la CSFTNO et de ses deux écoles de faire preuve de résilience. De nouvelles façons de vivre et de travailler avec des défis nouveaux sont apparues. Cela a inéluctablement un impact à la hausse sur les dépenses dont l'estimation à l'heure actuelle se révélerait hasardeuse.

Malgré ce défi, la CSFTNO et toutes les parties prenantes ont énormément travaillé pour offrir quasiment le même niveau de services à leurs clients. 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, l'augmentation de l'effectif scolaire de 234.5 élèves en 19-20 à 243 élèves en 20-21, a permis à la CSFTNO d'être éligible au financement pour inscriptions exceptionnelle - *EEF (Extraordinary Enrolment Fund)*.

Sommaire

En 2021-2022, la Commission scolaire francophone des TNO a approuvé un déficit opérationnel (hors dette relative aux dépens) de 113,413\$ contre un déficit budgété de 185,668\$.

La prise en compte de tous les éléments non opérationnels aboutit à un déficit de 113,413\$ créant ainsi un déficit cumulé de 1,165,963\$.

Malgré ce déficit, les fonds budgétés pour l'année fiscale 2021-2022 s'enlignent avec le Plan stratégique 2021-2026 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 2021-2022 à tous les élèves et employés de la Commission scolaire francophone des 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, 2021

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

Yvonne Careen  _____ **Directrice générale**

Marc Akpoe, MBA, CIA, CPA, CMA, FRM  _____ **Contrôleur financier**

September 20, 2021

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 Commission Scolaire Francophone Territoires du Nord-Ouest ("the Commission") which comprise the consolidated statement of financial position as at June 30, 2021, 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, 2021 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 year ended June 30, 2020 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, 2020 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, 2020 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, 2021 and 2020; employee deductions payable, vacation payable, salaries and wages payable, post-employment benefits payable at June 30, 2021 and 2020, and accumulated surplus (deficit) as at July 1 and June 30 for both 2021 and 2020 years. Our audit opinion on the consolidated financial statements for the year ended June 30, 2020 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.

**Yellowknife, Northwest Territories
September 20, 2021**

Crowe MacKay LLP

Chartered Professional Accountants

Commission scolaire francophone Territoires du Nord-Ouest

Statement of Financial Position

As at June 30, **2021** **2020**

Financial Assets

Cash (Note 5)	\$ 1,405,171	\$ 1,514,581
Accounts receivable (Note 9)	172,351	93,906
Due from Government of Canada (Note 15)	25,356	-
	1,602,878	1,608,487

Liabilities

Accounts payable and accrued liabilities (Note 11)	453,699	373,403
Payroll liabilities (Note 11)	541,102	524,336
Repayment to GNWT (Note 12)	1,269,573	1,269,573
Deferred revenue (Note 13)	147,586	132,315
Post-employment benefits (Note 19)	369,385	374,954
	2,781,345	2,674,581
Net financial liabilities	(1,178,467)	(1,066,094)

Non-financial assets

Prepaid expenses (Note 22)	12,504	11,544
Accumulated deficit	\$ (1,165,963)	\$ (1,054,550)

Represented By:

Operating deficit	\$ (1,165,963)	\$ (1,054,550)
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Contractual obligations and contingencies (Note 24 and 25)

Approved on behalf of the Board:

 **Trustee**

 **Trustee**

Commission scolaire francophone Territoires du Nord-Ouest

Statement of Operations

For the year ended June 30,	2021 Budget	2021 Actual	2020 Actual
Revenues			
Government of the NWT			
ECE regular contributions	\$ 4,806,082	\$ 5,050,421	\$ 4,834,656
French language instruction	1,403,050	1,422,450	1,403,050
ECE other contributions (Note 32)	82,185	263,832	144,127
Total GNWT ECE	6,291,317	6,736,703	6,381,833
GNWT other contributions (Note 33)	90,225	40,333	44,111
Total GNWT	6,381,542	6,777,036	6,425,944
Government of Canada			
Jordan's Principle	80,309	246,760	231,220
Other contributions	-	28,600	-
	80,309	275,360	231,220
Education body generated funds			
Northwest Territories Teachers' Association Contributions	16,200	17,002	12,237
Interest	35,000	13,573	32,000
Other revenues	-	41,600	32,158
	51,200	72,175	76,395
	6,513,051	7,124,571	6,733,559
Expenses (Schedule 1)			
School programs	4,581,797	4,700,770	4,613,500
Inclusive schooling	971,052	1,067,403	1,087,688
Operations and maintenance	-	-	98,360
Administration	978,128	1,055,828	649,878
Indigenous languages and culture	167,742	162,614	97,453
Jordan's Principle	-	246,760	-
	6,698,719	7,233,375	6,546,879
Operating deficit before other items	(185,668)	(108,804)	186,680
Other items			
Post-employment benefit recovery (expense) (Note 19)	-	(2,609)	2,972
Grant in-kind - Assets provided at no cost (Note 23)	-	1,060,439	1,064,949
Rent expense - Assets provided at no cost (Note 23)	-	(1,060,439)	(1,064,949)
Adjusted operating surplus (deficit)	(185,668)	(111,413)	189,652
Opening accumulated deficit	(1,054,550)	(1,054,550)	(1,244,202)
Closing accumulated deficit	\$ (1,240,218)	\$ (1,165,963)	\$ (1,054,550)

Commission scolaire francophone Territoires du Nord-Ouest

Statement of Changes in Net Financial Liabilities

For the year ended June 30,	2021 Budget	2021 Actual	2020 Actual
Adjusted operating surplus (deficit)	\$ (185,668)	\$ (111,413)	\$ 189,652
Acquisition of prepaid expenses and deposits	-	(960)	(3,823)
Increase (decrease) in net financial assets	(185,668)	(112,373)	185,829
Net financial liabilities, beginning of year	(1,066,094)	(1,066,094)	(1,251,923)
Net financial liabilities, end of year	\$ (1,251,762)	\$ (1,178,467)	\$(1,066,094)

Commission scolaire francophone Territoires du Nord-Ouest

Statement of Cash Flows

For the year ended June 30,	2021	2020
Cash provided by (used in):		
Operating transactions		
Operating surplus (deficit)	\$ (111,413)	\$ 189,652
Changes in non-cash assets and liabilities		
Decrease (increase) in accounts receivable	(78,445)	37,798
Decrease in accounts payable and accrued liabilities	80,296	(307,431)
Increase in payroll liabilities	16,765	57,949
Decrease (increase) in due from Government of Canada	(25,356)	-
Increase (decrease) in deferred revenue	15,272	128,815
Decrease in post-employment benefits	(5,569)	(63,050)
Decrease (increase) in prepaid expenses and deposits	(960)	(3,824)
Increase (decrease) in cash	(109,410)	39,909
Cash at beginning of year	1,514,581	1,474,672
Cash at end of year	\$ 1,405,171	\$ 1,514,581

Commission scolaire francophone Territoires du Nord-Ouest

**Schedule 1
Details of Expenses**

For the year ended June 30, 2021

	School Programs	Inclusive Schooling (schedule 4)	Administration	Indigenous Languages and Culture (schedule 2)	Jordan's Principle (schedule 7)	Total 2021	Budget 2021	Total 2020
Salaries								
Teacher salaries	\$ 3,328,535	\$ 372,965		\$ 45,213	\$ -	\$ 3,746,713	\$ 3,649,188	\$ 3,712,860
Instruction assistants	-	450,884		-	246,760	697,644	463,500	706,770
Non-instruction staff	855,471	168,784	506,232	-	-	1,530,487	1,428,773	1,105,342
Board/trustee honoraria	9,122	-	30,915	43,219	-	83,256	35,000	48,035
	4,193,128	992,633	537,147	88,432	246,760	6,058,100	5,576,461	5,573,007
Employee Benefits								
Employee benefit	-	-	70,293	-	-	70,293	41,000	47,019
Leave and termination	-	-	45,032	-	-	45,032	20,000	51,341
	-	-	115,325	-	-	115,325	61,000	98,360
Services Purchased/Contracted								
Advertising/Publishing	-	-	77,270	-	-	77,270	64,094	34,287
Communication	13,234	-	13,753	-	-	26,987	24,851	25,332
Contracted services	84,364	11,760	170,685	-	-	266,809	220,020	246,891
Maintenance and repairs	41,560	-	-	-	-	41,560	23,581	30,360
Other	55,639	5,662	86,368	-	-	147,669	195,691	48,583
Rental/leases	19,192	-	4,726	-	-	23,918	25,344	28,975
Student travel	62,921	-	-	-	-	62,921	72,000	66,721
Travel	9,261	8,846	8,209	13,412	-	39,728	57,410	71,079
	286,171	26,268	361,011	13,412	-	686,862	682,991	552,228
Supplies and Materials								
Freight	369	-	-	-	-	369	-	3,470
Materials	221,102	48,502	42,345	60,770	-	372,719	378,267	319,814
	221,471	48,502	42,345	60,770	-	373,088	378,267	323,284
Total	\$ 4,700,770	\$ 1,067,403	\$ 1,055,828	\$ 162,614	\$ 246,760	\$ 7,233,375	\$ 6,698,719	\$ 6,546,879

Commission scolaire francophone Territoires du Nord-Ouest

Schedule 2
Details of Indigenous Language and Culture Expenses

For the year ended June 30, 2021

	School Instruction	Teaching/ Learning Resources	School Activities and Integrated Community Programs	Total
Salaries				
ILE teachers	\$ -	\$ 45,213	\$ -	\$ 45,213
Honoraria	43,219	-	-	43,219
	43,219	45,213	-	88,432
Services Purchased/Contracted				
Travel	-	-	13,412	13,412
Materials/Supplies/Freight				
Materials	-	-	60,770	60,770
	\$ 43,219	\$ 45,213	\$ 74,182	\$ 162,614

Commission scolaire francophone Territoires du Nord-Ouest

Schedule 3
Indigenous Languages (contributions)

For the year ended June 30, 2021

Contribution agreement	July 1 to March 31	April 1 to June 30	Total
Revenues			
Funding received	\$ 116,480	\$ 53,278	\$ 169,758
Expenses			
Salaries	32,070	13,143	45,213
Other	70,377	47,024	117,401
	102,447	60,167	162,614
Net surplus (deficit)	\$ 14,033	\$ (6,889)	\$ 7,144

Commission scolaire francophone Territoires du Nord-Ouest

Schedule 4

Details of Inclusive Schooling Expenses

For the year ended June 30, 2021

	Staff Development	Student Resources	General Inclusive Schooling	Total
Salaries				
Non-Instructional Staff	\$ -	\$ -	\$ 168,784	\$ 168,784
Program support teachers	-	-	372,965	372,965
Support assistants	-	-	450,884	450,884
		-	992,633	992,633
Services Purchased/Contracted				
Contracted services	-	-	11,760	11,760
Other	5,662	-	-	5,662
Travel	8,846	-	-	8,846
	14,508	-	11,760	26,268
Materials/Supplies/Freight				
Materials	-	39,528	8,974	48,502
	\$ 14,508	\$ 39,528	\$ 1,013,367	\$ 1,067,403

Commission scolaire francophone Territoires du Nord-Ouest**Schedule 5
French Language Funding**

For the year ended June 30, 2021

	Contributions from ECE and Heritage Canada	Commitments from Commission	Expenses	(Under) Over Funding
STUDENT PARTICIPATION				
School administration (salary)	\$ 316,666	\$ 41,270	\$ 368,882	\$ (10,946)
Retention bursaries	28,000	-	22,750	5,250
2 grade level per class (salary)	396,157	1,619,791	2,824,151	(808,203)
2 secretaries / librarian (salary)	186,461	72,571	243,428	15,604
Promotion	73,994	-	76,612	(2,618)
SCHOOL PROGRAMS				
Cyber pedagogy (salary)	65,503	80,059	148,722	(3,160)
Technology resources	38,420	-	37,867	553
PROGRAM ENRICHMENT				
Recruitment and retention	89,344	-	88,032	1,312
Partnership early childhood	26,050	-	16,050	10,000
French monitors (rent)	-	10,000	87,627	(77,627)
Coach for francisation	79,868	84,374	170,593	(6,351)
Art program	35,866	-	36,114	(248)
Cultural activities	36,011	-	38,073	(2,062)
French resource purchase	45,000	11,000	51,610	4,390
EDUCATIONAL SUPPORT FOR PERSONNEL				
Professional development	30,432	13,580	44,739	(727)
Total	\$ 1,447,772	\$ 1,932,645	\$ 4,255,250	\$ (874,833)

Commission scolaire francophone Territoires du Nord-Ouest

Schedule 6
Student Success Initiative

For the year ended June 30, 2021

	Total
Revenue - Government of the NWT Education, Culture, & Employment	\$ 15,000
Expenses	
Workshop expenses	
Resources	31,252
Deficit	\$ (16,252)

Commission scolaire francophone Territoires du Nord-Ouest

Schedule 7
Jordan's Principle

For the year ended June 30, 2021

	Budget 2021	Actual 2021	Actual 2020
Revenue			
Government of Canada			
- First Nations and Inuit Health Branch			
Contribution agreement	\$ 80,309	\$ 246,760	\$ 231,220
Expenses			
Personnel	-	246,760	240,813
Contracted services	-	-	1,860
Total expenses	-	246,760	242,673
Net surplus (deficit)	\$ 80,309	\$ -	\$ (11,453)
Deferred revenue	\$ 80,309	\$ 42,925	\$ 4,204

Notes to Consolidated Financial Statements

June 30, 2021

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 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 be continue to be used in the subsequent fiscal periods to fund COVID-19 related expenses.

June 30, 2021

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, repayment to GNWT and post-employment benefits.

June 30, 2021

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 and deposits.

(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 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.

(g) Revenue Recognition

Government Transfers

Revenues are recognized in the period in which the transactions or events occurred that gave rise to the revenues. All revenues are recorded on an accrual basis, except when the accruals cannot be determined with a reasonable degree of certainty or when their estimation is impracticable.

Government transfers are recognized as revenues when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

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. The contribution revenue is recognized when received or receivable.

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. The contribution revenue is recognized when received or receivable.

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.

3. Significant Accounting Policies (continued)

(g) Revenue Recognition (continued)

Special purpose 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 financial statements reflects the budget for the fiscal year. The budget has not been audited.

Notes to Consolidated Financial Statements

June 30, 2021

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 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 as a liability.

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 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, 2021

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, 2021.

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.

Notes to Consolidated Financial Statements

June 30, 2021

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.

Operations and Maintenance: pertains to the daily operation and maintenance of the Commission.

Administration: pertains to the provision of board governance and central office administration.

Indigenous Languages Education 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

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.

Commission scolaire francophone Territoires du Nord-Ouest

Notes to Consolidated Financial Statements

June 30, 2021

5. Cash

	2021	2020
Cash	\$ 1,405,171	\$ 1,514,581

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.

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 2021	Allowance for doubtful accounts 2021	Net 2021	Net 2020
Due from related parties (Note 26)	\$ 278	\$ -	\$ 278	\$ -
Due from GNWT (Note 26)	37,999	-	37,999	31,304
Trade and other receivables	134,404	330	134,074	62,602
	\$ 172,681	\$ 330	\$ 172,351	\$ 93,906

10. Inventory

The Commission does not have inventory.

Commission scolaire francophone Territoires du Nord-Ouest**Notes to Consolidated Financial Statements**

June 30, 2021

11. Accounts Payable and Accrued Liabilities

	2021	2020
Due to GNWT	\$ 274,479	\$ 200,041
Trade payable	179,220	173,362
	\$ 453,699	\$ 373,403

Payroll Liabilities

	2021	2020
NWTTA	\$ 366,633	\$ 329,710
UNW	77,471	70,024
Other	96,998	124,602
	\$ 541,102	\$ 524,336

12. 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 fiscal year ended June 30, 2015, 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.

The terms of repayment is to be determined in the 2022 fiscal year.

Commission scolaire francophone Territoires du Nord-Ouest**Notes to Consolidated Financial Statements**

June 30, 2021

13. Deferred Revenue

Deferred revenue consists of funding received for expenses not yet incurred at year end.

	2021	2020
Government of the Northwest Territories		
ECE - Inclusive Schooling	\$ -	\$ 92,947
ECE - Indigenous Language Education	-	35,164
ECE - COVID-19 Support	102,661	-
Government of Canada		
Indigenous Services Canada - Jordan's Principle	42,925	2,204
Other		
Funds raised for Ecole Boreal gymnasium - Nicole Fournier	2,000	2,000
	\$ 147,586	\$ 132,315

14. Contributions Repayable

The Commission does not have any contributions repayable.

15. Due from the Government of Canada

	2021	2020
Heritage Canada	\$ 25,356	\$ -

June 30, 2021

16. Capital Lease Obligations

The Commission does not have capital lease obligations.

17. Pensions

The Commission does not have pensions.

18. Long-Term Debt

The Commission does not have long-term debt.

19. 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, 2021. The liabilities are actuarially determined as the present value of the accrued benefits at March 31, 2021 and the results extrapolated to June 30, 2021. 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, 2021

19. Post-Employment Benefits (continued)

Changes in Obligation	Severance and Removal	Compensated Absences	2021	2020
Accrued benefit obligation				
beginning of year	\$ 210,050	\$ 72,851	\$ 282,901	\$ 270,896
Current period benefit cost	18,897	6,906	25,803	23,918
Interest accrued	5,833	2,044	7,877	8,910
Benefits payments	(3,792)	(4,386)	(8,178)	(60,077)
Actuarial loss/(gain)	(31,176)	(7,054)	(38,230)	39,254
Accrued benefit obligation end of year	199,812	70,361	270,173	282,901
Unamortized net actuarial gain/(loss)	101,528	(2,316)	99,212	92,053
Total accrued liability	\$ 301,340	\$ 68,045	\$ 369,385	\$ 374,954
Benefits Expense				
Current period benefit cost	\$ 18,897	\$ 6,906	\$ 25,803	\$ 23,918
Interest accrued	5,833	2,044	7,877	8,910
Amortization of gains	(26,524)	(4,547)	(31,071)	(35,800)
Total benefits expenses (recovery)	\$ (1,794)	\$ 4,403	\$ 2,609	\$ (2,972)

The discount rate used in the 2021 fiscal year to determine the accrued benefit obligation was an average of 3.30% (2020 - 2.7%).

The expected payments during the next five fiscal years are:

	Severance and Removal	Compensated Absences	Total
	\$	\$	\$
2022	22,325	7,281	29,606
2023	19,702	6,357	26,059
2024	15,142	4,278	19,420
2025	13,637	3,507	17,144
Next 5 years	93,186	29,671	122,857
Total	163,992	51,094	215,086

Commission scolaire francophone Territoires du Nord-Ouest**Notes to Consolidated Financial Statements**

June 30, 2021

20. Trust Assets Under Administration

The Commission does not have trust assets under administration.

21. Tangible Capital Assets

The Commission does not have tangible capital assets.

22. Prepaid Expenses

	2021	2020
Prepaid expenses	\$ 12,504	\$ 11,544

23. GNWT Assets Provided At No Cost

	Cost	Accumulated Amortization	2021 Net Book Value	2020 Net Book Value
Ecole Allain St-Cyr	\$ 17,310,964	\$ 3,694,346	\$ 13,616,618	\$ 14,383,751
Ecole Boreale	3,960,439	1,431,520	2,528,919	2,630,755
Ecole Allain St-Cyr Phase 1	4,490,598	1,590,646	2,899,952	3,029,801
Ecole Boreale Modular Units	1,189,060	366,746	822,314	854,881
Ecole Boreale Pellet Boiler	86,115	48,440	37,675	41,981
Ecole Boreale Biomass System	90,649	9,568	81,081	85,613
Ecole Boreale JK Playscape	223,658	26,093	197,565	208,747
Ecole Allain St-Cyr JK Playscape	135,490	24,087	111,403	120,436
	\$ 27,486,973	\$ 7,191,446	\$ 20,295,527	\$ 21,355,965

Rent expense of \$1,060,439 (2020 - \$1,064,949) was offset by a grant in-kind.

Commission scolaire francophone Territoires du Nord-Ouest**Notes to Consolidated Financial Statements**

June 30, 2021

24. Contractual Obligations

The Commission has entered into agreements for, or is contractually committed to, the following expenses payable subsequent to June 30, 2021.

The future minimum payments are as follows:

	Expires in fiscal year	2022	2023-2026	Total
Equipment leases				
Xerox B8055 MONO MFP	2024 \$	1,555 \$	6,218 \$	7,773
Xerox C8045 COLOUR MFP	2024	2,006	8,023	10,029
Aficio MP C4502	2022	2,994	-	2,994
Operational Contracts				
First Canada ULC	2026	49,240	236,352	285,592
		\$ 55,795	\$ 250,593	\$ 306,388

25. Contingencies

The Commission is currently evaluating the impact of the appeal won by the GNWT regarding the van Bochove judicial review.

26. 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, 2021

26. Related Parties (continued)

Due from related parties:

	2021		2020
Government of Northwest Territories:			
Department of Education, Culture and Employment	\$ 37,999	\$	31,304
Yellowknife Education District No. 1	-		-
DehCho Division Education Council	278		-
	\$ 38,277	\$	31,304

Due to related parties:

	2021		2020
Government of Northwest Territories:			
Department of Finance	\$ 737,309	\$	724,377

Revenues from related parties:

	2021		2020
Government of Northwest Territories:			
Department of Education, Cultural and Employment	\$ 6,736,703	\$	6,381,833
Department of Environment and Natural Resources	8,000		8,000
Department of Municipal and Community Affairs	30,600		30,600
Department of Health and Social Services	1,733		5,511
	\$ 6,777,036	\$	6,425,944

Expenses paid to related parties:

	2021		2020
Dehcho Divisional Education Council	\$ 300	\$	300
Hay River District Education Authority	26,244		48,933
	\$ 26,544	\$	49,233

Commission scolaire francophone Territoires du Nord-Ouest

Notes to Consolidated Financial Statements

June 30, 2021

27. 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 22, 2020 and have not been audited.

28. 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.

29. 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 and accounts receivable. 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:

	2021	2020
Cash	\$ 1,405,171	\$ 1,514,581
Accounts receivable	172,351	93,906
Due from Government of Canada	25,356	
Maximum credit exposure	\$ 1,602,878	\$ 1,608,487

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, 2021

29. Financial Instruments (continued)

At June 30, 2021, the following accounts receivable were past due but not impaired:

	30 Days	60 Days	90 Days	Total
Accounts receivable	\$ 144,274	\$ -	\$ 28,077	\$ 172,351

There is also a concentration risk in accounts receivable as more than 10% of the total balance is from the Government of the Northwest Territories. At June 30, 2021, receivables from the GNWT comprised approximately 22% (2020 - 58%) 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 \$994,801 (2020 - \$897,739).

The financial assets including cash and accounts receivable, 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.

30. Expenses By Object

	2021 Budget	2021 Actual	2020 Actual
Compensation	\$ 5,637,461	\$ 6,173,425	\$ 5,671,367
Supplies and materials	378,267	373,088	323,284
Services purchased/contracted	682,991	686,862	552,228
	\$ 6,698,719	\$ 7,233,375	\$ 6,546,879

Commission scolaire francophone Territoires du Nord-Ouest**Notes to Consolidated Financial Statements**

June 30, 2021

31. Comparative Figures

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year.

32. ECE Other Contributions

	2021	2020
<hr/>		
Government of the Northwest Territories Department of Education, Culture and Employment		
Fonds de Tiroir	\$ 25,356	\$ 28,600
Frais Orthophonie	-	2,100
French Monitor	79,559	-
COVID-19 Support	114,725	-
English Languages Communication & Services	20,000	15,000
Self-Regulation	5,000	7,741
Other	19,192	90,686
	<hr/>	<hr/>
	\$ 263,832	\$ 144,127
	<hr/>	<hr/>

33. GNWT Other Contributions

	2021	2020
<hr/>		
Government of the Northwest Territories		
Department of Environment and Natural Resources	\$ 8,000	\$ 8,000
Department of Health and Social Services	1,733	5,511
Department of Municipal and Community Affairs	30,600	30,600
	<hr/>	<hr/>
	\$ 40,333	\$ 44,111
	<hr/>	<hr/>

Commission scolaire francophone Territoires du Nord-Ouest**Notes to Consolidated Financial Statements**

June 30, 2021

34. Contingent Assets

The Commission does not have any contingent assets.

35. 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		2022
GNWT - MACA	After School Physical Activity Program	March 2022	\$	15,300
Government of Canada	Jordan's Principle	March 2022		75,644
			\$	90,944

Consolidated Financial Statements of

**DEHCHO DIVISIONAL
EDUCATION COUNCIL**

June 30, 2021

DEHCHO DIVISIONAL EDUCATION COUNCIL

Consolidated Financial Statements

June 30, 2021

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MANAGEMENT DISCUSSION AND ANALYSIS

Introduction

The Management Discussion and Analysis (MD&A) is a go-forward responsibility of management and the Council Members to promote transparency and accountability.

Vision and Core Strategy

The Dehcho Divisional Education Council mission is to provide quality education based on the cultures of its students and partnerships with the communities it serves.

The vision and core strategy for the Dehcho Divisional Education include a variety of goals and objectives, which include:

- Promote excellence in student performance.
- Deliver school programs and activities that support the intellectual, physical, emotional, social, and spiritual development of students.
- Deliver school programs and activities in a manner that integrates traditional and contemporary education practices.
- Provide programs that result in completion of secondary school graduation requirements so that students can pursue post-secondary education, skills, training and/or employment.
- Involve students in identification of learning needs and planning school programs.
- Build partnerships with community and regional agencies to meet student needs and strengthen wellness.
- Provide training to trustees, other educational leaders in schools and communities so that they may effectively exercise their roles and responsibilities.
- Promote and encourage the wellness of educational personnel (Trustees, Council staff and school staff).

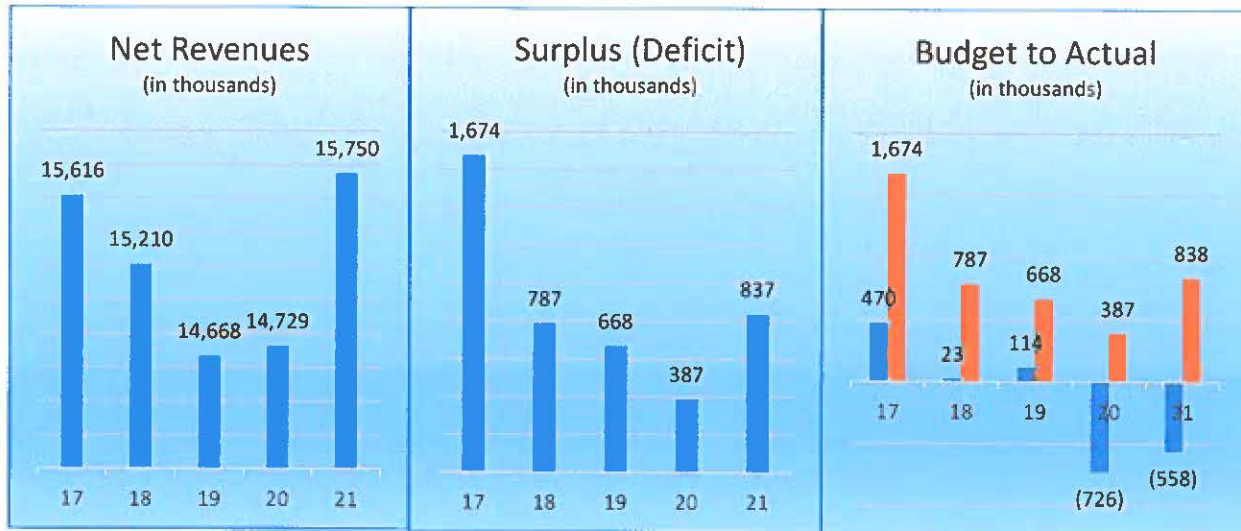
Governance, Trustees and Key Management

Presently, the Council is represented by trustees from eight communities in the Dehcho region. The Council Members are as follows:

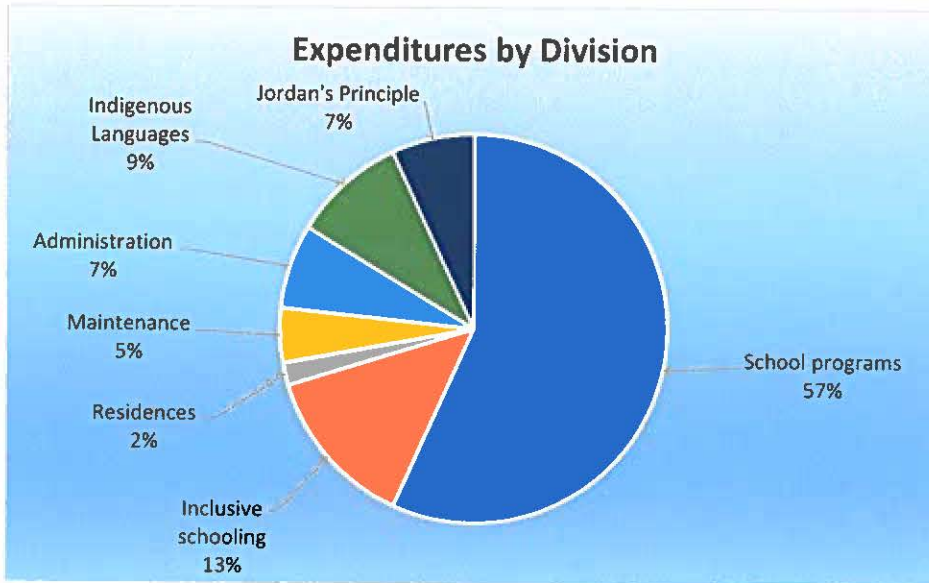
- Fort Providence- Albertine Canadien
- Fort Liard- Sylvia Sassie
- Fort Simpson- Renalyn Pascua-Matte- Chairperson
- Jean Marie River- Yvonne Norwegian
- Kakisa Lake- Anita Chicot
- Samba K'e- Carielyn Jumbo
- Wrigley- Lisa Moses
- Nahanni Butte- Jayne Konisenta

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 seen a steady declines for three of the past five years, but in 2020 the decline finally ended with a slight increase in revenue. That increase in revenue continued in 2021 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 five years, following a large deficit in 2016. Actual surpluses have been favorable over original budgets in the past five 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 fifth 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
STUDENTS										
Beginning of Year Enrollment	81.5	103	105.5	5.5	4	20.5	21.5	97.5	5	444
End of Year Enrollment	81.5	103	105.5	5.5	4	20.5	21.5	97.5	5	444
TOTAL BY DISTRICT EDUCATION AUTHOR (DEA) END OF YEAR		184.5	105.5	5.5	4	20.5	21.5	97.5	5	444

**TEACHING
STAFF**

Beginning of Year Teachers	6.5	6	8	1	1	2	1.5	7	1	34
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, 2021, 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 \$ 777,150. 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 \$699,564 and a consolidated surplus of \$837,812. A significant portion of the surplus was also due to the reduced program activity due to the Covid-19 closures. This surplus for the 2021 year brought the overall accumulated book surplus up to \$2,713,389 (DEC - \$2,284,629; DEA - \$428,760). 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 2021-22 fiscal year by additional expenditures combined with a planned budgeted deficit for the year of \$1,173,657. The Council budgeted a deficit of \$1,173,657 for the 2021-22 fiscal year in order to maintain a stable level of service as well as implement several new initiatives. Despite the budget deficit planned for 2021-22 of \$1,173,657, the current cash balance of \$5,817,796 eliminates any liquidity concerns. The Council continues to maintain cost controls in the current year and note that contingent liabilities are not a risk to the Council's financial health.

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.

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 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

Sept 24 2021

Date



David Fiebelkorn, CPA, CGA
Comptroller
Dehcho Divisional Education Council

Sept 24 2021

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, 2021, 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, 2021, 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, 2021 has been modified because of the effects of this limitation.

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

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Education Body's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Education Body or to cease operations, or has no realistic alternative but to do so.

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

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 judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Education Body's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Education Body's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Education Body to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Other Legal and Regulatory Requirements

We further report, in accordance with the Financial Administration Act, that, in our opinion, proper books of account have been kept by the Education Body, the consolidated financial statements are in agreement therewith, and the transactions that have come under our notice have, in all significant aspects, been within the statutory powers of the Education Body.



ASHTON
Chartered Accountants
Business Advisors

Hay River, NT
September 10, 2021

DEHCHO DIVISIONAL EDUCATION COUNCIL

Consolidated Statement of Financial Position

June 30, 2021

	2021	*2020
FINANCIAL ASSETS		
Cash and cash equivalents, Note 4	\$ 5,817,796	\$ 4,345,089
Special purpose funds, Note 5	407,079	283,777
Due from the Government of Canada, Note 13	10,478	-
Accounts receivable, Note 8	78,561	107,766
	\$ 6,313,914	\$ 4,736,632

LIABILITIES

Accounts payable and accrued liabilities, Note 10	\$ 35,714	\$ 90,595
Payroll liabilities, Note 10	1,405,185	888,545
Due to the Government of Canada, Note 13	-	-
Deferred revenue, Note 11	906,209	380,147
Other employee future benefits and compensated absences, Note 17	1,148,793	1,399,435
Trust Liabilities, Note 18	124,624	122,333
	3,620,525	2,881,055
Net Assets (Deficit)	\$ 2,693,389	\$ 1,855,577

NON-FINANCIAL ASSETS

Prepaid expenses, Note 20	\$ 20,000	\$ 20,000
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ACCUMULATED SURPLUS (DEFICIT)	\$ 2,713,389	\$ 1,875,577
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* Reclassified for comparative purposes


Represented by:

Accumulated Operating surplus (deficit)		
Divisional Education Council	\$ 2,284,629	\$ 1,585,065
District Education Authorities	428,760	290,512
	\$ 2,713,389	\$ 1,875,577

Contractual obligations, Note 22

Contingencies, Note 23

Approved:

 Chair

 Superintendent

DEHCHO DIVISIONAL EDUCATION COUNCIL

Consolidated Statement of Operations

For the year ended June 30, 2021

	Budget 2021	Actual 2021	Actual *2020
Revenue			
Government of the NWT			
ECE regular contribution	\$ 12,766,337	\$ 13,411,847	\$ 12,470,230
French language program, Schedule C	55,000	50,000	50,000
ECE other contributions, Note 31	135,000	407,738	85,750
Deferred revenues - SSI program	-	7,438	(7,438)
Total ECE contributions	12,956,337	13,877,023	12,598,542
GNWT other contributions, Note 32	400,000	161,942	235,349
Total GNWT	13,356,337	14,038,965	12,833,891
Jordan's Principle, Schedule D	814,400	1,035,957	1,283,563
Government of Canada - other contributions	-	219,398	185,865
Total Government of Canada contributions	814,400	1,255,355	1,469,428
	14,170,737	15,294,320	14,303,319
Self-Generated Funds			
Rentals	36,000	85,200	73,800
Investment income	30,000	33,540	66,811
Contract and other	82,000	134,512	165,706
	148,000	253,252	306,317
Education Authority self-generated funds, Schedule I-1	-	166,309	57,058
GNWT contributions to Education Authorities, Schedule I-1	-	36,766	62,254
	-	203,075	119,312
	14,318,737	15,750,647	14,728,948
Expenses			
School programs	9,118,088	8,462,199	7,529,425
Inclusive schooling, Schedule A	2,972,741	2,016,581	2,030,332
Student accommodation	230,950	278,064	225,766
Operations and maintenance	-	675,825	718,916
Administration	1,075,842	1,039,207	1,107,913
Aboriginal language/cultural programs, Schedule B	1,698,266	1,405,002	1,441,863
Jordan's Principle, Schedule D	-	1,035,957	1,283,563
	15,095,887	14,912,835	14,337,778
Operating surplus (deficit) before other item	(777,150)	837,812	391,170
Other item:			
Other Employee Future Benefits and Compensated Absences recovery (expense), Note 17	-	-	(3,977)
Operating surplus (deficit)	\$ (777,150)	\$ 837,812	\$ 387,193
Accumulated surplus (deficit), beginning of year		1,875,577	1,488,384
Accumulated surplus (deficit), end of year		\$ 2,713,389	\$ 1,875,577

* Reclassified for comparative purposes

DEHCHO DIVISIONAL EDUCATION COUNCIL

Consolidated Statement of Change in Net Assets (Debt)

For the year ended June 30, 2021

	2021	2020
Operating Surplus (Deficit)	\$ 837,812	\$ 387,193
Amortization of tangible assets	-	-
Net change in prepaids	-	-
(Increase) Decrease in net debt	837,812	387,193
Net assets (debt) beginning of the year	1,855,577	1,468,384
Net assets (debt) end of year	\$ 2,693,389	\$ 1,855,577

DEHCHO DIVISIONAL EDUCATION COUNCIL

Consolidated Statement of Cash Flow

For the year ended June 30, 2021

	2021	2020
Operating Activities		
Operating Surplus (Deficit)	\$ 837,812	\$ 387,193
Items not affecting cash:		
Amortization	-	-
Changes in non-cash assets and liabilities		
Decrease (increase) in due from the Government of Canada	(10,478)	63,225
Decrease (increase) in trust assets	-	-
Decrease (increase) in accounts receivable	29,205	8,253
Increase (decrease) in accounts payable	(54,881)	(47,289)
Increase (decrease) in payroll liabilities	516,640	(333,808)
Increase (decrease) in contributions repayable	-	-
Increase (decrease) in due to the Government of Canada	-	-
Increase (decrease) in deferred revenues	526,062	206,247
Increase (decrease) in Other Employee Future Benefits and Compensated Absence	(250,642)	(179,190)
Increase (decrease) in trust liabilities	2,291	(8,585)
Decrease (increase) in prepaids	-	-
	758,197	(291,147)
Cash provided by operating transactions	1,596,009	96,046
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	1,596,009	96,046
Cash and cash equivalents, beginning of year	4,628,866	4,532,820
Cash and cash equivalents, end of year	\$ 6,224,875	\$ 4,628,866
Cash consists of :		
Cash and cash equivalents, Note 4	\$ 5,817,796	\$ 4,345,089
Special purpose funds, Note 5	407,079	283,777
	\$ 6,224,875	\$ 4,628,866

DEHCHO DIVISIONAL EDUCATION COUNCIL

Consolidated Details of Expenses

For the year ended June 30, 2021

Function	School Programs	Inclusive Schooling	Student Accommodation	Operations and Maintenance	Administration	Indigenous Languages and Education	Jordan's Principle	2021 Total	2021 Budget	2020 Total
Salaries										
Teachers' salaries	\$ 5,979,660	\$ 894,156	\$ -	\$ -	\$ -	\$ 895,926	\$ 929,018	\$ 8,698,760	\$ 6,588,106	\$ 7,508,362
Instruction assistants	-	751,976	-	-	-	-	-	751,976	2,556,579	1,063,853
Non-instructional staff	851,148	172,852	-	565,861	603,327	280,708	-	2,473,896	2,255,606	2,836,364
Board/Trustee Honoraria	2,157	-	-	-	73,389	1,500	-	77,046	82,800	67,577
	6,832,965	1,818,984	-	565,861	676,716	1,178,134	929,018	12,001,678	11,483,091	11,476,156
Employee Benefits										
Employee benefits and allowances	161,835	69,806	-	13,422	14,469	27,322	-	286,854	459,267	310,355
Leave and termination	111,540	18,590	-	-	-	18,590	-	148,720	426,987	101,893
	273,375	88,396	-	13,422	14,469	45,912	-	435,574	886,254	412,248
Services Purchased/Contracted										
Professional/Technical Services	-	-	-	-	29,187	3,200	-	32,387	40,000	32,258
Postage/Communication	47,244	-	1,702	-	83,456	385	-	132,787	40,000	118,605
Utilities	-	-	-	-	-	-	-	-	40,000	-
Travel	251,871	35,685	46,285	-	68,306	20,685	-	422,812	893,000	606,291
Student Travel (Bussing)	141,307	-	-	-	-	-	-	141,307	62,000	63,148
Advertising/Printing/Publishing	14,008	-	-	-	38,098	31,172	-	83,278	210,000	43,606
Maintenance/Repair	-	-	-	76,143	26,660	-	-	102,803	85,000	76,880
Rentals/Leases	34,020	-	-	13,200	31,708	4,653	-	83,581	138,000	62,622
Other - Contracted Services	30,241	50,925	209,005	5,549	1,684	16,501	-	313,905	636,950	240,438
	518,691	86,610	256,992	94,892	279,099	78,576	-	1,312,860	2,144,950	1,243,848
Materials, Supplies and Freight										
Materials	805,371	22,591	21,072	1,650	68,923	99,806	106,939	1,126,352	575,677	1,184,813
Freight	31,797	-	-	-	-	4,574	-	36,371	5,915	20,713
	837,168	22,591	21,072	1,650	68,923	104,380	106,939	1,162,723	581,592	1,205,526
Contributions and Transfers										
Transfers	-	-	-	-	-	-	-	-	-	-
Amortization										
	-	-	-	-	-	-	-	-	-	-
Total	\$ 8,462,199	\$ 2,016,581	\$ 278,064	\$ 675,825	\$ 1,039,207	\$ 1,405,002	\$ 1,035,957	\$ 14,912,835	\$ 15,095,887	\$ 14,337,778

DEHCHO DIVISIONAL EDUCATION COUNCIL

Notes to the Consolidated Financial Statements

June 30, 2021

Note 1. Dehcho Divisional Education Council

The Dehcho Divisional Education Council (formerly known as the Divisional Board of Education) was established on March 30, 1990. The Dehcho Division encompasses an area which includes the communities of Wrigley (Chief Julian Yendo School), Nahanni Butte (Charles Yohin School), Samba K'e (Charles Tetcho School), Fort Simpson (Liidlii Kue Elementary and Regional High Schools), Fort Liard (Echo-Dene School), Fort Providence (Deh Gah Elementary and Secondary School), Jean Marie River (Louie Norwegian School) and Kakisa Lake (Territorial School - Kakisa Lake School).

The Education Body's purpose is to administer and manage the educational affairs of the Division in accordance with the Education Act and the Financial Administration Act of the Northwest Territories and the regulations of the Order establishing the Education Division.

Consequently, the Council is dependent on funding from the Department of Education, Culture, and Employment (ECE) of the GNWT. Member Communities have formed local District Education Authorities (DEA) which have assumed responsibility to provide sufficient educational programs within their respective communities.

The Council is an independent legal and accounting entity with an elected Board of Trustees as stipulated in Section 82 of the *Education Act*. The Board of Trustees has decision making authority, the power to delegate authority, the ability to significantly influence operations and the sole accountability for all fiscal matters.

The Council is a public body performing a function of government in Canada. Paragraph 149(1)(C) of the *Income Tax Act* provides that a public body performing a function of government in Canada is exempt from taxation.

Note 2. Summary of Significant Accounting Policies

(a) Basis of Accounting

These consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards. The consolidated financial statements have, in management's opinion, been properly prepared with reasonable limits of materiality. The basis of accounting refers to the timing of when revenue and expenditure items are recognized in the accounts and reported in the financial statements. The accrual basis of accounting is utilized for all funds. Under this basis of accounting, revenues are recognized in the accounting period in which they are earned and become measurable, and expenses are recorded when they are incurred.

(b) Cash and Cash Equivalents

Cash and cash equivalents are comprised of bank account balances, net of outstanding cheques, and short term highly liquid investments that are readily convertible to cash and with a date of 90 days or less from the date of acquisition.

(c) Financial Instruments

Financial assets originated or acquired or financial liabilities issued or assumed in an arm's length transaction are initially measured at their fair value. In the case of a financial asset or financial liability not subsequently measured at its fair value, the initial fair value is adjusted for financing fees and transaction costs that are directly attributable to its origination, acquisition, issuance or assumption. Such fees and costs in respect of financial assets and liabilities subsequently measured at fair value are expensed.

Financial assets subsequently measured at amortized cost include cash, accountable funds, due from the GNWT and other accounts receivable.

Financial liabilities subsequently measured at amortized cost include accounts payable and accrued liabilities, accrued salaries, deferred revenue, post-employment benefits and accountable funds.

DEHCHO DIVISIONAL EDUCATION COUNCIL

Notes to the Consolidated Financial Statements

June 30, 2021

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 instalments. 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, 2021

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, 2021

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.

DEHCHO DIVISIONAL EDUCATION COUNCIL

Notes to the Consolidated Financial Statements

June 30, 2021

Note 3. Future Accounting Changes (continued)

Financial Statement Presentation - Section PS 1201

The Public Sector Accounting Board (PSAB) issued amendments to PS 1201 Financial Statement Presentation effective for fiscal years beginning on or after April 1, 2022. The impact of this standard change is directly associated to Section PS 3450 Financial Instruments as mention above and as such management is assessing potential change upon adoption of PS 3450.

Other New Standards

Effective July 1, 2021, 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

	2021	2020
Cash	\$ 5,817,796	\$ 4,345,089
Short term investments	-	-
	\$ 5,817,796	\$ 4,345,089

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.

	2021	2020
Fort Simpson (Liidlil Kue Elementary and Regional High Schools)	\$ 69,702	\$ 51,284
Fort Providence (Deh Gah Elementary/Secondary Schools)	87,004	(6,185)
Fort Liard (Echo-Dene School)	71,000	83,785
Jean Marie River (Louie Norwegian School)	17,457	13,680
Wrigley (Chief Julian Yendo School)	88,833	80,677
Nahanni Butte (Charles Yohin School)	50,431	39,646
Sambaa K'e (Charles Tetcho School)	13,402	3,494
Kakisa Lake (Territorial School - Kakisa Lake School)	9,250	17,396
	\$ 407,079	\$ 283,777

Note 6. Restricted Assets - Nil Report

Note 7. Portfolio Investments - Nil Report

DEHCHO DIVISIONAL EDUCATION COUNCIL

Notes to the Consolidated Financial Statements

June 30, 2021

Note 8. Accounts Receivable

	Receivables 2021	AFDA 2021	Net 2021	Net 2020
GNWT - ECE	\$ 6,004	\$ -	\$ 6,004	\$ 28,120
GNWT - FSS	3,405	-	3,405	26,928
Yellowknife Catholic Schools	-	-	-	600
Total Due from GNWT	9,409	-	9,409	55,648
WSCC	-	-	-	-
Other	69,152	-	69,152	52,118
Total receivables before amounts due from Government of Canada	78,561	-	78,561	107,766
Government of Canada	10,478	-	10,478	-
	\$ 89,039	\$ -	\$ 89,039	\$ 107,766

Note 9. Inventories - Not Applicable

Note 10. Accounts Payable and Accrued Liabilities

	2021	2020
GNWT - MACA	\$ -	\$ -
Due to NWT Power Corp	-	1,751
WSCC	-	-
Employee source deductions	5,727	224
Accounts payable and accrued liabilities	29,987	88,620
	35,714	90,595
Payroll liabilities		
To GNWT (A)	459,605	-
To Employees (B)	882,186	836,554
Annual Leave	61,014	47,596
Lieu	2,380	4,395
	1,405,185	888,545
	\$ 1,440,899	\$ 979,140

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, 2021

Note 11. Deferred Revenue

	2021	2020
GNWT - ECE		
Covid-19 Support	\$ 279,814	\$ -
Student Success Initiative	-	7,438
	279,814	7,438
GNWT - MACA		
Active After School	23,452	17,850
GNWT - ENR		
Science Camp	6,800	-
	30,252	17,850
Government of Canada		
Indigenous Services - Jordan's Principle	596,143	320,095
Canadian Heritage - Sport Support Program - Judo	-	34,764
Tides Canada Foundation		
NWT on the Land Collaborative	-	-
	\$ 906,209	\$ 380,147

Note 12. Contribution Repayable - Nil Report

Note 13. Due From and To the Government of Canada

	2021	2020
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, 2021

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 15, 2019. 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 15, 2019 and the results extrapolated to June 30, 2021. 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	2021	2020
Changes in Obligation				
Accrued benefit obligations beginning of the year	\$ 681,674	\$ 173,770	\$ 855,444	\$ 1,135,870
Current period benefit cost	42,226	20,671	62,897	59,442
Interest accrued	17,929	4,869	22,798	34,882
Benefits payments	(70,199)	(112,968)	(183,167)	(183,167)
Plan amendments	-	-	-	-
Actuarial (gain)/loss	10,044	87,428	97,472	(191,583)
Accrued benefit obligation, end of year	681,674	173,770	855,444	855,444
Unamortized net actuarial gain	451,624	(158,275)	293,349	543,991
Net future obligation	\$ 1,133,298	\$ 15,495	\$ 1,148,793	\$ 1,399,435
Benefits Expense				
Current period benefit cost	\$ 42,226	\$ 20,671	\$ 62,897	\$ 59,442
Interest cost	17,929	4,869	22,798	34,882
Plan amendments	-	-	-	-
Amortization of actuarial gains	(122,656)	9,226	(113,430)	(90,347)
	\$ (62,501)	\$ 34,766	\$ (27,735)	\$ 3,977

The discount rate used to determine the accrued benefit obligation is an average of 3.3%. No inflation rate was applied. The expected payments during the next five fiscal years are:

	Severance and removal	Compensated Absences	2021
2022	\$ 99,117	\$ 25,593	\$ 124,710
2023	85,166	22,185	107,351
2024	59,697	18,863	78,560
2025	49,014	16,751	65,765
2026	41,023	14,245	55,268
Next 5 years	143,246	49,162	192,408
	\$ 477,263	\$ 146,799	\$ 624,062

DEHCHO DIVISIONAL EDUCATION COUNCIL

Notes to the Consolidated Financial Statements

June 30, 2021

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.

	2021	2020
Superintendent Fund	\$ 11,778	\$ 9,205
Steve Rowan Memorial Scholarship Fund	100,120	100,492
Mercedes Benz Scholarship Fund	12,726	12,636
	\$ 124,624	\$ 122,333

Note 19. Tangible Capital Asset - Nil Report

Note 20. Prepaid Expenses

	2021	2020
CIBC Visa Deposit	\$ 20,000	\$ 20,000
Prepaid service contracts	-	-
CIBC Visa Deposit	\$ 20,000	\$ 20,000

Note 21. GNWT Assets Provided at No Cost

	Cost	Accumulated Amortization	2021 Net Book Value	2020 Net Book Value
Buildings				
Schools and colleges	\$ 34,480,792	\$ 21,103,949	\$ 13,376,843	\$ 14,073,924
Residences	1,032,376	601,789	430,587	448,781
Staff Housing	287,453	237,925	49,528	56,712
	\$ 35,800,621	\$ 21,943,663	\$ 13,856,958	\$ 14,579,417

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*	2022	2023 and thereafter	Total
Equipment leases	2024	\$ 21,074	\$ 20,557	\$ 41,631
Operational leases	2021	-	-	-
		\$ 21,074	\$ 20,557	\$ 41,631

* 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, 2021

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:

	2021	2020		
Accounts payable, Note 10				
Government of the Northwest Territories				
Municipal and Community Affairs	\$ -	\$ -		
Other related parties				
NWT Power Corporation	-	1,751		
	\$ -	\$ 1,751		
Payroll liabilities, Note 10				
Government of the Northwest Territories	\$ 459,605	\$ -		
Deferred Revenues, Note 11				
Government of the Northwest Territories				
Education, Culture and Employment (ECE)	\$ 279,814	\$ 7,438		
Municipal and Community Affairs (MACA)	23,452	17,850		
Environment and Natural Resources (ENR)	6,800	-		
	\$ 310,066	\$ 25,288		
Accounts receivable, Note 8				
	AR 2021	AFDA	Net AR 2021	Net AR 2020
Government of the Northwest Territories				
Education, Culture and Employment	\$ 6,004	\$ -	\$ 6,004	\$ 28,120
Financial Shared Services (FSS)	3,405	-	3,405	26,928
Total GNWT	9,409	-	9,409	55,048
Other related parties				
Yellowknife Catholic Schools	-	-	-	600
	\$ 9,409	\$ -	\$ 9,409	\$ 55,648

DEHCHO DIVISIONAL EDUCATION COUNCIL

Notes to the Consolidated Financial Statements

June 30, 2021

Note 24. Related Parties (continued)

	2021	2020
Revenues		
Government of the Northwest Territories		
ECE - Core contribution	\$ 13,411,847	\$ 12,470,230
ECE - French language program, Schedule C	50,000	50,000
ECE - other contributions, Note 31	407,738	85,750
MACA - GNWT other Contributions, Note 32	115,387	214,074
ENR - GNWT other Contributions, Note 32	30,800	7,500
DHSS - GNWT other Contributions, Note 32	15,755	13,775
GNWT contributions to Education Authorities, Schedule I-1	36,766	62,254
Department of Finance - rent and custodian	18,120	18,120
Deferred revenues - SSI program	-	(7,438)
Total GNWT	14,086,413	12,914,265
Other related parties		
Aurora College	33,921	33,921
	\$ 14,120,334	\$ 12,948,186

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 February 9, 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, 2021.

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, 2021

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

	2021 Budget	2021 Actual	2020 Actual
Compensation	\$ 12,369,345	\$ 12,437,252	\$ 11,888,404
Professional/Technical Services	40,000	32,387	32,258
Postage/Communication	40,000	132,787	118,605
Utilities	40,000	-	-
Travel	893,000	422,812	606,291
Student Travel (Bussing)	62,000	141,307	63,148
Advertising/Printing/Publishing	210,000	83,278	43,606
Maintenance/Repair	85,000	102,803	76,880
Rentals/Leases	138,000	83,581	62,622
Other - Contracted Services	417,950	313,905	240,438
Materials, Supplies and Freight	581,592	1,162,723	1,205,526
Amortization	-	-	-
	\$ 14,876,887	\$ 14,912,835	\$ 14,337,778

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

	2021	2020
Covid funding	\$ 595,302	\$ -
Distance education	85,750	85,750
Regulation funding	6,500	-
Deferred revenue - ECE, opening	-	-
Deferred revenue - ECE, closing	(279,814)	-
	\$ 407,738	\$ 85,750

DEHCHO DIVISIONAL EDUCATION COUNCIL

Notes to the Consolidated Financial Statements

June 30, 2021

Note 32. GNWT Other Contributions

	2021	2020
Municipal and Community Affairs		
Sports and youth programs	\$ 42,272	\$ 7,050
Sport strategy	-	127,140
Children and youth resiliency	-	13,636
Active after school	101,377	33,150
Trades	-	10,000
Other	4,000	-
Environment and Natural Resources		
Take a kid trapping	24,000	7,500
Science Camp	6,800	-
Health and Social Services		
Drop the pop	15,755	13,775
Contributions repaid	(19,860)	-
Deferred revenue - GNWT, opening	17,850	40,948
Deferred revenue - GNWT, closing	(30,252)	(17,850)
	\$ 161,942	\$ 235,349

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, 2021

Function	General Inclusive Schooling	Staff Development	Assistive Technology	Magnet Facilities	Total
Salaries					
Regional Coordinator	\$ 172,852	\$ -	\$ -	\$ -	\$ 172,852
Program Support Teachers	894,156	-	-	-	894,156
Support Assistants	751,976	-	-	-	751,976
Honoraria	-	-	-	-	-
	<u>1,818,984</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,818,984</u>
Employee Benefits					
Employee benefits and allowances	88,396	-	-	-	88,396
	<u>88,396</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>88,396</u>
Services Purchased/Contracted					
Professional and technical services	-	-	-	-	-
Travel	35,685	-	-	-	35,685
Student transportation	-	-	-	-	-
Advertising, printing and publishing	-	-	-	-	-
Maintenance and repairs	-	-	-	-	-
Rentals and leases	-	-	-	-	-
Other contracted services	50,925	-	-	-	50,925
	<u>86,610</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>86,610</u>
Materials, Supplies and Freight					
Materials	-	-	22,591	-	22,591
Freight	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>22,591</u>	<u>-</u>	<u>22,591</u>
Total	\$ 1,993,990	\$ -	\$ 22,591	\$ -	\$ 2,016,581

DEHCHO DIVISIONAL EDUCATION COUNCIL

Indigenous Languages and Education Expenses

Schedule B

For the year ended June 30, 2021

	Student Instruction	Teaching/ Learning Resources	Professional Development	School Activities and Integrated Community Programs	2021 Total
Salaries					
ALCBE teachers	\$ 895,926	\$ -	\$ -	\$ -	\$ 895,926
Language consultants	-	145,657	-	-	145,657
Instruction assistants	-	-	-	-	-
Non-instructional staff	-	101,620	-	10,158	111,778
Honoraria	-	-	-	-	-
Elders in schools	-	-	-	24,773	24,773
	895,926	247,277	-	34,931	1,178,134
Employee Benefits					
Employee benefits and allowances	27,322	18,590	-	-	45,912
	27,322	18,590	-	-	45,912
Services Purchased/Contracted					
Professional services	-	-	3,200	-	3,200
Travel	-	17,775	2,890	-	20,665
Student transportation	-	-	-	-	-
Advertising, printing and publishing	-	31,172	-	-	31,172
Maintenance and repairs	-	-	-	-	-
Rentals and leases	-	4,653	-	-	4,653
Other contracted services	-	10,443	-	6,058	16,501
	-	64,043	6,090	6,058	76,191
Materials, Supplies and Freight					
Materials	-	385	-	99,806	100,191
Freight	-	-	-	4,574	4,574
	-	385	-	104,380	104,765
Total	\$ 923,248	\$ 330,295	\$ 6,090	\$ 145,369	\$ 1,405,002

DEHCHO DIVISIONAL EDUCATION COUNCIL

French Language Program

Schedule C

For the year ended June 30, 2021

	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)	\$ 50,000	\$ 50,000	\$ 138,145	\$ (38,145)

DEHCHO DIVISIONAL EDUCATION COUNCIL

Jordan's Principle

For the year ended June 30, 2021

Schedule D

	2021 Budget	2021 Actual	2020 Actual	July 1'20 - March 31'21	April 1'21 - June 30'21	Total
Revenue						
Government of Canada	\$ 814,400	\$ 1,312,005	\$ 1,530,706	\$ 897,422	\$ 414,583	\$ 1,312,005
Carry forward from previous year	-	320,094	72,952	320,094	-	320,094
	<u>814,400</u>	<u>1,632,099</u>	<u>1,603,658</u>	<u>1,217,516</u>	<u>414,583</u>	<u>1,632,099</u>
Expenses						
Administration	-	-	-	-	-	-
Personnel	814,400	929,018	670,225	548,146	380,872	929,018
Transportation	-	-	17,555	-	-	-
Materials and supplies	-	106,939	566,533	61,505	45,434	106,939
Rent and utilities	-	-	-	-	-	-
Evaluation	-	-	8,250	-	-	-
Other	-	-	21,000	-	-	-
	<u>814,400</u>	<u>1,035,957</u>	<u>1,283,563</u>	<u>609,651</u>	<u>426,306</u>	<u>1,035,957</u>
Surplus (Deficit)	\$ -	\$ 596,142	\$ 320,095	\$ 607,865	\$ (11,723)	\$ 596,142
Deferred Revenue	\$ -	\$ (596,142)	\$ (320,095)			\$ (596,142)

DEHCHO DIVISIONAL EDUCATION COUNCIL

Northern Distance Learning

Schedule E

For the year ended June 30, 2021

	Budget	Fort Liard	Fort Simpson	Fort Providence	Total	March 31	June 30	Total
Revenue								
Education, Culture and Employment	\$ 85,750	\$ 29,250	\$ 28,250	\$ 28,250	\$ 85,750	\$ 57,452	\$ 28,298	\$ 85,750
Other	-	-	-	-	-	-	-	-
	85,750	29,250	28,250	28,250	85,750	57,452	28,298	85,750
Expenses								
Salaries/Wages								
Instructional Staff								
Teachers	-	-	-	-	-	-	-	-
On-site support person	85,750	44,465	31,985	41,854	118,304	79,100	39,204	118,304
Non-Instructional Staff								
Moodle (Online strategy)	-	-	-	-	-	-	-	-
DL Coordinator	-	-	-	-	-	-	-	-
PD - online learning field	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Services Purchased/Contracted								
Network								
Network	-	-	-	-	-	-	-	-
Travel								
Coordinator travel	-	-	-	-	-	-	-	-
Professional Development								
Communication	-	-	-	-	-	-	-	-
in-service release	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
IT support	-	-	-	-	-	-	-	-
Materials, Supplies and Freight								
Computer Equipment								
Document cameras	-	-	-	-	-	-	-	-
Phone	-	-	-	-	-	-	-	-
Laptop	-	-	-	-	-	-	-	-
Video (Monopod)	-	-	-	-	-	-	-	-
Wireless adapters and splitter	-	-	-	-	-	-	-	-
Freight								
Other	-	285	900	1,302	2,487	2,487	-	2,487
Total expenses	85,750	44,750	32,885	43,156	120,791	81,587	39,204	120,791
Net surplus/(deficit)	\$ -	\$ (15,500)	\$ (4,635)	\$ (14,906)	\$ (35,041)	\$ (24,135)	\$ (10,906)	\$ (35,041)

DEHCHO DIVISIONAL EDUCATION COUNCIL

Student Success Initiative Projects

Schedule F

For the year ended June 30, 2021

	Budget	2021	2020
Revenue			
GNWT - Education, Culture & Employment	\$ 55,000	\$ 55,000	\$ 55,000
NWT Teachers Association	-	-	-
	55,000	55,000	55,000
Carry forward from previous year	-	7,438	-
	55,000	62,438	55,000
Expenses			
Professional development			
Salaries and wages			
Facilitator fees	-	-	-
Substitute teacher wages	-	-	-
Staff	-	-	-
Travel			
Facilitator travel	-	-	-
Staff travel	-	15,309	-
Accommodations and per diems	-	-	-
Other expenses	-	-	-
Workshop expense			
Room rental	-	-	-
Refreshments	-	-	-
Resources	-	735	-
Miscellaneous	-	-	-
Total professional development	-	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	52,427	2,562
Miscellaneous	-	14,446	-
Total program delivery	55,000	111,873	47,562
Total Expenses	55,000	127,917	47,562
Surplus (Deficit)	\$ -	\$ (65,479)	\$ 7,438
Deferred Revenue		\$ -	\$ (7,438)

DEHCHO DIVISIONAL EDUCATION COUNCIL

Canadian Heritage - Sport Support Program - Judo

Schedule G

For the year ended June 30, 2021

	2021 Actual	2020 Actual	Total
Revenue			
Government of Canada	\$ 184,634	\$ 220,624	\$ 405,258
Deferred revenue	34,764	(34,764)	-
	219,398	185,860	405,258
Expenses			
Administration	18,000	18,000	36,000
Salaries, fees and benefits	99,000	88,060	187,060
Transportation and accommodations	85,517	59,800	145,317
Materials and supplies	22,100	20,000	42,100
	224,617	185,860	410,477
Surplus (Deficit)	\$ (5,219)	\$ -	\$ (5,219)
Accounts Receivable			
	\$ 10,478	\$ -	
Deferred Revenue			
	\$ -	\$ 34,764	

DEHCHO DIVISIONAL EDUCATION COUNCIL

Statement of Council Operations and Financial Position (Non-Consolidated)

Schedule H-1

For the year ended June 30, 2021

	2021 Budget	2021 Actual	*2020 Actual
Revenue			
Government of the NWT			
ECE regular contributions	\$ 12,766,337	\$ 13,411,847	\$ 12,470,230
Indigenous Languages and Education, Schedule B	-	-	-
French language instruction, Schedule D	55,000	50,000	50,000
ECE other contributions, Note 31	135,000	407,738	85,750
Deferred revenues - SSI program	-	7,438	(7,438)
	12,956,337	13,877,023	12,598,542
GNWT - other contributions, Note 32	400,000	161,942	235,349
Total GNWT	13,356,337	14,038,965	12,833,891
Indigenous Services - Jordan's Principle	814,400	1,035,957	1,283,563
	-	219,398	185,865
Total Government of Canada	814,400	1,255,355	1,469,428
Self-Generated Funds			
Rentals	36,000	85,200	73,800
Investment income	30,000	33,540	66,811
Contract and other	82,000	134,512	165,706
	148,000	253,252	306,317
	14,318,737	15,547,572	14,609,636
Expenditure			
School programs	9,118,088	8,497,841	7,385,313
Inclusive schooling	2,972,741	2,016,581	2,030,512
Student accommodations	230,950	278,064	225,766
Operations and maintenance	-	670,225	906,935
Administration	1,075,842	959,594	1,019,737
Aboriginal language/cultural programs	1,698,266	1,389,746	1,380,127
Jordan's Principle	-	1,035,957	1,283,563
	15,095,887	14,848,008	14,231,953
Excess of Revenue over Expenditure before other items	\$ (777,150)	\$ 699,564	\$ 377,683
Other Items:			
Other Employee Future Benefits and Compensated Absences recovery (expense), Note 17		-	(3,977)
Payroll Expenses, Note 17		-	-
Excess (Deficiency) of Revenue over Expenditure		\$ 699,564	\$ 373,706
Accumulated surplus (deficit), beginning of year		1,585,065	1,211,359
Accumulated surplus (deficit), end of year		\$ 2,284,629	\$ 1,585,065

* Reclassified for comparative purposes

DEHCHO DIVISIONAL EDUCATION COUNCIL

Details of Council Expenses (Non-Consolidated)

Schedule H-2

For the year ended June 30, 2021

Function	School Programs	Inclusive Schooling	Student Accommodation	Operations & Maintenance	Administration	Indigenous Languages and Education	Jordan's Principle	2021 Total	2021 Budget	*2020 Total
Salaries										
Teachers' salaries	\$ 6,032,860	\$ 894,156	\$ -	\$ -	\$ -	\$ 895,926	\$ 929,018	\$ 8,751,960	\$ 6,588,106	\$ 7,628,357
Instruction Assistant	-	751,976	-	-	-	-	-	751,976	2,556,579	1,064,033
Non Instructional Staff	738,687	172,852	-	561,611	577,292	270,550	-	2,320,992	2,255,606	2,489,261
Board/Trustee Honoraria	-	-	-	-	28,118	-	-	28,118	82,800	27,702
	6,771,547	1,818,984	-	561,611	605,410	1,166,476	929,018	11,853,046	11,483,091	11,209,353
Employee Benefits										
Employee benefits and allowances	161,835	69,806	-	13,422	14,469	27,322	-	286,854	459,267	310,355
Leave and termination	111,540	18,590	-	-	-	18,590	-	148,720	426,987	101,893
	273,375	88,396	-	13,422	14,469	45,912	-	435,574	886,254	412,248
Services Purchased/Contracted										
Professional/Technical Services	-	-	-	-	27,952	3,200	-	31,152	40,000	32,258
Postage/Communication	47,244	-	1,702	-	83,450	385	-	132,781	40,000	118,605
Utilities	-	-	-	-	-	-	-	-	40,000	-
Travel	235,875	35,685	46,285	-	70,000	20,665	-	408,510	893,000	635,610
Student Travel (Bussing)	148,428	-	-	-	-	-	-	148,428	62,000	61,599
Advertising/Printing/Publishing	14,008	-	-	-	38,698	31,172	-	83,878	210,000	43,606
Maintenance/Repair	-	-	-	76,443	26,660	-	-	103,103	85,000	75,410
Rentals/Leases	27,920	-	-	13,200	30,708	4,653	-	76,481	138,000	62,842
Other - Contracted Services	-	50,925	209,005	5,549	-	10,443	-	275,922	417,950	186,265
	473,475	86,610	256,992	95,192	277,468	70,518	-	1,260,255	1,925,950	1,216,195
Materials, Supplies and Freight										
Materials	753,358	22,591	21,072	-	62,247	102,266	106,939	1,068,473	575,677	1,179,901
Freight	31,797	-	-	-	-	4,574	-	36,371	5,915	20,517
	785,155	22,591	21,072	-	62,247	106,840	106,939	1,104,844	581,592	1,200,418
Contributions and Transfers										
Transfers to DEA	194,289	-	-	-	-	-	-	194,289	219,000	193,739
Amortization										
	-	-	-	-	-	-	-	-	-	-
Total	\$ 8,497,841	\$ 2,016,581	\$ 278,064	\$ 670,225	\$ 959,594	\$ 1,389,746	\$ 1,035,957	\$ 14,848,008	\$ 15,095,887	\$ 14,231,953

* Reclassified for comparative purposes

DEHCHO DIVISIONAL EDUCATION COUNCIL

District Education Authority Operations Summary
 Non-Consolidated
 For the year ended June 30, 2021

Schedule I-1

	Fort Simpson	Fort Providence	Fort Liard	Jean Marie River	Wrigley	Nahanni Butte	Sambaa Ke	Kakisa Lake	Total
Revenue									
Operating contributions from Divisional Council	\$ 44,722	\$ 41,022	\$ 25,508	\$ 15,670	\$ 18,920	\$ 15,822	\$ 17,226	\$ 15,399	\$ 194,289
Other contributions from Divisional Council	66,035	134,625	38,877	750	980	300	14,173	4,675	260,415
Contributions from GNWT	-	36,766	-	-	-	-	-	-	36,766
Self-generated funds	23,588	139,565	406	-	2,750	-	-	-	166,309
	134,345	351,978	64,791	16,420	22,650	16,122	31,399	20,074	657,779
Expenditure									
School programs	92,801	228,100	47,693	5,923	8,567	2,963	-	10,264	396,311
Inclusive schooling	-	-	-	-	-	-	-	-	-
Student accommodations	-	-	-	-	-	-	-	-	-
Operations and maintenance	-	1,088	7,223	-	-	-	-	4,250	12,561
Administration	13,958	15,619	10,386	5,970	3,519	874	20,991	11,456	82,773
Aboriginal language/cultural programs	5,204	3,000	12,274	750	2,408	1,500	500	2,250	27,886
	111,963	247,807	77,576	12,643	14,494	5,337	21,491	28,220	519,531
Excess (Deficiency) of Revenue over Expenditure	22,382	104,171	(12,785)	3,777	8,156	10,785	9,908	(8,146)	138,248
Accumulated surplus, beginning of year	47,584	4,250	83,785	13,680	80,677	39,646	3,494	17,396	290,512
Accumulated surplus, end of year	\$ 69,966	\$ 108,421	\$ 71,000	\$ 17,457	\$ 88,833	\$ 50,431	\$ 13,402	\$ 9,250	\$ 428,760
Composition of Ending Accumulated Surplus									
Cash	\$ 69,702	\$ 87,004	\$ 71,000	\$ 17,457	\$ 88,833	\$ 50,431	\$ 13,402	\$ 9,250	\$ 407,079
Investment in GIC	-	-	-	-	-	-	-	-	-
Accounts receivable	784	27,850	-	-	-	-	-	-	28,634
Accounts payable	(520)	(6,433)	-	-	-	-	-	-	(6,953)
	\$ 69,966	\$ 108,421	\$ 71,000	\$ 17,457	\$ 88,833	\$ 50,431	\$ 13,402	\$ 9,250	\$ 428,760

DEHCHO DIVISIONAL EDUCATION COUNCIL

Details of DEA Expenses Summary

Non-Consolidated

For the year ended June 30, 2021

Schedule I-2

Function	School Programs	Inclusive Schooling	Student Accommodation	Operations and Maintenance	Administration	Indigenous Languages and Education	Total
Salaries							
Teachers' Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Instruction Assistant	-	-	-	-	-	-	-
Non-instructional Staff	118,661	-	-	4,250	26,035	10,158	159,104
Board/Trustee Honorarium	2,157	-	-	-	45,271	1,500	48,928
	120,818	-	-	4,250	71,306	11,658	208,032
Employee Benefits							
Employee Benefits and Allowances	-	-	-	-	-	-	-
Leave and Termination	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
Services Purchased/Contracted							
Professional/Technical Services	-	-	-	-	1,235	-	1,235
Postage/Communication	-	-	-	-	6	-	6
Utilities	-	-	-	-	-	-	-
Travel	15,996	-	-	-	866	-	16,862
Student Travel (Bussing)	52,207	-	-	-	-	-	52,207
Advertising/Printing/Publishing	-	-	-	-	-	-	-
Maintenance/Repair	-	-	-	-	-	-	-
Rentals/Leases	6,100	-	-	-	1,000	-	7,100
Other - Awards	23,195	-	-	-	-	-	23,195
Other - Contracted Services	10,360	-	-	-	1,684	2,900	14,944
Other - School Programs	87,092	-	-	-	-	3,158	90,250
	194,950	-	-	-	4,791	6,058	205,799
Materials/Supplies/Freight							
Materials	80,543	-	-	8,311	6,676	10,170	105,700
Freight	-	-	-	-	-	-	-
	80,543	-	-	8,311	6,676	10,170	105,700
Total	\$ 396,311	\$ -	\$ -	\$ 12,561	\$ 82,773	\$ 27,886	519,531

FORT SIMPSON

District Education Authority Statement of Operations - Non-Consolidated

For the year ended June 30, 2021

	2021 Budget	2021 Actual	2020 Actual
Revenues			
Contributions from Divisional Council	\$ 44,722	\$ 44,722	\$ 44,392
Other - Dehcho DEC	-	66,035	76,160
Other - Contributions from GNWT	-	-	1,568
Other	-	23,588	33,076
	<u>44,722</u>	<u>134,345</u>	<u>155,196</u>
Expenses			
School programs	28,222	92,801	115,536
Inclusive schooling	-	-	-
Student accommodations	-	-	-
Operations and maintenance	-	-	-
Administration	12,500	13,958	15,687
Aboriginal language/cultural programs	4,000	5,204	5,069
	<u>44,722</u>	<u>111,963</u>	<u>136,292</u>
Surplus (Deficit)	\$ -	22,382	18,904
Opening equity		47,584	28,680
Closing equity		\$ 69,966	\$ 47,584
Composition of Closing Equity			
Cash		\$ 69,702	\$ 51,284
Accounts receivable		784	1,920
Accounts payable		(520)	(5,620)
		<u>\$ 69,966</u>	<u>\$ 47,584</u>

FORT SIMPSON

District Education Authority
 Details of Expenses - Non-Consolidated

For the year ended June 30, 2021

Function	School Programs	Inclusive Schooling	Student Accommodation	Operations & Maintenance	Administration	Indigenous Languages and Education	Total
Salaries							
Teachers' Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Instruction Assistant	-	-	-	-	-	-	-
Non Instructional Staff	28,844	-	-	-	-	-	28,844
Board/Trustee Honoraria	-	-	-	-	13,680	-	13,680
	28,844	-	-	-	13,680	-	42,524
Employee Benefits							
Employee Benefits/Allowances	-	-	-	-	-	-	-
Leave and Termination Benefits	-	-	-	-	-	-	-
Services Purchased/Contracted							
Professional/Technical Services	-	-	-	-	-	-	-
Postage/Communication	-	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-
Travel	503	-	-	-	-	-	503
Student Travel (Bussing)	52,207	-	-	-	-	-	52,207
Advertising/Printing/Publishing	-	-	-	-	-	-	-
Maintenance/Repair	-	-	-	-	-	-	-
Rentals/Leases	-	-	-	-	-	-	-
Other - Student Awards	3,894	-	-	-	-	-	3,894
Other - Contracted Services	392	-	-	-	278	-	670
Other - School programs	-	-	-	-	-	-	-
	56,996	-	-	-	278	-	57,274
Materials/Supplies/Freight							
Materials	6,961	-	-	-	-	5,204	12,165
Freight	-	-	-	-	-	-	-
	6,961	-	-	-	-	5,204	12,165
Total	\$ 92,801	\$ -	\$ -	\$ -	\$ 13,958	\$ 5,204	\$ 111,963

FORT PROVIDENCE

District Education Authority
Statement of Operations - Non-Consolidated

For the year ended June 30, 2021

	2021 Budget	2021 Actual	2020 Actual
Revenue			
Contributions from Divisional Council	\$ 41,022	\$ 41,022	\$ 40,417
Other - Dehcho DEC	-	134,625	196,279
Other - Contributions from GNWT	-	36,766	49,936
Other	-	139,565	8,660
	<u>41,022</u>	<u>351,978</u>	<u>295,292</u>
Expenses			
School programs	17,747	228,100	301,934
Inclusive schooling	-	-	-
Student accommodations	-	-	-
Operations and maintenance	-	1,088	-
Administration	21,275	15,619	34,576
Aboriginal language/cultural programs	2,000	3,000	27,514
	<u>41,022</u>	<u>247,807</u>	<u>364,024</u>
Surplus (Deficit)	\$ -	104,171	(68,732)
Opening equity		4,250	72,982
Closing equity	\$	108,421	\$ 4,250
Composition of Closing Equity			
Cash	\$	87,004	\$ (6,185)
Accounts receivable		27,850	19,802
Accounts payable		(6,433)	(9,367)
	\$	108,421	\$ 4,250

FORT PROVIDENCE

District Education Authority
 Details of Expenses - Non-Consolidated

For the year ended June 30, 2021

Function	School Programs	Inclusive Schooling	Student Accommodation	Operations & Maintenance	Administration	Indigenous Languages and Education	Total
Salaries							
Teachers' Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Instruction Assistant	-	-	-	-	-	-	-
Non Instructional Staff	89,817	-	-	-	3,168	3,000	95,985
Board/Trustee Honoraria	-	-	-	-	6,341	-	6,341
	<u>89,817</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,509</u>	<u>3,000</u>	<u>102,326</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	-	-	-	-	1,235	-	1,235
Postage/Communication	-	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-
Travel	7,305	-	-	-	275	-	7,580
Student Travel (Bussing)	-	-	-	-	-	-	-
Advertising/Printing/Publishing	-	-	-	-	-	-	-
Maintenance/Repair	-	-	-	-	-	-	-
Rentals/Leases	6,100	-	-	-	-	-	6,100
Other - Awards/Gifts	3,406	-	-	-	-	-	3,406
Other - Contracted Services	7,740	-	-	-	206	-	7,946
Other - School programs	76,647	-	-	-	-	-	76,647
	<u>101,198</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,716</u>	<u>-</u>	<u>102,914</u>
Materials/Supplies/Freight							
Materials	37,085	-	-	1,088	4,394	-	42,567
Freight	-	-	-	-	-	-	-
	<u>37,085</u>	<u>-</u>	<u>-</u>	<u>1,088</u>	<u>4,394</u>	<u>-</u>	<u>42,567</u>
Total	\$ 228,100	\$ -	\$ -	\$ 1,088	\$ 15,619	\$ 3,000	\$ 247,807

FORT LIARD

District Education Authority Statement of Operations - Non-Consolidated

For the year ended June 30, 2021

	2021 Budget	2021 Actual	2020 Actual
Revenue			
Contributions from Divisional Council	\$ 25,508	\$ 25,508	\$ 26,168
Other - Dehcho DEC	-	38,877	35,890
Other - Contributions from GNWT	-	-	-
Other	-	406	5,960
	<u>25,508</u>	<u>64,791</u>	<u>68,018</u>
Expenses			
School programs	14,258	47,693	14,637
Inclusive Schooling	-	-	-
School accommodations	-	-	-
Operations and maintenance	-	7,223	-
Administration	9,250	10,386	5,700
Aboriginal language/cultural programs	2,000	12,274	16,325
	<u>25,508</u>	<u>77,576</u>	<u>36,662</u>
Surplus (Deficit)	\$ -	(12,785)	31,356
Opening equity		83,785	52,429
Closing equity		\$ 71,000	\$ 83,785
Composition of Closing Equity			
Cash		\$ 71,000	\$ 62,389
Investment in GIC		-	21,396
Accounts receivable		-	-
Accounts payable		-	-
		<u>\$ 71,000</u>	<u>\$ 83,785</u>

FORT LIARD

District Education Authority
 Details of Expenses - Non-Consolidated

For the year ended June 30, 2021

Function	School Programs	Inclusive Schooling	Student Accommodation	Operations & Maintenance	Administration	Indigenous Languages and Education	Total
Salaries							
Teachers' Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Instruction Assistant	-	-	-	-	-	-	-
Non Instructional Staff	-	-	-	-	-	6,658	6,658
Board/Trustee Honoraria	-	-	-	-	8,135	1,500	9,635
	-	-	-	-	8,135	8,158	16,293
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	10,846	-	-	-	-	-	10,846
Other - Contracted Services	350	-	-	-	164	-	514
Other - Local Programs	-	-	-	-	-	-	-
	11,196	-	-	-	164	-	11,360
Materials/Supplies/Freight							
Materials	36,497	-	-	7,223	2,087	4,116	49,923
Freight	-	-	-	-	-	-	-
	36,497	-	-	7,223	2,087	4,116	49,923
Total	\$ 47,693	\$ -	\$ -	\$ 7,223	\$ 10,386	\$ 12,274	\$ 77,576

JEAN MARIE RIVER

District Education Authority Statement of Operations - Non-Consolidated

For the year ended June 30, 2021

	2021 Budget	2021 Actual	2020 Actual
Revenues			
Contributions from Divisional Council	\$ 15,670	\$ 15,670	\$ 15,670
Other - Dehcho DEC	-	750	-
Other - Contributions from GNWT	-	-	-
Other	-	-	516
	<u>15,670</u>	<u>16,420</u>	<u>16,186</u>
Expenses			
School programs	2,720	5,923	4,915
Inclusive schooling	-	-	-
Student accommodations	-	-	-
Operations and maintenance	-	-	-
Administration	10,950	5,970	7,496
Aboriginal language/cultural programs	2,000	750	8,634
	<u>15,670</u>	<u>12,643</u>	<u>21,045</u>
Surplus (Deficit)	\$ -	3,777	(4,859)
Opening equity		13,680	18,539
Closing equity		\$ 17,457	\$ 13,680
Composition of Closing Equity			
Cash		\$ 17,457	\$ 13,680
Accounts receivable		-	-
Accounts payable		-	-
		<u>\$ 17,457</u>	<u>\$ 13,680</u>

JEAN MARIE RIVER

District Education Authority
 Details of Expenses - Non-Consolidated

For the year ended June 30, 2021

Function	School Programs	Inclusive Schooling	Student Accommodation	Operations & Maintenance	Administration	Indigenous Languages and Education	Total
Salaries							
Teachers' Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Instruction Assistant	-	-	-	-	-	-	-
Non Instructional Staff	-	-	-	-	3,050	-	3,050
Board/Trustee Honoraria	2,157	-	-	-	1,760	-	3,917
	<u>2,157</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,810</u>	<u>-</u>	<u>6,967</u>
Employee Benefits							
Employee Benefits/Allowances	-	-	-	-	-	-	-
Leave and Termination Benefits	-	-	-	-	-	-	-
Services Purchased/Contracted							
Professional/Technical Services	-	-	-	-	-	-	-
Postage/Communication	-	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-
Travel	919	-	-	-	-	-	919
Student Travel (Bussing)	-	-	-	-	-	-	-
Advertising/Printing/Publishing	-	-	-	-	-	-	-
Maintenance/Repair	-	-	-	-	-	-	-
Rentals/Leases	-	-	-	-	1,000	-	1,000
Other - Awards	1,719	-	-	-	-	-	1,719
Other - Contracted Services	1,128	-	-	-	160	-	1,288
Other - School Programs	-	-	-	-	-	750	750
	<u>3,766</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,160</u>	<u>750</u>	<u>5,676</u>
Materials/Supplies/Freight							
Materials	-	-	-	-	-	-	-
Freight	-	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	\$ 5,923	\$ -	\$ -	\$ -	\$ 5,970	\$ 750	\$ 12,643

WRIGLEY

District Education Authority Statement of Operations - Non-Consolidated

For the year ended June 30, 2021

	2021 Budget	2021 Actual	2020 Actual
Revenue			
Contributions from Divisional Council	\$ 18,920	\$ 18,920	\$ 18,810
Other - Dehcho DEC	-	980	13,100
Other - Contributions from GNWT	-	-	2,750
Other	-	2,750	8,690
	<u>18,920</u>	<u>22,650</u>	<u>43,350</u>
Expenses			
School programs	4,870	8,567	5,550
Inclusive schooling	-	-	-
Student accomodations	-	-	-
Operations and maintenance	-	-	-
Administration	12,050	3,519	4,052
Aboriginal language/cultural programs	2,000	2,408	17,005
	<u>18,920</u>	<u>14,494</u>	<u>26,607</u>
Surplus (Deficit)	\$ -	8,156	16,743
Opening equity		80,677	63,934
Closing equity		\$ 88,833	\$ 80,677
Composition of Closing Equity			
Cash	\$	88,833	\$ 80,677
Accounts receivable		-	-
Accounts payable		-	-
	\$	88,833	\$ 80,677

WRIGLEY

District Education Authority
 Details of Expenses - Non-Consolidated

For the year ended June 30, 2021

Function	School Programs	Inclusive Schooling	Student Accommodation	Operations and Maintenance	Administration	Indigenous Languages and Education	Total
Salaries							
Teachers' Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Instruction Assistant	-	-	-	-	-	-	-
Non Instructional Staff	-	-	-	-	400	-	400
Board/Trustee Honoraria	-	-	-	-	2,800	-	2,800
	-	-	-	-	3,200	-	3,200
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	-	-	-	-	319	-	319
Other - Local programs	8,567	-	-	-	-	2,408	10,975
	8,567	-	-	-	319	2,408	11,294
Materials/Supplies/Freight							
Materials	-	-	-	-	-	-	-
Freight	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
Total	\$ 8,567	\$ -	\$ -	\$ -	\$ 3,519	\$ 2,408	\$ 14,494

NAHANNI BUTTE

District Education Authority
Statement of Operations - Non-Consolidated

For the year ended June 30, 2021

	2021 Budget	2021 Actual	2020 Actual
Revenues			
Contributions from Divisional Council	\$ 15,822	\$ 15,822	\$ 15,877
Other - Dehcho DEC	-	300	9,625
Other - Contributions from GNWT	-	-	-
Other	-	-	-
	<u>15,822</u>	<u>16,122</u>	<u>25,502</u>
Expenses			
School programs	2,872	2,963	7,050
Inclusive schooling	-	-	-
Student accommodations	-	-	-
Operations and maintenance	-	-	-
Administration	10,950	874	718
Aboriginal language/cultural programs	2,000	1,500	2,450
	<u>15,822</u>	<u>5,337</u>	<u>10,218</u>
Surplus (Deficit)	\$ -	10,785	15,284
Opening equity		39,646	24,362
Closing equity		\$ 50,431	\$ 39,646
Composition of Closing Equity			
Cash		\$ 50,431	\$ 39,646
Accounts receivable		-	-
Accounts payable		-	-
		<u>\$ 50,431</u>	<u>\$ 39,646</u>

NAHANNI BUTTE

District Education Authority
 Details of Expenses - Non-Consolidated

For the year ended June 30, 2021

Function	School Programs	Inclusive Schooling	Student Accommodation	Operations & Maintenance	Administration	Indigenous Languages and Education	Total
Salaries							
Teachers' Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Instruction Assistant	-	-	-	-	-	-	-
Non Instructional Staff	-	-	-	-	-	-	-
Board/Trustee Honoraria	-	-	-	-	550	-	550
	-	-	-	-	550	-	550
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	1,085	-	-	-	-	-	1,085
Other - Contracted Services	-	-	-	-	324	650	974
Other - School Programs	1,878	-	-	-	-	-	1,878
	2,963	-	-	-	324	650	3,937
Materials/Supplies/Freight							
Materials	-	-	-	-	-	850	850
Freight	-	-	-	-	-	-	-
	-	-	-	-	-	850	850
Total	\$ 2,963	\$ -	\$ -	\$ -	\$ 874	\$ 1,500	\$ 5,337

Sambaa K'e (formerly Trout Lake)

District Education Authority
Statement of Operations - Non-Consolidated

For the year ended June 30, 2021

	2021 Budget	2021 Actual	2020 Actual
Revenue			
Contributions from Divisional Council	\$ 17,226	\$ 17,226	\$ 17,006
Other - Dehcho DEC	-	14,173	-
Other - Contributions from GNWT	-	-	-
Other	-	-	-
	<u>17,226</u>	<u>31,399</u>	<u>17,006</u>
Expenses			
School programs	4,276	-	3,465
Inclusive schooling	-	-	-
Student accomodations	-	-	-
Operations and maintenance	-	-	-
Administration	10,950	20,991	11,640
Aboriginal language/cultural programs	2,000	500	6,508
	<u>17,226</u>	<u>21,491</u>	<u>21,613</u>
Surplus (Deficit)	\$ -	9,908	(4,607)
Opening equity		3,494	8,101
Closing equity		<u>\$ 13,402</u>	<u>\$ 3,494</u>
Composition of Closing Equity			
Cash	\$	13,402	\$ 3,494
Accounts receivable		-	-
Accounts payable		-	-
	<u>\$</u>	<u>13,402</u>	<u>\$ 3,494</u>

Sambaa K'e (formerly Trout Lake)

District Education Authority
 Details of Expenses - Non-Consolidated

For the year ended June 30, 2021

Function	School Programs	Inclusive Schooling	Student Accommodation	Operations & Maintenance	Administration	Indigenous Languages and Education	Total
Salaries							
Teachers' Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Instruction Assistant	-	-	-	-	-	-	-
Non Instructional Staff	-	-	-	-	13,717	500	14,217
Board/Trustee Honoraria	-	-	-	-	6,905	-	6,905
	-	-	-	-	20,622	500	21,122
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	-	-	-	-	174	-	174
Other - School Programs	-	-	-	-	-	-	-
	-	-	-	-	174	-	174
Materials/Supplies/Freight							
Materials	-	-	-	-	195	-	195
Freight	-	-	-	-	-	-	-
	-	-	-	-	195	-	195
Total	\$ -	\$ -	\$ -	\$ -	\$ 20,991	\$ 500	\$ 21,491

KAKISA LAKE

District Education Authority
Statement of Operations - Non-Consolidated

For the year ended June 30, 2021

	2021 Budget	2021 Actual	2020 Actual
Revenues			
Contributions from Divisional Council	\$ 15,399	\$ 15,399	\$ 15,399
Other - Dehcho DEC	-	4,675	11,220
Other - Contributions from GNWT	-	-	8,000
Other	-	-	156
	<u>15,399</u>	<u>20,074</u>	<u>34,775</u>
Expenditure			
School programs	2,449	10,264	5,150
Inclusive schooling	-	-	-
Student accommodations	-	-	-
Operations and maintenance	-	4,250	6,050
Administration	10,950	11,456	8,927
Aboriginal language/cultural programs	2,000	2,250	5,250
	<u>15,399</u>	<u>28,220</u>	<u>25,377</u>
Surplus (Deficit)	\$ -	(8,146)	9,398
Opening equity		17,396	7,998
Closing equity		\$ 9,250	\$ 17,396
Composition of Closing Equity			
Cash		\$ 9,250	\$ 17,396
Accounts receivable		-	-
Accounts payable		-	-
		<u>\$ 9,250</u>	<u>\$ 17,396</u>

KAKISA LAKE

District Education Authority
 Details of Expenses - Non-Consolidated

For the year ended June 30, 2021

Function	School Programs	Inclusive Schooling	Student Accommodation	Operations & Maintenance	Administration	Indigenous Languages and Education	Total
Salaries							
Teachers' Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Instruction Assistant	-	-	-	-	-	-	-
Non Instructional Staff	-	-	-	4,250	5,700	-	9,950
Board/Trustee Honoraria	-	-	-	-	5,100	-	5,100
	-	-	-	4,250	10,800	-	15,050
Employee Benefits							
Employee Benefits/Allowances	-	-	-	-	-	-	-
Leave and Termination Benefits	-	-	-	-	-	-	-
Services Purchased/Contracted							
Professional/Technical Services	-	-	-	-	-	-	-
Postage/Communication	-	-	-	-	6	-	6
Utilities	-	-	-	-	-	-	-
Travel	7,269	-	-	-	591	-	7,860
Student Travel (Bussing)	-	-	-	-	-	-	-
Advertising/Printing/Publishing	-	-	-	-	-	-	-
Maintenance/Repair	-	-	-	-	-	-	-
Rentals/Leases	-	-	-	-	-	-	-
Other - Awards	2,245	-	-	-	-	-	2,245
Other - Contracted Services	750	-	-	-	59	2,250	3,059
Other - School Programs	-	-	-	-	-	-	-
	10,264	-	-	-	656	2,250	13,170
Materials/Supplies/Freight							
Materials	-	-	-	-	-	-	-
Freight	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
Total	\$ 10,264	\$ -	\$ -	\$ 4,250	\$ 11,456	\$ 2,250	\$ 28,220

Dettah District Education Authority

Financial Statements

June 30, 2021

Dettah District Education Authority

Financial Statements

June 30, 2021

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Management Discussion and Analysis

Introduction

Dettah District Education Administration:

Dr. Cindi Valasenik – 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 Wiiliideh language and frequent opportunities for students to learn traditional ways of the community
- Recruit, train, and retain high quality, and highly qualified teaching and support staff to best serve current and future students; ensuring opportunities to engage in the local language and cultural practices and learning
- Support school staff team to provide a while-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:

In 2017-2018, the DDEA began a small alternative high school program that, due to COVID restrictions was put on hold during the 2020-2021 school year.

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:

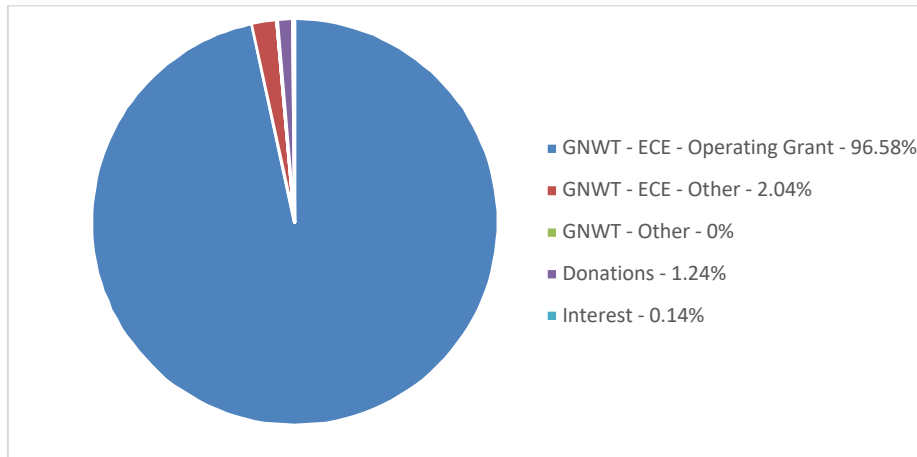
- Consistently positive working relationship between Dettah District Education Authority and Kaw Tay Whee School Staff; maximizing the potential for a positive learning environment for students and support for families
- An increase in the amount and quality of instruction in the local Wiiliideh language, 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:

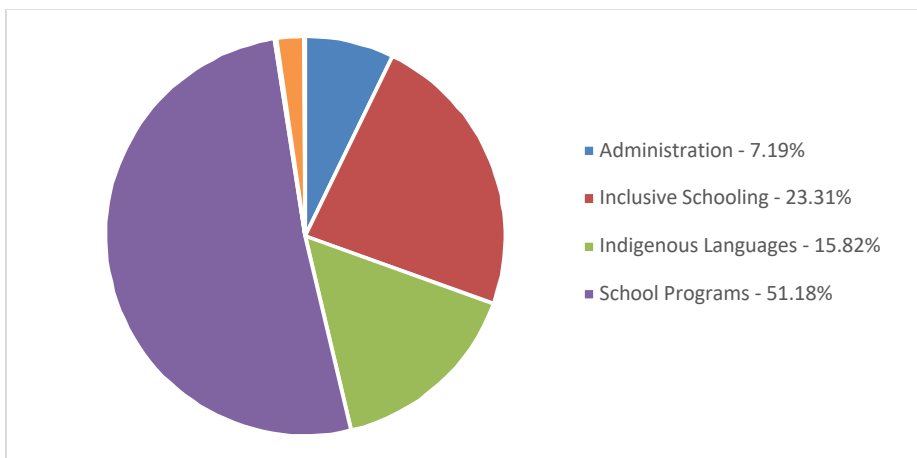
- This year the DEA continued to face financial challenges as many positions or services have either been cut in the funding, or do not receive any funding; examples include a cut to the custodian position, bus funding that does not provide for the actual cost amount, the fee for superintendency services, 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

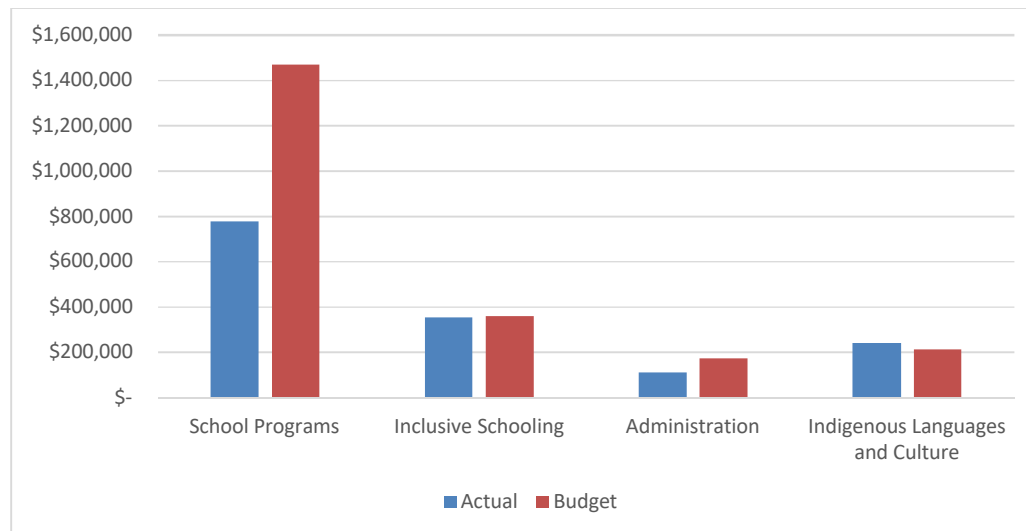
Operating Revenue for the DDEA in 2020-2021



Expenses by program for the DDEA in 2020-2021



Operating expenses actual compared to budget for DDEA in 2020-2021



Financial Condition

The Authority's financial assets increased from \$680,283 to \$917,538. This year the net financial assets (financial assets less liabilities) were \$811,622 compared to \$538,453 in the prior year, indicating a stronger financial position.

The Authority had an operating surplus of \$273,631 for the year compared to an operating surplus of \$99,579 in the prior year. The increase in 2020-2021 surplus compared to 2019-2020 can be attributed to the increase in ECE contributions due to higher enrolment. The accumulated surplus at year end is \$812,084.

Accounts payable and accrued liabilities have decreased from \$53,928 to \$40,463 due to the timing of payments at year end.

The Yellowknife Education District #1 Payable remained nil (2020 – nil). This is due to the Authority having paid the July and August 2021 by June 30, 2021. As such, there is no outstanding payable balance for the year.

Dettah DEA received 99% (2020 – 99%) of its funding from the GNWT. The core funding increased from \$1,586,622 to \$1,727,135 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, totaling \$14,380.

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, 2021

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

September 29, 2021

Independent Auditors' Report

To the Minister of Education, Culture and Employment
Government of Northwest Territories

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Dettah District Education Authority (the "Education Authority") which comprise the statement of financial position as at June 30, 2021, 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 Dettah District Education Authority as at June 30, 2021, 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.

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 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
September 29, 2021**

Chartered Professional Accountants

Dettah District Education Authority

Statement of Financial Position

As at June 30, 2021 2020

Financial Assets

Cash and cash equivalents (Note 5)	\$ 917,424	\$ 678,743
Accounts receivable (Note 9)	114	1,540
	917,538	680,283

Liabilities

Accounts payable and accrued liabilities (Note 11)	40,463	53,928
Payroll liabilities (Note 11)	847	796
Deferred revenue (Note 12)	27,713	-
Contributions repayable (Note 13)	2,000	54,400
Leave and termination benefits (Note 18)	34,893	32,706
Due to Yellowknife Education District No. 1 (Note 25)	4,872	-
	105,916	141,830

Net financial assets **811,622** 538,453

Non-financial Assets

Prepaid expenses 462 -

Accumulated Surplus **\$ 812,084** \$ 538,453

Contractual obligations and contingencies (Note 23 and 24)

Approved on behalf of the Education Authority



Chairperson



Principal

Dettah District Education Authority

Statement of Operations

For the year ended June 30,	2021	2021	2020
	Budget (unaudited)	Actual	Actual
Revenues			
Government of the NWT			
ECE regular contributions	\$ 1,846,000	\$ 1,727,135	\$ 1,586,622
ECE other contributions (Note 31)	-	36,548	15,000
Total GNWT ECE	1,846,000	1,763,683	1,601,622
Other GNWT contributions (Note 32)	15,600	-	16,279
Total GNWT	1,861,600	1,763,683	1,617,901
Education body generated funds			
Donations	30,000	22,163	37,925
Investment Income	4,000	2,535	6,527
Other	6,000	-	-
	40,000	24,698	44,452
Total Revenues	1,901,600	1,788,381	1,662,353
Expenses (Schedule 1)			
School programs	1,468,800	775,316	871,811
Inclusive schooling	358,600	353,136	295,111
Administration	170,000	108,860	126,973
Indigenous languages and culture	212,000	239,650	223,273
Community contribution fund	-	2,864	-
COVID-19	-	33,570	43,625
President's Choice Children's Charity	-	1,354	1,981
	2,209,400	1,514,750	1,562,774
Operating surplus before other items	(307,800)	273,631	99,579
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	(307,800)	273,631	99,579
Opening accumulated surplus	538,453	538,453	438,874
Closing accumulated surplus	\$ 230,653	\$ 812,084	\$ 538,453

Dettah District Education Authority

Statement of Changes in Net Assets

For the year ended June 30,	2021	2020
Operating surplus	\$ 273,631	\$ 99,579
Change in prepaid expenses	(462)	-
Increase in net financial assets	273,169	99,579
Net assets, beginning of year	538,453	438,874
Net assets, end of year	\$ 811,622	\$ 538,453

Dettah District Education Authority**Statement of Cash Flows**

For the year ended June 30,	2021	2020
Cash provided by:		
Operating transactions		
Operating surplus	\$ 273,631	\$ 99,579
Changes in non-cash assets and liabilities		
Decrease in accounts receivable	1,426	(1,540)
Decrease in accounts payable	(13,468)	14,576
Increase in payroll liabilities	54	(2,436)
Decrease in due to Yellowknife District Education No. 1	-	(179,187)
Decrease in contribution repayable	(52,400)	54,400
Increase in deferred revenue	27,713	(54,400)
Increase in leave and termination benefits	2,187	2,429
Increase in prepaid expenses and deposits	(462)	-
	(34,950)	(166,158)
Increase (decrease) in cash and cash equivalents	238,681	(66,579)
Cash and cash equivalents, at beginning of year	678,743	745,322
Cash and cash equivalents, at end of year	\$ 917,424	\$ 678,743

Dettah District Education Authority

Notes to Financial Statements

June 30, 2021

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, 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 recieved \$56K 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 the school in the fiscal year. The unused portion will continue to be used in the subsequent periods to fund COVID-19 related expenses.

Detah District Education Authority

Notes to Financial Statements

June 30, 2021

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, 2021

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. The contribution revenue is recognized when received or receivable.

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.

Detah District Education Authority

Notes to Financial Statements

June 30, 2021

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 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.

(g) Budget Data

The *Education Act* of the Northwest Territories requires that Education Authorities prepare an annual budget, as outlined in Section 117.

The priorities and funding allocations are determined by the Board of Trustees of each Education Authority and the budget is legally adopted by a motion of the Board in accordance with Section 135 (3) of the *Education Act*.

Budget approved budgets are submitted to the Minister of Education, Culture and Employment for final approval as directed by Sections 117(2) k, l and m of the *Education Act*.

This annual budget includes estimates of revenue 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.

Detah District Education Authority

Notes to Financial Statements

June 30, 2021

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, 2021

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.

During the year the segments; Operations and Maintenance and Administration were combined to comprise the segment above titled Administration.

4. Future Accounting Changes

Revenue, Proposed 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.

5. Cash and Cash Equivalents

	2021	2020
Cash and cash equivalents	\$ 917,424	\$ 678,743

Dettah District Education Authority

Notes to Financial Statements

June 30, 2021

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:

	2021		2020
GNWT ECE	\$ 114	\$	-
Breakfast Club of Canada	-		1,540
	\$ 114	\$	1,540

10. Inventory

The Education Authority does not record inventory as per note 3(i).

11. Accounts Payable and Payroll Liabilities

	2021		2020
Trade payable	\$ 40,463	\$	53,928
Payroll liabilities	847		796
	\$ 41,310	\$	54,724

12. Deferred Revenue

	2021		2020
Government of Northwest Territories			
Department of Education, Culture and Employment	\$ 27,713	\$	-

Detah District Education Authority

Notes to Financial Statements

June 30, 2021

13. Contributions Repayable

	2021	2020
Government of the Northwest Territories		
Department of Education, Culture and Employment	\$ 2,000	\$ 2,000
Government of Canada		
Jordan's Principle	-	52,400
	\$ 2,000	\$ 54,400

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 \$3,595,159. 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 \$183,838 for January 2021, and \$175,176 for January 2020. The maximum monthly contributions is \$3,245 for January 2021, and \$3,093 for January 2020.

NEBS is an employer owned program and as such the Education Authority will be liable for its portion of any shortfall. The Plan serves 3,534 Employee Members and 117 Employer Members (total active, disabled and on leave 2,035).

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 \$45,100,000 - funded ratio 118% (2020 - \$31,200,000 and 113%) on a going concern valuation basis. The Plan had a solvency ratio deficiency of \$164,720,000 and a solvency ratio of 66%. 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.

17. Long-Term Debt

The Education Authority does not have long-term debt.

Dettah District Education Authority

Notes to Financial Statements

June 30, 2021

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, 2021. 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 March 31, 2021 and the results extrapolated to June 30, 2021. The values presented below are for all of the benefits under the Compensated Absences and Termination Benefits for the Authority.

Changes in Obligations	Severance and Removal	Compensated Absences	2021
Accrued benefit obligation, beginning of year	\$ 17,647	\$ 7,049	\$ 24,696
Current period benefit cost	2,005	604	2,609
Interest accrued	490	191	681
Benefits payments	-	-	-
Actuarial (gain)/loss	(5,539)	(2,394)	(7,933)
Accrued benefit obligations end of year	(14,603)	(5,450)	(20,053)
Unamortized net actuarial loss	(11,692)	(3,148)	(14,840)
Accrued benefit liability	(26,295)	(8,598)	(34,893)
Benefit expenses			
Current service costs	2,005	604	2,609
Interest costs	490	191	681
Amortization of actuarial gains	(1,042)	(61)	(1,103)
	\$ 1,453	\$ 734	\$ 2,187

Dettah District Education Authority

Notes to Financial Statements

June 30, 2021

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 2.70%, (2019 - 3.20%). The expected payments during the next five fiscal years are:

	Severance and removal	Compensated absences	Total
2022	\$ 2,007	\$ 612	\$ 2,619
2023	1,576	332	1,908
2024	1,335	197	1,532
2025	1,171	132	1,303
2026	960	34	994
2027- 2031	4,684	1,382	6,066
Total	\$ 11,733	\$ 2,689	\$ 14,422

19. Trust Assets Under Administration

The Education Authority does not have trust assets under administration.

Dettah District Education Authority

Notes to Financial Statements

June 30, 2021

20. Tangible Capital Assets

The Education Authority does not have tangible capital assets.

21. Prepaid Expenses and Deposits

The Education Authority has prepaid expenses and deposits of \$462 (2020 - \$nil).

22. GNWT Assets Provided At No Cost

	Cost	Accumulated Amortization	2021 Net Book Value	2020 Net Book Value
Kaw Tay Whee	\$ 895,327	\$ 568,973	\$ 326,354	\$ 368,465

Rent expense of \$42,111 (2020 - \$42,111) was offset by a grant in-kind.

23. Contractual Obligations

The Education Authority does not have any contractual obligations.

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.

	2021	2020
Due to Related Party		
Yellowknife Education District No. 1	\$ 4,872	\$ -
	2021	2020
Revenues from related parties		
Government of the Northwest Territories		
Department of Education, Cultural and Employment	\$ 1,763,683	\$ 1,601,622
Department of Municipal and Community Affairs	-	15,675
Department of Health and Social Services	-	604
Total revenues from related parties	\$ 1,763,683	\$ 1,617,901

Dettah District Education Authority

Notes to Financial Statements

June 30, 2021

25. Related Parties (continued)

	2021	2020
Expenses Paid to Related Parties		
Yellowknife Catholic Schools - Transfer costs	\$ 189,710	\$ 250,256
Yellowknife Education District No. 1 - Superintendent fees and custodian salaries	46,345	41,497
Total expenses to related parties	\$ 236,055	\$ 291,753

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 July 3, 2020 and have not been audited.

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. 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 \$917,538 (2020 - \$680,283).

Dettah District Education Authority

Notes to Financial Statements

June 30, 2021

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 \$72,176 (2020 - \$162,728). 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:

Financial assets	Up to 6 months
Cash and cash equivalents	\$ 917,538
Total financial assets	\$ 917,538
Total financial assets - prior year	\$ 680,283
Financial liabilities	Up to 6 months
Accounts payable and accrued liabilities	\$ 40,463
Contributions Repayable	2,000
Accrued payroll liabilities	847
Total financial liabilities	\$ 43,310
Total financial liabilities - prior year	\$ 108,328
Net total	\$ 874,228
Net total - prior year	\$ 571,955

Dettah District Education Authority

Notes to Financial Statements

June 30, 2021

29. Expenses By Object

	2021 Budget	2021 Actual	2020 Actual
Compensation	\$ 1,239,100	\$ 889,574	\$ 844,665
Materials and freight	692,800	228,429	243,357
Services purchased or contracted	277,500	396,748	474,752
	\$ 2,209,400	\$ 1,514,751	\$ 1,562,774

30. Subsequent Events

There are no material subsequent events that have taken place between June 30, 2021 and the audit report date.

31. ECE Other Contributions

	2021	2020
Government of the Northwest Territories - Department of Education, Culture and Employment Health and Wellness Support COVID-19	\$ 2,978 33,570	\$ 15,000 -
	\$ 36,548	\$ 15,000

32. GNWT Other Contributions

	2021	2020
Government of the Northwest Territories Department of Municipal and Community Affairs- After School Physical Activity Program	\$ -	\$ 16,279

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,

								Total 2021	Budget 2021	Total 2020
	School Programs	Community Contribution	Administration	Indigenous Language and Culture (schedule 2)	Inclusive Schooling (schedule 4)	COVID-19	President's Choice Children's Charity	Total	Total	Total
Salaries										
Teachers	\$ 180,964	\$ -	\$ 20,369	\$ -	\$ 265,370	\$ -	\$ -	\$ 466,703	548,300	469,512
Instructional assistant	-	-	-	-	-	-	-	-	485,300	3,744
YK1 superintendent	-	-	27,500	-	-	-	-	27,500	-	27,500
Non-instructional staff	37,691	-	-	192,567	-	-	-	230,258	190,000	203,379
Board/Trustee honoraria	-	-	19,040	-	-	-	-	19,040	15,500	14,973
School secretary	12,917	-	-	-	-	-	-	12,917	-	1,000
Total salaries	231,672	-	66,909	192,567	265,370	-	-	756,518	1,239,100	720,728
Employee benefits										
Employee benefits and allowances	51,338	-	6,007	25,620	45,798	2,207	-	130,970	-	122,128
Leave and termination benefits	(1,213)	-	(131)	1,228	2,303	-	-	2,187	-	2,429
Total employee benefits	50,125	-	5,876	26,848	48,101	2,207	-	133,164	-	124,557
Services Purchased or Contracted										
Contracted services	25,037	-	1,595	1,384	-	-	-	28,016	-	27,196
Maintenance and upgrades	204,846	-	14,108	-	-	627	-	219,581	10,000	295,384
Other	-	-	-	-	2,640	-	-	2,640	-	6,796
Professional and technical services	31,117	1,550	20,372	-	98	-	1,354	54,491	5,000	44,346
Student transportation (busing)	28,144	-	-	-	-	-	-	28,144	102,500	38,328
	63,429	-	-	-	-	-	-	63,429	160,000	62,702
Total services purchased or contracted	352,573	1,550	36,075	1,384	2,738	627	1,354	396,301	277,500	474,752
Materials and Freight										
	445	-	-	-	-	-	-	445	-	731
	140,601	1,314	-	18,851	36,927	30,736	-	228,429	692,800	242,626
Total materials and freight	141,046	1,314	-	18,851	36,927	30,736	-	228,874	692,800	243,357
Total Expenses	\$ 775,316	\$ 2,864	\$ 108,860	\$ 239,650	\$ 353,136	\$ 33,570	\$ 1,354	\$ 1,514,750	2,209,400	1,562,774

Dettah District Education Authority**Schedule 2****Details of Indigenous Language and Culture Program Expenses**

For the year ended June 30, 2021

Student Instruction

Salaries

Non-instructional staff \$ 192,567

Employee Benefits

Employee benefits and allowances 25,620

Leave and termination benefits 1,228

26,848**Services Purchased or Contracted**

Advertising 1,384

Materials/Supplies/Freight

Materials 18,851

Total

\$ 239,650

Dettah District Education Authority**Schedule 3
Indigenous Languages and Culture Program**

	July 1, 2020 to March 31, 2021	April 1, 2021 to June 30, 2021	Total
Revenue			
GNWT ECE funding	\$ 140,077	\$ 79,846	\$ 219,923
Donations	1,600	-	1,600
	141,677	79,846	221,523
Expenses			
Salaries	133,540	70,410	203,950
Employee benefits	8,241	7,224	15,465
Services purchased or contracted	14,724	5,511	20,235
	156,505	83,145	239,650
Net deficit	\$ (14,828)	\$ (3,299)	\$ (18,127)

Dettah District Education Authority**Schedule 4****Details of Inclusive Schooling Expenses**

For the year ended June 30, 2021

	General Inclusive Schooling
Salaries	
Program support teachers	\$ 265,370
Employee Benefits	
Employee benefits and allowances	45,798
Leave and termination benefits	2,303
	48,101
Services Purchased or Contracted	
Professional and technical services	-
Other contracted services	2,640
	53,044
Materials/Supplies/Freight	
Materials	37,025
Total	\$ 353,136

**K'alemi Dene School
(Ndilo District Education Authority)**

Financial Statements

June 30, 2021

K'alemi Dene School
(Ndilo District Education Authority)

Financial Statements

June 30, 2021

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Management Discussion and Analysis

Introduction

This Management Discussion and Analysis is prepared for the Ndilo District Education Authority (NDEA) to promote transparency and accountability.

NDEA Vision: “Building our children’s future by teaching and learning the Dene way.”

Mission Statement: K’alemi Dene School is committed to providing quality education for our students by concentrating on the 4 components of learning:

- Language and culture
- Academics and technology
- Dene Laws and Virtues
- Physical and Active Living

Through the development of skills in these areas, students will grow and develop into respectful, healthy, diligent and strong Dene who will give back to their families, community and the North.

The vision and mission statement were developed during a community meeting in the Spring of 2010. Each year, the NDEA hosts a community meeting, where the vision and mission statements are discussed and community input is gathered. Both of these 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 2020-21 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
Lila Erasmus	Vice Chair Person
Cecilie Beaulieu	Trustee
Theresa Black	Trustee
Myra Conrad	Trustee
Nyra Mackenzie	Trustee
Vacant Position	Trustee

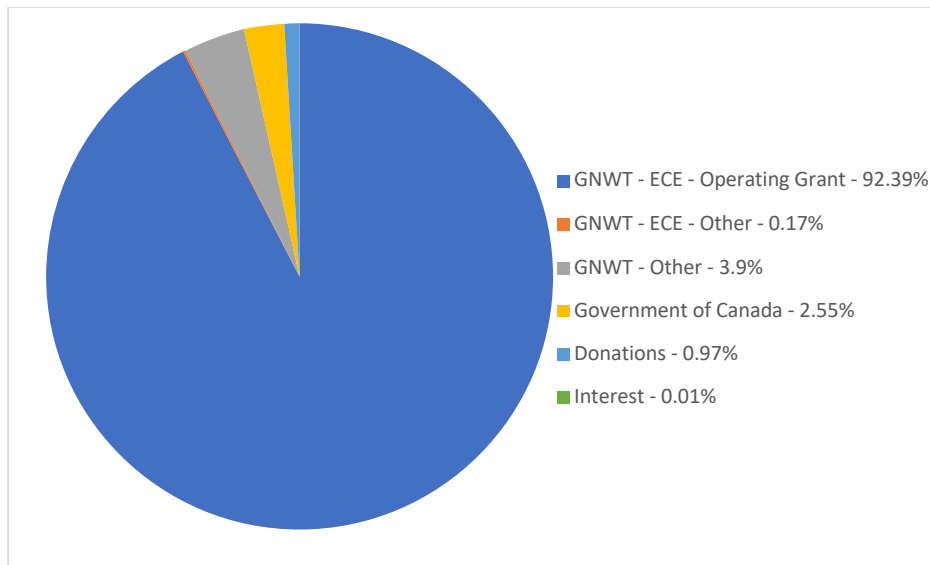
Ndilo District Education Authority Administration:

Ed Lippert	Former Superintendent of Yellowknife Education District No. 1
Cindi Vaselenak	Current Superintendent of Yellowknife Education District No. 1
Meagan Wowk	Principal of K’alemi Dene School

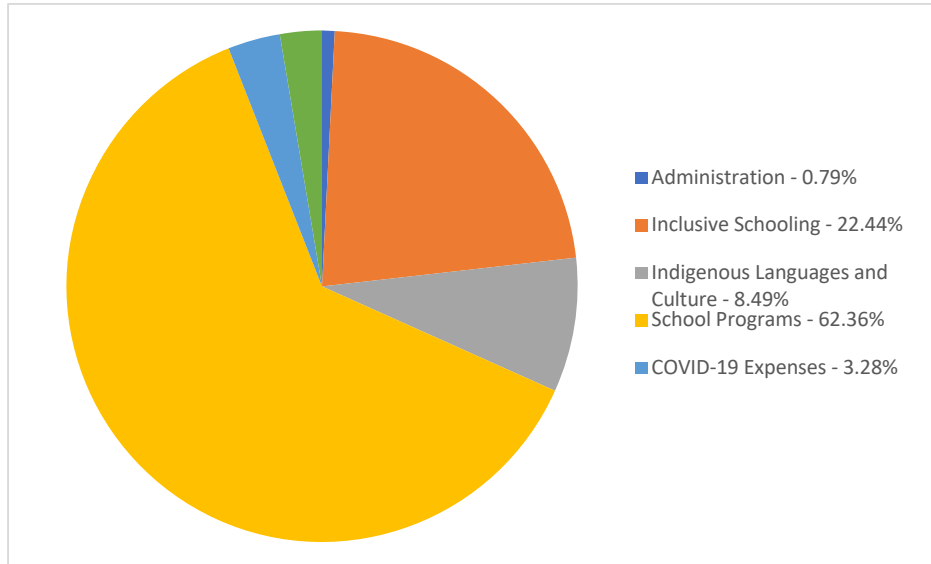
Key Financial Highlights

- In 2020-21, KDS had an enrollment of 125 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 \$1,291,522. This increased from \$1,180,960 in 2020. A healthy surplus is required to manage upcoming maternity leaves, fluctuating enrolment and the prospect of upcoming complex needs students.
- The NDEA is able to 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, 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.

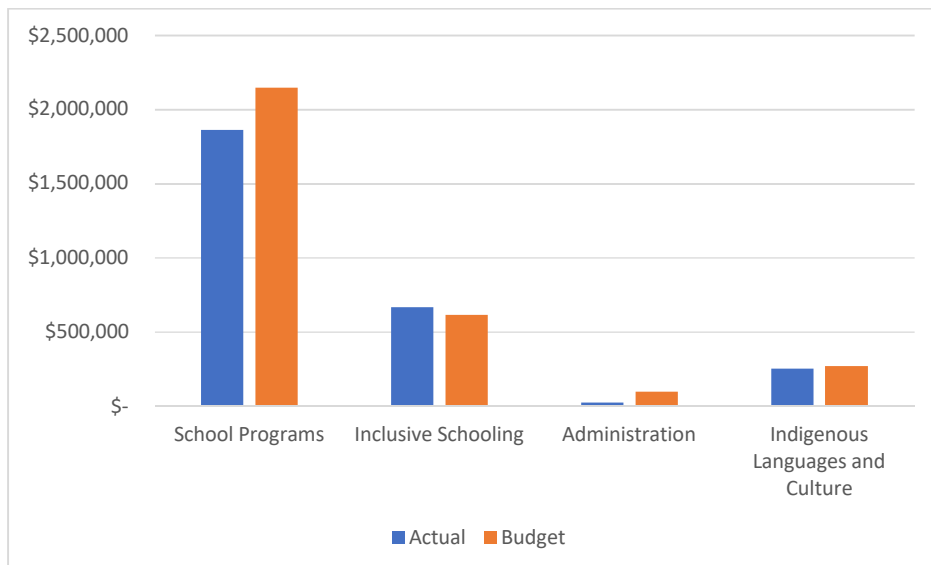
Operating Revenue for the NDEA in 2021



Expenses by program for the NDEA in 2021



Operating expenditure actuals compared to budget for NDEA in 2021



NDEA Enrolment (FTE) by school and by grade as of September 30, 2020

School	Grades														
	JK	K	1	2	3	4	5	6	7	8	9	10	11	12	HS
KDS	10	9	9	10	10	10	9	7	9	6	7	12	9	7	2
Enrolment Total	10	9	9	10	10	10	9	7	9	6	7	12	9	7	1

HS = Home School Students. There were two home school students in 2020-21. They count as 0.5 each.

During the 2020-21 school year, the NDEA employed:

Positions	Number of staff
Classroom Teachers	9
Language Instructor/Elder*	0.5
Indigenous Language and Culture Coordinator	1
PST	1
Educational Assistants	5
Food Service Assistant*	0.7
Custodian*	0.8
Principal/Regional Inclusive Coordinator	1
Total NDEA Staff	18.9

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 Yellowknives Dene First Nation (YKDFN). YKDFN invoices the NDEA for these salaries and benefits.

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, Williideh Yatì Instructor and Indigenous Language and Culture Coordinator. Language classes follow the new curriculum *Our Languages* developed by the Department of Education, Culture and Employment (ECE). KDS plans several key cultural experiences for using the seasonal Yellowknives Dene First

Nation calendar. For example, students experienced berry picking in September and net fishing in January. Enhancing our language and culture program remains a priority to the NDEA and we continue to seek opportunities to expand our programming and capacity for delivering quality programming.

We provide an inclusive education environment that many families from Yellowknife seek out. We also ensure all of our families have access to transportation, a food program and integrated services in the school. It is the priority of the NDEA to maintain small classroom sizes. This ensures that classroom teachers have the time required to meet individual needs.

At this time, KDS has received additional funding to support an Alternative High School program for students who have not been successful in the traditional model. We feel it is important to meet these students needs by providing flexible scheduling and other supports to help them complete courses and provide supports for healthy living.

Weaknesses and Threats

As identified by the Early Development Instrument (EDI) and Middle Development Instrument (MDI), many of our students enter school with vulnerabilities in their different areas of their development. Both the EDI and MDI are assessments mandated by ECE and administered in kindergarten, grade four and grade seven.

There are also a number of poverty, addictions and mental health issues facing our students and families. It is critical that interagency partnerships are established so that proactive supports can be put into place.

As well, the lack of gymnasium continues to threaten KDS programming and enrollment. The NDEA is grateful to YKDFN for the use of the Ndilq Community Gym. Unfortunately, this space is frequently used for meetings, funerals and other community events. The community gym is also small and not adequate for older students. This often hinders skill development because students do not have the space to run drills or multiple games. KDS often loses students to other Yellowknife schools due to inadequate gymnasium space.

Lack of classroom space continues to provide challenges to the types of programming we can offer and hinders opportunities for growth. To accommodate programming changes, the activity room and computer room have been converted to classrooms. We are often at loss for space for counselling and health services.

Fluctuating enrollment has the potential to threaten funding and the programs offered. When one or two families move away, students switch schools or a low birth year, these factors can dramatically affect enrollment, thus funding.

Financial Condition

The Authority's financial assets increased from \$1,263,600 to \$1,370,790. 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 \$1,287,522 compared to \$1,177,871 in the prior year.

The Authority had an operating surplus of \$150,349 for the year. This surplus is mainly attributed to higher amount of funding received from ECE during the year. The accumulated surplus at year end is \$1,180,960.

Accounts payable and accrued liabilities have increased from \$38,587 to \$41,205 due to increase in amounts owing on VISA at year-end.

The Yellowknife Education District No. 1 payable is zero in 2021, same as in 2020. In 2021, the June, July, and August wages were paid before year-end. As such, there is no outstanding payable balance.

In 2021, the NDEA received 93% of its funding from the GNWT. The core funding increased from \$2,569,751 to \$2,857,174 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 2021. Other revenue in the current year of funding mainly consists of donations for the food program in 2021.

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, 2021


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



Meagan Wowk

Principal

September 29, 2021

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, 2021 and the statement of changes in net 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, 2021 and the restful 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

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 - general, operating surplus, cash flows from operations, financial assets and accumulated surplus for the year ended June 30, 2021. Our audit opinion on the financial statements for the year ended June 30, 2020 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 29, 2021**

Chartered Professional Accountants

K'alemi Dene School
(Ndilo District Education Authority)

Statement of Financial Position

As at June 30, **2021** **2020**

Financial Assets

Cash and cash equivalents (Note 5)	\$ 1,281,728	\$ 1,175,400
Portfolio investments (Note 8)	77,649	77,649
Due from the Government of Canada (Note 13)	11,413	10,076
Accounts receivable (Note 9)	-	475

1,370,790 **1,263,600**

Liabilities

Accounts payable and accrued liabilities (Note 11)	41,205	38,587
Leave and termination benefits (Note 17)	42,063	47,142

83,268 **85,729**

Net Financial Assets **1,287,522** **1,177,871**

Non-Financial Assets

Prepaid expenses (Note 20)	4,000	3,089
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Accumulated Surplus (Note 34) **\$ 1,291,522** **\$ 1,180,960**

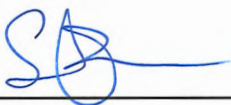
Represented By:

Operating Fund	\$ 1,261,325	\$ 1,150,763
High School Travel Fund	30,197	30,197

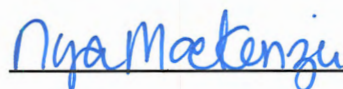
\$ 1,291,522 **\$ 1,180,960**

Contractual obligations and contingencies (Notes 22 and 23)

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,	2021	2021	2020
	Budget (unaudited)	Actual	Actual
Revenue			
Government of the Northwest Territories (GNWT)			
ECE regular contributions	\$2,721,000	\$2,857,174	\$2,569,751
ECE other contributions (Note 30)	-	91,760	5,345
Total ECE	2,721,000	2,948,934	2,575,096
GNWT Other contributions (Note 31)	23,700	34,130	28,555
Government of Canada			
Jordan's Principle (Schedule 5)	78,000	78,808	25,000
Total Government of Canada	2,822,700	78,808	25,000
Education authority generated funds			
Donations - general	32,000	30,141	56,195
Donations - High School Travel	-	-	38,325
Transfers from other education authorities	-	-	17,225
Investment income	500	442	767
	2,855,200	3,092,455	2,741,163
Expenses (Schedule 1)			
School programs	2,146,900	1,859,369	1,750,999
Inclusive schooling	615,800	669,092	442,477
Administration	95,000	23,648	39,052
Indigenous Language and Culture	272,700	253,110	252,979
COVID-19 Expenses	-	97,865	16,019
High School Travel	-	-	64,288
Jordan's Principle	-	78,809	25,000
	3,130,400	2,981,893	2,590,814
Operating surplus before other items	(275,200)	110,562	150,349
Other items			
Grant in-kind - GNWT assets provided at no cost (Note 21)	-	226,653	226,653
Rent expense - GNWT assets provided at no cost (Note 21)	-	(226,653)	(226,653)
	-	-	-
Operating surplus	(275,200)	110,562	150,349
Opening accumulated surplus	1,180,960	1,180,960	1,030,611
Closing accumulated surplus	\$ 905,760	\$1,291,522	\$1,180,960

K'alemi Dene School
(Ndilo District Education Authority)

Statement of Changes in Net Financial Assets

For the year ended June 30,	2021	2020
Operating surplus	\$ 110,562	\$ 150,349
Change in prepaid expenses	(911)	687
Increase in net financial assets	109,651	151,036
Net financial assets, beginning of year	1,177,871	1,026,835
Net financial assets, end of year	\$ 1,287,522	\$ 1,177,871

K'alemi Dene School
(Ndilo District Education Authority)

Statement of Cash Flows

For the year ended June 30,	2021	2020
Cash provided by:		
Operating Activities		
Operating surplus	\$ 110,562	\$ 150,349
Change in non-cash assets and liabilities		
Decrease in accounts receivable	475	2,741
Decrease in deferred revenue	-	(114,215)
Decrease in accounts payable and accrued liabilities	2,619	(7,503)
Decrease in payroll liabilities	-	(445,389)
Decrease in leave and termination benefits	(5,079)	1,391
Increase in amounts due from Government of Canada	(1,338)	8,149
Decrease in prepaid expenses	(911)	687
	(4,234)	(554,139)
Cash provided by (used in) operating transactions	106,328	(403,790)
Investing Activity		
Re-invested interest	-	(767)
Increase (decrease) in cash and cash equivalents	106,328	(404,557)
Cash and cash equivalents, beginning of year (Note 5)	1,175,400	1,579,957
Cash and cash equivalents, end of year (Note 5)	\$ 1,281,728	\$ 1,175,400

K'alemi Dene School

Schedule 1 Details of Expenses

For the year ended June 30,								2021	2021	2020
	School Programs	Inclusive Schooling (schedule 2)	Administration	Indigenous Language and Culture Program (schedule 3)	COVID-19 Expenses	Jordan's Principle (Schedule 5)	High School Travel	Total	Budget (unaudited)	Total
Salaries										
Teachers' salaries	\$ 1,233,186	\$ 538,363	\$ -	\$ 180,272	\$ 39,112	\$ -	\$ -	\$ 1,990,933	\$ 1,565,700	\$ 1,742,918
Instruction assistants	-	-	-	-	-	-	-	-	806,000	-
Non-Instructional staff	-	-	-	-	-	27,094	-	27,094	108,000	202,640
Board/Trustee honoraria	-	-	13,517	-	-	-	-	13,517	15,000	11,959
Total Salaries	1,233,186	538,363	13,517	180,272	39,112	27,094	-	2,031,544	2,494,700	1,957,517
Employee Benefits										
Employee benefits and allowances	211,333	108,843	-	25,698	3,684	2,577	-	352,135	-	325,135
Leave and termination benefits	(3,286)	(1,494)	-	(299)	-	-	-	(5,079)	-	1,391
Total Employee Benefits	208,047	107,349	-	25,399	3,684	2,577	-	347,056	-	326,526
Services Purchased or Contracted										
Bad debts expense (recovery)	475	-	-	-	-	-	-	475	-	-
Insurance and permits	5,745	-	-	-	-	-	-	5,745	-	5,829
Interest and bank charges	-	-	643	-	-	-	-	643	-	50
Maintenance and repairs	4,290	-	-	285	-	-	-	4,575	50,000	39,530
Postage/communication	33,343	-	-	-	2,190	-	-	35,533	-	13,834
Professional/technical services	80,294	22,995	-	30,619	-	-	-	133,908	108,000	98,270
Rentals/leases	-	-	-	-	-	-	-	-	3,500	26,206
Student transportation (busing)	34,007	97	-	-	-	48,375	-	82,479	100,000	62,773
Travel	12,884	-	-	97	-	-	-	12,981	22,000	49,392
Utilities	-	-	-	-	-	763	-	763	3,000	3,089
Total Services Purchased or Contracted	171,038	23,092	643	31,001	2,190	49,138	-	277,102	286,500	-
Total Materials/Supplies/Freight	247,098	288	9,488	16,438	52,879	-	-	326,191	349,200	210,436
Total Expenses	\$ 1,859,369	\$ 669,092	\$ 23,648	\$ 253,110	\$ 97,865	\$ 78,809	\$ -	\$ 2,981,893	\$ 3,130,400	\$ 2,494,479

K'alemi Dene School

Schedule 2 Details of Inclusive Schooling Expenses

For the year ended June 30,

2021

	General Inclusive Schooling	Total
Salaries		
Teachers' salaries	\$ 538,363	\$ 538,363
Total Salaries	538,363	538,363
Employee Benefits	\$ 107,350	107,350
Services Purchased or Contracted		
Professional/technical services	22,994	22,994
Student transportation (busing)	97	97
Total Services Purchased or Contracted	23,091	23,091
Total Materials/Supplies/Freight	288	288
Total Expenses	\$ 669,092	\$ 669,092

K'alemi Dene School**Schedule 3****Details of Indigenous Language and Culture Program Expenses**

For the year ended June 30, 2021

	Student Instruction
Salaries	
Teachers' salaries	\$ 180,272
Language consultants	-
Instruction assistants	-
	180,272
Employee Benefits	25,399
Services Purchased/Contracted	
Maintenance and repairs	285
Professional/technical services	30,619
Travel	97
	31,001
Materials/Supplies/Freight	16,438
Total	\$ 253,110

K'alemi Dene School**Schedule 4
Indigenous Language and Education**

For the year ended June 30, 2021

	July 1, 2020 to March 31, 2021	April 1, 2021 to June 30, 2021	Total
Revenue			
GNWT Education, Culture and Employment	\$ 182,522	\$ 105,918	\$ 288,440
Expenses			
Salaries	100,822	110,067	210,889
Employee benefits	12,489	13,209	25,698
Services purchased/contracted	10,880	-	10,880
Materials/supplies/freight	2,060	3,880	5,940
	126,251	127,156	253,407
Surplus	\$ 56,271	\$ (21,238)	\$ 35,033

K'alemi Dene School**Schedule 5
Jordan's Principle**

	June 30, 2021 Actual	June 30, 2020 Actual	July 1, 2020 - March 31, 2021 Actual	April 1, 2021 - June 30, 2021 Actual
Revenue				
Government of Canada	\$ 78,808	\$ 25,000	\$ 55,166	\$ 23,642
Transferred from deferred revenue	-	114,215	-	-
Contribution repaid	-	(114,215)	-	-
Total Revenue	78,808	25,000	55,166	23,642
Expenses				
Personnel	29,671	-	21,221	8,450
Transportation	48,375	25,000	22,437	25,938
Materials and supplies	-	-	-	-
Rent and utilities	762	-	-	762
Total Expenses	78,808	25,000	43,658	35,150
Surplus	\$ -	\$ -	\$ 11,508	\$ (11,508)
Deferred Revenue	\$ -	\$ -	\$ -	\$ -

K'alemi Dene School**Schedule 6
Student Success Initiative**

For the year ended June 30,

	2021	2020
Revenue - Government of the NWT Education, Culture and Employment \$	15,000	\$ 15,000
Expenses		
Salaries	350	-
Materials	29,154	-
	29,504	-
Surplus (deficit)	\$ (14,504)	\$ 15,000

K'alemi Dene School
(Ndilo District Education Authority)

Notes to Consolidated Financial Statements

June 30, 2021

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 the year, 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.

Notes to Consolidated Financial Statements

June 30, 2021

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, due from the Government of Canada, 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 disclosed on the statement of financial position. Capital assets with a value of less than \$50,000 are recorded as a current expense.

Notes to Consolidated Financial Statements

June 30, 2021

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 Education Authority receives catering services provided by school volunteers. The fair value of these services is recognized as an expense and a corresponding donation revenue is recorded. The fair value of these services is \$25,910 (2020 - \$25,910).

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 \$5,250 (2020 - \$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.

Notes to Consolidated Financial Statements

June 30, 2021

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.

June 30, 2021

3. Significant Accounting Policies (continued)

(j) Payroll Liabilities

Teacher payrolls for July and August 2020 were recognized as of June 30, 2020. 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) Donated Goods and Services

Volunteer time or donated services are recorded as revenue with offsetting expenses at their fair values in the period received, when the services would otherwise be purchased and their fair values have been objectively determined.

(o) 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.

(p) 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, 2021

3. Significant Accounting Policies (continued)

(q) 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.

(r) 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, 2021.

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, 2021

4. Future Accounting Changes

Revenue, Proposed Section PS 3400

Effective, 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 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 a \$77,649 one-year guaranteed investment certificate (GIC) with the Royal Bank of Canada (RBC). The GIC has an interest rate of 0.400% (2020 - 0.500%) per annum and matures on July 26, 2021.

K'alemi Dene School
(Ndilo District Education Authority)

Notes to Consolidated Financial Statements

June 30, 2021

9. Accounts Receivable

	Accounts Receivable 2021	Allowance 2021	Net 2021	Net 2020
Due from GNWT	\$ 475	\$ (475)	\$ -	\$ 475

10. Inventories

The Education Authority does not have inventories.

11. Accounts Payable and Accrued Liabilities

	2021	2020
Trade	\$ 41,205	\$ 38,587

12. Contribution Repayable

The Education Authority does not have contribution repayable.

13. Due from the Government of Canada

	2021	2020
Goods and Services Tax receivable	\$ 11,413	\$ 10,076

K'alemi Dene School
(Ndilo District Education Authority)

Notes to Consolidated Financial Statements

June 30, 2021

14. Capital Lease Obligations

The Education Authority does not have capital lease obligations.

15. 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 \$3,595,159. 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 \$183,838 for January 2021, and \$171,156 for January 2020. The maximum monthly contributions is \$3,245 for January 2021, and \$3,092 for January 2020.

NEBS is an employer owned program and as such the Education Authority will be liable for its portion of any shortfall. The Plan serves 3,534 Employee Members and 117 Employer Members (total active, disabled and on leave 2,035).

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 \$45,100,000 - funded ratio 118% (2020 - \$31,200,000 and 113%) on a going concern valuation basis. 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.

16. 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, 2021

17. 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, 2021. The effective date of the next actuarial valuation is March 31, 2021. The liabilities are actuarially determined as the present value of the accrued benefits at March 31, 2021 and the results extrapolated to June 30, 2021. 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	2021	2020
Changes in Obligation				
Accrued benefit obligation, beginning of year	\$ 24,205	\$ 9,607	\$ 33,812	\$ 29,415
Current period benefit cost	3,667	1,047	4,714	4,362
Interest accrued	714	274	988	1,019
Benefits payments	(2,000)	(7,004)	(9,004)	(2,000)
Actuarial (gains)/losses	(2,000)	5,295	3,295	1,016
Accrued benefit obligation, end of year	(24,586)	(9,219)	(33,805)	(33,812)
Unamortized net actuarial gain/(loss)	(11,629)	3,371	(8,265)	(13,330)
Accrued benefit liability	\$ (36,215)	\$ (5,848)	\$ (42,070)	\$ (47,142)

K'alemi Dene School
(Ndilo District Education Authority)

Notes to Consolidated Financial Statements

June 30, 2021

18. Leave and termination benefits (continued)

	Severance and Removal	Compensated Absences	2021		2020	
Benefit expenses						
Current service cost	\$ 3,667	\$ 1,047	\$ 4,714	\$	4,362	\$
Interest costs	714	274	988		1,019	
Amortization of actuarial gains	(1,468)	(309)	(1,777)		(1,899)	
Total expense	\$ 2,913	\$ 1,012	\$ 3,925	\$	3,482	\$

The discount rate used in the 2021 fiscal year to determine the accrued benefit obligation was an average of 2.7% (2020 - 2.7%). The expected payments during the next five fiscal years are:

	Severance and Removal	Compensated Absences	Total	
	\$	\$	\$	
2022	2,965	803	3,768	
2023	3,013	664	3,677	
2024	3,070	654	3,724	
2025	3,240	908	4,148	
2026+	14,570	3,617	18,187	
	\$ 26,858	\$ 6,646	\$ 33,504	

18. Trust Assets Under Administration

The Education Authority does not have trust assets under administration.

19. Tangible Capital Assets

The Education Authority does not have tangible capital assets.

20. Prepaid Expenses

	2021	2020
Vehicle licenses and insurance	\$ 4,000	\$ 3,089

K'alemi Dene School
(Ndilo District Education Authority)

Notes to Consolidated Financial Statements

June 30, 2021

21. GNWT Tangible Capital Assets Provided At No Cost

	Cost	Accumulated Amortization	2021 Net Book Value	2020 Net Book Value
Buildings	\$ 9,066,125	\$ 2,379,857	\$ 6,686,268	\$ 6,912,921

Rent expense of \$226,653 (2020 - \$226,653) equal to the current year amortization of the tangible capital assets was offset by a grant in-kind.

22. Contractual Obligations

The Education Authority has entered into agreements for, or is contractually committed to, the following expenses payable subsequent to June 30, 2021

	Expires in Fiscal Year	2022
Contract for superintendent services	2022	\$ 30,000

23. Contingencies

As of the audit report date, the Education Authority does not have contingencies.

K'alemi Dene School
(Ndilo District Education Authority)

Notes to Consolidated Financial Statements

June 30, 2021

24. 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.

			2021		2020
	Accounts receivable 2021	Allowance 2021	Net 2021		Net 2020
Due from related parties					
Government of the Northwest Territories					
Health and Social Services	\$ 475	(475)	\$ -	\$	475

		2021	2020
Revenue from related parties			
Government of the Northwest Territories			
Department of Education, Culture and Employment		\$ 2,946,634	\$ 2,586,711
Department of Environment and Natural Resources		8,000	11,200
Department of Municipal and Community Affairs		15,600	15,675
Department of Health and Social Services		-	1,600
Total revenues from related parties		\$ 2,970,234	\$ 2,615,186

		2021	2020
Expenses paid to related parties			
Government of the Northwest Territories		\$ -	\$ 891
Yellowknife Education District #1		2,198,899	2,163,353
Yellowknife Catholic Schools		-	140
Total expenses to related parties		\$ 2,198,899	\$ 2,164,244

K'alemi Dene School
(Ndilo District Education Authority)

Notes to Consolidated Financial Statements

June 30, 2021

25. Budget Data

The *Education Act* of the Northwest Territories requires that Education Bodies prepare an annual budget, as outlined in Section 117, Duties and Powers of Education Bodies. The budget is legally adopted by a motion of the Education Body which includes the establishment of a tax levy to support the approved budget in accordance with Section 135, Assessment and Taxation, of the *Education Act*.

The annual budget includes estimates of 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 May 22, 2019 and have not been audited.

26. 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.

K'alemi Dene School
(Ndilo District Education Authority)

Notes to Consolidated Financial Statements

June 30, 2021

27. 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.

The Education Authority's maximum exposure to credit risk is as follows:

	2021
Cash and cash equivalents	\$ 1,281,728
Portfolio investments	77,649
Due from Government of Canada	11,413
Accounts receivable	-
Maximum credit risk exposure	<u>\$ 1,370,790</u>

At March 31, 2021, 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 more than 10 percent 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, 2021 receivables from one (2020 - one) customers comprised 100% (2020 - 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.

K'alemi Dene School
(Ndilo District Education Authority)

Notes to Consolidated Financial Statements

June 30, 2021

29. 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 has liquidity risk in accounts payable and accrued liabilities, and payroll liabilities of \$83,268 (2020 - \$85,729). The Education Authority has a credit facility with a limit up to \$30,000.

The Education Authority mitigates this risk by monitoring cash activities and expected outflows through budgeting and maintaining an adequate amount of cash to cover unexpected cash outflows should they arise.

The table below shows when various financial assets and liabilities mature:

Financial assets	Up to 6 months
Cash and cash equivalents	\$ 1,281,728
Portfolio investments	77,649
Due from the government of Canada	11,413
Accounts receivable	-
Total financial assets	\$ 1,370,790
Total financial assets - prior year	\$ 1,263,600
Financial liabilities	Up to 6 months
Accounts payable and accrued liabilities	\$ 41,205
Total financial liabilities	\$ 41,205
Total financial liabilities - prior year	\$ 38,587
Net total	\$ 1,329,585
Net total - prior year	\$ 1,225,013

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.

K'alemi Dene School
(Ndilo District Education Authority)

Notes to Consolidated Financial Statements

June 30, 2021

29. Financial Instruments (continued)

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 \$77,649 (2020 - \$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.

28. Expenses by Object

	Budget 2021 (Unaudited)	Actual 2021	Actual 2020
Compensation	\$ 2,494,700	\$ 2,378,600	\$ 2,284,043
Materials and freight	349,200	326,191	210,436
Services purchased/contracted	286,500	277,102	-
	\$ 3,130,400	\$ 2,981,893	\$ 2,494,479

29. 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, 2021

30. ECE Other Contributions

	2021	2020
Government of the Northwest Territories, Department of Education, Culture and Employment		
Self Regulation	\$ 2,300	\$ -
COVID-19 Support	89,460	-
Other	-	5,345
	\$ 91,760	\$ 5,345

31. GNWT Other Contributions

	2021	2020
Department of Municipal and Community Affairs		
After School Activity Program	\$ 15,600	\$ 15,675
Department of Environment and Natural Resources		
Take a Kid Trapping Program	8,000	8,000
On the Land Program	-	3,200
Department of Health and Social Services		
Drop the Pop Program	2,930	1,680
Department of Finance		
Personal Computing and Internet Connectivity Devices Funding	7,600	-
	\$ 34,130	\$ 28,555

32. Contingent Assets

The Education Authority does not have any contingent assets.

33. Contractual Rights

The Education Authority has entered into the following contracts that will become assets and revenues in future periods:

	2022	Total
Drop the Pop	\$ 9,546	\$ 9,546

K'alemi Dene School
(Ndilo District Education Authority)

Notes to Consolidated Financial Statements

June 30, 2021

34. Accumulated Surplus

A statement of funds and surplus have been prepared as follows:

Details of Funds

For the year ended June 30,	2021	2020
OPERATING FUND		
Balance, beginning of year	\$ 1,150,763	\$ 1,030,611
Operating surplus	110,562	176,312
Transfer to High School Travel Fund	-	(56,160)
Balance, end of year	\$ 1,261,325	\$ 1,150,763
HIGH SCHOOL TRAVEL FUND		
Balance, beginning of year	\$ 30,197	\$ -
Operating deficit		(25,963)
Transfer from Operating Fund		56,160
Balance, end of year	\$ 30,197	\$ 30,197

K'alemi Dene School**Schedule 5****Jordan's Principle**

	June 30, 2021	June 30, 2020	July 1, 2020 - March 31, 2021	April 1, 2021 - June 30, 2021
	Actual	Actual	Actual	Actual
Revenue				
Government of Canada	\$ 78,808	\$ 25,000	\$ 55,166	\$ 23,642
Transferred from deferred revenue	-	114,215	-	-
Contribution repaid	-	(114,215)	-	-
Total Revenue	78,808	25,000	55,166	23,642
Expenses				
Personnel	29,671	-	21,221	8,450
Transportation	48,375	25,000	22,437	25,938
Materials and supplies	-	-	-	-
Rent and utilities	762	-	-	762
Total Expenses	78,808	25,000	43,658	35,150
Surplus	\$ -	\$ -	\$ 11,508	\$ (11,508)
Deferred Revenue	\$ -	\$ -	\$ -	\$ -

K'alemi Dene School**Schedule 6
Student Success Initiative**

For the year ended June 30,

	2021	2020
Revenue - Government of the NWT Education, Culture and Employment \$	15,000	\$ 15,000
Expenses		
Salaries	350	-
Materials	29,154	-
	29,504	-
Surplus (deficit)	\$ (14,504)	\$ 15,000

Consolidated Financial Statements of

Sahtu Divisional Education Council

June 30, 2021

Sahtu Divisional Education Council

Consolidated Financial Statements

June 30, 2021

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Management Discussion and Analysis (MD&A)

Introduction

The Management's Discussion and Analysis (MD&A) of the Sahtú Divisional Education Council (SDEC) financial performance provides an overall review of the Board's financial activities for the fiscal year ended June 30th, 2021. The intent of this discussion and analysis is to attest on a go-forward basis the responsibility of management and the Council Members to promote transparency and accountability. Readers should also review the notes to the financial statements and the financial statements to enhance their understanding of the Sahtu Divisional Education Council financial performance.

What is the SDEC?

The Sahtú Divisional Education Council (SDEC) is responsible, under the Education Act, for all JK-12 education in the Sahtu region. There are five schools in the district. In each community, a locally elected District Education Authority (DEA) is responsible for education in that community. The District Education Council (DEC) is made up of one member from each DEA and one chairperson.

As per the Education Act of the Northwest Territories, the SDEC is responsible to provide quality education to the residents of the Sahtu region. It is our hope that by reading this document, members of our community will receive valuable information on the infrastructure of the education system in the North and become involved in their community government.

Mission

To provide excellent educational environments where students will have the opportunity to experience success and contribute to society.

Council of Trustees

Chairperson

Karea Peachy – Norman Wells

Vice-Chairperson

Heather Bourassa – Fort Good Hope

Dorathy Wright – Norman Wells

Sharon Tutcho – Colville Lake

Miranda Taneton – Délı̨nę

Sally-Ann Horassi – Tulit'a

The management team of the SDEC comprised of the following;

Superintendent of Schools– Renee Closs

Assistant Superintendent – Lorraine Kuer

Supervisor of Business Affairs – Lynda Reminek

Financial Condition

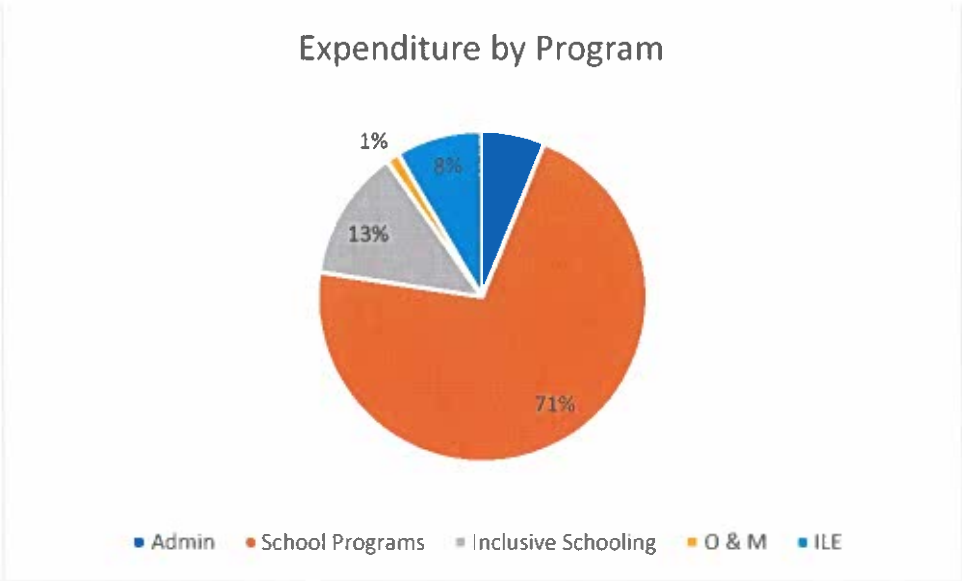
Revenues exceeded expenditures for a surplus of \$1.492M, as compared to \$416K in 2020. This resulted in a surplus fund balance \$2.175M as of June 30th, 2021, (2020 - \$682K). Additional revenue of \$716K was received from Education, Culture and Employment for extraordinary enrollment. Administration fees for managing the Jordan's Principle accounts added \$419K to the current year's revenue. In addition, the contribution agreement from Education, Culture and Employment covered costs of \$300K in Covid related

costs. Travel costs and in person training cost were replaced by video learning reducing travel related costs. Some activities such as Elders in school and school visits were curtailed due to health risks.

Accumulated surplus (deficit) is comprised of the following:

	2021	2020
Accumulated Surplus/ (Deficit), beginning of year	682,360	266,350
Operating Surplus / (Deficit)	1,433,314	237,677
Post - employment benefits	59,650	178,333
Accumulated Surplus/ Deficit, end of year	\$ 2,175,324	\$ 682,360

The current ratio is a liquidity and efficiency ratio that measures an organization’s ability to pay off its short-term liabilities with its current assets. Sahtu DEC current ratio as of June 30th 2021 is 1.8, (2020 - 1.7).



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.

In 2020-2021, *Growing Forward Together* 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 new school year, 2021-2022 underway, the Sahtú DEC looks move to further the implementation of *Growing Forward Together* through collaboration between school and community.

Priorities

The Sahtú region is successfully offering robust learning in reading, writing, and numeracy in Grades 1 - 9, with strong teacher learning in place to sustain improvements in these three core areas. Sahtú schools continue to work with both external literacy and numeracy consultants on improved practices for student learning. School-based and standardized assessment are in place to determine where interventions and enrichments are needed, and to maintain fidelity to curriculum standards. **Comprehensive literacy programming** is offered in all five schools, along with Levelled Literacy Intervention to assist struggling readers. Reading, writing and oral literacy continue to be a regional and school priority and part of school improvement planning. With a comprehensive literacy program, a strong focus on interventions to address learning gaps and promoting growth, and teacher learning, students in the Sahtú are experiencing an increase in achievement in the area of literacy.

Numeracy is an area of the curriculum where our students are struggling. We recognize the importance of delivering a strong numeracy program and the Sahtu has made significant improvements in this area over the past couple of years. We have contracted a numeracy consultant to provide professional support to our teachers in delivering a strong numeracy program as well as the implementation of numeracy assessments in Grades 1-8.

Teacher retention continues to be a challenge in the Sahtú region. While retaining quality teachers remains difficult, it is also difficult to ensure continuity and momentum of excellent programming. Gains made in the core curricular areas are consistently undermined by high teacher turnover. In an effort to address the challenges of teacher turnover and to build on the strengths of the teachers on strength, we continue to work on implementing school-based **Learning Communities**. With our motto of *Growing Forward Together*, each school staff focused on developing a set of priorities that focus on student growth, success and well-being. Through the implementation of school-based Learning Communities, the Sahtu hopes to establish a strong core set of beliefs and priorities so that if teacher turnover is high, students and parents can expect the same level of education with minimal disruption.

Lastly, the Sahtú schools received a significant amount of in-service and support on the new **Our Languages curriculum**. This support was provided by both Education, Culture and Employment through the Language Secretariat and through in-house support. All five Sahtu schools are at the early stages of implementation of the new whole school approach to language and culture. Although each school fully embraced the new curriculum, each school is at a different stage of implementation, depending on the level of support that was needed. Land and culture programs continue to invite participation by Elders, land experts, and cultural leaders in our communities. School - community connections are strengthened by these programs and will continue to improve into the next school year.

The delivery and implementation of programs were significantly impacted by the COVID-19 pandemic during the 2020-2021. Many opportunities for growth for teachers needed to be shifted from in-person to remote learning. Some programs needed to be delayed into the upcoming school year (2021-2022). The pandemic has significantly impacted the way schools operate and how we deliver programming needs to students. The impact on programming is reflected in unspent funds during the 2020-2021 school year.

Total Student/Teacher Population by Schools

2020	Students	Teachers
Mackenzie Mountain – Norman Wells	159	14
Chief Albert Wright – Tulit'a	90.5	12
Chief T'Selehye – Fort Good Hope	125.5	13
Ehtseo Ayha – Déljñę	102	11
Coville Lake – Colville Lake	58	8
Totals	535	58

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 13, 2021
Date



Lynda Reminek
Supervisor of Finance
Sahtu Divisional Education Council

September 13, 2021
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, 2021, 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, 2021, 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.



ASHTON
Chartered Accountants
Business Advisors

Hay River, NT
September 13, 2021

Sahtu Divisional Education Council

Consolidated Statement of Financial Position

June 30, 2021

	2021	2020
FINANCIAL ASSETS		
Cash, Note 4	\$ 6,825,746	\$ 3,464,954
Special purpose funds, Note 5	141,341	227,702
Accounts receivable, Note 8	354,745	949,886
	\$ 7,321,832	\$ 4,642,542
LIABILITIES		
Accounts payable and accrued liabilities, Note 10	\$ 468,676	\$ 307,253
Payroll liabilities, Note 10	2,802,921	1,478,983
Deferred revenue, Note 11	704,804	964,558
Other employee future benefits and compensated absences, Note 17	1,177,572	1,236,922
	5,153,973	3,987,716
Net Financial Assets (Deficit)	\$ 2,167,859	\$ 654,826
NON-FINANCIAL ASSETS		
Prepaid expenses, Note 20	\$ 7,165	\$ 27,534
ACCUMULATED SURPLUS (DEFICIT)	\$ 2,175,024	\$ 682,360
Contractual obligations, Note 22		

Approved on behalf of council:

 Chair

 Superintendent

Sahtu Divisional Education Council

Consolidated Statement of Operations and Surplus

For the year ended June 30, 2021

	Budget 2021	Actual 2021	Actual 2020
Revenue			
Government of the Northwest Territories			
ECE Regular Contributions	\$ 13,140,945	\$ 14,475,796	\$ 14,112,397
Teaching and Learning Centres	-	-	-
French Language Instruction	55,000	57,300	55,000
ECE Other Contributions, Note 31	55,000	555,797	82,580
Total ECE	13,250,945	15,088,893	14,249,977
GNWT Other Contributions, Note 32	208,000	97,002	334,140
Total GNWT	\$ 13,458,945	\$ 15,185,895	\$ 14,584,117
Jordan's Principle	2,664,011	2,657,111	408,159
Total Government of Canada	2,664,011	2,657,111	408,159
Education council generated funds			
Interest income	55,000	37,898	61,118
Other	235,396	572,384	125,276
	290,396	610,282	186,394
	16,413,352	18,453,288	15,178,670
Expenses			
Administration	1,393,947	882,451	861,973
School programs	8,827,888	10,231,848	9,783,931
Inclusive schooling	2,104,689	1,855,849	2,425,749
Operations and maintenance	-	182,639	155,382
Aboriginal languages	1,309,419	1,210,076	1,305,800
Jordan's Principal	2,664,011	2,657,111	408,158
	16,299,954	17,019,974	14,940,993
Operating Surplus (Deficit) before other item	\$ 113,398	\$ 1,433,314	\$ 237,677
Other item:			
Other employee future benefits and compensated absences, Note 17		59,350	178,333
	\$ 113,398	\$ 1,492,664	\$ 416,010
Accumulated surplus (Deficit), beginning of year		\$ 682,360	\$ 266,350
Accumulated surplus (deficit), end of year		\$ 2,175,024	\$ 682,360

Sahtu Divisional Education Council
 Consolidated Statement of Changes in Net Assets (Debt)

For the year ended June 30, 2021

	2021	2020
Annual surplus (deficit)	\$ 1,492,664	\$ 416,010
Change in prepaid expenses	20,369	19,035
Increase (decrease) in net financial resources	1,513,033	435,045
Net financial resources, beginning of year	654,826	219,781
Net financial resources, end of year	\$ 2,167,859	\$ 654,826

Sahtu Divisional Education Council

Consolidated Statement of Cash Flow

For the year ended June 30, 2021

	2021	2020
Cash provided by (used in):		
Operating Transactions		
Operating Surplus (Deficit)	\$ 1,492,664	\$ 416,010
	1,492,664	416,010
Change in non-cash assets and liabilities:		
Accounts receivable	595,141	316,712
Accounts payable and accrued liabilities	161,423	104,250
Payroll liabilities	1,323,938	(537,833)
Deferred revenue	(259,754)	(66,438)
Post-employment benefits	(59,350)	(178,333)
Prepaid expenses	20,369	19,035
	1,781,767	(342,607)
Increase (Decrease) in cash and cash equivalents	3,274,431	73,403
Cash and cash equivalents, beginning of year	3,692,656	3,619,253
Cash and cash equivalents, end of year	\$ 6,967,087	\$ 3,692,656
Consists of:		
Cash	\$ 6,825,746	\$ 3,464,954
Special purpose funds	141,341	227,702
	\$ 6,967,087	\$ 3,692,656

Sahtu Divisional Education Council

Consolidated Detail of Expenses

For the year ended June 30, 2021

Function	School Programs	Inclusive Schooling	Student Accom.	Operations & Maintenance	Administration	Aboriginal Languages	Jordan's Principal	2021 Total	2021 Budget	2020 Total
Salaries										
Teachers' salaries	\$ 6,948,534	\$ 736,358	\$ -	\$ -	\$ -	\$ 868,683	\$ 1,795,433	\$ 10,349,008	\$ 9,653,629	\$ 8,669,117
Instruction assistants	108,910	873,598	-	-	10,911	172,960	-	1,166,379	1,063,140	1,062,969
Non-instructional staff	1,376,339	170,424	-	-	716,479	23,533	-	2,286,775	2,849,256	2,239,152
Board/Trustee honorarium	1,405	-	-	-	31,375	-	-	32,780	207,807	13,642
	<u>8,435,188</u>	<u>1,780,380</u>	<u>-</u>	<u>-</u>	<u>758,765</u>	<u>1,065,176</u>	<u>1,795,433</u>	<u>13,834,942</u>	<u>13,773,832</u>	<u>11,984,880</u>
Employee Benefits										
Employee benefits and allowances	-	-	-	-	-	-	-	-	-	9,022
Leave and termination benefits	296,264	-	-	-	-	-	-	296,264	364,112	430,856
	<u>296,264</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>296,264</u>	<u>364,112</u>	<u>439,878</u>
Services Purchased/Contracted										
Professional services	402,635	15,637	-	-	-	-	-	418,272	391,967	428,511
Postage and communication	44,518	-	-	-	17,212	-	-	61,730	40,000	69,436
Utilities	-	-	-	-	-	-	-	-	-	-
Heating	-	-	-	-	-	-	-	-	-	-
Electricity	-	-	-	-	-	-	-	-	-	-
Water/Sewage	-	-	-	-	-	-	-	-	-	-
Travel	18,192	6,615	-	-	33,635	183	-	58,625	41,576	175,398
Student transportation (busing)	150,535	-	-	-	-	-	1,837	152,372	150,536	150,536
Advertising/printing/publishing	-	-	-	-	4,510	-	-	4,510	-	1,405
Maintenance and repair	117,399	-	-	-	-	-	-	117,399	14,200	45,299
Rentals and leases	-	-	-	7,200	-	-	-	7,200	106,752	148,182
Other contracted services	42,599	-	-	175,439	-	-	86,512	304,550	211,604	252,928
Other	16,210	52,544	-	-	53,192	-	449,305	571,251	338,899	50,671
	<u>792,088</u>	<u>74,796</u>	<u>-</u>	<u>182,639</u>	<u>108,549</u>	<u>183</u>	<u>537,654</u>	<u>1,695,909</u>	<u>1,295,534</u>	<u>1,322,366</u>
Materials, Supplies and Freight										
Materials	674,519	27	-	-	12,173	140,089	324,024	1,150,832	673,851	1,178,157
Freight	33,789	646	-	-	2,964	4,628	-	42,027	192,625	15,712
	<u>708,308</u>	<u>673</u>	<u>-</u>	<u>-</u>	<u>15,137</u>	<u>144,717</u>	<u>324,024</u>	<u>1,192,859</u>	<u>866,476</u>	<u>1,193,869</u>
Contributions/Transfers										
Transfers	-	-	-	-	-	-	-	-	-	-
Debt Services										
Other	-	-	-	-	-	-	-	-	-	-
Total	\$ 10,231,848	\$ 1,855,849	\$ -	\$ 182,639	\$ 882,451	\$ 1,210,076	\$ 2,657,111	\$ 17,019,974	\$ 16,299,954	\$ 14,940,993

SAHTU DIVISIONAL EDUCATION COUNCIL

Indigenous Languages and Education Expenses

For the year ended June 30, 2021

	Student Instruction	Teaching/ Learning Resources	Professional Development	School Activities and Integrated Community Programs	2021 Total
Salaries					
ALCBE teachers	\$ 868,683	\$ -	\$ -	\$ -	868,683
Language consultants	-	-	-	-	-
Instruction assistants	172,961	-	-	-	172,961
Non-instructional staff	-	-	-	-	-
Honoraria	-	-	-	-	-
Elders in schools	23,533	-	-	-	23,533
	1,065,177	-	-	-	1,065,177
Employee Benefits					
Employee benefits and allowances	-	-	-	-	-
Services Purchased/Contracted					
Professional services	-	-	-	-	-
Postage and communication	-	-	-	-	-
Travel	-	-	-	183	183
Student transportation (busing)	-	-	-	-	-
Advertising, printing and publishing	-	-	-	-	-
Maintenance and repairs	-	-	-	-	-
Rentals and leases	-	-	-	-	-
Other contracted services	-	-	-	-	-
	-	-	-	183	183
Materials, Supplies and Freight					
Materials	-	118,789	-	21,302	140,091
Freight	-	-	-	4,625	4,625
	-	118,789	-	25,927	144,716
Total	\$ 1,065,177	\$ 118,789	\$ -	\$ 26,110	\$ 1,210,076

Sahtu Divisional Education Council

Inclusive Schooling Expenses

For the year ended June 30, 2021

	General Inclusive Schooling	Staff Development	Assistive Technology	Magnet Facilities	Total
Salaries					
Program Support Teachers	\$ 873,598	\$ -	\$ -	\$ -	\$ 873,598
Support Assistants	736,358	-	-	-	736,358
Regional Coordinator	170,424	-	-	-	170,424
	1,780,380	-	-	-	1,780,380
Employee Benefits					
Employee benefits and allowances	-	-	-	-	-
Services Purchased/Contracted					
Professional/Technical Services	15,636	-	-	-	15,636
Travel	6,615	-	-	-	6,615
Student Transportation (Busing)	-	-	-	-	-
Advertising/Printing/Publishing	-	-	-	-	-
Maintenance/Repair	-	-	-	-	-
Rentals/Leases	-	-	-	-	-
Other contracted services	52,544	-	-	-	52,544
	74,795	-	-	-	74,795
Materials, Supplies and Freight					
Materials	28	-	-	-	28
Freight	646	-	-	-	646
	674	-	-	-	674
Total	\$ 1,855,849	\$ -	\$ -	\$ -	\$ 1,855,849

Sahtu Divisional Education Council

French Language Programs

For the year ended June 30, 2021

	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	\$ 57,300	\$ 84,657	\$ 145,600

Sahtu Divisional Education Council

Jordan's Principal

For the year ended June 30, 2021

	June 30, 2021 Budget	Full Year Total June 30, 2021 Actual	June 30, 2020 Actual	9 and 3 Month Split July 1, 2020 - Mar 31, 2021 Actual	Apr 1, 2021 - Jun 30, 2021 Actual
Revenue					
Government of Canada					
FN and Inuit Health Branch	\$ -	\$ 2,273,699	\$ 350,700	\$ 1,611,200	\$ 662,499
Carry Forward from Previous Year	-	614,336	671,795	-	-
Total Revenue	-	2,888,035	1,022,495	1,611,200	662,499
Expenses					
Administration	-	-	-	-	-
Personnel	-	1,795,433	169,244	1,206,560	1,795,433
Transportation	-	1,837	103,577	-	1,837
Materials and Supplies	-	324,025	85,255	272,090	324,025
Rent and Utilities	-	-	-	-	-
Evaluation	-	-	50,083	-	-
Speech Language Pathology	-	30,232	-	21,095	30,232
Consulting	-	86,511	-	17,453	86,511
Other	-	419,073	-	-	419,073
Total Expenses	-	2,657,111	408,159	1,517,198	2,657,111
Net Surplus/(Deficit)	-	\$ 230,924	\$ 614,336	\$ 94,002	\$ -
Deferred revenue		\$ 230,924	\$ 614,336	\$ -	\$ -

Sahtu Divisional Education Council

Northern Distance Learning

For the year ended June 30, 2021

	Budget	MMS	CAWS	CTS	EAS	CLS	Total	July 1 to March 31	April 1 to June 30	Total
Revenue										
Education, Culture and Employment	\$ -	\$ 33,500	\$ 33,500	\$ 33,500	\$ 32,500	\$ 43,500	\$ 176,500	\$ -	\$ -	\$ 176,500
Other	-	-	-	-	-	-	-	-	-	-
	-	33,500	33,500	33,500	32,500	43,500	176,500	-	-	176,500
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>	-	10,083	17,528	11,266	8,173	5,483	52,533	23,666	28,867	52,533
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	-	10,083	17,528	11,266	8,173	5,483	52,533	23,666	28,867	52,533
Net surplus/(deficit)	\$ -	\$ 23,417	\$ 15,972	\$ 22,234	\$ 24,327	\$ 38,017	\$ 123,967	\$ (23,666)	\$ (28,867)	\$ 123,967

Sahtu Divisional Education Council

Student Success Initiative Projects

For the year ended June 30, 2021

	Budget 2020-2021	Actual 2020-2021
Revenue		
Education, Culture and Employment	\$ 55,000	\$ 55,000
NWTTA	65,232	65,232
Total Revenue	120,232	120,232
Expenses		
Professional Development		
<u>Salaries/Wages</u>		
Facilitator fees (include per diem)	55,000	64,185
Substitute teacher wages	-	-
Staff (p/y)	-	-
<u>Travel</u>		
Facilitator travel	-	1,000
Staff travel	-	-
Accommodation/Daily per diems	-	-
Other expenses	-	-
<u>Workshop Expenses</u>		
Room rental	-	-
Refreshments	-	-
Resources	-	1,825
Miscellaneous	-	113
Total Professional Development	55,000	67,123
Program Delivery (ECE SSI Funding Only)		
<u>Salaries/Wages</u>		
Facilitator fees (include per diem)	60,000	46,900
Substitute teacher wages	-	-
Staff (p/y)	-	-
<u>Other Expenses</u>		
Room rental	-	-
Materials and Supplies	5,232	8,920
Miscellaneous	-	-
Total Program Delivery	65,232	55,820
Total Expenses	120,232	122,943
Net Surplus/(Deficit)	-	(2,711)

Sahtu Divisional Education Council

Notes to the Consolidated Financial Statements

June 30, 2021

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, 2021

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, 2021

(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, 2021

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, 2021

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.

Sahtu Divisional Education Council

Consolidated Statement of Operations and Surplus

For the year ended June 30, 2021

Note 4. Cash and Cash Equivalents

	2021		2020	
Cash	\$	6,825,746	\$	3,464,954
Short term investments		-		-
	\$	6,825,746	\$	3,464,954

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.

	2021		2020	
Colville Lake	\$	3,750	\$	-
Deline		11,250		36,765
Fort Good Hope		10,949		48,181
Norman Wells		58,109		28,263
Tulita		9,000		38,994
SDEC (CJC)		48,283		75,499
	\$	141,341	\$	227,702

Note 6. Restricted Assets - Not Applicable

Note 7. Portfolio Investments - Not Applicable

Note 8. Accounts Receivable

	Receivables 2021		AFDA 2021		Net 2021		Net 2020	
GNWT - ECE	\$	150,096	\$	-	\$	150,096	\$	66,732
GNWT - HSS		-		-		-		-
GNWT - MACA		77,177		-		77,177		15,000
GNWT - Justice		28,000		-		28,000		28,000
GNWT - ENR		-		-		-		-
Total Due from GNWT		255,273		-		255,273		109,732
WSCC		-		-		-		-
Other		209,740		110,268		99,472		840,154
	\$	465,013	\$	110,268	\$	354,745	\$	949,886

Note 9. Inventories - Not Applicable

Sahtu Divisional Education Council

Notes to the Consolidated Financial Statements

June 30, 2021

Note 10. Accounts Payable and Accrued Liabilities

	2021	2020
Accounts payable and accrued liabilities		
GNWT	\$ 225,711	\$ 80,170
WSCC	69,696	29,666
Trade payables	173,269	197,417
	468,676	307,253
Payroll liabilities		
To GNWT (A)	2,137,368	460,277
To Employees (B)	543,021	940,430
Annual Leave	113,774	69,853
Lieu	1,974	2,322
Other	6,784	6,101
	2,802,921	1,478,983
	\$ 3,271,597	\$ 1,786,236

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

	2021	2020
MACA		
Active After School	\$ 58,949	\$ -
Youth Contribution	29,085	29,865
Rainbow Coalition	19,500	-
Justice		
Community Justice	48,283	75,499
ECE		
Northern Distance Learning	-	60,867
Library	127,398	91,335
Indigenous Language Education	-	92,656
Covid-19 Support Funding	190,665	-
Government of Canada		
Jordan's Principal	230,924	614,336
	\$ 704,804	\$ 964,558

Sahtu Divisional Education Council

Notes to the Consolidated Financial Statements

June 30, 2021

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 15, 2019. 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 15, 2019 and the results extrapolated to June 30, 2021. 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, 2021

Note 17. Other employee future benefits and compensated absences (continued)

	Severance and removal	Compensated Absences	2021	2020
Changes in Obligation				
Accrued benefit obligations beginning of the year	\$ 730,198	\$ 145,203	\$ 875,401	\$ 953,859
Current period benefit cost	58,394	14,414	72,808	67,811
Interest accrued	19,836	4,059	23,895	30,129
Benefits payments	(36,827)	(30,915)	(67,742)	(186,719)
Actuarial (gain)/loss	(129,348)	2,440	(126,908)	10,321
Plan amendments	-	-	-	-
Accrued benefit obligation end of year	642,253	135,201	777,454	875,401
Unamortized net actuarial gain	395,346	4,772	400,118	361,521
Net future obligation	1,037,599	139,973	1,177,572	1,236,922
Benefits Expense				
Current period benefit cost	58,394	14,414	72,808	67,811
Interest accrued	19,836	4,059	23,895	30,129
Plan amendments	(79,682)	(8,627)	(88,309)	-
Amortization of actuarial gains	-	-	-	(89,554)
	(1,452)	9,846	8,394	8,386

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	\$ 83,301	\$ 15,626	\$ 98,927
Year 2	64,606	13,156	77,762
Year 3	56,737	11,904	68,641
Year 4	53,778	12,313	66,091
Year 5	51,421	11,332	62,753
Next 5 years	232,223	50,297	282,520
	\$ 542,066	\$ 114,628	\$ 656,694

Sahtu Divisional Education Council

Notes to the Consolidated Financial Statements

June 30, 2021

Note 18. Trust Assets and Liabilities under Administration - Not Applicable

Note 19. Tangible Capital Asset - Not Applicable

Note 20. Prepaid Expenses

	2021	2020
Prepaid expenses	\$ 7,165	\$ 27,534

Note 21. GNWT Assets Provided at No Cost

	Cost	Accumulated Amortization	Net Book Value	
			2021	2020
Buildings				
Schools and colleges	\$ 67,332,558	\$ 26,401,069	\$ 40,931,489	\$ 42,372,795
Staff Housing	275,800	137,983	137,817	150,159
	\$ 67,608,358	\$ 26,539,052	\$ 41,069,306	\$ 42,522,954

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, 2021.

	Expires in Fiscal Year *	2022	2023 and thereafter	Total
Commercial and residential leases	2024	\$ 106,752	\$ 124,544	\$ 231,296
Operational leases	2023	6,764	2,745	9,509

* 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, 2021

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 4, 2020 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, 2021.

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, 2021

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

	2021 Budget	2021 Actual	2020 Actual
Salaries	\$ 13,773,832	\$ 13,834,942	\$ 11,984,880
Employee Benefits	364,112	296,264	439,878
Services Purchased/Contracted	1,295,534	1,695,909	1,322,366
Materials, Supplies and Freight	866,476	1,192,859	1,193,869
Debt Services	-	-	-
	\$ 16,299,954	\$ 17,019,974	\$ 14,940,993

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

	2021	2020
Library	\$ 144,000	\$ 140,000
Distance learning	176,500	100,500
Self regulation	6,000	-
Covid - 19 support	542,984	-
Health and wellness	-	11,660
Less: Deferred revenue & contributions repaid	(313,687)	(169,580)
	\$ 555,797	\$ 82,580

Sahtu Divisional Education Council

Notes to the Consolidated Financial Statements

June 30, 2021

Note 32. GNWT - Other Contributions

	2021	2020
MACA		
Active After School	\$ 59,900	\$ 73,599
Youth Contribution	17,250	-
Rainbow	19,500	-
TAKT	24,000	8,000
Fiddle	-	2,500
HSS		
Drop The Pop	8,900	8,850
Nutrition North	28,000	28,000
Justice		
Community Justice	56,000	56,000
Less: Deferred revenue & contributions repaid	(116,548)	157,191
	<u>\$ 97,002</u>	<u>\$ 334,140</u>

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, 2021

	2021 Budget	2021 Actual	2020 Actual
Revenue			
Government of the Northwest Territories	\$ 13,458,945	\$ 15,185,895	\$ 15,166,583
Other education body generated funds	290,396	610,282	276,440
	<u>13,749,341</u>	<u>15,796,177</u>	<u>15,443,023</u>
Expenditure			
Administration	1,393,947	764,639	1,012,430
School programs	8,827,888	9,939,748	9,681,725
Inclusive schooling	2,104,689	1,855,849	2,113,791
Operations and maintenance	-	182,639	139,973
Aboriginal languages	1,309,419	1,210,076	1,355,828
Jordan's Principal	-	2,657,111	408,158
	<u>13,635,943</u>	<u>16,610,062</u>	<u>14,711,905</u>
Excess (Deficiency) of Revenue over Expenditur	\$ 113,398	\$ (813,885)	\$ 731,118
Accumulated surplus (deficit), beginning of year		3,798,773	3,067,655
Accumulated surplus (deficit), end of yea		\$ 2,984,888	\$ 3,798,773

SATHU DIVISIONAL EDUCATION COUNCIL

Schedule A-2 - Details of Council Expenses (Non-Consolidated)

For the year ended June 30, 2021

Function	School Programs	Inclusive Schooling	Student Accommodation	Operations & Maintenance	Council Administration	Aboriginal Languages	Jordan's Principal	2021 Total
Salaries								
Teachers' salaries	\$ 6,927,018	\$ 736,358	\$ -	\$ -	\$ -	\$ 868,683	\$ 1,795,433	\$ 10,327,492
Instruction Assistant	108,910	873,598	-	-	-	172,960	-	1,155,468
Non Instructional Staff	1,302,768	170,424	-	-	686,958	23,533	-	2,183,683
Board/Trustee Honoraria	-	-	-	-	7,308	-	-	7,308
	8,338,696	1,780,380	-	-	694,266	1,065,176	1,795,433	13,673,951
Employee Benefits								
Employee benefits and allowances	-	-	-	-	-	-	-	-
Leave and termination benefits	296,264	-	-	-	-	-	-	296,264
	296,264	-	-	-	-	-	-	296,264
Services Purchased/Contracted								
Professional/Technical Services	402,635	15,637	-	-	-	-	-	418,272
Postage/Communication	44,518	-	-	-	17,212	-	-	61,730
Utilities								
Heating	-	-	-	-	-	-	-	-
Electricity	-	-	-	-	-	-	-	-
Water/Sewage	-	-	-	-	-	-	-	-
Travel	18,192	6,615	-	-	33,635	183	-	58,625
Student Travel (busing)	150,535	-	-	-	-	-	1,837	152,372
Advertising/Printing/Publishing	-	-	-	-	-	-	-	-
Maintenance/Repair	117,399	-	-	-	-	-	-	117,399
Rentals/Leases	-	-	-	7,200	-	-	-	7,200
Other - Contracted Services	42,599	-	-	175,439	-	-	86,512	304,550
Other - Miscellaneous	16,210	52,544	-	-	9,143	-	449,305	527,202
	792,088	74,796	-	182,639	59,990	183	537,654	1,647,350
Materials, Supplies and Freight								
Materials	478,911	27	-	-	7,419	140,089	324,024	950,470
Freight	33,789	646	-	-	2,964	4,628	-	42,027
	512,700	673	-	-	10,383	144,717	324,024	992,497
Contributions and Transfers								
Transfers to DEAs	-	-	-	-	-	-	-	-
Transfers to Capital	-	-	-	-	-	-	-	-
Amortization								
	-	-	-	-	-	-	-	-
Debt Services								
	-	-	-	-	-	-	-	-
Total	\$ 9,939,748	\$ 1,855,849	\$ -	\$ 182,639	\$ 764,639	\$ 1,210,076	\$ 2,657,111	\$ 16,610,062

SAHTU DIVISIONAL EDUCATION COUNCIL

Schedule B-1 District Education Authorities
Statement of Operations - Non-Consolidated

For the year ended June 30, 2021

	2021 Budget	2021 Actual	2020 Actual
Revenue			
Contributions from Divisional Council	\$ -	113,507	126,000
GNWT	-	633,096	526,175
Other	-	3,500	-
Deferred Revenue	-	(276,398)	(152,128)
Contributions Repaid	-	(64,598)	(25,896)
	-	295,600	348,151
Total revenue	-	409,107	474,151
Expenditure			
Administration	-	117,812	116,442
School programs	-	292,100	348,150
Inclusive schooling	-	-	-
Student accommodations	-	-	-
Operations and maintenance	-	-	-
Aboriginal language/cultural programs	-	-	-
	\$ -	409,912	464,592
Surplus (Deficit)	-	(805)	9,559
Opening equity		65,102	55,543
Closing equity	\$	64,297	\$ 65,102
Composition of Ending Accumulated Surplus			
Cash	\$	-	\$ -
Accounts receivable		64,297	65,102
Accounts payable		-	-
	\$	64,297	\$ 65,102

SAHTU DIVISIONAL EDUCATION COUNCIL

Schedule B-2 - Details of DEA Expenses

Non-Consolidated

For the year ended June 30, 2021

Function	School Programs	Inclusive Schooling	Student Accom.	Operations and Maintenance	Council Administration	Aboriginal Languages	Total
Salaries							
Teachers' Salaries	\$ 21,516	\$ -	\$ -	\$ -	\$ -	\$ -	21,516
Instruction Assistant	-	-	-	-	10,911	-	10,911
Non-instructional Staff	73,571	-	-	-	29,521	-	103,092
Board/Trustee Honorarium	1,405	-	-	-	24,067	-	25,472
	96,492	-	-	-	64,499	-	160,991
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	-	-	-	-	4,510	-	4,510
Maintenance/Repair	-	-	-	-	-	-	-
Rentals/Leases	-	-	-	-	-	-	-
Other - Fees	-	-	-	-	-	-	-
Other - Special Requests	-	-	-	-	44,049	-	44,049
	-	-	-	-	48,559	-	48,559
Materials/Supplies/Freight							
Materials	195,608	-	-	-	4,754	-	200,362
Freight	-	-	-	-	-	-	-
	195,608	-	-	-	4,754	-	200,362
Total	\$ 292,100	\$ -	\$ -	\$ -	117,812	\$ -	409,912

COLVILE LAKE

District Education Authority
Statement of Operations

For the year ended June 30, 2021

	2021 Budget	2021 Actual	2020 Actual
Revenue			
Contributions from Divisional Council	\$ -	\$ 17,408	\$ 17,000
GNWT	-	61,850	9,597
Other	-	-	-
Deferred Revenue	-	(3,750)	-
Contributions Repaid	-	(38,016)	-
	-	37,492	26,597
Expenses			
Administration	-	25,433	22,514
School programs	-	20,084	9,597
Inclusive schooling	-	-	-
School accommodations	-	-	-
Operations and maintenance	-	-	-
Aboriginal language/cultural programs	-	-	-
	-	45,517	32,111
Surplus (Deficit)	-	(8,025)	(5,514)
Opening equity		8,469	13,983
Closing equity	\$	444	\$ 8,469
Composition of Closing Equity			
Cash	\$	-	\$ -
Accounts Receivable		444	8,469
Accounts Payable		-	-
	\$	444	\$ 8,469

COLVILLE LAKE

District Education Authority
Details of Expenses

For the year ended June 30, 2021

Function	School Programs	Inclusive Schooling	Student Accommodation	Operations & Maintenance	Administration	Aboriginal Languages	Total
Salaries							
Teachers' Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Instruction Assistant	-	-	-	-	-	-	-
Non Instructional Staff	-	-	-	-	-	-	-
Board/Trustee Honoraria	-	-	-	-	11,578	-	11,578
	-	-	-	-	11,578	-	11,578
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	-	-	-	-	13,855	-	13,855
	-	-	-	-	13,855	-	13,855
Materials/Supplies/Freight							
Materials	20,084	-	-	-	-	-	20,084
Freight	-	-	-	-	-	-	-
	20,084	-	-	-	-	-	20,084
Total	\$ 20,084	\$ -	\$ -	\$ -	\$ 25,433	\$ -	45,517

NORMAN WELLS

District Education Authority
Statement of Operations

For the year ended June 30, 2021

	2021 Budget	2021 Actual	2020 Actual
Revenue			
Contributions from Divisional Council	\$ -	\$ 27,728	\$ 30,000
GNWT	-	193,463	123,398
Other	-	3,500	-
Deferred Revenue	-	(93,341)	(28,264)
Contributions Repaid	-	(4,077)	-
	-	127,273	125,134
Expenses			
Administration	-	23,637	18,303
School programs	-	96,045	95,134
Inclusive schooling	-	-	-
School accommodations	-	-	-
Operations and maintenance	-	-	-
Aboriginal language/cultural programs	-	-	-
	-	119,682	113,437
Surplus (Deficit)	-	7,591	11,697
Opening equity		15,341	3,644
Closing equity	\$	22,932	\$ 15,341
Composition of Closing Equity			
Cash	\$	-	\$ -
Accounts Receivable		22,932	15,341
Accounts Payable		-	-
	\$	22,932	\$ 15,341

NORMAN WELLS

District Education Authority
Details of Expenses

For the year ended June 30, 2021

Function	School Programs	Inclusive Schooling	Student Accommodation	Operations & Maintenance	Administration	Aboriginal Languages	Total
Salaries							
Teachers' Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Instruction Assistant	-	-	-	-	-	-	-
Non Instructional Staff	28,912	-	-	-	11,440	-	40,352
Board/Trustee Honoraria	-	-	-	-	-	-	-
	28,912	-	-	-	11,440	-	40,352
Employee Benefits							
Employee Benefits/Allowances	-	-	-	-	-	-	-
Leave and Termination Benefits	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
Services Purchased/Contracted							
Professional/Technical Services	-	-	-	-	-	-	-
Postage/Communication	-	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-
Travel	-	-	-	-	-	-	-
Student Transportation	-	-	-	-	-	-	-
Advertising/Printing/Publishing	-	-	-	-	-	-	-
Maintenance/Repair	-	-	-	-	-	-	-
Rentals/Leases	-	-	-	-	-	-	-
Other - Contracted Services	-	-	-	-	-	-	-
Other - Special Requests	-	-	-	-	12,197	-	12,197
	-	-	-	-	12,197	-	12,197
Materials/Supplies/Freight							
Materials	67,133	-	-	-	-	-	67,133
Freight	-	-	-	-	-	-	-
	67,133	-	-	-	-	-	67,133
Total	\$ 96,045	\$ -	\$ -	\$ -	\$ 23,637	\$ -	\$ 119,682

DELINE

District Education Authority Statement of Operations

For the year ended June 30, 2021

	2021 Budget	2021 Actual	2020 Actual
Revenue			
Contributions from Divisional Council	\$ -	\$ 21,880	\$ 26,000
GNWT	-	135,855	124,347
Other	-	-	-
Deferred Revenue	-	(63,782)	(36,764)
Contributions Repaid	-	(15,996)	-
	-	77,957	113,583
Expenses			
Administration	-	21,023	10,419
School programs	-	56,077	87,583
Inclusive schooling	-	-	-
School accommodations	-	-	-
Operations and maintenance	-	-	-
Aboriginal language/cultural programs	-	-	-
	-	77,100	98,002
Surplus (Deficit)	-	857	15,581
Opening equity		20,298	4,717
Closing equity	\$	21,155	\$ 20,298
Composition of Closing Equity			
Cash	\$	-	\$ -
Accounts Receivable		21,155	20,298
Accounts Payable		-	-
	\$	21,155	\$ 20,298

DELINE

District Education Authority
Details of Expenses

For the year ended June 30, 2021

Function	School Programs	Inclusive Schooling	Student Accommodation	Operations & Maintenance	Administration	Aboriginal Languages	Total
Salaries							
Teachers' Salaries	\$ 21,516	\$ -	\$ -	\$ -	\$ -	\$ -	21,516
Instruction Assistant	-	-	-	-	10,911	-	10,911
Non Instructional Staff	-	-	-	-	-	-	-
Board/Trustee Honoraria	1,405	-	-	-	2,143	-	3,548
	22,921	-	-	-	13,054	-	35,975
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	-	-	-	-	3,243	-	3,243
	-	-	-	-	3,243	-	3,243
Materials/Supplies/Freight							
Materials	33,156	-	-	-	4,726	-	37,882
Freight	-	-	-	-	-	-	-
	33,156	-	-	-	4,726	-	37,882
Total	\$ 56,077	\$ -	\$ -	\$ -	21,023	\$ -	77,100

FORT GOOD HOPE

District Education Authority
Statement of Operations

For the year ended June 30, 2021

	2021 Budget	2021 Actual	2020 Actual
Revenue			
Contributions from Divisional Council	\$ -	\$ 25,019	\$ 26,000
GNWT	-	119,536	165,207
Other	-	-	-
Deferred Revenue	-	(61,604)	(48,181)
Contributions Repaid	-	(4,990)	-
	-	77,961	143,026
Expenses			
Administration	-	32,370	24,364
School programs	-	52,942	117,026
Inclusive schooling	-	-	-
School accommodations	-	-	-
Operations and maintenance	-	-	-
Aboriginal language/cultural programs	-	-	-
	-	85,312	141,390
Surplus (Deficit)	-	(7,351)	1,636
Opening equity		10,506	8,870
Closing equity	\$	3,155	\$ 10,506
Composition of Closing Equity			
Cash	\$	-	\$ -
Accounts Receivable		3,155	10,506
Accounts Payable		-	-
	\$	3,155	\$ 10,506

FORT GOOD HOPE

District Education Authority
Details of Expenses

For the year ended June 30, 2021

Function	School Programs	Inclusive Schooling	Student Accommodation	Operations & Maintenance	Administration	Aboriginal Languages	Total
Salaries							
Teachers' Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Instruction Assistant	-	-	-	-	-	-	-
Non Instructional Staff	14,420	-	-	-	11,924	-	26,344
Board/Trustee Honoraria	-	-	-	-	9,553	-	9,553
	14,420	-	-	-	21,477	-	35,897
Employee Benefits							
Employee Benefits/Allowances	-	-	-	-	-	-	-
Leave and Termination Benefits	-	-	-	-	-	-	-
Services Purchased/Contracted							
Professional/Technical Services	-	-	-	-	-	-	-
Postage/Communication	-	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-
Travel	-	-	-	-	-	-	-
Student Transportation	-	-	-	-	-	-	-
Advertising/Printing/Publishing	-	-	-	-	4,510	-	4,510
Maintenance/Repair	-	-	-	-	-	-	-
Rentals/Leases	-	-	-	-	-	-	-
Other - Contracted Services	-	-	-	-	-	-	-
Other - Special Requests	-	-	-	-	6,383	-	6,383
	-	-	-	-	10,893	-	10,893
Materials/Supplies/Freight							
Materials	38,522	-	-	-	-	-	38,522
Freight	-	-	-	-	-	-	-
	38,522	-	-	-	-	-	38,522
Total	\$ 52,942	\$ -	\$ -	\$ -	\$ 32,370	\$ -	\$ 85,312

TULITA

District Education Authority Statement of Operations

For the year ended June 30, 2021

	2021 Budget	2021 Actual	2020 Actual
Revenue			
Contributions from Divisional Council	\$ -	\$ 21,472	\$ 27,000
GNWT	-	122,392	103,626
Other	-	-	-
Deferred Revenue	-	(53,921)	(38,919)
Contribution Repayable	-	(1,519)	(25,896)
	-	88,424	65,811
Expenses			
Administration	-	15,349	40,842
School programs	-	66,952	38,810
Inclusive schooling	-	-	-
School accommodations	-	-	-
Operations and maintenance	-	-	-
Aboriginal language/cultural programs	-	-	-
	-	82,301	79,652
Surplus (Deficit)	-	6,123	(13,841)
Opening equity		10,488	24,329
Closing equity	\$	16,611	\$ 10,488
Composition of Closing Equity			
Cash	\$	-	\$ -
Accounts Receivable		16,611	10,488
Accounts Payable		-	-
	\$	16,611	\$ 10,488

Signature:

Email: rcloss@sahtudec.ca

TULITADistrict Education Authority
Details of Expenses

For the year ended June 30, 2021

Function	School Programs	Inclusive Schooling	Student Accommodation	Operations & Maintenance	Administration	Aboriginal Languages	Total
Salaries							
Teachers' Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Instruction Assistant	-	-	-	-	-	-	-
Non Instructional Staff	30,239	-	-	-	6,157	-	36,396
Board/Trustee Honoraria	-	-	-	-	793	-	793
	30,239	-	-	-	6,950	-	37,189
Employee Benefits							
Employee Benefits/Allowances	-	-	-	-	-	-	-
Leave and Termination Benefits	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
Services Purchased/Contracted							
Professional/Technical Services	-	-	-	-	-	-	-
Postage/Communication	-	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-
Travel	-	-	-	-	-	-	-
Student Transportation	-	-	-	-	-	-	-
Advertising/Printing/Publishing	-	-	-	-	-	-	-
Maintenance/Repair	-	-	-	-	-	-	-
Rentals/Leases	-	-	-	-	-	-	-
Other - Contracted Services	-	-	-	-	-	-	-
Other - Special Requests	-	-	-	-	8,371	-	8,371
	-	-	-	-	8,371	-	8,371
Materials/Supplies/Freight							
Materials	36,713	-	-	-	28	-	36,741
Freight	-	-	-	-	-	-	-
	36,713	-	-	-	28	-	36,741
Total	\$ 66,952	\$ -	\$ -	\$ -	\$ 15,349	\$ -	\$ 82,301

SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL

FORT SMITH, NT.

**CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

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**Management Discussion and Analysis
For the year ended June 30, 2021**

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 2020/21 representatives were as follows:

Fort Smith – Ann Pischinger (Chairperson)
Fort Resolution – Bess Ann McKay (Vice-Chairperson)
Hay River – Pennie Pokiak
K’atlodeeche – Atanda Norn
Lutsel K’e – Iris Catholique

Key senior management positions were as follows:

Superintendent – Dr. Curtis Brown
Asst. Superintendent – Trudi Rowlands
Comptroller – James Watts, CPA

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 2020/21 year.

School	Students (FTE's)	Staffing (PY's) *
Joseph Burr Tyrrell	262.0	36.5
Paul William Kaeser	251.0	33.8
Sub-total (Fort Smith)	513.0	70.3
Harry Camsell	150.0	18.7
Princess Alexandra	157.0	20.8
Diamond Jenness	203.5	29.6
Sub-total (Hay River)	510.5	69.1
Chief Sunrise Education Centre	40.0	8.7
Deninu School	92.5	20.6
Lutsel K'e Dene School	61.0	12.5
Overall Totals	1217.0	181.2

- Includes staff hired with Jordan's Principle funding.

Operating Environment

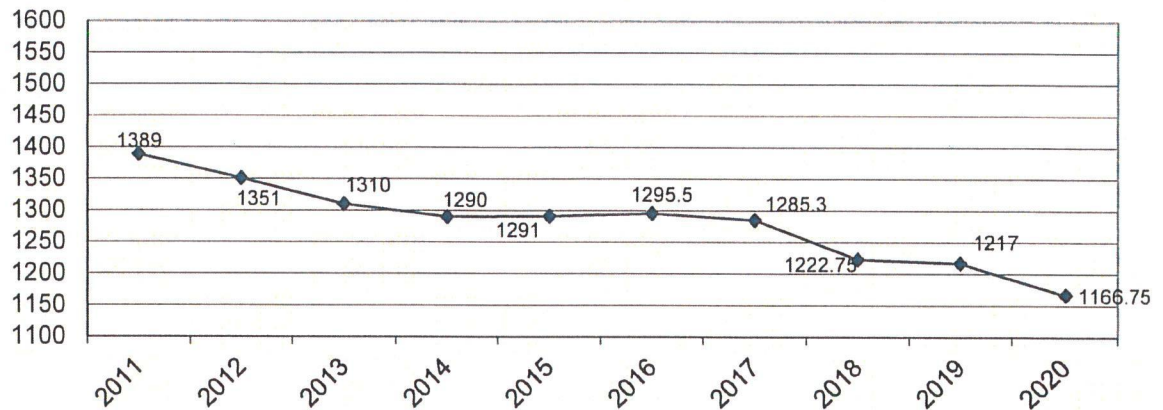
The SSDEC receives the financial resources for the entire division on an annual basis, largely through a funding formula established by the *GNWT Department of Education, Culture and Employment (ECE)*. Unfortunately, there are a number of unfunded and underfunded areas in the formula. For example:

- 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 almost two thirds what it was fifteen years ago (approx. 1200 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 1200-1300 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 2020/21 financial audit, inclusive of the revised GNWT actuarial calculations, leave the SSDEC above the maximum allowable surplus. The planned deficit for 2021/22 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 2020/21 (student attendance, parent participation, and social-emotional learning) were not able to be assessed effectively given the school closures in the spring.

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.

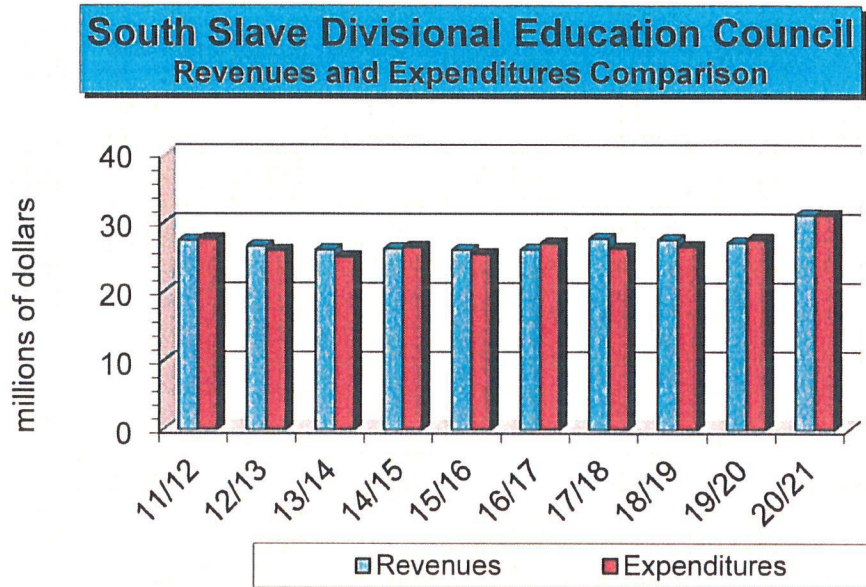
Teacher turnover, compounded by the shortage of suitable applicants, means there is a need to engage in more formalized transition planning. Specialist positions are continuing to be difficult to fill, in particular; Indigenous Language teachers, French Immersion and senior Math/Science. We were proactive 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, 2021 the Council had an operating surplus of \$30,924 inclusive of DEA surpluses and deficits. This was lower than the projected deficit of \$1,020,666 due to an adjustment to the Council’s employee future benefits liability amount \$456,160. Other reasons for the lower than expected deficit include, but are not limited to, COVID-19 still affecting schools for the entire year resulting in lower casual wages costs, no duty travel, and general expenditures being lower over those three and a half months. 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. \$2.1 million). As well, the Council recorded approx. \$2.5 million in Jordan’s Principle funding this past year

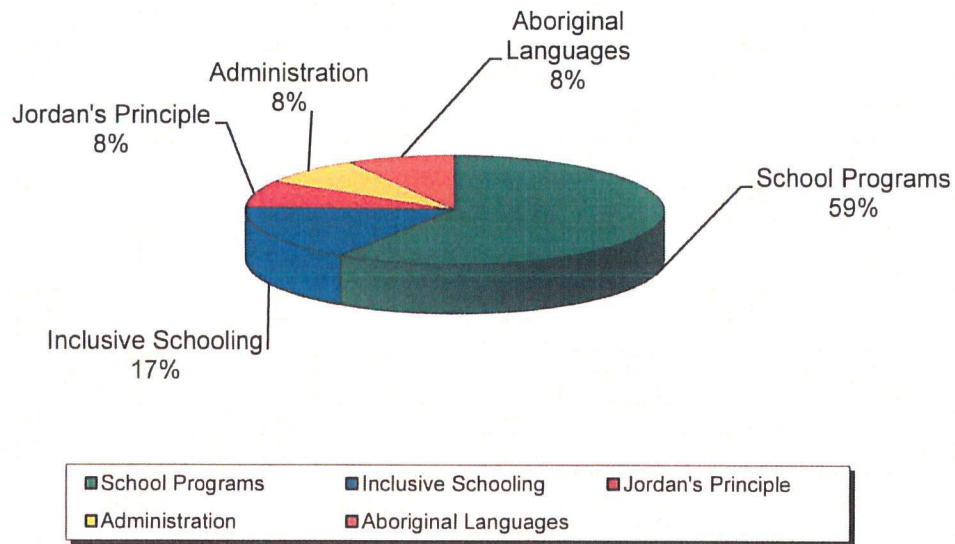
The accumulated uncommitted fund balance for the Council now sits at \$2,624,908 (see chart below) which is \$442,361 above the Council’s maximum fund balance of \$2,182,547 spelled out in policy DFAA – Financial Surplus. The Council’s budget for 2021/22 is a deficit budget of \$1,031,450 that, if realized, would bring the Council’s accumulated fund balance down to \$1,593,458.

	<u>2021</u>	<u>2020</u>
Accumulated Fund Balance at beginning of year	\$3,907,227	\$4,341,279
Operating Surplus/(Deficit) for year	<u>30,924</u>	<u>(434,052)</u>
Accumulated Fund Balance at end of year	\$3,938,151	\$3,907,227
Commitments against Fund Balance (incl. bus purchase)	<u>(1,313,243)</u>	<u>(1,152,375)</u>
Uncommitted Fund Balance at end of year	<u>\$2,624,908</u>	<u>\$2,754,852</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 84% (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 17% of the Council's expenditures in 2020/21. Indigenous Languages Education expenditures was also above what was funded by ECE.

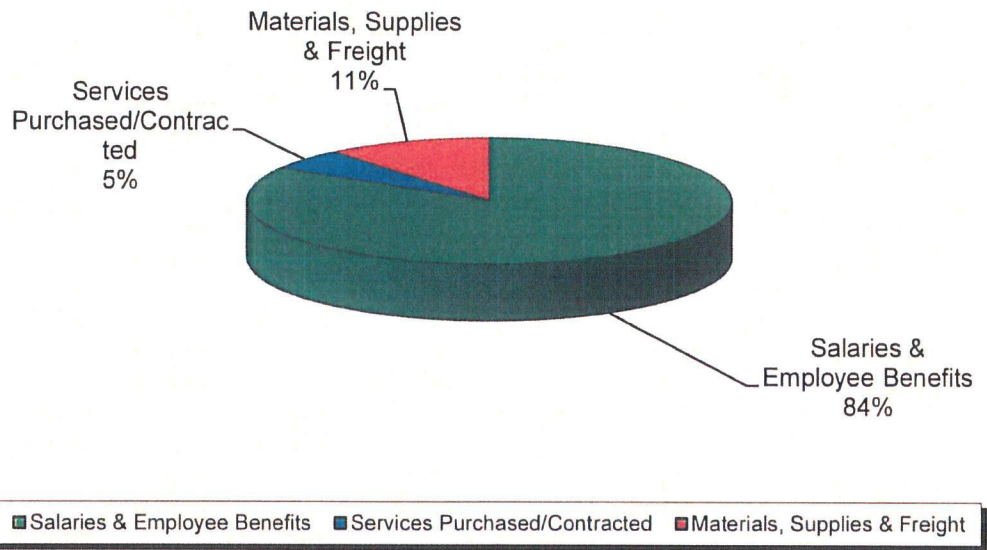
During the 2020/21 year the Council was reimbursed a total of \$239,838 for termination costs related to the 2019/20 fiscal year covering 6 retirements/resignations (all NWTTA).

**South Slave Divisional Education Council
Expenditures by Function
For the Year Ended June 30, 2021**



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, 2021**



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 2020/21 is planned to address that excess.

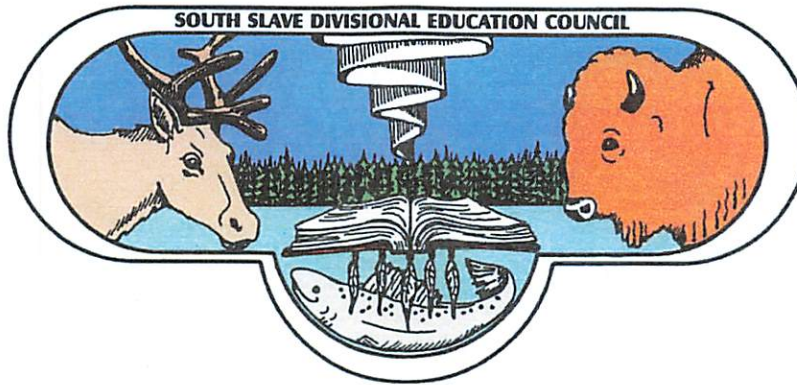
It should also be noted that in the last three years our surplus has increased by almost \$1.4 million due to a reduction in the Council’s post-employment benefits liability (a number provided by the GNWT in July, after our fiscal year spending is complete, and after our next year budget and staffing 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.

COVID-19 will present challenges for the re-opening of schools in September but appropriate plans are being developed and approved by the applicable officials and will be ready for implementation in the Fall. These plans, of course, are based on the current situation and

recommendations. An increase in positive tests, or a further outbreak, in the NWT could change plans significantly. We continue to hope for the best while preparing for the worst.

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.



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. Curtis Brown
Superintendent
August 9, 2021

Jamie Watts CPA, CMA
Comptroller



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INDEPENDENT AUDITORS' REPORT

To the Minister of Education, Culture and Employment
Government of the Northwest Territories

Report on the Audit of the Consolidated Financial Statements

Qualified Opinion

We have audited the accompanying consolidated financial statements of South Slave Divisional Education Council which comprise the Consolidated Statement of Financial Position as at June 30, 2021 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, 2021 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.

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 23 to the financial statements, concerning the worldwide spread of a novel coronavirus known as COVID-19 subsequent to year-end and its effect on the global economy. Our opinion is not modified in respect of this matter.

Other matter

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements of South Slave Divisional Education Council taken as a whole. The supplementary information included on various schedules is presented for purposes of additional information and is not a required part of the consolidated financial statements. Such supplementary information has been subjected to the auditing procedures applied, only to the extent necessary to express an opinion in the audit of consolidated financial statements taken as a whole.

INDEPENDENT AUDITORS' REPORT - cont'd.

Other Information

Management is responsible for the other information. the other information comprises the Management Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained the management Discussion and Analysis prior to the date of this auditor's report. if, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards and the Act of the Northwest Territories, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

INDEPENDENT AUDITORS' REPORT - cont'd.

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

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

Report on Other Legal and Regulatory Requirements

We further report, in accordance with the Education Act's requirement for the Education Authority to comply with the Financial Administration Act, in our opinion, proper books of account have been kept by the South Slave Divisional Education Council, the consolidated financial statements are in agreement therewith and the transactions that have come under our notice have, in all significant aspects, been within the statutory powers of the Council.

Avery Cooper & Co. Ltd.

AVERY COOPER & CO. LTD.
Chartered Professional Accountants
Yellowknife, NT

August 9, 2021

**SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at June 30, 2021**

	<u>2021</u>	<u>2020</u>
<u>Financial Assets</u>		
Cash and Cash Equivalents (Note 4)	\$9,969,397	\$8,928,547
Trust Assets (Note 18)	77,595	77,857
Due from the GNWT (Note 8)	27,556	201,344
Due from the Government of Canada (Note 13)	0	0
Other Accounts Receivable (Note 8)	<u>162,486</u>	<u>162,916</u>
Total Financial Assets	<u>\$10,237,034</u>	<u>\$9,370,665</u>
<u>Liabilities</u>		
Bank Indebtedness	\$0	\$2,718
Accounts Payable and Accrued Liabilities (Note 10)	90,864	25,219
Trust Liabilities (Note 18)	77,595	77,857
Due to the GNWT (Note 10)	75,085	57,554
Payroll Liabilities (Note 10)	2,392,794	2,077,817
Deferred Revenue (Note 11)	1,704,133	833,935
Post-Employment Benefits (Note 17)	<u>2,194,535</u>	<u>2,650,694</u>
Total Liabilities	<u>\$6,535,006</u>	<u>\$5,725,794</u>
Net Financial Resources	<u>\$3,702,028</u>	<u>\$3,644,871</u>
<u>Non-Financial Assets</u>		
Prepaid Expenses (Note 20)	\$0	\$0
Tangible Capital Assets (Note 19)	236,120	262,356
Total Non-Financial Resources	<u>\$236,120</u>	<u>\$262,356</u>
Accumulated Fund Balance	<u>\$3,938,148</u>	<u>\$3,907,227</u>
Represented By:		
Operating Fund Balance	\$2,406,965	\$2,376,403
DEA Fund Balances	\$217,940	\$378,449
Capital Asset Depreciation	\$236,120	\$262,356
School Staffing Surpluses (Note 35)	<u>\$1,077,123</u>	<u>\$890,019</u>
Accumulated Fund Balance	<u>\$3,938,148</u>	<u>\$3,907,227</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, 2021**

	Unaudited 2021 Budget	2021	2020
Operating Surplus/(Deficit) (Statement III)	(\$1,159,224)	\$30,924	(\$434,052)
Prior Year Adjustments	_____	_____	_____
Increase/(Decrease) in Net Financial Resources	(\$1,159,224)	\$30,924	(\$434,052)
Opening Net Financial Resources	<u>3,907,227</u>	<u>3,907,227</u>	<u>4,341,279</u>
Closing Net Financial Resources	<u><u>\$2,748,003</u></u>	<u><u>\$3,938,151</u></u>	<u><u>\$3,907,227</u></u>

See attached notes and schedules.

**SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL
CONSOLIDATED STATEMENT OF OPERATIONS
For the Year Ended June 30, 2021**

	(Note 25) (unaudited) <u>2021 Budget</u>	<u>2021 Actual</u>	<u>2020 Actual</u>
<u>REVENUES</u>			
ECE Contributions			
ECE Regular Contributions	\$25,634,276	\$25,294,194	\$24,117,729
Other ECE Contributions	260,000	2,728,621	664,455
Total ECE Contributions	<u>\$25,894,276</u>	<u>\$28,022,815</u>	<u>\$24,782,184</u>
Other GNWT Contributions	\$15,000	\$232,919	\$267,846
Total GNWT Contributions	<u>\$25,909,276</u>	<u>\$28,255,734</u>	<u>\$25,050,030</u>
Other Education Bodies	\$0	\$0	\$0
Government of Canada			
Jordan's Principle	\$0	\$2,496,973	\$1,277,028
Other Government of Canada	0	1,836	1,000
Total Government of Canada	<u>\$0</u>	<u>\$2,498,809</u>	<u>\$1,278,028</u>
Generated Funds			
Investment Income	\$150,400	\$49,974	\$143,968
Non-GNWT Contributions	70,000	86,319	101,991
Donations	0	2,050	12,265
Other	115,706	286,356	294,062
Total Generated Funds	<u>\$336,106</u>	<u>\$424,700</u>	<u>\$552,287</u>
Total Revenues	<u>\$26,245,382</u>	<u>\$31,179,242</u>	<u>\$26,880,345</u>
<u>EXPENSES (Schedule 1)</u>			
Administration	\$2,437,456	\$2,498,636	\$2,302,243
School Programs	16,376,432	18,410,455	16,830,283
Inclusive Schooling	5,137,354	5,135,856	6,138,230
Indigenous Language and Education	1,922,180	2,595,615	2,043,640
Jordan's Principle	0	2,507,756	0
Total Expenses	<u>\$25,873,422</u>	<u>\$31,148,319</u>	<u>\$27,314,398</u>
OPERATING SURPLUS/(DEFICIT)	<u>\$371,960</u>	<u>\$30,924</u>	<u>(\$434,052)</u>
Opening Fund Balance		<u>3,907,227</u>	<u>4,341,279</u>
Closing Fund Balance		<u>\$3,938,151</u>	<u>\$3,907,227</u>

See attached notes and schedules.

Statement IV

**SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL
CONSOLIDATED STATEMENT OF CASH FLOW
For the Year Ended June 30, 2021**

	<u>2021</u>	<u>2020</u>
Cash Provided By (Used In):		
Operating Surplus/(Deficit)	\$30,924	(\$434,052)
Changes in Non-cash Assets and Liabilities		
Decrease (increase) due from Government of Canada	\$0	21,218
Decrease (increase) in accounts receivable	174,218	(23,299)
Decrease (increase) in capital assets	(236,120)	(262,356)
Increase (decrease) in acc. payroll/emp. deductions	314,977	(\$861,801)
Increase (decrease) in accounts payable	83,176	53,216
Increase (decrease) in trust liability	(262)	5
Increase (decrease) in deferred revenue	870,198	240,348
Increase (decrease) in post-employment benefits	(456,159)	(\$373,002)
Decrease (increase) in prepaid expenses	<u>0</u>	<u>0</u>
Cash Provided by (Used In) Operating Transactions	<u>\$780,952</u>	<u>(\$1,639,723)</u>
Increase/(Decrease) in Cash and Cash Equivalents	<u>\$780,952</u>	<u>(\$1,639,723)</u>
Cash and Cash Equivalents at Beginning of Year	\$9,003,688	\$10,644,607
Cash and Cash Equivalents at End of Year *	<u><u>\$9,783,444</u></u>	<u><u>\$9,003,688</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, 2021

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, 2021

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 or 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, 2021

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, 2021

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 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, 2021

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, 2021

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, 2021. 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, 2012, 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, 2021

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>2021</u>	<u>2020</u>
Cash	\$ 9,969,397	\$8,928,547
Trust Assets	77,595	77,857
Bank Indebtedness	<u>0</u>	<u>(2,718)</u>
Total	<u>\$10,046,992</u>	<u>\$9,003,686</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)	\$18,396.34	\$23.33	\$18,393.27	Unknown	n/a	n/a	n/a
GIC (FS)	\$177,276.77	\$597.21	\$177,276.77	2021/04/21	1 yr.	2022/04/20	2.7%
GIC (KFN)	\$5877.66	\$2.95	\$5,877.66	2021/06/29	2 mos. 30 days	2021/09/28	0.05%

Note 8. Accounts Receivable

	<u>2021 Net</u>	<u>2020 Net</u>
GNWT – Finance	\$ 5,035	\$ 39,892
Fort Smith DEA	22,521	22,114
GNWT – HSS	0	12,337
GNWT – ECE	<u>0</u>	<u>127,950</u>
Total due from GNWT	\$ 27,556	\$202,293
Due from Government of Canada	0	0
Payroll Chargeback Recoveries	0	0
Other	<u>162,486</u>	<u>162,916</u>
Total Receivables	<u>\$190,042</u>	<u>\$365,209</u>

SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2021

Note 9. Inventories

Not applicable.

Note 10. Accounts Payable and Accrued Liabilities

	<u>2021</u>	<u>2020</u>
GNWT – Dept. of Education, Culture & Employment	\$ 0	\$ 10,822
GNWT – Lutsel K'e Dene School	5,000	0
GNWT – Infrastructure	85	0
<u>Payroll Liabilities</u>		
To GNWT (Finance)	\$2,252,516	1,992,240
Government of Canada	0	0
Annual/Lieu	140,278	85,577
WSCC	70,000	46,732
Total Due to GNWT	<u>\$2,467,879</u>	<u>\$2,135,371</u>
Other	90,864	25,219
Total Accounts Payable	<u>\$2,558,743</u>	<u>\$2,160,590</u>

Note 11. Deferred Revenue

	<u>2021</u>	<u>2020</u>
COVID-19 funding - SSDEC (ECE)	\$ 493,784	\$ 0
Library funding – Fort Resoultion (ECE)	1,626	0
Take A Kid Gardening – K'atlodeeche (ITI)	<u>2,102</u>	<u>0</u>
Total GNWT	\$ 497,512	\$ 0
Jordan's Principle	<u>1,206,621</u>	<u>833,935</u>
Total Deferred Revenue	<u>\$1,704,133</u>	<u>\$833,935</u>

Note 12. Contribution Repayable

	<u>2021</u>	<u>2020</u>
GNWT		
Department of Education, Culture & Employment	\$ 27,504	\$ 0

Note 13. Due To/From the Government of Canada

Nothing to report.

14. Capital Lease Obligations

Nothing to report.

15. Pensions

Nothing to report.

SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2021

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.

Valuation result

The actuarial valuation was completed as at March 31, 2021. 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 2021 and the results extrapolated to June 30, 2021. 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 \$	2021 \$	2020 \$
Changes in Obligation				
Accrued benefit obligations at beginning of year	\$1,563,689	\$474,601	\$2,038,291	\$2,301,813
Current period benefit cost	\$92,392	\$33,936	\$126,329	\$118,227
Interest accrued	\$41,414	\$12,872	\$54,286	\$71,393

SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2021

Benefits payments	(\$298,245)	(\$175,173)	(\$473,418)	(\$405,059)
Plan amendments	\$0	\$0	\$0	\$0
Actuarial (gains)/losses	(\$50,974)	\$84,045	(\$33,069)	(\$48,083)
Accrued benefit obligations at end of year	\$1,348,276	\$430,281	\$1,778,557	\$2,038,921
Surplus/(deficit) at end of year	(\$1,348,276)	(\$430,281)	(\$1,778,557)	(\$2,038,921)
Unamortized net actuarial (gain)/loss	(\$554,317)	\$138,346	(\$415,978)	(\$612,403)
Net future obligation	(\$1,902,593)	(\$291,535)	(\$2,194,535)	(\$2,650,694)
Other employee future benefits	\$0	\$0	\$0	\$0
Other compensated absences	\$0	\$0	\$0	\$0
Total employee future benefits and compensated absences	(\$2,232,367)	(\$418,324)	(\$2,650,694)	(\$3,023,696)
Benefits Expense				
Current period benefit cost	\$92,392	\$33,936	\$126,329	\$118,227
Interest accrued	\$41,414	\$12,872	\$54,286	\$71,393
Plan amendments	\$0	\$0	\$0	\$0
Amortization of actuarial gains	(\$165,335)	\$1,976	(\$163,356)	(\$157,563)
Total Expense	(\$31,529)	\$48,784	\$17,259	\$32,057

The discount rate used to determine the accrued benefit obligation is an average of 3.3%. No inflation rate was applied. The expected payments during the next five fiscal years are:

	Severance & Removal \$	Compensated Absences \$	Total \$
2022	\$218,438	\$57,746	\$276,184
2023	\$189,095	\$52,675	\$241,770
2024	\$150,129	\$47,609	\$197,738
2025	\$128,637	\$45,829	\$174,466
2026	\$109,597	\$42,903	\$152,500
	\$795,896	\$246,762	\$1,042,658

18. Trust Assets Under Administration

	<u>2021</u>	<u>2020</u>
Andrew John Piche Scholarship Fund	\$77,595	\$77,857

SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2021

19. Tangible Capital Assets

	Cost	Additions	Deletions	Opening Acc. Amortization	Amortization	Closing Acc. Amortization	2020 NBV	2019 NBV
Equipment								
Buses	\$262,356	\$0	\$0	\$0	\$26,236	\$26,236	\$236,120	\$262,356
Total	\$262,356	\$0	\$0	\$0	\$26,236	\$26,236	\$236,120	\$262,356

20. Prepaid Expenses

Nothing to report.

21. GNWT Assets Provided at no Cost.

	<u>Cost</u>	<u>Acc. Amort.</u>	<u>2021 NBV</u>	<u>2020 NBV</u>
Joseph Burr Tyrrell School	\$10,354,271	\$5,858,087	\$4,496,183	\$4,163,168
Paul William Kaeser School	\$8,070,058	\$5,908,467	\$2,161,591	\$2,409,456
Deninu School	\$5,447,087	\$5,225,024	\$222,063	\$0
Lutsel K'e Dene School	\$16,791,305	\$3,307,554	\$13,483,571	\$14,051,488
Princess Alexandra School	\$7,762,885	\$6,074,468	\$1,688,416	\$1,970,239
Diamond Jenness School	\$34,388,973	\$14,412,623	\$19,976,350	\$20,595,228
Harry Camsell School	\$6,949,011	\$4,593,041	\$2,355,970	\$2,456,398
Chief Sunrise Education Ctr.	\$3,342,966	\$1,369,063	\$1,973,903	\$1,413,394
DJSS Trades Building	\$2,423,804	\$647,977	\$1,775,827	\$1,836,367
PWK High School Seacan	\$687,229	\$469,607	\$217,623	\$274,892
PWK Welding Shop	\$389,368	\$64,895	\$324,474	\$336,642
	\$96,606,955	\$47,930,806	\$48,676,150	\$49,507,270

SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2021

22. Contractual Obligations

	2022	2023	2024	2025	2026	Total
<u>Equipment</u>						
Altalink B8065	\$2,453	\$1,227				\$3,680
Altalink C8145	\$4,066	\$4,066	\$4,066	\$4,066		\$16,264
<u>Commercial Lease</u>						
Fort Smith Construction	\$163,615	\$163,615	\$54,538			\$381,768
Total	\$170,134	\$168,908	\$58,604	\$4,066		\$401,712

23. Contingencies

Nothing to report.

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.

Accounts Payable

	<u>2021</u>	<u>2020</u>
Dept. of Finance	\$2,392,794	\$2,077,817
Dept. of Education, Culture and Employment	0	10,822
WSCC	70,000	46,732
Lutsel K'e Dene School	5,000	0
Dept. of Infrastructure	85	0

Accounts Receivable

Fort Smith DEA	\$ 22,521	22,114
Dept. of Finance	5,035	20,605
Dept. of Education, Culture and Employment	0	127,950
GNWT – HSS	0	12,337

SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2021

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 February 9, 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.

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>2021 Budget</u>	<u>2021 Actual</u>	<u>2020 Actual</u>
Compensation	\$23,006,546	\$26,027,102	\$23,517,276
Other	<u>4,398,060</u>	<u>5,151,323</u>	<u>4,107,751</u>
Total	<u>\$27,404,606</u>	<u>\$31,178,425</u>	<u>\$27,625,027</u>

SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2021

29. Subsequent Events

Nothing to report.

30. Comparative Figures

Nothing to report.

31. ECE Other Contributions

Career Coordinator	\$ 150,464
Northern Distance Learning	60,500
French (FSL) Funding	391,800
Trades Awareness	(40,000)
French Monitor resources	3,000
Self-Regulation resources	8,957
COVID-19 funding	2,120,526
Library Funding	<u>33,374</u>
Total	<u>\$2,728,621</u>

32. GNWT Other Contributions

<u>Health & Social Services</u>	
Drop the Pop	\$ 16,750
<u>Energy & Natural Resources</u>	
Take a Kid Trapping	90,838
<u>Municipal & Community Affairs</u>	
Child/Youth Resiliency	20,933
Youth Paddling	5,000
Active After School	91,500
<u>Industry, Tourism & Investment</u>	
Take A Kid Gardening	2,898
<u>Executive</u>	
Women's Initiative	<u>5,000</u>
Total	<u>\$231,769</u>

33. Contingent Assets

Nothing to report.

34. Contractual Rights

Nothing to report.

SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2021

35. Commitments Against Surplus

The Council currently has approved commitments against its surplus of \$1,313,243 consisting of school staffing surpluses (\$1,077,123) and a capital asset acquisition (\$236,120) 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, 2021**

	School Programs	Inclusive Schooling	Admin.	Indigenous Language	Jordan's Principle	Fiscal & Transfers	Total
Salaries							
Teachers	\$13,308,786	\$2,198,292	\$0	\$1,247,520	\$0	\$0	\$16,754,598
Instruction Assistants	\$41,060	\$1,995,495	\$0	\$392,368	\$2,444,087	\$0	\$4,873,010
Non-Instructional Staff	\$1,941,382	\$416,562	\$1,593,111	\$86,193	\$724	\$0	\$4,037,971
Board/Trustee Honoraria	\$0	\$0	\$38,623	\$27,029	\$0	\$0	\$65,652
Employee Benefits							
Employee Benefits/Allowances	\$154,367	\$116,891	\$18,734	\$37,405	\$0	\$0	\$327,396
Leave & Termination Benefits	(\$138,638)	\$76,867	\$5,647	\$24,598	\$0	\$0	(\$31,526)
Services Purchased/Contracted							
Professional/Technical Services	\$167,686	\$9,028	\$143,670	\$27,008	\$0	\$0	\$347,391
Postage/Communication	\$57,259	\$0	\$47,523	\$147	\$0	\$0	\$104,929
Utilities	\$2,695	\$0	\$0	\$0	\$0	\$0	\$2,695
Travel	\$22,036	\$26,746	\$45,133	\$8,844	\$0	\$0	\$102,760
Student Travel	\$0	\$2,158	\$26,236	\$1,483	\$7,219	\$0	\$37,096
Advertising/Printing/Publishing	\$1,343	\$3,598	\$15,286	\$29,008	\$0	\$0	\$49,234
Maintenance/Repair	\$42,004	\$0	\$22,862	\$4,676	\$0	\$0	\$69,542
Rentals/Leases	\$64,699	\$1,481	\$182,651	\$5,281	\$34,798	\$0	\$288,910
Contracted Services	\$487,208	\$27,206	\$10,699	\$149,808	\$0	\$0	\$674,920
Materials/Supplies/Freight							
Materials	\$2,225,061	\$255,131	\$340,305	\$541,345	\$20,929	\$0	\$3,382,772
Freight	\$33,508	\$6,401	\$8,157	\$12,902	\$0	\$0	\$60,968
Total	\$18,410,456	\$5,135,856	\$2,498,636	\$2,595,615	\$2,507,756	\$0	\$31,148,319

**FORT SMITH DISTRICT EDUCATION AUTHORITY
STATEMENT OF FINANCIAL POSITION
as at June 30, 2021**

	<u>2021</u>	<u>2020</u>
<u>Financial Assets</u>		
Cash and Cash Equivalents	\$52,862	\$135,514
Cash Held in Trust	77,595	77,857
Other Accounts Receivable (net)	<u>0</u>	<u>0</u>
Total Financial Assets	<u>\$130,456</u>	<u>\$213,372</u>
<u>Liabilities</u>		
Accounts Payable & Accrued Liabilities	(\$3)	(\$2,003)
Trust Liability	<u>77,595</u>	<u>77,857</u>
Total Liabilities	<u>\$77,592</u>	<u>\$75,854</u>
Net Financial Resources	<u>\$52,865</u>	<u>\$137,517</u>
Fund Balance	<u><u>\$52,865</u></u>	<u><u>\$137,517</u></u>

FORT SMITH DISTRICT EDUCATION AUTHORITY
STATEMENT OF OPERATIONS
For the Year Ended June 30, 2021

	<u>2021 Budget</u> <u>(unaudited)</u>	<u>2021 Actual</u>	<u>2020 Actual</u>
<u>REVENUES</u>			
ECE Contributions			
ECE Regular Contributions	\$558,476	\$558,476	\$567,769
Other ECE Contributions	0	547,396	471,985
Total ECE Contributions	<u>\$558,476</u>	<u>\$1,105,872</u>	<u>\$1,039,754</u>
Other GNWT Contributions	\$0	\$56,000	\$29,275
Total GNWT Contributions	<u>\$558,476</u>	<u>\$1,161,872</u>	<u>\$1,069,029</u>
Government of Canada Contributions			
Jordan's Principle	\$0	\$52,680	\$125,951
Other Government of Canada	0	0	0
Total Government of Canada Contributions	<u>\$0</u>	<u>\$52,680</u>	<u>\$125,951</u>
Generated Funds			
Investment Income	\$400	\$597	\$1,136
Other	43,500	90,173	60,936
Total Generated Funds	<u>\$43,900</u>	<u>\$90,770</u>	<u>\$62,072</u>
Total Revenues	<u>\$602,376</u>	<u>\$1,305,322</u>	<u>\$1,257,052</u>
<u>EXPENSES (Schedule 4)</u>			
Administration	\$75,600	\$135,003	\$118,653
School Programs	421,977	970,560	794,676
Inclusive Schooling	31,155	46,532	197,589
Indigenous Language and Education	99,413	184,292	87,523
Jordan's Principle	0	53,588	0
Total Expenses	<u>\$628,145</u>	<u>\$1,389,974</u>	<u>\$1,198,441</u>
Operating Surplu/(Deficit)	<u>(\$25,769)</u>	<u>(\$84,652)</u>	<u>\$58,611</u>
Fund Balance at beginning of year		137,517	78,906
Prior Period Adjustment		<u>0</u>	<u>0</u>
Fund Balance at end of year		<u>\$52,865</u>	<u>\$137,517</u>

FORT SMITH DISTRICT EDUCATION AUTHORITY
SCHEDULE OF EXPENSES
For the Year Ended June 30, 2021

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		\$82,301		\$724		\$83,025
Board/Trustee Honoraria						\$0

Employee Benefits

Employee Benefits/Allowances						\$0
Leave & Termination Benefits						\$0

Services Purchased/Contracted

Professional/Technical Services						\$0
Postage/Communication	\$29,802		\$3,311			\$33,113
Utilities						\$0
Travel						\$0
Student Travel				\$7,219		\$7,219
Advertising/Printing/Publishing						\$0
Maintenance/Repair						\$0
Rentals/Leases	\$9,251		\$1,028	\$34,798		\$45,076
Contracted Services	\$92,865					\$92,865

Materials/Supplies/Freight

Materials	\$838,642	\$46,532	\$48,362	\$184,292	\$10,848	\$1,128,676
Freight						\$0

Total	\$970,560	\$46,532	\$135,003	\$184,292	\$53,588	\$0	\$1,389,974
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**HAY RIVER DISTRICT EDUCATION AUTHORITY
STATEMENT OF FINANCIAL POSITION
as at June 30, 2021**

	<u>2021</u>	<u>2020</u>
<u>Financial Assets</u>		
Cash and Cash Equivalents	\$27,038	\$30,616
Due from the GNWT	0	78,000
Other Accounts Receivable (net)	<u>0</u>	<u>0</u>
Total Financial Assets	<u>\$27,038</u>	<u>\$108,616</u>
<u>Liabilities</u>		
Accounts Payable & Accrued Liabilities	\$2,191	\$3,078
Deferred Revenue	<u>\$0</u>	<u>\$0</u>
Total Liabilities	<u>\$2,191</u>	<u>\$3,078</u>
Net Financial Resources	<u>\$24,847</u>	<u>\$105,538</u>
<u>Non-Financial Assets</u>		
Tangible Capital Assets	\$236,120	\$262,356
Fund Balance	<u><u>\$260,967</u></u>	<u><u>\$367,894</u></u>

HAY RIVER DISTRICT EDUCATION AUTHORITY
STATEMENT OF OPERATIONS
For the Year Ended June 30, 2021

	<u>2021 Budget</u> <u>(unaudited)</u>	<u>2021 Actual</u>	<u>2020 Actual</u>
<u>REVENUES</u>			
ECE Contributions			
ECE Regular Contributions	\$679,537	\$679,537	\$679,979
Other ECE Contributions	0	595,486	512,756
Total ECE Contributions	<u>\$679,537</u>	<u>\$1,275,023</u>	<u>\$1,192,734</u>
Other GNWT Contributions	\$0	\$77,538	\$68,900
Total GNWT Contributions	<u>\$679,537</u>	<u>\$1,352,561</u>	<u>\$1,261,634</u>
Government of Canada Contributions			
Jordan's Principle	\$0	\$0	\$210,446
Other Government of Canada	0	0	0
Total Government of Canada Contributions	<u>\$0</u>	<u>\$0</u>	<u>\$210,446</u>
Generated Funds			
Investment Income	\$0	\$1,101	\$608
Other	72,206	54,876	88,268
Total Generated Funds	<u>\$72,206</u>	<u>\$55,977</u>	<u>\$88,876</u>
Total Revenues	<u>\$751,743</u>	<u>\$1,408,538</u>	<u>\$1,560,957</u>
<u>EXPENSES (Schedule 7)</u>			
Administration	\$119,000	\$152,148	\$118,061
School Programs	561,100	1,133,992	1,098,906
Inclusive Schooling	28,407	7,000	0
Indigenous Language and Education	115,769	222,325	135,207
Jordan's Principle	0	0	0
Total Expenses	<u>\$824,276</u>	<u>\$1,515,465</u>	<u>\$1,352,174</u>
Operating Surplus/(Deficit)	<u>(\$72,533)</u>	<u>(\$106,927)</u>	<u>\$208,783</u>
Fund Balance at beginning of year		<u>367,894</u>	<u>159,111</u>
Fund Balance at end of year		<u>\$260,967</u>	<u>\$367,894</u>

HAY RIVER DISTRICT EDUCATION AUTHORITY
SCHEDULE OF EXPENSES
For the Year Ended June 30, 2021

School Programs	Inclusive Schooling	Admin.	Indigenous Language	Jordan's Principle	Fiscal & Transfers	Total
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Salaries

Teachers	\$2,354					\$2,354
Instruction Assistants	\$27,718					\$27,718
Non-Instructional Staff		\$106,983				\$106,983
Board/Trustee Honoraria		\$11,948				\$11,948

Employee Benefits

Employee Benefits/Allowances						\$0
Leave & Termination Benefits						\$0

Services Purchased/Contracted

Professional/Technical Services	\$113,360					\$113,360
Postage/Communication	\$25,813	\$2,994				\$28,807
Utilities						\$0
Travel						\$0
Student Travel		\$26,236				\$26,236
Advertising/Printing/Publishing						\$0
Maintenance/Repair	\$29,643					\$29,643
Rentals/Leases	\$34,450					\$34,450
Contracted Services	\$155,762					\$155,762

Materials/Supplies/Freight

Materials	\$735,264	\$7,000	\$3,987	\$222,325		\$968,576
Freight	\$9,628					\$9,628

Total	\$1,133,992	\$7,000	\$152,148	\$222,325	\$0	\$0	\$1,515,465
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K'ATLODEECHE FIRST NATIONS DISTRICT EDUCATION AUTHORITY
STATEMENT OF FINANCIAL POSITION
as at June 30, 2021

	<u>2021</u>	<u>2020</u>
<u>Financial Assets</u>		
Cash and Cash Equivalents	\$26,421	\$30,333
Other Accounts Receivable (net)	5,836	0
Total Financial Assets	<u>\$32,257</u>	<u>\$30,333</u>
<u>Liabilities</u>		
Accounts Payable & Accrued Liabilities	\$27,834	\$2,411
Deferred Revenue	2,102	0
Total Liabilities	<u>\$29,935</u>	<u>\$2,411</u>
Net Financial Resources	<u>\$2,322</u>	<u>\$27,921</u>
Fund Balance	<u>\$2,322</u>	<u>\$27,921</u>

K'ATLODEECHE FIRST NATIONS DISTRICT EDUCATION AUTHORITY
STATEMENT OF OPERATIONS
For the Year Ended June 30, 2021

	<u>2021 Budget</u> <u>(unaudited)</u>	<u>2021 Actual</u>	<u>2020 Actual</u>
<u>REVENUES</u>			
ECE Contributions			
Regular ECE Contributions	\$75,604	\$75,604	\$92,500
Other ECE Contributions	0	309,266	20,000
Total ECE Contributions	<u>\$75,604</u>	<u>\$384,870</u>	<u>\$112,500</u>
Other GNWT Contributions	\$0	\$48,184	\$33,549
Total GNWT Contributions	<u>\$75,604</u>	<u>\$433,054</u>	<u>\$146,049</u>
Government of Canada Contributions			
Jordan's Principle	\$0	\$0	\$22,034
Other Government of Canada	0	1,836	0
Total Government of Canada Contributions	<u>\$0</u>	<u>\$1,836</u>	<u>\$22,034</u>
Generated Funds			
Investment Income	\$0	\$3	\$3
Donations	0	2,050	2,500
Other	0	35,787	12,750
Total Generated Funds	<u>\$0</u>	<u>\$37,840</u>	<u>\$15,253</u>
Total Revenues	<u>\$75,604</u>	<u>\$472,731</u>	<u>\$183,336</u>
<u>EXPENSES (Schedule 10)</u>			
Administration	\$18,840	\$37,590	\$19,418
School Programs	19,600	393,678	123,277
Inclusive Schooling	0	6,000	21,543
Indigenous Language and Education	37,800	61,062	11,220
Jordan's Principle	0	0	0
Total Expenses	<u>\$76,240</u>	<u>\$498,330</u>	<u>\$175,459</u>
Operating Surplus/(Deficit)	<u><u>(\$636)</u></u>	<u><u>(\$25,599)</u></u>	<u><u>\$7,877</u></u>
Fund Balance at beginning of year		<u>\$27,921</u>	<u>\$20,044</u>
Fund Balance at end of year		<u><u>\$2,322</u></u>	<u><u>\$27,921</u></u>

K'ATLODEECHE FIRST NATIONS DISTRICT EDUCATION AUTHORITY
SCHEDULE OF EXPENSES
For the Year Ended June 30, 2021

School Programs	Inclusive Schooling	Admin.	Indigenous Language	Jordan's Principle	Fiscal & Transfers	Total
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Salaries

Teachers						\$0
Instruction Assistants	\$13,492					\$13,492
Non-Instructional Staff		\$7,391	\$4,888			\$12,278
Board/Trustee Honoraria		\$7,200	\$27,029			\$34,229

Employee Benefits

Employee Benefits/Allowances						\$0
Leave & Termination Benefits						\$0

Services Purchased/Contracted

Professional/Technical Services	\$4,500					\$4,500
Postage/Communication		\$3,269				\$3,269
Utilities						\$0
Travel	\$1,119					\$1,119
Student Travel			\$1,483			\$1,483
Advertising/Printing/Publishing						\$0
Maintenance/Repair	\$12,361		\$4,676			\$17,037
Rentals/Leases	\$1,823	\$4,017				\$5,840
Contracted Services	\$10,962	\$7,899	\$300			\$19,161

Materials/Supplies/Freight

Materials	\$349,393	\$6,000	\$7,190	\$22,686		\$385,270
Freight	\$28		\$625			\$652

Total	\$393,678	\$6,000	\$37,590	\$61,062	\$0	\$0	\$498,330
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FORT RESOLUTION DISTRICT EDUCATION AUTHORITY
STATEMENT OF FINANCIAL POSITION
as at June 30, 2021

	<u>2021</u>	<u>2020</u>
<u>Financial Assets</u>		
Cash and Cash Equivalents	\$57,512	\$111,876
Due from GNWT	0	0
Other Accounts Receivable (net)	0	0
	<hr/>	<hr/>
Total Financial Assets	\$57,512	\$111,876
	<hr/>	<hr/>
<u>Liabilities</u>		
Payroll Liabilities	\$505	\$628
Deferred Revenue	1,626	0
	<hr/>	<hr/>
Total Liabilities	\$2,130	\$628
	<hr/>	<hr/>
Net Financial Resources	\$55,381	\$111,247
	<hr/>	<hr/>
Fund Balance	\$55,381	\$111,247
	<hr/> <hr/>	<hr/> <hr/>

FORT RESOLUTION DISTRICT EDUCATION AUTHORITY
STATEMENT OF OPERATIONS
For the Year Ended June 30, 2021

	<u>2021 Budget</u> <u>(unaudited)</u>	<u>2021 Actual</u>	<u>2020 Actual</u>
<u>REVENUES</u>			
ECE Contributions			
Regular ECE Contributions	\$105,830	\$105,830	\$123,019
Other ECE Contributions	0	116,926	156,043
Total ECE Contributions	\$105,830	\$222,756	\$279,062
Other GNWT Contributions	\$0	\$0	\$51,696
Total GNWT Contributions	\$105,830	\$222,756	\$330,758
Government of Canada Contributions			
Jordan's Principle	\$0	\$0	\$105,923
Other Government of Canada	0	0	0
Total Government of Canada Contributions	\$0	\$0	\$105,923
Generated Funds			
Investment Income	\$0	\$23	\$210
Other	0	38,060	37,763
Total Generated Funds	\$0	\$38,083	\$37,973
Total Revenues	\$105,830	\$260,839	\$474,654
<u>EXPENSES (Schedule 13)</u>			
Administration	\$31,041	\$129,297	\$63,246
School Programs	36,404	128,146	194,661
Inclusive Schooling	0	1,440	106,019
Indigenous Language and Education	38,385	58,028	43,072
Jordan's Principle	0	(206)	0
Total Expenses	\$105,830	\$316,705	\$406,997
Operating Surplus/(Deficit)	\$0	(\$55,866)	\$67,657
Fund Balance at beginning of year		111,247	43,590
Fund Balance at end of year		\$55,381	\$111,247

FORT RESOLUTION DISTRICT EDUCATION AUTHORITY
SCHEDULE OF EXPENSES
For the Year Ended June 30, 2021

School Programs	Inclusive Schooling	Admin.	Indigenous Language	Jordan's Principle	Fiscal & Transfers	Total
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Salaries

Teachers						\$0
Instruction Assistants				(\$206)		(\$206)
Non-Instructional Staff	\$32,736	\$6,602				\$39,338
Board/Trustee Honoraria		\$9,825				\$9,825

Employee Benefits

Employee Benefits/Allowances						\$0
Leave & Termination Benefits						\$0

Services Purchased/Contracted

Professional/Technical Services						\$0
Postage/Communication	\$56	\$4,276				\$4,332
Utilities	\$2,695					\$2,695
Travel	\$751	\$1,754				\$2,505
Student Travel						\$0
Advertising/Printing/Publishing	\$894	\$2,452				\$3,346
Maintenance/Repair		\$8,091				\$8,091
Rentals/Leases	\$17,160	\$2,941				\$20,101
Contracted Services	\$42,950	\$100	\$4,270			\$47,320

Materials/Supplies/Freight

Materials	\$29,843	\$1,406	\$91,155	\$53,420		\$175,825
Freight	\$1,061	\$34	\$2,101	\$338		\$3,534

Total

\$128,146	\$1,440	\$129,297	\$58,028	(\$206)	\$0	\$316,705
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**LUTSEL K'E DISTRICT EDUCATION AUTHORITY
STATEMENT OF FINANCIAL POSITION
as at June 30, 2021**

	<u>2021</u>	<u>2020</u>
<u>Financial Assets</u>		
Cash and Cash Equivalents	\$110,096	\$0
Other Accounts Receivable (net)	<u>0</u>	<u>0</u>
Total Financial Assets	<u>\$110,096</u>	<u>\$0</u>
<u>Liabilities</u>		
Bank Indebtedness	\$0	\$2,718
Deferred Revenue	0	0
Accounts Payable & Accrued Liabilities	<u>27,570</u>	<u>1,056</u>
Total Liabilities	<u>\$27,570</u>	<u>\$3,774</u>
Net Financial Resources	<u>\$82,525</u>	<u>(\$3,774)</u>
Fund Balance	<u><u>\$82,525</u></u>	<u><u>(\$3,774)</u></u>

LUTSEL K'E DISTRICT EDUCATION AUTHORITY
STATEMENT OF OPERATIONS
For the Year Ended June 30, 2021

	<u>2021 Budget</u> <u>(unaudited)</u>	<u>2021 Actual</u>	<u>2020 Actual</u>
<u>REVENUES</u>			
ECE Contributions			
Regular ECE Contributions	\$111,737	\$111,737	\$113,322
Other ECE Contributions	0	218,945	74,603
Total ECE Contributions	<u>\$111,737</u>	<u>\$330,682</u>	<u>\$187,925</u>
Other GNWT Contributions	\$0	\$35,118	\$36,493
Total GNWT Contributions	<u>\$111,737</u>	<u>\$365,800</u>	<u>\$224,418</u>
Government of Canada Contributions			
Jordan's Principle	\$0	\$0	\$40,588
Other Government of Canada	0	0	0
Total Government of Canada Contributions	<u>\$0</u>	<u>\$0</u>	<u>\$40,588</u>
Generated Funds			
Investment Income	\$0	\$0	\$0
Donations	0	0	9,765
Other	0	48,635	79,430
Total Generated Funds	<u>\$0</u>	<u>\$48,635</u>	<u>\$89,195</u>
Total Revenues	<u>\$111,737</u>	<u>\$414,435</u>	<u>\$354,201</u>
<u>EXPENSES (Schedule 16)</u>			
Administration	\$50,600	\$29,178	\$31,126
School Programs	46,137	171,905	217,807
Inclusive Schooling	0	7,975	46,719
Indigenous Language and Education	15,000	108,997	56,363
Jordan's Principle	0	10,081	0
Total Expenses	<u>\$111,737</u>	<u>\$328,136</u>	<u>\$352,015</u>
Operating Surplus/(Deficit)	<u>\$0</u>	<u>\$86,299</u>	<u>\$2,186</u>
Fund Balance at beginning of year		<u>(3,774)</u>	<u>(5,960)</u>
Fund Balance at end of year		<u>\$82,525</u>	<u>(\$3,774)</u>

LUTSEL K'E DISTRICT EDUCATION AUTHORITY
SCHEDULE OF EXPENSES
For the Year Ended June 30, 2021

School Programs	Inclusive Schooling	Admin.	Indigenous Language	Jordan's Principle	Fiscal & Transfers	Total
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Salaries

Teachers						\$0
Instruction Assistants	(\$151)					(\$151)
Non-Instructional Staff						\$0
Board/Trustee Honoraria		\$5,700				\$5,700

Employee Benefits

Employee Benefits/Allowances		\$248				\$248
Leave & Termination Benefits						\$0

Services Purchased/Contracted

Professional/Technical Services						\$0
Postage/Communication	\$1,588		\$2,547			\$4,135
Utilities						\$0
Travel	\$612		\$216			\$829
Student Travel						\$0
Advertising/Printing/Publishing	\$449					\$449
Maintenance/Repair			\$6,960			\$6,960
Rentals/Leases	\$2,015	\$1,481	\$1,509	\$4,281		\$9,287
Contracted Services	\$29,828	\$1,158	\$2,700	\$61,250		\$94,935

Materials/Supplies/Freight

Materials	\$115,472	\$4,336	\$7,512	\$32,239	\$10,081	\$169,641
Freight	\$22,091	\$1,000	\$2,002	\$11,010		\$36,103

Total	\$171,905	\$7,975	\$29,178	\$108,997	\$10,081	\$0	\$328,136
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**SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL
NON-CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at June 30, 2021**

	<u>2021</u>	<u>2020</u>
<u>Financial Assets</u>		
Cash and Cash Equivalents	\$9,695,468	\$8,620,209
Due from the GNWT	27,556	202,293
Other Accounts Receivable	156,650	162,916
	<hr/>	<hr/>
Total Financial Assets	<u>\$9,879,674</u>	<u>\$8,985,418</u>
<u>Liabilities</u>		
Current		
Accounts Payable and Accrued Liabilities	\$33,272	\$20,677
Due to the GNWT	75,085	136,503
Payroll Liabilities	2,392,289	2,077,189
Deferred Revenue	1,700,406	833,935
Post-Employment Benefits	2,194,535	2,650,694
	<hr/>	<hr/>
Total Liabilities	<u>\$6,395,587</u>	<u>\$5,718,998</u>
Net Financial Resources	<u>\$3,484,087</u>	<u>\$3,266,420</u>
<u>Non-Financial Assets</u>		
Prepaid Expenses (Note 20)	\$0	\$0
Accumulated Fund Balance	<u><u>\$3,484,087</u></u>	<u><u>\$3,266,420</u></u>

SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL
NON-CONSOLIDATED STATEMENT OF CHANGES IN NET DEBT
For the Year Ended June 30, 2021

	<u>2021</u>	<u>2020</u>
Annual Surplus/(Deficit) (Schedule 19)	\$217,668	(\$779,168)
Prior Year Adjustments	<u>0</u>	<u>0</u>
Increase/(Decrease) in Net Financial Resources	\$217,668	(\$779,168)
Opening Net Financial Resources	<u>3,266,420</u>	<u>4,045,588</u>
Closing Net Financial Resources	<u><u>\$3,484,088</u></u>	<u><u>\$3,266,420</u></u>

**SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL
NON-CONSOLIDATED STATEMENT OF OPERATIONS
For the Year Ended June 30, 2021**

	2021 Budget (unaudited)	<u>2021 Actual</u>	<u>2020 Actual</u>
<u>REVENUES</u>			
ECE Contributions			
Regular ECE Contributions	\$24,103,092	\$25,294,194	\$24,117,729
Other ECE Contributions	260,000	2,695,246	625,746
Total ECE Contributions	<u>\$24,363,092</u>	<u>\$27,989,440</u>	<u>\$24,743,475</u>
Other GNWT Contributions	\$15,000	\$16,079	\$47,933
Total GNWT Contributions	<u>\$24,378,092</u>	<u>\$28,005,519</u>	<u>\$24,791,408</u>
Government of Canada Contributions			
Jordan's Principle	\$0	\$2,444,293	\$772,086
Other Government of Canada	0	0	1,000
Total Government of Canada Contributions	<u>\$0</u>	<u>\$2,444,293</u>	<u>\$773,086</u>
Other Education Bodies	\$0	\$0	\$0
Generated Funds			
Investment Income	\$150,000	\$48,249	\$142,010
Non-GNWT Contributions	70,000	86,319	101,991
Donations	0	0	0
Other	0	18,825	25,871
Total Generated Funds	<u>\$220,000</u>	<u>\$153,393</u>	<u>\$269,872</u>
Total Revenues	<u>\$24,598,092</u>	<u>\$30,603,205</u>	<u>\$25,834,366</u>
<u>EXPENSES (Schedule 20)</u>			
Administration	\$2,142,375	\$2,018,328	\$1,951,739
School Programs	15,291,214	15,645,670	14,456,531
Inclusive Schooling	5,077,792	5,111,109	5,766,361
Indigenous Language and Education	1,922,180	2,031,819	1,710,255
Jordan's Principle	0	2,444,293	0
Transfers to DEAs	1,531,184	3,134,317	2,728,648
Total Expenses	<u>\$25,964,745</u>	<u>\$30,385,537</u>	<u>\$26,613,534</u>
Operating Surplus/(Deficit)	<u>(\$1,366,653)</u>	\$217,668	(\$779,168)
Fund Balance at beginning of year		<u>3,266,420</u>	<u>4,045,588</u>
Fund Balance at end of year		<u>\$3,484,088</u>	<u>\$3,266,420</u>

SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL
SCHEDULE OF EXPENSES
(Non-Consolidated)
For the Year Ended June 30, 2021

School Programs	Inclusive Schooling	Admin.	Indigenous Language	Jordan's Principle	Fiscal & Transfers	Total
Salaries						
Teachers	\$13,306,432	\$2,198,292		\$1,247,520		\$16,752,244
Instruction Assistants		\$1,995,495		\$392,368	\$2,444,293	\$4,832,156
Non-Instructional Staff	\$1,908,646	\$416,562	\$1,389,833	\$81,306		\$3,796,347
Board/Trustee Honoraria			\$3,950			\$3,950
Employee Benefits						
Employee Benefits/Allowances	\$154,367	\$116,891	\$18,485	\$37,405		\$327,148
Leave & Termination Benefits	(\$138,638)	\$76,867	\$5,647	\$24,598		(\$31,526)
Services Purchased/Contracted						
Professional/Technical Services	\$49,826	\$9,028	\$143,670	\$27,008		\$229,531
Postage/Communication			\$31,126	\$147		\$31,274
Utilities						\$0
Travel	\$19,554	\$26,746	\$43,379	\$8,628		\$98,308
Student Travel		\$2,158				\$2,158
Advertising/Printing/Publishing		\$3,598	\$12,834	\$29,008		\$45,439
Maintenance/Repair			\$7,811			\$7,811
Rentals/Leases			\$173,156	\$1,000		\$174,156
Contracted Services	\$154,841	\$26,048		\$83,988		\$264,877
Materials/Supplies/Freight						
Materials	\$189,941	\$234,058	\$185,006	\$97,291		\$706,296
Freight	\$701	\$5,367	\$3,430	\$1,554		\$11,051
Transfers to DEA's						
					\$3,134,317	\$3,134,317
Total	\$15,645,670	\$5,111,109	\$2,018,328	\$2,031,819	\$2,444,293	\$30,385,537

**SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL
SCHEDULE OF SPECIFIC PROGRAM EXPENSES
INCLUSIVE SCHOOLING
For the Year Ended June 30, 2021**

General Expenditures	Staff Development	Assistive Technology	Magnet Facilities	Total
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Salaries

Regional Coordinator	\$285,300			\$285,300
Program Support Teachers	\$1,971,496	\$7,057	\$221,336	\$2,199,889
Support Assistants	\$2,125,159			\$2,125,159

Employee Benefits

Employee Benefits/Allowances *	\$193,758			\$193,758
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Services Purchased/Contracted

Professional/Technical Services	\$9,028			\$9,028
Travel		\$26,746		\$26,746
Student Transportation (Bussing)	\$2,158			\$2,158
Advertising/Printing/Publishing	\$3,598			\$3,598
Maintenance/Repair				\$0
Rentals/Leases	\$1,481			\$1,481
Contracted Services	\$27,206			\$27,206

Materials/Supplies/Freight

Materials	\$195,856	\$17,711	\$47,565	\$261,132
Freight	\$1,034		\$5,367	\$6,401

Total	\$4,816,074	\$51,514	\$52,932	\$221,336	\$5,141,856
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* From Schedule 20

**SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL
SCHEDULE OF SPECIFIC PROGRAM EXPENDSES
INDIGENOUS LANGUAGE AND EDUCATION
For the Year Ended June 30, 2021**

	Student Instruction	Teaching Resources	Professional Development	School ** Activities	Total
Salaries					
ILE Teachers	\$1,239,979		\$7,541		\$1,247,520
Language Consultants		\$81,306			\$81,306
Instruction Assistants	\$392,368				\$392,368
Non-Instructional Staff				\$4,888	\$4,888
Honoraria				\$27,029	\$27,029
Employee Benefits					
Employee Benefits/Allowances *	\$62,003				\$62,003
Services Purchased/Contracted					
Professional/Technical Services	\$27,008				\$27,008
Travel			\$8,628	\$216	\$8,844
Student Transportation (Bussing)				\$1,483	\$1,483
Advertising/Printing/Publishing	\$29,008				\$29,008
Maintenance/Repair				\$4,676	\$4,676
Rentals/Leases	\$1,000			\$4,281	\$5,281
Contracted Services	\$83,988			\$65,820	\$149,808
Materials/Supplies/Freight					
Materials	\$53,925		\$2,865	\$508,808	\$565,598
Freight	\$1,554			\$11,348	\$12,902
Total	\$1,890,832	\$81,306	\$19,035	\$628,549	\$2,619,721

* 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, 2021**

	Contributions July 1, 2020 to June 30, 2021	SSDEC Commitment July 1, 2020 to June 30, 2021	Total Expenses July 1, 2020 to June 30, 2021	Under/(Over) Funding
Bilateral Agreement Funding				
Core French 1-12 (salary)		\$397,782	\$438,227	(\$40,445)
Immersion Pioneer Class (salary)	\$273,000	305,592	692,938	(114,346)
Resources		15,000	32,565	(17,565)
Partnership with YK1	15,000		15,100	(100)
French Monitor		5,000	22,253	(17,253)
Professional Development		5,000	4,000	1,000
French Language Communications				
Intensive French: Salary	98,700	355,096	283,145	170,651
Intensive French: Retention/Recruitment	5,100	370		5,470
Intensive French: Resources				0
Intensive French: Training/Visits				0
Totals	\$391,800	\$1,083,840	\$1,488,228	(\$12,588)

**SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL
SCHEDULE OF SPECIFIC PROGRAM EXPENDITURES
NWT STUDENT SUCCESS INITIATIVE - PROFESSIONAL DEVELOPMENT
For the Period July 1, 2020 to June 30, 2021**

	Budget 2020/21	Actual 2020/21
<u>Revenue</u>		
Education, Culture and Employment	\$55,000	\$55,000
NWTTA		70,650
Total Revenue	\$55,000	\$125,650
<u>Expenditures</u>		
<u>Salaries/Wages</u>		
Salaries	\$581,852	\$923,255
Facilitator's Fees	166,703	166,703
Substitute Teachers Wages	16,500	1,412
<u>Travel</u>		
Facilitator Travel		50
Staff Travel	28,550	198
Accommodation	17,000	171
Per Diems	13,500	
<u>Workshop Expenses</u>		
Room Rental		
Tuition		1,772
Refreshments	3,000	71
Resources	47,900	144,850
Miscellaneous	23,600	8,955
Total Expenses	\$898,605	\$1,247,437
Net Surplus/(Deficit)	(\$843,605)	(\$1,121,787)

**SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL
SCHEDULE OF SPECIFIC PROGRAM EXPENDITURES
NORTHERN DISTANCE LEARNING
For the Year Ended June 30, 2021**

	Budget 2020/21	Fort Resolution	Lutsel K'e	Total	July 1, 2020 to March 31, 2021	April 1, 2021 to June 30, 2021	Total 2020/21
Revenues							
Education, Culture & Employment	\$60,500	\$29,250	\$31,250	\$60,500	\$40,535	\$19,965	\$60,500
Other							\$0
Total Funding	\$60,500	\$29,250	\$31,250	\$60,500	\$40,535	\$19,965	\$60,500
Expenditures							
Support Persons	\$60,500	\$29,250	\$31,250	\$60,500	\$25,684	\$7,312	\$32,996
Network Charges				\$0			\$0
Total Expenditures	\$60,500	\$29,250	\$31,250	\$60,500	\$25,684	\$7,312	\$32,996
Surplus/(Deficit)	\$0	\$0	\$0	\$0	\$14,851	\$12,653	\$27,504

Schedule 26

**SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL
SCHEDULE OF SPECIFIC PROGRAM EXPENDITURES
Jordan's Principle
For the Year Ended June 30, 2021**

	June 30, 2021 Budget	June 30, 2021 Actual	June 30, 2020 Actual	July 1, 2020 to March 31, 2021 Actual	April 1, 2021 to June 30, 2021 Actual
Revenue					
Government of Canada					
- First Nations and Inuit Health Branch	\$1,610,207	\$1,663,038	\$694,100	\$211,247	\$1,451,791
Carry Forward from Previous Year	\$833,935	\$833,935	\$582,928	\$833,935	
Total Revenue	\$2,444,142	\$2,496,973	\$1,277,028	\$1,045,182	\$1,451,791
Expenditures					
Administration					
Personnel	\$2,193,135	\$2,444,810	\$1,168,845	\$1,775,687	\$669,123
Transportation		\$7,219	\$18,378	\$5,414	\$1,805
Materials and Supplies		\$20,929	\$36,888	\$15,697	\$5,232
Rent and Utilities					
Evaluation					
Other		\$34,798	\$29,426	\$26,099	\$8,699
Total Expenditures	\$2,193,135	\$2,507,756	\$1,253,537	\$1,822,897	\$684,859
Surplus/(Deficit)	\$251,007	(\$10,783)	\$23,491	(\$777,715)	\$766,932
Deferred Revenue	\$251,007	(\$10,783)	\$23,491		

Schedule 27

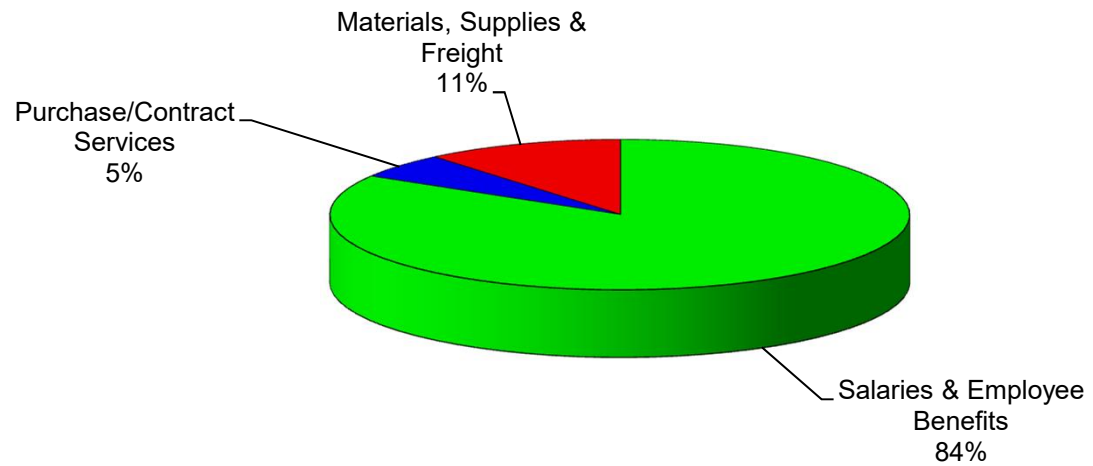
South Slave Divisional Education Council
 2020/21 Fund Balances
 (Unaudited)

	SSDEC	Fort Smith	Hay River	K'atlodeeche	Fort Resolution	Lutsel K'e	
Fund Balances as per audited Financial Statements	\$3,484,088	\$52,865	\$260,967	\$2,322	\$55,381	\$82,525	\$454,060
less: Staffing Surpluses							
- Lutsel K'e Dene School	\$85,577						
- Paul William Kaeser	\$287,446						
- Harry Camsell	\$90,508						
- Joseph Burr Tyrrell	\$128,540						
- Chief Sunrise	\$44,650						
- Princess Alexandra	\$106,693						
- Diamond Jenness Secondary School	\$167,082						
- Deninu School	\$166,627						
							(\$1,077,123)
Commitments against surpluses							
- Council Office							
- Fort Resolution DEA plan							
- Lutsel K'e DEA plan							(\$73,450)
- K'atlodeeche plan				\$0			
- Hay River DEA plan (bus depreciation)			(\$236,120)				
- Fort Smith plan		(\$17,976)			(\$47,932)		
Uncommitted Fund Balance	\$2,406,965	\$34,889	\$24,847	\$2,322	\$7,449	\$9,075	
2021/22 contributions from SSDEC		\$498,414	\$506,880	\$127,194	\$106,418	\$129,649	
Fund Balance percentage *		7.00%	4.90%	1.83%	7.00%	7.00%	

* Calculated as per SSDEC policy DFAA - Financial Surplus
 maximum SSDEC fund balance as per policy DFAA - Financial Surplus **\$2,142,224**

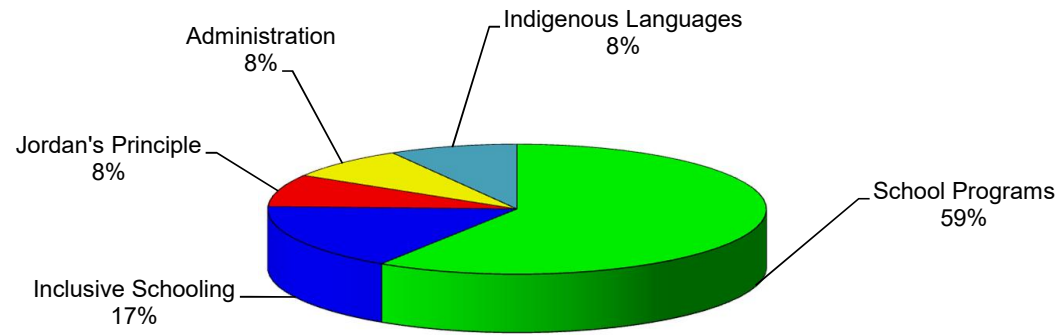
Salaries & Employee Benefits	\$26,027,102
Purchase/Contract Services	\$1,677,477
Materials, Supplies & Freight	\$3,443,740
Total	\$31,148,319

South Slave Divisional Education Council Details of Expenditures For the Year Ended June 30, 2021



School Programs	\$18,410,456
Inclusive Schooling	\$5,135,856
Jordan's Principle	\$2,507,756
Administration	\$2,498,636
Indigenous Languages	\$2,595,615
Total	\$31,148,319

**South Slave Divisional Education Council
Expenditures by Function
For the Year Ended June 30, 2021**



Yellowknife Catholic Schools
(Yellowknife Public Denominational District Education Authority)

Consolidated Financial Statements

June 30, 2021

Yellowknife Catholic Schools
(Yellowknife Public Denominational District Education Authority)

Consolidated Financial Statements

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Yellowknife Catholic Schools
(Yellowknife Public Denominational District
Education Authority)

Annual Financial Report

June 30, 2021



Yellowknife Catholic Schools

MANAGEMENT'S DISCUSSION AND ANALYSIS

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, 2021 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. Erin Currie is the Chair and Mr. Steven Voytilla is the Vice Chair. Other trustees are Revi Lau-a, Lori MacMillan Gallant, Candace Meadus, Tina Schauerte and Susan Waddell. There are two committees in place – Finance and Facilities. Trustee meetings are held each month and are open to the public.

See accompanying Financial Statements



Yellowknife Catholic Schools

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, the Yellowknife Family Centre, Jim Murphy Maintenance Building and the Central Services Building. All of our facilities are in excellent condition.

The senior administration team during the 2020-2021 school year consisted of Simone Gessler-Superintendent; Pat Sullivan- Assistant Superintendent - Learning and Chris Cahoon - 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, 2020 and the teachers that were employed as of September 30, 2020.

	Enrolment	Teachers	Pupil/Teacher Ratio
École St Patrick High School	489	33	15
Weledeh Catholic School	350	22	16
École St Joseph School	615	35	16
KCTC	0	4	0
TTC	0	1	0
	1,454	95	15

There were a total of 202 staff at YCS as of June 2021.

See accompanying Financial Statements



Yellowknife Catholic Schools

Financial Condition

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.

Highlights of YCS Financial Position

Financial Assets

The financial assets of YCS consist of cash and accounts receivable. The cash balance was \$10,622,607 on June 30, 2021 (prior year - \$7,636,723) and indicates a good cash flow. The financial position at June 30, 2021 was \$10,802,382 (prior year \$8,401,609).

Liabilities

Liabilities consist of payroll liabilities, accounts payable and long term debt. The payroll liabilities consist of payroll liabilities to staff for July and August. The long term debt was reduced by \$116,281 during the year and is for a debenture on the Tallah building. Rental revenue for the Tallah building will more than cover 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 of the entity's debts with financial assets. This year the net surplus is \$3,589,230 compared to the prior year with a net surplus of \$3,046,233. 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 \$38,508,672 to \$37,752,125 which mainly reflects the change in the value of the tangible capital assets owned by Yellowknife Catholic Schools.

The \$1,063,712 decrease in tangible capital assets relates to depreciation of tangible capital assets for this fiscal year partially offset by renovation projects at Weledeh Catholic School.

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 69 years. 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.

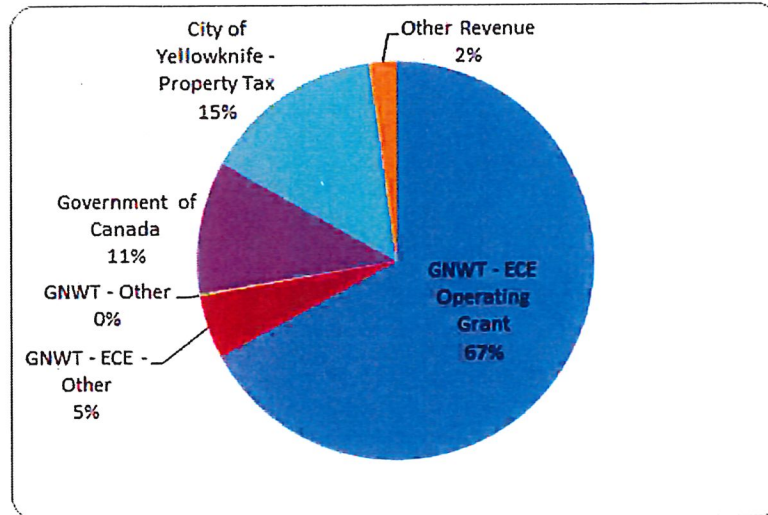
See accompanying Financial Statements



Yellowknife Catholic Schools

Highlights of YCS Operations

Operating Revenue



Operating Revenue

The majority 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. 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 72% of the revenue is from the Government of Northwest Territories.

During the year, Yellowknife Catholic Schools received funding from Jordan's Principle – Government of Canada - 11% 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 – 15% 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.

See accompanying Financial Statements



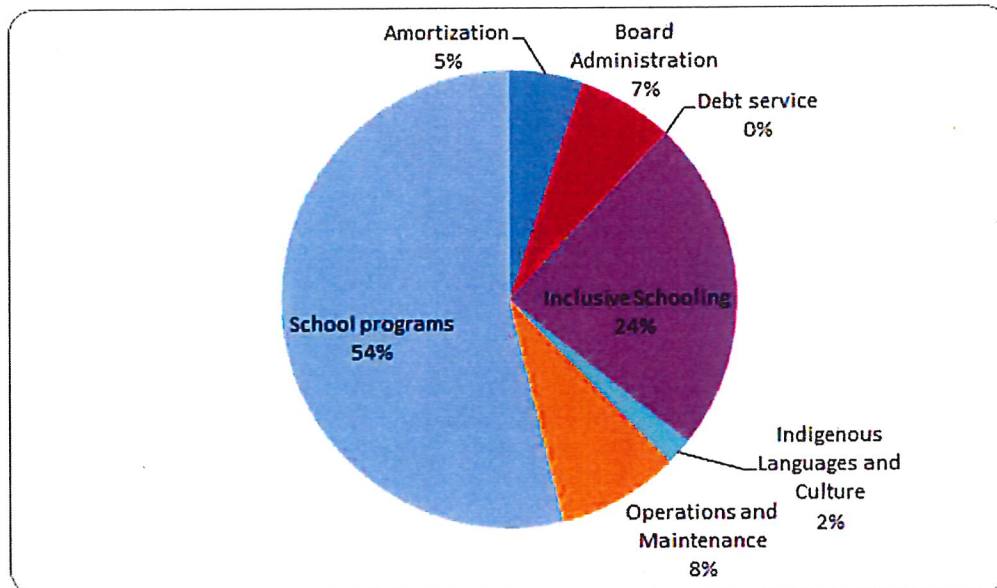
Yellowknife Catholic Schools

YCS is economically dependent upon the GNWT for the majority 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.

Operating 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



See accompanying Financial Statements



Yellowknife Catholic Schools

Expenditures – By Program

Program categories for YCS are:

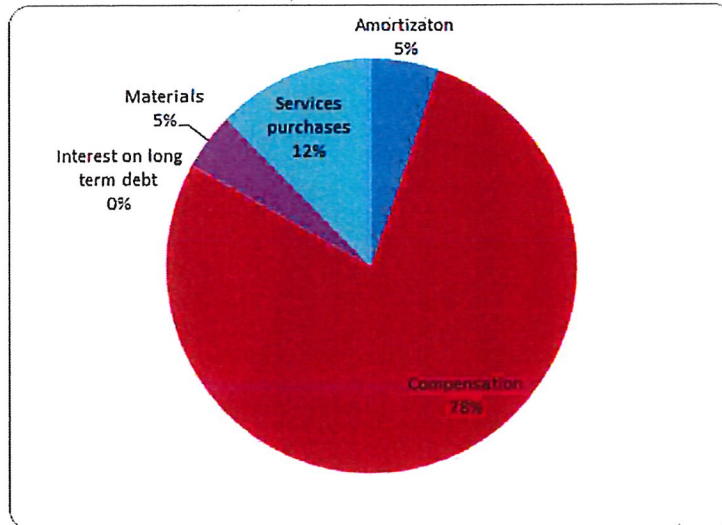
- Indigenous Language Education (2%): Includes salary and benefits of Wiliideh Yati Language instructors, salary and benefits of the literacy coach, costs related to the creation of learning materials in the Wiliideh Yati language and the cost of running our indigenous language and culture camps.
- Board Administration (7%): 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 (24%): 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.
- Operations and maintenance (8%): 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 (54%): Salary and benefits for the majority of 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.
- 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.

See accompanying Financial Statements



Yellowknife Catholic Schools

Expenditures by Object



Expenditures by Object

- **Compensation (78%):** 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 (5%):** 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 debenture.

See accompanying Financial Statements



Yellowknife Catholic Schools

Operating Surplus

At the end of the year, there was an operating surplus of \$3,791,601.

Summary of Accumulated Surplus

	Opening	Increase (Decrease)	Closing
Operating fund surplus	3,244,331	547,270	3,791,601
Investment in tangible capital assets	37,811,525	(947,431)	36,864,094
Decentralized budget accumulated surplus	499,053	186,607	685,660
	41,554,909	(213,554)	41,341,355

The operating fund surplus increased by \$547,270 during the year. This was mainly due to changes in the tangible capital assets and increased funding from the Government of the Northwest Territories.

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 renovation projects at Weledeh Catholic School and acquisition of equipment.

The decentralized budget accumulated surplus consists of funds, which are committed to or designated to specific purposes. The majority of these funds are professional development obligations carried forward under the terms of employment contracts. Other significant amounts in the decentralized budget accumulated surplus are school-based funds. Decisions on expenditure of school based funds are made by individual schools under YCS' School-Based Decision Making procedure.

See accompanying Financial Statements



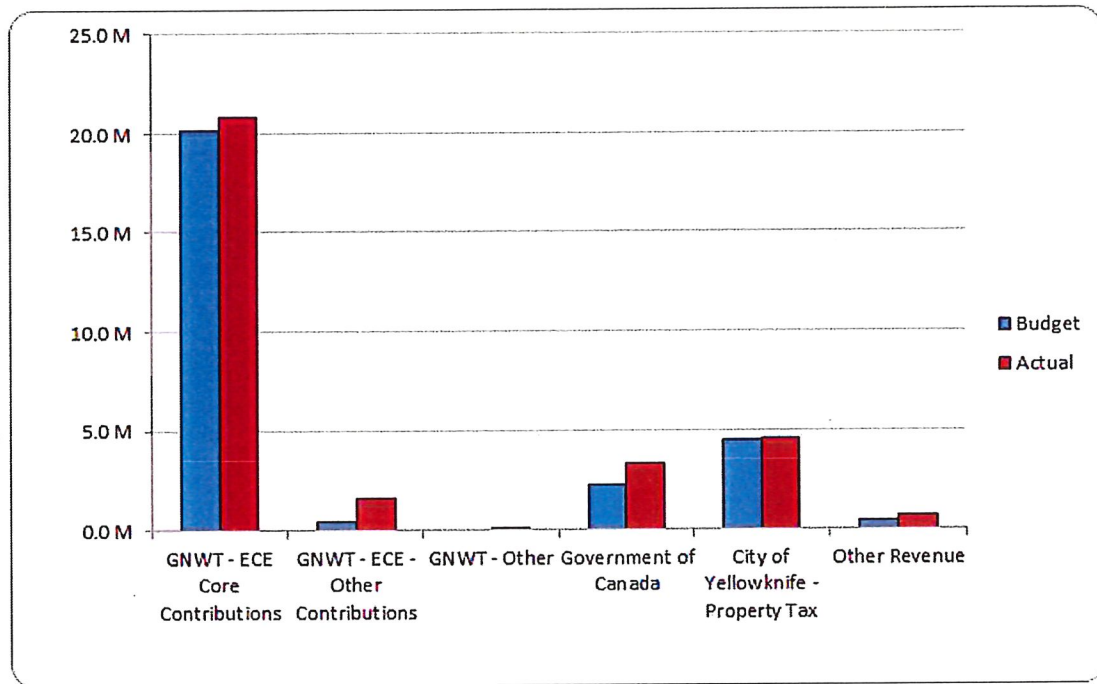
Yellowknife Catholic Schools

Budget Variance

Revenue

In the 2020-2021 fiscal year, an annual deficit of \$1,615,000 was budgeted and the actual deficit was \$125,226. The budgeted revenue for 2020-2021 was \$27,847,006 and the actual revenue was \$31,031,634. The increase in revenue is due to increased core and other contributions from the Government of Northwest Territories through Education, Culture and Employment and Jordan's Principle funding from the Government of Canada.

Revenue - Budget vs. Actual



See accompanying Financial Statements

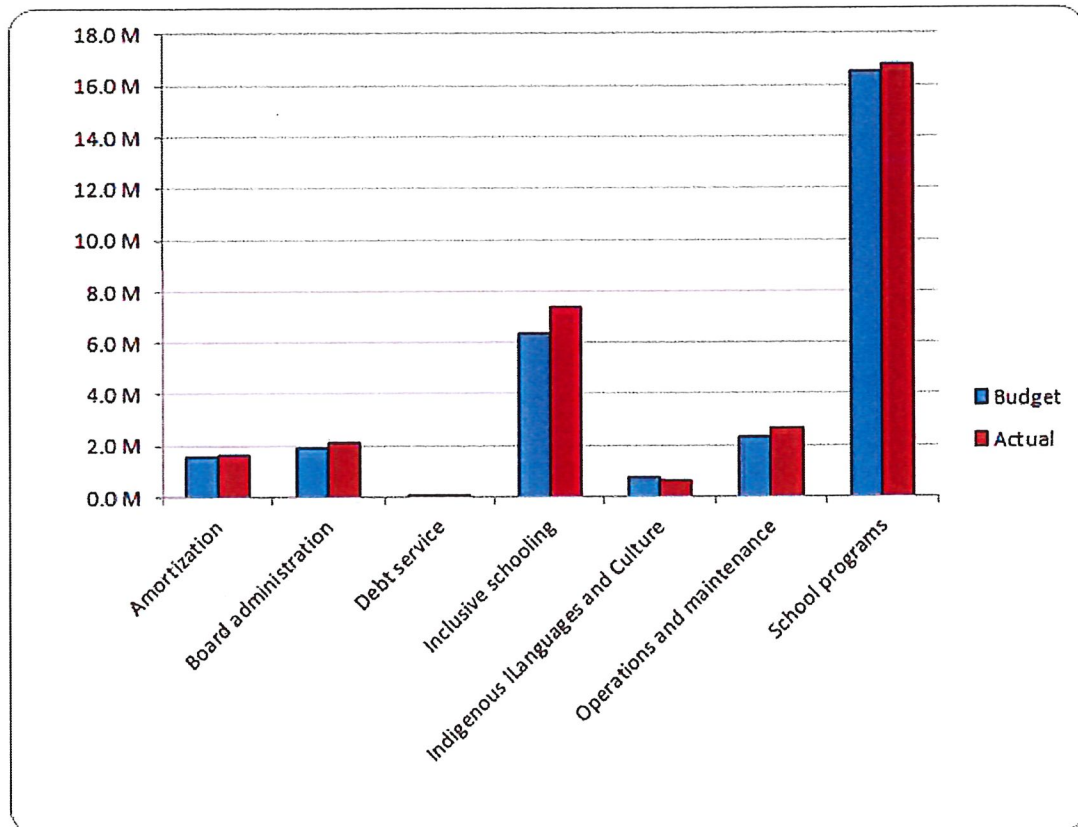


Yellowknife Catholic Schools

Expenditures

The budgeted expenditures for the 2020-2021 fiscal year were \$29,462,006 and the actual expenditures were \$31,245,188 resulting in a variance (over-expenditure) of \$1,783,182. The variance is primarily attributed to additional resources in order to support Indigenous students under Jordan's Principle and expenditures to safely reopen schools during the pandemic.

Expenditures – Budget vs. Actual



See accompanying Financial Statements



Yellowknife Catholic Schools

Summary and Outlook

The 2021-2022 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 2021-2022, 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.

See accompanying Financial Statements

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, 2021

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 17, 2021



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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 consolidated financial statements of Yellowknife Catholic Schools, (the "Authority") which comprise of the consolidated statement of financial position as at June 30, 2021, 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, 2021, 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, 2021 are not recognized not audited in the accompanying financial statements.

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 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 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 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 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 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 17, 2021**

Chartered Professional Accountants

Yellowknife Catholic Schools
 (Yellowknife Public Denominational District Education Authority)

Consolidated Statement of Financial Position

As at June 30,	2021	2020
Financial Assets		
Cash and cash equivalents (Note 4)	\$ 10,622,607	\$ 7,636,723
Accounts receivable (Note 8)	27,705	554,089
Due from the Government of Canada (Note 13)	152,070	210,797
	10,802,382	8,401,609
Liabilities		
Accounts payable and accrued liabilities (Note 10)	283,894	192,811
Accrued payroll liabilities (Note 10)	3,417,327	3,024,310
Deferred revenue (Note 11)	2,213,574	826,912
Payroll benefits payable	18,518	16,452
Pensions (Note 15)	130,500	88,000
Long-term debt (Note 16)	404,460	520,741
Post-employment benefits and compensated absences (Note 17)	744,879	686,150
	7,213,152	5,355,376
Net Financial Assets	3,589,230	3,046,233
Non-Financial Assets		
Tangible capital assets (Note 19)	37,268,554	38,332,266
Prepaid expenses (Note 20)	483,571	176,410
	37,752,125	38,508,676
Accumulated Surplus	\$ 41,341,355	\$ 41,554,909
Represented by:		
Operating fund surplus	\$ 3,791,601	\$ 3,244,331
Investment in tangible capital assets	36,864,094	37,811,525
Decentralized budget accumulated surplus	685,660	499,053
	\$ 41,341,355	\$ 41,554,909

Contractual Obligations (Note 22), Contingencies (Note 23)

Approved on behalf of the Board

 Trustee

 Trustee

Yellowknife Catholic Schools
(Yellowknife Public Denominational District Education Authority)

Consolidated Statement of Operations

For the period ended June 30,	2021 Budget	2021 Actual	2020 Actual
Revenues			
Government of the Northwest Territories			
ECE - Regular Contributions	\$ 20,163,605	\$ 20,828,867	\$ 19,624,178
ECE - Other contributions	432,150	1,592,999	450,760
Total ECE contributions (Note 31)	20,595,755	22,421,866	20,074,938
GNWT - Other contributions (Note 32)	-	51,075	100,442
Total GNWT contributions	20,595,755	22,472,941	20,175,380
Government of Canada - grants and contributions	2,291,251	3,363,723	1,607,452
City of Yellowknife - property tax requisitioned	4,494,000	4,537,098	4,472,210
Other Education Authorities			
Extra - jurisdictional tuition	75,000	34,678	130,650
Education authority generated funds			
Donations	-	69,800	44,420
Fees and Sales	151,000	212,189	150,282
Investments	60,000	70,354	133,678
Other	-	94,742	502,220
Rentals	180,000	176,109	174,319
Total generated funds	391,000	623,194	1,004,919
	27,847,006	31,031,634	27,390,611
Expenses			
School Programs (Schedule 1)	16,520,768	16,789,469	15,938,989
Inclusive Schooling (Schedule 2)	4,019,793	3,986,279	3,850,188
Board Administration (Schedule 1)	1,910,740	2,108,679	1,405,451
Operations and Maintenance (Schedule 1)	2,345,575	2,734,989	2,373,499
Indigenous Languages and Culture (Schedule 3)	750,879	596,172	662,075
Jordan's Principle (Schedule 1)	2,299,251	3,363,723	1,604,163
Amortization (Schedule 1)	1,600,000	1,662,158	1,659,313
Debenture Interest (Schedule 1)	15,000	3,719	10,884
	29,462,006	31,245,188	27,504,562
Operating deficit	(1,615,000)	(213,554)	(113,951)
Opening accumulated surplus	41,554,909	41,554,909	41,668,860
Closing accumulated surplus	\$ 39,939,909	\$ 41,341,355	\$ 41,554,909

Yellowknife Catholic Schools
 (Yellowknife Public Denominational District Education Authority)

Consolidated Statement of Changes in Net Assets

For the period ended June 30,	2021 Budget	2021 Actual	2020 Actual
Operating deficit	\$ (1,615,000)	\$ (213,554)	\$ (113,951)
Acquisition of tangible capital assets	-	(598,446)	(241,363)
Amortization of tangible capital assets	1,600,000	1,662,158	1,659,313
Change in prepaid expenses and deposits	-	(307,161)	(113,131)
Increase (decrease) in net assets	(15,000)	542,997	1,190,868
Net assets, beginning of year	3,046,233	3,046,233	1,855,365
Net assets, end of year	\$ 3,031,233	\$ 3,589,230	\$ 3,046,233

Yellowknife Catholic Schools
 (Yellowknife Public Denominational District Education Authority)

Consolidated Statement of Cash Flows

For the year ended June 30,	2021 Actual	2020 Actual
Cash provided by (used in):		
Operating transactions		
Cash used in:		
Operating deficit	\$ (213,554)	\$ (113,951)
Items not affecting cash:		
Amortization	1,662,158	1,659,313
	1,448,604	1,545,362
Changes in non-cash working capital items		
Decrease in accounts receivable	526,384	415,793
Decrease (increase) in due from the Government of Canada	58,727	(83,290)
Increase in prepaid expenses	(307,161)	(113,131)
Increase (decrease) in accounts payable and accrued liabilities	91,083	(498,383)
Increase in accrued payroll liabilities	393,017	51,944
Increase in pensions	42,500	17,700
Increase (decrease) in post-employment benefits and compensated absences	58,729	(357,416)
Increase in deferred revenue	1,386,662	328,074
Increase (decrease) in payroll benefits payable	2,066	(2,185)
	2,252,007	(240,894)
Cash provided by (used in) operating transactions	3,700,611	1,304,468
Financing transaction		
Repayment of long-term debt	(116,281)	(108,516)
Capital transaction		
Acquisition of tangible capital assets	(598,446)	(241,363)
Increase in cash and cash equivalents	2,985,884	954,589
Cash and cash equivalents, beginning of year	7,636,723	6,682,134
Cash and cash equivalents, end of year	\$ 10,622,607	\$ 7,636,723

Yellowknife Catholic Schools
 (Yellowknife Public Denominational District Education Authority)

Consolidated Statement of Accumulated Surplus

For the period ended June 30,	2021	2020
Operating Fund Surplus		
Operating fund surplus, beginning of year	\$ 3,244,331	\$ 2,266,829
Operating deficit	(213,554)	(113,951)
Transfer from investment in tangible capital assets	947,431	1,309,434
Transfer to decentralized budget accumulated surplus	(186,607)	(217,981)
Operating fund surplus, end of year	\$ 3,791,601	\$ 3,244,331
Transfer from investment in tangible capital assets consists of:		
Amortization	\$ 1,662,158	\$ 1,659,313
Capital acquisitions	(598,446)	(241,363)
Debenture principal repayment	(116,281)	(108,516)
	\$ 947,431	\$ 1,309,434
Investment in Tangible Capital Assets		
Investment in tangible capital assets, beginning of year	\$ 37,811,525	\$ 39,120,959
Amortization	(1,662,158)	(1,659,313)
Capital acquisitions	598,446	241,363
Debenture principal repayment	116,281	108,516
Investment in tangible capital assets, end of year	\$ 36,864,094	\$ 37,811,525
Decentralized Budget Accumulated Surplus		
Decentralized budget accumulated surplus, beginning of year	\$ 499,053	\$ 281,072
Transfer from (to) operating fund surplus	186,607	217,981
Decentralized budget accumulated surplus, end of year	\$ 685,660	\$ 499,053
Total Accumulated Surplus	\$ 41,341,355	\$ 41,554,909

Yellowknife Catholic Schools
(Yellowknife Public Denominational District Education Authority)

Notes to Consolidated Financial Statements

June 30, 2021

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, 2021

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 of the reversal, to a maximum of the related accumulated impairment charges recorded in respect of the

Yellowknife Catholic Schools
(Yellowknife Public Denominational District Education Authority)

Notes to Consolidated Financial Statements

June 30, 2021

2. Significant Accounting Policies (continued)

(c) Financial Instruments (continued)

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 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, 2021

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

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, 2021

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.

(h) Measurement Uncertainty

Yellowknife Catholic Schools
(Yellowknife Public Denominational District Education Authority)

Notes to Consolidated Financial Statements

June 30, 2021

2. Significant Accounting Policies (continued)

(h) Measurement Uncertainty (continued)

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, 2021.

Yellowknife Catholic Schools
(Yellowknife Public Denominational District Education Authority)

Notes to Consolidated Financial Statements

June 30, 2021

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, 2021

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, 2021.

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, 2021

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 July 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 July 1, 2022. Earlier adoption is permitted.

Yellowknife Catholic Schools
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Notes to Consolidated Financial Statements

June 30, 2021

4. Cash and Cash Equivalents

	2021	2020
Cash and cash equivalents	\$ 10,622,607	\$ 7,636,723

The cash is held in a bank account with the Canadian Imperial Bank of Commerce ("CIBC") and is invested with the GNWT's investment pool.

5. Special Purpose Funds

YCS does not have special purpose funds.

6. Restricted Assets

YCS does not have any restricted assets.

7. Portfolio Investments

YCS does not have any portfolio investments.

8. Accounts Receivable

	Accounts Receivable	AFDA	Net 2021	2020
Due from GNWT	\$ 6,403	\$ -	\$ 6,403	\$ 202,186
Due from other	20,982	-	20,982	351,583
Due from related parties	320	-	320	320
Total	\$ 27,705	\$ -	\$ 27,705	\$ 554,089

9. Inventories

YCS does not have any inventories.

Yellowknife Catholic Schools
(Yellowknife Public Denominational District Education Authority)

Notes to Consolidated Financial Statements

June 30, 2021

10. Accounts Payable and Accrued Liabilities

	2021	2020
Damage deposits	\$ 3,664	\$ 4,459
Due to GNWT	-	99
Due to Workers' Safety and Compensation Commission	-	2,970
Trades payable	280,230	185,283
	\$ 283,894	\$ 192,811
Teachers - Northwest Territories Teachers' Association	\$ 2,397,696	\$ 2,166,986
Non-Teacher - Union of Northern Workers	1,019,631	857,324
	\$ 3,417,327	\$ 3,024,310

11. Deferred Revenue

	2021	2020
Government of Canada - First Nations and Inuit Health Branch - Jordan's Principle	\$ 1,469,124	\$ 785,303
GNWT - Student Success Initiative	64,376	41,609
GNWT - COVID-19 Support Funding	580,074	-
GNWT - Inclusive Schooling	100,000	-
	\$ 2,213,574	\$ 826,912

12. Contribution Repayable

YCS does not have any contribution repayable.

Yellowknife Catholic Schools
 (Yellowknife Public Denominational District Education Authority)

Notes to Consolidated Financial Statements

June 30, 2021

13. Due from and to the Government of Canada

	Accounts Receivable		AFDA		Net 2021	2020
Receivable						
GST Receivable	\$ 152,070	\$	-	\$	152,070	\$ 210,797
	\$ 152,070	\$	-	\$	152,070	\$ 210,797
Payable						
GST payable	-	\$	-	\$	-	\$ 797
	-	\$	-	\$	-	\$ 797

14. Capital Lease Obligations

YCS does not have any capital lease obligations.

15 Pensions

(a) Defined Contribution Plan

Since January 1, 1966 Yellowknife Catholic Schools indeterminate staff have had the option to participate in a voluntary Defined Contribution (DC) pension plan. Since January 1, 1988, that participation has been in the Pension Plan for the Employees of Yellowknife Catholic Schools (the Plan).

All DC assets of the Plan are held by a Trustee in favour of individual employees. The only obligation to YCS is to match employee contributions. YCS fully funds its DC obligation under the Plan each month. YCS did not have any liability under the DC provision of the Plan as of June 30, 2021.

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, 2021

15. 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 2020 calendar year is \$58,700 (2020 - \$57,400).

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 2020/2021 Yellowknife Catholic Schools contributed \$1,649,899 (\$1,585,283 in fiscal 2019/2020) in respect of DB accruals.

Yellowknife Catholic Schools
 (Yellowknife Public Denominational District Education Authority)

Notes to Consolidated Financial Statements

June 30, 2021

15. Pensions (continued)

(b) Defined Benefit Plan (continued)

The date of the most recent actuarial valuation of the Plan is June 30, 2020, and extrapolated to June 30, 2021. 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, 2021 is as follows:

(d) 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 gain	1,292,900	-	1,292,900
Fair value, end of year	\$ 29,425,000	\$ -	\$ 29,425,000

(e) 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	136,200	-	136,200
Balance, end of year	\$ 26,971,000	\$ 150,600	\$ 27,121,600

Yellowknife Catholic Schools
 (Yellowknife Public Denominational District Education Authority)

Notes to Consolidated Financial Statements

June 30, 2021

15. Pensions (continued)

(f) 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 of limit on assets	(3,436,800)	-	(3,436,800)
Accrued benefit asset (liability) after limit on assets	\$ -	\$ (130,500)	\$ (130,500)

(g) 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

Information about the Defined Benefit Plan and Supplementary Defined Benefit Pension Plan as at June 30, 2020 is as follows:

(h) Plan assets

	Pension Plan	Supplementary Plan	2020
Fair value, beginning of year	\$ 22,730,000	\$ -	\$ 22,730,000
Expected return on plan assets	1,118,800	-	1,118,800
Employer contributions	1,927,500	-	1,927,500
Employee contributions	1,437,600	-	1,437,600
Benefit payments and expenses	(1,716,100)	-	(1,716,100)
Experience (loss) gain	(825,700)	-	(825,700)
Fair value, end of year	\$ 24,672,100	\$ -	\$ 24,672,100

Yellowknife Catholic Schools
(Yellowknife Public Denominational District Education Authority)

Notes to Consolidated Financial Statements

June 30, 2021

15. Pensions (continued)

(i) Accrued benefit obligations

	Pension Plan	Supplementary Plan	2020
Balance, beginning of year	\$ 20,776,700	\$ 70,300	\$ 20,847,000
Current service cost	2,819,600	15,700	2,835,300
Interest cost on accrued benefit obligation	1,080,100	2,000	1,082,100
Benefit payments and expenses	(1,716,100)	-	(1,716,100)
(Gains) / losses on accrued benefit obligation	(261,200)	21,100	(240,100)
Balance, end of year	\$ 22,699,100	\$ 109,100	\$ 22,808,200

(j) Funded status

	Pension Plan	Supplementary Plan	2020
Plan surplus (deficit)	\$ 1,973,000	\$ (109,100)	\$ 1,863,900
Unrecognized (gains) losses	846,900	21,100	868,000
Accrued benefit asset (liability) before limit on assets	2,819,900	(88,000)	2,731,900
Impact on limit of assets	(2,819,900)	-	(2,819,900)
Accrued benefit asset (liability)	\$ -	\$ (88,000)	\$ (88,000)

(k) Determination of pension cost

	Pension Plan	Supplementary Plan	2020
Current service cost	\$ 1,382,000	\$ 15,700	\$ 1,397,700
Interest on accrued benefit obligation	(38,700)	2,000	(36,700)
Amortization of losses/ (gains)	26,100	-	26,100
Change in valuation allowance	558,100	-	558,100
Pension expense	\$ 1,927,500	\$ 17,700	\$ 1,945,200

Yellowknife Catholic Schools
(Yellowknife Public Denominational District Education Authority)

Notes to Consolidated Financial Statements

June 30, 2021

15. Pensions (continued)

(l) Actuarial assumptions

	2021	2020
Discount rate - pension plan	4.75%	4.75%
Discount rate - supplementary plan	0.85%	2.30%
Expected return on plan assets - pension plan	4.75%	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	13.6 Years	13.6 Years
Expected average remaining services lifetime (EARSL) - supplementary plan	14.6 Years	20.2 Years

* 2021 - 100% of the 2014 Canadian Pensioners' Public Sector Mortality Table with projection scale CPM-B;
2020 - 100% of the 2014 Canadian Pensioners' Public Sector Mortality Table with projection scale CPM-B.

(m) Plan assets consist of:

	2021	2020
Fixed income securities	60%	60%
Equity securities	40%	40%

16. Long-Term Debt

	2021	2020
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 2.30%. If rates do not change, the final instalment will be due in 2025.	\$ 404,460	\$ 520,741

The debenture is repayable annually as follows:

2022	120,000
2023	120,000
2024	120,000
2025	44,460

\$ 404,460

The debentures are registered.

Yellowknife Catholic Schools
 (Yellowknife Public Denominational District Education Authority)

Notes to Consolidated Financial Statements

June 30, 2021

17. Post-Employment Benefits and Compensated Absences

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

Severance benefits are paid to YCS employees based on the appropriate combinations that include inputs such as when the employee was hired, the rate of pay, and the number of years of continuous employment. Removal benefits are paid to YCS employees based on the number of years of continuous employment. The benefits under these two categories were actuarially valued using the projected unit credit methodology.

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

Valuation results

The actuarial valuation was completed as at March 31, 2021. The liabilities are actuarially determined as the present value of the accrued benefits at March 31, 2021 and the results extrapolated to June 30, 2021. 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	2021	2020
Accrued benefit obligation, beginning of year	\$ 660,315	\$ 365,523	\$ 1,025,838	\$ 1,233,626
Current service cost	50,497	27,039	77,536	72,557
Interest cost	18,085	10,141	28,226	38,924
Benefits paid	(94,601)	(8,993)	(103,594)	(503,285)
Actuarial gains/losses	(58,018)	(58,980)	(116,998)	184,016
Accrued benefit obligations, end of year	576,278	334,730	911,008	1,025,838
Unamortized net actuarial gain/loss	(136,972)	(29,157)	(166,129)	(339,688)
Accrued benefit liability	\$ 439,306	\$ 305,573	\$ 744,879	\$ 686,150

Yellowknife Catholic Schools
 (Yellowknife Public Denominational District Education Authority)

Notes to Consolidated Financial Statements

June 30, 2021

17. Post-Employment Benefits and Compensated Absences (continued)

Benefits Expense

	Severance and removal	Compensated absences	2021	2020
Current service cost	\$ 50,497	\$ 27,039	\$ 77,536	\$ 72,557
Interest cost	18,085	10,141	28,226	38,924
Amortization of net actuarial (gain)/loss	22,011	34,548	56,559	34,390
Benefit expense, end of year	\$ 90,593	\$ 71,728	\$ 162,321	\$ 145,871

The discount rate used to determine the accrued benefit obligation was an average of 3.30% (2020 - 2.70%). The expected payments during the next five fiscal years are:

	Severance and removal	Compensated absences	Total
2022	\$ 64,657	\$ 28,033	\$ 92,690
2023	55,388	24,529	79,917
2024	49,554	22,540	72,094
2025	51,498	26,927	78,425
2026	58,650	35,696	94,346
Total	\$ 279,747	\$ 137,725	\$ 417,472

18. Trust Assets Under Administration

YCS does not have any trust assets under administration.

Yellowknife Catholic Schools
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Notes to Consolidated Financial Statements

June 30, 2021

19. Tangible Capital Assets

	Cost	Additions	Disposals	Amortization	Accumulated Amortization	Net Book Value, June 30, 2021	Net Book Value, June 30, 2020
Land and improvements	\$ 1,838,825	\$ -	\$ -	\$ -	\$ -	\$ 1,838,825	\$ 1,838,825
Equipment	770,268	146,327	-	62,070	472,769	443,826	359,569
Buildings and Portables							
Career and Technical Centre	2,878,916	-	-	73,888	1,253,378	1,625,538	1,699,423
Central Services offices	1,048,460	-	-	41,700	743,768	304,692	346,392
Ecole St. Joseph School	37,393,984	-	-	788,566	15,778,294	21,615,690	22,404,256
Ecole St. Patrick High School	12,292,334	-	-	321,853	7,759,309	4,533,025	4,854,878
Tallah Building	621,027	-	-	15,757	136,378	484,649	500,406
Weledeh Catholic School	12,576,011	452,120	-	358,324	6,605,822	6,422,309	6,328,513
	66,810,732	452,120	-	1,600,088	32,276,949	34,985,903	36,133,868
	\$ 69,419,825	\$ 598,447	\$ -	\$ 1,662,158	\$ 32,749,718	\$ 37,268,554	\$ 38,332,266

Yellowknife Catholic Schools
 (Yellowknife Public Denominational District Education Authority)

Notes to Consolidated Financial Statements

June 30, 2021

20. Prepaid Expenses and Deposits

	2021	2020
Insurance	\$ 451,621	\$ 148,180
Other	31,950	28,230
	\$ 483,571	\$ 176,410

21. GNWT Assets Provided At No Cost

The following assets were provided to the Authority by the GNWT at no cost.

	Cost	Accumulated Amortization	Net Book Value 2021	Net Book Value 2020
St. Joseph Portables 4Units	\$ 1,622,045	\$ 97,999	\$ 1,524,046	\$ 1,564,568

Yellowknife Catholic Schools
 (Yellowknife Public Denominational District Education Authority)

Notes to Consolidated Financial Statements

June 30, 2021

22. Contractual Obligations

YCS has entered into agreements for, or is contractually committed to, the following expenses payable subsequent to June 30, 2021.

YCS is committed to four janitorial contracts for various schools and buildings. All of the contracts expire in June 2021. YCS has a contract with First Canada ULC (o/a First Student Canada) for student transportation. The contract expired in June 2020 and was extended for a year until June 2021. 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	2022	2023	2024	2025+	Total
Anti-virus software	Aug 2021	\$ 557	\$ -	\$ -	\$ -	\$ 557
Courier services	June 2023	7,031	7,031	-	-	14,062
Janitorial	June 2022	645,687	-	-	-	645,687
PRI Lines	June 2024	13,264	13,264	13,264	-	39,792
Photocopier	May 2022	4,133	-	-	-	4,133
Postage machine	June 2024	171	171	171	-	513
Student bussing	August 2026	358,733	370,421	382,109	393,797	1,505,060
		\$ 1,029,576	\$ 390,887	\$ 395,544	\$ 393,797	\$ 2,209,804

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.

23. Contingencies

The Authority does not have any contingencies.

Yellowknife Catholic Schools
 (Yellowknife Public Denominational District Education Authority)

Notes to Consolidated Financial Statements

June 30, 2021

24. Related Parties

YCS has the following transactions with government and other government controlled organizations:

Due to related parties:

	2021	2020
Government of the Northwest Territories		
Department of Finance	\$ -	\$ 99

Due from related parties:

	Accounts Receivable	AFDA	2021	2020
Government of the Northwest Territories				
Aurora College	\$ 12,863	\$ -	\$ 12,863	\$ 24,994
Department of Education, Culture and Employment	-	-	-	159,212
Department of Finance	6,288	-	6,288	38,736
NWT Health and Social Services - Yellowknife Region	-	-	-	4,330
Total due from related parties	\$ 19,151	\$ -	\$ 19,151	\$ 227,272

Revenues from related parties:

	2021	2020
Government of the Northwest Territories		
Department of Education, Culture and Employment	\$ 20,828,867	\$ 20,116,548
Department of Municipal and Community Affairs	28,900	63,650
Department of Health and Social Services	14,308	8,792
Department of Environment and Natural Resources	8,000	8,000
Beaufort Delta Education Authority	15,000	15,000
Aurora College - Tallah building	120,289	119,399
Dettah District Education Authority	\$ 34,678	\$ 130,650

Yellowknife Catholic Schools
(Yellowknife Public Denominational District Education Authority)

Notes to Consolidated Financial Statements

June 30, 2021

24. Related Parties (continued)

Expenses from related parties:

	2021	2020
Government of the Northwest Territories		
Department of Education, Culture and Employment	\$ -	\$ 3,673
Department of Infrastructure	2,824	4,563
Department of Finance - debenture	120,000	120,000
Department of Finance	-	875
Department of MACA	17,000	-
NWT Health and Social Services	4,615	545
YK Education District No. 1	1,430	615
South Slave Divisional Education	65	1,353
Commission Scholaire Francophone	-	2,455
Dehcho Divisional Education Council	\$ 600	\$ 875

25. Budget Data

The *Education Act* of the Northwest Territories requires that Education Bodies prepare an annual budget, as outlined in Section 117, Duties and Powers of Education Bodies. The budget is legally adopted by a motion of the Education Body which includes the establishment of a tax levy to support the approved budget in accordance with Section 135, Assessment and Taxation, of the *Education Act*.

The annual budget includes estimates of revenues and expenses for the Operating Fund. Budgets are considered a management control and planning tool and as such are incorporated into the accounting system of YCS.

The budget figures presented are those approved by the Trustees of YCS on June 17, 2020 and have not been audited.

26. Economic Dependence

YCS receives its funding primarily from the GNWT. If the funding arrangements were to change management is of the opinion that YCS operations would be significantly affected.

27. Risk Management

YCS is exposed to credit and liquidity risks from its financial instruments. Qualitative and quantitative analysis of the significant risks from the YCS's financial instruments is provided by type of risk below.

Yellowknife Catholic Schools
(Yellowknife Public Denominational District Education Authority)

Notes to Consolidated Financial Statements

June 30, 2021

27. 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, 2021 is as follows:

	2021
Cash and cash equivalents	\$ 10,622,607
Due from the Government of Canada	152,070
Accounts receivable	27,705
Maximum credit risk exposure	<u>\$ 10,802,382</u>

At June 30, 2021, the following accounts receivable were past due but not impaired.

	30 days	60 days	90 days
\$	23,011	-	\$ 4,068

At June 30, 2021, 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, 2021, receivables from one (2020 - two) customer(s) comprised 46% (2020 - 76%) 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 \$404,460 (2020 - \$520,741) 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, 2021

27. Risk Management (continued)

(c) Liquidity risk

Liquidity risk is the risk that the YCS will not be able to meet all cash outflow obligations as they come due. The YCS mitigates this risk by monitoring cash activities and expected outflows through budgeting and maintaining an adequate amount of cash to cover unexpected cash outflows should they arise.

The table below shows when various financial assets and liabilities mature.

Financial assets	Up to 6 months	6 months to 1 year	1 to 5 years	Over 5 years
Cash and cash equivalents	\$ 10,622,607	\$ -	\$ -	\$ -
Due from the government of Canada	152,070	-	-	-
Accounts receivable	27,705	-	-	-
Total assets	\$ 10,802,382	\$ -	\$ -	\$ -
Total assets - prior year	\$ 8,401,609	\$ -	\$ -	\$ -
Financial liabilities	Up to 6 months	6 months to 1 year	1 to 5 years	Over 5 years
Accounts payable and accrued liabilities	\$ 283,894	\$ -	\$ -	\$ -
Due to the Government of Canada	-	-	-	-
Long-term debt	58,010	61,990	284,460	-
Accrued payroll liabilities	3,024,310	-	-	-
Total liabilities	\$ 3,366,214	\$ 61,990	\$ 284,460	\$ -
Total liabilities - prior year	\$ 3,291,580	\$ 58,012	\$ 354,041	\$ 50,677
Net total	\$ 7,436,168	\$ (61,990)	\$ (284,460)	\$ -
Net total - prior year	\$ 5,110,029	\$ (58,012)	\$ (354,041)	\$ (50,677)

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, 2021

28. Expenses By Object

	2021 Budget	2021 Actual	2020 Actual
Amortization	\$ 1,600,000	\$ 1,662,158	\$ 1,659,313
Compensation	23,705,769	24,223,314	21,728,429
Interest on long-term debt	15,000	3,719	10,884
Materials/Freight	785,942	1,401,630	868,748
Services Purchased/Contracted	3,355,295	3,954,367	3,237,188
	\$ 29,462,006	\$ 31,245,188	\$ 27,504,562

29. Subsequent Events

On July 15, 2021, YCS signed a Memorandum of Understanding with GNWT for a federal funding of \$1.237M to be received in the upcoming fiscal year. This funding is to be used for installation of pellet boilers in the schools.

30. Comparative Figures

The consolidated financial statements have been reclassified, where applicable, to conform to the presentation used in the current year.

Yellowknife Catholic Schools
(Yellowknife Public Denominational District Education Authority)

Notes to Consolidated Financial Statements

June 30, 2021

31. ECE Contributions

	2021	2020
Original contribution	\$ 20,459,801	\$ 19,190,309
Student Success Initiative	80,233	61,391
Deferred Inclusive Schooling	(100,000)	-
Termination benefits	344,057	131,994
NWTTA Collective bargaining adjustment	362,164	-
Mentorship release time	28,808	27,976
Modular furniture and equipment	-	50,000
CYCC Phase 3 adjustment	(346,196)	-
UNW Collective bargaining impact	-	152,292
UNW Northern Allowance revised	-	10,216
Updated contribution	\$ 20,828,867	\$ 19,624,178
After school program subsidy	46,204	49,372
Diplôme d'Études en Langue Française (DELF)	40,000	40,000
Extra French funding	111,400	23,000
French language funding	280,500	280,500
COVID-19 support funding	1,074,672	-
Junior kindergarten COVID grant	24,500	-
Official language	5,723	7,500
Self regulation	10,000	4,945
Health and wellness	-	28,620
Regional Inclusive Schooling	-	16,823
TOTAL	\$ 22,421,866	\$ 20,074,938

32. GNWT - Other Contributions

	2021	2020
Department of MACA		
Active After School	\$ 45,900	\$ 46,650
Regional youth handgames	(17,000)	17,000
Department of Health and Social Services		
Drop the Pop	14,175	8,792
Department of Environment & Natural Resources		
Take a Kid Trapping	8,000	8,000
Department of Justice		
Darkspark	-	20,000
TOTAL	\$ 51,075	\$ 100,442

33. Contingent Assets

YCS does not have any contingent assets.

Yellowknife Catholic Schools
 (Yellowknife Public Denominational District Education Authority)

Notes to Consolidated Financial Statements

June 30, 2021

34. Contractual Rights

YCS has entered into a number of contracts that will become assets and revenues in the future when the terms of the contracts are met:

	2022	2023	2024	2025 and beyond	Total
Jordan's Principle	\$ 2,990,196	\$ -	\$ -	\$ -	\$ 2,990,196
Tallah Building	107,426	-	-	-	107,426
Core Funding	20,281,489	-	-	-	20,281,489
	<u>\$ 23,379,111</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,379,111</u>

YCS has entered a rental agreement with Aurora College for the rental of the Tallah Building. The lease agreement expires on June 30, 2022.

35. 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.

Yellowknife Catholic Schools
(Yellowknife Public Denominational District Education Authority)

Schedule 1
Operating Fund - Detail of Expenses

For the period ended June 30, 2021

	School Programs	Inclusive Schooling (Schedule 2)	Board Administration	Operations and Maintenance	Indigenous Languages and Culture (Schedule 3)	Transfer & Others	Jordan's Principle	Total 2021	Budget 2021	Total 2020
Salaries										
Teachers	\$ 10,412,085	\$ 1,289,762	\$ -	\$ -	\$ 302,619	\$ -	\$ 644,696	\$ 12,649,162	\$ 11,587,213	\$ 11,187,589
Instruction assistants	-	1,815,459	-	-	-	-	1,720,744	3,536,203	4,118,188	2,539,122
Non-instructional	951,112	-	1,489,522	308,340	95,900	-	-	2,844,874	3,346,147	2,724,153
Board honoraria	-	-	71,050	-	-	-	-	71,050	68,000	70,026
	11,363,197	3,105,221	1,560,572	308,340	398,519	-	2,365,440	19,101,289	19,119,548	16,520,890
Employee Benefits										
Employee benefits	3,061,741	736,245	294,820	89,187	85,877	-	681,322	4,949,192	4,481,221	4,997,783
Leave and termination benefits	172,833	-	-	-	-	-	-	172,833	105,000	209,756
	3,234,574	736,245	294,820	89,187	85,877	-	681,322	5,122,025	4,586,221	5,207,539
Services Purchased/Contracted										
Advertising/publishing	10,056	-	25,674	17,060	1,104	-	-	53,894	64,400	33,353
Communication	59,467	-	25,517	5,001	-	-	-	89,985	34,100	77,924
Contracted services	1,050,334	-	2,268	796,670	14,036	-	8,548	1,871,856	1,175,500	1,176,711
Maintenance & repairs	743	-	-	449,690	8,782	-	-	459,215	350,200	416,590
Other	29,472	-	34,699	12,982	-	-	-	77,153	106,000	96,187
Professional/technical	559	76,988	99,603	-	2,401	-	-	179,551	266,595	207,542
Rental/leases	32,428	-	285	-	-	-	-	32,713	10,500	40,917
Student transportation	386,510	1,021	-	-	-	-	-	387,531	435,000	328,974
Travel	760	-	6,649	-	-	-	-	7,409	32,500	25,988
Utilities: Electricity	-	-	-	387,379	-	-	-	387,379	435,000	405,084
Heating	-	-	-	307,534	-	-	-	307,534	331,000	328,566
Water/sewage	-	-	-	100,147	-	-	-	100,147	114,500	99,352
	1,570,329	78,009	194,695	2,076,463	26,323	-	8,548	3,954,367	3,355,295	3,237,188

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, 2021

	School Programs	Inclusive Schooling (Schedule 2)	Board Administration	Operations and Maintenance	Indigenous Languages and Culture (Schedule 3)	Transfer & Others	Jordan's Principle	Total 2021	Budget 2021	Total 2020
Materials/Freight										
Materials	\$ 617,225	\$ 66,804	\$ 58,592	\$ 260,999	\$ 85,453	\$ -	\$ 308,413	\$ 1,397,486	\$ 785,942	\$ 864,961
Freight	4,144	-	-	-	-	-	-	4,144	-	3,787
	621,369	66,804	58,592	260,999	85,453	-	308,413	1,401,630	785,942	868,748
Amortization	-	-	-	-	-	1,662,158	-	1,662,158	1,600,000	1,659,313
Debenture Interest	-	-	-	-	-	3,719	-	3,719	15,000	10,884
	-	-	-	-	-	1,665,877	-	1,665,877	1,615,000	1,670,197
	\$ 16,789,469	\$ 3,986,279	\$ 2,108,679	\$ 2,734,989	\$ 596,172	\$ 1,665,877	\$ 3,363,723	\$ 31,245,188	\$ 29,462,006	\$ 27,504,562

Yellowknife Catholic Schools
 (Yellowknife Public Denominational District Education Authority)

Schedule 2
 Detail of Inclusive Schooling Expenses

For the period ended June 30, 2021

	Staff Development	General Inclusive Schooling	Assistive Technology	Magnet Facilities	Total
Salaries					
Teachers	\$ 3,578	\$ 1,173,843	\$ -	\$ 112,342	\$ 1,289,763
Instruction assistants	-	1,815,459	-	-	1,815,459
	3,578	2,989,302	-	112,342	3,105,222
Employee Benefits	-	683,002	-	53,243	736,245
Services Purchased/Contracted					
Professional/technical	-	76,988	-	-	76,988
Student transportation	-	1,021	-	-	1,021
	-	78,009	-	-	78,009
Materials/Freight	132	24,302	39,477	2,892	66,803
	\$ 3,710	\$ 3,774,615	\$ 39,477	\$ 168,477	\$ 3,986,279

Yellowknife Catholic Schools
 (Yellowknife Public Denominational District Education Authority)

Schedule 3
Indigenous Languages and Culture Program Expenses

For the period ended June 30, 2021

	Student Instruction	Teacher/ Learning Resources	Professional Development	School and Community Programs	Total
Salaries					
Teachers	\$ 301,415	\$ 1,203	\$ -	\$ -	\$ 302,618
Non-instructional	-	73,950	-	21,950	95,900
	301,415	75,153	-	21,950	398,518
Employee Benefits	85,877	-	-	-	85,877
Services Purchased/Contracted					
Advertising/publishing	-	1,104	-	-	1,104
Contracted services	-	-	14,036	-	14,036
Maintenance & repairs	-	-	8,782	-	8,782
Professional/technical	-	-	2,401	-	2,401
	-	1,104	25,219	-	26,323
Materials/Freight	-	3,353	51	82,050	85,454
	\$ 387,292	\$ 79,610	\$ 25,270	\$ 104,000	\$ 596,172

Yellowknife Catholic Schools
 (Yellowknife Public Denominational District Education Authority)

Schedule 4
French Language Programs

For the period ended June 30, 2021

	Contribution from GNWT	Commitment from YCS	Actual Expenses	(Over) under Expenses
Bilateral Agreement Funding				
Special Projects				
Consultant - Immersion/Core French	\$ 60,000	\$ 87,000	\$ 160,815	\$ (13,815)
Core French (salary and benefits)	100,000	182,000	317,500	(35,500)
French cultural activities	4,000	5,000	9,978	(978)
French resources	11,000	8,000	23,008	(4,008)
Teacher Retention and Recruitment	3,700	812	-	4,512
Expansion of French Immersion programming	107,700	71,800	172,680	6,820
Literacy (salary and benefits)	56,000	65,000	153,848	(32,848)
Professional development	4,000	8,000	8,022	3,978
Teachers assistant (salary and benefits)	45,500	30,000	84,461	(8,961)
Total	\$ 391,900	\$ 457,612	\$ 930,312	\$ (80,800)

Yellowknife Catholic Schools
 (Yellowknife Public Denominational District Education Authority)

Schedule 5
Student Success Initiative Projects

For the period ended June 30, 2021

	Student Agency	Student Wellness	Leadership Development	Numeracy	Math Project	Compacting the Curriculum	Total
Revenues							
Government of Northwest Territories - Department of Education, Culture and Employment	\$ 34,109	\$ 47,500	\$ 28,000	\$ 3,500	\$ 14,500	\$ 17,000	\$ 144,609
Expenses							
Salaries	-	5,520	14,332	4,839	300	8,734	33,725
Employee Benefits	-	-	124	-	-	101	225
Services Purchased/Contracted							
Contracted services	37,712	-	-	-	-	3,000	40,712
Professional/technical	-	-	4,700	-	-	-	4,700
Services Purchased/Contracted	37,712	-	4,700	-	-	3,000	45,412
Materials/Freight	631	-	241	-	-	-	872
	38,343	5,520	19,397	4,839	300	11,835	80,234
Net surplus (deficit)	\$ (4,234)	\$ 41,980	\$ 8,603	\$ (1,339)	\$ 14,200	\$ 5,165	\$ 64,375
Deferred Revenue							\$ (64,375)

Yellowknife Catholic Schools
 (Yellowknife Public Denominational District Education Authority)

Schedule 6
Jordan's Principle

For the period ended June 30, 2021

	June 30, 2021 Budget	June 30, 2021 Actual	June 30, 2020 Actual	July 2020 to March 2021 Actual	April 2021 to June 2021 Actual
Revenues					
Government of Canada					
First Nation and Inuit Health Branch	\$ 2,291,251	\$ 4,047,544	\$ 1,893,917	\$ 3,050,812	\$ 996,732
Carry Forward from Previous Year	-	785,303	498,838	785,303	1,886,707
Total Revenues	2,291,251	4,832,847	2,392,755	3,836,115	2,883,439
Expenses					
Administration	-	255,831	219,523	191,873	63,958
Personnel	2,299,251	3,046,762	1,341,070	1,717,338	1,329,423
Materials and Supplies	-	52,582	22,756	35,952	16,630
Other	-	8,548	24,103	4,245	4,304
Total Expenses	2,299,251	3,363,723	1,607,452	1,949,408	1,414,315
Net surplus (deficit)	\$ (8,000)	\$ 1,469,124	\$ 785,303	\$ 1,886,707	\$ 1,469,124

Yellowknife Catholic Schools
(Yellowknife Public Denominational District Education Authority)

Schedule 7
Schedule of Utilities Expenses

For the school year ended June 30,	2021	2020	2019	Total Expense	Average Expense
Fuel Oil	\$ 284,470	\$ 295,676	\$ 295,822	\$ 875,968	\$ 291,989
Electricity	387,379	405,084	427,676	1,220,139	406,713
Pellets	31,612	32,889	32,928	97,429	32,476
Water	77,292	69,046	65,687	212,025	70,675
Garbage	32,855	30,306	33,639	96,800	32,267
	\$ 813,608	\$ 833,001	\$ 855,752	\$ 2,502,361	\$ 834,120

Yellowknife District No.1 Education Authority

(Yellowknife Education District No. 1)

Consolidated Financial Statements

June 30, 2021





Yellowknife District No. 1 Education Authority

(the "Authority")

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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

June 30, 2021

Introduction

Yellowknife Education District No. 1 (YK1) Administration:

Ed Lippert, Superintendent of Education/CEO
Shirley Zouboules, Assistant Superintendent
Tram Do, Director of Corporate Services

Current Board Members:

Tina Drew, Chairperson
Satish Garikaparthi, Vice Chairperson

Trustees:

Jay Butler
Terry Brookes
Al McDonald
Rajiv Rawat
John Stephenson

Active Standing Committees include:

- Policy Committee
- Public Relations Committee
- Finance Committee
- Audit Committee

YK1 Strategic Directions

Taking direction from its mission statement, the Yellowknife Education District No. 1 Board of Trustees has set the following Strategic Directions for 2021:

Wellness: Cultivate a culture of holistic wellness

- Recognize the importance of relationships in learning
- Foster and promote personal wellness
- Create healthy, safe and caring learning environments

Learning: Ensure inclusive, equitable and authentic learning experiences

- Engage learners through meaningful and innovative teaching and learning practices
- Strive for excellence
- Celebrate diversity of all learners

Indigenous Language and Education: Honour and celebrate Indigenous Language and Culture

- Create a welcoming environment for all learners
- Integrate an Indigenous approach to education
- Strengthen Indigenous Language instruction

Community: Foster critical understanding of local, national and global issues

- Inspire and pursue critical thinking through innovative and sustainable practices
- Embrace diversity and encourage empathy to promote global citizenship
- Model and encourage ethical leadership and engage in opportunities for service learning

Operating Environment

YK1 operates six schools in the city of Yellowknife. The following lists key programming in our schools:

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 many extracurricular activities such as team sports, fine arts, guitar, fiddling and various band instruments; alternative sports such as mountain biking roller blading; alternative options such as jiggling, lego and crochet clubs
- An "On the Land Mentorship" program was established where students are paired with Indigenous experts and Elders to learn important skills like snaring, tanning moose hide and setting nets
- MHS provides a breakfast and hot lunch program. The school also has a large garden where students grow vegetables that are used in the foods program
- 'Peacemakers', a peer leadership group in the school, promotes education surrounding bullying and bullying prevention
- MHS is also home to the Birchbark Discovery Centre, a community-based, multi-aged alternative education program with room to expand in future years

N.J. Macpherson School (JK-5)

- N.J. Macpherson School (NJM) is a quiet JK-5 school with a strong numeracy and literacy focus, offering programming in English and Core French
- Special programs at NJM include Montessori, visual arts, music, drama, gymnastics and a strong recycling program.
- Several extracurricular sports and clubs are available during school hours
- After-school care is offered at the school through the YWCA and Montessori Society
- Indigenous Language and Culture is integrated into classroom sessions and students attend culture camps throughout the year
- NJM also has an active Parent Advisory Council (PAC)

École J.H. Sissons (JK-5)

- École J.H. Sissons (EJHS) offers French Immersion programming
- Special programs include choir, musical theatre, afterschool athletic program and a speed skating academy. Afterschool activities include judo, soccer, improvisation, painting, chess and choir
- EJHS celebrates diversity through various events during the year
- Students and staff participate in a seven-day annual French language and culture camp - 'Camp de neige' - at the Yellowknife Ski Club

École William McDonald Middle School (6-8)

- École William McDonald Middle School (EWMS) offers programming for Grades 6 to 8 in both English and French Immersion
- Other French options include: Intensive French - Grade 6, Post-Intensive French - Grade 7 and 8, and Core French - Grade 6 to 8
- EWMS offers exploratory programs such as industrial arts, home economics and outdoor education
- The school offers a sports academy program which includes hockey and futsal. A recently renovated fitness room has also allowed the school to expand its sports programming
- Special multi-day camps are available for Grade 8 students, including Camp Akaitcho and a canoe trip on Hidden Lake

Range Lake North School (JK-8)

- Intensive French is offered in Grade 6, Post-Intensive French is offered in Grades 7 and 8 and Core French is offered in Grades 6 to 8
- Indigenous Language and Culture is integrated into classroom sessions and students attend culture camps throughout the year
- Special programs at Range Lake North School (RLN) include music, band, fine arts, choir and drama
- RLN offers advanced technology and robotics programs in a Makerspace environment
- An athletic excellence program is offered encompassing many extracurricular sports such as snowboarding, hiking and nature walks
- RLN has an active and involved PAC which organizes their largest fundraiser, "Family Fun Night", in the spring. Proceeds support RLN 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 both English and French Immersion
- Core French and Post-Intensive French are offered from Grades 9 to 12
- ESJF has a dynamic fine arts program which includes music, band, choir, drama and visual arts
- The school offers an extensive trades curriculum and work experience program which includes industrial arts, automotive and esthetics
- ESJF offers Indigenous culture programming and camps including Willideh language instruction
- The school has a successful sports academy and several extracurricular sports and clubs are offered
- ESJF has an at-risk student program which provides support and resources for students struggling in school, socially or at home
- The school offers many opportunities for students to travel abroad for volunteering, scuba club trips and a French Immersion trip
- Night classes are also available

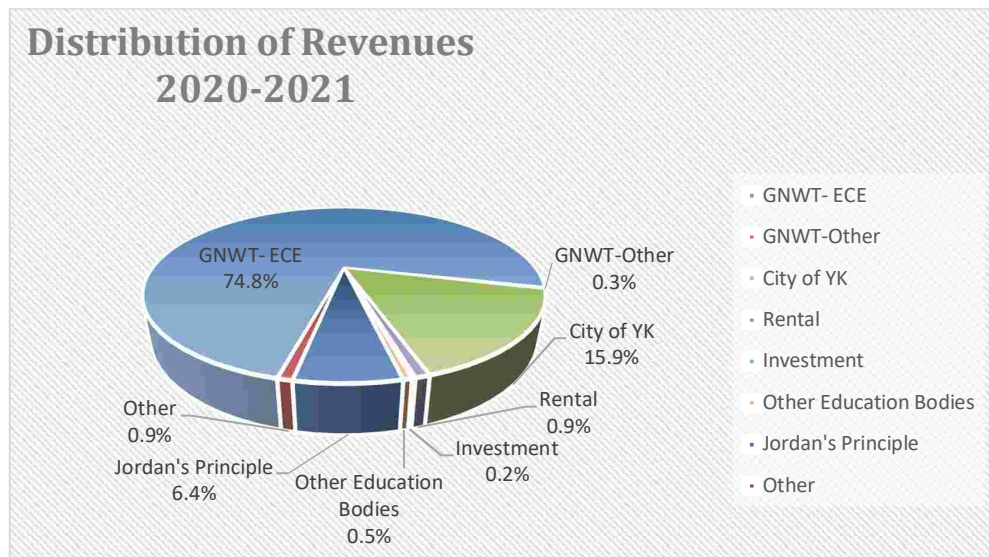
Route 51 Learning:

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



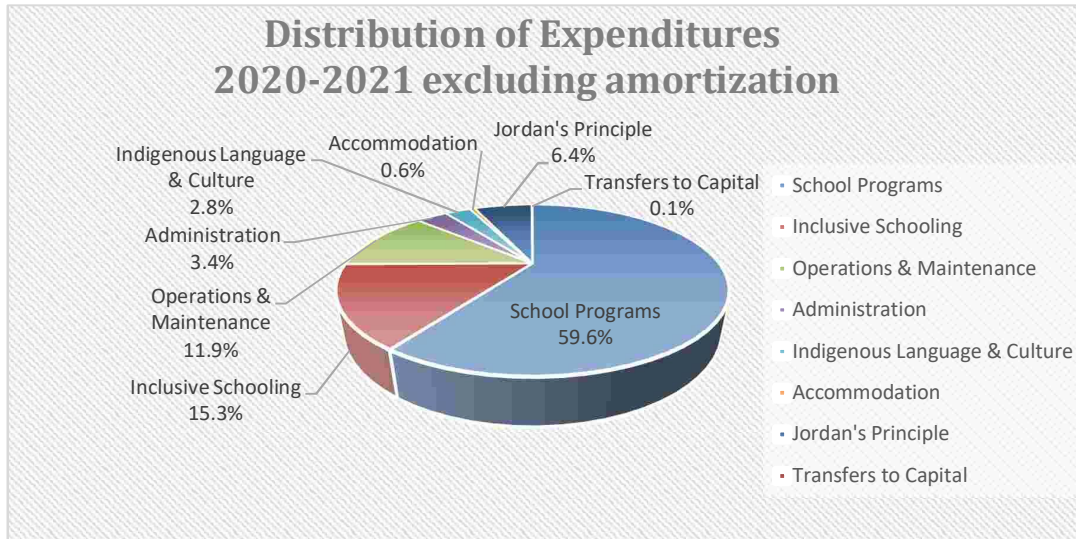
Revenues

GNWT- ECE	32,078,890
GNWT-Other	128,781
City of YK (Property Taxation)	6,831,265
Rental	386,761
Investment	89,346
Other Education Bodies	227,633
Jordan's Principle	2,748,721
Other	392,062
Total Revenues	42,883,459

Funding from the Department of Education, Culture and Employment (ECE) makes up 74.8% of YK1's revenues. Property taxation revenue is 15.9%, Jordan's Principle is 6.4% and the remainder is generated from investment income, Nordic Arms

apartment rentals, superintendent services, Other Revenue, which includes School Generated Funds, various contributions for Schools, and parking lot rentals.

Expenses



Expenses (excluding amortization)

School Programs	25,497,006
Inclusive Schooling	6,544,866
Operations & Maintenance	5,078,456
Administration	1,455,224
Indigenous Language & Culture	1,212,545
Accommodation(Nordic Arms)	236,651
Jordan's Principle	2,748,721
Transfers to Capital	42,500
Total Expenses	<u>42,815,969</u>

Expenditure allocations is based on the Department of Education, Culture and Employment's funding formula. 84.1% of expenditures consist of school programs (59.6%), Inclusive Schooling (15.3%), and Indigenous Language and Culture (2.8%) which directly related to schools. Jordan's Principle expenditures is also directly related to schools and is (6.4%) 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 condition of the Green House Gas Reduction Grant for the installation of new pellet boilers for Range Lake North School and Mildred Hall School to be completed by March 2022. The GHG grant received will pay for the remainder 75% of the project costs estimated to be \$1,150,000.

Surplus	2020/2021	2019/2020	Change
Operating	554,052	385,842	+168,210
Capital	904,165	904,165	0
Pellet Boiler	364,375	350,000	+14,375
Decentralized(Schools)	376,801	348,497	+28,304
Total Accumulated Surplus	2,199,393	1,988,504	+210,889
Unfunded by ECE :			
Leave and Termination Benefits	1,878,079	1,611,927	+266,152
	4,077,472	3,600,431	+477,041

The accumulated operating surplus increased by \$168,210 and the decentralized surplus increased by \$28,304, the Pellet Boiler Reserve increased by \$14,375, the total change is an overall increase of \$210,889. The overall unrestricted surplus is 5.2% (\$2,199,393/\$42,089,000) of total 2021/2022 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, and is 3.5% (\$1,458,217/\$42,089,000) of the overall budgeted expenditures.

The accumulated unrestricted surplus has enabled YK1 to maintain quality programming for students and plan for the reduction of Green House Gas emissions with the pellet boiler project for Range lake North School and Mildred Hall School. The pellet boilers will be ready for the 2021 fall/winter heating season.

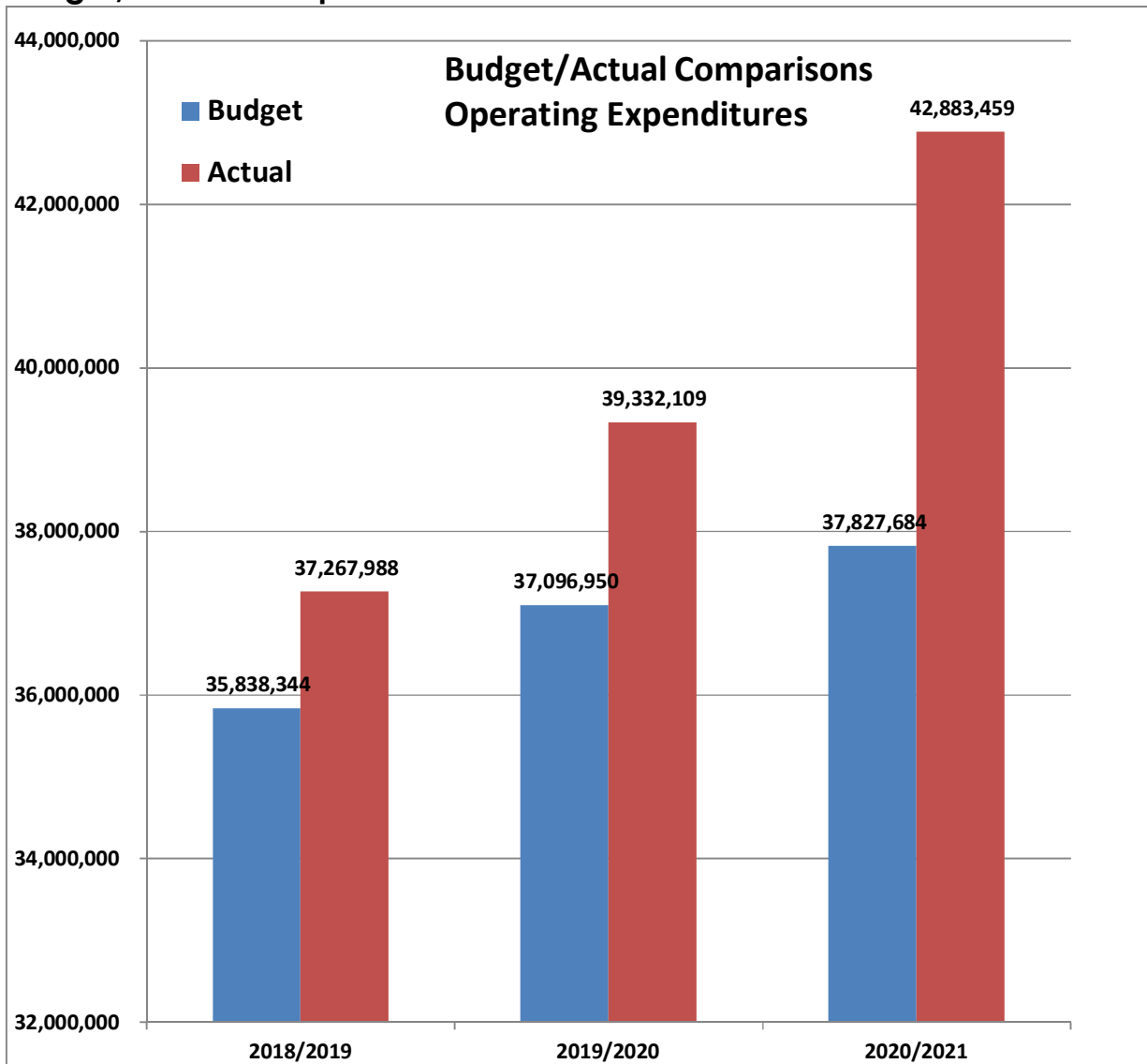
Restricted Reserves

The Department of Education, Culture and Employment has agreed to allow YK1 to maintain the 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 utilities savings to be reinvested into minor capital projects or LED lighting upgrades. For the 2020/2021 school year, the Department of Infrastructure did not invoice YK1 for the cost of piped Pellet Boiler heat from Ecole Allain St. Cyr. This resulted in additional utility savings which added to the LED reserve \$288,576. Ryfan Electric is replacing the LED lights for William McDonald School over the summer and DT Electric is replacing the LED lights for Sir John Franklin High School. Payment for lighting materials to Ryfan and DT Electric is \$357,599. Both projects expected to be completed by August 2021.

YK1 has completed the LED light conversion for all outdoor lights, emergency exit lights, and gymnasium lights at schools and buildings. YK1 is planning to continue with LED lights conversion for EWMS, MHS, NJM, RLN & SJF.

LED Restricted	2020/2021	2019/2020	Change
Beginning Balance	353,579	255,651	97,928
Utility Savings	+288,576	+97,928	+190,648
Utility Shortfall/ LED Projects	-357,599		-357,599
Total LED Reserve	284,556	353,579	-69,023

Budget/Actual Comparisons



YK1 revenues are higher than budget by \$5,055,775 due to:

- ECE regular contributions revenues higher by \$754,874 due to Funding for the UNW retroactive funding based for NWTA staff wages 538,593, and carry-over funding from previous year for Indigenous Language and Culture Progra \$93,522.
- ECE other contributions revenues higher by \$969,232 due to COVID-19 funding used from ECE \$819,732, and Dept. of Finance \$57,500. Also, \$250,000 in funding for JHS accommodations plan and WMS Parking/drop off.

- GNWT Other Contributions revenue is from Department of Municipal and Community Affairs (MACA) for Active After School \$76,500, Department of Health and Social Services for Drop the Pop Campaign \$25,228 in schools, and Department of Environment and Natural Resources for taking a kid trapping and other programs \$27,053.
- Portfolio Investment income lower from previous years' due to interest rate decreases.
- Jordan's Principle Revenue from the Federal Government is a total of \$3,481,395. Schools spent \$2,748,722, the remainder of \$732,672 is carried over to school year 2021/2022. This is mainly due to some unstaffed positions throughout the year.

○ Carry-over from 2020	\$614,451
○ Approval in 2020/2021	<u>2,866,943</u>
○ Total Available	3,481,395
○ Expenditures 2020/2021	<u>-2,748,722</u>
○ Carry-over 2020/2021	\$732,672

- Other income also consists of the following:

○ School Generated Revenue	\$258,474
○ Green House Gas Reduction Grant	31,875
○ Environment Education Progra	7,200
○ Tides Canada Make Way	15,000
○ Yellowknife Community Foundation	3,745
○ United Way of YK	5,000
○ Diavik Diamond Mines	10,000
○ Royal Canadian Legion	2,000
○ Breakfast club of Canada	12,865
○ Food Banks Canada	14,221
○ Food First Foundation	31,250
○ Elite Commercial Flooring	1,500
○ Canadian Tire	5,000
○ Parking stall rental	23,715
○ Book Sales (ILC)	1,341
○ NWT Financial Services	<u>750</u>
Total	<u>\$423,936</u>

YK1 expenses variance highlights are:

- School Programs has a negative variance of \$675,054 due to unbudgeted salary increase of 2.5%. This is due to the fact that GNWT did not settle the contract with NWTTA until after the budget was approved.
- Inclusive Schooling costs are lower than budget due to lower professional development costs.

- Indigenous Language and Culture expenses lower than budget due to unstaffed positions and limited Elders in Schools expenditure due to COVID-19 restrictions.
- Operations and Maintenance costs are higher by \$1,227,456 due to:
 - Insurance costs higher than budget by \$899,295 due to increase in insurance premiums;
 - William McDonald School additional drop-off to accommodate JHS students during new school rebuild \$187,453;
 - JHS accommodations expenses \$72,573;
- Capital purchases for the year include a project costs for the installation of pellet boilers for Range Lake North and Mildred Hall School \$42,500. This is the initial costs for professional services, total project costs is estimated at \$1,500,000. Project is expected to be complete by June 2022.

Yellowknife Education District No. September 30, 2020	Enrolment		Teachers/ Admin/ PST	Early Childhood Instructors	Pupil/Teacher ratio	
	K-12 Sep-20	JK Sep-20	K-12	JK	K-12	JK
Mildred Hall School	246.00	17.00	19.50	2.00	12.62	8.50
JH Sissons	254.00	37.00	19.00	4.00	13.37	9.25
William McDonald School	246.00	-	17.75	-	13.86	
NJ Macpherson School	340.00	44.00	22.00	4.00	15.45	11.00
Range Lake North School	259.00	26.00	20.25	3.00	12.79	8.67
Sir John Franklin High School	653.75	-	36.50	-	17.91	
Total District	1,998.8	124.0	135.00	13.00	14.81	9.54

Overall enrolment for September 2020 is 2122.75, a decrease of 19.75 full time equivalent (FTE) students from September 2019.

Summary and Outlook

In 2020/2021, YK1 faced a number of challenges and made important decisions related to the New School rebuild Project. YK1 is part of the Steering Committee for the project, which also has representation from the Department of Education, Culture, and Employment and the Department of Infrastructure. The students from the previous JH Sissons Schools are accommodated at William McDonald School, while the new school is being built. The project is expected to be on schedule with completion in August 2022.

Schools were faced with opening with COVID-19 health and safety restrictions. Funding was received to help with the purchase of materials and supplies for COVID-19 and additional Teachers and Custodians.

Working with The Department of Education and the Department of Infrastructure to install new pellet boilers at Mildred Hall School and Range Lake North School.

The completion of the replacement of William McDonald School roof.

New five year joint bussing contract with First Transit Canada and Yellowknife Catholic Schools, and Commission scolaire francophone Territoires du Nord-Ouest.

Alberta School Boards Insurance Exchange ASBIE has been dissolved as of June 1, 2020. YK1 and YCS purchased insurance from Lloyd Sadd Insurance Broker for the school year. Insurance premiums have increased more than 200% due to changing insurance markets and is not sustainable. Yellowknife Education District No.1 and Yellowknife Catholic Schools are working with the Department of Education, Culture and Employment to look explore viable options for insurance for the 2021/2022 school year.

Despite these challenges, the Board looks back proudly at their achievements and successes over the past year:

- All YK1 schools continued to offer food programs, which included breakfast, lunch and snacks for students who need that support.
- When schools shut down due to COVID-19 in May and after schools shut down, YK1 principals were giving out grocery gift cards to families of students that would normally partake in the breakfast and lunch programs provided by schools.
- The New School Project Coordinator position is in place to work with Department of Education, Department of Infrastructure, and Yellowknife Education District No.1. Laurel Kostuk started in the job in March 2021. She is currently working on coordinating the furniture order for the new school.
- The Board and Senior Administration developed new Strategic Priorities for roll-out in the 2021/2022 School Year.

Outlook for 2021-2022

- Yellowknife Education District No.1 welcomes a new Superintendent, Cindi Vaselenak for the start of the school year, we wish retiring Superintendent Ed Lippert all the best.
- Continuing to navigate the COVID-19 pandemic and adhering to public health recommendations issued by the Office of the Chief Public Health Officer. District Office and school staff must plan diligently so that staff and students can return to schools safely in the fall. Re-entry plans have already been submitted for approval. Important factors to consider include additional physical distancing guidelines, engineering recommendations, administrative recommendations, infection prevention and control and the provision of personal protective equipment. This could result in added pressures for staff and students, whose safety must always remain our top priority. YK1 will also incur more expenses to provide these safety measures, which could also prove challenging for our school district. Other considerations include protocols for staff and students who become ill, self-isolation requirements, reporting and assessing and supporting vulnerable families among many others.
- Accommodating EJHS students at EWMS, which has become a JK-7 school while YK1's new school is built (anticipated build 2020-2022).
- Planning and preparing for a Trustee election in the fall of 2021, which would be out of sync with the next municipal election for one year. The GNWT is changing the Education Act to align School Board elections with Municipal elections to save on costs for on enumeration, promotion and coordination costs. Next election with the City of Yellowknife is October 2022.
- GNWT, Yellowknife Education District No.1 and YCS to work on insurance options to reduce the cost of insurance premiums.
- Completion of the Pellet Boiler projects for Mildred Hall School and Range Lake North School.



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.

Cindi Vaselenak
Superintendent of Education / CEO
Yellowknife District No. 1 Education Authority

Tram Do
Director of Corporate Services
Yellowknife District No. 1 Education Authority

Independent Auditors' Report

**To the Minister of Education, Culture and Employment
Government of the Northwest Territories**

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of the Yellowknife District No. 1 Education Authority (the "Authority"), which comprise of the consolidated statement of financial position as at June 30, 2021, 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, 2021, 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.

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 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 14, 2021**

Chartered Professional Accountants



Yellowknife District No. 1 Education Authority

(the "Authority")

Consolidated Statement of Financial Position

Statement 1

As at June 30,	2021	2020
	\$	\$
FINANCIAL ASSETS		
Cash (Note 4)	10,790,437	8,639,094
Portfolio Investments (Note 7)	-	2,126,244
Accounts Receivable (Note 8)	529,253	77,368
Due from Government of Canada (Note 13)	130,680	593,158
Deposit in Trust (Note 33)	1,457,500	-
	12,907,870	11,435,864
LIABILITIES		
Accounts Payable and Accrued Liabilities (Note 10)	1,071,113	1,327,410
Payroll Liabilities (Note 10)	4,693,950	4,574,092
Vacation Payable (Note 10)	247,169	284,711
Deferred Revenue (Note 11)	2,268,421	711,444
Post-employment benefits and compensated absences (Note 17)	1,878,079	1,611,927
Environmental Liabilities (Note 34)	935,901	935,901
	11,094,633	9,445,485
NET FINANCIAL ASSETS	1,813,237	1,990,379
NON-FINANCIAL ASSETS		
Tangible Capital Assets (Note 18)	10,243,484	11,145,713
Prepaid Expenses (Note 19)	670,711	351,704
	10,914,195	11,497,417
ACCUMULATED SURPLUS (Note 35)	12,727,432	13,487,796
Represented by:		
Operating Fund	554,051	385,842
Investment in Tangible Capital Assets	10,243,484	11,145,713
Decentralized Surplus	376,801	348,497
Pellet Boiler Reserve	364,375	350,000
Capital Fund Reserve	904,165	904,165
LED Reserve	284,556	353,579
	12,727,432	13,487,796

Contractual Obligations (Note 21), Contingencies (Note 22)

Approved on behalf of the board:

Trustee 

 Rajiv Rawat

Trustee 

 Terry Brookes



Yellowknife District No. 1 Education Authority

(the "Authority")

Consolidated Statement of Operations

Statement 2

For the year ended June 30,	2021 Budget \$	2021 Actual \$	2020 Actual \$
REVENUES			
Government of the Northwest Territories			
Regular contributions	29,516,184	30,271,058	29,219,831
Other contributions	294,000	1,263,232	123,000
French Language revenues	472,000	544,600	484,850
Total ECE (Note 30)	30,282,184	32,078,890	29,827,681
GNWT other contributions (Note 31)	-	128,781	109,305
Government of Canada - Jordan's Principle	-	2,748,721	1,723,483
Other education bodies	212,500	227,633	190,020
Property tax requisitioned	6,793,000	6,831,265	6,795,185
Education authority generated funds			
Rental income	380,000	386,761	383,440
Portfolio investment income	160,000	89,346	223,352
Other	-	392,062	703,600
	540,000	868,169	1,310,392
Total revenues	37,827,684	42,883,459	39,956,066
EXPENSES			
School programs	24,570,185	25,245,239	23,189,831
Inclusive schooling	6,630,000	6,544,866	6,550,115
Staff accommodations	216,500	236,651	947,014
Operations and maintenance	3,851,000	5,078,456	3,885,122
Administration	1,605,000	1,455,224	1,560,199
Indigenous language/cultural programs	1,254,999	1,212,545	1,104,372
Jordan's Principle	-	2,748,721	1,723,483
Amortization	915,000	944,729	944,729
School generated funds - expenses (Note 37)	-	251,767	623,957
Total operating expenses	39,042,684	43,718,198	40,528,822
Operating deficit before other items	(1,215,000)	(834,739)	(572,756)
Other items			
Grant in-kind - GNWT assets provided at no cost (Note 20)	-	177,419	99,712
Rent expense - GNWT assets provided at no cost (Note 20)	-	(177,419)	(99,712)
Federal capital contributions	-	31,875	-
Transfer to tangible capital assets	-	42,500	218,090
Operating deficit	(1,215,000)	(760,364)	(354,666)
Opening accumulated surplus	13,487,796	13,487,796	13,842,462
Closing accumulated surplus	12,272,796	12,727,432	13,487,796



Yellowknife District No. 1 Education Authority

(the "Authority")

Consolidated Statement of Changes in Net Financial Assets

Statement 3

For the ended June 30,	2021 Budget \$	2021 Actual \$	2020 Actual \$
Operating deficit	(1,215,000)	(760,364)	(354,666)
Acquisition of tangible capital assets	-	(42,500)	(218,090)
Amortization of tangible capital assets	915,000	944,729	944,729
	(300,000)	141,865	371,973
Consumption of supplies inventories	-	-	58,766
Purchase of prepaid expenses	-	(670,711)	(351,704)
Use of prepaid expenses	-	351,704	124,333
	-	(319,007)	(168,605)
Increase (decrease) in net financial assets	(300,000)	(177,142)	203,368
Net financial asset at beginning of year	1,990,379	1,990,379	1,787,011
Net financial asset at end of year	1,690,379	1,813,237	1,990,379



Yellowknife District No. 1 Education Authority

(the "Authority")

Consolidated Statement of Cash Flows

Statement 4

For the year ended June 30,	2021 \$	2020 \$
OPERATING TRANSACTIONS		
Operating deficit	(760,364)	(354,666)
Item not affecting cash:		
Amortization	944,729	944,729
Changes in non-cash assets and liabilities		
Decrease (increase) in due from Government of Canada	(37,868)	198,845
Decrease (increase) in accounts receivable	48,461	(490,831)
Increase (decrease) in accounts payable	(256,298)	165,681
Increase (decrease) in payroll liabilities	119,858	(560,056)
Increase in environmental liabilities	-	824,963
Increase (decrease) in leave and termination benefits	266,152	(108,951)
Increase (decrease) in vacation payable	(37,542)	80,617
Increase in deferred revenue	1,556,978	261,430
Increase in prepaid expenses	(319,007)	(227,372)
Decrease in inventories	-	58,766
CASH PROVIDED BY OPERATING TRANSACTIONS	1,525,099	793,155
INVESTING TRANSACTION		
Disposition of portfolio investments	2,126,244	2,000,671
CASH PROVIDED BY INVESTING TRANSACTION	2,126,244	2,000,671
CAPITAL TRANSACTIONS		
Acquisition of tangible capital assets	(42,500)	(218,090)
Payment of deposit in trust for pellet boilers	(1,457,500)	-
CASH USED FOR CAPITAL TRANSACTIONS	(1,500,000)	(218,090)
INCREASE IN CASH	2,151,343	2,575,736
CASH AT BEGINNING OF YEAR	8,639,094	6,063,358
CASH AT END OF YEAR	10,790,437	8,639,094



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 2021	Budget 2021	Total 2020
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
SALARIES											
Honoraria	-	-	-	-	74,137	26,990	-	-	101,127	168,775	158,799
Instructional assistants	1,205,419	1,945,517	-	-	-	179,048	1,570,224	-	4,900,208	3,728,389	4,147,786
Non-instructional staff	2,286,176	-	15,533	536,211	901,159	-	249,884	-	3,988,963	3,829,250	3,691,251
Teachers	15,022,740	3,159,233	-	-	-	547,776	419,532	-	19,149,281	18,088,553	18,052,799
	18,514,335	5,104,750	15,533	536,211	975,296	753,814	2,239,640	-	28,139,579	25,814,967	26,050,635
EMPLOYEE BENEFITS											
Employee benefits/allowances	3,430,404	994,279	-	97,495	198,691	144,091	407,134	-	5,272,094	5,142,304	4,797,560
Leave and termination benefits	214,138	81,239	-	6,668	(57,292)	8,001	-	-	252,754	-	(95,553)
	3,644,542	1,075,518	-	104,163	141,399	152,092	407,134	-	5,524,848	5,142,304	4,702,007
SERVICES PURCHASED											
Advertising and printing	20,886	-	-	-	17,492	-	-	-	38,378	45,480	18,951
Communication	97,339	2,183	-	8,223	49,132	-	-	-	156,877	102,600	130,007
Contracted services	396,431	59,324	-	1,690,020	1,049	172,398	84,754	-	2,403,976	1,332,923	1,491,976
Maintenance and repairs	85,165	50,323	102,262	890,917	26,497	-	-	-	1,155,164	640,354	1,667,323
Other	136,922	-	-	260,027	192,705	-	-	-	589,654	306,500	278,699
Professional and technical	434,286	54,597	201	378	9,138	18,427	-	-	517,027	595,229	543,936
Rentals and leases	148,719	-	-	-	3,413	-	-	-	152,132	169,200	82,878
Student transportation	394,920	17,643	-	-	-	8,102	480	-	421,145	490,000	411,362
Travel	117,874	-	-	-	-	1,135	-	-	119,009	125,000	223,603
Utilities											
Heating	-	-	43,458	523,478	-	-	-	-	566,936	847,571	742,530
Electricity	-	-	39,446	854,150	-	-	-	-	893,596	987,000	956,408
Water/Sewage	-	-	32,818	173,403	-	-	-	-	206,221	185,000	220,380
	1,832,542	184,070	218,185	4,400,596	299,426	200,062	85,234	-	7,220,115	5,826,857	6,768,053
MATERIALS											
Awards and student events	3,283	-	-	-	8,347	-	-	-	11,630	76,000	11,715
Freight	5,046	-	-	609	929	-	-	-	6,584	23,155	6,405
Materials and supplies	1,245,491	180,528	2,933	36,877	29,827	106,577	16,713	251,767	1,870,713	1,244,401	2,045,278
	1,253,820	180,528	2,933	37,486	39,103	106,577	16,713	251,767	1,888,927	1,343,556	2,063,398
AMORTIZATION											
	-	-	-	-	-	-	-	944,729	944,729	915,000	944,729
Total operating expenses	25,245,239	6,544,866	236,651	5,078,456	1,455,224	1,212,545	2,748,721	1,196,496	43,718,198	39,042,684	40,528,822



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 2021 \$
SALARIES					
Regional coordinator	154,383	-	-	-	154,383
Program support teachers/counsellors	2,486,093	8,232	-	510,525	3,004,850
Support assistants	1,945,517	-	-	-	1,945,517
	4,585,993	8,232	-	510,525	5,104,750
EMPLOYEE BENEFITS	984,417	-	-	91,101	1,075,518
SERVICES PURCHASED					
Professional and technical	54,597	-	-	-	54,597
Student transportation	17,643	-	-	-	17,643
Advertising and printing	2,183	-	-	-	2,183
Maintenance and repairs	50,323	-	-	-	50,323
Other contracted services	12,888	46,436	-	-	59,324
	137,634	46,436	-	-	184,070
MATERIALS					
Materials and supplies	3,638	68,333	85,993	22,564	180,528
Total operating expenses	5,711,682	123,001	85,993	624,190	6,544,866



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	2021
	\$	\$	\$	\$
SALARIES				
Regional ILE coordinators	129,484	-	-	129,484
Indigenous language instruction	183,139	19,281	-	202,420
ILE substitutes	5,027	-	-	5,027
Cultural resource staff	275,592	55,336	58,964	389,892
Elders in schools	26,990	-	-	26,990
	620,232	74,617	58,964	753,813
EMPLOYEE BENEFITS	123,647	17,141	11,304	152,092
SERVICES PURCHASED				
Professional/technical services	18,427	-	-	18,427
Travel	1,135	-	-	1,135
Student transportation (busing)	-	-	8,102	8,102
Other contracted services	-	-	172,398	172,398
	19,562		180,500	200,062
MATERIAL				
Materials	33,756	9,067	63,755	106,578
TOTAL	797,197	100,825	314,523	1,212,545



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, 2021

	Contribution from the Department \$	Commitment from the Authority \$	Expenses \$	Over (under) funding \$
Teacher assistants (Staff)	35,000	35,000	88,242	(18,242)
French immersion pedagogy specialist	70,000	55,000	110,820	14,180
Intensive & PIF French coach (staff)	105,000	442,000	701,812	(154,812)
Intensive PIF (elective courses at SJF)	3,000	1,000	-	4,000
Special Projects				
French camps	27,000	3,000	33,446	(3,446)
Assessment, intensive & PIF	30,000	5,000	40,482	(5,482)
French resources	35,000	5,000	50,821	(10,821)
Cultural activities	7,000	2,000	8,669	331
Professional development	30,000	6,000	22,062	13,938
Consultant	80,000	140,000	181,710	38,290
Teacher retention and recruitment	82,760	25,364	56,028	52,096
Total	504,760	719,364	1,294,092	(69,968)



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,

2021

\$

Revenues

Government of the Northwest Territories

123,000

Carry Forward from 2019-2020

8,678

Total revenues

131,678

Expenses

Salaries/Wages

Substitute teacher wages

8,232

Other Expenses

Materials and supplies

46,435

Total expenses

54,667

Surplus

77,011



Yellowknife District No. 1 Education Authority

(the "Authority")

Report on Activities of Specific Programs

Statement 10

Jordan's Principle

	June 30, 2021 Budget	June 30, 2021 Actual	June 30, 2020 Actual	July 1, 2020 - March 31, 2021 Actual	April 1, 2021 - June 30, 2021 Actual
Revenue					
Government of Canada					
- First Nations and Inuit Health Branch	2,866,944	2,866,943	1,923,961	2,088,871	778,072
Carry Forward from Previous Year	614,452	614,452	413,974	614,452	-
Total Revenue	3,481,396	3,481,395	2,337,935	2,703,323	778,072
Expenses					
Administration	321,279	249,884		143,549	106,335
Personnel	2,986,492	2,396,890	1,653,614	1,364,199	1,032,692
Transportation		-			
Materials and Supplies	131,204	72,548	61,030	46,288	26,260
Rent and Utilities		-			
Evaluation	42,420	29,400	8,840	25,000	4,400
Other		-			
Total Expenses	3,481,396	2,748,722	1,723,484	1,579,035	1,169,687
Net Surplus/(Deficit)	-	732,672	614,452	-	732,672
Deferred Revenue	-	732,672	614,452	-	732,672



Yellowknife District No. 1 Education Authority

(the "Authority")

Report on Activities of Specific Programs

Statement 11

Statement of Utilities Expenses
For the Year Ended June 30, 2021

School Year	2020-2021	2019-2020	2018-2019	Total Expense	Avg Expense
	Expense	Expense	Expense		
Fuel Oil	\$ 388,209	\$ 579,220	\$ 635,999	\$ 1,603,427	\$ 534,476
Electricity	\$ 893,595	\$ 956,408	\$ 1,019,158	\$ 2,869,161	\$ 956,387
Pellets	\$ 178,727	\$ 163,310	\$ 192,471	\$ 534,508	\$ 178,169
Water	\$ 161,059	\$ 165,838	\$ 160,656	\$ 487,552	\$ 162,517
Garbage	\$ 45,163	\$ 54,542	\$ 47,606	\$ 147,311	\$ 49,104
Other (Specify)	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expense	\$ 1,666,752	\$ 1,919,318	\$ 2,055,889	\$ 5,641,959	\$ 1,880,653



June 30, 2021

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 Board.

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, 2021

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, 2021

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, and vacation payable.

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, 2021

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 and Nordic Arms, 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 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.



June 30, 2021

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 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, 2021

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 reasonable estimated.



June 30, 2021

2. Significant Accounting Policies (Continued)

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, and may include the proceeds of fundraising, contributions or fees paid to a specific planned benefit. Examples might include student trips or funds specifically designated for the purchase of equipment or materials required to support an activity. The balances of school generated funds are included in the audited consolidated financial statements.

A summary of school generated funds administered by the Authority is disclosed in Note 38.

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, 2021

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, 2021

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, and the Pellet Boiler reserve.

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, 2021

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 \$364,375 remaining) of the estimated cost of the installation of pellet boilers for Mildred Hall School and Range Lake North School.

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, 2021

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

Effective 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.

Effective July 1, 2022, Education bodies will concurrently be required to adopt PS 2601 Foreign Currency Translation, PS 1201 Financial Statement Presentation, PS 3041 Portfolio Investments in the same fiscal period. There are no significant impacts on the consolidated financial statements as a result of these standards.

4. Cash

	2021	2020
	\$	\$
Cash	10,790,437	8,639,094

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.



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Notes to Consolidated Financial Statements

June 30, 2021

6. Restricted Assets

The Authority does not have restricted assets.

7. Portfolio Investments

	2021	2020
	\$	\$
CIBC Wood Gundy Investment 1		
Balance at June 30	-	2,126,244
Dollar Value of Interest earned	-	126,244
Cost of Investment	-	2,000,000
Market Value	-	2,126,244
Balance at March 31	-	2,111,394
Date Purchased: 26 April 2018		
Term of Investment: 3 Years		
Maturity Date: 27 April 2021		
Annual Interest Rate: 2.85%		

These are guaranteed investment certificates ("GIC") with CIBC Wood Gundy and 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:

	2021	2020
	\$	\$
CIBC Wood Gundy		
Investment 1	-	2,126,244



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8. Accounts Receivable

	2021	2020
	\$	\$
Accrued interest receivable	6,842	68,607
Due from other related parties (Note 23)	515,641	-
Due from Government of the Northwest Territories (Note 23)	2,948	4,229
Other	3,822	4,532
Total	529,253	77,368

Allowance for doubtful accounts at June 30, 2021 is \$nil (2020 - \$nil).

9. Inventories

There is no inventory recorded as at June 30, 2021.

10. Accounts Payable and Accrued Liabilities

	2021	2020
	\$	\$
Accrued interest	46	45
Damage deposits	27,470	27,455
School Generated Trust Accounts - carry over balances (Note 37)	737,811	731,104
Trade payable	305,786	568,806
	1,071,113	1,327,410

	2021	2020
	\$	\$
Payroll Liabilities		
To employees (July & August wages & deferred NEBS pension)	4,693,950	4,574,092
Vacation payable (annual leave)	247,169	284,711
	4,941,119	4,858,803



June 30, 2021

11. Deferred Revenue

Deferred revenue consists of contributions or revenues received from contributors for expenses not yet incurred.

	2021	2020
	\$	\$
Nordic Arms Prepaid Rent	6,390	3,470
Jordan's Principal - Federal	732,672	614,452
GNWT ECE - Curriculum	1,529,359	93,522
	2,268,421	711,444

12. Contribution Repayable

The Authority does not have any contribution repayable.



June 30, 2021

13. Due from Government of Canada

Receivables	2021 \$	2020 \$
GST Receivable	130,680	92,812
Government of Canada (Jordan's Principle)	-	500,346
	130,680	593,158

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 \$4,867,505. 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 \$183,838 for January 2021, and \$175,156 for January 2020. The maximum monthly contributions is \$3,246 for January 2021, and \$3,092 for January 2020.

NEBS is an employer owned program and as such the Authority will be liable for its portion of any shortfall. The Plan serves 3,534 Employee Members and 117 Employer Members (total active, disabled and on leave: 2,035).

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 \$45,100,000 - funded ratio 118% (2020 - \$31,200,000 and 113%) on a going concern valuation basis. The Plan had a solvency ratio deficiency of \$164,720,000 and a solvency ratio of 66%. 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.



June 30, 2021

16. Long-Term Debt

The Authority does not have long-term debt.

17. Post-employment Benefits and Compensated Absences

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

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

Compensated absence benefits for all staff are accrued as 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, 2021. 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 March 31, 2021 and the results extrapolated to June 30, 2021. The values presented below are for all of the benefits under the Compensated Absences and Termination Benefits for the Authority.



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June 30, 2021

17. Other Employee Future Benefits and Compensated Absences (Continued)

Changes in Obligation	Severance and Removal \$	Compensated Absences \$	2021 \$	2020 \$
Accrued benefit obligation				
beginning of year	829,777	418,491	1,248,268	1,697,549
Current period benefit cost	82,192	36,452	118,644	111,538
Interest accrued	23,049	11,573	34,622	54,996
Benefits payments	(105,015)	(170,469)	(275,484)	(264,434)
Actuarial (gain)/loss	(47,933)	100,405	52,472	(351,381)
Plan amendments	441,757	-	441,757	-
Accrued benefit obligation end of year	1,223,827	396,452	1,620,279	1,248,268
Unamortized net				
actuarial loss/(gain)	545,041	(287,241)	257,800	363,659
Total employee future benefits and compensated absences	1,768,868	109,211	1,878,079	1,611,927
Benefits expense				
Current period benefit cost	82,192	36,452	118,644	111,538
Interest accrued	23,049	11,577	34,626	54,996
Amortization of net actuarial (gain)/loss	(87,467)	34,080	(53,387)	(11,051)
Total benefits expense	17,774	82,109	99,883	155,483



June 30, 2021

17. Other Employee Future Benefits and Compensated Absences (Continued)

The discount rate used in the 2021 fiscal year to determine the accrued benefit obligation was an average of 3.3% (2020 - 2.7%). The expected payments during the next five fiscal years are:

	Severance and Removal	Compensated Absences	Total
	\$	\$	\$
2022	274,443	51,968	326,411
2023	177,406	56,994	234,400
2024	101,899	51,878	153,777
2025	90,701	48,078	138,779
2026-2030	310,343	161,499	471,842
Total	954,792	370,417	1,325,209



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Notes to Consolidated Financial Statements

June 30, 2021

18. Tangible Capital Assets

								2021	2020
	Cost	Additions	Transfers	Disposals	Amortization	Accumulated Amortization beginning of year	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	-	-	-	(56,247)	(1,248,282)	(1,304,529)	948,907	1,005,153
William McDonald	7,078,328	-	-	-	(176,958)	(6,724,412)	(6,901,370)	176,958	353,917
Mildred Hall	11,089,005	-	21,250	-	(280,532)	(6,857,688)	(7,138,220)	3,972,035	4,231,317
Range Lake North	8,215,859	-	21,250	-	(205,396)	(5,545,705)	(5,751,101)	2,486,008	2,670,155
N. J. Macpherson	5,329,162	-	-	-	(136,459)	(4,362,208)	(4,498,667)	830,495	966,953
Ecole J. H. Sissons	2,436,769	-	-	(2,436,769)	-	(2,436,769)	-	-	-
	36,402,559	-	42,500	(2,436,769)	(855,592)	(27,175,064)	(25,593,887)	8,414,403	9,227,495
Other buildings									
Administration office	1,070,827	-	-	-	(26,771)	(722,808)	(749,579)	321,248	348,019
Nordic Arms residence	595,205	-	-	-	-	(595,205)	(595,205)	-	-
Total land and buildings	39,368,067	-	42,500	(2,436,769)	(882,363)	(28,493,077)	(26,938,671)	10,035,127	10,874,990
Equipment and furnishings									
Schools	4,685,576	-	-	-	(49,932)	(4,488,596)	(4,538,528)	147,048	196,980
Playgrounds	149,972	-	-	-	-	(149,972)	(149,972)	-	-
Residences	64,045	-	-	-	-	(64,045)	(64,045)	-	-
Administration office	322,132	-	-	-	-	(322,132)	(322,132)	-	-
Vehicles	319,413	-	-	-	(12,434)	(245,670)	(258,104)	61,309	73,743
	5,541,138	-	-	-	(62,366)	(5,270,415)	(5,332,781)	208,357	270,723
Work in progress									
Pellet boilers	-	42,500	(42,500)	-	-	-	-	-	-
	44,909,205	42,500	-	(2,436,769)	(944,729)	(33,763,492)	(32,271,452)	10,243,484	11,145,713



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Notes to Consolidated Financial Statements

June 30, 2021

19. Prepaid Expenses

	2021	2020
	\$	\$
Insurance	665,403	270,957
Materials and Supplies	5,308	80,421
Leases	-	326
	670,711	351,704

20. GNWT Assets Provided at no Cost

The following assets were provided to the Authority by the GNWT at no cost.

	Cost	Accumulated Amortization	2021 Net Book Value	2020 Net Book Value
	\$	\$	\$	\$
Ecole Sir John Franklin	25,965,232	25,965,232	-	-
Ecole Sir John Franklin Portable Classrooms	419,724	348,917	70,807	81,297
Ecole Sir John Franklin NACC	2,214,552	1,783,120	431,432	493,065
Ecole Sir John Franklin Sewer Line	108,852	19,231	89,621	93,976
N.J. Macpherson Portable Classrooms	1,413,831	485,816	928,015	963,368
Ecole Sir John Franklin Wheelchair Lift	100,708	14,267	86,441	-
Ecole Sir John Franklin Boiler Replacement	51,145	1,137	50,008	-
Ecole J. H. Sissons Portable Classrooms	2,242,917	62,303	2,180,614	-
	32,516,961	28,680,023	3,836,938	1,631,706
Deferred capital contributions				
Ecole Sir John Franklin	(1,442,500)	(1,442,500)	-	-
	31,074,461	27,237,523	3,836,938	1,631,706

Rent expense of \$177,419 (2020 - \$99,712) was offset by a grant in-kind.



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Notes to Consolidated Financial Statements

June 30, 2021

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 from Route 51. The contract is renewed until June 2022.

The Authority has a collective bargaining agreement with the NWT Teachers Association ("NWTTA") for teachers, specialists and education assistants which expires on August 31, 2021. The Authority is planning to meet with the NWTTA to bargain a new Collective Agreement in January 2022

The Authority has a collective bargaining agreement with the United Steelworkers for support staff which expires on June 30, 2022.

The Authority has entered into a contract for the construction of a school, beginning in the fall of 2020, and is being funded by the Government of the Northwest Territories.

	Expiry Date	2022 \$	2023 \$	2024 \$	2025 \$	2026 & Beyond \$	Total \$
Equipment Leases:							
Ricoh Route 51	1 July 2021	2,024	-	-	-	-	4,048
Operational Contracts:							
First Student Bussing	30 Jun 2026	500,000	500,000	500,000	500,000	500,000	3,000,000
Commercial & Residential Leases:							
Route 51	30 Jun 2022	37,800	-	-	-	-	75,600
Total		539,824	500,000	500,000	500,000	500,000	3,079,648

22. Contingencies

The Authority does not have any contingencies.



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Notes to Consolidated Financial Statements

June 30, 2021

23. Related Parties

During the year, the Authority entered into transactions with the following related parties:

Yellowknife Public Denominational Education Authority, common control

Ndilo District Education Authority, common control

Dettah District Education Authority, common control

South Slave Divisional Education Council, common control

Deh Cho Divisional Education Council, common control

Government of the Northwest Territories:

Department of Finance, common control

Department of Health & Social Services, common control

Department of Education, Culture and Employment, common control

Department of Municipal and Community Affairs, common control

Department of Environment and Natural Resources, common control

Department of Infrastructure, common control

Legislative Assembly of the Northwest Territories

	2021 \$	2020 \$
Due from Related Parties (Accounts Receivable):		
Other Education Bodies:		
Yellowknife Public Denominational Education Authority	600	-
Ndilo District Education Authority	510,214	-
Dettah District Education Authority	4,827	-
Subtotal - other related parties	515,641	-
Government of the Northwest Territories:		
Department of Education, Culture and Employment	2,948	4,229
Subtotal - Government of the Northwest Territories	2,948	4,229
Total Due from Related Parties	518,589	4,229

These balances due from related parties are unsecured, non-interest bearing with no specific terms of repayment.



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Notes to Consolidated Financial Statements

June 30, 2021

23. Related Parties (Continued)

	2021 \$	2020 \$
Revenues from Related Parties:		
Government of the Northwest Territories:		
Department of Education Culture & Employment - Regular contributions	30,271,058	29,219,831
Department of Education Culture & Employment - Other contributions	1,263,232	122,000
Legislative Assembly of Northwest Territories	-	1,000
Department of Education Culture & Employment - French languages	576,475	484,850
Department of Finance - Interest	39,499	149,755
Department of Health & Social Services - GNWT other contributions	25,228	8,505
Department of Municipal and Community Affairs - GNWT other contributions	80,500	91,800
Department of Environment and Natural Resources - GNWT other contributions	23,053	8,000
Other Education Bodies:		
Ndilo District Education Authority	30,000	30,000
Dettah District Education Authority - Other education bodies	182,533	130,020
South Slave DEC - Other education bodies	15,100	30,000
Total Revenues from Related Parties	32,506,678	30,275,761



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Notes to Consolidated Financial Statements

June 30, 2021

23. Related Parties (Continued)

	2021	2020
	\$	\$
Expenses Paid to Related Parties:		
Government of the Northwest Territories:		
Department of Infrastructure - Maintenance and repairs	4,752	5,336
Department of Industry, Tourism and Investment - Materials and supplies	-	1,376
Department of Financial and Employee Shared Services - Professional and technical	-	1,750
Department of Education, Culture & Employment - Professional and technical	4,108	4,625
Stanton Territorial Health Authority - Maintenance and repairs	-	553
Other Education Bodies:		
Deh Cho Divisional Education Council - Materials & supplies	600	600
Total Expenses paid to Related Parties	9,460	14,240

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, 2021

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, 2020 and submitted to the Minister of Education, Culture and Employment and have not been audited. The Budget for fiscal year 2020/2021 was submitted to the minister on June 30, 2020. The budget deficit is \$1,215,001.

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, 2021

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, 2021, receivables from these two districts is \$515,041 (2020 - nil), which is 98% of total accounts receivable (2020 - nil). 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, 2021

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 22.

27. Expenses By Object

	2021 Budget	2021 Actual	2020 Actual
	\$	\$	\$
Amortization	915,000	944,729	944,729
Compensation	30,957,271	33,664,427	30,752,642
Other	7,170,413	9,109,042	8,831,451
	39,042,684	43,718,198	40,528,822

28. Subsequent Event

The Authority is approved for the Green House Gas (GHG) Grant program, which will contribute \$1,150,000 or 75% of the eligible expenditures. The remaining balance after first payment is \$1,093,125. The pellet boilers once installed will help to reduce green house gas emissions, which is a condition of the grant. They are expected to be installed September 2021.

29. Comparative Figures

The consolidated financial statements have been reclassified, where applicable, to conform to the presentation used in the current year.



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Notes to Consolidated Financial Statements

June 30, 2021

30. ECE Contributions

	Budget 2021 \$	Actual 2021 \$	Actual 2020 \$
Original contribution	29,516,184	30,044,057	29,131,353
Student Success Initiatives (SSI) project	123,000	123,000	123,000
NWTTA collective bargaining adjustment	-	538,593	-
Termination benefits	100,000	97,019	88,578
French language	457,000	457,000	422,000
Mentorship release time	45,000	25,740	31,382
CYCC adjustment	-	(527,873)	-
Birchbark teaching program	26,000	-	26,000
Updated Contribution	30,267,184	30,757,536	29,822,313
Indigenous language (from fiscal 2021)	-	93,522	(93,522)
COVID-19 ECE portion	-	819,732	-
COVID-19 technology	-	57,500	-
Accommodations WMS drop off	-	250,000	-
French cultural resources	-	23,700	3,600
French language coach	-	38,800	-
French video clips	-	6,000	-
French partnership funding SSDEC	-	-	35,000
French language communications	-	15,100	24,250
French intensive/post-intensive French	-	4,000	-
Health and wellness funding	-	-	36,040
Self regulation	-	13,000	-
Total Contributions	30,267,184	32,078,890	29,827,681



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Notes to Consolidated Financial Statements

June 30, 2021

31. GNWT Other Contributions

	Budget 2021	Actual 2021	Actual 2020
	\$	\$	\$
Department of Municipal & Community Affairs (MACA):			
Active After School	-	76,500	91,800
Department of Executive (Legislative Assembly):	-	-	1,000
Department of Health and Social Services (HSS):			
Drop the Pop	-	25,228	8,505
Department of Environment & Natural Resources (ENR):			
Take a Kid Trapping	-	8,000	-
Compost Program	-	-	8,000
Energy Efficient Audit	-	19,053	-
Total	-	128,781	109,305



June 30, 2021

32. Contingent Assets

The Authority does not have contingent assets.

33. 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 \$375,000, representing 25% of the cost of the Project. The Project started in fiscal year 2020/2021 and total costs paid as of June 30, 2021 is \$42,500. Estimated remaining costs to be paid in fiscal year 2021/2022 is \$1,457,500. 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 Authority is approved for the Jordan's Principle funding up to March 31, 2023. 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 to support First Nations children.

Contracting Parties	Description of Contract	Expiry Date	2022 \$	2023 \$	Total \$
Government of Canada	GHG Grant Pellet Boilers for RLN and MHS	March 2022	1,093,125	-	1,093,125
Government of Canada	Jordan's Principle	March 2023	4,483,985	26,055	4,510,040
Total			5,577,110	26,055	5,603,165



June 30, 2021

34. Environmental Liabilities

Liability for Contaminated Sites

The Authority has identified possible environmental liabilities at William McDonald School and Range Lake North School that have underground fuel tanks. The Department of Education, Culture and Employment, and the Department of Infrastructure are working towards replacing the underground fuel tanks. The removal of the fuel tanks is scheduled for summer 2021.

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. YK1 had contracted Kasteel Construction to provide supplementary cost estimates for the asbestos abatement of Nordic Arms in June 2020. 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. There is also a separate liability recorded for the future abatement of Nordic Arms Apartment complex in the amount of \$756,250. Total liability recorded for future asbestos abatement is \$935,901 (2020 - \$935,901). Management will continue to monitor these buildings under the Hazardous Materials management plan.



June 30, 2021

35. Environmental Liabilities (Continued)

Location:	5415 Franklin Avenue, Nordic Arms
Type of Site:	Apartment Complex
Description and Studies Completed:	Hazardous Building Materials Assessment
Type of Contamination:	Asbestos, lead, mercury
Site Stage:	Monitoring
Status and Next Steps:	Abatement
Operating Site:	Yes
Part Non-Operating	No
Total Liability at June 30, 2021	\$756,250

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, 2021	\$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, 2021	\$70,795



Yellowknife District No. 1 Education Authority

(the "Authority")

Notes to Consolidated Financial Statements

June 30, 2021

35. Accumulated Surplus

A consolidated statements of funds and surplus and reserves have been prepared as follows:

Details of Funds

For the year ended June 30,	2021	2020
	\$	\$
OPERATING FUND		
Balance, beginning of year	385,842	444,854
Operating deficit (Statement 2)	(760,364)	(354,666)
Acquisition of tangible capital assets	(42,500)	(218,090)
Transfer from Investment in Tangible Capital Assets	944,729	944,729
Transfer from Decentralized Surplus	(28,304)	16,943
Transfer to Pellet Boiler Reserve	(14,375)	(350,000)
Transfer (to) from LED reserve Utilities/LED Lights	69,023	(97,928)
Balance, end of year	554,051	385,842
INVESTMENT IN TANGIBLE CAPITAL ASSETS		
Balance, beginning of year	11,145,713	11,872,352
Acquisition of tangible capital assets	42,500	218,090
Amortization	(944,729)	(944,729)
Balance, end of year	10,243,484	11,145,713



June 30, 2021

36. Accumulated Surplus (Continued)

Details of Surplus and Reserves

For the year ended June 30,	2021	2020
	\$	\$
DECENTRALIZED SURPLUS		
Balance, beginning of year	348,497	365,440
Transfer to Operating Fund	28,304	(16,943)
Balance, end of year	376,801	348,497
PELLET BOILER RESERVE		
Balance, beginning of year	350,000	350,000
Transfer to operating fund	14,375	
Balance, end of year	364,375	350,000
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	353,579	255,651
Transfer (to) from Operating Fund for Utility Costs	(69,023)	97,928
Balance, end of year	284,556	353,579



June 30, 2021

36. 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 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.

37. 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:

	2021	2020
	\$	\$
Balances, beginning of year	731,104	771,440
Fundraising revenues	258,474	583,621
Total funds available	989,578	1,355,061
Total related expenses	(251,767)	(623,957)
Balances, end of year	737,811	731,104

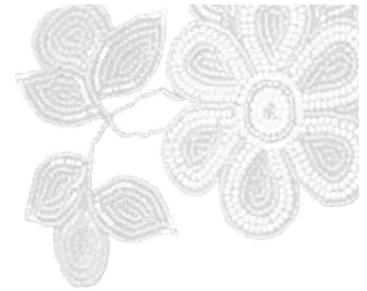
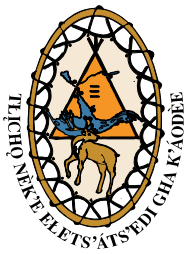
**Audited Financial Statements
Tlich Community Services Agency
Behchoko, NT**

For the year ended March 31, 2022

**Tlicho Community Services Agency
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**To the Ministers of Health and Social Services and Education, Culture and Employment
Government of the Northwest Territories**

Management Responsibility for Financial Reporting for the year ended March 31, 2022

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.

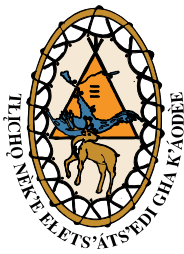
Approved and confirmed on behalf of the Tłı̨chǫ́ Community Services Agency

Kevin Armstrong, Chief Executive Officer

Tłı̨chǫ́ Community Services Agency

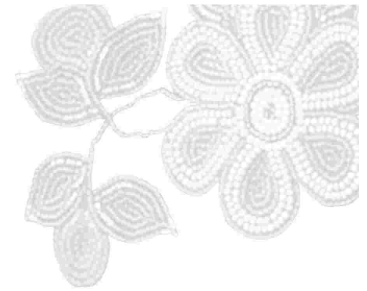
June 25, 2022





Management Discussion and Analysis

March 31, 2022



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, 2022

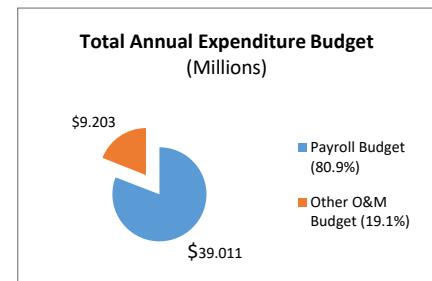


All the other regions have separate agencies for the delivery of health and education programs. The advantage of the TCSA model is that we are able to more effectively link the delivery of these programs.

The TCSA serves a population of approximately three thousand people (3,000) in the communities of Behchokó, Whati, Gamèti and Wekweèti. The TCSA delivers its programs through five schools and four health centers in the region, and one long term care facility located in Behchoko.

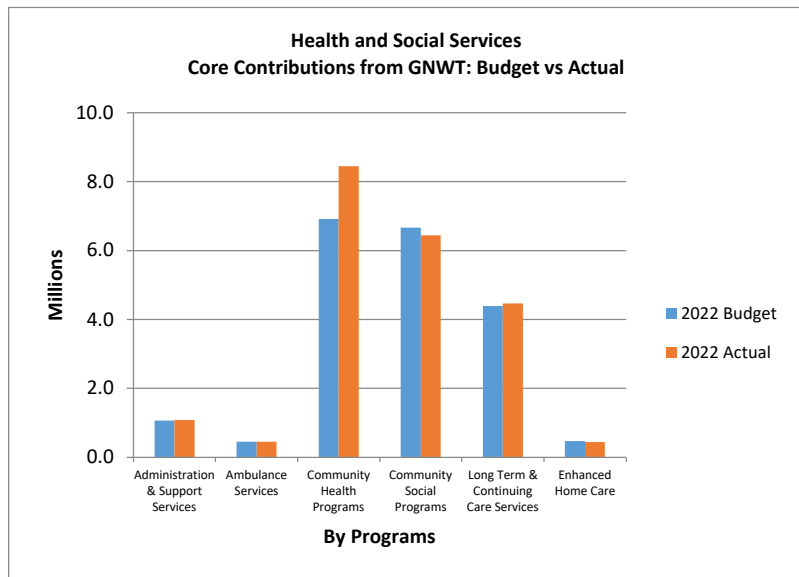
Financial Condition

The Agency had an annual expenditure budget of \$48.214 million in total in fiscal 2021-2022, a dedicated workforce of approximately 280 employees with a total payroll budget of \$39.011 million, which represents 80.9% of the Agency's total annual budget.



The TCSA Health and Social Services Programs receive core contributions (\$21.342 million) from the GNWT, which presents majority (96.5%) of the total Revenue for the 2021-2022 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 2021-2022 fiscal year – broken down by health and social services programs.



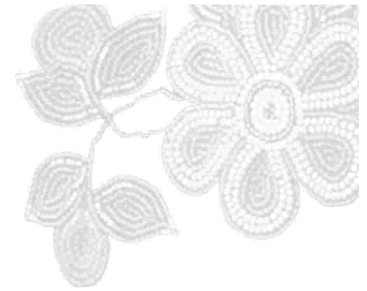
For the 2021-2022 fiscal year, the TCSA Health and Social Services Activities incurred a total expenditure of \$22.886 million.





Management Discussion and Analysis

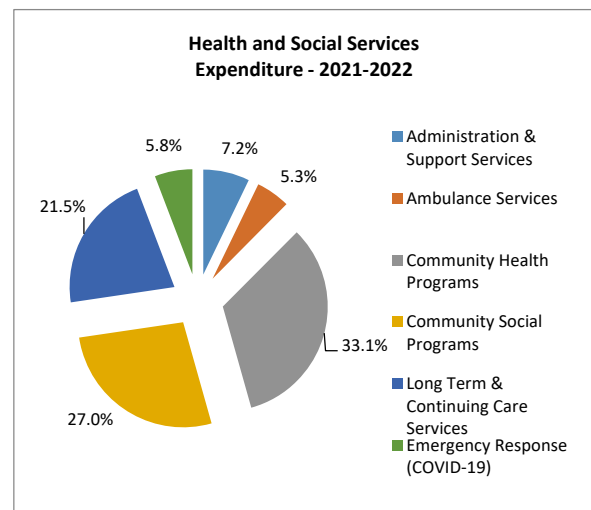
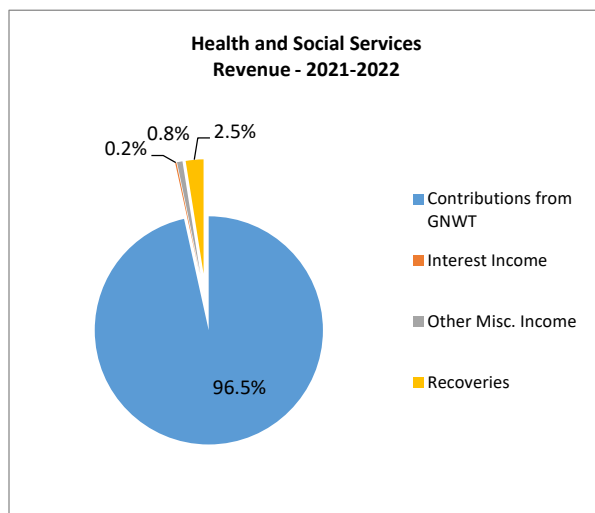
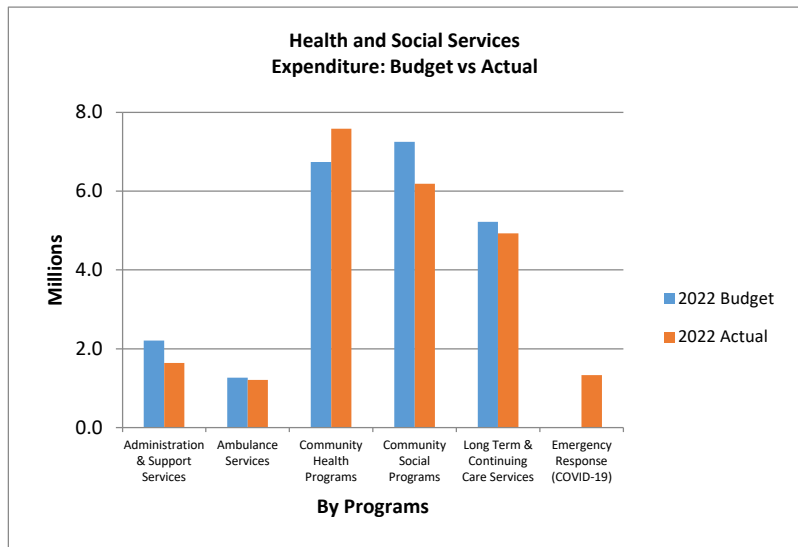
March 31, 2022



The Chart on the right demonstrates a comparison of operating actuals to annual budgets of expenditures for the 2021-2022 fiscal year – broken down by health and social services programs.

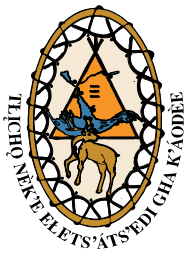
For the 2021-2022 fiscal year, the TCSA Health and Social Services Activities incurred an operating deficit of \$779,001, thereby arriving at an accumulated operating deficit of \$6.318 million. The 2021-2022 operating

deficit represents approximately 3.5% of the total health revenue of \$22.107 million. The key financials are highlighted in the Chart below:



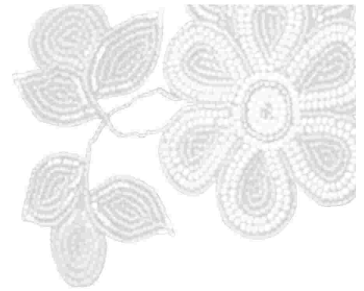
The Table below demonstrating the figure upon with the Surplus Retention Policy will be applied:

	2022 Actual	2021 Actual
Operating Surplus / (Deficit)	\$ (779,001)	\$ (598,640)
Unfunded Items:		
Change in Employee Leave and Termination Benefits	(78,452)	(43,176)
Annual Surplus / (Deficit)	\$ (857,453)	\$ (641,816)



Management Discussion and Analysis

March 31, 2022



The operating deficit in health for 2021-2022 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 costs, and exceeded the funding by \$365,860 (2021-2022: \$361,296). 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 \$396,782 (2020-2021: \$395,086).
- (3) We incurred costs of \$1.632 million in total responding to the COVID-19 Pandemics in the 2021-2022 fiscal year. Of which, \$297,835 relating to COVID-19 related special and sick leaves as well as overtime were included in each program cost of Health and Social Services Activities. As a result, only \$1.334 million had been recorded as Emergency Response (COVID-19) Expenditure on the Statement II – Sheet 2: Statement of Operations. On the other hand, we received COVID-19 Funding of \$1.438 million in total, including \$1.381 million approved for 2021-2022 fiscal year and \$56,538 approved for the prior fiscal year of 2020-2021 but received in the 2021-2022. In the end, the TCSA is short funded \$250,812 for the fiscal year of 2021-2022 in terms of Responses to the COVID-19 Pandemics.

For its 2021-2022 Education activities the TCSA incurred an annual surplus of \$490,351. As a result of this the TCSA Education activities now have an accumulated surplus of \$489,727.

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:
 - The GNWT funds positions at a pay step 4 to take turnover into account. At the TCSA however, turnover is very low. As a result of this, many employees are paid at a pay step level 8 which results in the funding for regular payroll being insufficient to cover the actual payroll cost.
 - Overtime, standby and callback pay are not specifically funded by the GNWT. The majority of these expenses are unavoidable however. Because of the thin management structure of the TCSA, the percentage of the staff incurring overtime would be higher than elsewhere in the GNWT.
- The Department of Health and Social Services recognizes the above issue and has approved the Agency's 2022-2023 budget with a deficit of \$1,087,303. Also, the Department had filed a Forced Growth Funding Application on behalf of the TCSA to the GNWT Financial Management Board in order to address the funding shortfall.

Chief Executive Officer, June 22, 2022





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ACCOUNTING**
PROFESSIONAL CORPORATION

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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, 2022, 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, 2022, 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, 2022 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 25, 2022

EPR Yellowknife Accounting Professional Corporation
Chartered Professional Accountants

Tlcho Community Services Agency
Statement of Financial Position
As at March 31, 2022

	March 31, 2022	March 31, 2021
Financial Assets		
Cash (Note 4)	\$ 4,370,629	\$ 4,390,030
Accounts Receivable (Note 8)	3,183,621	2,459,457
	7,554,250	6,849,487
Liabilities		
Accounts Payable and Accrued Liabilities (Note 10)	3,893,688	2,704,755
Deferred Revenue (Note 11)	3,217,452	3,038,542
Wages and Benefits Payable - GNWT (Note 10)	5,590,756	5,652,864
Employee Future Benefits (Note 16)	953,718	1,164,145
	13,655,614	12,560,306
Net Financial Debt	(6,101,364)	(5,710,819)
Non-Financial Assets		
Inventory Held for Use (Note 9)	102,000	102,000
Tangible Capital Assets (Note 18)	240,402	296,967
	342,402	398,967
Accumulated Surplus (Deficit) (Page 6)	\$ (5,758,962)	\$ (5,311,852)

Contractual Obligations (Note 22)


 _____ **Chief Executive Officer**


 _____ **Chairman of the Board**

**Tlicho Community Services Agency
Consolidated Operations
Statement of Operations
For the year ended March 31, 2022**

	Unaudited 2022 Budget	2022 Actual	2021 Actual
Revenue			
Health & Social Services (Page 3)	\$ 20,709,251	\$ 22,107,372	\$ 20,829,402
Education (Page 4)	24,373,072	24,685,167	22,359,480
Other Operations (Page 5)	150,000	137,060	135,511
	<u>45,232,323</u>	<u>46,929,599</u>	<u>43,324,393</u>
Expenditure			
Health & Social Services - Compensation	17,536,689	17,592,352	17,229,301
Health & Social Services - Other	5,152,681	5,294,021	4,198,741
Total Health & Social Services (Page 3)	<u>22,689,370</u>	<u>22,886,373</u>	<u>21,428,042</u>
Education - Compensation	21,474,684	20,686,153	19,231,365
Education - Other	3,749,576	3,508,663	3,073,526
Total Education (Page 4)	<u>25,224,260</u>	<u>24,194,816</u>	<u>22,304,891</u>
Other Operations - Compensation	-	-	-
Other Operations - Other	300,000	295,520	79,429
Total Other Operations (Page 5)	<u>300,000</u>	<u>295,520</u>	<u>79,429</u>
	<u>48,213,630</u>	<u>47,376,709</u>	<u>43,812,362</u>
Operating Surplus (Deficit)	<u>\$ (2,981,307)</u>	<u>\$ (447,110)</u>	<u>\$ (487,969)</u>
Rent Expense - GNWT Assets provided at no cost (Note 21)		496,711	568,494
Grant-In-Kind - GNWT Assets provided at no cost (Note 21)		(496,711)	(568,494)
Change to Employee Leave and Termination Benefits		210,427	114,134
		<u>210,427</u>	<u>114,134</u>
Annual Surplus (Deficit)	<u>\$ (2,981,307)</u>	<u>\$ (657,537)</u>	<u>\$ (602,103)</u>

**Tlicho Community Services Agency
Health & Social Services
Statement of Operations
For the year ended March 31, 2022**

	Unaudited 2022 Budget	2022 Actual	2021 Actual
Revenue			
Contributions from GNWT (Schedule A)	\$ 19,974,251	\$ 21,342,252	\$ 20,072,896
Interest Income	25,000	37,566	24,432
Other Income	150,000	172,880	215,357
Recoveries	560,000	554,674	516,717
	<u>20,709,251</u>	<u>22,107,372</u>	<u>20,829,402</u>
Expenditure			
Administrative & Support Services	2,207,362	1,640,953	1,651,091
Ambulatory Care Services	1,266,307	1,211,732	1,173,261
Community Health Programs	6,741,386	7,584,166	7,221,742
Community Social Programs	7,249,073	6,188,676	5,774,496
Long Term and Continuing Care	5,225,242	4,926,460	4,887,943
Emergency Response (COVID-19)	-	1,334,386	719,509
	<u>22,689,370</u>	<u>22,886,373</u>	<u>21,428,042</u>
Operating Surplus (Deficit)	\$ (1,980,119)	\$ (779,001)	\$ (598,640)
Rent Expense - GNWT Assets provided at no cost (Note 21)		496,711	568,494
Grant-In-Kind - GNWT Assets provided at no cost (Note 21)		(496,711)	(568,494)
Change to Employee Leave and Termination Benefits		78,452	43,176
		<u>78,452</u>	<u>43,176</u>
Annual Surplus (Deficit)		(857,453)	(641,816)
Opening Accumulated Operating Deficit		(5,539,225)	(4,940,585)
Closing Accumulated Operating Deficit		\$ (6,318,226)	\$ (5,539,225)

Tlicho Community Services Agency
Education
Statement of Operations
For the year ended March 31, 2022

	Unaudited 2022 Budget	2022 Actual	2021 Actual
Operating Fund - Revenue			
Government of the Northwest Territories			
Regular Contribution from ECE	\$ 17,905,791	\$ 18,190,662	\$ 17,718,056
Other ECE Contribution	261,250	1,103,610	838,049
Total ECE Contributions	<u>18,167,041</u>	<u>19,294,272</u>	<u>18,556,105</u>
Contributions from Other GNWT Departments	125,750	210,265	102,519
Total GNWT Contributions	<u>18,292,791</u>	<u>19,504,537</u>	<u>18,658,624</u>
Government of Canada - Jordan's Principle	<u>6,045,281</u>	<u>4,839,004</u>	<u>3,376,654</u>
Board Generated Funds			
Other Contributions and Miscellaneous	10,000	304,060	299,770
Investment Income	25,000	37,566	24,432
Total Generated Funds	<u>35,000</u>	<u>341,626</u>	<u>324,202</u>
Total Revenue	<u>24,373,072</u>	<u>24,685,167</u>	<u>22,359,480</u>
Operating Fund Expenses - per schedule C			
Aboriginal Language/Cultural Programs	2,034,286	1,811,304	2,157,952
Administration	1,427,078	1,067,160	1,126,531
Inclusive Schooling	3,157,102	3,202,022	3,389,655
School Programs	12,560,513	13,275,326	12,254,099
Jordan's Principal	6,045,281	4,839,004	3,376,654
Total Expense	<u>25,224,260</u>	<u>24,194,816</u>	<u>22,304,891</u>
Operating Surplus (Deficit)	<u>\$ (851,188)</u>	<u>\$ 490,351</u>	<u>\$ 54,589</u>
Change to Employee Leave and Termination Benefits		<u>131,975</u>	<u>70,958</u>
Annual Surplus (Deficit)		<u>\$ 358,376</u>	<u>\$ (16,369)</u>

**Tlicho Community Services Agency
Other Operations
Statement of Operations
For the year ended March 31, 2022**

	Unaudited 2022 Budget	2022 Actual	2021 Actual
Revenue			
Recoveries - Housing	\$ 150,000	\$ 137,060	\$ 135,511
	-	-	-
Expenses			
General Administrative Expenditures	-	23,685	14,279
Lease Property - Housing	300,000	271,835	65,150
	300,000	295,520	79,429
Operating Surplus (Deficit)	\$ (150,000)	\$ (158,460)	\$ 56,082

**Tlicho Community Services Agency
Statement of Changes in Net Debt
For the year ended March 31, 2022**

	Unaudited 2022 Budget	2022 Actual	2021 Actual
Annual Operating Surplus (Deficit) (Page 2)	\$ (2,981,307)	\$ (447,110)	\$ (487,969)
Decrease (Increase) in Inventories Held for Use	-	-	(3,800)
Decrease (Increase) in Prepaid Expenses	-	-	1,000
Acquisition of Tangible Capital Assets	-	-	-
Amortization of Tangible Capital Assets	-	-	56,565
Increase (Decrease) in Net Financial Resources	-	(447,110)	(434,204)
Opening Net Financial Resources (Debt)	(5,710,832)	(5,710,832)	(5,276,622)
Closing Net Financial Resources (Debt)	\$ (5,710,832)	\$ (6,157,948)	\$ (5,710,832)
Accumulated Operating Surplus (Deficit)			
<u>Health & Social Services</u>			
Opening Surplus - Health & Social Services	\$ (5,539,225)	\$ (5,539,225)	\$ (4,940,585)
Current Year's Operating Surplus (Deficit) (Page 3)	(1,980,119)	(779,001)	(598,640)
Closing Surplus (Deficit)	(7,519,344)	(6,318,226)	(5,539,225)
<u>Education</u>			
Opening Surplus - Education	(624)	(624)	(55,213)
Current Year's Operating Surplus (Deficit) (Page 4)	(851,188)	490,351	54,589
Closing Surplus (Deficit)	(851,812)	489,727	(624)
<u>General</u>			
Opening Surplus - Other	227,997	227,997	171,915
Current Year's Surplus (Deficit) (Page 5)	(150,000)	(158,460)	56,082
Closing Surplus (Deficit)	77,997	69,537	227,997
Total Closing Accumulated Operating Deficit	\$ (8,293,159)	\$ (5,758,962)	\$ (5,311,852)

Tlicho Community Services Agency
Statement of Cash Flow
For the year ended March 31, 2022

	<u>2022</u>	<u>2021</u>
Cash Provided by (used in) Operating Transactions		
Annual Operating Surplus (Deficit)*	\$ (447,110)	\$ (487,969)
Items not affecting cash:		
Amortization	56,565	56,565
(Increase) decrease in Accounts Receivable	(724,164)	(1,104,874)
Increase (decrease) in Accounts Payable	1,188,933	1,703,571
Increase (decrease) in Wages and Benefits Payable	(62,108)	3,578,309
Increase (decrease) in Inventories Held for Use	-	(3,800)
Increase in Employee Future Benefits	(210,427)	(114,134)
Increase (decrease) in Deferred Revenue	178,910	1,924,238
Decrease (Increase) in Prepaid Expenses	-	1,000
Net Cash Provided by (used in) Operating Transactions	<u>(19,401)</u>	<u>5,552,906</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>
Increase (Decrease) in Cash	(19,401)	5,552,906
Cash, Beginning of the Year	4,390,030	(1,162,876)
(Bank Indebtedness) Cash, End of the Year	<u>\$ 4,370,629</u>	<u>\$ 4,390,030</u>

Tlicho Community Services Agency
Notes to the Financial Statements
March 31, 2022

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, 2022**

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, 2022

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. Future Accounting Changes

PS 3280-Asset Retirement Obligations: This new section establishes standards on how to account for and report a liability for asset retirement obligations. This section is effective for fiscal periods beginning on or after April 1, 2021. The impact of the transition to these accounting standards has not yet been determined.

PS 3400-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. This section is effective for fiscal years beginning on or after April 1, 2022. Earlier adoption is permitted. This section may be applied retroactively or prospectively.

PS 3450-Financial Instruments: This new section is 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.

PS 2601-Foreign Currency Translation: Effective July 1, 2022, Education Bodies will concurrently be required to adopt: PS 2601 Foreign Currency Translation, PS 1201 Financial Statement Presentation, and PS 3041 Portfolio Investments in the same fiscal period. Government organizations that apply PSAS were required to adopt these standards effective April 1, 2012, however there is no significant impact on the financial statements as a result of this application.

**Tlicho Community Services Agency
Notes to the Financial Statements
March 31, 2022**

4. Cash

	2022	2021
Cash	\$ 4,370,629	\$ 4,390,030

Credit facility: The Agency does not have its own credit facility with the bank. Rather, as an Agency under the GNWT, its funds are pooled together with those of the GNWT and its other entities forming a Common Offset Balance (COB) agreement. Under the COB, the Agency and other entities of the GNWT have their respective funds pooled together whereby any negative balances are offset against positive balances in other entities of the GNWT. Therefore, the Agency will not incur fees and interest charges on the overdrawn amount and the amount of credit available is not limited.

5. Special Purpose Funds

Nil Report

6. Restricted Assets

Nil Report

7. Portfolio Investments

Nil Report

8. Accounts Receivable

	Accounts Receivable 2022	Allowance for Doubtful Accounts 2022	Net Amount 2022	Net Amount 2021
Due from Third Parties	\$ 353,606	\$ -	\$ 353,606	\$ 393,837
Health and Social Services Related Cost due from Third Parties	99,790	(51,395)	48,395	91,261
Due from Government of Northwest Territories -	2,665,546	-	2,665,546	1,785,034
Due from Workers' Safety and Compensation Commission	1,958	-	1,958	1,958
Due from Northwest Territories Health and Social Services Authority	114,116	-	114,116	187,367
	\$ 3,235,016	\$ (51,395)	\$ 3,183,621	\$ 2,459,457

9. Inventories

	2022	2021
Inventory Held for Use Health Centre Supplies	\$ 102,000	\$ 102,000

Tlicho Community Services Agency
Notes to the Financial Statements
March 31, 2022

10. Accounts Payable and Accrued Liabilities

	2022	2021
Due to the Government of the Northwest Territories	\$ 1,609,404	\$ 1,289,226
Due to NWT Housing Corporation	(1,650)	3,300
Due to NWT Power Corporation	460	483
Due to Northwest Territories Health and Social Services Authority	1,597,278	765,446
Due to NWT Education Board	-	300
Due to James Company Limited (Owned by a Board Member)	1,500	-
Due to Workers' Safety and Compensation Commission	100,000	20,753
Due to Third Parties on Health and Social Services Related Cost	196,978	119,212
Due to Third Parties	389,718	506,035
	\$ 3,893,688	\$ 2,704,755
	2022	2021
Payroll Liabilities		
Due to GNWT Payroll Liabilities	\$ 4,889,799	\$ 4,892,873
Accrued Vacation and Lieu	700,957	759,991
Government of the Northwest Territories	\$ 5,590,756	\$ 5,652,864

Tlicho Community Services Agency
Notes to the Financial Statements
March 31, 2022

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.

	2022	2021
CJBS - PC Children Charity	\$ 6,628	\$ -
CJBS - Food First Foundation	-	2,321
CJBS - Literacy	3,000	-
CJBS - Northern Distance Learning	4,073	-
MEZI - Active After School	-	14,084
MEZI - Food First Foundation	-	12,092
MEZI - NWT Literacy Council	-	1,046
MEZI - Ekati Mine Culture	25,609	20,014
MEZI - Indigenous Health & Wellness Elders	24,129	-
EMES - Food First Foundation	-	17,500
EMES - Bookfair	1,598	1,598
EMES - PC Children Charity	1,962	1,802
EMES - Active After School	-	15,050
EMES - Breakfast Club	67,288	5,388
EMES - Ekati	25,000	-
EMES - On the Land Collaborative	4,304	14,638
AAS - Active After School	-	9,958
AAS - Take a Kid Trapping	-	8,000
AAS - Ekati	22,200	-
AAS - Food First Foundation	5,162	4,128
AAS - Northern Distance Learning	-	21,867
AAS - PC Children Charity	-	396
AAS - On the Land Collaborative	10,687	11,845
AAS - Literacy	2,191	2,191
AAS - Miscellaneous	6,215	4,350
JWGS - Breakfast Club	18,013	9,199
JWGS - Ekati	25,000	-
JWGS - Food First Foundation	2,074	2,074
JWGS - Fundraising	1,208	2,903
JWGS - Literacy	-	632
JWGS - Miscellaneous	1,966	339
JWGS - Active After School	-	16,898
JWGS - Northern Distance Learning	-	15,656
REGIONAL - COVID-19 Support	435,828	587,591
REGIONAL - Self Regulation	7,000	-
REGIONAL - Indigenous Health & Wellness Elders	-	139,381
REGIONAL - Jordan's Principle	2,516,317	2,095,601
	\$ 3,217,452	\$ 3,038,542

**Tlicho Community Services Agency
Notes to the Financial Statements
March 31, 2022**

12. Contribution Repayable

Nil Report

13. Due from and to the Government of Canada

Nil Report

14. Capital Lease Obligations

Nil Report

15. Pensions

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

The public service plan was amended during 2013 which raised the normal retirement age and other age related thresholds from age 60 to 65 for new members joining the plan on or after January 1, 2013. For existing members, the normal retirement age remains age 60. Furthermore, contribution rates for current service for all members of the public service will increase gradually to an employer: employee cost sharing ratio of 50:50 by 2017. The employer contribution rate effective at the end of the year is 1 times (2016 - 1.15) the employees' contributions for employees who started prior to January 2013 and 1 times (2016 - 1.1) the employees' contributions for all other employees

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

Contributions to the PSPP are broken down as follows.

	2022	2021
HSS Activities		
Employee	\$ 976,163	\$ 947,111
Employer	990,107	946,063
	1,966,270	1,893,174
 EDU Activities		
Employee	1,442,345	1,384,655
Employer	1,494,738	1,367,490
	2,937,083	2,752,145
	\$ 4,903,353	\$ 4,645,319

Tlicho Community Services Agency
Notes to the Financial Statements
March 31, 2022

16. Employee Future Benefits

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, 2021. The effective date of the next actuarial valuation is March 31, 2022. 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	2022	2021
Severance and removal	\$ 504,549	\$ 183,028	\$ 687,577	\$ 880,737
Compensated absences	176,417	89,724	266,141	283,408
	\$ 680,966	\$ 272,752	\$ 953,718	\$ 1,164,145

	Severance and Removal		Compensated Absences		2022	2021
	EDU	HSS	EDU	HSS		
Changes in obligation						
Accrued benefit obligation, beginning of year	\$ 625,028	\$ 255,709	\$ 187,913	\$ 95,495	\$ 1,164,145	\$ 1,278,279
Current period benefit cost	47,444	18,306	19,612	12,309	97,671	102,075
Interest accrued	20,805	8,519	6,419	3,378	39,121	34,603
Benefits payments	(294,308)	(91,254)	(25,991)	(10,865)	(422,418)	(591,323)
Plan amendment	46,112	22,639	(228)	(214)	68,309	-
Actuarial (gain)/loss	59,468	(30,891)	(11,308)	(10,379)	6,890	340,511
Accrued benefit obligation, end of year	504,549	183,028	176,417	89,724	953,718	1,164,145
Unamortized net actuarial gain	154,071	19,130	(29,772)	(337,869)	(194,440)	(174,871)
Net future obligation	658,620	202,158	146,645	(248,145)	759,278	989,274
Other employee future benefits	-	-	-	-	-	-
Other compensated absences	-	-	-	-	-	-
Compensated absences	\$ 658,620	\$ 202,158	\$ 146,645	\$ (248,145)	\$ 759,278	\$ 989,274

**Tlicho Community Services Agency
Notes to the Financial Statements
March 31, 2022**

16. Employee Future Benefits (cont'd)

	Severance and Removal		Compensated Absences		2022	2021
	EDU	HSS	EDU	HSS		
Benefits expense						
Current period benefit cost	47,444	18,306	19,612	12,309	97,671	102,075
Interest accrued	20,805	8,519	6,419	3,378	39,121	34,603
Plan amendments	46,112	22,639	(228)	(214)	68,309	-
Amortization of actuarial gains	(73,519)	7,001	(5,831)	59,670	(12,679)	(53,704)
	\$ 40,842	\$ 56,465	\$ 19,972	\$ 75,143	\$ 192,422	\$ 82,974

The discount rate used to determine the accrued benefits obligation is an average of 4.1%. No inflation rate is applied. The expected payments during the next five years are:

	Severance and Removal	Compensated Absences	Total
Year 1	\$ 101,491	\$ 27,063	\$ 128,554
Year 2	89,891	24,531	114,422
Year 3	73,597	22,597	96,194
Year 4	77,633	23,278	100,911
Year 5	83,541	25,912	109,453
	\$ 426,153	\$ 123,381	\$ 549,534

17. Trust Assets and Liabilities

Nil Report

18. Tangible Capital Assets

The agency has purchased buses from operating funds provided by the Department of ECE. These vehicles are being amortized on a straight line basis over 7 Years.

	Cost	Addition	Accumulated Amortization	Net Book Value 2022	Net Book Value 2021
School Buses	\$ 569,273	\$ -	\$ (328,872)	\$ 240,402	\$ 296,967

19. Prepaid Expenses

Nil Report

**Tlicho Community Services Agency
Notes to the Financial Statements
March 31, 2022**

20. Services Provided Without Charge

Nil Report

21. GNWT Assets Provided At No Cost

Tangible Capital Assets (TCA) are owned by the Government of the Northwest Territories. TCA are amortized over the estimated useful life of the assets at the following rates.

- Buildings - 40 Years
- Leasehold Improvements - Lesser of useful life or lease term plus renewal option
- Mobile Equipment - 15 years

	Cost (Unaudited)	Addition (Unaudited)	Accumulated Amortization (Unaudited)	Net Book Value 2022 (Unaudited)	Net Book Value 2021 (Unaudited)
Buildings	\$ 18,682,626	\$ -	\$ (5,461,519)	\$ 13,221,107	\$ 13,641,150
Leasehold	252,800	-	(251,753)	1,047	13,605
Mobile Equipment	380,626	-	(259,873)	120,753	147,975
Medical Equipment	338,467	-	(156,992)	181,475	215,323
Other Equipment	76,007	-	(20,015)	55,992	59,032
Total	\$ 19,730,526	\$ -	\$ (6,150,152)	\$ 13,580,374	\$ 14,077,085

The TCA information was provided by the Government of the Northwest Territories. Amortization expense for 2021 - 2022 \$496,711 (2020 - 2021 \$568,494).

22. Contractual Obligations (aka Commitments)

The Agency has entered into agreements for, or is contractually committed to, the following expenses payable subsequent to March 31, 2022.

	Expires in Fiscal Year	2023	2024	2025	2026	2027	2028 and Thereafter	Total
Office Leases	2023	\$ 121,992	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 121,992
Residential Leases	2023-2027	324,765	121,093	102,960	102,960	42,900	-	694,678
Equipment Leases	2023 & 2026	75,794	67,091	67,091	67,091	-	-	277,067
Other Service Contracts	2023	11,906	-	-	-	-	-	11,906
		\$ 534,457	\$ 188,184	\$ 170,051	\$ 170,051	\$ 42,900	\$ -	\$ 1,105,643

**Tlicho Community Services Agency
Notes to the Financial Statements
March 31, 2022**

23. Contingent Liabilities

In the normal course of operations, the Agency is subject to claims and pending and threatened litigation against the Agency and its staff. The Agency is defending actions brought against it and the Agency has recorded an allowance for any claim or litigation where it is likely that there will be a future payment and a reasonable estimate of the loss can be made. The allowance is based upon estimates determined by the Agency's legal experts experience or case law in similar circumstances.

The Agency did not have any environmental liabilities during the year.

24. Subsequent Events

Nil Report

25. Budget

Budget figures for Health and Social Services Division of the TCSA are the opening budgets that were approved on March 31, 2021 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, 30 2021 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.

26. 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.

27. Comparative Figures

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior year earnings.

Tlicho Community Services Agency
Notes to the Financial Statements
March 31, 2022

28. Related Parties And Inter-Entity Transactions

The Agency is related in terms of common ownership to all GNWT created departments and public agencies. The Agency enters into transactions with these entities in the normal course of business. The Agency is provided with various administrative services by the GNWT, the value of which is not reflected in these financial statements. The administrative costs include legal services by the Department of Justice, insurance coverage by the Department of Finance, compensation services by the Department of Human Resources, and internal audit services by the Department of Finance.

	2022	2021
Due from Related Parties		
Government of the Northwest Territories		
Department of Finance	\$ 35,386	\$ 30,772
Department of Health and Social Services	2,616,050	1,740,699
Department of Education, Culture and Employment	14,109	13,563
Northwest Territories Health and Social Services Authority	114,116	187,367
NWT Housing Corporation	1,650	-
	\$ 2,781,311	\$ 1,972,401
 Due to Related Parties		
Government of the Northwest Territories		
Department of Finance	\$ 392,448	\$ 409,568
Department of Health and Social Services	1,200,772	732,887
Department of Education, Culture and Employment	12,833	141,840
Genuine Mackenzie Valley	-	2,350
Petroleum Products Division	3,351	2,581
NWT Education Boards	-	300
NWT Power Corporation	460	483
NWT Housing Corporation	-	3,300
Northwest Territories Health and Social Services Authority	1,597,278	765,446
James Company Limited (owned by one board member)	1,500	-
	\$ 3,208,642	\$ 2,058,755
 Department of Finance - Payroll Liabilities	\$ 4,889,799	\$ 4,892,873

**Tlicho Community Services Agency
Notes to the Financial Statements
March 31, 2022**

28. Related Parties And Inter-Entity Transactions (cont'd)

Revenue received from Related Parties not otherwise disclosed in the statements or schedules:

	2022	2021
Northwest Territory Health & Social Services Authority	\$ 117,538	\$ 100,544
GNWT - Department of Health and Social Services - NHIB	356,950	320,175
	\$ 474,488	\$ 420,719

Expenses paid to Related Parties

GNWT - Department of Finance	\$ 439,940	\$ 162,751
GNWT - Department of Education, Culture and Employment	196,107	225,795
GNWT - Department of Infrastructure	-	208
GNWT - Department of Environment & Natural Resources	8,000	-
GNWT - Genuine Mackenzie Valley	-	4,750
GNWT - Petroleum Products Division	17,495	11,172
Northwest Territories Health and Social Services Authority	192,485	78,678
NWT Housing Corporation	242,985	19,800
NWT Power Corporation	5,604	4,107
NWT Education Boards	600	300
James Company Limited (Owned by a Board Member)	16,500	12,000
	\$ 1,119,716	\$ 519,561

Related party transactions are in the normal course of operations and have been valued in these financial statements at the exchange amount which is the amount of consideration established and agreed to by the related parties.

29. Workers' Safety and Compensation Commission Transactions

	2022	2021
Due from the WSCC	\$ 1,958	\$ 1,958
Due to the WSCC	100,000	20,753
Expenses	500	1,201

30. Financial Instruments

The Agency is exposed to credit and liquidity risks from its financial instruments. Qualitative and quantitative analysis of the:

(i) Credit risk

Credit risk is the risk of financial loss to the Agency if a debtor fails to make payments of interest and principal when due. The Agency is exposed to this risk relating to its, cash, special purpose funds, trust assets and accounts receivable.

The Agency holds its cash, special purpose funds and trust assets deposits in trust accounts with federally regulated chartered banks who are insured by the Canadian Deposit Insurance Corporation.

Accounts receivable are due from various governments, government agencies, corporations and individuals. Credit risk related to accounts receivable is mitigated by internal controls as well policies and oversight over arrears for ultimate collection. Management has determined that a portion of accounts receivable are impaired based on specific identification as well as age of receivables.

These amounts are as disclosed in Note 8.

The Agency's maximum exposure to credit risk is represented by the financial assets for a total of \$3,183,621 (2021 - \$2,459,457).

**Tlicho Community Services Agency
Notes to the Financial Statements
March 31, 2022**

30. Financial Instruments (Cont'd)

(ii) Concentration of credit risk

Concentration of credit risk is the risk that a customer(s) has a significant portion (more than ten percent) of the total accounts receivable balance and thus there is a higher risk to the Agency in the event of a default. The Agency does have concentration of risk. At March 31, 2022, 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 - \$-). Total financial assets are \$7,554,250 (2021 - \$6,849,487) and financial liabilities are \$13,655,614 (2021 - \$12,560,306). The agency has disclosed future financial liabilities and commitments in Note 22.

31. Contingent Assets

Nil Report

32. Contractual Rights

Nil Report

Tlicho Community Services Agency
Notes to the Financial Statements
March 31, 2022

33. Expenses By Object

Health & Social Services	2022	2021
Compensation and Benefits		
Salaries and wages	\$ 16,909,763	\$ 16,504,224
Severance and Superannuation	(78,452)	(43,176)
Other	761,041	768,253
	\$ 17,592,352	\$ 17,229,301
 Operations and Maintenance		
Amortization	\$ -	\$ -
Contracted & General Services	2,296,482	1,567,384
Grants and Contributions	1,502,061	1,384,163
Medical and Surgical Supplies	472,533	522,701
Valuation Allowance	52,459	-
Other	970,486	724,493
	\$ 5,294,021	\$ 4,198,741
 Education		
Compensation and Benefits	\$ 20,686,153	\$ 19,231,365
Operations and Maintenance	3,508,663	3,073,526
	\$ 24,194,816	\$ 22,304,891
 Other		
Compensation and Benefits	\$ -	\$ -
Operations and Maintenance	295,520	79,429
	\$ 295,520	\$ 79,429
 Overall		
Compensation and Benefits	\$ 38,278,505	\$ 36,460,666
Operations and Maintenance	9,098,204	7,351,696
	\$ 47,376,709	\$ 43,812,362

34. Covid-19 Impact

In January 2020, the World Health Organization declared a public health emergency due to the spread of the COVID-19. By March 2020, a series of outbreaks in Canada, led the federal government to implement various restrictive measures designed to curb the spread of the virus. Following suit, the Territorial Government of Northwest Territories enacted measures of similar intent . The impact of the measures has led to widespread economic uncertainty.

Management has assessed the impact of the COVID-19 and the impact of the Federal and Territorial Government's restrictive measures, and has determined that there is no impact on the amounts and information reported in the financial statements as at March 31, 2022 and that subsequent to year end, the impact of the measures to combat the spread of the virus have not caused a significant change to the assets and liabilities of the Agency or cast doubt on the going-concern assumption.

Tlcho Community Services Agency
Schedule A
Schedule of Contributions from the GNWT
For the year ended March 31, 2022

	Unaudited 2022 Budget	2022 Actual	2021 Actual
Contributions from the GNWT			
Core contribution - Department of Health & Social Services			
Administration & Support Services			
Administration	\$ 762,000	\$ 777,400	\$ 762,000
Facility Maintenance & Support	-	-	-
Finance	187,000	189,300	187,000
Human Resources	15,000	15,000	15,000
System Support	103,000	106,300	103,000
Community Health Programs			
Community Clinics & Health Centres	5,746,000	5,837,000	5,763,000
Diagnostic Services	17,000	17,000	20,000
Emergency Response (COVID-19)	-	1,437,946	741,000
Health Promotion & Community Wellness	315,000	315,000	315,000
Physician Services	841,000	841,000	841,000
Community Social Programs			
Child & Family Services	4,896,000	4,800,248	4,268,349
Child & Youth Care Counselling	696,000	548,927	605,467
Family Violence Prevention	31,000	31,000	58,000
Mental Health & Addictions	1,042,000	1,058,000	1,042,000
Long Term and Continuing Care Counselling			
Homecare & Support Services	753,000	767,000	753,000
Residential Care Children & Adults	3,640,000	3,701,000	3,613,000
Supplementary Health Programs			
Medical Travel	458,000	458,000	458,000
	<u>19,502,000</u>	<u>20,900,121</u>	<u>19,544,816</u>
Other Contribution - Department of Health & Social Services			
Enhanced Home Care - Schedule A-1	472,251	442,131	528,080
Total Contributions from GNWT			
	<u>\$ 19,974,251</u>	<u>\$ 21,342,252</u>	<u>\$ 20,072,896</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, 2022

	Unaudited 2022 Budget	2022 Actual	2021 Actual
Funding			
GNWT - Department of Health & Social Services	\$ 472,251	\$ 442,131	\$ 528,080
	<u>472,251</u>	<u>442,131</u>	<u>528,080</u>
Expenses			
Salaries	442,251	382,299	439,761
Material & Supplies	-	7,473	6,989
Gasoline	-	3,035	3,432
Food	-	7,432	10,047
Vehicle Maintenance	-	6,790	6,500
Medical and Surgical Supplies	5,000	12,856	15,069
Delivery & Courier	-	1,233	1,263
Telephone	-	728	8,925
Training	10,000	3,210	3,123
Travel	-	2,637	6,680
Equipment Maintenance	-	-	8,643
Minor Equipment	15,000	13,702	17,648
Contract Services	-	736	-
	<u>472,251</u>	<u>442,131</u>	<u>528,080</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, 2022**

	Surplus/Deficit		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, 2022

	Aboriginal Languages	Administration	Inclusive Schooling	School Programs	Jordan's Principal	Total
Salaries						
Teachers	\$ 1,077,034	\$ -	\$ 1,179,191	\$ 7,770,241	\$ 972,248	\$ 10,998,714
Instructional Asst.	324,017	-	1,499,954	139,663	2,471,121	4,434,755
Non-Instructional Staff	291,884	897,832	182,880	2,994,890	493,170	4,860,656
Board Honoraria	-	16,350	-	-	-	16,350
Employee Benefits						
Benefits/Allowance	-	(127,394)	-	503,072	-	375,678
Services						
Purchased/Contracted						
Postage/Communication	974	30,809	-	93,049	-	124,832
Travel/Training	7,492	40,235	182,281	38,023	5,126	273,157
Maintenance and Repairs	4,065	2,197	-	71,461	-	77,723
Rentals and Leases	1,911	15,728	-	56,166	-	73,805
Vehicle Expense	4,050	1,591	-	89,797	-	95,438
Other	50	59,554	87	15,417	182,204	257,312
Contributed Services	-	22,527	111,775	56,565	-	190,867
Contract Services	18,421	45,103	-	57,240	471,665	592,429
Home Boarding Allowance	-	-	-	24,765	-	24,765
Materials	77,212	51,197	45,454	1,258,524	243,470	1,675,857
Furniture and Equipment	2,229	-	-	49,493	-	51,722
Freight	1,965	11,431	400	56,960	-	70,756
Total Expense	\$ 1,811,304	\$ 1,067,160	\$ 3,202,022	\$ 13,275,326	\$ 4,839,004	\$ 24,194,816

**Tlicho Community Services Agency
Schedule C.1
Education - Contribution Agreements
Other Education Contributions
For the year ended March 31, 2022**

Contribution Agreement Revenues		2022	2021
Public Library Services	Schedule C-1	\$ 122,617	\$ 124,931
Self-Regulation	Schedule C-2	-	7,000
Northern Distance Learning	Schedule C-3	114,381	69,133
Health & Wellness Curr. Pilot Support	Schedule C-4	-	7,400
Take a Kid Trapping Program	Schedule C-5	67,775	51,535
Active After School	Schedule C-6	132,489	36,087
Indigenous Health & Wellness Elders - Tlicho Government	Schedule C-7	115,252	43,648
Drop the Pop	Schedule C-8	10,000	14,896
Literacy - MEZI School	Schedule C-9	-	2,884
Jordan's Principle	Schedule C-10	4,839,004	3,376,654
First Food Foundation	Schedule C-11	57,589	44,952
PC Children Charity Nutrition Snack	Schedule C-12	9,818	27,767
Breakfast Club	Schedule C-13	7,686	18,201
APPLE School Foundation	Schedule C-14	1,372	34,379
Ekati Mine (Cultural)	Schedule C-15	-	-
On the Land Collaborative	Schedule C-16	11,492	30,284
Miscellaneous	Schedule C-17	-	16,998
Total Contribution Agreement Revenues		\$ 5,489,475	\$ 3,906,749

**Tlicho Community Services Agency
Schedule C.1
Education - Contribution Agreements
Other Education Contributions
For the year ended March 31, 2022**

Contribution Agreement Expenditures		2022	2021
Public Library Services	Schedule C-1	\$ 122,617	\$ 124,931
Self-Regulation	Schedule C-2	-	7,000
Northern Distance Learning	Schedule C-3	114,381	69,133
Health & Wellness Curr. Pilot Support	Schedule C-4	-	7,400
Take a Kid Trapping Program	Schedule C-5	67,775	51,646
Active After School	Schedule C-6	132,487	36,087
Indigenous Health & Wellness Elders - Tlicho Government	Schedule C-7	115,252	43,648
Drop the Pop	Schedule C-8	9,996	14,967
Literacy - MEZI School	Schedule C-9	-	2,884
Jordan's Principle	Schedule C-10	4,839,004	3,376,654
First Food Foundation	Schedule C-11	57,547	44,952
PC Children Charity Nutrition Snack	Schedule C-12	9,382	27,736
Breakfast Club	Schedule C-13	7,686	18,201
APPLE School Foundation	Schedule C-14	20,781	34,379
Ekati Mine (Cultural)	Schedule C-15	-	-
On the Land Collaborative	Schedule C-16	11,492	30,253
Miscellaneous	Schedule C-17	1,665	17,079
Total Contribution Agreement Expenditures		\$ 5,510,065	\$ 3,906,950
Excess of Funding over Expenditures		\$ (20,590)	\$ (201)

**Tlicho Community Services Agency
Schedule C-1
Schedule of Detailed Contribution Funding and Expenses
Public Library Services
For the year ended March 31, 2022**

	2022 Budget	CJBS	MEZI	JWGS	EMES	2022 Actual	2021 Actual
Funding							
GNWT - ECE	\$ 140,000	\$ 36,000	\$ 36,000	\$ 21,600	\$ 36,000	129,600	140,000
GNWT - ECE A/P	-	(2,818)	-	(4,165)	-	(6,983)	(15,069)
Total Funding	140,000	33,182	36,000	17,435	36,000	122,617	124,931
Expenses							
Salaries & Benefits	130,000	10,558	36,000	-	36,000	82,558	115,508
Materials & Supplies	10,000	22,624	-	17,435	-	40,059	9,423
Contract Services	-	-	-	-	-	-	-
Total Expenses	140,000	33,182	36,000	17,435	36,000	122,617	124,931
Excess Funding over Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Tlich Community Services Agency
Schedule C-2
Schedule of Detailed Contribution Funding and Expenses
Self Regulation
For the year ended March 31, 2022

	2022 Budget	2022 Actual	2021 Actual
Funding			
GNWT - ECE	\$ -	\$ 7,000	\$ 7,000
GNWT - ECE - Deferred	-	(7,000)	-
Total Funding	-	-	7,000
Expenses			
Materials & Supplies	-	-	7,000
Total Expenses	-	-	7,000
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, 2022**

	2022 Budget		CJBS		MEZI		JWGS		WEKWEETI		2022 Actual		2021 Actual	
Funding														
GNWT - ECE	\$	121,500	\$	24,994	\$	21,105	\$	31,418	\$	11,055	\$	88,572	\$	81,239
GNWT - ECE - (2019/20)		-		-		-		-		-		-		14,008
GNWT - ECE - Deferred - PY		-		-		-		15,654		21,867		37,521		-
GNWT - ECE - Deferred - CY		-		(4,073)		-		-		-		(4,073)		(37,521)
GNWT - ECE - A/R		-		-		1,927		3,279		-		5,206		11,407
GNWT - ECE - A/P		-		-		-		(12,845)		-		(12,845)		-
Total Funding		121,500		20,921		23,032		37,506		32,922		114,381		69,133
Expenses														
Salaries		-		-		23,032		33,052		32,903		88,987		35,534
Materials & Supplies		-		814		-		4,454		19		5,287		4,529
Gasoline		-		-		-		-		-		-		(350)
Minor Equipment		-		-		-		-		-		-		857
Contract Services		121,500		11,250		-		-		-		11,250		26,763
Rent		-		8,857		-		-		-		8,857		1,800
Total Expenses		121,500		20,921		23,032		37,506		32,922		114,381		69,133
Excess Funding over Expense	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-

Tlich Community Services Agency
Schedule C-4
Schedule of Detailed Contribution Funding and Expenses
Health & Wellness Curr. Pilot Support
For the year ended March 31, 2022

	2022 Budget	2022 Actual	2021 Actual
Funding			
GNWT - ECE	\$ -	\$ -	\$ -
GNWT - ECE Deferred	-	-	13,250
GNWT - A/P	-	-	(5,850)
Total Funding	-	-	7,400
Expenses			
Materials & Supplies	-	-	7,400
Total Expenses	-	-	7,400
Excess Funding over Expense	\$ -	\$ -	\$ -

**Tlicho Community Services Agency
Schedule C-5
Schedule of Detailed Contribution Funding and Expenses
Take a Kid Trapping Program
For the year ended March 31, 2022**

	2022 Budget	CJBS	MEZI	JWGS	EMES	WEKWEETI	2022 Actual	2021 Actual
Funding								
GNWT - ENR	\$ 40,000	\$ 13,555	\$ 13,555	\$ 13,555	\$ 13,555	\$ 13,555	\$ 67,775	\$ 40,000
Funding transfer	-	13,555	-	-	-	(13,555)	-	-
GNWT - ENR Deferred - CY	-	-	-	-	-	-	-	(8,000)
GNWT - ENR Deferred - PY	-	-	-	-	-	8,000	8,000	19,535
GNWT - ENR - A/P	-	-	-	-	-	(8,000)	(8,000)	-
Total Funding	40,000	27,110	13,555	13,555	13,555	-	67,775	51,535
Expenses								
Casual - Support Staff	-	-	7,775	6,261	4,614	-	18,650	5,891
Materials & Supplies	32,000	14,924	5,198	7,294	8,084	-	35,500	29,286
Gasoline	-	186	582	-	857	-	1,625	-
Food	-	-	-	-	-	-	-	919
Rental/Lease equipment	-	-	-	-	-	-	-	750
Capital equipment >\$5K<\$50K	-	12,000	-	-	-	-	12,000	-
Contract Services	-	-	-	-	-	-	-	14,800
Total Expenses	32,000	27,110	13,555	13,555	13,555	-	67,775	51,646
Excess Funding over Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (111)

**Tlicho Community Services Agency
Schedule C-6
Schedule of Detailed Contribution Funding and Expenses
Active After School
For the year ended March 31, 2022**

	2022 Budget	CJBS	MEZI	JWGS	EMES	Wekweeti	2022 Actual	2021 Actual
Funding								
GNWT - MACA	\$ 75,500	\$ 15,300	\$ 15,300	\$ 15,300	\$ 15,300	\$ 15,300	\$ 76,500	\$ 75,250
GNWT - MACA Deferred - CY	-	-	-	-	-	-	-	(55,989)
GNWT - MACA Deferred - PY	-	-	14,084	16,898	15,050	9,958	55,989	16,826
Total Funding	75,500	15,300	29,384	32,198	30,350	25,258	132,489	36,087
Expenses								
Materials & Supplies	60,450	15,298	29,384	32,198	30,350	25,258	132,487	36,087
Contract Services	15,050	-	-	-	-	-	-	-
Total Expenses	75,500	15,298	29,384	32,198	30,350	25,258	132,487	36,087
Excess Funding over Expense	\$ -	\$ 2	\$ -	\$ -	\$ -	\$ -	\$ 2	\$ -

Tlicho Community Services Agency
Schedule C-7
Schedule of Detailed Contribution Funding and Expenses
Indigenous Health & Wellness Elders - Tlicho Government
For the year ended March 31, 2022

	2022					2022	2021
	Budget	Regional	CJBS	MEZI		Actual	Actual
Funding							
Tlicho Government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 30,000
Tlicho Government Deferred - PY	-	9,881	79,500	50,000	-	139,381	153,029
Tlicho Government Deferred - CY	-	-	-	(24,129)	-	(24,129)	(139,381)
Total Funding	-	9,881	79,500	25,871	-	115,252	43,648
Expenses							
Salaries & Benefits	-	-	-	-	-	-	43,148
Materials & Supplies	-	10,381	78,500	25,871	-	114,752	500
Contract Service	-	-	500	-	-	500	-
Total Expenses	-	10,381	79,000	25,871	-	115,252	43,648
Excess Funding over Expense	\$ -	\$ (500)	\$ 500	\$ -	\$ -	\$ -	\$ -

**Tlicho Community Services Agency
Schedule C-8
Schedule of Detailed Contribution Funding and Expenses
Drop the Pop
For the year ended March 31, 2022**

	2022 Budget	CJBS	MEZI	JWGS	EMES	Wekweeti	2022 Actual	2021 Actual
Funding								
GNWT - HSS - (2019/20)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,675
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
GNWT - HSS Deferred	-	-	-	-	-	-	-	2,221
Total Funding	10,000	3,000	2,100	1,300	2,000	1,600	10,000	14,896
Expenses								
Materials & Supplies	10,000	3,000	2,100	1,296	500	1,600	8,496	13,809
Contract Services	-	-	-	-	1,500	-	1,500	1,158
Total Expenses	10,000	3,000	2,100	1,296	2,000	1,600	9,996	14,967
Excess Funding over Expense	\$ -	\$ -	\$ -	\$ 4	\$ -	\$ -	\$ 4	\$ (71)

Tlicho Community Services Agency
Schedule C-9
Schedule of Detailed Contribution Funding and Expenses
Literacy Program
For the year ended March 31, 2022

	2022				2022		2021
	Budget	CJBS	MEZI		Actual		Actual
Funding							
NWT Literacy Council	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,500
NWT Literacy Council Deferred - PY	-	-	1,046	1,046	1,046	1,046	2,430
NWT Literacy Council Deferred - CY	-	-	-	-	-	-	(1,046)
Acasta HeliFlight	-	3,000	-	-	3,000	3,000	-
Acasta HeliFlight Deferred - CY	-	(3,000)	-	-	(3,000)	(3,000)	-
Total Funding	-	-	1,046	1,046	1,046	1,046	2,884
Expenses							
Materials & Supplies	-	-	1,046	1,046	1,046	1,046	2,884
Total Expenses	-	-	1,046	1,046	1,046	1,046	2,884
Excess Funding over Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**Tlicho Community Services Agency
Schedule C-10
Schedule of Detailed Contribution Funding and Expenses
Jordan's Principle
For the year ended March 31, 2022**

	2022 Budget	Regional	CJBS	MEZI	EMES	2022 Actual	2021 Actual
Funding							
Government of Canada, Min. of Indigenous Services	\$ 6,045,281	\$ 4,906,144	\$ 73,336	\$ 178,763	\$ 101,477	\$ 5,259,720	\$ 4,644,435
Government of Canada, Min. of Indigenous Services Deferred - PY	-	1,960,758	35,567	41,553	57,723	2,095,601	827,820
Government of Canada, Min. of Indigenous Services Deferred - CY	-	(2,406,394)	(31,621)	(23,458)	(54,844)	(2,516,317)	(2,095,601)
Total Funding	6,045,281	4,460,508	77,282	196,858	104,356	4,839,004	3,376,654
Expenses							
Salaries & Benefits	5,018,556	3,592,764	61,497	188,120	94,158	3,936,539	2,718,366
Materials & Supplies	123,833	225,202	15,785	-	2,483	243,470	138,210
Delivery & Courier	-	-	-	-	-	-	-
Staff Travel & Training	1,200	5,126	-	-	-	5,126	2,651
Dues & Fees	179,330	169,501	-	8,513	4,190	182,204	266,222
Contract Services	722,364	467,915	-	225	3,525	471,665	251,205
Total Expenses	6,045,283	4,460,508	77,282	196,858	104,356	4,839,004	3,376,654
Excess Funding over Expense	\$ (2)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred Revenue						\$ 2,516,317	\$ 2,095,601

**Tlicho Community Services Agency
Schedule C-11
Schedule of Detailed Contribution Funding and Expenses
Food First Foundation
For the year ended March 31, 2022**

	2022 Budget	CJBS	MEZI	JWGS	EMES	Wekweeti	2022 Actual	2021 Actual
Funding								
Food First Foundation	\$ -	\$ 20,360	\$ -	\$ -	\$ 4,350	\$ 2,000	\$ 26,710	\$ 80,000
Food First Foundation Deferred - PY	-	2,321	12,092	2,074	17,500	4,128	38,115	3,067
Food First Foundation Deferred - CY	-	-	-	(2,074)	-	(5,162)	(7,236)	(38,115)
Total Funding	-	22,681	12,092	-	21,850	966	57,589	44,952
Expenses								
Materials & Supplies	-	22,662	12,092	-	21,827	966	57,547	44,952
Contract Services	-	-	-	-	-	-	-	-
Total Expenses	-	22,662	12,092	-	21,827	966	57,547	44,952
Excess Funding over Expense	\$ -	\$ 19	\$ -	\$ -	\$ 23	\$ -	\$ 42	\$ -

**Tlicho Community Services Agency
Schedule C-12
Schedule of Detailed Contribution Funding and Expenses
PC Children Charity Nutrition Snack
For the year ended March 31, 2022**

	2022 Budget	CJBS	JWGS	EMES	Wekweeti	2022 Actual	2021 Actual
Funding							
PC Children Charity	\$ 10,000	\$ 10,000	\$ -	\$ 6,210	\$ -	\$ 16,210	\$ 21,426
PC Children Charity Deferred - PY	-	-	-	1,802	396	2,198	8,539
PC Children Charity Deferred - CY	-	(6,628)	-	(1,962)	-	(8,590)	(2,198)
Total Funding	10,000	3,371	-	6,050	396	9,818	27,767
Expenses							
Materials & Supplies	10,000	3,371	96	6,050	(135)	9,382	27,736
Total Expenses	10,000	3,371	96	6,050	(135)	9,382	27,736
Excess Funding over Expense	\$ -	\$ -	\$ (96)	\$ -	\$ 531	\$ 436	\$ 31

Tlichon Community Services Agency
Schedule C-13
Schedule of Detailed Contribution Funding and Expenses
Breakfast Club
For the year ended March 31, 2022

	2022			2022	2021
	Budget	JWGS	EMES	Actual	Actual
Funding					
Breakfast Club of Canada	\$ -	\$ 16,500	\$ 61,900	\$ 78,400	\$ 15,100
Breakfast Club of Canada Deferred - PY	-	9,199	5,388	14,587	17,688
Breakfast Club of Canada Deferred - CY	-	(18,013)	(67,288)	(85,301)	(14,587)
Total Funding	-	7,686	-	7,686	18,201
Expenses					
Materials & Supplies	-	7,686	-	7,686	18,201
Total Expenses	-	7,686	-	7,686	18,201
Excess Funding over Expense	\$ -	\$ -	\$ -	\$ -	\$ -

Tlich Community Services Agency
Schedule C-14
Schedule of Detailed Contribution Funding and Expenses
APPLE School
For the year ended March 31, 2022

	2022 Budget	2022 Actual	2021 Actual
Funding			
The APPLE School Foundation	\$ -	\$ 1,372	\$ 9,433
The APPLE School Foundation - PY	-	-	18,344
The APPLE School Foundation A/R	-	-	6,602
Total Funding	-	1,372	34,379
Expenses			
Salaries & Benefits	-	19,409	33,266
Materials & Supplies	-	1,372	1,113
Total Expenses	-	20,781	34,379
Excess Funding over Expense	\$ -	\$ (19,409)	\$ -

**Tlicho Community Services Agency
Schedule C-15
Schedule of Detailed Contribution Funding and Expenses
Ekati (Cultural Program)
For the year ended March 31, 2022**

	2022 Budget	CJBS	MEZI	JWGS	EMES	Wekweeti	2022 Actual	2022 Actual
Funding								
Ekati Mine	\$ -	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 125,000	\$ -
Ekati Mine Deferred - PY	-	-	20,014	-	-	-	20,014	45,815
Ekati Mine Deferred - CY	-	-	(25,609)	(25,000)	(25,000)	(22,200)	(97,809)	(20,014)
Total Funding	-	25,000	19,405	-	-	2,800	47,205	25,801
Expenses								
Materials & Supplies	-	25,839	19,405	-	-	2,800	48,044	14,015
Gasoline	-	-	-	-	-	-	-	-
Rental/Lease Equipment	-	994	-	-	-	-	994	-
Travel	-	-	-	-	-	-	-	11,786
Capital Equipment >\$5K <\$50K	-	-	-	-	-	-	-	-
Total Expenses	-	26,833	19,405	-	-	2,800	49,038	25,801
Excess Funding over Expense	\$ -	\$ (1,833)	\$ -	\$ -	\$ -	\$ -	\$ (1,833)	\$ -

Tlicho Community Services Agency
Schedule C-16
Schedule of Detailed Contribution Funding and Expenses
On the Land Collaborative
For the year ended March 31, 2022

	2022 Budget	EMES	Wekweeti	2022 Actual	2021 Actual
Funding					
Tides Canada	\$ -	\$ -	\$ -	\$ -	\$ 10,000
Tides Canada Deferred - PY	-	14,638	11,845	26,483	46,767
Tides Canada Deferred - CY	-	(4,304)	(10,687)	(14,991)	(26,483)
Total Funding	-	10,334	1,158	11,492	30,284
Expenses					
Salaries & Benefits	-	-	1,158	1,158	-
Materials & Supplies	-	10,334	-	10,334	29,091
Contract Services	-	-	-	-	1,162
Total Expenses	-	10,334	1,158	11,492	30,253
Excess Funding over Expense	\$ -	\$ -	\$ -	\$ -	\$ 31

Tlicho Community Services Agency
Schedule C-17
Schedule of Detailed Contribution Funding and Expenses
Miscellaneous
For the year ended March 31, 2022

	2022 Budget	2022 Actual	2021 Actual
Funding			
CJBS Miscellaneous	\$ -	\$ -	\$ 10,750
CJBS Miscellaneous Deferred - PY	-	-	5,120
MEZI Miscellaneous Deferred - PY	-	-	687
JWGS Miscellaneous Deferred - PY	-	339	339
JWGS Miscellaneous Deferred - CY	-	(339)	(339)
JWGS Fundraising Deferred - PY	-	1,209	2,903
JWGS Fundraising Deferred - CY	-	(1,209)	(2,903)
JWGS Literacy Deferred - PY	-	-	632
JWGS Literacy Deferred - CY	-	-	(632)
EMES Literacy (Tlicho Government) Deferred - CY	-	-	442
EMES Book Fair Deferred - PY	-	1,598	-
EMES Book Fair Deferred - CY	-	(1,598)	-
AAS Miscellaneous	-	6,215	4,350
AAS Miscellaneous Deferred - CY	-	(6,215)	(4,350)
AAS Literacy Deferred - PY	-	2,190	2,191
AAS Literacy Deferred - CY	-	(2,190)	(2,191)
Total Funding	-	-	16,998
Expenses			
CJBS Miscellaneous	-	1,665	15,870
MEZI Miscellaneous	-	-	682
EMES Literacy (Tlicho Government)	-	-	527
Total Expenses	-	1,665	17,079
Excess Funding over Expense	\$ -	\$ (1,665)	\$ (81)

Financial Statements

**Hay River Health &
Social Services Authority**

Year End March 31, 2022

Hay River Health & Social Services Authority

Financial Statements

Year End March 31, 2022

Management Discussion and Analysis

Management's Responsibility for Financial Reporting

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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, 2022, 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, 2022, 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, 2022, 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 17, 2022

Hay River Health & Social Services Authority
Statement of Financial Position
As at March 31, 2022


Statement I


	2022 Actual	2021 Actual
Financial Assets		
Cash and cash equivalent (<i>Note 4</i>)	\$ 3,911,612	\$ 1,963,562
Accounts receivable (<i>Note 7</i>)	1,193,351	2,299,417
Trust Assets (<i>Note 14</i>)	106,851	87,333
Pensions asset (<i>Note 12</i>)	16,237,000	15,066,000
Total Financial Assets	21,448,814	19,416,312
Liabilities		
Accounts payable and accrued Liabilities (<i>Note 9</i>)	5,255,282	2,536,879
Employee and payroll- related liabilities (<i>Note 9</i>)	2,221,563	3,001,159
Contributions repayable (<i>Note 27</i>)	2,279,825	3,177,693
Employee future benefits and compensated absences (<i>Note 13</i>)	1,492,776	1,360,933
Accountable capital advance, GNWT, (<i>Note 28</i>)	5,829	5,829
Deferred revenue (<i>Note 26</i>)	62,909	63,193
Trust liabilities (<i>Note 14</i>)	106,081	86,564
Total Liabilities	11,424,265	10,232,250
Net Financial Assets (Debts)	10,024,549	9,184,062
Non - Financial Assets		
Inventory held for use (<i>Note 8</i>)	200,346	193,984
Prepaid expenses and deposits (<i>Note 25</i>)	107,511	74,581
Total Non - Financial Assets	307,857	268,565
Accumulated Surplus (Deficit) (Note 29)	\$ 10,332,406	\$ 9,452,627

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, 2022

Statement II

	2022		2021
	Budget (Unaudited)	Actual	Actual
Revenue			
Contributions from GNWT (Schedule A)	\$ 28,612,151	\$ 35,683,795	\$ 34,346,589
Recoveries	505,700	604,464	827,907
Sales - Patient Revenues	1,219,079	762,563	852,699
Interest	45,000	45,591	44,329
Total Revenue	30,381,930	37,096,413	36,071,524
Expenses			
Administrative and Support Services	8,906,648	10,558,025	9,698,651
Administrative and Support Services-COVID-19 Expense (<i>Note 20</i>)	-	1,237,871	929,758
Nursing Inpatients Services	4,756,974	3,474,146	3,295,166
Ambulatory Care Services	5,631,779	6,563,975	6,678,325
Diagnostic and Therapeutic Services	2,961,809	3,063,808	3,014,388
Community Health Programs	2,032,668	2,344,818	2,282,516
Community Social Programs	9,281,350	9,685,991	9,763,799
Undistributed	390,000	(712,000)	2,170,333
Total Expenses (Note 24)	33,961,228	36,216,634	37,832,936
Operating Surplus/ Deficit	(3,579,298)	879,779	(1,761,412)
Unfunded Items			
(Increase) Decrease in post-employment benefits (<i>Note 12</i>)	-	1,171,000	1,717,000
(Increase) Decrease in employee future benefits and Compensated absences, (<i>Note 13</i>)	-	(131,843)	89,166
Adjusted operating surplus (Deficit) before the undernoted	-	1,918,936	44,754
Tangible Capital Assets Rent expense (Note 15)	-	1,682,754	2,211,383
Grant - in - kind - GNWT Assets provided at no cost (Note 15)	-	(1,682,754)	(2,211,383)
Adjusted operating surplus (deficit) for the year	-	1,918,936	44,754
Opening Accumulated Surplus (Deficit)	-	9,452,627	11,214,039
Operating Surplus (Deficit)	-	879,779	(1,761,412)
Closing, Accumulated Surplus (Deficit)	\$ -	\$ 10,332,406	\$ 9,452,627

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, 2022

Statement III

	2022	2021
Annual surplus (deficit)	\$ 879,779	\$ (1,761,412)
Adjustments:		
- (Increase) Decrease in inventory	(6,362)	11,475
- (Increase) Decrease in prepaids and deposits	(32,930)	133,919
Increase (decrease) in net financial assets	840,487	(1,616,018)
Opening net financial resources	9,184,062	10,800,080
Closing net financial resources	\$ 10,024,549	\$ 9,184,062

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

Hay River Health & Social Services Authority
Statement of Cash Flows
For the year ended March 31, 2022

Statement IV

	2022	2021
Cash provided by (used in)		
Operating activities		
Annual surplus (deficit)	\$ 879,779	\$ (1,761,412)
Item not affecting cash:		
Increase (decrease) in pensions (<i>Note 12</i>)	(1,171,000)	1,717,000
Adjusted annual surplus (deficit)	(291,221)	(44,412)
Changes in non-cash assets and liabilities		
Decrease (increase) in due to/ from the Government of Canada	-	3,434
Increase (decrease) in accounts receivable	1,106,066	(1,217,987)
Increase (decrease) in inventory	(6,362)	11,475
Decrease (increase) in prepaid	(32,930)	133,919
Increase (decrease) in accounts payable and payroll liabilities	1,938,807	2,145,846
Increase (decrease) in contributions repayable	(897,868)	595,373
Increase (decrease) in employee future benefits and compensated absences (<i>Note 13</i>)	131,843	(273,037)
Increase (decrease) in deferred revenues	(284)	6,560
Increase (decrease) in trust liability	19,517	13,307
Cash provided by operating transactions	2,258,789	1,418,890
Net cash provided by (used in) operating activities	1,967,568	1,374,478
Increase (Decrease) in cash and cash equivalents	1,967,568	1,374,478
Cash and cash equivalents at beginning of year	2,050,895	676,417
Cash and cash equivalents at the end of year	4,018,463	2,050,895
Cash consists of :		
Cash and cash equivalents (<i>Note 4</i>)	3,911,612	1,963,562
Trust asset	106,851	87,333
	\$ 4,018,463	\$ 2,050,895

Hay River Health & Social Services Authority

Notes to Financial Statements

For the year ended March 31, 2022

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, 2022

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, 2022

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, 2022

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

Revenue - Section PS 3400

PSAB has implemented changes to Section PS 3400 - Revenue, that specifically outlines the accounting treatment and reporting of revenues arising from transactions that include performance obligations; such that the revenues should not be realized until the entity has satisfied the performance obligations. These changes are to be applied to fiscal years beginning on or after April 1, 2023, but early adoption is permitted. The updated PS 3400 has not yet been adopted by the Authority and the impact of the transition to these changes has not yet been determined.

Assets Retirement obligations - PS 3280

This new section establishes standards on how to account for and report a liability for asset retirement obligations. This section is effective for fiscal periods beginning on or after April 1, 2022. The impact of the transition to these accounting standards has not yet been determined.

Hay River Health & Social Services Authority
Notes to the financial statements
For the year ended March 31, 2022

4. Cash and Cash Equivalents

	2022	2021
Cash	\$ 3,911,612	\$ 1,963,562

5. Special Purpose Funds

The Authority doesn't have special purpose funds for the year ending March 31, 2022.

6. Portfolio Investments

The Authority doesn't have portfolio investments for the year ending March 31, 2022.

7. Accounts Receivable

	Accounts Receivable 2022	AFDA 2021	Net 2022	Net 2021
Due from GNWT-HSS	\$ 905,219	\$ -	\$ 905,219	\$ 1,975,766
Due from GNWT-Finance	-	-	-	20,265
Due from GNWT-Infrastructure	551	-	551	551
Due from GNWT-Justice	4,274	-	4,274	-
Due from GNWT- Human Resources	656	-	656	-
Due from GNWT- Aboriginal Diabetes	489	-	489	-
Due from GNWT -Early Childhood Development	379	-	379	-
Due from GNWT - EMR Development Project	8,218	-	8,218	-
Due from WSCC	-	-	-	13,777
Due from NTHSSA	73,804	-	73,804	69,386
Hay River Hospital & Wellness Foundation	-	-	-	-
GST rebate receivable	10,097	-	10,097	13,655
General accounts receivable	282,577	92,913	189,664	206,017
	\$ 1,286,264	\$ 92,913	\$ 1,193,351	\$ 2,299,417

8. Inventories

	2022	2021
Medical and surgical	\$ 146,183	\$ 141,345
Pharmaceutical	22,979	22,979
Laboratory	9,687	13,936
Other Supplies	21,497	15,724
	\$ 200,346	\$ 193,984

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, 2022

9. Accounts Payable and Accrued Liabilities

	2022	2021
Due to GNWT - HSS	\$ 2,954	\$ 159,682
Due to GNWT- Finance	-	-
Due to GNWT- Justice	-	-
Due to GNWT - Infrastructure	-	-
Due to NTHSSA	4,186,617	2,063,893
Due to Government of Nunavut	-	-
Due to WSCC	-	-
Hay River Hospital & Wellness Foundation	632	542
Accounts payable and accrued liabilities	980,250	234,480
Unspent donations	21,636	21,636
Special purpose fund liabilities	63,193	56,646
	\$ 5,255,282	\$ 2,536,879
Payroll liabilities	2,221,563	3,001,159
	\$ 7,476,845	\$ 5,538,038

10. Due From And To The Government Of Canada

	2022	2021
Receivables:		
Miscellaneous receivables	-	-
	\$ -	\$ -

11. Capital Lease Obligations

The Authority doesn't have capital lease obligations for the year ending March 31, 2022.

Hay River Health & Social Services Authority
Notes to the financial statements
For the year ended March 31, 2022

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.

	2022	2021
Accrued benefit obligation	\$ 71,302,000	\$ 61,224,000
Market - related value of pension fund assets	87,539,000	76,290,000
	(16,237,000)	(15,066,000)
Unamortized actuarial gains / (losses)	(4,917,000)	(5,640,000)
Pension liability (accrued asset)	(21,154,000)	(20,706,000)
Impairment on value of accrued pension asset	(4,917,000)	(5,640,000)
Adjusted pension liability (accrued asset) realizable by the Authority	\$ (16,237,000)	\$ (15,066,000)

The pension liability (asset) includes the following components:

	2022	2021
Pension liability (accrued asset) - beginning of year	\$ (20,706,000)	\$ (18,728,000)
Cash items:		
Member contributions	(1,444,000)	(1,347,000)
Employer contributions	(3,043,000)	(2,311,000)
Benefit payments	(2,557,000)	(2,140,000)
Draw-down from plan assets	2,557,000	2,140,000
Net change to pension liability from cash items	(4,487,000)	(3,658,000)
Accrual items:		
Current period benefit cost	4,334,000	2,861,000
Amortization of actuarial gains/losses	320,000	(346,000)
Interest on average accrued benefit obligation	2,514,000	2,452,000
Expected earnings on average pension fund assets	(3,129,000)	(3,287,000)
	4,039,000	1,680,000
Pension liability (accrued asset) before impairment	\$ (21,154,000)	\$ (20,706,000)

Hay River Health & Social Services Authority
Notes to the financial statements
For the year ended March 31, 2022

Note 12 Pensions (continued)

The Pension expense (revenue) is included in the statement of operations as a component of undistributed amounts.

	2022	2021
Pension expense (revenue)	\$ 1,171,000	\$ 1,717,000
Expected earnings on plan assets	4.30%	4.85%
Actual earnings on plan assets	4.90%	4.90%
Difference between actual and expected	0.6%	0.5%

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:

	2022	2021
Date of actuarial valuation	January 1, 2022	January 1, 2021
Date of next valuation	January 1, 2023	January 1, 2022
Discount rate at valuation	4.30%	4.05%
Date of audited financial statements	March 31, 2022	March 31, 2021
Discount rate at March 31 extrapolation	4.30%	4.05%
Market value of the plan assets	\$ 91,212,000	\$ 84,035,000
Expected return on plan assets	4.85%	4.85%
Future inflation	2.00%	2.00%
Future compensation increases	2.50%	2.50%
Expected average remaining service life (years)	8 years	7.8 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, 2022

13. Employee

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, 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 February 15, 2022 and the results extrapolated to March 31, 2022. 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	2022	2021
<u>Changes in Obligation</u>				
Accrued benefit obligation, opening	\$ 2,052,736	\$ 150,585	\$ 2,203,321	\$ 2,477,987
Current period benefit costs	193,205	14,161	207,366	215,856
Interest accrued	68,772	5,028	73,800	66,563
Benefit payments	(305,379)	(24,767)	(330,146)	(717,011)
Plan amendments	-	-	-	-
Actuarial gains (losses)	360,171	28,204	388,375	159,926
Accrued benefit obligation, closing	2,369,505	173,211	2,542,716	2,203,321
Unamortized net actuarial (gain) loss	276,845	773,095	(1,049,940)	(842,388)
Accrued benefit obligation, opening	2,092,660	(599,884)	1,492,776	1,360,933
Other employee future benefits	-	-	-	-
Other compensated absences	-	-	-	-
Total employee future benefits compensated absences	\$ 2,092,660	\$ (599,884)	\$ 1,492,776	\$ 1,360,933
<u>Benefits Expense</u>				
Current period benefit cost	193,205	14,161	207,366	215,856
Interest accrued	68,772	5,028	73,800	66,563
Plan amendments	-	-	-	-
Amortization of actuarial (gain) loss	29,416	151,407	180,823	161,555
Accrued benefit obligation, closing	\$ 291,393	\$ 170,596	\$ 461,989	\$ 443,974

Hay River Health & Social Services Authority
Notes to the financial statements
For the year ended March 31, 2022

Note 13. Employee Future Benefits and Compensated Absences (Continued)

The discount rate used to determine the accrued benefit obligation is an average of 2.70%, down from the prior years rate of 3.20% . No inflation rate was applied. The expected payments during the next five fiscal years are:

	Severance and Removal		Compensated Absences		Total
2023	\$ 252,714	\$	14,801	\$	267,515
2024	253,266		16,647		269,913
2025	230,096		15,466		245,562
2026	286,995		20,488		307,483
2027	261,174		18,185		279,359
	\$ 1,284,245	\$	85,587	\$	1,369,832

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.

	2022	2021
Patient Trust Asset	106,851	87,333
Patient Trust Liability	106,081	86,564

15. SERVICES PROVIDED WITHOUT CHARGE

During the year, the Authority received without charge from the Government various administrative services, the value of which is not reflected in these financial statements. The administrative costs include legal services by the Department of Justice, insurance coverage, actuarial valuations and internal audit services provided by the Department of Finance and use of vehicles, building repairs and utilities by the Department of Public Works.

The Authority also receives from the Government, without any rental charges, the use of facilities and equipment to provide public health and social services. The rental facilities used include the new Hay River Regional Health Center, the HH Williams Memorial Hospital, Woodland Manor, the Adult Supported Living units, Various medical equipment is also provided free of any rental fees. The use of these facilities would have cost the Authority an estimated **\$1,682,754** (**\$2,211,383** in 2021) 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, 2022

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, 2022

Expires in fiscal year	Residential 2022	Equipment 2022	Operational 2022	Total
2023	149,700	78,928	92,446	321,074
2024	149,700	39,006	20,990	209,696
2025	-	6,897	1,390	8,287
	\$ 299,400	\$ 124,831	\$ 114,826	\$ 539,057

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, 2022

20. COVID 19 EFFECT

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 theft market value at March 31, 2022 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:

	2022	2021
Revenue	\$ (157,250)	\$ (810,000)
Expenses	1,237,871	929,758
	\$ 1,080,621	\$ 119,758

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 2022	Allowance for doubtful account 2022	2022	2021
<u>Due from related parties</u>				
Accounts Receivable				
GNWT, Note 7				
Department of HSS	905,219	-	\$ 905,219	\$ 1,975,766
Department of Finance	-	-	-	20,265
Department of Infrastructure	-	-	-	551
	905,219	-	905,219	1,996,582
NTHSSA- HQ, Note 7	7,931	-	7,931	69,386
NTHSSA - Finance	23,139	-	23,139	-
NTHSSA - Other	40,592	-	40,592	-
Stanton Territorial Health Region	747	-	747	-
Yellowknife/Fort Resolution Region	1,395	-	1,395	-
	979,023	-	979,023	2,065,968
Hay River Hospital Foundation	-	-	-	-
	979,023	-	\$ 979,023	\$ 2,065,968

Hay River Health & Social Services Authority
Notes to the financial statements
For the year ended March 31, 2022

22. RELATED PARTIES AND RELATED PARTY TRANSACTIONS....(Continued)

	2022	2021
Due to related parties		
Accounts payable:		
GNWT, Note 9		
Department of HSS	\$ 2,954	\$ 2,155,682
Department of Infrastructure	-	-
	2,954	2,155,682
NTHSSA - HQ, Note 9		
Yellowknife Region	4,186,617	67,893
	4,186,617	67,893
Hay River Hospital Foundation	632	542
	\$ 4,190,203	\$ 2,224,117
Deferred revenues, GNWT - HSSA, (Note 26)	56,633	56,633
Contributions repayable, GNWT- HSSA, (Note 27)	2,279,825	3,177,693
Accountable capital advances, GNWT- HSSA, (Note 28)	5,829	5,829
	\$ 6,532,490	\$ 5,464,272
	2022	2021
Revenues		
GNWT		
Department of Health & Social Services	\$ 34,814,000	\$ 34,358,436
Department of Finance	-	-
Department of Infrastructure	-	-
Department of Justice	4,274	401
Department of Human Resources	-	-
	34,818,274	34,358,837
NTHSSA - HQ	32,398	24,709
Dehcho HSSA	4,631	-
Yellowknife HSSA	6,849	250
Stanton Territorial Health Authority	2,267	116,719
Beaufort - Delta HSSA	-	-
Fort Smith Health Centre	54,506	38,181
Finance	129,517	141,286
Hay River Hospital Foundation	-	11,504
NWT Housing Corp.	-	-
	\$ 35,048,442	\$ 34,691,486

Hay River Health & Social Services Authority
Notes to the financial statements
For the year ended March 31, 2022

22. RELATED PARTIES AND RELATED PARTY TRANSACTIONS....(Continued)

	2022	2021
Expenses		
GNWT		
Department of Health & Social Services	\$ 1,016	\$ 7,666
	1,016	7,666
NTHSSA		
Stanton Territorial Health Authority	552,477	488,182
Yellowknife HSSA	400	29,031
	\$ 553,893	\$ 524,879

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 \$5,104,963 (2021 - \$4,262,979).

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 accounted 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, 2022

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, 2022, one customer in accounts receivable accounts for 74% (2021 - 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 **\$21,448,814** including the **\$16,237,000** pension asset; financial liabilities are **\$11,424,265**. 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, 2022

24. EXPENSE BY OBJECT

	2022	2022	2021
	Budget	Actual	Actual
Compensation:			
Salary and Wages	\$ 25,334,371	\$ 27,655,718	\$ 26,849,246
Severance and removal	305,164	633,913	332,324
Pension Plan special payments and valuation adjustment	783,259	(712,000)	2,170,333
Locum	1,839,127	379,921	404,289
Medical Supplies	1,110,639	1,244,107	1,215,026
Referred out services	609,205	2,771,687	2,613,154
Grants and contributions	691,710	979,579	747,300
Travel Assistance	368,236	440,212	304,951
Equipment maintenance	418,759	380,656	408,135
Rent	253,006	242,652	231,003
Foster Care	432,845	466,680	434,112
Phone and postage	281,898	364,889	370,983
Locum removal	343,310	202,823	215,889
Travel	176,714	108,785	124,169
Professional fees	341,698	94,095	219,572
Training	101,730	99,377	79,640
Office supplies	171,673	282,799	258,801
Purchases service personnel	52,403	106,799	137,974
Minor equipment	60,740	165,902	318,607
Software Licensing	101,888	100,303	113,858
Honorariums	62,058	35,906	46,975
Garbage	33,165	33,968	31,545
Memberships	47,813	14,233	12,309
Advertising	32,396	42,061	25,453
Bank charges	7,421	10,578	21,256
Bad debt	-	70,991	146,032
Total	\$ 33,961,228	\$ 36,216,634	\$ 37,832,936

25. PREPAID EXPENSES AND DEPOSITS

	2022	2021
Service and maintenance packages	\$ 105,511	\$ 72,581
Deposits	2,000	2,000
	\$ 107,511	\$ 74,581

Hay River Health & Social Services Authority
Notes to the financial statements
For the year ended March 31, 2022

26. DEFERRED REVENUE

Deferred revenue represents funds that have been received for specific programs but remain unspent at March 31, 2022 as follows:

	2022	2021
Government of the Northwest Territories Department of Health and Social Services		
Professional Development Initiative	\$ 62,909	\$ 63,193

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, 2022:

	2022	2021
Government of the Northwest Territories Department of Health and Social Services		
Core Physical Services Funding	\$ 652,027	\$ 652,027
Core Physician services Funding 12/13	532,335	532,335
Homecare Enhancement 13/14	297	297
Grad Placement Program K. Miller 13/14	8,064	8,064
Transitional unspent funding 16/17	448,000	448,000
Children Who witness violence 17/18 - double payment	6,250	6,250
Physician funding repayable	74,013	-
Hay River Health Centre Restricted funding repayable	251,000	-
Foster care unspent restricted funding 18/19	392	12,391
Homecare unspent restricted funding 18/19	4,459	4,459
Transitional unspent funding - New Health Center 18/19	137	271,137
Referred Out Services - Core funding overpayment 18/19	3,000	355,000
Child and family services restricted funding repayable	99,000	-
Transitional unspent funding - New Health Center 10/20	-	161,384
Foster Care unspent restricted funding 19/20	87	66,087
Homecare unspent restricted funding 19/20	92,000	42,760
Midwifery unspent restricted funding 19/20/21	106,000	21,432
Unspent funding's	-	595,373
Adjustments	2,067	-
	\$ 2,279,128	\$ 3,176,996
Hay River Metis Government Council Living in Balance unspent funding 16/17	697	697
	\$ 2,279,825	\$ 3,177,693

Hay River Health & Social Services Authority
Notes to the financial statements
For the year ended March 31, 2022

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.

	2022	2021
Balance	\$ 5,829	\$ 5,829

29. ACCUMULATED SURPLUS (DEFICIT)

	2022	2021
Operating fund accumulated surplus (deficit)	\$ 11,037,966	\$ 11,037,966
Employee leave and termination liability fund	(1,680,459)	(2,085,339)
Cash Reserve	500,000	500,000
	\$ 9,857,507	\$ 9,452,627

Hay River Health & Social Services Authority
Schedule of Contributions from the GNWT
For the year ended March 31, 2022

Schedule A

	2022	2022	2021
Contributions from the GNWT			
Department of Health and Social Services			
Core Contribution Department of Health			
Administrative and Support Services	\$ 7,635,000	\$ 8,704,044	\$ 7,998,000
Nursing Inpatient Services	4,579,000	4,579,000	4,579,000
Ambulatory Care	3,300,000	3,474,000	3,474,000
Diagnostic and Therapeutic Services	3,021,000	3,058,000	3,058,000
Community Health Programs	12,078,000	12,617,000	12,617,000
Community Social Programs	3,282,000	2,493,000	2,493,000
Supplementary Health Programs	22,000	22,000	22,000
	33,917,000	34,947,044	34,241,000
Add: Additional funding for Renal Dialysis	-	-	94,000
Less: Allocation of other region's physician surplus	-	-	(592,881)
	33,917,000	34,947,044	33,742,119
Other Department of Health and Social Services Contributions			
Core Contribution Department of Health			
Home and Community Care (Schedule (A-1)	355,040	426,377	313,923
French Language	145,247	162,301	156,943
Medical Travel	108,164	127,690	113,192
Collective Kitchen	-	20,383	20,412
	608,451	736,751	604,470
Total Department of Health	34,525,451	35,683,795	34,346,589
Total Contribution from the GNWT	\$ 34,525,451	\$ 35,683,795	\$ 34,346,589

Hay River Health & Social Services Authority
Schedule of Detailed Contribution Funding and Expenditures -
Home and Community Care
For the year ended March 31, 2022

Schedule A-1

	2022		2021
	Actual		Actual
Funding			
Government of the Northwest Territories			
Department of Health and Social Services	\$ 426,377	\$	562,095
Less, contribution repayable	-		(248,172)
	426,377		313,923
Expenditures			
Compensation and benefits	238,303		240,668
Supplies	17,601		7,617
Sundry	2,936		1,330
Vehicle expense	1,000		-
Equipment expense	2,215		27,163
Software	16,239		-
Equipment - Vehicle	-		35,486
Training	3,138		1,659
	\$ 281,432	\$	313,923
	\$ 144,945	\$	-

Hay River Health & Social Services Authority
Schedule of Reserves
For the year ended March 31, 2022

Schedule B

	Leave and Termination Benefits Reserve		Cash Reserve		Total Reserves	
	2022	2021	2022	2021	2022	2021
Balance, beginning of the year	\$ (1,812,302)	\$ (1,723,136)	\$ 500,000	\$ 500,000	\$ (1,312,302)	\$ (1,223,136)
Change to opening balances	-	-	-	-	-	-
(Increase) Decrease in employee future benefits and compensated absence	131,843	(89,166)	-	-	131,843	(89,166)
Transfers between reserves	-	-	-	-	-	-
Balance, end of year	\$ (1,680,459)	\$ (1,812,302)	\$ 500,000	\$ 500,000	\$ (1,180,459)	\$ (1,312,302)



NORTHWEST TERRITORIES HEALTH AND SOCIAL SERVICES AUTHORITY

Financial Statements

March 31, 2022

Northwest Territories Health and Social Services Authority

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Northwest Territories Health and Social Services Authority



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 25, 2022



Office of the
Auditor General
of Canada

Bureau du
vérificateur général
du Canada

INDEPENDENT AUDITOR'S REPORT

To the Minister responsible for the Northwest Territories Health and Social Services Authority

Opinion

We have audited the financial statements of the Northwest Territories Health and Social Services Authority (the Authority), which comprise the statement of financial position as at 31 March 2022, and the statement of operations and accumulated deficit, statement of changes 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 2022, 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.

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.



David Irving, CPA, CA
Principal
for the Auditor General of Canada

Edmonton, Canada
25 August 2022

Northwest Territories Health and Social Services Authority

Statement of Financial Position

(All figures in thousands of dollars)

As at March 31,	2022	2021
Financial Assets		
Cash	\$ 27,548	\$ 15,501
Accounts receivable (note 4)	12,878	10,782
Due from Government of the Northwest Territories (note 5)	66,746	67,079
Due from Government of Canada	430	274
	107,602	93,636
Liabilities		
Accounts payable and accrued liabilities (note 7)	32,757	34,297
Due to Government of the Northwest Territories (note 5)	274,690	224,971
Due to Government of Canada	30	9
Employee future benefits and compensated absences (note 8)	6,319	6,621
	313,796	265,898
Net Debt	(206,194)	(172,262)
Non-Financial Assets		
Inventory held for use (note 6)	10,999	10,919
Prepaid expenses	1,511	1,421
	12,510	12,340
Accumulated Deficit (note 9)	\$ (193,684)	\$ (159,922)

Contractual Obligations and Contingencies (notes 10 and 11)

Approved on behalf of the Authority:



Ted Blondin
Leadership Council
Vice 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,	2022		2021
	Budget	Actual	Actual
Revenues			
Recoveries from other sources	\$ 18,620	\$ 12,719	\$ 15,019
Recoveries from Government of Nunavut	2,024	3,691	2,053
Contributions from other sources	982	2,066	1,057
Interest income	20	210	65
Other income	20	202	2
Total Revenue	21,666	18,888	18,196
Expenses (note 16)			
Community social programs	103,164	116,454	103,620
Ambulatory care services	72,210	94,311	91,679
Administration and support services	59,073	80,205	65,087
Nursing inpatient services	42,016	53,916	61,157
Community health programs	45,462	61,476	52,891
Supplementary health programs	49,358	51,968	48,961
Diagnostic and therapeutic services	31,889	39,325	36,666
Total Expenses	403,172	497,655	460,061
Deficit for the year before Government contributions	(381,506)	(478,767)	(441,865)
Government contributions			
Core contributions (note 17)	315,497	345,923	339,082
Other contributions (note 17)	8,171	17,548	6,152
Recoveries	20,366	35,005	17,446
Recoveries - non insured health services	14,929	15,197	13,852
Recoveries of prior year expenses	-	354	1,112
Grant-in-kind (note 13)	-	30,978	31,290
Total Government contributions	358,963	445,005	408,934
Annual deficit	(22,543)	(33,762)	(32,931)
Accumulated deficit, beginning of year	(159,922)	(159,922)	(126,991)
Accumulated deficit, end of year	\$ (182,465)	\$ (193,684)	\$ (159,922)

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,	2022		2021
	Budget	Actual	Actual
Annual deficit for the year	\$ (22,543)	\$ (33,762)	\$ (32,931)
Adjustments			
Acquisition of inventories held for use	-	(17,091)	(15,374)
Consumption of inventories held for use	-	17,011	7,659
Acquisition of prepaid expenses	-	(1,160)	(1,403)
Use of prepaid expenses	-	1,070	647
Increase in net debt for the year	(22,543)	(33,932)	(41,402)
Net debt, beginning of year	(172,262)	(172,262)	(130,860)
Net debt, end of year	\$ (194,805)	\$ (206,194)	\$ (172,262)

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,	2022	2021
Cash (used in) provided by operating transactions		
Annual deficit	\$ (33,762)	\$ (32,931)
Changes in non-cash assets and liabilities		
Change in accounts receivable	(2,096)	(2,258)
Change in accounts payable and accrued liabilities	(1,539)	5,662
Net change in due to/(from) Government of the Northwest Territories	50,051	30,510
Change in employee future benefits and compensated absences	(302)	(2,025)
Net change in due to/(from) Government of Canada	(135)	(108)
Change in inventory	(80)	(7,715)
Change in prepaid expenses	(90)	(756)
Cash provided (used in) by operating transactions	12,047	(9,621)
Increase (decrease) in cash	12,047	(9,621)
Cash, beginning of year	15,501	25,122
Cash, end of year	\$ 27,548	\$ 15,501

There were no financing, investing, or capital transactions during the year.

Total interest received during the year \$210 (2021 - \$65).

The accompanying notes are an integral part of these financial statements.

Northwest Territories Health and Social Services Authority

Notes to the Financial Statements

(All figures in thousands of dollars)

March 31, 2022

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 and is an agency under Schedule A of the *Financial Administration Act* (FAA) of the Northwest Territories. 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, 2022 the Authority had an annual deficit of \$33,762, accumulated deficit of \$193,684, liabilities of \$313,796 (including \$274,690 due to the GNWT), and total financial assets of only \$107,602.

The Authority was created as part 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.

Northwest Territories Health and Social Services Authority

Notes to the Financial Statements

(All figures in thousands of dollars)

March 31, 2022

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) Tangible capital assets

The GNWT retains ownership of all tangible capital assets (TCA) used by the Authority. The GNWT's financial statements include these TCAs and as such the Authority has no TCAs recognized in its financial statements.

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.

(d) 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

Northwest Territories Health and Social Services Authority

Notes to the Financial Statements

(All figures in thousands of dollars)

March 31, 2022

2. Basis of presentation and significant accounting policies (continued)

measured at fair value at the date of acquisition.

(e) 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 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.

(f) 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. 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.

Northwest Territories Health and Social Services Authority

Notes to the Financial Statements

(All figures in thousands of dollars)

March 31, 2022

2. Basis of presentation and significant accounting policies (continued)

(g) 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.

(h) 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.

(i) 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.

(j) 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.

Northwest Territories Health and Social Services Authority

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(All figures in thousands of dollars)

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2. Basis of presentation and significant accounting policies (continued)

(k) Expenses

Expenses are reported on an accrual basis. The cost of all goods and services received during the year are expensed, except for certain services provided without charge which are described in Note 13.

(l) 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 (c). 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.

(m) 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 \$61 (2021 - \$71). Funds established by the Authority include a special project reserve \$61 (2021 - \$71) which are donations made to the Authority under non-contractual conditions.

Northwest Territories Health and Social Services Authority

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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	2022	2021
Trade Receivables	\$ 14,646	\$ (9,968)	\$ 4,678	\$ 5,919
Government of Nunavut	2,340	(295)	2,045	1,680
Due from WSCC	392	-	392	320
Due from related parties (note 15)	5,775	(12)	5,763	2,863
Total accounts receivable	\$ 23,153	\$ (10,275)	\$ 12,878	\$ 10,782

5. Due from/(to) Government of the Northwest Territories

For contribution agreements, 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

	2022	2021
Health and Social Services	\$ 65,067	\$ 64,884
Finance	1,642	2,025
Justice	17	125
Education, Culture and Employment	20	42
Infrastructure	-	2
Environment and Natural Resources	-	1
Total due from Government of the Northwest Territories	\$ 66,746	\$ 67,079

Due to Government of the Northwest Territories

	2022	2021
Payroll liabilities	\$ 266,106	\$ 211,637
Health and Social Services	2,178	5,974
Finance	5,727	5,135
Environment and Natural Resources	10	-
Justice	12	-
Infrastructure	655	2,169
Education, Culture and Employment	2	56
Total due to Government of the Northwest Territories	\$ 274,690	\$ 224,971

The due to Government of the Northwest Territories is unsecured, without interest and due on demand.

Northwest Territories Health and Social Services Authority

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6. Inventory held for use

The Authority carries several types of inventory for use in operation.

	2022		2021
General supplies	\$ 6,536	\$	8,245
Pharmaceutical	1,764		1,657
Hospital operating room supplies	2,699		1,017
	<u>\$ 10,999</u>	<u>\$</u>	<u>10,919</u>

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.

	2022		2021
Trade payable	\$ 21,563	\$	23,101
Annual leave and lieu time	11,097		10,562
Due to related parties (note 15)	97		634
	<u>\$ 32,757</u>	<u>\$</u>	<u>34,297</u>

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

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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, 2022. 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.

	2022	2021
Accrued benefit obligations, beginning of year	\$ 7,833	\$ 8,927
Current period benefit cost	696	725
Interest accrued	262	237
Benefits payments	(1,375)	(2,906)
Actuarial loss	1,247	850
Accrued benefit obligations, end of year	8,663	7,833
Unamortized net actuarial (loss)	(3,101)	(1,983)
Employee future benefits & compensated absence liability - actuarially valued	5,562	5,850
Other compensated absences liability - not actuarially valued	757	771
Total employee future benefits and compensated absences	\$ 6,319	\$ 6,621

Benefits expense

Current period benefit cost	\$ 696	\$ 724
Interest accrued	261	237
Amortization of actuarial (gain)/loss	128	29
	\$ 1,085	\$ 990

The discount rate used to determine the accrued benefit obligation is an average of 4.1% (2021 - 3.3%).

Northwest Territories Health and Social Services Authority

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March 31, 2022

9. Accumulated deficit

	2022	2021
Accumulated deficit upon amalgamation in 2016	\$ 50,824	\$ 50,824
Addition to the accumulated deficit since amalgamation	<u>142,860</u>	<u>109,098</u>
Accumulated deficit	<u>\$ 193,684</u>	<u>\$ 159,922</u>

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, 2022:

	Expires in Fiscal Year	2023	2024	2025	2026	2027	2028	Total
Equipment leases	2028	\$ 237	\$ 131	\$ 119	\$ 110	\$ 40	\$ 6	\$ 643
Operational leases	2025	2,864	1,355	322	-	-	-	4,541
Service contracts	2027	55,160	2,837	903	845	839	-	60,584
		<u>\$58,261</u>	<u>\$ 4,323</u>	<u>\$ 1,344</u>	<u>\$ 955</u>	<u>\$ 879</u>	<u>\$ 6</u>	<u>\$ 65,768</u>

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 (2021 - \$10). 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, 2022.

12. Trust assets under administration

The authority administers \$389 (2021 - \$294) 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, 2022

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	2022	2021
Use of Assets ⁽¹⁾	\$ 20,428	\$ 21,694
Stanton Territorial Hospital P3 costs ⁽²⁾	7,300	7,100
Donated Inventory	3,250	2,496
Grant-in-Kind Revenue	<u>\$ 30,978</u>	<u>\$ 31,290</u>

⁽¹⁾ Included in Use of Assets is the estimated cost to rent the new Stanton Territorial Hospital based on its current amortization expense of approximately \$8,053 (2021 - \$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 \$3,484 (2021 - \$0).

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 (2021 - 1.01) the employees' contributions for employees who started prior to January 2013 and 1.0 times (2021 - 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 \$12,992 (2021 - \$11,734) to PSPP and \$1,962 (2021 - \$2,067) to the Physician's fund. The employee's contributions were \$12,679 (2021 - \$11,675) and \$896 (2021 - \$952) respectively.

Northwest Territories Health and Social Services Authority

Notes to the Financial Statements

(All figures in thousands of dollars)

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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 2022	Net 2021
Hay River Health and Social Services Authority	\$ 4,154	\$ -	\$ 4,154	\$ 2,011
Tlicho Community Services Agency	1,620	(12)	1,608	817
Northwest Territories Power Corporation	1	-	1	35
	\$ 5,775	\$ (12)	\$ 5,763	\$ 2,863

Due to related parties:	2022	2021
Aurora College	\$ 18	\$ 405
Tlicho Community Services Agency	51	149
Hay River Health and Social Services Authority	19	71
Fuel Services Division	5	3
Northwest Territories Power Corporation	4	6
	\$ 97	\$ 634

Revenues from related parties:	2022	2021
Hay River Health and Social Services Authority	\$ 2,708	\$ 2,454
Tlicho Community Services Agency	1,020	875
Northwest Territories Power Corporation	94	105
Government of the Northwest Territories	-	50
Aurora College	3	-
	\$ 3,825	\$ 3,484

Northwest Territories Health and Social Services Authority

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March 31, 2022

15. Related party balance and transactions (continued)

Expenses paid to related parties:	2022	2021
Hay River Health and Social Services Authority	\$ 168	\$ 405
Tlicho Community Services Agency	310	317
Government of the Northwest Territories	9,299	8,254
Aurora College	1,783	183
Northwest Territories Power Corporation	73	92
Northwest Territories Housing Corporation	52	66
Fuel Services Division	49	41
	\$ 11,734	\$ 9,358

16. Expenses by object

	2022	2021
Compensation expense	\$ 256,401	\$ 241,454
Contracted out services	64,057	62,870
Medical and other travel	53,396	47,618
Compensation - locums	26,591	22,783
Supplies	23,399	22,466
Grants in kind (note 13)	31,212	28,795
Contributions	21,434	16,145
Valuation expenses	3,016	1,163
Operating Cost	18,149	16,767
Total expenses	\$ 497,655	\$ 460,061

Northwest Territories Health and Social Services Authority

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March 31, 2022

17. Contributions from the Government of the Northwest Territories

	2022 Budget	2022 Actual	2021 Actual
Core contribution			
Community social services	\$ 30,555	\$ 37,079	\$ 29,415
Ambulatory care services	27,725	28,013	27,426
Administrative and support services	41,400	41,892	39,950
Nursing inpatient services	35,321	36,199	33,609
Community health programs	136,814	138,358	133,663
Supplementary health programs	18,701	16,035	21,101
Diagnostic and therapeutic services	24,981	25,990	24,900
COVID pandemic	-	22,357	29,018
	315,497	345,923	339,082
Other contributions			
Clinical Nutrition Intern	40	-	-
CHIIRP - Injury Reporting & Prevention	85	100	131
Collective Kitchens	156	143	169
Community Care Giver Pilot	297	199	93
Community Health Rep Training	-	48	-
ECD - Hearing Aids for Children	7	5	4
FASCETS - FASD Training	-	-	48
FNIHCC Home and Community Care	5,053	6,925	3,858
Feast on Health	39	9	-
French Language Services	856	561	461
HCC Quality and Risk Management	149	149	-
Implementation Lead Healthy Families Program	195	195	85
Integrated Primary Care Teams Demonstration Project	397	453	397
Mental Health Initiatives	250	195	241
OMTP Territorial Lead Case Manager	140	50	140
Oral Health Program	225	156	85
Oral Health Toolkits for LTC Residents	32	-	32
QRCE - IPAC	-	-	96
Respite Care Program	250	260	250
Safe LTC Fund	-	1,110	-
Smoking Cessation	-	22	-
Medical Travel System Sustainability	-	6,030	-
T.A.S.T.E - Traditional Foods	-	-	62
Yellowknife Day Shelter	-	938	-
	8,171	17,548	6,152
Total contributions from the GNWT	\$ 323,668	\$ 363,471	\$ 345,234

Northwest Territories Health and Social Services Authority

Notes to the Financial Statements

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March 31, 2022

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.

	2022 Budget	2022 Actual	2021 Actual
FNIHCC Home and Community Care Agreement			
Compensation	\$ 4,153	\$ 6,204	\$ 3,443
Equipment expense	304	196	1
Medical travel and other travel	171	145	-
Contracted out services	90	56	128
Other	335	324	286
	\$ 5,053	\$ 6,925	\$ 3,858
French Language Services			
Compensation	\$ 720	\$ 491	\$ 443
Other	136	70	18
	\$ 856	\$ 561	\$ 461
Integrated Primary Care Teams Demonstration			
Compensation	\$ 397	\$ 453	\$ 397
	\$ 397	\$ 453	\$ 397
Respite Care Program			
Contracted out services	\$ 250	\$ 260	\$ 250
	\$ 250	\$ 260	\$ 250
Safe LTC			
Compensation	\$ -	\$ 18	\$ -
Equipment expense	-	433	-
Medical travel and other travel	-	37	-
Other	-	622	93
	\$ -	\$ 1,110	\$ 93
Yellowknife Temporary Day Shelter			
Compensation	\$ -	\$ 369	\$ -
Other	-	369	-
	\$ -	\$ 738	\$ -

Northwest Territories Health and Social Services Authority

Notes to the Financial Statements

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March 31, 2022

17. Contributions from the Government of the Northwest Territories (continued)

Medical Travel System Sustainability

Compensation	\$	-	\$	663	\$	-
Equipment expense		-		1		-
Medical travel and other travel		-		5,000		-
Contracted out services		-		236		-
Other		-		130		-
	\$	-	\$	6,030	\$	-

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 \$107,602 (2021 - \$93,636).

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, 2022, receivables from the Government comprised 83% of the total outstanding accounts receivables (2021 - 86%). The Authority manages this risk by monitoring overdue balances.

Northwest Territories Health and Social Services Authority

Notes to the Financial Statements

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18. Financial Instruments (continued)

(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, 2022 mature within six months of year end.

Total financial assets are \$107,602 (2021 - \$93,636) and financial liabilities are \$313,796 (2021 - \$265,898). 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

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March 31, 2022

19. Budget

The approved budget have 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			
Recoveries from other sources	\$ 18,620	\$ 32,745	\$ (14,125)
Recoveries from Government of Nunavut	2,024	3,202	(1,178)
Contributions from other sources	982	981	1
Interest income	20	20	-
Other income	20	-	20
Total Revenue	21,666	36,948	(15,282)
Expenses			
Community social programs	103,164	103,164	-
Ambulatory care services	72,210	73,562	(1,352)
Administration and support services	59,073	59,073	-
Nursing inpatient services	42,016	42,016	-
Community health programs	45,462	45,581	(119)
Supplementary health programs	49,358	49,358	-
Diagnostic and therapeutic services	31,889	30,418	1,471
Total Expenses	403,172	403,172	-
Contributions from GNWT			
Core contributions	315,497	315,497	-
Other contributions	8,171	11,221	(3,050)
Recoveries	20,366	14,625	5,741
Recoveries - non insured health services	14,929	2,338	12,591
Total GNWT contributions	358,963	343,681	15,282
Annual deficit	\$ (22,543)	\$ (22,543)	\$ -

Northwest Territories Health and Social Services Authority

Notes to the Financial Statements

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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 budget does not include the Grant-in-kind GNWT; therefore the impact of the Grant-in-kind GNWT must be factored in when comparing to the actual results. The revised budget is detailed below:

	Original Budget	NOTAs	Grant-in- kind	Revised Budget	Actual Amount	Over (Under) Budget
Revenue						
Recoveries from other sources	\$ 18,620	\$ -	\$ -	\$ 18,620	\$ 12,719	\$ (5,901)
Recoveries from Government of Nunavut	2,024	-	-	2,024	3,691	1,667
Contributions from other sources	982	-	-	982	2,066	1,084
Interest income	20	-	-	20	210	190
Other income	20	-	-	20	202	182
Total Revenue	21,666	-	-	21,666	18,888	(2,778)
Expenses						
Community social programs	103,164	5,070	2,306	110,540	116,454	5,914
Ambulatory care services	72,210	5,383	4,317	81,910	94,311	12,401
Administration and support services	59,073	7,247	7,578	73,898	80,205	6,307
Nursing inpatient services	42,016	2,026	6,341	50,383	53,916	3,533
Community health programs	45,462	7,290	7,321	60,073	61,476	1,403
Supplementary health programs	49,358	1,960	134	51,452	51,968	516
Diagnostic and therapeutic services	31,889	1,450	3,215	36,554	39,325	2,771
Total Expenses	403,172	30,426	31,212	464,810	497,655	32,845
Government contributions						
Core contributions	315,497	30,426	-	345,923	345,923	-
Other contributions	8,171	-	-	8,171	17,548	9,377
Recoveries	20,366	-	-	20,366	35,005	14,639
Recoveries - Non-insured health services	14,929	-	-	14,929	15,197	268
Recoveries of prior year expenses	-	-	-	-	354	354
Grant-in-kind	-	-	30,978	30,978	30,978	-
Total Government contributions	358,963	30,426	30,978	420,367	445,005	24,638
Annual deficit	\$ (22,543)	\$ -	\$ (234)	\$ (22,777)	\$ (33,762)	\$ (10,985)

Northwest Territories Health and Social Services Authority

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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 \$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 2022 fiscal year relating to COVID-19 is as follows:

	2022
	Actual
Revenues	
Core contributions	\$ 22,357
Recoveries	8,454
Grant-in-kind	3,249
Total Revenue	34,060
Expenses	
Community social programs	5,066
Ambulatory care services	6,236
Administration and support services	9,801
Nursing inpatient services	1,809
Community health programs	10,380
Supplementary health programs	1,714
Diagnostic and therapeutic services	1,271
Total Expenses	36,277
Annual (shortfall) surplus	\$ (2,217)

The duration and impact of COVID-19 is unknown at this time and it is not possible to reliably estimate the impact that the severity and length of COVID-19 will continue to have on the financial results and condition of the Authority in future periods.

21. Comparative figures

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