
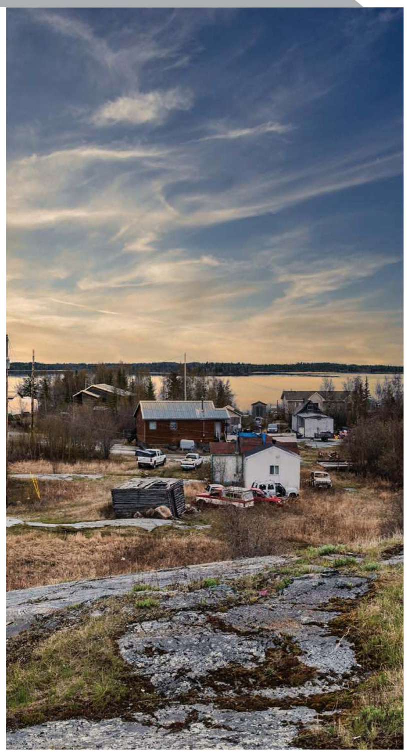
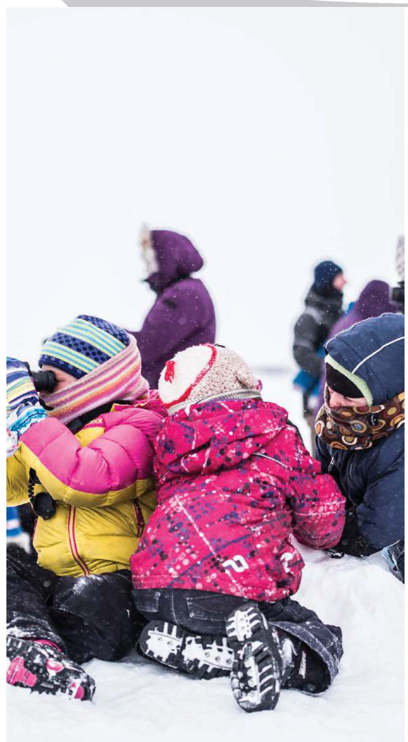
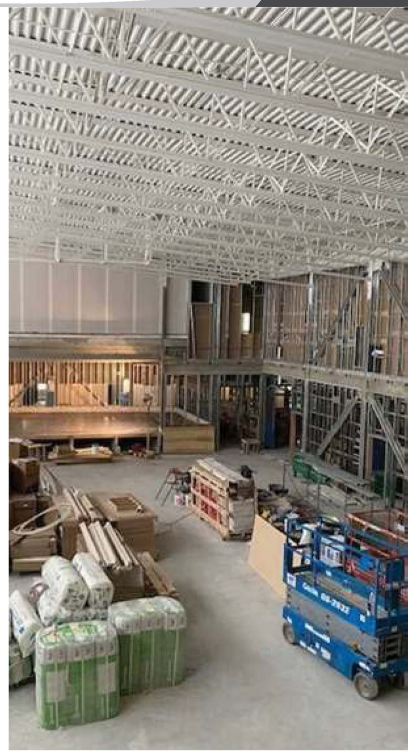

2023-2024

PUBLIC ACCOUNTS

SECTION III

SUPPLEMENTARY FINANCIAL STATEMENTS - OTHER ENTITIES

Government of
Northwest Territories

PUBLIC ACCOUNTS

OF THE

GOVERNMENT OF THE NORTHWEST TERRITORIES

FOR THE YEAR ENDED MARCH 31, 2024

SECTION III

SUPPLEMENTARY FINANCIAL STATEMENTS

OTHER ENTITIES

HONOURABLE CAROLINE WAWZONEK

Minister of Finance

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Public Accounts of the
Government of the Northwest Territories

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SECTION III

SUPPLEMENTARY FINANCIAL STATEMENTS – OTHER ENTITIES

Entities

Revolving Funds

Special Purpose Funds

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ARCTIC ENERGY ALLIANCE
Yellowknife, NT

FINANCIAL STATEMENTS
For the year ended March 31, 2024

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Tel: 867-920-3333
Toll Free: 1-877-755-5855
Fax: 867-873-0303
E-Mail: info@aea.nt.ca
Website: www.aea.nt.ca
101-5102 51st Street
Yellowknife NT X1A 1S7

MANAGEMENT'S RESPONSIBILITY FOR REPORTING

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

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

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

Mark Heyck
Executive Director
June 18, 2024

AVERY COOPER & CO. LTD.
Chartered Professional Accountants

4918—50th Street, P.O. Box 1620
Yellowknife, NT X1A 2P2
www.averycooper.com

Telephone: (867) 873-3441
Facsimile: (867) 873-2353
Toll-Free: 1-800-661-0787

INDEPENDENT AUDITOR'S REPORT

To the members of
Arctic Energy Alliance

Opinion
We have audited the financial statements of Arctic Energy Alliance (the "Society"), which comprise the Statement of Financial Position as at March 31, 2024, and the Statements of Operations, Changes in Net Assets and Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Society as at March 31, 2024, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

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

Other Information
Management is responsible for the other information. The other information comprises:
- The Annual Report, but does not include the financial statements and our auditor's report thereon.

The Annual Report has been made available to us before the date of this auditor's report. Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

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

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

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

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Society's internal control.

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

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

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

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

Avery Cooper & Co. Ltd.

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

June 18, 2024

ARCTIC ENERGY ALLIANCE

STATEMENT OF FINANCIAL POSITION

March 31, 2024

ASSETS

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

LIABILITIES

	2024	2023
CURRENT		
Trade payables and accruals (note 7)	$ 164,523	$ 143,773
Wages and benefits payable	44,914	21,098
Deferred revenue (note 9)	50,000	50,000
Government remittances payable (note 6)	59,785	76,401
Contributions payable (note 8)	256,028	835,205
	575,250	1,126,477
DEFERRED GOVERNMENT ASSISTANCE (note 10)	54,307	8,193
	629,557	1,134,670

NET ASSETS

	2024	2023
ACCUMULATED SURPLUS per page 3	886,271	699,774
RESERVES per page 3	1,135,703	1,012,813
INVESTED IN TANGIBLE CAPITAL ASSETS per page 3	65,629	29,856
	2,087,603	1,742,443
	$ 2,717,160	$ 2,877,113

Approved:

_______________ Director _______________ Director

See accompanying notes

ARCTIC ENERGY ALLIANCE

STATEMENT OF OPERATIONS

For the year ended March 31, 2024

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

ARCTIC ENERGY ALLIANCE

STATEMENT OF CHANGES IN NET ASSETS
For the year ended March 31, 2024

	2024			
	Accumulated Surplus	Reserves	Invested in Tangible Capital Assets	Total
BALANCE, opening	$ 699,774	$ 1,012,813	$ 29,856	$ 1,742,443
Excess of revenues over expenses	345,160	-	-	345,160
Transfer to reserves (note 19)	(122,890)	122,890	-	-
Purchase of tangible capital assets	(110,364)	-	110,364	-
Amortization of tangible capital assets	28,476	-	(28,476)	-
Write-off of deferred government assistance	(7,559)	-	7,559	-
Deferred government assistance additions	53,674	-	(53,674)	-
BALANCE, closing	$ 886,271	$ 1,135,703	$ 65,629	$ 2,087,603

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

ARCTIC ENERGY ALLIANCE

STATEMENT OF CASH FLOWS

For the year ended March 31, 2024

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

ARCTIC ENERGY ALLIANCE

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2024

1. NATURE OF OPERATIONS

Arctic Energy Alliance (the "Society") is a government not-for-profit organization of the Government of the Northwest Territories ("GNWT") and was incorporated July 29, 1997, under the *Societies Act* of the Northwest Territories. As a public service entity, the Society's function is to support the objectives of the GNWT by promoting awareness and conservation of energy and utility use and to identify, promote, and implement opportunities to reduce energy and utility costs in the Northwest Territories.

The Society is exempt from income tax under paragraph 149(1)(*c*) of the *Income Tax Act* (Canada). The Society is economically dependent on funding received from the GNWT.

2. SIGNIFICANT ACCOUNTING POLICIES

The Society follows accounting principles generally accepted in Canada in preparing its financial statements. The significant accounting policies used are as follows:

(a) Cash equivalents

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

(b) Financial instruments

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

(c) Tangible capital assets

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

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

Amortization of leasehold improvements is recorded over the term of the lease.

The Society considers capital expenditures with individual items costing $10,000 or more to be tangible capital assets.

2. SIGNIFICANT ACCOUNTING POLICIES, continued

(d) Revenue recognition

The Society follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred.

Unrestricted contributions are recognized as revenue when received or receivable and the amount can be reasonably estimated and collection is reasonably assured.

The Society recognizes revenue from customers upon completion of customer orders and/or completion of services. Estimated losses, if any, are recorded when they become apparent.

Contributions of materials and services are recognized in the financial statements at fair value at the date of contribution, but only when a fair value can be reasonably estimated and when the materials and services are used in the normal course of operations, and would otherwise have been purchased.

Interest income that is not externally restricted is recognized in the Statement of Operations when earned.

(e) Government assistance

Restricted contributions for the purchase of tangible capital assets that will be amortized are accounted for as deferred government assistance and recognized as revenue on the same basis as the amortization expense related to the acquired tangible capital assets.

(f) Allocated expenses

The Society allocates certain general support expenses by identifying the appropriate basis of allocating each component of expense, and applies that basis consistently each year in accordance with applicable contribution agreements. Wages and benefits expenses are allocated to programs, as applicable, based on actual hours worked.

(g) Measurement uncertainty

The preparation of financial statements in conformity with Canadian public sector accounting standards applicable to government not-for-profit organizations, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. These estimates are reviewed periodically, and as adjustments become necessary they are reported in the period in which they become known.

Significant estimates include the determination of the useful lives of tangible capital assets, credit losses, and asset retirement obligations, the allocation of administrative expenses to programs, and the allocation of certain wages and benefits expenses to programs.

3. SHORT TERM INVESTMENTS

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

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

4. ACCOUNTS RECEIVABLE

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

5. TANGIBLE CAPITAL ASSETS

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

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

5. TANGIBLE CAPITAL ASSETS, continued

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

6. GOVERNMENT REMITTANCES

	2024	2023
Goods & Services Tax rebates receivable	$ 7,981	$ 20,624

	2024	2023
Payroll remittances payable	$ 53,714	$ 71,068
Related parties:		
GNWT Finance - NWT Payroll Tax payable	6,071	5,333
	$ 59,785	$ 76,401

7. TRADE PAYABLES AND ACCRUALS

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

NOTES TO THE FINANCIAL STATEMENTS
March 31, 2024

8. CONTRIBUTIONS PAYABLE

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

9. DEFERRED REVENUE

During the year, the Society entered into contribution agreements with the GNWT, Department of Infrastructure (INF), and Health and Social Services (HSS), and the Government of Canada. Contribution agreements stipulate that any unexpended funds must be repaid on demand.

Deferred revenue represents unspent restricted contributions for which the related expenses will not be recognized until a later period. Changes in deferred revenue balances during the year are summarized below and detailed in Schedule I.

9. DEFERRED REVENUE, continued

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

10. DEFERRED GOVERNMENT ASSISTANCE

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

11. RESERVES

During the year, Arctic Energy Alliance transferred $122,890 (2023 - $28,888) from the unrestricted net assets to meet its capital management objectives as described in Note 19. The reserves at March 31, 2024 of $1,135,703 (2023 - $1,012,813) represent the minimum required net assets to support the reserves. These internally restricted reserves are not available for unrestricted purposes without approval of the Board of Directors.

11. RESERVES, continued

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

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

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

12. MEMBERSHIP FEES

Membership fees revenue for the year consist of the following:

	2024	2023
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:

12. MEMBERSHIP FEES, continued

	2024	2023
GNWT:		
Department of Environment and Climate Change	$ 50,000	$ 50,000
Department of Infrastructure	50,000	50,000
Department of Municipal and Community Affairs	50,000	50,000
	150,000	150,000
GNWT - Crown Corporations:		
Northwest Territories Housing Corporation	50,000	50,000
Northwest Territories Power Corporation	5,000	5,000
Public Utilities Board of the Northwest Territories	12,500	12,500
	67,500	67,500
	$ 217,500	$ 217,500

13. TRUSTS UNDER ADMINISTRATION

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

14. BUDGET

The 2024 budget amounts on the Statement of Operations are presented for information purposes only and are unaudited. The budget was approved by the Board of Directors on June 20, 2023.

The approved budget is prepared on a modified cash basis which differs from budget amounts reported in the financial statements, which are prepared in accordance with Canadian public sector accounting standards applicable to government not-for-profit organizations on the full accrual basis of accounting. There were no significant differences during the current year.

15. FINANCIAL INSTRUMENTS

The Society's financial instruments consist of cash, accounts receivable, GIC investment, trade payables and accruals, and wages and benefits payable. Unless otherwise noted, it is management's opinion that the Society is not exposed to significant interest rate, market, currency, credit, liquidity or cash flow risks. The fair value of these financial instruments approximate their carrying values, unless otherwise noted.

16. COMMITMENTS

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

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

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

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

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

17. CAPITAL MANAGEMENT

In managing capital, the Society focuses on liquid resources available for operations. The Society's objective is to have sufficient liquid resources to continue operating despite adverse financial events and to provide it with the flexibility to take advantage of opportunities that will advance its purpose.

The Society manages funding risk by establishing internally restricted net assets. Funding risk may result from an inability to obtain government funding in a timely manner during contribution agreement negotiations. The need for sufficient liquid resources is considered in the preparation of an annual budget and in the monitoring of cash flows and actual operating results compared to budget.

At March 31, 2024, the Society has met its objectives of having sufficient liquid resources to meet its current obligations. The Society's net financial assets at March 31, 2024, are as follows:

17. CAPITAL MANAGEMENT, continued

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

The Society's three internally restricted reserves and changes therein are as follows:

Operating Reserve - To support the minimum required net assets of at least three months of operating costs.

Credit Card Reserve - To secure the Society's credit card limit funded by short term investments as described in Note 3.

Contingency Reserve - To set aside funds for contingencies which may arise. This reserve reached the maximum cap of $70,000 and no more annual transfers are being recorded until the cap is increased or some of the balance is used.

	Opening Balance	Transfers	Closing Balance
Operating Reserve	$ 852,813	$ 122,890	$ 975,703
Credit Card Reserve	90,000	-	90,000
Contingency Reserve	70,000	-	70,000
	$ 1,012,813	$ 122,890	$ 1,135,703

18. SUPPLEMENTAL CASH FLOW INFORMATION

A reconciliation of the excess of revenues over expenses during the year to cash flows from (used for) operating activities is as follows:

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

19. RELATED PARTIES

The Society is related in terms of common ownership to all Government of the Northwest Territories created departments, territorial corporations and public agencies. The Society enters into transactions with these entities in the normal course of operations and on normal trade terms applicable to all parties. The Workers' Safety and Compensation Commission is significantly influenced by the GNWT. The amounts due to and from related parties are unsecured, non-interest bearing and due on demand.

Transactions with related parties during the year and balances at year end, not disclosed elsewhere in the financial statements, are disclosed in this note.

19. RELATED PARTIES, continued

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

ARCTIC ENERGY ALLIANCE

Schedule I

SCHEDULE OF DEFERRED REVENUE

For the year ended March 31, 2024

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

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

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

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

See accompanying notes.

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

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

See accompanying notes.

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

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

See accompanying notes.

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

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

See accompanying notes.

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

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

See accompanying notes.

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Aurora College

ANNUAL REPORT

2022-2023

COLLÈGE
AURORA
COLLEGE

VISION

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

MISSION

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

VALUES

RESPECT

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

INCLUSIVENESS AND DIVERSITY

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

INNOVATION

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

ACADEMIC INTEGRITY

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

TABLE OF CONTENTS

LAND ACKNOWLEDGEMENT

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

2022-2023
AT A GLANCE

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

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

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

RESEARCH

#3 in SSHRC Research Income

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

55
Aurora Research Institute-led projects

19
Northern Nursing Research projects by Bachelor of Science in Nursing students

$2,628,378 NEW
research funding awarded to Aurora Research Institute.

PARTNERSHIPS

8,500+
students and educators from 21 NWT communities attended ARI STEM Outreach events and activities

6
Aurora College staff participated in UArctic's inaugural north2north exchange program

$216,000
committed over nine years by Gahcho Kué Mine to support up to 12 annual scholarships of $2,000 each to students graduating from the distance Early Learning and Child Care program

STUDENTS

134 GRADUATES

graduated from degree, diploma and certificate programs

40+ ACADEMIC UPGRADING COMPLETIONS

6 UCAP
3 OCAP
19 ALBE

72 CERTIFICATES
43 DIPLOMAS
19 DEGREES

6 NWT SECONDARY SCHOOL DIPLOMAS

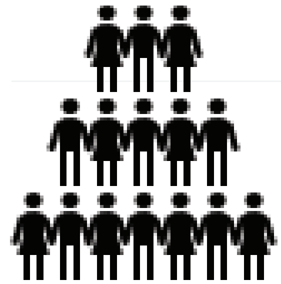
learners completed the requirements to receive NWT secondary school diplomas

STEM OUTREACH

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

- **87** hands-on science kits loaned to JK-12 for classroom use
- **38** teachers in STEM "Train the Trainer" sessions who then did **187** hands-on science events reaching **3, 343** students in **18** schools in **13** communities
- **95** in-person class visits reaching **1,674** students in **13** communities
- **16l** speaker events featuring **24** northern researchers and **459** participants
- **117** community and family events reached **2,710** youth and adults
- **8** training sessions with Aurora College Early Learning and Child Care students
- **5** workshops at NWTTA Teachers' Conference reaching hundreds of NWT teachers
- **Robotics** and **coding** clubs and camps for students in Inuvik and Fort Smith

EMPLOYEES



Aurora College Team

249 STRONG

20 have doctoral degrees

76 have masters degrees

21 have Red Seal or Journeyperson tickets

2 have CPA designations

35 have post-graduate diplomas or certificates

27.3% Indigenous Aboriginal

7.7% Indigenous non-Aboriginal

65.0% Non-Indigenous non-Aboriginal

CHAIR'S MESSAGE

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

The next steps towards implementing the new tri-cameral governance model involve the appointment of the Academic Council and the Indigenous Knowledge Holders Council (IKHC). Together, these three bodies will make decisions and recommendations regarding our strategic direction, college operations, academics, and research. This innovative governance structure is designed to make Aurora College increasingly effective, efficient, sustainable, and responsive to the needs of Northern residents. Importantly, the IKHC is not an advisory body, but will actively participate in governance, setting us apart from other post-secondary institutions in Canada. The Academic Council is expected to be established by late 2023 and the Indigenous Knowledge Holders Council by early March 2024.

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

While 67 of the 80 critical and key milestones on the transformation journey have been completed, we still have an ambitious agenda ahead. During the 2023-2024 academic year, work will be underway to finalize the next three-year Strategic Plan (2024-2026), a new five-year Academic Plan (2024-2029), a new three-year Strategic Enrolment Management Plan (2024-2027) and a new three-year Marketing and Student Recruitment Plan (2024-2027). Additionally, we will adopt and implement our Research Data Management strategy, execute the Equity, Diversity, and Inclusion Plan, strengthen the Research Advisory Committee and further advance elements of the Facilities Master Plan.

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

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

Joseph Handley
Chair, Board of Governors
Aurora College

PRESIDENT'S MESSAGE

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

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

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

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

In June 2023, an application was submitted to CAQC on Aurora College's behalf by the Minister of Education, Culture and Employment. There are 11 standards which must be met, summarized broadly by themes: Mandate and Mission; Organization, Administration and Governance; Financial Structure and Resources; Curriculum and Instruction; Academic Staff; Strategic Planning and Accountability; Information and Library Services; Academic Policies; Student Services; Facilities; and Institutional Publications. Initially, more than 250 pieces of information were identified as needed for the Self Study Report.

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

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

Dr. Glenda Vardy Dell
President,
Aurora College

2022-2023

FACTS, FIGURES & FINANCE

STUDENTS

Number of Students by Campus

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

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

Full-Time Equivalent (FTE) Students by Campus

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

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

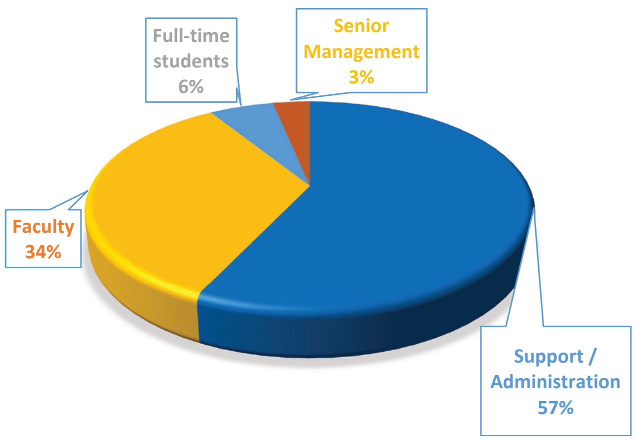
Full-Time Equivalent (FTE) Students by School - Division

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

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

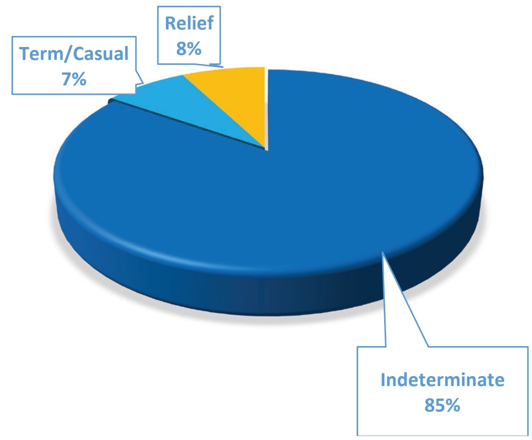
FACULTY & STAFF

Employees by Function*



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

Employees by Employment Status*

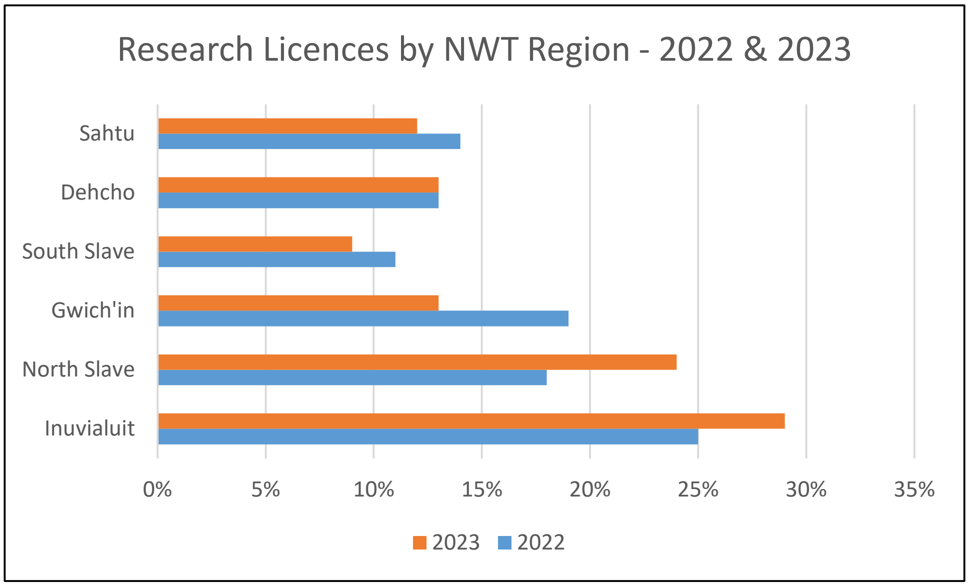


	Indeterminate	211
	Relief	19
	Term / Casual	19

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

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

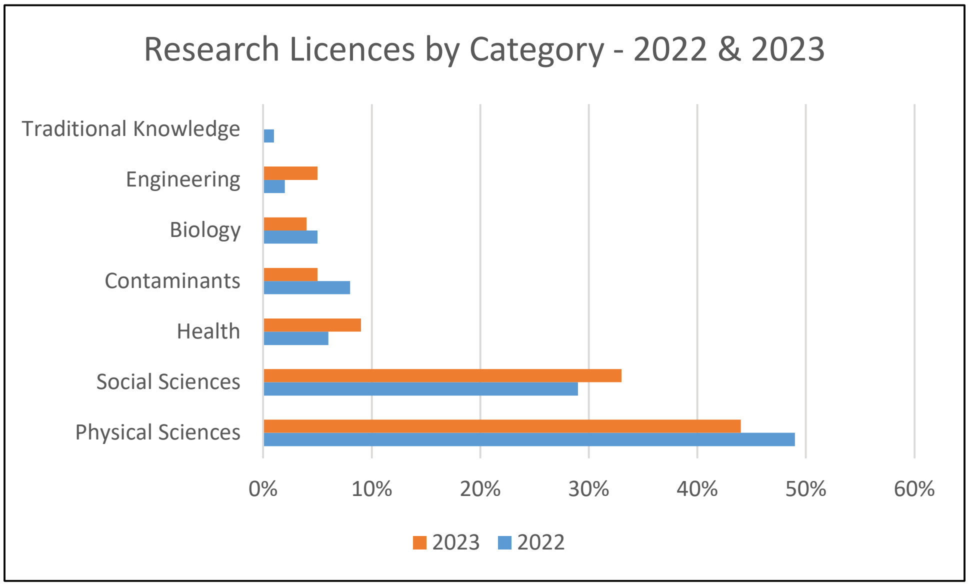
RESEARCH



Total Research Licences Issued:
2022 - 227
2023 - 98

*Some licences span multiple regions

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



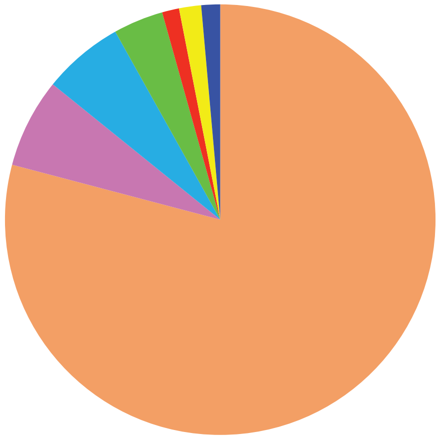
Aurora Research Institute Metrics (July 1, 2022– June 30, 2023)

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

FINANCES AT A GLANCE

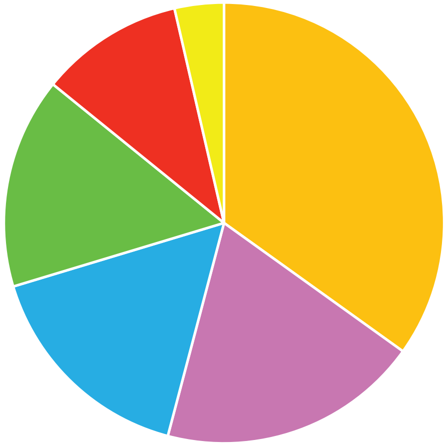
REVENUE BY SOURCE

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



EXPENDITURES BY SOURCE

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



2022-2023 HIGHLIGHTS

TRANSFORMING TO A POLYTECHNIC UNIVERSITY

Phase 1 complete

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

Phase 2 underway

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

Facilities Master Plan released

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

Service Standards drafted

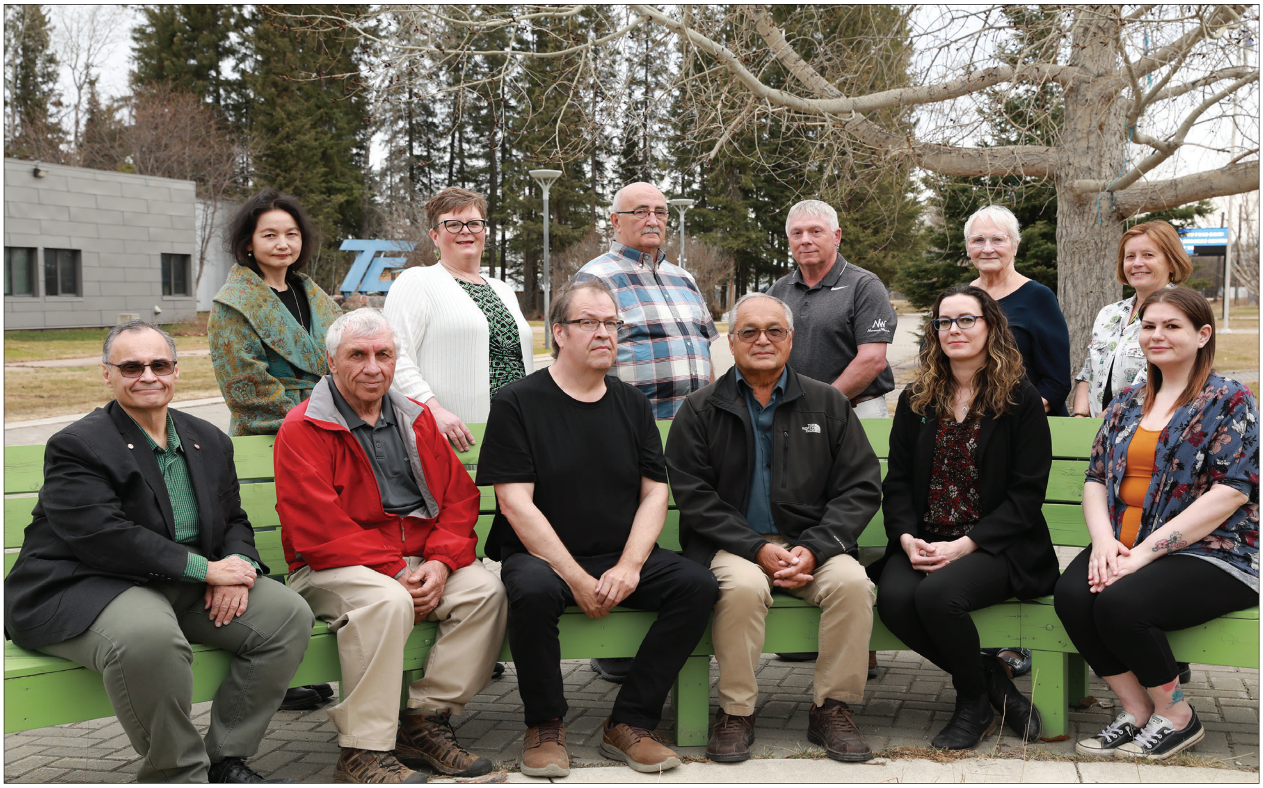
A coherent set of Service Standards that can be applied across all facets of the institution has been drafted for finalizing and implementation. This will serve as a baseline for many of the key performance indicators (KPIs) to be featured in future Aurora College Corporate Plans. This is a requirement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

Program review process established

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

Board of Governors re-established

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



Request to become polytechnic university

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

Organizational redesign underway

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

Co-investment in transformation

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

Tri-cameral governance structure close to complete

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

Funding Framework

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

Strategic Enrolment Management Plan progress

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

2022-2023 HIGHLIGHTS
TEACHING AND LEARNING

Seven-year accreditation for Bachelor of Science in Nursing program

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

Level 2 of Northern Leadership Development Program (NLDP) introduced

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

Pre-trades program developed for 2023-2024

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

Expanded online Adult Literacy and Basic Education

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

Health programs recognize “Preceptors of the Year”

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

Program development team

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

Remediation and monitoring program

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

New transfer agreement

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

2022-2023 HIGHLIGHTS
RESEARCH

Permafrost impacts on transportation infrastructure

The Western Arctic Research Centre (WARC) in Inuvik is actively engaged in permafrost research. One focus of the permafrost division is to enhance the knowledge base on how changing permafrost conditions affect transportation infrastructure in the Northwest Territories. This work brings together a diverse group of stakeholders, including scientists, industry and field experts, and Indigenous and Territorial government agencies focused on conducting permafrost research that will help with climate change adaptation in the decision making processes of northern communities. Set against the challenges of a rapidly changing climate, this research emphasizes the importance of research communications and effective data management. With an approach that values both the input and the well-being of NWT residents, the findings should be relevant and beneficial to those who depend on the region's infrastructure. In 2022-2023, ARI research teams embarked on several key initiatives, including: enhancing data management strategies and processes with research partners; providing partnership support in the gathering, the stewardship, and the integration of permafrost and geotechnical information; developing standardized field protocols and documentation to ensure consistency and reliability in data collection; and fostering an continuous open dialogue among stakeholders through the organization of regular workshops and meetings. As part of this research, Aurora Research Institute (ARI) collects ground temperature data from more than 300 sites within the permafrost-monitoring network, and in conjunction with our permafrost research partnerships, collectively monitor over 800 ground temperature sites. We have made significant effort in ensuring community engagement and the dissemination of the permafrost information, through community events and community meetings, as our data network expands.

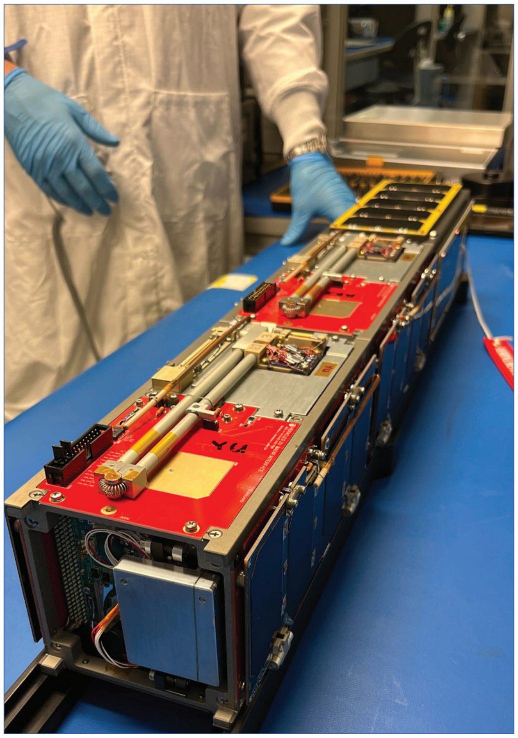
Climate Change Research Chair appointed

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

Research Data Management (RDM)

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

NWT-built nanosatellite AuroraSat launched into space



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

Renewable monitoring systems deployed

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

Top 50 Research College for seventh consecutive year

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

Research licensing transferred to GNWT

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

STEM community outreach

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

School Outreach

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

Teacher Training

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

Community Outreach

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

Clubs/Camps

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

Highlights

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

Western Arctic Research Centre Logistics Support

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

WARC logistics usage summary table (measured in days)

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

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

2022-2023 HIGHLIGHTS
STUDENT SUCCESS

ELCC students participate in national conferences

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

Bachelor of Science in Nursing students attend exchange with Denmark

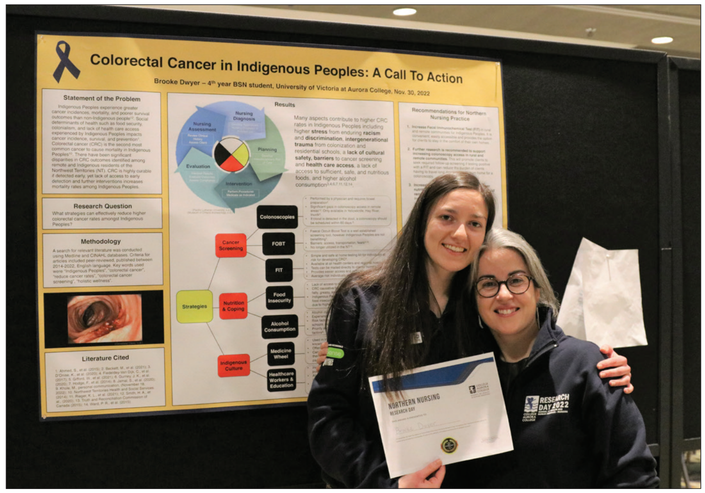
Four third-year Aurora College Bachelor of Science in Nursing students (and one instructor) participated in a ten-day international nursing student exchange to Holstebro, Denmark, in collaboration with eight students from College of the Rockies in Cranbrook, BC and five students from VIA University College in Holstebro. The exchange was primarily a cultural one to explore differences in health care between the two countries. The Canadian students spent two days in clinical practice with their Danish counterparts, in preparation for the exchange, the students worked in small groups (two Canadian and one Danish student per group) on a project focusing on specific Sustainable Development Goals as per the United Nations. The project aimed to find ways to achieve their specific goal in their respective countries. They continued to work with their group while in Denmark and presented their project on the final day.

Gahcho Kué Mine scholarships for distance Early Learning students

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

Northern Nursing Research Day: students share knowledge

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



ENRTP research and academic excellence

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

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

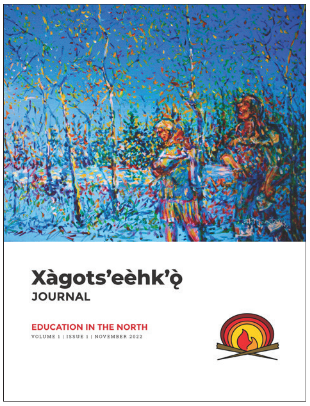
2022-2023 HIGHLIGHTS

PARTNERSHIPS

north2north

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

Xàgots'eèhk'o Journal publishes first issue



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

Visioning Day – Increasing nursing education in the north

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

Computer donation to Inuvik Personal Support Worker

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

Attracting northern Indigenous youth to healthcare careers

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

Science Rendezvous celebrations

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

Community Trade Shows and Career Fairs

After a few years of cancellations due to COVID-19, Career Fairs and community trade shows were once again held across the NWT. Aurora College had a substantial presence at several events, including the Yellowknife Spring Trade Show and the Fort Smith Trade Show. Aurora College set up large interactive displays to showcase various programs and allow potential students to speak directly with instructors. The format was well received and will be replicated at future events.

2022-2023 HIGHLIGHTS

AURORA COLLEGE TEAM

STEM Outreach team co-recipients of Actua Experience Award

The Aurora Research Institute STEM Outreach team were co-recipients of the 2022 Actua Experience - Teacher Training Award. Actua is Canada's largest STEM (Science, Technology, Engineering and Mathematics) outreach organization, representing a national network of 43 universities and colleges that engage youth aged six to 26 in STEM learning experiences. The Actua Experience Award is presented annually in recognition of excellence in one of the organization's national program areas. This year, Excellence in Teacher Training was recognized. The Aurora Research Institute (ARI) STEM Outreach team developed a "Train the Teacher, Loan the Gear" program during the COVID-19 pandemic and has continued to expand since. The program trains teachers to deliver experiential STEM programming in communities and loans classroom kits to those community teachers free of charge. The ARI STEM Outreach team has demonstrated creativity, innovation and a deep understanding of the unique local needs to develop STEM activities that captivate and educate Northern students. What began as a response to the challenges of the pandemic has grown into an exciting, thriving program that provides important supports for teachers and students across the NWT.

Advanced Degree and Post-Graduate credentials obtained

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

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

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

Yellowknife Literacy Outreach Centre receives national literacy award

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

Thebacha Campus staff named Northwest Territories Elder of the Year

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

STEM Outreach Team honoured with 2023 Premier's Award

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

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

AURORA COLLEGE

AUDITED FINANCIAL STATEMENTS

AS OF JUNE 30, 2023

AURORA COLLEGE

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements of the Aurora College (the “College") and all information in this annual report are the responsibility of the College's management and have been reviewed and approved by the Board of Governors. The financial statements have been prepared in accordance with Canadian public sector accounting standards and include some amounts that are necessarily based on management’s best estimates and judgment. Financial information presented elsewhere in the annual report is consistent with that contained in the financial statements.

In discharging its responsibility for financial reporting, management maintains and relies on financial and management control systems and practices which are designed to provide reasonable assurance that transactions are authorized and recorded, proper records are maintained, assets are safeguarded, and the College complies with applicable laws. These controls and practices ensure the orderly conduct of business, the timely preparation of reliable financial information and adherence to the College's statutory requirements and policies.

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

The College's external auditor, the Auditor General of Canada, audits the financial statements and issues her report thereon to the Minister of Education, Culture and Employment, Government of the Northwest Territories.

Glenda Vardy Dell

Glenda Vardy Dell
President

C. Starling

Celestine Starling
Director of Finance/Chief Financial Officer

Fort Smith, Canada
December 1, 2023

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

INDEPENDENT AUDITOR'S REPORT

To the Minister of Education, Culture and Employment

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Aurora College (the College), which comprise the statement of financial position as at 30 June 2023, and the statement of operations and accumulated surplus, statement of change in net financial assets and statement of cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the College as at 30 June 2023, and the results of its operations, changes in its net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control.

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

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

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

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

Report on Compliance with Specified Authorities

Opinion

In conjunction with the audit of the financial statements, we have audited transactions of Aurora College coming to our notice for compliance with specified authorities. The specified authorities against which compliance was audited are the *Financial Administration Act* of the Northwest Territories and regulations, the *Aurora College Act* and regulations, the *Post-Secondary Education Act* and regulations, and the by-laws of Aurora College.

In our opinion, the transactions of Aurora College that came to our notice during the audit of the financial statements have complied, in all material respects, with the specified authorities referred to above. Further, as required by the *Aurora College Act*, we report that, in our opinion, the accounting principles in Canadian public sector accounting standards have been applied on a basis consistent with that of the preceding year. In addition, in our opinion, proper books of account have been kept by Aurora College and the financial statements are in agreement therewith.

Responsibilities of Management for Compliance with Specified Authorities

Management is responsible for Aurora College's compliance with the specified authorities named above, and for such internal control as management determines is necessary to enable Aurora College to comply with the specified authorities.

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

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

Sophie Bernard, CPA, CGA
Principal
for the Auditor General of Canada

Vancouver, Canada
1 December 2023

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

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

Contractual obligations and contractual rights (Notes 11 and 12)

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

Approved by the Board:

Joe Handley
Chairperson of the Board

Jack Rowe
Chairperson of the Audit & Finance Committee

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

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

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

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

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

AURORA COLLEGE
STATEMENT OF CASH FLOW
for the year ended June 30, 2023
(in thousands of dollars)

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

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

AURORA COLLEGE
Notes to the Financial Statements
June 30, 2023

1. AUTHORITY AND MANDATE

a) Authority and purpose

Aurora College ("College") was established under the *Aurora College Act* and is named as a territorial corporation under the *Financial Administration Act* of the Northwest Territories. The College is exempt from income taxes.

The College is a multi-campus institution designed to provide a wide variety of educational services to adult learners of the Northwest Territories (NWT). The programs are directed specifically to the northern environment and the needs of individual northerners, the workforce and northern communities. To accomplish this, courses and services are delivered at campuses and communities throughout the NWT. Through the work of the Aurora Research Institute, the College is also responsible for research activities in the NWT.

b) Transfers from the Government of the Northwest Territories

The College receives monthly transfers from the Government of the Northwest Territories ("Government") based on appropriations consistent with the Government's Main Estimates and adjusted for supplementary appropriations. The transfers are to be utilized for the administration and delivery of the College's adult and post-secondary education programs in the NWT. The College is allowed to retain all surpluses and is responsible for all deficits.

The College is economically dependent upon the transfers received from the Government for its ongoing operations.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared by management in accordance with Canadian public sector accounting standards ("PSAS").

The following is a summary of the significant accounting policies.

a) Measurement uncertainty

The preparation of financial statements in accordance with PSAS requires the College to make estimates and assumptions that affect the amounts of assets, liabilities, revenues and expenses reported in the financial statements. By their nature, these estimates are subject to measurement uncertainty. The effect on the financial statements of changes to such estimates and assumptions in future periods could be significant, although, at the time of preparation of these statements, the College believes the estimates and assumptions to be reasonable. Some of the more significant management estimates relate to the allowance for doubtful accounts, employee future benefits, amortization, and revenue accruals.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

b) Cash

Cash is comprised of bank account balances, net of outstanding cheques.

c) Tangible capital assets

Tangible capital assets transferred to the College when it was established were recorded at their estimated fair market value. Subsequent acquisitions are recorded at cost. Tangible capital assets are amortized over their estimated remaining useful lives on a straight-line basis at the following annual rates:

Mobile equipment	3 to 20 years
Building additions and renovations	20 years
Furniture and equipment	2 to 10 years
Leasehold improvements	lesser of useful life or lease term (3 to 12 years)

Work in progress costs are capitalized as incurred. Tangible capital assets under construction or development are recorded as work in progress with no amortization until the asset is placed in service.

d) Employee future benefits

i) Pension benefits

All eligible employees participate in the Public Service Pension Plan (the "Plan") administered by the Government of Canada. The College's contributions reflect the full cost as employer. This amount is currently based on a multiple of an employee's required contributions and may change over time depending on the experience of the Plan. The College's contributions are expensed during the year in which the services are rendered and represent the total pension obligation of the College. The College is not required under present legislation to make contributions with respect to actuarial deficiencies of the Plan.

ii) Severance, removal and compensated absences

Under the terms and conditions of employment, employees may earn non-pension benefits for resignation, retirement and removal costs. Eligible employees earn benefits based on years of service to a maximum entitlement based on terms of employment.

Eligibility is based on variety of factors including place of hire, date employment commenced, and reason for termination. Benefit entitlements are paid upon resignation, retirement or death of an employee. Termination benefits are also recorded when employees are identified for lay-off. Compensated absences include sick, special, parental and maternity leave. Accumulating non-vesting sick and special leave are recognized in the period the employee provides service, whereas parental and maternity leave are event

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

driven and are recognized when the leave commences. An actuarial valuation of the cost of these benefits (except maternity and parental leave) has been prepared using data provided by management and assumptions based on management's best estimates.

e) Government transfers

Government transfers are recognized as revenue when the funding is authorized and all eligibility criteria are met, except to the extent that funding stipulations give rise to an obligation that meets the definition of a liability.

The College receives its appropriations on a monthly basis from the Government, as the College has a different fiscal year. These transfers are recognized as revenue in the period in which the funding relates once all eligibility criteria have been met and it has been authorized.

f) Own source revenues

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

Interest income is recognized on an accrual basis.

g) Project income and deferred revenue

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

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

h) Contract services

Contract services acquired by the College include printing services, food service contracts, instruction contracts, leases and rental agreements. These amounts are recognized as expenses in the year the services are rendered.

AURORA COLLEGE
Notes to the Financial Statements
June 30, 2023

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

i) Contingent liabilities

A contingent liability is a potential liability which may become an actual liability when one or more future events occur or fail to occur. To the extent that the future event is likely to occur or fail to occur, and a reasonable estimate of the loss can be made, an estimated liability is accrued, and an expense recorded. If the likelihood is not determinable or an amount cannot be reasonably estimated, the contingency is disclosed in the notes to the financial statements.

j) Prepaid expenses

Payment made prior to the related services being rendered are recorded as a prepaid expense. Prepaid expenses are recognized as an expense or tangible capital asset as the related services are rendered.

k) Funds and reserves

Certain amounts, as approved by the Board of Governors, are set aside as reserves in accumulated surplus for future operating and capital purposes. Transfers to and from funds and reserves are recorded when approved.

l) Financial instruments

Financial instruments are identified by financial asset and financial liability classifications.

The College's financial assets include cash and accounts receivable which are both measured at cost. Financial liabilities include accounts payable and accrued liabilities, payroll liabilities, due to Government and professional development fund which are all measured at cost.

All financial assets are tested annually for impairment. When financial assets are impaired, impairment losses are recorded in the Statement of Operations and Accumulated Surplus. The allowance for doubtful accounts is based on management's best estimate of probable losses. The allowance is calculated based on a percentage of specific aged receivables where management believes an impairment has occurred. The allowance is shown as a reduction to accounts receivable. Management recommends write-offs of student accounts that are deemed uncollectible. Student and other receivable write-offs are submitted to the Board of Governors for approval.

m) Budget

Canadian public sector accounting standards require a government organization to present in its financial statements a comparison of the results of operations and changes in net financial assets for the period with those originally planned. The budgeted figures represent

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

the College's original fiscal plan for the year approved by the College's Board of Governors and do not reflect any subsequent adjustments made during the course of the year.

n) Related party transactions

Canadian public sector accounting standards require a government organization to disclose related party and inter-entity transactions. The College is related to all Government departments, territorial corporations and key management personnel. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the College. Related party transactions other than inter-entity transactions are recorded at the exchange amount.

Inter-entity transactions are transactions between commonly controlled entities. Inter-entity transactions are recorded on a gross basis and are measured at the carrying amount, except for the following: when inter-entity transactions are undertaken on similar terms and conditions to those adopted if the entities were dealing at arm's length, or where costs provided are recovered, they are measured at the exchange amount.

The College receives certain services provided by the Government without charge (Note 10). The Government's cost for these services, measured at the carrying amount are recognized as an expense with an offsetting credit to Services received without charge revenues in order to reflect the cost of the College's operations in its financial statements. Services received without charge that cannot be reliably measured are not recognized.

o) Inventories for sale

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

p) Accounts receivable

Accounts receivable are recorded at cost. A valuation allowance is recorded when the collection of a receivable is considered doubtful.

q) Accounts payable and accrued liabilities

Accounts payable and accrued liabilities include trade payable and liabilities, accrued payroll and benefits and vacation pay payable. These liabilities are valued at cost.

AURORA COLLEGE
Notes to the Financial Statements
June 30, 2023

2. <u>SIGNIFICANT ACCOUNTING POLICIES</u> (continued)

r) Western Arctic Research Centre expansion

The College receives cash and goods in-kind as part of the Western Arctic Research Centre (WARC) expansion project. The Government builds the WARC expansion on behalf of the College. The College has assessed that it controls the asset as it is built.

Where a cash or tangible capital asset transfer is provided by a federal or territorial government department, agency, or corporation, or other third party, the College recognizes the transfer as revenue once the eligibility criteria are met and the payments are authorized, except to the extent that transfers give rise to an obligation that meets the definition of a liability.

The College recognizes an asset arising from a transfer when it gains control of the resources that meet the definition of an asset, it is expected that the inflow of resources will occur, and their value can be reliably measured. Where a tangible capital asset transfer is provided by the Government for no consideration, the College recognizes the asset as the work in progress costs are incurred, consistent with its policy for tangible capital assets in Note 2 c).

s) New accounting standard

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

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

AURORA COLLEGE
Notes to the Financial Statements
June 30, 2023

3. ACCOUNTS RECEIVABLE

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

AURORA COLLEGE
Notes to the Financial Statements
June 30, 2023

4. EMPLOYEE FUTURE BENEFITS

a) Pension benefits

The College and all eligible employees contribute to the Public Service Pension Plan (the "Plan"), a multi-employer contributory defined benefit plan established through legislation and sponsored by the Government of Canada. Contributions are required by both the employees and the College. The President of the Treasury Board of Canada sets the required employer contributions based on a multiple of the employees' required contribution. The general contribution effective at year end was $1.02 (2022 - $1.02) for every dollar contributed by the employee, and $5.29 (2022 - $5.91) for every dollar contributed by the employee for the portion of the employee's salary above $196,200 (2022 - $191,300).

The Public Service Pension Plan was amended during 2013 which raised the normal retirement age and other age related thresholds from age 60 to age 65 for new members joining the plan on or after January 1, 2013. For members with start dates before January 1, 2013, the normal retirement age remains 60. For new employees who are participating in the Plan on or after January 1, 2013, the College contributes $1.00 (2022 - $1.00) for every dollar contributed by the employee, and $5.29 (2022 - $5.91) for every dollar contributed by the employee for the portion of the employee's salary above $196,200 (2022 - $191,300).

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

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

b) Severance, removal and compensated absences

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

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

AURORA COLLEGE
Notes to the Financial Statements
June 30, 2023

4. EMPLOYEE FUTURE BENEFITS (continued)

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

Valuation results

The actuarial valuation was completed as at February 11, 2022. The results were extrapolated to June 30, 2023. The effective date of the next actuarial valuation is June 30, 2025. The liabilities are actuarially determined as the present value of the accrued benefits at June 30, 2023. The values presented below are for all of the benefits under the Compensated Absences and Termination Benefits for the College.

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

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

AURORA COLLEGE
Notes to the Financial Statements
June 30, 2023

4. EMPLOYEE FUTURE BENEFITS (continued)

Assumptions

	June 30, 2023	June 30,2022
Discount Rate	4.8% per annum	4.1% per annum
Rate of compensation increase	2.0% per annum	2.0% per annum
Inflation rate (removal benefits)	Nil	Nil
Mortality	CPM 2014 Public Mortality Table with MI-2017 improvement scale	CPM 2014 Public Mortality Table with MI-2017 improvement scale

The expected payments during the next five fiscal years are:

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

5. PROFESSIONAL DEVELOPMENT FUND

Under collective agreements, the College is required annually to make contributions to the professional development fund, in the amount of a) 3% of eligible instructor's salaries, and b) $1,500 for each eligible instructor. Contributions made to the professional development fund are recorded as an expense in the Statement of Operations and Accumulated Surplus.

The professional development fund represents accumulated annual provisions for professional development activities, less accumulated eligible professional development expenses. The College expects to settle the obligation based on future eligible expense claims.

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

AURORA COLLEGE
Notes to the Financial Statements
June 30, 2023

6. TANGIBLE CAPITAL ASSETS

June 30, 2023

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

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

AURORA COLLEGE
Notes to the Financial Statements
June 30, 2023

7. ACCUMULATED SURPLUS

The accumulated surplus balance includes the net book value of tangible capital assets transferred to the College when it was established and the results of operations since that date. The following appropriations have been made from accumulated surplus:

(in thousands)

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

7. ACCUMULATED SURPLUS (continued)

a) Northern strategic research reserve

This appropriation was established from the surplus of the Methane Hydrate Research project to set funds aside for strategic research conducted in the north which will benefit northerners.

b) Program delivery

This appropriation is established to cover program costs contemplated in the annual Programs and Services Proposal prepared by the College, for which Government funding has not been approved. Allocations to and from this appropriation must be approved by the Board of Governors.

c) Research & development

This appropriation is established to help fund research and development of the Research Associate and Fellowship programs at the Aurora Research Institute (ARI). Annually all unencumbered ARI administration revenue after fulfillment of third party contracts is transferred to this appropriation. Use of the appropriation must be approved by the Research Advisory Council.

d) Restricted donations

From time to time, the College receives donations from individuals and corporations with conditions attached to them. In order to ensure that the wishes of the contributors are carried out, the donations are transferred to restricted donations until the conditions are met.

AURORA COLLEGE
Notes to the Financial Statements
June 30, 2023

8. GOVERNMENT OF THE NORTHWEST TERRITORIES REVENUES

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

The College received 78% (2022 - 78%) of its revenue in the form of a transfer, project income and services without charge from the Government. The College's continued operations are dependent on these arrangements.

9. RELATED PARTIES

The College has Government receivables from project income and the base funding transfer disclosed in Note 8. In addition, the Government transfers tuition revenue, the value of which is $211,000 (2022 - $150,000) and this is recognized on the Statement of Operations and accumulated surplus within Own source revenues under Tuition fees. The College also owes funds to the Government from administrative agreements for facility operating and utility costs, employee benefits, payroll, and other expenses. The transactions giving rise to these balances are recorded at the exchange amount.

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

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

Expenses

The employees of the College are paid by the Government. The College reimbursed the Government for payroll expenses paid (Schedule A) of $36,626,000 during 2023 (2022 - $36,588,000) which are recorded at the exchange amount.

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

9. RELATED PARTIES (continued)

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

10. SERVICES RECEIVED WITHOUT CHARGE

During the year, the College received contract services, building utilities, building leases and repairs and maintenance without charge from the Government.

There are building leases in place between the College and the Government without any rental charges for the use of two facilities for two campuses, certain housing units and community learning centers. The cost of the use of these facilities is based on the Government's amortization and accretion expenses for these assets, which is the carrying amount.

In addition, contract services without charge from the Government include insurance and risk management, legal counsel, project management and translation services. These services have been recorded based on the carrying amount confirmed by the Government.

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

Services that are part of the central agency role of the Government, provided through its shared services division are not tracked. Therefore, the cost cannot be reasonably estimated and they are not recorded in these financial statements. These services include, but are not limited to, construction management, records storage, computer operations, asset disposal, human resource management, payroll processing, medical travel and benefits administration.

AURORA COLLEGE
Notes to the Financial Statements
June 30, 2023

11. CONTRACTUAL OBLIGATIONS

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

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

12. CONTRACTUAL RIGHTS

The College has binding agreements with funding partners to implement programs/projects, and for which the following payments will be received subsequent to June 30, 2023:

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

AURORA COLLEGE
Notes to the Financial Statements
June 30, 2023

13. FINANCIAL RISK MANAGEMENT

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

(a) Liquidity risk

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

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

(b) Credit risk

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

Cash

Credit risk on cash is minimized as these assets are held with a Canadian Chartered bank, the maximum exposure to credit risk is $20,322,000 (2022 - $18,974,000).

Accounts receivable

Credit risk on accounts receivable arises from the possibility that the customer fails to meet their obligations. This risk is influenced by the type of debtor and at June 30, 2023, the College’s debtors are the Government, the federal government, students, and others.

In order to manage this risk, the College monitors the age of accounts receivable and initiates collection action. Credit exposure is minimized by dealing mostly with creditworthy counterparties such as government agencies and the College also enforces approved collection policies for student accounts. The maximum exposure to credit risk is $3,534,000 (2022 - $3,985,000).

13. FINANCIAL RISK MANAGEMENT (continued)

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

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

The College establishes an allowance for doubtful accounts that reflects the estimated impairment of accounts receivable. The allowance is based on a percentage of specific amounts and is determined by considering the College's knowledge of the financial condition of customers, the aging of accounts receivable, current business conditions and historical experience.

(c) Interest rate risk

The College is exposed to interest rate risk in that changes in market interest rates will cause fluctuations in the interest revenue from cash. This risk is not significant due to the short terms to maturity of cash.

Although management monitors exposure to interest rate fluctuations, it does not employ any interest rate management policies to counteract interest rate fluctuations.

14. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

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

AURORA COLLEGE
Notes to the Financial Statements
June 30, 2023

15. DEFERRED REVENUE

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

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

16. SUBSEQUENT EVENTS

Minister approves request to establish a polytechnic university

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

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

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

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

AURORA COLLEGE
Notes to the Financial Statements
June 30, 2023

16. SUBSEQUENT EVENTS (continued)

NWT wildfires

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

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

Training Well

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

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

Academic Council

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

AURORA COLLEGE
Notes to the Financial Statements
June 30, 2023

17. PAYROLL LIABILITIES

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

18. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

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

19. COMPARATIVE FIGURES

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

AURORA COLLEGE
Notes to the Financial Statements
June 30, 2023

20. TRANSFORMATION

a) Transformation to a polytechnic university

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

To date, the College has spent $10,420,000 in operational costs related to the transformation, which includes the completion of a wide range of projects, some of which can be found on the Aurora College Transformation website under the Progress Tracker and Critical Milestone Timeline. Of this cost, $9,236,000 has been funded internally and $1,184,000 has been funded by the Government.

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

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

b) Possible new site for Yellowknife North Slave Campus

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

20. TRANSFORMATION (continued)

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

c) Western Arctic Research Centre expansion project

Also related to transformation is the Western Arctic Research Centre expansion project. In partnership with industry leaders, a brand new state of the art warehouse facility is in the process of being built (Note 6 – Work in progress). This project will place an increased importance on research activity and productivity, as well as technology development in partnership with small businesses and industry. This will create growth opportunities, encourage innovation, and attract new investments in research and technology development to the institution.

21. SEGMENTED DISCLOSURE

The College is a multi-campus institution designed to provide a wide variety of educational services to adult learners of the Northwest Territories (NWT). For management reporting purposes the College's operations and activities are organized and reported by funds (Schedule A). Funds were created for the purpose of recording specific activities to attain certain objectives in accordance with the budget, strategy and work plan, restrictions or limitations. The College's services are provided by departments and their activities are reported in these funds.

Certain departments that have been separately disclosed in the segmented information, along with the services they provide, are as follows:

Finance and accounting
Finance's role is to ensure the long term viability of the College including the preparation and controls over the budgets, financial reporting, the implementation and oversight of financial controls, and management of the cash flows. Finance includes the functioning of the head office and regional offices.

Pooled services
This represents College wide expenditures which are required for the global operation. These represent allocation of costs related to professional development, amortization, cost of employee future benefits, and costs for the President's Office. The Office of the President includes services related to the operations of the College, plus communications and public relations. The Office of the President is mandated to manage the daily operations of the College, pursue its missions and vision, and develop and implement a strategic plan to ensure the long term success of the College. Also included in the pooled services are the costs related to the transformation to a polytechnic university.

21. SEGMENTED DISCLOSURE (continued)

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

Education and training
Education and training includes the Vice-President Education and Training, School of Trades, School of Education, School of Business and Leadership, School of Health and Human Services, School of Arts and Science, information systems and technology, and the library.

Community and extensions
Community and extensions represents special programs and additional resources provided to the communities through the College. This includes the School of Developmental Studies, the Beaufort Delta region, the Sahtu region, the Dehcho region, the Tlicho region, and the Akaitcho and South Slave region.

Aurora Research Institute
Through the work of the Aurora Research Institute, the College is also responsible for conducting and facilitating research activities in the NWT.

AURORA COLLEGE
Segmented disclosures
June 30, 2023

Schedule A

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

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

APPENDIX A

UNAUDITED WRITE-OFFS

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

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

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

COLLÈGE
AURORA
COLLEGE

Housing Northwest Territories

Consolidated Financial Statements

March 31, 2024

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

Management is responsible for preparing these accompanying consolidated financial statements in accordance with Canadian public sector accounting standards and the integrity and objectivity of these statements are management's responsibility. Management is also responsible for all of the notes to the consolidated financial statements and schedules, and for ensuring that this information is consistent, where appropriate, with the information contained in the consolidated financial statements.

In discharging its responsibilities for the integrity and fairness of the consolidated financial statements, management maintains financial and management control systems and practices designed to provide reasonable assurance that transactions are properly authorized and recorded, proper records are maintained, assets are safeguarded, and Housing NWT complies with applicable laws and regulations. These controls and practices ensure the orderly conduct of business, the preparation of reliable financial information, and adherence to Housing NWT's statutory requirements and policies.

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

On behalf of Housing NWT

Eleanor Young
President and CEO

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

Yellowknife, Northwest Territories
August 26, 2024

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

INDEPENDENT AUDITOR'S REPORT

To the Minister responsible for Housing Northwest Territories

Opinion

We have audited the consolidated financial statements of Housing Northwest Territories and its controlled entities (the Group), which comprise the consolidated statement of financial position as at 31 March 2024, and the consolidated statement of operations and accumulated surplus, consolidated statement of change in net financial assets and consolidated statement of cash flow for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 March 2024, and the consolidated results of its operations, consolidated changes in its net financial assets, and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

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

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

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

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

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

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

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

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

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

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

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

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

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

David Irving

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

Edmonton, Canada
26 August 2024

HOUSING NORTHWEST TERRITORIES

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

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

Contractual rights, contractual obligations and contingencies (Notes 13, 14 and 15)

Approved by:

Hon. Lucy Kuptana
Minister Responsible for Housing Northwest Territories

Eleanor Young
President and CEO

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

HOUSING NORTHWEST TERRITORIES

Consolidated Statement of Operations and Accumulated Surplus

For the year ended March 31, 2024

(in thousands)

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

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

HOUSING NORTHWEST TERRITORIES

Consolidated Statement of Change in Net Financial Assets

For the year ended March 31, 2024

(in thousands)

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

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

HOUSING NORTHWEST TERRITORIES

Consolidated Statement of Cash Flow
For the year ended March 31, 2024
(in thousands)

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

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

HOUSING NORTHWEST TERRITORIES

Consolidated Statement of Cash Flow (continued)

For the year ended March 31, 2024

(in thousands)

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

Total interest paid during the year was $238 (2023 - $276).
Total interest received during the year was $5,813 (2023 - $3,242).
Interest received includes interest revenue on mortgages and loans receivable and interest revenue included in income from portfolio investments.

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

1. PURPOSE OF THE ORGANIZATION

(a) Authority and reporting entity

The passing of Bill 56 on April 1, 2023 to the *Northwest Territories Housing Corporation Act* resulted in renaming of that Act as well as the entity, to Housing Northwest Territories (“Housing NWT”). Housing NWT is a territorial corporation, established under the *Housing Northwest Territories Act* (the “Act”) and named in Schedule B of the *Financial Administration Act* (FAA) of the Northwest Territories (NWT). Accordingly, Housing NWT operates in accordance with its Act and regulations, the FAA, and any directives issued to it by the Minister responsible for Housing NWT. Housing NWT is exempt from income tax but is subject to Goods and Services Tax.

Housing NWT’s mandate is to ensure, where appropriate and necessary, that there is a sufficient supply of affordable, adequate, and suitable housing stock to meet the housing needs of residents in the NWT. Housing NWT works in partnership with the local communities in the NWT to ensure residents have access to housing that supports a healthy, secure, independent, and dignified lifestyle.

(b) Economic dependence

Housing NWT’s public housing program is delivered by twenty-four community-based local housing organizations (LHOs). Each LHO has a board of directors, and management and staff who are responsible for the day-to-day activities associated with the delivery of the program in the communities. Agreements are in place between Housing NWT and the LHOs which outline the roles and responsibilities of each party.

Housing NWT and the LHOs are economically dependent upon the Government of the NWT (the “Government”) for the funds required to finance the net cost of their operations and capital acquisitions.

(c) Budget

Budgeted figures have been provided for comparison purposes and have been derived from the Main Estimates approved by the Legislative Assembly.

2. SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards.

The significant accounting policies are as follows:

(a) Measurement uncertainty

The preparation of the consolidated financial statements in accordance with Canadian public sector accounting standards requires Housing NWT to make estimates and assumptions that affect the amounts of assets, liabilities, revenues and expenses reported in the consolidated financial statements and accompanying notes. By their nature, these estimates are subject to measurement uncertainty. Actual results could differ significantly from the estimates. The more significant management estimates relate to the provision of asset retirement obligations, the valuation of tangible capital assets transfers, revenue recognition, the allowance for impaired mortgages and loans receivable, the allowance for tenant rent receivables, the useful lives of tangible capital assets, and contingencies.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Reporting entity

These consolidated financial statements reflect the assets, liabilities, revenues and expenses, change in net financial assets and cash flows of the reporting entity. The reporting entity is comprised of Housing NWT and the accounts of the following twenty-three LHOs, via consolidation, which are controlled by Housing NWT:

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

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

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

(c) Revenue recognition

i) Government transfers

Housing NWT receives funding for operating and capital purposes from the Government.

Housing NWT also receives funding from the Government of Canada for the operation and maintenance of the various public housing programs, the acquisition of public housing and to provide assistance to eligible homeowners and landlords for repair and rehabilitation of properties.

Government transfer revenues are recognized as revenue in the period in which events giving rise to the transfer occurred as long as:

i. the transfer is authorized;
ii. eligibility criteria have been met;
iii. there are no stipulations that give rise to a liability; and,
iv. a reasonable estimate of the amount can be made.

Transfers received before these criteria are fully met are recorded as a liability.

Housing NWT also sometimes receives transfers of housing units from government entities and third parties for a nominal fee, which are recognized as "Other grants and transfers" on the Consolidated Statement of Operations and Accumulated Surplus. Housing NWT records these transfers consistent with its policy for government transfer revenues above at estimated fair value. Where Housing NWT owns or leases the land that housing units are being constructed on, Housing NWT records the assets and the related transfer revenues as the housing units are being built on a percentage of completion basis.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition (continued)

ii) General revenues

Under revenues there are two categories of transactions – exchange and non-exchange. If the transaction gives rise to one or more performance obligations, it is an exchange transaction. If no performance obligations are present, it is a non-exchange transaction. There are two approaches to recognizing revenue with performance obligations: at a point in time or over a period of time. This determination is made based on when a performance obligation is satisfied.

Revenues from transactions with performance obligations occur when there is an enforceable promise to transfer goods or services directly to a payor in return for promised consideration. These revenues are recognized when control of the benefits associated with the goods or services have transferred and there is no unfulfilled performance obligation. Where consideration is received from a payor prior to the provision of goods or services, these amounts are initially included in deferred revenue provided the definition of a liability is met. They are subsequently recognized as revenue as performance obligations are met.

Rental income is comprised of rent charged to tenants for use of a housing unit. The service is provided over the month through use of the housing unit and is a separate performance obligation. Once the term of the month has passed, the performance obligation is fulfilled and the associated rent for that month is recognized as revenue. Amounts collected in advance of the related month are recorded as deferred revenue.

(d) Programs

i) Contributions for public and affordable housing (HELP and market housing programs)

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

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

Housing NWT provides subsidy assistance to various non-profit housing sponsor groups and co-operatives in accordance with operating agreements, which set out the basis on which eligibility for subsidy assistance will be determined. These expenditures are recognized based on actual or estimated costs incurred by each sponsor group in the year.

iii) Homeownership assistance grants

Housing NWT, under section 44(1) of its Act, may make a homeownership assistance grant in the form of a forgivable loan to eligible homeowners on terms and conditions that may be imposed by Housing NWT. The property must remain the principal residence and the annual income must remain below the core need income threshold for the term of the agreement. The conditional grants, which vary in amount depending on the income and/or community of the applicant and are not expected to be repaid unless certain conditions are not met, and expensed in the year the grant is approved. Any recoveries on the conditional grants are recognized in the year the amount is recovered from the recipient.

Housing NWT has not since 2007 provided any new repayable mortgages/loans or loan guarantees to eligible homeowners under its Homeownership Assistance program.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Cash and cash equivalents

Cash and cash equivalents are comprised of bank account balances net of outstanding cheques and short-term investments that have terms to maturity of less than or equal to 90 days from the date of acquisition. Included in cash are tender and security deposits from contractors on construction projects and rental housing damage deposits held in trust.

(f) Portfolio investments

Portfolio investments are investments in debt securities of organizations that do not form part of the reporting entity and are accounted for using the amortized cost method.

Investment income is recognized on the accrual basis; premiums and discounts arising on purchase are amortized over the term of the respective investment, and capital gains and losses are recognized when realized. When there has been a loss in value of a portfolio investment that is other than a temporary decline, the investment is written down to recognize the loss.

(g) Mortgages and loans receivable

The net carrying amount of the mortgages and loans receivable represents the present value of the expected future principal and interest payments to be received, net of the grants provided to the borrowers, any restructuring costs, and the allowance for impairment. Interest income on mortgages and loans receivable is recognized when earned. The effective interest method is used to recognize interest income. Any costs related to a mortgage or loan restructuring are expensed in the year of the restructuring.

Valuation allowances for impaired loans are established by management based on past events, current conditions and all circumstances known at the date of the preparation of the consolidated financial statements and are adjusted annually to reflect the current circumstances by recording write downs or recoveries, as appropriate. Mortgages are classified as impaired when Housing NWT no longer has reasonable assurance of timely collection of the full amount of principal and interest due. The valuation allowance adjusts a mortgage's carrying value to its net recoverable value. Valuation allowance writedowns are recognized when the loans have been deemed uncollectable. Valuation allowance recoveries are recorded when loans previously written down are subsequently collected or when loans revert to a performing status. Interest revenue is not accrued when the collectability of either principal or interest is not reasonably assured.

Borrowers in arrears may choose to settle their obligation with a quit claim. A quit claim is an agreement between the owner of a housing unit and Housing NWT to transfer ownership of the housing unit back to Housing NWT for a nominal fee. The fair value of the housing unit acquired through the quit claims process is determined to be the original purchase price or construction costs (if available) less amortization from the original purchase date to the date the quit claim occurred. This is considered to be a reasonable estimate of the fair value of the assets recovered. Quit claim units are evaluated for suitability for delivery of programs and if suitable are added to tangible capital assets at a value as described above. Where suitability criteria are not met the units are disposed of by sale to a third party or demolished and are written down to their residual value if any.

(h) Loan guarantees

An obligation and expense is recognized related to a loan guarantee when it is likely that a loss will be incurred, and the amount of the loss can be reasonably estimated. When estimating the amount of contingent loss, management considers the value of any security (properties) which could be sold to cover the loan guarantee. Provisions for losses are reviewed annually.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Asset retirement obligations

A liability for an asset retirement obligation (ARO) is recognized at the best estimate of the amount required to retire a tangible capital asset at the financial statement date when there is a legal obligation for Housing NWT to incur retirement costs, a past transaction or event giving rise to the liability has occurred, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount can be made. The best estimate of the liability includes all costs directly attributable to asset retirement activities, based on information available at year-end. The best estimate of an ARO incorporates a present value technique, when the cash flows required to settle or otherwise extinguish an ARO are expected to occur over extended future periods. The discount rate used reflects Housing NWT's cost of borrowing associated with the estimated number of years to complete the retirement or remediation.

When a liability for an ARO is initially recognized, a corresponding asset retirement cost is capitalized to the carrying amount of the related tangible capital asset and amortized consistent with the tangible capital asset policy discussed below. An ARO may arise in connection with a tangible capital asset that is not recognized or no longer in productive use. In this case, the asset retirement cost would be expensed.

At each financial reporting date, the carrying amount of the liability is reviewed. Housing NWT recognizes period-to-period changes to the liability due to the passage of time as accretion expense. Changes to the liability arising from revisions to either the timing, the amount of the original estimate of undiscounted cash flows or the discount rate are recognized as an increase or decrease to the carrying amount of the related tangible capital asset. Once the related tangible capital asset is no longer in productive use, changes to the liability are recognized as an expense in the period they are incurred. Housing NWT continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when made.

(j) Tangible capital assets

i) Land and buildings

Land and housing units constructed or purchased by Housing NWT are recorded at cost. Housing materials are also recorded at cost and included in work in progress.

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

When Housing NWT enters into lease agreements where the risks and benefits of ownership are transferred to Housing NWT, the public and affordable (HELP and market) housing units are recorded as capital leases. In such cases, the cost of the asset is determined as the discounted net present value of the minimum lease payments and is amortized using the straight-line method over the lease term. Obligations recorded under capital leases are reduced by rental payments net of imputed interest and executory costs.

Housing units are amortized at an annual rate of 5% on a declining balance basis. Amortization begins in the year the housing unit is placed into service. Work in progress is not amortized.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

ii) Property and equipment

Property and equipment are stated at cost. Amortization is provided using the following methods and annual rates:

Warehouses and offices	Declining balance	5%
Office furniture and equipment	Declining balance	20%
Mobile equipment	Declining balance	20%
Software	Straight-line over 10 years	
Leasehold improvements	Straight-line over term of lease	

(k) Inventories held for use

Inventory held for use consists of materials and supplies to be used for the maintenance or minor modifications of buildings. The inventory is valued on a weighted average basis at the lower of cost and replacement value.

(l) Employee future benefits

i) Pension Benefits

(a) Public Service Pension Plan

All eligible employees of Housing NWT are covered in the Public Service Pension Plan (the “Plan”) a contributory defined benefit plan established through legislation and sponsored by the Government of Canada. Contributions are required by both the employees and Housing NWT to cover current service cost. Housing NWT’s contributions are charged as an expense on a current year basis and represent the total pension obligations. Housing NWT is not required under present legislation to make contributions with respect to actuarial deficiencies of the Plan.

(b) Northern Employee Benefits Service (NEBS) Pension Plan

Eligible employees of the following LHOs are covered by the NEBS. This plan is a multi-employer contributory defined benefit plan and accordingly contributions are expensed as incurred. NEBS is a member-owned, not-for-profit corporation that sponsors an insurance and health care benefits plan and a pension plan for public sector employees in the north.

Behchokö Kö Gha K’àodèe	Inuvik Housing Authority
Deline Housing Association	Lutsel K’e Housing Authority
Fort McPherson Housing Association	Radilih Koe Housing Association
Fort Resolution Housing Authority	Tulita Housing Association
Fort Simpson Housing Authority	Whati Housing Authority
Fort Smith Housing Authority	Yellowknife Housing Authority
Gameti Housing Authority	

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Employee future benefits (continued)

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

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

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

(m) Environmental liabilities

Contaminated sites are a result of contamination that exceeds an environmental standard. A liability for remediation of contaminated sites is recognized when all the following criteria are met:

- i. an environmental standard exists;
- ii. contamination exceeds the environmental standard;
- iii. Housing NWT is directly responsible or accepts responsibility;
- iv. it is expected that future economic benefits will be given up; and
- v. a reasonable estimate of the amount can be made.

(n) Related party transactions

Housing NWT is related to all Government of the Northwest Territories departments, territorial corporations and public agencies, and key management personnel. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of Housing NWT. Significant transactions with related parties and balances at year-end are disclosed separately in the consolidated financial statements and notes thereto.

i) Inter-entity transactions

Inter-entity transactions are transactions between commonly controlled entities. Inter-entity transactions are recorded on a gross basis and are measured at the carrying amount, except for the following: when inter-entity transactions are undertaken on similar terms and conditions to those adopted if the entities were dealing at arm’s length, or where costs provided are recovered, they are measured at the exchange amount.

ii) Other related party transactions

Related party transactions, other than inter-entity transactions, are recorded at the exchange amount.

(in thousands)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

iii) Services provided without charge

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

(o) Adoption of accounting standard

Effective April 1, 2023, the Housing NWT adopted Canadian Public Sector Accounting Standard PS 3400, Revenue ("PS 3400"). The Section sets out general guidance for how entities recognize, measure, present and disclose revenue. Under the new accounting standard, there are two categories of transactions – exchange and non-exchange. If the transaction gives rise to one or more performance obligations, it is an exchange transaction. If no performance obligations are present, it is a non-exchange transaction. There are two approaches to recognizing revenue with performance obligations: at a point in time or over a period of time. This determination is made based on when a performance obligation is satisfied. PS 3400 has been applied prospectively to these financial statements and, as permitted by the transitional provisions, prior periods were not restated. The implementation of this new Section did not have a material impact on the financial statements of Housing NWT.

3. PORTFOLIO INVESTMENTS

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

4. ACCOUNTS RECEIVABLE

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

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

(in thousands)

5. MORTGAGES AND LOANS RECEIVABLE

	2024	2023
Housing NWT's mortgages and loans to individuals are receivable over a maximum of 25 years, some of which are unsecured and others are secured by registered charges against real property, bearing fixed interest rates between 0.00% and 10.50% (2023 - 0.00% and 10.50%).	$ 9,941	$ 10,615
Less allowance for impaired mortgages and loans receivable	(6,683)	(6,832)
	$ 3,258	$ 3,783

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

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

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

7. DEFERRED REVENUE

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

(in thousands)

8. LOANS AND MORTGAGES PAYABLE TO CMHC

	2024			2023
	Debt balance	CMHC funded portion	Net debt balance	Net debt balance
Mortgages payable to CMHC (NHA Section 79 debt), repayable in monthly or quarterly installments, maturing from 2025 to 2039, at interest rates from 7.63% to 19.00% (2023 - 7.63% to 19.00%).	$ 17,648	$ (17,648)	$ -	$ -
Loans payable to CMHC (NHA Section 82 debt), repayable in annual installments until the year 2033, bearing interest of 6.97% (2023 - 6.97%). These loans are guaranteed by the Government.	6,498	(3,610)	2,888	3,441
Mortgages payable to CMHC for housing projects acquired from third parties in accordance with the provisions of the SHA related to third party loans, maturing in 2026 and 2027, at interest rates from 0.68% to 1.01%, (2023 - 0.68% to 1.01%).	398	-	398	543
	$ 24,544	$ (21,258)	$ 3,286	$ 3,984

Under the terms of the 1999 Social Housing Agreement (SHA), CMHC originally provided funding to Housing NWT to build public housing assets in the form of long-term mortgages payable to CMHC (referred to as *National Housing Act* (NHA) Section 79 debt under the SHA) and loans payable to CMHC (referred to as NHA Section 82 debt under the SHA). Under the SHA, CMHC also agreed to provide additional funding to Housing NWT to reduce 100% of the NHA Section 79 debt and to reduce by 5/9th the NHA Section 82 debt, and to fund the related interest repayments that Housing NWT would make each year to CMHC. This additional funding receivable from CMHC and the related payments due by Housing NWT each year on the long-term debt payable to CMHC are offset, resulting in no exchange of cash between Housing NWT and CMHC.

Had CMHC not funded the repayments of the debt principal and interests payable to CMHC, Housing NWT would have incurred additional interest expense of $2,647 (2023 - $2,785) and would have made additional principal debt repayments to CMHC of $1,519 (2023 - $1,402).

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

(in thousands)

8. LOANS AND MORTGAGES PAYABLE TO CMHC (continued)

Principal repayments and interest requirements over the life of the outstanding loans are as follows:

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

9. ASSET RETIREMENT OBLIGATIONS

AROs include estimated remediation costs to remove asbestos and lead from buildings. The amount recognized is the net present value of estimated future expenditures required to fund the decommissioning of the assets. The obligation is calculated using the current estimated costs to retire the asset inflated to the estimated retirement date and discounted to current present value. The retirement obligation is being provided for over the accreted value from the initial obligation to the end of the useful life of the asset. Future retirement expenditures will be charged against the accumulated liability as incurred.

Following is a summary of the key assumptions upon which the carrying amount of the ARO is based:

- Total expected future cash flows - $90,773 (2023 - $88,671)
- Expected timing of payments of the cash flow - asset removal and/or site remediation is expected to occur between 2026 and 2054 (2023 - 2025 and 2050) with the majority occuring after 2038 (2023 - 2037).
- The discount rate is the year-end cost of borrowing of 4.57% (2023 - 3.92%).
- The inflation rate is based on the Bank of Canada's targeted inflation rate of 2.00% (2023 - 2.00%).

This provision is highly sensitive to the discount rate and inflation rate used.

- A 1% increase in the discount rate would decrease the obligation by $5,578
- A 1% decrease in the discount rate would increase the obligation by $6,591
- A 1% increase in the inflation rate would increase the obligation by $6,701
- A 1% decrease in the inflation rate would decrease the obligation by $5,758

Following is a summary of the ARO:

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

The valuation adjustment is comprised of:

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

(in thousands)

10. ENVIRONMENTAL LIABILITIES

Housing NWT has identified sixteen fuel spill sites and no other contaminated sites (2023 - sixteen fuel spill sites and no other contaminated sites) for which an environmental liability has been recorded. There were two sites (2023 - zero sites) closed during the fiscal year. Two new sites (2023 - two) were identified during the year. The liability is calculated as costs remaining to remediate the sites to the required environmental standard. The estimated amount of recoveries is nil (2023 - nil). Housing NWT has not identified any sites where an environmental liability may exist but no liability has been recorded.

11. FUNDING FROM CMHC

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

Under the terms of the SHA, Housing NWT assumed full responsibility for the management of various public housing programs specified in the SHA. CMHC provides annual funding to Housing NWT to manage these programs. The SHA and the funding expire in 2039 (Note 13).

On April 1, 2018, Housing NWT signed the Bilateral Agreement under the 2017 NHS. Funding under this agreement is provided to increase access to housing, reduce housing needs, and achieve better housing solutions. An action plan for the 3 year period 2023-2026 has been developed, within the Bilateral Agreement parameters, with a priority of focusing on maintaining or increasing social housing stock, replacing existing housing stock, and providing homeownership repair programs. The Bilateral Agreement funding expires in 2028 (Note 13).

12. FUNDING FROM CROWN-INDIGENOUS RELATIONS AND NORTHERN AFFAIRS CANADA (CIRNAC)

On May 10, 2023 (2023 - August 24, 2022), Housing NWT signed the CIRNAC Agreements with the Government of Canada to provide one-time funding in the amount of $30,050 (2023 - $30,000). Funding under these agreements are provided to assist with financing of expenditures related to infrastructure including housing needs.

(in thousands)

13. CONTRACTUAL RIGHTS

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

14. CONTRACTUAL OBLIGATIONS

Housing NWT leases office space and rents supplemental public housing units and is committed to basic rental payments. The leases contain escalation clauses for operating costs and property taxes, which may cause the payments to exceed the basic rental. Also included in the 2025 contractual obligations are capital construction commitments for housing construction projects with contracts signed prior to year-end.

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

15. CONTINGENCIES

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

Under the terms of the SHA with CMHC, Housing NWT is responsible for the administration of a number of loans to third parties, where CMHC is the lender or insurer of these loans. The agreement provides that Housing NWT shall indemnify and reimburse CMHC for and save it harmless from all losses, cost and expenses related to these loans. The outstanding balance of these third party loans as at March 31, 2024 was $2,178 (2023 - $3,236). The period covered by these related loans extends up to 2029.

The outstanding balances represent the maximum amount of future loan principal payments under the guarantees and indemnities. In the event of default by the borrowers, the lenders could request payment from Housing NWT. The obligation under loan guarantees as at March 31, 2024 is nil (2023 - nil).

(in thousands)

16. EXPENSES BY OBJECT

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

Public Service Pension Plan

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

17. FINANCIAL RISK MANAGEMENT

Housing NWT's financial instruments consist of cash and cash equivalents, portfolio investments, accounts receivable, mortgages and loans receivable, accounts payable and accrued liabilities, and loans payable to CMHC and are measured at amortized cost. Housing NWT has exposure to the following risks from its use of financial instruments:

(in thousands)

17. FINANCIAL RISK MANAGEMENT (continued)

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting its obligations associated with financial liabilities or cash outflow obligations as they come due. Housing NWT manages its liquidity risk by maintaining adequate cash balances and investing in money market instruments. These instruments are readily convertible into known amounts of cash. Housing NWT does not believe that it will encounter difficulty in meeting its future obligations associated with its financial liabilities. The table below shows when various financial liabilities mature.

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

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Housing NWT is exposed to credit risk on its cash and cash equivalents, portfolio investments, accounts receivable and mortgages and loans receivable.

Housing NWT manages its credit risk on cash and cash equivalents and portfolio investments by dealing only with reputable and credit worthy financial institutions. The maximum exposure to credit risk held in cash and cash equivalents and portfolio investments is $158,841 (2023 - $123,713).

In order to manage credit risk on accounts receivable, Housing NWT actively monitors the age of accounts receivable and initiates collection action. The maximum exposure to credit risk in accounts receivable is $11,197 (2023 - $16,828).

In order to manage credit risk on mortgages and loans receivable, Housing NWT actively monitors mortgage and loan payments and works with borrowers to develop payment plans to resolve outstanding arrears issues. The maximum exposure to credit risk in mortgage and loans receivable is $3,258 (2023 - $3,783).

As at March 31, 2024, $890 (2023 - $995) of the impaired mortgages and loans are secured by homes Housing NWT has the ability to sell or use in its operations in order to satisfy borrowers' commitments. The fair value of the security is not readily determinable.

As at March 31, 2024, the following financial assets were past due but not impaired:

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

(in thousands)

17. FINANCIAL RISK MANAGEMENT (continued)

Housing NWT does not face cash flow interest rate risk on its loans payable to the CMHC because these interest rates are fixed for the full term of the loans. Because Housing NWT accounts for these loans at amortized cost, a change in interest rates would not affect the consolidated statement of operations and accumulated surplus with respect to these loans payable.

18. RELATED PARTY TRANSACTIONS

Housing NWT enters into transactions with related parties in the normal course of business under terms and conditions similar to those with unrelated parties. Balances receivable and payable resulting from transactions that Housing NWT had with related parties during the year are disclosed in Notes 4 and 6.

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

HOUSING NORTHWEST TERRITORIES

Consolidated Schedule of Tangible Capital Assets

As at March 31, 2024

(in thousands)

Schedule A

	Cost					Accumulated amortization				Net Book Value (NBV)	
	Opening balance	Acquisitions	Transfers	Disposal(1)	Closing balance	Opening balance	Amortization	Disposals	Closing balance	2024	2023
Lands and Buildings:											
Land	$ 10,971	$ -	$ 2,242	$ (4)	$ 13,209	$ -	$ -	$ -	$ -	$ 13,209	$ 10,971
Public Housing	433,282	-	35,421	(6,568)	462,135	214,842	7,515	(1,560)	220,797	241,338	218,440
HELP and market housing	121,941	-	18,260	(619)	139,582	42,483	4,415	(261)	46,637	92,945	79,458
Non-residential properties	6,237	-	-	(3)	6,234	3,462	135	-	3,597	2,638	2,775
Work in Progress	56,411	48,429	(56,890)	-	47,950	-	-	-	-	47,950	56,411
Sub-total	628,842	48,429	(967)	(7,194)	369,110	260,787	12,065	(1,821)	271,031	398,080	368,055
Property and equipment:											
Warehouses and offices	12,535	-	967	-	13,502	7,134	289	-	7,423	6,079	5,401
Mobile equipment	4,702	533	-	-	5,235	3,095	375	-	3,470	1,765	1,607
Leasehold improvements	1,739	-	-	-	1,739	1,610	26	-	1,636	103	129
Office furniture and equipment	6,073	-	-	-	6,073	5,894	53	-	5,947	126	179
Software	114	-	-	-	114	110	1	-	111	3	4
Sub-total	25,163	533	967	-	26,663	17,843	744	-	18,587	8,076	7,320
Total	$ 654,005	$ 48,962	$ -	$ (7,194)	$395,773	$ 278,630	$ 12,809	$ (1,821)	$ 289,618	$ 406,155	$ 375,375

(1) Included in disposals is the asset retirement cost adjustment of $3,778 (2023 - $4,790).
(2) Not included in acquisition of tangible capital assets on the Consolidated Statement of Cash Flow are non-cash items of $ 4,985 (2023 - $nil)
(3) There were no capital leases as at March 31, 2024

Inuvialuit Water Board

Financial Statements

March 31, 2024

Management's Responsibility for the Financial Statements

June 25, 2024

To the Directors of
Inuvialuit Water Board

The financial statements have been prepared by management in accordance with Canadian Public Sector Accounting Standards, and the integrity and objectivity of these statements are management's responsibility. Management is also responsible for all of the notes to the financial statements, and for ensuring that this information is consistent, where appropriate, with the information contained in the financial statements. A summary of the significant accounting policies are described in Note 2 to the financial statements. The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

Management is also responsible for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced. The internal controls are designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the financial statements.

The Directors of the Board are responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control, and exercises these responsibilities through the Board. The Board reviews internal financial statements on a monthly basis and external audited financial statements yearly. The Board also discuss any significant financial reporting or internal control matters prior to their approval of the financial statements.

The external auditors, Crowe Mackay LLP, conduct an independent examination, in accordance with Canadian auditing standards, and express their opinion on the financial statements. The external auditors have full and free access to financial management of the Inuvialuit Water Board and meet when required. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the financial statements.

Mardy Semmler

Mardy Semmler
Executive Director
Inuvialuit Water Board

Crowe MacKay LLP
PO Box 727
5103 51st Street
Yellowknife, NWT X1A 2N5
Main +1 (867) 920-4404
Fax +1 (867) 920-4135
www.crowemackay.ca

Independent Auditors' Report

To the Directors of
Inuvialuit Water Board

We have audited the accompanying financial statements of the Inuvialuit Water Board, which comprises the statement of financial position as at March 31, 2024, and the statements of operations, accumulated surplus, change in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Inuvialuit Water Board as at March 31, 2024, and the results of its operations, changes in net financial assets and its cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

Basis for Opinion

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

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

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

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

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

Independent Auditors' Report (continued)

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control.

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

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

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

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

Crowe MacKay LLP

Chartered Professional Accountants

Yellowknife, Northwest Territories
June 25, 2024

Inuvialuit Water Board

Statement of Operations and Accumulated Surplus

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

Inuvialuit Water Board

Statement of Change in Net Financial Assets

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

Inuvialuit Water Board

Statement of Financial Position

As at March 31,	2024	2023
Financial Assets		
Cash	$ 690,726	$ 507,395
Portfolio investments (Note 4)	214,282	205,352
Accounts receivable (Note 5)	4,566	4,567
	909,574	717,314
Liabilities		
Accounts payable and accrued liabilities (Note 6)	154,189	181,539
Repayable contributions (Note 7)	450,105	239,442
	604,294	420,981
Net financial assets	305,280	296,333
Non-Financial Assets		
Tangible capital assets (Note 8)	44,918	23,737
Accumulated surplus	$ 350,198	$ 320,070

Approved on behalf of the Board

Director

Director

Inuvialuit Water Board

Statement of Cash Flows

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

1. Organization and Jurisdiction

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

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

2. Impact of the Change in the Basis of Accounting

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

3. Significant Accounting Policies

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

(a) Financial Instruments

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

This category includes cash, portfolio investments, accounts payable and accrued liabilities, and repayable contributions. They are initially recognized at cost and subsequently carried at amortized cost using the effective interest rate method, less any impairment losses on financial assets.

Transaction costs related to financial instruments in the amortized cost category are added to the carrying value of the instruments.

Write-downs on financial assets in the amortized cost category are recognized when the amount of a loss is known with sufficient precision, and there is no realistic prospect of recovery. Financial assets are then written down to net recoverable value, with the write-down being recognized in the statement of operations.

(b) Cash

Cash comprises cash on hand and demand deposits.

(c) Tangible Capital Assets

Tangible capital assets are recorded in the Capital Asset Fund at cost. Amortization is recorded in the capital asset fund using the declining balance method at the annual rates set out in Note 8.

2. Accounting Policies (continued)

(d) Fund Accounting

The Board uses fund accounting to segregate transactions between the Operating Fund and the Capital Asset Fund. The Operating Fund accounts for the Board's operating and administrative activities. The Capital Asset Fund reports the assets, liabilities, revenues and expenses related to tangible capital assets.

(e) Revenue Recognition

Revenues are recognized in the period in which the transactions or events occurred that gave rise to the revenues. All revenues are recorded on an accrual basis.

Government transfers are recognized as revenues when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

Contributions from other sources are deferred when restrictions are placed on their use by the contributor, and are recognized as revenue when used for the specific purpose. Restricted contributions that must be maintained in perpetuity are recorded as revenue when received or receivable, and are presented as non-financial assets in the statement of financial position.

Donation in kind for rent are recognized as contribution at their estimated fair market value at the date of the donation.

Other revenue related to fees or services received in advance of the fee being earned or the service is performed is deferred and recognized when the fee is earned or service performed.

(f) Measurement Uncertainty

The preparation of financial statements in conformity with Canadian Public Sector Accounting Standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the updated amounts of revenues and expenses during the period. Actual results could differ from those estimates. Significant accounts subject to measurement uncertainty include allowances for doubtful accounts, and the useful lives of tangible capital assets.

4. Portfolio Investments

Portfolio investments include two one-year guaranteed investment certificates with the Canadian Imperial Bank of Commerce. These investments generate interest at a rate of 4.50% (2023 - 4.15%) per annum and mature on November 12, 2024.

5. Accounts Receivable

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

6. Accounts Payable and Accrued Liabilities

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

7. Repayable Contributions

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

8. Tangible Capital Assets

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

9. Economic Dependence

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

10. Commitments

The Board has entered into a contractual arrangement related to its website and for its Xerox fax and printing machine. The total commitment for these contracts is as follows:

2025	$	10,549
2026		10,549
2027		10,549
2028		7,662
2029 and later		-
	$	**39,309**

11. Risk Management

The Board is exposed to credit and liquidity risks from its financial instruments. Qualitative and quantitative analysis of the significant risk from the Board's financial instruments by type of risk is provided below:

(i) Credit risk

Credit risk is the risk of financial loss to the Board if a debtor fails to make payments of interest and principal when due. The Board is exposed to this risk relating to its cash, portfolio investments and accounts receivable.

Accounts receivable are due from various governments, government agencies and corporations. Credit risk related to accounts receivable is mitigated by internal controls and policies and oversight over arrears for the ultimate collection. Management has determined that no accounts receivable required impairment.

Portfolio investments include government issued certificates and are backed by the Government of Canada. Credit risk related to portfolio investments is mitigated by purchasing low risk portfolio investments such as the guaranteed investment certificate through regulated financial institutions.

The Board's maximum exposure to credit risk is represented by the balance of the financial assets of $909,574 (2023 - $717,314).

(ii) Concentration of credit risk

Concentrations of credit risk is the risk that a customer(s) has a significant portion of the total accounts receivable balance, and thus, there is a higher risk to the Board in the event of a default. The Board does not have a concentration of credit risk.

At March 31, 2024, 100% (2023 - 100%) of the Board's cash and portfolio investments were held within one of Canada's chartered banks who is insured by the Canadian Deposit Insurance Corporation. In the event of default, the Board's cash is insured up to $100,000. This risk has not changed from the prior year.

11. Risk Management (continued)

(iii) Liquidity risk

Liquidity risk is the risk that the Board will not meet all cash outflow obligations as they come due. The Board has a liquidity risk in accounts payable and accrued liabilities and repayable contributions of $604,294 (2023 - $420,981). The Board mitigates this risk by monitoring cash activities and expected outflows through budgeting and maintaining an adequate amount of cash to cover unexpected cash outflows should they arise. All the Board's financial assets and financial liabilities at March 31, 2024, mature within the next eight months.

(iv) Concentration of liquidity risk

Concentrations of liquidity risk is the risk that a vendor has a significant portion of the total payables balance, and thus, there is a higher risk to the Board in the event of a default. At March 31, 2024, the Board has a concentration of liquidity risk as 96.2% (2023 -96.1%) of the balances owing are owed to the Government of the Northwest Territories.

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

12. Related Party Transactions

During the year, honoraria and travel expenditures were paid to members of the Board of Directors. These expenditures were in the ordinary course of the Board's operations and were measured at the exchange amount.

The Board is controlled by, and regularly transacts with, the Government of the Northwest Territories. Transactions include contribution funding. These transactions were in the normal course of the Board's operations. Transactions were measured at the exchange amount, which is the amount of consideration paid and or agreed to by the related parties.

Donation in-kind related to rent with the Government of the Northwest Territories is a related party transaction without consideration and is based on the estimated fair market value of rent in the region.

13. Budget Amounts

The budget figures presented are those approved by the Board.

NORTHWEST TERRITORIES HERITAGE FUND

Financial Statements

For the Year Ended March 31, 2024

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements of the Northwest Territories Heritage Fund have been prepared in accordance with Canadian public sector accounting standards. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances. These statements include certain amounts based on management's estimates and judgments. Management has determined such amounts based on a reasonable basis in order to ensure that the financial statements are presented fairly in all material respects.

The integrity and reliability of the Northwest Territories Heritage Fund's reporting systems are achieved through the use of formal policies and procedures, the careful selection of employees and an appropriate division of responsibilities. These systems are designed to provide reasonable assurance that the financial information is reliable and accurate.

The Financial Management Board (the "Board") is responsible for ensuring that management fulfills its responsibility for financial reporting and is ultimately responsible for reviewing and approving the financial statements. The Board carries out this responsibility and meets periodically with management and the members' auditors to review significant accounting, reporting and internal control matters. The Board also considers, for review approval by the members, the engagement or re-appointment of the external auditors.

The financial statements have been audited on behalf of the Fund by Metrix Group LLP, in accordance with Canadian public sector accounting standards.

Mandi Bolstad,
Deputy Secretary, Financial Management Board

Yellowknife, Northwest Territories
August 28, 2024

P.O. Box 1320, Yellowknife NT X1A 2L9 www.gov.nt.ca C. P. 1320, Yellowknife NT X1A 2L9

METRIX GROUP LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To the Members of Northwest Territories Heritage Fund

Opinion

We have audited the financial statements of Northwest Territories Heritage Fund (the "Fund"), which comprise the statement of financial position as at March 31, 2024, and the statements of operations and accumulated surplus, statement of remeasurement gains and losses and changes in net financial assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at March 31, 2024, and the results of its operations and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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

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

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

(continues)

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

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

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

Metrix Group LLP

Chartered Professional Accountants

Edmonton, Alberta
August 28, 2024

NORTHWEST TERRITORIES HERITAGE FUND
Statement of Financial Position
As at March 31, 2024

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

ON BEHALF OF THE BOARD

_________________________ *Chair of the Financial Management Board*

_________________________ *Deputy Secretary of the Financial Management Board*

The accompanying notes are an integral part of these financial statements

NORTHWEST TERRITORIES HERITAGE FUND

Statement of Operations and Accumulated Surplus

For The Year Ended March 31, 2024

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

The accompanying notes are an integral part of these financial statements

NORTHWEST TERRITORIES HERITAGE FUND
Statement of Remeasurement Gains and Losses
For The Year Ended March 31, 2024

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

The accompanying notes are an integral part of these financial statements

NORTHWEST TERRITORIES HERITAGE FUND
Statement of Changes in Net Financial Assets
For the Year Ended March 31, 2024

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

The accompanying notes are an integral part of these financial statements

NORTHWEST TERRITORIES HERITAGE FUND
Statement of Cash Flows
For The Year Ended March 31, 2024

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

The accompanying notes are an integral part of these financial statements

PURPOSE OF FUND

The Northwest Territories Heritage Fund (the "Fund") was established under the authority of the *Northwest Territories Heritage Fund Act*.

The Fund has been established for the benefit and use of the people of the Northwest Territories. A portion of resource revenues is to be set aside to provide financial resources for the Government of the Northwest Territories (the "Government") to fund long-term investments that would allow Northwest Territories residents to receive benefits from the development of the territory's non-renewable resources.

The Fund is not subjected to taxation under the *Income Tax Act of Canada*.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Fund are the representations of management and were prepared in accordance with Canadian public sector accounting standards. The net financial asset model is presented in the financial statements. Net financial assets are measured as the difference between the Fund’s financial assets and liabilities as described in the statement of financial position.

Significant aspects of the accounting policies to the Fund are as follows:

(a) Valuation of financial assets and liabilities

The Fund's financial assets and liabilities are generally measured as follows.

Financial Statement Component	Measurement
Cash	Cost
Portfolio investments	Fair value or amortized cost
Interest receivable	Lower of cost and net realizable value
Accounts payable and accrued liabilities	Cost

All financial assets are annually assessed for impairment. If an impairment deemed other-than-temporary is identified, the cost of the financial asset is written down to its realizable value. Any impairment losses are included in income on the statement of operations and accumulated surplus. A write-down of a financial asset to reflect a loss in value is not reversed for a subsequent increase in value.

For financial assets and liabilities measured using amortized cost, the effective interest rate method is used to determine interest revenue or expense. Transaction costs are expensed as they are incurred.

(b) Investment income

Investment income includes dividends interest income, and realized gains or losses on the sale of portfolio investments, as well as revenue distributed by pooled funds (which also includes dividends, interest, and gains and losses).

Realized gains and losses on disposal of portfolio investments are recorded in the Fund’s accounts and included in income on the statement of operations and accumulated surplus Realized gains and losses on disposal of portfolio investments are determined on an average cost basis.

Investment income is recorded on the accrual basis, with dividend income recognized as it is declared. Investment income is accrued when there is reasonable assurance as to its measurement and collectability.

(continues)

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

(c) Remeasurement gains and losses

Accumulated remeasurement gains and losses primarily represent the excess or shortfall of the fair value of the portfolio investments at period end over the cost of the portfolio investments. Changes in accumulated remeasurement gains and losses are recognized in the statement of remeasurement gains and losses. Changes in accumulated remeasurement gains and losses during the period include unrealized increases and decreases in fair value of the portfolio investments and realized gains and losses on sale of the portfolio investments. When the portfolio investments are sold (derecognized), any accumulated unrealized gain or loss associated with the investment becomes realized and is included in net income on the statement of operations and accumulated surplus.

(d) Government transfers

Government transfers are transfer of assets from other levels of government that are not the result of an exchange transaction, are not expected to be repaid in the future, or the result of a direct financial return.

Government transfers are recognized in the financial statements as revenue in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be determined.

(e) Related parties

Related party transactions are in the normal course of operations and have been valued in these financial statements at the exchange amount which is the amount of consideration established and agreed to by the related parties, except for certain services and other contributions provided by the Government at no cost. The Fund is related in terms of common ownership to all Government created departments, public agencies and key management personnel. Key management personnel are those having authority and responsibility for planning, directing and controlling the activities of the Fund.

Services provided at no cost, that are part of the central agency role of the Government and cannot be reasonably estimated are not recorded in these financial statements. These services include, insurance and risk management, legal counsel, records storage, computer operations, and management services.

(f) Use of estimates

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

(g) Adoption of new accounting standards

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

(continues)

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

(h) Future changes in significant accounting policies

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

i) Financial Statement Presentation

PS 1202, Financial Statement Presentation, sets out general and specific requirements for the presentation of information in general purpose financial statements. The financial statement principles are based on the concepts in the Conceptual Framework for Financial Reporting in the Public Sector. This standard is applicable to fiscal years beginning on or after April 1, 2026.

2. PORTFOLIO INVESTMENTS

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

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

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

The composition of portfolio investments measured at fair value is as follows:

	2024			
	Level 1	**Level 2**	**Level 3**	**Total**
Interest bearing securities				
Other debt instruments	$ -	$ 5,015,133	$ -	$ 5,015,133
Equities				
Pooled investments - Canadian	1,199,234	-	-	1,199,234
Pooled investments - Global*	5,445,287	-	-	5,445,287
	$ 6,644,521	$ 5,015,133	$ -	$ 11,659,654

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

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

The fair value measurements are those derived from:

Level 1 - Quoted prices in active markets for identical assets.

Level 2 - Fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the assets, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3 - Fair value measurements are those derived from valuation techniques that include inputs for the assets that are not based on observable market data (unobservable inputs).

3. FINANCIAL RISK MANAGEMENT

The Fund is exposed to various financial risks, including market risk (including currency risk and interest rate risk), credit risk, and liquidity risk through its portfolio investments. To manage these risks, the Fund invests in a diversified portfolio that is guided by the Northwest Territories Heritage Fund regulation. The following analysis provides information about the Fund's risk exposure and concentration as of March 31, 2024.

Market price risk

Market price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual security, its issuer or general market factors affecting all securities. The Fund is exposed to other price risk through its investment in equity instruments and other interest bearing securities.

If equity market indices (S&P/TSX, S&P500, MSCI EAFE and their sectors) declined by 10%, and all other variables are held constant, the potential loss in fair value to the Fund would be approximately 1.5% (2022 - 1.4%). Changes in fair value of portfolio investments are recognized in the statement of remeasurement gains and losses.

To manage this risk, the Fund has policies and procedures in place governing asset mix, diversification, exposure limits, credit quality and performance measurement. The Fund's management of this risk has not changed from the prior year.

All material risks that affect the market value of the Fund's investments in fixed income are adequately explained in credit and interest rate risk below.

Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Fund does not hold any financial instruments denominated in a foreign currency. The Fund does not hedge its foreign currency exposure with currency forward contracts or any other type of derivative financial instruments.

Interest rate risk

Interest rate risk is the risk to the Fund’s earnings that arises from the fluctuations in interest rates and the degree of volatility in these rates. The Fund's interest rate risk is low as interest bearing securities held by the Fund have fixed interest rates or are not sensitive to changes in market interest rates and are expected to be held to maturity.

Credit risk

Counterparty credit risk is the risk of loss arising from the failure of a counterparty, debtor or issuer to fully honour its financial obligations with the Fund. The Fund is exposed to credit risk on debt securities. The Fund has required minimum credit quality standards for issuers to manage this risk. The credit rating distribution of fixed income and other interest bearing securities (based on market value) is as follows:

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

(continues)

3. FINANCIAL RISK MANAGEMENT *(continued)*

Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting obligations associated with its financial liabilities. As per the enabling legislation of the Fund, no transfers can be authorized from the fund for the first 20 years and transfers may not exceed 5% of the fiscal year end balance of the Fund starting on the first day of the 21st year of the Fund. The Fund has minimal operational expenses and meets its financial liabilities obligations through contributions in-kind from the Government of the Northwest Territories. As a result, the Liquidity risk of the Fund is low.

4. BUDGET

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

Northwest Territories Human Rights Commission

Financial Statements

March 31, 2024

Northwest Territories Human Rights Commission

Financial Statements

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Management's Responsibility for Financial Reporting

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

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

The auditors annually provide an independent, objective audit for the purpose of expressing an opinion on the financial statements prepared in accordance with Canadian Public Sector Accounting Standards for not-for-profit organizations.

Northwest Territories Human Rights Commission

Executive Director
Yellowknife, Northwest Territories
June 28, 2024

Crowe

Crowe MacKay LLP
PO Box 727
5103 51st Street
Yellowknife, NWT X1A 2N5
Main +1 (867) 920-4404
Fax +1 (867) 920-4135
www.crowemackay.ca

Independent Auditors' Report

To the Commission Members of Northwest Territories Human Rights Commission

Opinion

We have audited the accompanying financial statement of Northwest Territories Human Rights Commission ("the Commission"), which comprise the statement of financial position as at March 31, 2024, and the statements of operations, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Northwest Territories Human Rights Commission as at March 31, 2024 and the results of its operations, changes in net assets and cash flows for the year then ended in accordance with Canadian public sector accounting standards for not-for-profit organizations.

Basis for Opinion

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

Other matters

This report has been amended to include an accrual for $30,174 owing from the Legislative Assembly previously recorded as an Expense reimbursement on the Statement of Operations. Our opinion is not modified in respect of this matter

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Independent Auditors' Report (continued)

Auditors's Responsibilities for the Audit of the Financial Statements

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

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

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

Crowe MacKay LLP

Chartered Professional Accountants

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

Northwest Territories Human Rights Commission

Statement of Operations

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

Northwest Territories Human Rights Commission

Statement of Changes in Net Assets

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

Northwest Territories Human Rights Commission

Statement of Financial Position

As at March 31,		2024		2023
Assets				
Current				
Cash	$	315,072	$	351,918
Due from the Legislative Assembly of the Northwest Territories		30,174		120
Prepaid expenses		700		6,080
	$	**345,946**	$	358,118
Liabilities				
Current				
Accounts payable and accrued liabilities	**$**	**11,451**	$	18,203
Net Assets				
General Fund		**334,495**		339,915
	$	**345,946**	$	358,118

Contingency (Note 6)

Approved on behalf of NWT Human Rights Commission

_______________ Commission Chair _______________ Commission Member

Northwest Territories Human Rights Commission

Statement of Cash Flows

For the year ended March 31,		2024		2023
Cash provided by (used in)				
Operating activities				
Excess expenses	$	(5,420)	$	(22,279)
Change in non-cash operating working capital				
Due from the Legislative Assembly of the Northwest Territories		(30,054)		22,786
Prepaid expenses		5,380		(4,080)
Accounts payable and accrued liabilities		(6,752)		10,576
Increase (decrease) in cash		**(36,846)**		7,003
Cash, opening		**351,918**		344,915
Cash, closing	**$**	**315,072**	$	351,918

1. Nature of Operations

The Northwest Territories Human Rights Commission (the "Commission") was established to promote human rights through education and advocacy and to provide the administration of the complaints process. The Commission was established by the *Human Rights Act* of the Northwest Territories which came into effect on July 1, 2004. The Commission is exempt from income taxes and GST on the basis that they are an entity of the Government of the Northwest Territories ("GNWT").

2. Impact of the Change in the Basis of Accounting

Revenue, Section PS 3400

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

3. Accounting Policies

These financial statements have been prepared in accordance with Canadian Public Sector Accounting Standards for not-for-profit organizations as issued by the Public Sector Accounting Board ("PSAB"). The following is a summary of the significant accounting policies used by management in the preparation of these financial statements.

(a) Financial Instruments

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

This category includes cash, due from the Legislative Assembly of the Northwest Territories, and accounts payable and accrued liabilities. They are initially recognized at cost and subsequently measured at amortized cost.

Transaction costs related to financial instruments in the amortized cost category are added to the carrying value of the instruments.

Write-downs on financial assets in the amortized cost category are recognized when the amount of a loss is known with sufficient precision, and there is no realistic prospect of recovery. Financial assets are then written down to net recoverable value with the write-down being recognized in the statement of operations.

(b) Related party transactions

Related party transactions are those transactions with Commission members and others within the Government of the Northwest Territories. These transactions are recorded at the exchange amount agreed upon between parties.

3. Accounting Policies (continued)

(c) Revenue recognition

The Commission follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

(d) Measurement uncertainty

The preparation of financial statements in conformity with Canadian Public Sector Accounting Standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the updated amounts of revenues and expenses during the period. Actual results could differ from those estimates.

(e) Contributed services

These financial statements only report the funding and expenses relating to the contribution funding from the Legislative Assembly of the Northwest Territories. The Legislative Assembly incurs expenses on behalf of the Commission and the expenses are not included in these financial statements. The salaries for the Director, Deputy Director, and staff, rent, legal and office expenses are paid directly by the Legislative Assembly and are not reflected in these financial statements.

(f) Tangible capital assets

The GNWT retains ownership of all tangible capital assets (TCA) used by the Commission. The GNWT's financial statements include these TCAs and as such, the Commission has no TCAs recognized in its financial statements.

4. Expense Reimbursement

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

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

5. Financial Instruments

The Commission is exposed to credit risks from its financial instruments. Qualitative and quantitative analysis of the significant risk from the Commission's financial instruments by type of risk is provided below:

(a) Credit risk

Credit risk is the risk of financial loss to the Commission if a debtor fails to make payments of interest and principal when due. The Commission is exposed to this risk relating to its, cash and due from the Legislative Assembly of the Northwest Territories.

The Commission has a credit risk in cash $315,072 (2023 - $351,918) as a result of having funds in excess of insurable limit of $100,000 with one financial institution. The Commission mitigates this risk by regularly monitoring its cash balance and only using a bank held within one of Canada's chartered banks.

Credit risk related to amount due from the Legislative Assembly of the Northwest Territories is mitigated by internal controls as well policies and oversight over arrears for ultimate collection. Management has determined that no impairment was required.

The Commission's maximum exposure to credit risk is represented by the financial assets for a total of $345,246 (2023 - $352,038).

(b) Concentration of credit risk

The Commission does have concentration of credit risk. At March 31, 2024, 100% (2022 - 100%) of the Commission's cash was held within one of Canada's chartered banks. This risk has not changed from the prior year.

(c) Liquidity risk

Liquidity risk is the risk that the Commission will encounter difficulty in meeting obligations associated with financial liabilities. The Commission is exposed to this risk mainly in respect of its accounts payable, and accrued liabilities of $11,449 (2023 - $18,203). The Commission reduces its exposure to liquidity risk by consistently monitoring budgets and cash flows. The risk has decreased from prior year.

6. Contingency

The Commission has received statements of claim related to matters arising in the ordinary course of operations. These matters are at various stages but their outcome and an estimate of loss, if any, is not determinable. Costs related to these matters, if any, will be recorded when the matters are resolved.

7. Contractual obligation

The Commission has entered into a contract with a third party researcher. The contract has an estimated cost of $121,000 and will be completed in fiscal year 2025. To date, $21,530 of the expense has been recognized for work performed on the contract.

NORTHWEST TERRITORIES HYDRO CORPORATION
CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2024

NORTHWEST TERRITORIES HYDRO CORPORATION

Management's Responsibility for Financial Reporting

The accompanying consolidated financial statements were prepared by management in accordance with Canadian public sector accounting standards (PSAS). Where PSAS permits alternative accounting methods, management has chosen those it deems most appropriate in the circumstances. A summary of significant accounting policies are described in Note 2 to the consolidated financial statements. Financial statements include certain amounts based on estimates and judgments. Management has determined such amounts on a reasonable basis in order to ensure that the consolidated financial statements are presented fairly in all material respects. Management has prepared financial information presented elsewhere in the annual report and has ensured that it is consistent with that in the consolidated financial statements.

The Northwest Territories Hydro Corporation (NT Hydro) maintains financial and management systems and practices which are designed to provide reasonable assurance that reliable financial and non-financial information is available on a timely basis, that assets are acquired economically, are used to further NT Hydro's objectives, and are protected from loss or unauthorized use and that NT Hydro acts in accordance with the laws of the Northwest Territories and Canada. Management recognizes its responsibility for conducting NT Hydro's affairs in accordance with the requirements of applicable laws and sound business principles, and for maintaining standards of conduct that are appropriate to an agent of the territorial government. An internal auditor reviews the operation of financial and management systems to promote compliance and to identify changing requirements or needed improvements.

The Auditor General of Canada provides an independent, objective audit for the purpose of expressing her opinion on the consolidated financial statements. She also considers whether the transactions that come to her notice in the course of the audit are, in all significant respects, in accordance with the specified legislation.

The Board of Directors oversees management's responsibilities for financial reporting and reviews and approves the consolidated financial statements. The internal and external auditors have full and free access to the Board.

These consolidated financial statements have been approved by the Board of Directors.

Cory Strang	**Paul Grant**
Chief Executive Officer	Chief Financial Officer

Hay River, NT
August 6, 2024

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

INDEPENDENT AUDITOR'S REPORT

To the Minister responsible for the Northwest Territories Hydro Corporation

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of the Northwest Territories Hydro Corporation and its controlled entities (the Group), which comprise the consolidated statement of financial position as at 31 March 2024, and the consolidated statement of operations and accumulated surplus, consolidated statement of change in net debt and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 March 2024, and the consolidated results of its operations, consolidated changes in its net debt, and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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

Other Information

Management is responsible for the other information. The other information obtained at the date of this auditor's report is the Management Discussion and Analysis section included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

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

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

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

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

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

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

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

Report on Compliance with Specified Authorities

Opinion

In conjunction with the audit of the consolidated financial statements, we have audited transactions of the Northwest Territories Hydro Corporation coming to our notice for compliance with specified authorities. The specified authorities against which compliance was audited are the *Financial Administration Act* of the Northwest Territories and regulations, the *Northwest Territories Hydro Corporation Act* and regulations, and the by-laws of the Northwest Territories Hydro Corporation.

In our opinion, the transactions of the Northwest Territories Hydro Corporation that came to our notice during the audit of the consolidated financial statements have complied, in all material respects, with the specified authorities referred to above. Further, as required by the *Northwest Territories Hydro Corporation Act*, we report that, in our opinion, proper books of account have been kept by the Northwest Territories Hydro Corporation and the consolidated financial statements are in agreement therewith.

Responsibilities of Management for Compliance with Specified Authorities

Management is responsible for the Northwest Territories Hydro Corporation’s compliance with the specified authorities named above, and for such internal control as management determines is necessary to enable the Northwest Territories Hydro Corporation to comply with the specified authorities.

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

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

David Irving

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

Edmonton, Canada
6 August 2024

NORTHWEST TERRITORIES HYDRO CORPORATION

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

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

Contractual obligations and contingent liabilities (Note 21)
Subsequent events (Note 23)

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

Approved on behalf of the Board:

Stephen Loutitt, Board Chair

William MacKay, Vice Chair

NORTHWEST TERRITORIES HYDRO CORPORATION

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

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

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

NORTHWEST TERRITORIES HYDRO CORPORATION

CONSOLIDATED STATEMENT OF CHANGE IN NET DEBT
For the year ended March 31
(in thousands of dollars)

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

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

NORTHWEST TERRITORIES HYDRO CORPORATION

CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended March 31
(in thousands of dollars)

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

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

NORTHWEST TERRITORIES HYDRO CORPORATION

1. The Corporation

a) Authority and corporate information

The Northwest Territories Hydro Corporation (NT Hydro) was established under the *Northwest Territories Hydro Corporation Act.* NT Hydro is a public agency under Schedule B of the *Financial Administration Act* of the Northwest Territories and is exempt from income tax. The Government of the Northwest Territories (GNWT) owns all shares of NT Hydro (Note 14).

NT Hydro's primary asset is its 100% ownership interest in Northwest Territories Power Corporation (NTPC), which owns and operates hydroelectric, diesel, natural gas and photovoltaic generation facilities for the distribution and transmission of utility services to residents and businesses in the Northwest Territories (NWT). NTPC controls one wholly-owned subsidiary, the Northwest Territories Energy Corporation Ltd. (NWTEC). NWTEC, under the authority of the *Northwest Territories Power Corporation Act*, financed the Dogrib Power Corporation in 1996 for the construction of a 4.3 MW hydroelectric facility. NWTEC is also responsible for the joint operation and shared ownership (50%) in one residual heat project in Fort McPherson, Aadrii Ltd.

NT Hydro has another subsidiary, the Northwest Territories Energy Corporation (03) Ltd. (NT Energy). NT Energy is unregulated and involved in construction and development of energy related capital projects. NT Energy is also undertaking any work to develop prices and respond to requests for electricity pricing for potential mining operations.

b) Regulated activities

The activities of NTPC are regulated by the Public Utilities Board (PUB) of the Northwest Territories pursuant to the *Public Utilities Act*. The PUB regulates matters covering rates, financing, accounting for regulatory purposes, construction, operation and service area. The PUB reviews the affairs, earnings and accounts of NTPC every year by way of its annual report of finances. As the PUB is a board appointed by the GNWT, and NTPC is a public agency of the GNWT, NTPC and the PUB are related parties.

The PUB uses cost of service regulation to regulate NTPC's earnings on a return on equity basis. In Decision 6-2023 the PUB approved a return on equity of 8% which will remain into effect until it is reassessed in the next General Rate Application (GRA) filing. As actual operating conditions will vary from forecast, actual returns achieved may differ from approved returns.

NORTHWEST TERRITORIES HYDRO CORPORATION

Note 1. The Corporation (continued)

On March 15, 2019, NTPC filed a collection rider application with the PUB to reduce the balance of the regulated Territory-wide Rate Stabilization Fund as a result of high fuel costs as well as reduced access to lower cost generation through purchased power in Norman Wells and liquefied natural gas generation in Inuvik in the last two years. PUB Decision 4-2019 approved the rider effective May 1, 2019. The rider ranges between 0.69 cents/kWh to 0.99 cents/kWh for all firm power customers with the exception of Northland Utilities (NWT) Limited. NTPC filed with the PUB in February 2024 an application to increase the fuel rider charged to customers. PUB Decision 8-2024 approved a rider increase to 1.07 cents/kWh which came into effect May 1, 2024.

NTPC filed with the PUB an application for a rider for the low water event in the snare zone. This rider is required to help NTPC manage the operational costs associated with the low water event. The rider is for 0.23 cents/kWh and was approved by the PUB in Decision 8-2024. The rider came into effect May 1, 2024.

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

c) Economic dependence

NT Hydro has historically been dependent on the GNWT to maintain its operations and meet its liabilities. It is expected that the ongoing operations of NT Hydro will depend on continued financial support from the GNWT.

2. Significant accounting policies

These consolidated financial statements are prepared in accordance with Canadian public sector accounting standards (PSAS) as recommended by the Public Sector Accounting Board (PSAB). The accounting policies set out below have been applied in preparing the consolidated financial statements.

a) Basis of consolidation

The consolidated financial statement of NT Hydro consist of the transactions and balances of NT Hydro and its wholly-owned subsidiaries. Inter-entity transactions and balances with the wholly-owned subsidiaries are eliminated upon consolidation. NTPC's investment in its government business partnership (GBP), Aadrii Ltd., is accounted for under the modified equity method to record its investment, net income and other changes in equity. Inter-entity transactions and balances with the GBP are not eliminated.

The consolidated budget figures presented in these consolidated financial statements were approved by the Board of Directors and include adjustments to eliminate budgeted inter-entity revenues and expenses. The budget figures do not reflect any forecast changes made throughout the year.

Note 2. Significant accounting policies (continued)

b) Measurement uncertainty

To prepare these consolidated financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, expenses, and the disclosure of contingent liabilities. Significant estimates include the estimated useful life, impairment and the value of future economic benefits associated with the tangible capital assets, the provision for other employee future benefits and the provisions for asset retirement obligations and environmental liabilities.

Estimates are based on the best information available at the time of preparation of the consolidated financial statements and are reviewed annually to reflect new information as it becomes available.

Measurement uncertainty exists in these consolidated financial statements. Actual results could differ significantly from these estimates

c) Inventories

Inventories are only held for use and consist mainly of materials, supplies, lubricants, critical spare parts and fuel. Inventories are recorded at cost. Cost is determined using the weighted average cost method. Impairments, when recognized, result in write-downs to net realizable value.

d) Financial instruments

The financial instruments of NT Hydro are classified and measured at amortized cost using the effective interest method and include the following: cash, revenues receivable, government contributions receivable, operating line of credit, accounts payable and accrued liabilities, debenture debt, and capital lease obligation.

A provision for impairment of revenues receivable and government contributions receivable is established when there is objective evidence that NT Hydro will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy or financial reorganization, and default or delinquency in payment are considered indicators that revenues receivables are impaired. The carrying amount of the receivable is reduced through the use of an allowance account, and the amount of the loss is recognized in the consolidated statement of operations and accumulated surplus as bad debt expense. When a receivable is deemed uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognized in the consolidated statement of operations and accumulated surplus.

All financial assets are tested annually for impairment or more frequently if indicators of impairment exist. When these financial assets are impaired, impairment losses are recorded in the consolidated statement of operations and accumulated surplus. Such impairment is not reversed following a subsequent increase in value. Transaction costs, with respect to financial assets and liabilities carried at amortized cost, are added to the initial cost of the acquired financial asset or financial liability.

Note 2. Significant accounting policies (continued)

e) Tangible capital assets

Tangible capital assets represent property, plant and equipment and are recorded at historical cost less accumulated amortization and impairment losses. Costs include amounts that are directly related to the acquisition, design, construction, development, improvement and betterment of the assets. Costs include contracted services, materials and supplies, direct labour, attributable overhead costs, capitalized interest directly attributable to construction or development (IDC) and statutory, contractual or legal obligations associated with the retirement of tangible capital assets. Capitalization of interest ceases when no construction or development is taking place or when a tangible capital asset is ready for use.

The IDC rate for 2023-24 was 4.46% (2022-23 – 4.46%). Gains or losses on disposition are included in the consolidated statement of operations and accumulated surplus.

i) Leased tangible capital assets

Leases that transfer substantially all of the benefits and risks incidental to ownership of tangible capital assets are accounted for as leased tangible capital assets and a lease liability.

The value of the leased tangible capital asset and lease liability is recorded at the inception of the lease based upon the present value of the minimum lease payments, excluding executory costs.

ii) Contributions of tangible capital assets

Tangible capital assets received as contributions from third parties are recorded as assets and revenue at their fair value at the date of receipt, except in circumstances where fair value cannot reasonably be determined, in which case they are recognized at nominal value.

iii) Impairment

When conditions indicate that a tangible capital asset no longer contributes to NT Hydro’s ability to provide services, or that the value of the future economic benefits associated with the tangible capital asset is less than its net book value, the carrying value of the tangible capital asset is reduced to reflect that a permanent decline in the value of the asset has occurred. The related expense is recorded in the consolidated statement of operations and accumulated surplus and is not reversed if conditions subsequently change.

(in thousands of dollars)

NORTHWEST TERRITORIES HYDRO CORPORATION

Note 2. Significant accounting policies (continued)

iv) Amortization

Management has utilized amortization rates approved by the PUB in Decision 6-2023. The cost, less residual value, is amortized over an asset's useful life on a straight-line basis based on the average life of the group. Assets under construction are not amortized until they are ready for their intended productive use. NT Hydro uses amortization studies and other information to assess amortization rates and substantiate amortization rate changes. Amortization rate changes are accounted for on a prospective basis.

Annual amortization rates are as follows:

	2024 Rates (%)	2023 Rates (%)
Electric power plants	1.00 – 5.00	1.00 – 5.00
Transmission and distribution systems	1.54 – 6.67	1.54 – 6.67
Warehouse equipment, motor vehicles and general facilities	1.54 – 20.00	1.54 – 20.00
Electric power plant under capital lease	1.00 – 4.35	1.00 – 4.35

f) Government contributions

Government contributions are recognized as revenue when the contributions are authorized and any eligibility criteria are met, except to the extent that stipulations of a contribution give rise to an obligation that meets the definition of a liability, in which case the contribution is recorded as a deferred government contribution and subsequently recognized as revenue when the stipulations are met.

g) Contributions in aid of construction

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

h) Public service pension plan

All eligible employees participate in the Public Service Pension Plan (the Plan), administered by the Government of Canada. The Plan is a multi-employer contributory defined benefit plan established through legislation. NT Hydro's contributions to the Plan are charged as an expense on a current year basis and represent the total pension obligations. NT Hydro is not required under present legislation to make contributions with respect to actuarial deficiencies of the Plan.

NORTHWEST TERRITORIES HYDRO CORPORATION

Note 2. Significant accounting policies (continued)

i) Other employee future benefits

The expected cost of providing these benefits is actuarially determined using assumptions based on management's best estimates and is recognized as employees render service. The benefit plans are not funded and thus have no assets, resulting in plan deficits equal to the accrued benefit obligation.

i) Severance and ultimate removal benefits

Under the terms and conditions of employment, eligible employees may earn severance and removal benefits based on employee start dates, years of service, final salary and location of hire. The benefits are paid upon resignation, retirement, ultimate removal or death of an employee.

ii) Sick leave benefits

NT Hydro provides certain sick leave benefits that are available to be used in future periods when claimed by the employee upon becoming sick. The sick leave benefits accumulate but do not vest and are not paid out to employees upon resignation, retirement, ultimate removal or death of an employee.

j) Asset retirement obligations (ARO)

An asset retirement obligation liability is recognized at the financial reporting date, when all of the following criteria are met:

- NT Hydro has a legal obligation to incur retirement costs
- the past transaction or event giving rise to the liability has occurred
- NT Hydro expects that future economic benefits will be given up
- a reasonable estimate of the amount can be made.

The estimate of an asset retirement obligation incorporates a present value technique. When a liability for an ARO is initially recognized, a corresponding asset retirement cost is capitalized to the carrying amount of the related tangible capital asset. The liability is based on management's best estimate of retirement and/or abatement cost.

At each financial reporting date, the carrying amount of the liability is reviewed. NT Hydro recognizes period to period changes to the liability due to the passage of time as accretion expense. Changes to the liability arising from revisions to either the timing, the amount of the original estimate of undiscounted cash flows or the discount rate are recognized as an increase or decrease to the carrying amount of the related tangible capital asset. Once the related tangible capital asset is no longer in productive use, changes to the liability are recognized as an expense in the period they are incurred. NT Hydro continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made.

NORTHWEST TERRITORIES HYDRO CORPORATION

Note 2. Significant accounting policies (continued)

k) Environmental liabilities

A contaminated site is a site where physical, chemical, biological or radiological substances have been introduced in air, soil, water or sediment and have an adverse effect. A liability for remediation of contaminated sites is recognized when all of the following criteria are satisfied: an environmental standard exists, contamination exceeds the environmental standard, NT Hydro is directly responsible or accepts responsibility, it is expected that future economic benefits will be given up and a reasonable estimate of the amount can be made. The liability reflects NT Hydro's best estimate of the amount required to remediate the sites to the current minimum standard for its use prior to contamination.

Environmental liabilities consist of the estimated costs related to the monitoring, maintenance and remediation of environmentally contaminated sites. Environmental liabilities are discounted for the time value of money. NT Hydro reviews its estimates of environmental liabilities on an annual basis.

l) Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into Canadian dollars using exchange rates at year-end. Foreign currency transactions are translated into Canadian dollars using rates in effect at the time the transactions were entered into. All realized exchange gains and losses are included in surplus for the year according to the activities to which they relate.

m) Revenues

Revenues from transactions with performance obligations occur when there is an enforceable promise to transfer goods or services directly to a payor in return for promised consideration. These revenues are recognised when control of the benefits associated with the goods or services have transferred and there is no unfulfilled performance obligation.

Sales of power and fuel rider revenue consist of a single performance obligation, the customer's utilization of power. Performance obligations are satisfied as electricity is delivered because of the continuous transfer of control to the customer. These revenues are measured based on cyclical meter readings. Sale of power revenues and fuel rider revenues include accruals for electricity sale not yet billed.

Contract work revenue relates to construction contracts with customers. These revenues are recognized over time as performance obligations are fulfilled and are measured based on costs incurred.

Interest is recognized on an accrual basis.

n) Expenses

Expenses are recognized on an accrual basis.

NORTHWEST TERRITORIES HYDRO CORPORATION

Note 2. Significant accounting policies (continued)

o) Contractual obligations and contingent liabilities

The nature of NT Hydro's activities requires contracts that are significant in relation to its current financial position or that will materially affect the level of future expenses. Contractual obligations pertain to funding commitments for operating and capital projects. Contractual obligations are obligations of NT Hydro to others that will become liabilities in the future when the terms of those contracts or agreements are met.

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

p) Non-financial assets

Non-financial assets are not available to discharge existing liabilities and are held for use in provision of services. They have useful lives extending beyond the current year and are not intended for sale in the normal course of operations. The change in non-financial assets during the year, together with the excess revenues over expenses, provides the change in net debt during the year.

3. Adoption of PS 3400 Revenue

NT Hydro adopted PS 3400 *Revenue,* effective 1 April 2023, which establishes standards on how to account for and report on revenue. The Section sets out general guidance for how entities recognize, measure, present and disclose revenue arising from transactions that include performance obligations (exchange transactions) and transactions that do not have performance obligations (non-exchange transactions). There are two approaches to recognizing revenue with performance obligations: at a point in time or over a period of time. This determination is made based on when a performance obligation is satisfied.

PS 3400 has been applied prospectively in these consolidated financial statements and, as permitted by the transitional provisions, prior periods were not restated.

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

(in thousands of dollars)

4. Revenues receivable

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

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

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

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

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

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

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

(in thousands of dollars)

5. Operating line of credit

NT Hydro has a $75,000 (2022-23 - $75,000) operating line of credit with its bank. The operating line of credit allows NT Hydro to borrow using Bankers' Acceptances or other advances directly against the line of credit.

As at March 31, 2024, NT Hydro has borrowed $38,966 (2022-23 - $54,472) against the line of credit.

6. Accounts payable and accrued liabilities

The following is a summary of NT Hydro's accounts payable and accrued liabilities:

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

(in thousands of dollars)

NORTHWEST TERRITORIES HYDRO CORPORATION

7. Debenture debt

a) Owing to third parties

	2024	2023
3.982% amortizing debenture, due February 17, 2047 repayable semi-annually in blended payments of $1,722	$ 51,575	$ 52,926
5.16% amortizing debenture, due September 13, 2040 repayable semi-annually in blended payments of $1,684	37,117	38,516
5.443% debenture – interest payable semi-annually, principal is due August 1, 2028	25,000	25,000
5.995% debenture – interest payable semi-annually, principal is due December 15, 2034	25,000	25,000
3.818% debenture – interest payable semi-annually, principal is due November 25, 2052	25,000	25,000
5% debenture – interest payable semi-annually, principal is due July 11, 2025	15,000	15,000
6.42% amortizing debenture, due December 18, 2032 repayable semi-annually. The first payment is interest only, the second payment is interest plus $667 principal	6,000	6,667
4.344% debenture – interest payable semi-annually, principal is due April 14, 2053	75,000	-
	$ 259,692	$ 188,109
Less: unamortized premium, discount and issuance costs	(824)	(609)
	$ 258,868	$ 187,500

The GNWT guarantees all third party debenture debt.

b) Owing to the GNWT

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

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

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

(in thousands of dollars)

8. Asset retirement obligations

ARO include costs related to the disposal of generating plants on leased land, storage tank systems and the associated piping for petroleum products in all communities served by NTPC. ARO also includes estimated remediation costs to remove asbestos from NTPC's buildings.

Following is a summary of the key assumptions upon which the carrying amount of the ARO is based:

- Total expected future cash flows - $13,020 (2022-23 -- $13,241).
- Expected timing of payments of the cash flow – asset removal and/or site remediation is expected to occur between 1 and 38 years with the majority occurring after 2035.
- The discount rate is the year-end cost of borrowing of 4.34% (2022-23 – 3.96%) for those obligations to be settled in less than 10 years and 4.575% (2022-23 – 4.34%) for those obligations to be settled in 10 years or longer.
- Inflation was assumed to be 2% (2022-23 – 2%).

Following is a summary of the asset retirement obligations:

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

The valuation adjustments relate to changes in discount rates, timing of cash flows and estimated costs to retire assets or remediate asbestos. The valuation adjustments are reflected as changes to the carrying value of the tangible capital assets.

(in thousands of dollars)

NORTHWEST TERRITORIES HYDRO CORPORATION

9. Environmental liabilities

Environmental protection legislation (Environmental Guideline for Contaminated Site Remediation, Northwest Territories Department of Environment and Natural Resources, 2003) establishes maximum standards for concentrations of petroleum hydrocarbons and other substances in soil to protect environmental quality and human health from the long-term effect of exposure to them. Legislation requires a responsible party to perform remediation activities if the concentrations exceed standard levels. NTPC estimates that it has 22 geographic locations (2022-23 - 23 locations) with multiple sites at each location which have contaminated soil that exceed the accepted maximum standard in the Northwest Territories. NTPC is responsible for remediation of the contaminated site upon sale of the land or termination of the lease.

Management estimates that over 75% of the contamination occurred prior to May 5, 1988 when the Government of Canada controlled Northern Canada Power Commission (NTPC's predecessor company). There is no provision recorded in these consolidated financial statements for a potential recovery from the Government of Canada.

Following is a summary of the key assumptions upon which the carrying amount of the environmental liabilities is based:

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

Following is a summary of the estimated environmental liabilities:

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

The valuation adjustment relates to changes in the timing of or amount of expected future cash flows and changes to the discount rate applied. The valuation adjustment is recognized in supplies and services expense (Note 17).

(in thousands of dollars)

10. Capital lease obligation

In 1996, NTPC entered into a 65-year lease from the Dogrib Power Corporation for the Snare Cascades at a variable interest rate based on the weighted average return of equity and cost of debt. The lease matures August 2061. The interest rate on the lease as of March 31, 2024 was 7.75% (2022-23 – 7.75%). This rate is recalculated periodically in accordance with PUB orders as established through the GRA process (Note 1(b)). The lease can be renewed at NTPC's option subject to the same covenants, obligations and agreements except for the monthly rental price which shall be determined by mutual agreement or arbitration. The renewal term will be based on the useful life of the property at the end of the term or the expiry of the Ground Lease, whichever comes first. To reflect the effective acquisition and financing nature of the lease, the Snare Cascades is included in electric power plant under capital lease (Note 12).

Present value of minimum lease payments

The undiscounted contractual obligations, the effects of discounting and the present values of the minimum lease payments required for the capital lease obligation over the next five years and thereafter are as follows:

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

Additional disclosures on NTPC's exposure and management of risk associated with the capital lease obligation can be found in Note 22.

11. Other employee future benefits

a) Public Service Pension Plan

The employees of NTPC participate in the Plan. The Plan provides benefits based on the number of years of pensionable service to a maximum of 35 years. Benefits are determined by a formula set out in the legislation; they are not based on the financial status of the Plan. The basic benefit formula is 2% per year of pensionable service multiplied by the average of the five consecutive years of highest paid service. The employer contribution rate effective at the end of the year was 1.02 times (2022-23 – 1.02) the employees' contributions for employees who started prior to January 2013 and 1.00 times (2022-23 – 1.00) the employees' contributions for all other employees. The employer contribution rate at the end of the year for the portion of the employee's salary above $202 (2022-23 - $196) was 4.63 times (2022-23 – 5.29) the employee's contributions. Employer contributions of $1,910 (2022-23 - $2,577) were recognized as an expense in the current year. The employees' contribution to this plan was $1,749 (2022-23 - $2,348).

The Plan was amended during 2013 which raised the normal retirement age and other age related thresholds from age 60 to age 65 for new members joining the Plan on or after January 1, 2013. For existing members, the normal retirement age remains age 60.

(in thousands of dollars)

NORTHWEST TERRITORIES HYDRO CORPORATION

Note 11. Other employee future benefits (continued)

b) Other employee future benefits

Summary of other employee future benefit liabilities:

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

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.

(in thousands of dollars)

Note 11. Other employee future benefits (continued)

Total expenses related to the severance, removal and sick leave benefits include the following components:

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

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

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

(in thousands of dollars)

12. Tangible capital assets

March 31, 2024

	Electric power plants	Transmission and Dist. systems	Warehouse equipment, motor vehicles, and general facilities	Electric power plant under capital lease	Construction work in progress	Total
Cost						
Opening balance	$ 428,616	$ 112,720	$ 90,969	$ 28,733	$ 137,663	$ 798,701
Additions	11	-	-	-	69,934	69,945
Transfers – completed projects	28,887	9,615	75,951	-	(114,453)	-
Disposals and adjustments	(1,763)	(79)	(737)	(46)	-	(2,625)
Closing balance	455,751	122,256	166,183	28,687	93,144	866,021
Accumulated amortization						
Opening balance	(169,149)	(45,183)	(48,645)	(11,082)	-	(274,059)
Amortization	(11,559)	(2,811)	(4,522)	(481)	-	(19,373)
Disposals and adjustments	1,165	68	631	16	-	1,880
Closing balance	(179,543)	(47,926)	(52,536)	(11,547)	-	(291,552)
Net book value	**$ 276,208**	**$ 74,330**	**$ 113,647**	**$ 17,140**	**$ 93,144**	**$ 574,469**

March 31, 2023

	Electric power plants	Transmission and Dist. systems	Warehouse equipment, motor vehicles, and general facilities	Electric power plant under capital lease	Construction work in progress	Total
Cost						
Opening balance	$ 402,630	$ 108,650	$ 79,353	$ 28,733	$ 95,430	$ 714,796
Additions	-	-	-	-	86,626	86,626
Transfers – completed projects	26,854	4,355	13,184	-	(44,393)	-
Disposals and adjustments	(868)	(285)	(1,568)	-	-	(2,721)
Closing balance	428,616	112,720	90,969	28,733	137,663	798,701
Accumulated amortization						
Opening balance	(158,589)	(42,774)	(46,636)	(10,601)	-	(258,600)
Amortization	(10,668)	(2,653)	(3,407)	(481)	-	(17,209)
Disposals and adjustments	108	244	1,398	-	-	1,750
Closing balance	(169,149)	(45,183)	(48,645)	(11,082)	-	(274,059)
Net book value	**$ 259,467**	**$ 67,537**	**$ 42,324**	**$ 17,651**	**$ 137,663**	**$ 524,642**

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

(in thousands of dollars)

NORTHWEST TERRITORIES HYDRO CORPORATION

13. Inventories

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

Inventories are used to make repairs, complete overhauls or generate electricity. Production fuel inventory is held in five of NTPC's operating plants. See also Note 21.

14. Accumulated surplus/equity

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

The authorized share capital of NT Hydro is comprised of one common share without par value and one preferred, non-cumulative share without par value. As at March 31, 2024, 1 common share (2022-23 – 1 common share), at $43,129 per share (2022-23 – $43,129 per share), has been issued and fully paid, and one preferred share at one dollar. NT Hydro may only issue its shares to the GNWT.

15. Sale of power

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

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.

(in thousands of dollars)

Note 15. Sale of power (continued)

NTPC administers these support programs on behalf of the GNWT and invoices the GNWT monthly for the payments. The support payments are subject to the same terms as other utility customers as per NTPC's Terms and Conditions of Service.

16. Other revenue

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

17. Expenses

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

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

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

(in thousands of dollars)

18. Interest expense and interest income

Interest expense

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

Interest income

	2024	2023
Income from overdue accounts and bank balances	$ 79	$ 92
	$ 79	$ 92

19. Other government contributions

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

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

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

(in thousands of dollars)

20. Related party transactions and balances

NT Hydro is a Territorial public agency and consequently is related to the GNWT and its agencies and corporations. NT Hydro, through NTPC, provides utility services to, and purchases fuel and other services from, these related parties. These transactions are in the normal course of operations and are at the same rates and terms as those with similar unrelated customers and suppliers.

Transactions with related parties and balances at year-end not disclosed elsewhere in these consolidated financial statements are as follows:

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

(in thousands of dollars)

NORTHWEST TERRITORIES HYDRO CORPORATION

21. Contractual obligations and contingent liabilities

a) Contractual obligations

NT Hydro is contractually committed for the following expenses with non-related parties that will be incurred subsequent to March 31, 2024.

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

Capital projects

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

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

Fuel management services agreement

NTPC has a fuel management services agreement with FSD. Under this agreement, FSD provides fuel inventory and maintenance of fuel tank farms of 20 communities served by NTPC. The price of fuel under this agreement changes with the change in market price, the cost of freight, the GNWT fuel tax rate and the amount of fuel purchased by NTPC from FSD in a given year. There is an annual minimum purchase requirement of 13,000 liters averaged over a 2 year period. The contract expires March 31, 2029.

b) Contingent liabilities

A contractor of NT Hydro has filed a lawsuit seeking recovery of $4,964 for payment under a capital contract. NT Hydro is in the process of filing a statement of defense and counterclaim to offset the amount claimed and losses in excess of the amounts claimed. NT Hydro is also seeking indemnity under a performance bond issued for the project. An assessment of the likelihood of success of the claim, counterclaim or indemnity cannot be made as of March 31, 2024.

Asset retirement obligations

NTPC has not recognized a provision for the closure and restoration obligations for certain generation, transmission and distribution assets which NTPC anticipates maintaining and operating for an indefinite period, making the date of retirement of these assets indeterminate. These significant uncertainties around the timing of any potential future cash outflows are such that a reliable estimate of the liability is not possible at this time. A provision will be recognized when the timing of the retirement of these assets can be reasonably estimated.

(in thousands of dollars)

22. Financial instruments and risk management

NT Hydro's financial instruments include cash, revenues receivable, government contributions receivable/payable, operating line of credit, accounts payable and accrued liabilities, debenture debts, and capital lease obligation.

NT Hydro is exposed to the following risks from its use of financial instruments: credit risk, liquidity risk, and interest rate risk. NT Hydro manages these risk exposures on an ongoing basis.

a) Credit risk

Credit risk is the risk that a third party will cause a financial loss for NT Hydro by failing to discharge its obligation. The following table sets out NT Hydro's maximum exposure to credit risk under a worst case scenario and does not reflect results expected.

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

Revenues receivable

NT Hydro minimizes revenues receivable credit risk by taking cash deposits from customers. The size of the deposit varies depending on the risk exposure. Established customers or those with good credit are waived from having to provide a deposit. Thirty-five percent (2022-23 - 37%) of NTPC's sales of power are to two other utilities. Twenty-seven percent (2022-23 - 25%) of sales of power, including HSP and TPSP are to the GNWT.

Government contributions receivable

The GNWT accounts for 100% of the government contributions receivable.

Cash

NT Hydro minimizes the credit risk of cash by dealing with only reputable financial institutions and investing in securities that meet minimum credit ratings as stipulated by its investment policy and limiting exposure to any one security or asset class. An ongoing review is performed to evaluate changes in the status of counterparties.

(in thousands of dollars)

NORTHWEST TERRITORIES HYDRO CORPORATION

Note 22. Financial instruments and risk management (continued)

b) Liquidity risk

Liquidity risk is the risk that NT Hydro will encounter difficulty in meeting its obligations associated with its financial liabilities. Debt liquidity risk is managed by the use of amortization provisions. NT Hydro arranges its financing in such a manner that the total amount of debt maturing in any given year does not exceed its ability to borrow in any given year. This practice gives NT Hydro the maximum flexibility over the use of its cash flow such that both its existing capital expenditure program and its ability to consider any future investment opportunities will not be constrained.

Liquidity risk is also managed by continuously monitoring actual and forecast cash flows, having the opportunity to borrow on a short-term basis from its shareholder and by maintaining a $75,000 operating line of credit with a reputable financial institution. The following table shows the maturities of the debenture debt, operating line of credit, and capital lease obligation:

	March 31, 2024				
	1 year or less	Greater than 1 year and not later than 6 years	Greater than 6 years and not later than 20 years	Greater than 20 years	Total
Debenture debt	$ 17,522	$ 121,530	$ 203,084	$ 161,384	$ 503,520
Operating line of credit	38,966	-	-	-	38,966
Capital lease obligation	1,624	7,651	17,245	12,834	39,354
	$ 58,112	$ 129,181	$ 220,329	$ 174,218	$ 581,840

c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rate. Changes in market interest rates will cause fluctuations in fair value of the debenture debt as these have fixed interest rates. Changes in market interest rates will cause fluctuations in cash flows of the capital lease obligation and operating line of credit as these have variable interest rates.

NORTHWEST TERRITORIES HYDRO CORPORATION

23. Subsequent events

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

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

b) Hay River Franchise

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

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

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

NORTHWEST TERRITORIES
SURFACE RIGHTS BOARD

Audited Financial Statement

March 31, 2024

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

Independent Auditor's Report

Board of Directors, Northwest Territories Surface Rights Board

Opinion

We have audited the accompanying financial statements of the Northwest Territories Surface Rights Board, which comprise the statement of financial position as at March 31, 2024, statement of operations, statement of changes in net financial debts, statements of accumulated surplus and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Northwest Territories Surface Rights Board as at March 31, 2024, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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

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

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

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

Those charged with governance are responsible for overseeing the Northwest Territories Surface Rights Board's financial reporting process.

(867) 669-0242 info@epryellowknife.com www.epryellowknife.ca
(867) 669-7242 4910-50th Street, PO Box 20072, Yellowknife, NT X1A 3X8

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Northwest Territories Surface Rights Board's internal control.

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

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

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

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

EPR Yellowknife Accounting Prof. Corp.

EPR Yellowknife Accounting Professional Corporation
Chartered Professional Accountants
Yellowknife, Northwest Territories
June 12, 2024

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying financial statements of the Northwest Territories Surface Rights Board are the responsibility of management and have been approved by the Board.

The financial statements have been prepared by management in accordance with Public Sector Accounting Standards (PSAS) as recommended by the board of the Canadian Institute of Chartered Professional Accountants and as such include amounts that are the best estimates and judgments of management.

Management is responsible for the integrity and objectivity of these statements and for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

The Board is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and is ultimately responsible for reviewing and approving the financial statements.

The Board meets periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy itself that each party is properly discharging their responsibilities, and to review the financial statements and the external auditor's report.

The external auditors, EPR Yellowknife Accounting Professional Corporation, conduct an independent examination, in accordance with Canadian auditing standards, and express their opinion on the financial statements. The external auditors have full and free access to financial management of The Northwest Territories Surface Rights Board and meet when required.

On behalf of the Northwest Territories Surface Rights Board

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

NORTHWEST TERRITORIES SURFACE RIGHTS BOARD **Statement I**

Statement of Financial Position

As At March 31, 2024

		2024		2023
Financial Assets				
Cash & cash equivalents *(Note 4)*	$	305,917	$	193,659
Accounts receivable *(Note 5)*		-		1,173
Total Financial Assets		**305,917**		**194,832**
Liabilities				
Accounts Payable *(Note 6)*		28,433		28,770
Deferred Revenue *(Note 7)*		277,484		166,062
Total Liabilities		**305,917**		**194,832**
Net Financial Debts		**-**		**-**
Non Financial Assets				
Prepaid Expenses		-		-
		-		-
Accumulated Surplus	**$**	**-**	**$**	**-**

Approved on behalf of Board

____________________ Director

____________________ Director

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

NORTHWEST TERRITORIES SURFACE RIGHTS BOARD **Statement II**
Statement of Operations
For the Year Ended March 31, 2024

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

NORTHWEST TERRITORIES SURFACE RIGHTS BOARD **Statement III**

Statement of Changes in Net Financial Debts

For The Year Ended March 31, 2024

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

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

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

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

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

1. Nature of Organization

The Northwest Territories Surface Right Board (the “Board”) is an institution of public government established pursuant to the Surface Right Board (SRB) Act of the NWT. The purpose of the Board is to fairly resolve matters in dispute regarding access to lands in the NWT and waters overlying those lands in the Mackenzie Valley and the compensation to be paid for that access. These lands include Gwich'in Land Claim Settlement lands, Sahtu land claim settlement lands, Tlicho land claim settlements lands, as well as private, commissioner's and crown lands. It also includes Inuvialuit land claim settlement lands.

The Board is exempt from income taxes under Section 149 of the Income Tax Act.

2. Significant Accounting Policies

These financial statements have been prepared in accordance with Public Sector Accounting Standards (PSAS).

2a) Use of Estimates

The preparation of financial statements necessarily involves the use of estimates, which have been made using careful judgment. Actual results could differ from these estimates and any differences will be reflected in the financial statements in the period in which they are known. The financial statements have, in the opinion of management, been properly prepared within the reasonable limits of materiality and the framework of the significant accounting policies summarized below.

2b) Tangible Capital Assets

Tangible capital assets are recorded at cost less accumulated amortization. Contributed capital assets are recorded at fair value at the date of contributions. The minimum threshold for capitalization of assets is $50,000. Amortization is calculated and recorded on a monthly basis, on a straight line basis in accordance with the asset categories. When a tangible capital asset belongs to a category that offers a range of useful lives, the board shall determine the useful life in a rational and systematic manner, appropriate to the nature and use of the tangible capital assets.

When a tangible capital asset no longer contributes to the Board’s ability to provide goods and services, or the value of future economic benefits or service potential associated with the tangible capital asset is less than its net carrying amount, the net carrying amount of the tangible capital asset is written down to the asset’s fair value or replacement cost.

2c) Revenue Recognition

Government Contracts and Contribution Agreements:

The Board follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

2. Significant Accounting Policies (Cont'd..)

2d) Financial Instruments

All significant financial assets, financial liabilities and equity instruments of the organization are either recognized or disclosed in the Financial Statements together with available information for a reasonable assessment of future cash flows, interest rate risk and credit risk. Where practicable, the fair values of financial assets and financial liabilities have been determined and disclosed; otherwise only available information pertinent to fair value has been disclosed.

i) Interest Rate Risk

The Board is exposed to Interest rate risk on its fixed and floating rate financial instruments. Fixed interest financial instruments subject the Board to a fair value risk while the floating rate instruments subject it to cash flow risk. The Board is not subject to significant interest rate risk as it does not have any long term debt or interest bearing liabilities.

ii) Liquidity Risk

Liquidity risk is the risk that the Board will not be able to meet its financial obligations as they become due. The Board manages liquidity risk by reviewing forecasted cash flows from operating activities, forecasted financing activities and forecasted investing activities including budgeted capital expenditures and related financing.

iii) Fair Values

The methods and assumptions followed to disclose fair value are inherently matters of judgment. Accordingly, fair values do not necessarily reflect the amounts that would be recovered or paid under the circumstances that immediate settlement of the financial instruments were required. The use of different methods of estimating and different assumptions could have a material effect on the estimated fair value amounts.Due to the short-term nature of accounts receivable, accounts payable and accrued liabilities the carrying amounts approximate fair value.

2e) Risk Management

The Board reviews financial risks and sets appropriate limits and controls when necessary.

3. Future Accounting Changes

The conceptual Framework for Financial Reporting in the Public Sector: On December 1, 2022, PSAB issued the Conceptual Framework to the PSA handbook. It replaces financial statement concepts, section PS 1000, and financial statement objectives, section PS 1100, which will be withdrawn. The conceptual framework applies to fiscal years beginning on or after April 1, 2026. Earlier adoption is permitted. This conceptual framework is to be applied prespectively.

PS 1202- Financial Statement Presentation: This new section set out general and specific requirements for the presentations for the presentation of information in general purpose financial statements. The financial statement presentation principals are based on the concepts in the conceptual framework and particularly respond to the financial statement objectives set out in chapter 6 of the conceptual framework. This section applies for fiscal years beginning on or after April 1, 2026. Earlier adoption is permitted only if the conceptual framework is also adopted at the same time.

4. Cash & Cash Equivalents

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

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

5. Accounts Receivable

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

6. Accounts Payable

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

7. Deferred Revenue

Pursuant to Contribution Agreement Paragraph 7.3, any unspent amount of the Contribution, or amount repayable in accordance with the Agreement, shall be recorded as a liability in the accounts and records of the Board until the amounts have been spent in accordance with the Agreement or repaid to the GNWT, as applicable. The deferred revenue amount of $277,484 is repayable to GNWT.

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

8. Economic Dependence

Revenues

The Board derives a material amount of its revenues from contribution agreements with the Government of the Northwest Territories. Interruption of this funding would materially affect the operations of the Board.

Supplies and Expenditures

The Board may purchase all of the resources necessary for its operations at fair market values from available vendors deemed to provide best value to the Board.

8. Economic Dependence (Cont'd..)

The Board does not engage in the employment services of skilled individuals who could not be replaced in the labour market.

9. Contingent Liabilities

The Board has determined that there have been no events that confirm that an asset has been impaired or liability incurred as at the financial statement date. The continued operations of the Board is dependent upon the Board securing financing by maintaining a volume of contribution funding. The Board has entered into a long term funding agreement with the Government of the Northwest Territories ending on March 31, 2026.

10. Wages payable to the Executive Director:

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

11. Commitments

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

2025	$28,591
2026	$28,591

	$57,182

Prosper NWT

Consolidated Financial Statements

For the year ended

March 31, 2024

Management's Responsibility for Financial Reporting

The accompanying consolidated financial statements of the Prosper NWT (the Corporation) are the responsibility of the Corporation's management and have been reviewed and approved by its board of directors.

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

In discharging its responsibility for the integrity, fairness and quality of the consolidated financial statements, management is responsible for maintaining financial and management control systems and practices designed to provide reasonable assurance that transactions are properly authorized and recorded, assets are safeguarded, proper records are maintained, and the Corporation complies with applicable laws and conflict of interest rules. These controls and practices help to ensure the orderly conduct of business, the accuracy of the accounting records, the timely preparation of financial information, and adherence to the Corporation's policies and statutory requirements.

The board of directors is responsible for ensuring that management fulfils its responsibilities for financial reporting and internal control. It exercises this responsibility through the Audit Committee, which is comprised of members who are not employees of the Corporation. The Audit Committee meets with management on a regular basis. The external auditors also have full and free access to the Audit Committee.

The Corporation's independent external auditor, the Auditor General of Canada, is responsible for auditing the transactions and consolidated financial statements of the Corporation and for issuing her report thereon.

Joyce Taylor, CPA, CA
Chief Executive Officer

Edwin Shu, CPA, CGA
Director, Finance and Programs

August 26, 2024

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

INDEPENDENT AUDITOR'S REPORT

To the Minister responsible for Prosper NWT

Opinion

We have audited the consolidated financial statements of Prosper NWT and its controlled entities (the Group), which comprise the consolidated statement of financial position as at 31 March 2024, and the consolidated statement of operations and accumulated surplus, consolidated statement of change in net financial assets and consolidated statement of cash flow for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 March 2024, and the consolidated results of its operations, consolidated changes in its net financial assets, and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

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

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

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

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

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

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

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

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

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

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

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

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

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

Dusan Duvnjak, CPA, CMA
Principal
for the Auditor General of Canada

Ottawa, Canada
26 August 2024

Prosper NWT

Consolidated Statement of Financial Position (000's)

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

Contractual Obligations and Contingencies (Notes 13 and 14)

Approved by:

Kenny Ruptash
Chairperson of the Board of Directors

Joyce Taylor, CPA, CA
Chief Executive Officer

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

Prosper NWT

Consolidated Statement of Change in Net Financial Assets (000's)

For the year ended March 31	Budget 2024	Actual 2024	Actual 2023
	$	$	$
Annual surplus (deficit)	(60)	799	90
Amortization of tangible capital assets	24	11	27
Acquisition of prepaid expenses	-	(15)	(5)
Use of prepaid expenses	-	5	2
	-	(10)	(3)
Increase (decrease) in net financial assets	(36)	800	114
Net financial assets, beginning of year	**35,044**	**35,044**	**34,930**
Net financial assets, end of year	**35,008**	**35,844**	**35,044**

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

Consolidated Statement of Operations and Accumulated Surplus (000's)

For the year ended March 31	Budget 2024	Actual 2024	Actual 2023
	$	$	$
Revenues			
Interest on loans receivable	2,633	2,543	2,104
Sales and other income	635	581	801
Interest on pooled cash (Note 3)	218	937	582
	3,486	4,061	3,487
Government transfers (Note 11)	3,128	3,014	3,106
	6,614	7,075	6,593
Expenses (Note 12)			
Lending and investments	5,516	4,977	4,984
Retail and manufacturing	1,158	1,299	1,519
	6,674	6,276	6,503
Annual surplus (deficit)	**(60)**	**799**	**90**
Accumulated surplus, beginning of year	**35,194**	**35,194**	**35,104**
Accumulated surplus, end of year	**35,134**	**35,993**	**35,194**

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

Prosper NWT

Consolidated Statement of Cash Flow (000's)

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

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

1. The Corporation

(a) Authority

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

The Corporation is a territorial corporation of the Government of the Northwest Territories (Government of the NWT) named in Schedule B of the *Financial Administration Act* (the FAA). Accordingly, the Corporation operates in accordance with Part 3 of the FAA, the Act and its regulations, and any directives issued to it by the Minister responsible for the Corporation (the Minister) under Section 4 of the Act.

(b) Mandate

The mandate of the Corporation is to support the economic objectives of the Government of the Northwest Territories (Government of the NWT) by encouraging the creation and development of business enterprises in the Northwest Territories and by providing information and financial assistance to, and making investments in, such enterprises.

(c) Government of the NWT transfers and advances

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

The Corporation and its organizations are economically dependent upon the transfers received from the Government of the NWT for their ongoing operations (Note 17).

Section 26 of the Act also authorizes the Government of the NWT to advance to the Corporation an amount out of the Consolidated Revenue Fund not exceeding $150 million for the purposes of providing financial assistance to, or making investments in, business enterprises. These advances are repayable to the Government of the NWT on demand.

(d) Taxes

The Corporation and its organizations are exempt from the payment of municipal and territorial taxes pursuant to Section 35 of the Act and federal income tax pursuant to Section 149(1)(d) of the *Income Tax Act* of Canada.

(e) Budget

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

Notes to the Consolidated Financial Statements (000's)

2. Summary of significant accounting policies

These consolidated financial statements are prepared in accordance with Canadian public sector accounting standards (PSAS) as issued by the Public Sector Accounting Board (the PSAB).

The significant accounting policies followed by the Corporation in the preparation of these consolidated financial statements are summarized below:

(a) Measurement uncertainty

The preparation of the consolidated financial statements, in accordance with PSAS, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and contingent liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. By their nature, these estimates are subject to measurement uncertainty. The effect on the consolidated financial statements of changes to such estimates and assumptions in future periods could be significant, although at the time of preparation of these consolidated financial statements, management believes the estimates and assumptions to be reasonable.

The more significant estimates relate to the determination of the valuation of loans receivable, impaired loans, venture investments, amortization, and the allowance for credit losses, the provision for termination and removal benefits, services received without charge and asset retirement obligations. A variation in the quality of the loan portfolio or economic conditions under which these estimates are made could result in significant changes in these management estimates.

(b) Principles of consolidation

The consolidated financial statements include the assets, liabilities, revenues, and expenses of the reporting entity, which includes the Corporation and the organizations it controls. All inter-entity transactions and balances have been eliminated upon consolidation. These consolidated financial statements include the accounts of the following organizations:

Organization	Location	Percentage Ownership	Incorporation Date
Light manufacturing			
913044 N.W.T. Ltd. (o/a Fort McPherson Tent & Canvas)	Fort McPherson, NT	100%	September 25, 1991
Aklavik & Tuktoyaktuk Furs Ltd.	Tuktoyaktuk, NT	100%	June 30, 1997
Dene Fur Clouds Ltd.	Fort Providence, NT	100%	December 18, 1997
Fine arts and crafts			
Acho Dene Native Crafts Ltd.	Fort Liard, NT	100%	October 15, 1992
5983 N.W.T. Ltd. (o/a Ulukhaktok Arts Centre)	Ulukhaktok, NT	100%	February 12, 2008
Wholesale/retail stores			
Arctic Canada Trading Co. Ltd.	Yellowknife, NT	100%	June 28, 1997
Muskox Harvesting			
6355 N.W.T. Ltd.	Sachs Harbour, NT	100%	May 12, 2011

2. Summary of significant accounting policies (continued)

(c) Cash

Cash is comprised of bank account balances (net of outstanding cheques). Surplus cash is pooled with the Government of the NWT's surplus cash that is invested in a diversified portfolio of high grade, short-term income producing assets which can be withdrawn at any time and are not restricted by maturity dates on investments made by the Government of the NWT. Cash also includes funds and reserves subject to restrictions as described in Note 3.

(d) Accounts receivable

Accounts receivable are recorded at cost. A valuation allowance is recorded when the collection of a receivable is considered doubtful.

(e) Inventories held for resale

Inventories held for resale consist of finished goods, work-in-process and raw material and are carried at the lower of cost and net realizable value (NRV), with cost being determined on a first in, first out basis. In estimating NRV, an allowance for obsolescence is considered to address potential decreases in value due to factors such as inventory age, changing market conditions, and deterioration. The inventory allowances are reviewed annually for each subsidiary to ensure that reported net inventory values represent the expected net realizable value based on age and other factors.

(f) Loans receivable

Loans receivable are initially recognized at cost. Valuation allowances are used to adjust the carrying amount of loans receivable to the lower of cost and net recoverable value. Concessionary loans are recorded at net present value at issue, and the related present value discounts are expensed. Loans are classified as impaired when, in management's opinion, there is no longer reasonable assurance of the timely collection of the full amount of principal and interest.

Loans are considered in default when payments are three months past due (unless the loan was fully secured), or six months past due (regardless of whether the loan was fully secured).

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

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

2. Summary of significant accounting policies (continued)

(f) Loans receivable (continued)

Interest income is recognized on an accrual basis using the effective interest rate method until such time as the loan is classified as impaired. All payments received (i.e., recoveries) subsequent to a loan, or loan with concessionary terms, being classified as impaired are offset against the allowance for credit losses. The loan reverts to performing status when all provisions for credit losses are reversed and, in management's opinion, the ultimate collection of principal and interest is reasonably assured. At that time, previously non-accrued interest income is recognized as interest income.

In accordance with the FAA, the Corporation's board of directors may approve the write-off of debts owing to the Corporation. An account that has been written off is still subject to collection action. Once an account has been forgiven, no further collection action is possible.

(g) Allowance for credit losses

The allowance for credit losses represents management's best estimate of the probable credit losses existing in the loan portfolio. In determining the allowance for credit losses, management segregates probable credit losses into two components: specific and general.

The specific allowance is established on an individual loan basis to recognize credit losses. When a loan is considered impaired, the carrying amount of the loan is reduced to its estimated net recoverable value by discounting the expected future cash flows at the effective interest rate inherent in the loan. If the expected future cash flows cannot be reasonably determined, the fair value of the underlying security of the loan is used to determine net recoverable value.

The general allowance is established using management's best judgement to reflect the probable losses on performing loans which cannot yet be specifically identified as impaired. The general allowance is based on the Corporation's historical loan loss experience, aggregate exposure to particular industries or geographical regions and prevailing economic conditions.

The allowance for credit losses is an accounting estimate based on historical loan loss experience and an assessment of current economic conditions. Events may occur that render the underlying assumptions invalid and thus cause actual credit losses to vary significantly from management's best estimate.

The allowance is increased or decreased by changes in the estimated net recoverable values during the current period and is reduced by recoveries and loan write-offs.

2. Summary of significant accounting policies (continued)

(h) Venture investments

Venture investments are recognized at cost less any write-downs to reflect impairment in value.

Gains and losses on disposal are recognized in income when realized. Where there has been a significant and other than temporary decline in value, the investment is written down to recognize the loss. Dividends from venture investments are included in revenue when received. When they are received, they are deposited to the Venture Investment Fund to be used for additional investments in venture activities.

There is no active quoted market.

(i) Accounts payable and accrued liabilities

Accounts payable and accrued liabilities include trade payables and liabilities, accrued payroll and benefits and vacation pay payable. These liabilities are valued at cost.

(j) Asset retirement obligations

The fair value of an asset retirement obligation is recognized in the period in which the obligation is incurred and is discounted from the expected date of settlement back to its present value using the Corporation's credit-adjusted risk-free rate. The fair value of the estimated obligation is recognized as a liability, with a corresponding increase in the carrying amount of the related asset.

The costs capitalized to the related assets are amortized to earnings in a manner consistent with the amortization of the underlying asset. The liability amount is increased in each reporting period due to the passage of time and the amount of accretion is charged to earnings in the period. Revisions to the estimated timing of cash flows or to the original estimated undiscounted costs could also result in an increase or decrease to the obligation. Actual costs incurred upon settlement of a retirement obligation are charged against the obligation to the extent of the liability recognized.

(k) Revenue

i) **Government transfers:** Government transfers are recognized as revenue when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfer revenue is recognized in the Consolidated Statement of Operations and Accumulated Surplus as the stipulation liabilities are settled.

   The Government of the NWT provides certain services without charge to the Corporation. The estimated cost of these services is recognized as services received without charge, which is included in government transfers, and is included in the Corporation's expenses.

ii) **Sales and other income:** Revenue from sales is for the sale of goods and recognized when the title passes to the customers, which generally coincides with the delivery and acceptance of goods.

   Revenue for sales as noted above are exchange transactions that are separate performance obligations that are satisfied at a point in time. Revenue is recorded when performance obligations are met, amounts can be reasonably estimated, and collection is reasonably assured.

2. Summary of significant accounting policies (continued)

(l) Post-employment benefits

i) **Pension benefits:** Substantially all of the employees of the Corporation are covered by the public service pension plan (the Plan), a contributory defined benefit plan established through legislation and sponsored by the Government of Canada. Contributions are required by both the employees and the Corporation to cover current service cost. Pursuant to legislation currently in place, the Corporation has no legal or constructive obligation to pay further contributions with respect to any past service or funding deficiencies of the Plan. Consequently, contributions are recognized as an expense in the year when employees have rendered service and represent the total pension obligation of the Corporation.

ii) **Termination and removal benefits:** Employees are entitled to termination benefits and reimbursement of removal costs, as provided for under labour contracts and conditions of employment, based upon years of service. The benefits are paid upon resignation, retirement, or death of an employee. The cost of these benefits is accrued as employees render the services necessary to earn them. Termination benefits are also recognized when employees are identified for lay-off. The cost of the benefits has been determined based on an actuary assessment.

(m) Tangible capital assets

Tangible capital assets are carried at cost less accumulated amortization and write-downs. Amortization is recognized on a straight-line basis over the estimated useful lives of the assets as follows:

Land	Not amortized
Buildings	20 years
Vehicle and equipment	4 years
Leasehold improvements	4 years
Computer equipment	4 years

Tangible capital assets are written down when conditions indicate that they no longer contribute to the Corporation's ability to provide goods and services, or when the value of future economic benefits associated with the tangible capital assets are less than their net book value. The net write-downs are accounted for as expenses in the Consolidated Statement of Operations and Accumulated Surplus.

(n) Financial instruments

The Corporation's financial instruments consists of cash, accounts receivable, loans receivable, venture investments, accounts payable and accrued liabilities, and the advances from the Government of the NWT. These financial instruments are measured at cost.

(o) Non-financial assets

Non-financial assets are not available to discharge existing liabilities and are held for use in provision of services. They have useful lives extending beyond the current year and are not intended for sale in the normal course of operations. The change in non-financial assets during the year, together with the excess revenues over expenses, provides the change net financial assets during the year.

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

(p) **Segment disclosure**

The Corporation presents segment information for lending and investment and retail and manufacturing activities. Lending and investment represent the activities of the Corporation and retail and manufacturing represents the activities of the organizations the Corporation controls. Interest on loans receivable and interest on pooled cash are generated from lending and investment activities. Sales and other income are generated from retail and manufacturing activities.

(q) **Adoption of new accounting standards**

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

3. **Cash**

Cash is comprised of cash held by the Corporation for operations, in funds and reserves established under the Act, and for post-employment benefits, as well as cash held by the Corporation's organizations. Cash is pooled with the Government of the NWT's surplus cash that is invested in a diversified portfolio of high grade, short-term income producing assets. Cash can be withdrawn at any time and is not restricted by maturity dates on investments made by the Government of the NWT. The eligible classes of securities, categories of issuers, limits and terms are approved by the Department of Finance. All instruments, depending on the investment class, are rated R-2 High or better from the Dominion Bond Rating Service Limited. The Corporation earned $937 in interest at an average investment yield of 5.33% during the year (2023: $582 at an average investment yield of 3.42%).

In accordance with Section 27 of the Act, the Corporation is required to establish a Loan and Investments Fund for its lending and investing activities. The Program, Projects and Services Continuation Regulations (Regulations) of the Corporation specifies in Part 1 Section 4 (2), that a Loans and Bonds Fund will be used to record the lending operations while in Part 2 Section 19 (2), a Venture Investment Fund will be used to record the venture investment operations. Furthermore, under the Regulations Part 2 Section 18 (2), the Corporation has the obligation to continue to maintain a Capital Fund and the Subsidy Fund.

3. Cash (continued)

In addition to these funds, the Corporation is required under the Regulations Part 2 Sections 18 (6) and 19 (5) to establish a Capital Reserve Fund and Venture Reserve Fund respectively. The Corporation will continue to deposit to the reserve funds an amount equal to 10% of each capital or venture investment made. The Corporation may use the reserve funds for further investment or financing for its organizations and venture investments through approved drawdowns.

The Corporation is responsible for administering post-employment benefits including the cash held (Note 9b).

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

4. Accounts receivable

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

5. Inventories held for resale

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

During the year, $23 of inventories were written down (2023: $45) and no inventories were pledged as security. Also, during the year, the Corporation had $91 in recoveries on inventory that had been previously written down (2023: $99). Inventory write-downs and recoveries are included in the cost of goods sold. Effective April 1, 2022, the Corporation changed the write-down estimate from three to five years.

6. Loans receivable

The Corporation provides variable and fixed rate loans for periods up to five years with the amortization period not to exceed twenty-five years.

The Corporation charges its clients prime plus 2%, 3%, or 4%, depending on the security provided, clients' management ability, the clients' investment, and the amortization period. The Corporation holds various types of security on its loans, including real property, equipment, guarantees and general security agreements. Loans receivable are expected to mature as follows:

		000's			
		2024		2023	
		Rate Range	Balances	Rate Range	Balances
		%	$	%	$
Performing loans due within:	1 year	2.95-6.75	3,292	5.45-7.45	3,307
	1-2 years*	1.75-6.45	7,167	2.95-6.75	3,640
	2-3 years*	1.75-6.45	10,478	1.75-6.45	6,853
	3-4 years	3.00-8.95	9,365	1.75-6.45	10,335
	over 4 years	2.95-11.0	4,135	3.00-8.95	9,972
			34,437		34,107
Accrued loan interest receivable			332		328
Impaired loans			9,024		12,128
			43,793		46,563
Less: allowance for credit losses (Note 7)			3,745		4,038
			40,048		**42,525**

* See Loans with concessionary terms below.

6. Loans receivable (continued)

In 2024, no Loans receivable were written off (2023: nil) by the board of directors. No Loans receivable were forgiven (2023: one Loans receivable amounting to $179 including impaired interest of $57 not recognized) by the FMB. Recoveries on Loans receivable previously written off totalled $24 (2023: $28).

Concentration of credit risk

Concentration of credit risk may arise from exposure to groups of debtors having similar characteristics such that their ability to meet their obligations may be affected similarly by changes in economic or other conditions. The concentrations of performing loans and impaired loans by both industry sector and geographic concentrations are displayed in the following tables:

Industry sector concentration

	000's			
	2024		2023	
Sectors	Performing	Impaired	Performing	Impaired
	$	$	$	$
Accommodations, food and beverage	4,993	2,342	4,436	2,557
Agriculture	181	2,255	183	2,386
Arts and craft	3	322	4	333
Business services	301	-	331	3
Communication	-	406	-	450
Construction	5,809	1,799	5,488	2,545
Educational services	11	-	14	-
Entertainment and recreation	521	-	539	-
Finance and insurance	252	-	273	-
Fisheries and wildlife	22	10	29	11
Forestry and logging	-	-	23	-
Health care	37	-	52	-
Information and cultural industries	36	-	52	-
Management of companies	1,144	-	1,486	-
Manufacturing	1,193	-	1,292	-
Mining	269	-	97	-
Oil and gas	-	339	-	337
Other services	1,891	33	2,074	33
Professional, scientific and technical services	377	-	265	-
Real estate	5,496	127	7,138	140
Retail	7,748	658	7,058	1,184
Transportation and storage	3,157	25	2,129	1,396
Travel and tourism	436	708	492	753
Wholesale	560	-	652	-
	34,437	**9,024**	**34,107**	**12,128**

6. Loans receivable (continued)

Geographic concentration

	000's			
	2024		2023	
Regions	Performing	Impaired	Performing	Impaired
	$	$	$	$
Beaufort-Delta	2,958	387	3,360	451
Dehcho	6,287	508	5,053	2,064
North Slave	6,186	5,737	5,850	5,904
Sahtu	3,313	15	3,614	49
South Slave	15,693	2,377	16,230	3,660
	34,437	**9,024**	**34,107**	**12,128**

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

	000's	
Credit risk rating	2024	2023
	$	$
Low	19,165	17,730
Medium	13,659	14,971
High	1,613	1,406
	34,437	**34,107**

The Corporation considers a loan past due when a client has not made a payment in accordance with the payment terms. The following table presents the carrying value of loans that are past due but not classified as impaired because they did not meet the criteria of impairment:

Loans past due but not impaired	2024	2023
31 – 60 days	3	3
61 – 90 days	-	-
Over 90 days	-	-
	3	**3**

The risk exposure relating to loans is directly impacted by the clients' ability to meet their obligations. Among other factors, this ability is impacted by the clients' exposure to fluctuations in the economy of the Northwest Territories. To mitigate this risk, the Corporation limits the concentration of loans with any individual client. Under its regulations, the maximum the Corporation can lend to or invest in any one business enterprise or group of related enterprises is $2 million. Amounts greater than $2 million must be approved by the FMB. There were no loans approved by the FMB in 2024 (2023: nil).

6. Loans receivable (continued)

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

	000's	
Concessionary loans	**2024**	**2023**
	$	**$**
With no concessionary terms	42,742	45,153
With concessionary terms	719	1,082
Accrued loan interest receivable	332	328
	43,793	**46,563**

Economic relief measures extended

Loans with concessionary terms

The Corporation offered low interest working capital loans during the pandemic in 2021. Loans up to $25 or higher in certain circumstances, were provided to qualified businesses at a rate of 1.75% on unsecured loans, which normally have an interest rate of 6.45% (prime + 4%). These loans receivable have been reduced by $40 (2023: $86) under the concessionary terms.

The specific allowance on loans with concessionary terms is $75 (2023: $77).

7. Allowance for credit losses

	000's	
	2024	**2023**
	$	**$**
Balance, beginning of year	4,038	3,593
Provision (recoveries) for credit losses	165	742
Loans written off and forgiven	-	-
Recoveries from repayments of allowance	(458)	(297)
Balance, end of year	**3,745**	**4,038**
Comprised of:		
Specific allowance*	3,282	3,354
General allowance	463	684
Balance, end of year	**3,745**	**4,038**

* The specific allowance includes $75 (2023: $89) for the economic relief working capital loans that were disbursed in 2021 (Note 6).

8. Venture investments

The Corporation's portfolio of venture investments is focused on providing financing in the form of preferred shares and debt to companies in the Northwest Territories. As at March 31, 2024, the Corporation does not have significant influence in the companies in which it has invested.

The total cumulative venture investments at March 31, 2024 were $3,318 (2023: $943) with accumulated write-downs of $593 (2023: $593). In 2024, no venture investments were approved for write-off (2023: nil) by the board or for forgiveness by the FMB (2023: nil).

Preferred shares and dividends

Investments in preferred shares carry the right of conversion to common shares. This right, if exercised, may result in the holding of a controlling interest under certain circumstances. Preferred shares are redeemable at the option of the issuer and earn dividends at either fixed or variable rates. Investment yields vary from year to year due to the amount and timing of the dividends received.

9. Other employee future benefits and compensated absences

(a) Pension benefits

Substantially all of the employees of the Corporation are covered by the Plan (Note 2(l)(ii)). Contributions are required by both the employees and the Corporation. The President of the Treasury Board of Canada sets the required employer contributions based on a multiple of the employees’ required contribution. The required employer contribution rate is dependent on the employee’s employment start date.

9. Other employee future benefits and compensated absences (continued)

(b) Pension benefits (continued)

For employment start dates before January 1, 2013, the Corporation's contribution rate effective at year-end was 1.03 times (2023: 1.02) the employee's contribution; and for employment start dates after December 31, 2012, the Corporation's contribution rate effective at year-end was 1.0 times (2023: 1.0) the employee's contribution. Total contributions of $160 (2023: $163) were recognized as an expense in the current year. The Corporation's and employees' contributions to the Plan for the year were as follows:

	000's	
	2024	2023
	$	$
Corporation's contributions	160	163
Employees' contributions	158	162

The Government of Canada holds a statutory obligation for the payment of benefits relating to the Plan. Pension benefits generally accrue up to a maximum period of 35 years at an annual rate of 2% of pensionable service times the average of the best five consecutive years of earnings. The benefits are coordinated with Canada Pension Plan, and they are indexed to the increase in the Consumer Price Index.

(c) Termination, removal benefits and leave

The Corporation provides termination benefits to employees based on years of service and final salary (Note 2(l)(ii)). It also provides removal assistance, along with sick and special leave to employees, as provided under labour contracts. This benefit plan is pre-funded from current contributions and recognized as part of cash.

The most recent actuarial valuation was completed in June 2024 and the information has been extrapolated to year-end. The values presented below are for the benefits under the severance, removal and compensated absences for the Corporation.

Change in Obligation	000's	
	2024	2023
	$	$
Accrued benefit obligation, beginning of year	159	198
Current period benefit cost	9	9
Interest cost	7	7
Benefit payments	(106)	(4)
Actuarial loss (gain)	66	(51)
Accrued benefit obligation, end of year	135	159
Unamortized net actuarial gain	44	123
Accrued benefit liability*	**179**	**282**

*Total retirement, post-employment, and other leave benefits includes $147 (2023: $250) related to severance and removal and $32 (2023: $32) related to compensated absences.

9. Other employee future benefits and compensated absences (continued)

(b) Termination, removal benefits and leave (continued)

Benefit Expense

	000's	
	2024	**2023**
	$	**$**
Current period benefit cost	9	9
Interest cost	7	7
Amortization of actuarial (gain) loss	(13)	(8)
Post-employment benefits	**3**	**8**

The discount rate used in determining the accrued benefit obligation is an average of 5.30% (2023: 4.80%). The assumed rate of compensation increase is 2% (2023: 2%). Unamortized actuarial gains and losses are amortized straight line over the expected average remaining service lives of active employees which is 10.3 years (2023: 10.3 years). No inflation was applied.

10. Advances from the Government of the Northwest Territories

For the purpose of providing financial assistance to or making investments in business enterprises, the Act authorizes the Corporation to borrow from the Government of the NWT through advances. Increases to the outstanding balance of the advances must be approved by the FMB based on the needs of the Corporation. The balance was not to exceed $45 million (2023: $45 million) as at March 31, 2024.

Interest on the advances is based on the rate set during the last week of each month for the Government of Canada 3-year bonds, compounded annually. The rate varied from 3.48% to 4.72% (2023: 2.54% to 3.94%) during the year.

	000's	
	2024	**2023**
	$	**$**
Balance, beginning of year	24,898	26,067
Interest expense and cost of interest (Note 12)	979	831
Repayment of Advances (Note 18)	(2,500)	(2,000)
Advances received	-	-
Balance, end of year	**23,377**	**24,898**

During the year, no advances were provided to the Corporation (2023: nil) to cover new loans receivable. The $2,500 (2023: $2,000) paid during the year represents $1,159 (2023: $1,608) in principal and $1,341 (2023: $392,000) in interest.

11. Government transfers

	000's					
	2024			2023		
	Lending/ Investments	Retail/ Manufacturing	Total	Lending/ Investments	Retail/ Manufacturing	Total
	$	$	$	$	$	$
Government of the NWT:						
Operations and maintenance	1,924	200	**2,124**	1,692	450	**2,142**
Services received without charge (Note 16)	598	-	**598**	746	-	**746**
	2,522	200	**2,722**	2,438	450	**2,888**
Federal programs	292	-	**292**	218	-	**218**
	2,814	**200**	**3,014**	**2,656**	**450**	**3,106**

A stipulation included in the agreement is for any unspent funds to be repaid to the Government of the NWT. There were no unspent amounts in 2024 (2023: nil).

12. Consolidated budgeted figures and expenses by object

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

	Consolidated (000's)							
	2024				2023			
	Total Budget	Lending / Investments	Retail / Manufacturing	Total	Total Budget	Lending / Investments	Retail / Manufacturing	Total
	$	$	$	**$**	$	$	$	**$**
Advertising and promotion	49	12	1	**13**	47	18	7	**25**
Amortization	24	-	11	**11**	72	8	19	**27**
Asset retirement	3	-	12	**12**	1	-	2	**2**
Bad debts (recovery)	3	-	(10)	**(10)**	4	-	27	**27**
Bank charges and interest	29	2	23	**25**	26	2	27	**29**
Board members	69	32	1	**33**	79	29	2	**31**
Business Development Fund*	200	-	-	**-**	200	199	-	**199**
Business Service Centre	275	240	-	**240**	282	275	-	**275**
Compensation and benefits	3,035	2,546	245	**2,791**	3,276	2,301	263	**2,564**
Computers and communications	134	115	24	**139**	137	96	28	**124**
Cost of goods sold	607	-	731	**731**	625	-	825	**825**
Digital technology support*	159	141	-	**141**	-	218	-	**218**
Emergency support services*	-	752	-	**752**	-	-	-	**-**
Insurance	33	-	32	**32**	26	-	32	**32**
Interest expense and cost of interest rate reduction	860	979	-	**979**	230	831	-	**831**
Office and general	80	53	20	**73**	59	137	38	**175**
Provision for (recovery of) credit losses (net)	558	(293)	-	**(293)**	750	445	-	**445**
Professional services	236	191	122	**313**	248	220	94	**314**
Rent	185	186	16	**202**	179	169	15	**184**
Repairs and maintenance	-	-	16	**16**	19	-	26	**26**
Site clean up	-	-	-	**-**	-	-	70	**70**
Training and workshops	-	18	-	**18**	-	17	-	**17**
Travel	90	3	12	**15**	28	19	3	**22**
Utilities	45	-	43	**43**	59	-	41	**41**
	6,674	**4,977**	**1,299**	**6,276**	**6,347**	**4,984**	**1,519**	**6,503**

* These expenses represent the total of NWT business contribution funding. The budget of $359 was increased by $1,100 during the year, when the Minister approved a transfer from the accumulated operating surplus in accordance with the *Prosper NWT Act* to offset pressures from the Wildfire Assistance Relief Measures (WARM) initiative.

13. Contractual obligations

As at March 31, 2024, there were no loans to businesses approved but not yet disbursed (2023: nil). These loans do not form part of the loans receivable balance until disbursed. Also, as at March 31, 2024, there were no approved ventures not disbursed (2023: nil) and all contributions to businesses approved have been disbursed (2023: all).

14. Contingencies

Loans

The Corporation has one outstanding loan to a Northern Community Futures organization for their own lending purposes totalling $252 (2023: one loan totalling $273). Loans provided by this organization may be assigned to the Corporation when impaired. If assigned, the Corporation would then write off the Northern Community Futures organization loan balance and would attempt to recuperate its loss directly from the borrowers. In 2024, no accounts were assigned to the Corporation (2023: nil).

Letters of credit

The Corporation has one outstanding irrevocable standby letter of credit in the amount of $2,000 (2023: $2,000) that expires in fiscal 2025. Payment by the Corporation is due from this letter in the event that the applicant is in default of the underlying debt. To the extent that the Corporation must pay third parties as a result of this agreement, this payment will be owed to the Corporation by the applicant. The letter of credit is secured by promissory note, general security agreement, guarantee or collateral mortgage. During the year, no payment was made (2023: nil).

15. Related party transactions

The Corporation is related in terms of common ownership to all Government of the NWT created departments, territorial corporations, public agencies, its board of directors and key management personnel and their close family members. The Corporation enters into transactions with these entities in the normal course of business and on normal trade terms applicable to all individuals and enterprises except that certain services are provided without charge (Note 16).

15. Related party transactions (continued)

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

	000's	
	2024	**2023**
	$	**$**
Revenues		
Sales	22	31
Government of the NWT transfers (Note 11)	2,850	2,888
Expenses		
Purchases	155	202
Services received without charge (Note 16)	598	746
Interest on advances from the Government of the NWT	979	831
Balances at year end		
Accounts receivable	81	86
Accounts payable and accrued liabilities	381	293
Advances from the Government of the NWT	23,377	24,898

16. Services received without charge

The Corporation records the estimated cost of services provided by the Government of the NWT without charge. Services received without charge from the Government of the NWT include regional and human resource services and office accommodation. The estimated cost of such services is as follows:

	000's	
	2024	**2023**
	$	**$**
Staff support from the Department of Industry Tourism and Investment	372	524
Accommodation provided by the Department of Infrastructure	226	222
	598	**746**

17. Economic dependence

The Corporation received 38.5% (2023: 45.6%) of its revenues in the form of a contribution and services without charge from the Government of the NWT. The Corporation's continued operations are dependent on these arrangements.

18. Risk management

The Corporation is exposed to the following risks as a result of holding financial instruments:

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to meet its obligations.

The risk associated with cash is minimized substantially by ensuring that these financial assets are placed with well-capitalized financial institutions.

Credit granting and loan management are based on established credit policies. The maximum exposure to credit risk from borrowers and investees is limited to the carrying amount of the loans and investments. The Corporation's management of credit exposures from borrowers and investees includes:

- a standardized credit risk rating classification system established for all loans;
- credit policies and directives, communicated to lending officers whose activities and responsibilities include credit granting and monitoring client performance;
- Application Review Committee (consisting of senior management) reviews and approves loans over $500,000; and
- limiting the concentration of loans and investments with any one business enterprise or group of related enterprises to $2 million. Amounts greater than $2 million must be approved by the FMB.

The principal collateral held as security and other credit enhancements for loans include real property, equipment, guarantees, and general security agreement.

As at March 31, 2024, $2,075 (2023: $4,323) of the impaired loans are fully secured by assets the Corporation has the ability to sell in order to satisfy borrowers' commitments. There were no significant changes to the Corporation's credit risk management policies and practices from the prior year.

The table below illustrates the maximum credit exposure to the Corporation if all counterparties defaulted on March 31, 2024:

	000's	
	2024	**2023**
	$	**$**
Cash	17,427	18,156
Accounts receivable	386	409
Loans receivable	40,048	42,525
Letters of credit	2,000	2,000

18. Risk management (continued)

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Corporation is exposed to interest rate risk in that changes in market interest rates will cause fluctuations in the future cash flows of the advances from the Government of the NWT, fluctuations in the fair value and future cash flows of loans receivable, and interest revenue from cash.

The Corporation's borrowing from the Government of the NWT is based on a variable market rate and it lends to the majority of its clients at fixed term rates. The Corporation's interest rate margin or spread widens when interest rates fall, and it narrows when interest rates rise.

The Corporation manages its interest rate risk by paying down the advances from the Government of the NWT with cash available from the Loans and Bonds fund. During the year, the repayment of advances amounting to $2,500 (Note 10) were made to the Government (2023: $2,000).

Based on the Corporation's advances from the Government of the NWT as at March 31, 2024 and the monthly cash balance on hand, a 100-basis point increase in interest rates would decrease annual surplus by $78 (2023: decrease of $89). A 100-basis point decrease in interest rates would increase annual surplus by $75 (2023: increase of $89).

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting its obligations associated with its financial liabilities. The Corporation manages its liquidity risk by regularly monitoring forecasted and actual cash flows.

The advances from the Government of the NWT are due on demand with no fixed repayment terms. Repayment on advances is made whenever the Corporation has sufficient cash on hand which is not earmarked for lending purposes.

Accounts payable and accrued liabilities are expected to be settled within the next 12 months.

19. Comparative figures

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

Prosper NWT

Consolidated Schedule of Tangible Capital Assets — Schedule A
March 31, 2024

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	Land	Buildings	Vehicle and Equipment	Leasehold Improvements	Computer Equipment	March 31, 2024	March 31, 2023
	$	$	$	$	$	$	$
Cost of tangible capital assets, opening	78	1,789	640	540	9	3,056	3,074
Acquisitions	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	(18)
Cost of tangible capital assets, closing	78	1,789	640	540	9	3,056	3,056
Accumulated amortization, opening	-	1,722	640	540	9	2,911	2,902
Amortization expense	-	11	-	-	-	11	27
Disposals	-	-	-	-	-	-	(18)
Accumulated amortization, closing	-	1,733	640	540	9	2,922	2,911
Net book value	**78**	**56**	**-**	**-**	**-**	**134**	**145**

STATUS OF WOMEN COUNCIL OF THE NWT
Yellowknife, NT

FINANCIAL STATEMENTS
For the year ended March 31, 2024

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Status of Women Council of the NWT

MANAGEMENT'S RESPONSIBILITY FOR REPORTING

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

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

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

Executive Director
June 11, 2024

Tel: (867) 920-6177 Fax: (867) 873-0285 E-mail: execdir@nwtwomen.ca

AVERY COOPER & CO. LTD.
Chartered Professional Accountants

4918—50th Street, P.O. Box 1620
Yellowknife, NT X1A 2P2
www.averycooper.com

Telephone: (867) 873-3441
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, 2024, and the Statements of Operations, Changes in Fund Balances, and Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Council as at March 31, 2024, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

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

Other Information
Management is responsible for the other information. The other information comprises:
- Annual Report, but does not include the financial statements and our auditor's report thereon

The other information is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the other information, if we conclude that there is a material misstatement of this other information, we are required to report the matter to those charged with governance.

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control.

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

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

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

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

Report on Other Legal and Regulatory Requirements

As required by the *Financial Administration Act* ("FAA Act") of the Northwest Territories, we report that, in our opinion, the accounting principles in the Canadian public sector accounting standards have been applied.

Further, in our opinion, proper books of account have been kept by the Council and the financial statements are in agreement therewith. In addition, the transactions of the Council have, in all significant respects, been in accordance with the FAA Act and regulations; the *Status of Women Council Act* (the "Act") and regulations; the by-laws of the Council; and any directives issued to the Council by the Minister under the FAA or Act.

Avery Cooper & Co. Ltd.

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

June 11, 2024

STATUS OF WOMEN COUNCIL OF THE NWT

STATEMENT OF FINANCIAL POSITION
March 31, 2024

ASSETS

	2024	2023
CURRENT		
Cash	$ 665,122	$ 778,277
Accounts receivable (note 3)	198,835	-
Prepaid expenses	4,759	2,000
	868,716	780,277
DESIGNATED CASH	82,095	81,761
TANGIBLE CAPITAL ASSETS (note 4)	14,806	3,725
	$ 965,617	$ 865,763

LIABILITIES

	2024	2023
CURRENT		
Trade payables and accruals (note 5)	$ 684,440	$ 99,416
Wages and benefits payable (note 6)	13,163	-
Deferred revenue (note 7)	60,252	559,548
Government remittances payable	7,639	5,316
	765,494	664,280

FUND BALANCES

	2024	2023
UNRESTRICTED SURPLUS (DEFICIT) per page 3	89,779	102,220
INVESTED IN TANGIBLE CAPITAL ASSETS per page 3	14,806	3,725
CONTINGENCY FUND per page 3	65,538	65,538
BENEFITS FUND per page 3	30,000	30,000
	200,123	201,483
	$ 965,617	$ 865,763

Approved:

_______________ Chairperson

_______________ Member

STATUS OF WOMEN COUNCIL OF THE NWT

STATEMENT OF OPERATIONS

For the year ended March 31, 2024

	2024	2023
REVENUES		
Core - Schedule 1	$ 594,877	$ 357,488
Family Violence Prevention Month - Schedule 2	29,746	-
Self Care Kits - Schedule 3	29,000	-
Victim Awareness Week - Schedule 4	45,000	-
NGO Stabilization Fund - Schedule 5	20,000	-
Economic Abuse - Schedule 6	233,008	30,553
Trauma and Violence Informed - Schedule 7	-	38,365
Workplace Sexual Harassment - Schedule 8	490,615	15,033
Wage Systemic Change - Schedule 9	5,294	-
	1,447,540	441,439
EXPENSES		
Core - Schedule 1	348,400	357,488
Family Violence Prevention Month - Schedule 2	29,746	-
Self Care Kits - Schedule 3	29,000	-
Victim Awareness Week - Schedule 4	45,000	-
NGO Stabilization Fund - Schedule 5	20,000	-
Economic Abuse - Schedule 6	233,008	30,553
Trauma and Violence Informed - Schedule 7	-	38,365
Workplace Sexual Harassment - Schedule 8	491,750	15,033
Wage Systemic Change - Schedule 9	5,519	-
	1,202,423	441,439
EXCESS OF REVENUES OVER EXPENSES FROM OPERATIONS	245,117	-
CONTRIBUTION REPAYABLE		
Core - Schedule 1	246,477	-
DEFICIENCY OF REVENUES OVER EXPENSES	$ (1,360)	$ -

STATUS OF WOMEN COUNCIL OF THE NWT

STATEMENT OF CHANGES IN FUND BALANCES

For the year ended March 31, 2024

	2024				
	Unrestricted Surplus (Deficit)	Invested in Tangible Capital Assets	Contingency Fund	Benefits Fund	Total
BALANCE, opening	$ 102,220	$ 3,725	$ 65,538	$ 30,000	$ 201,483
Deficiency of revenues over expenses	(1,360)	-	-	-	(1,360)
Purchase of tangible capital assets	(14,351)	14,351	-	-	-
Amortization of tangible capital assets	3,270	(3,270)	-	-	-
BALANCE, closing	$ 89,779	$ 14,806	$ 65,538	$ 30,000	$ 200,123

	2023				
	Unrestricted Surplus (Deficit)	Invested in Tangible Capital Assets	Contingency Fund	Benefits Fund	Total
BALANCE, opening	$ 100,624	$ 5,321	$ 65,538	$ 30,000	$ 201,483
Excess of revenues over expenses	-	-	-	-	-
Amortization of tangible capital assets	1,596	(1,596)	-	-	-
BALANCE, closing	$ 102,220	$ 3,725	$ 65,538	$ 30,000	$ 201,483

STATUS OF WOMEN COUNCIL OF THE NWT

STATEMENT OF CASH FLOWS

For the year ended March 31, 2024

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from contributions and donations	$ 678,409	$ 939,422
Cash paid for materials and services	(657,303)	(288,710)
Cash paid for wages and benefits	(119,575)	(178,882)
	(98,469)	471,830
CASH FLOWS FROM INVESTING ACTIVITY		
Purchase of tangible capital assets	(14,352)	-
(DECREASE) INCREASE IN CASH	(112,821)	471,830
CASH, opening	860,038	388,208
CASH, closing	$ 747,217	$ 860,038
REPRESENTED BY:		
Cash	$ 665,122	$ 778,277
Designated cash	82,095	81,761
	$ 747,217	$ 860,038

STATUS OF WOMEN COUNCIL OF THE NWT

NOTES TO THE FINANCIAL STATEMENTS
March 31, 2024

1. NATURE OF OPERATIONS

Status of Women Council of the NWT (the "Council") is a government not-for-profit organization of the Government of the Northwest Territories ("GNWT") and was established under the *Status of Women Council Act* of the Northwest Territories dated April 4, 1990.

The objectives of the Council are:

1) to develop public awareness of issues affecting the status of women;
2) to promote a change in attitudes within the community in order that women may enjoy equality;
3) to encourage discussion and expression of opinion by residents of the Northwest Territories on issues affecting the status of women;
4) to advise the Minister on issues that the Minister may refer to the council for consideration;
5) to review policies and legislation affecting women and to report its findings to the relevant government departments or agencies;
6) to provide assistance to the Minister in promoting changes to ensure the attainment of equality of women; and
7) to provide the appropriate assistance to organizations and groups whose objectives promote the equality of women.

The Council may:

1) receive and hear submissions and suggestions from individuals and groups concerning the status of women;
2) research matters relating to the status of women;
3) suggest research areas in relation to matters relating to the status of women that may be studied by any interested persons;
4) recommend and participate in programs concerning the status of women;
5) recommend legislation, policies and practices to improve the equality of opportunity for women and to improve the status of women;
6) publish any reports, studies or recommendations that the Council considers advisable;
7) present reports to the Minister to be laid before the Legislative Assembly;
8) contract and be contracted in the name of the Council; and
9) make bylaws to regulate the affairs of the Council.

The Council is exempt from income tax under subsection 149(1) of the *Income Tax Act* (Canada).

2. SIGNIFICANT ACCOUNTING POLICIES

The Council follows accounting principles generally accepted in Canada in preparing its financial statements. The significant accounting policies used are as follows:

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.

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

	2024	2023
GNWT - Health & Social Services	$ 14,746	$ -
Canada - Justice	166,809	-
Canada - Women and Gender Equality (WAGE)	17,280	-
	$ 198,835	$ -

NOTES TO THE FINANCIAL STATEMENTS
March 31, 2024

4. TANGIBLE CAPITAL ASSETS

	2024			2023
	Cost	Accumulated amortization	Net	Net
Computer equipment	$ 72,433	$ 57,627	$ 14,806	$ 3,725
Equipment	4,870	4,870	-	-
	$ 77,303	$ 62,497	$ 14,806	$ 3,725

5. TRADE PAYABLES AND ACCRUALS

	2024	2023
Trade payables	$ 201,728	$ 1,999
Scotiabank Visa	36,011	18,307
Accrued liabilities	21,966	19,550
GNWT funds repayable	424,735	59,560
	$ 684,440	$ 99,416

6. WAGES AND BENEFITS PAYABLE

	2024	2023
Wages payable	$ 3,641	$ -
Vacation and lieu payable	9,522	-
	$ 13,163	$ -

7. DEFERRED REVENUE

Deferred revenue as at March 31, 2024, consists of the following:

	2024	2023
Core fund	$ -	$ 178,258
Economic Abuse	-	129,358
Elimination of Violence	5,000	-
Gender Equity	2,237	2,237
Gender Violence	45,000	-
Public Awareness	-	5,000
Wise women	8,015	8,015
Workplace Sexual Harassment	-	236,680
	$ 60,252	$ 559,548

	2024	2023
Deferred revenue, opening	559,548	48,617
Receipts	786,242	952,370
Funding expended	(860,803)	(441,439)
Contribution repayable	(424,735)	-
	60,252	559,548

8. CONTRACTUAL RIGHTS

As at March 31, 2024, the Council had entered into contribution agreements with the GNWT - Department of Status of Women with the term April 1, 2021 - March 31, 2026 and Canada Women and Gender Equity with the term March 1, 2024 to March 31, 2026. The future maximum contributions are as follows:

	GNWT - Department of Status of Women	WAGE Canada	Total
2024-2025	$ 444,000	$ 165,677	$ 609,677
2025-2026	444,000	233,909	677,909
	$ 888,000	$ 399,586	$ 1,287,586

9. ECONOMIC DEPENDENCE

The Council receives the majority of its revenues from various GNWT departments. If the GNWT ceased to fund the Council, this would significantly affect operations.

10. REVENUES BY OBJECT

	2024	2023
Government grants and contributions	$ 1,296,663	$ 349,693
Contributed rent	71,000	71,000
Sponsorship, donations and events	950	10,650
Administration fees	78,447	10,086
Interest income	480	10
	$ 1,447,540	$ 441,439

11. COMMITMENT

As at March 31, 2024, the Council has outstanding quarterly commitments of $1,356 with respect to an office equipment lease expiring March 31, 2026 as follows:

2025	$ 5,424
2026	5,424
	$ 10,848

12. BENEFITS FUND

The Council, under its core contribution agreement, is allowed to create a Maternity and Parental Leave Benefits Fund, using a maximum of $5,000 of unexpended core contribution per year, to a maximum of $30,000. Changes during the year in the Benefits Fund are as follows:

	2024	2023
Benefits Fund	$ 30,000	$ 30,000

The Council maintains designated cash to cover the required fund balance. There is a sufficient balance to cover the fund balance in the current year.

13. CONTINGENCY FUND

The Council created a Contingency Fund to be fiscally responsible in discharging its responsibilities to make payments and to cover any future technology requirements. Changes during the year in the Contingency Fund are as follows:

	2024	2023
Contingency Fund	$ 65,538	$ 51,732
Transfer from unrestricted surplus	-	13,806
Contingency Fund, closing	$ 65,538	$ 65,538

The Council maintains designated cash to cover the required fund balance. There are insufficient funds to cover the balance in the current year.

14. FINANCIAL INSTRUMENTS

The Council's financial instruments consist of cash, marketable securities, accounts receivable, trade payables and accruals, and wages and benefits payable. Unless otherwise noted, it is management's opinion that the Council is not exposed to significant interest rate, market, currency, credit, liquidity, cash flow risks, nor is the Council exposed to significant concentrations of such risks. The fair value of these financial instruments approximate their carrying values, unless otherwise noted.

As March 31, 2024, the Council has a $35,000 (2023 - $20,000) credit card facility with the Bank of Nova Scotia.

15. RELATED PARTY TRANSACTIONS

The Council is related in terms of common ownership to all GNWT-created departments, territorial corporations and public agencies. The Council enters into transactions with these entities in the normal course of operations and on normal trade terms applicable to all parties. The amounts due to and from related parties are unsecured, non-interest bearing and due on demand.

Transactions with related parties during the year and balances at year end, not disclosed elsewhere in the financial statements, are disclosed in this note.

	2024	2023
Revenue		
GNWT - Executive & Indigenous Affairs	$ 444,000	$ 444,000
GNWT - Executive & Indigenous Affairs GED	5,000	-
GNWT - Department of Justice	74,000	-
GNWT - Health & Social Services	29,746	-
GNWT - Municipal & Community Affairs	20,000	-
GNWT - Infrastructure (Contributed rent)	71,000	71,000
GNWT - Women's Initiative Grant	-	5,000
	$ 643,746	$ 520,000
Expenses		
GNWT - Infrastructure (Contributed rent)	$ 71,000	$ 71,000
GNWT - Financial Shared Services	787	1,435
Northwest Territories Health and Social Services Authority	11,200	-
Dehcho DEC	-	20,000
	$ 82,987	$ 92,435

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.

16. COMPARATIVE FIGURES

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year.

STATUS OF WOMEN COUNCIL OF THE NWT

SCHEDULES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2024

SCHEDULE OF CORE **Schedule 1**

	2024	2023
REVENUES		
GNWT - Executive & Indigenous Affairs	$ 444,000	$ 265,742
GNWT - Contributed Rent	71,000	71,000
Administration Recovery	78,447	10,086
Miscellaneous	1,430	10,660
	594,877	357,488
EXPENSES		
Advertising	74,729	11,329
Amortization	3,270	1,596
Catering	-	5,026
Community support	24,826	66,593
Contributed Rent	71,000	71,000
Equipment Rental	5,695	5,955
Facilitators/Contractors	23,271	3,494
Honoraria	10,950	5,750
Interest & Bank Charges	1,753	453
Mail Service	967	1,447
Meetings	3,503	3,163
Professional Development - Staff	-	372
Professional/Contract Services	38,219	49,564
Resources/Subscriptions	-	1,838
Supplies	13,326	1,710
Technology	10,619	6,524
Telecommunications	9,339	11,176
Travel	18,745	10,881
Wages & Benefits	38,188	99,617
	348,400	357,488
EXCESS OF REVENUES OVER EXPENSES BEFORE OTHER EXPENSES	246,477	-
OTHER EXPENSES		
Repayable to GNWT	246,477	-
EXCESS OF REVENUES OVER EXPENSES	$ -	$ -

STATUS OF WOMEN COUNCIL OF THE NWT

SCHEDULES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2024

SCHEDULE OF FAMILY VIOLENCE PREVENTION MONTH **Schedule 2**

	2024	2023
REVENUES		
GNWT - Health & Social Services	$ 29,746	$ -
EXPENSES		
Administration	1,400	-
Community Events	11,174	-
Community Support	15,400	-
Postage & printing	1,772	-
	29,746	-
EXCESS OF REVENUES OVER EXPENSES	$ -	$ -

STATUS OF WOMEN COUNCIL OF THE NWT

SCHEDULES TO THE FINANCIAL STATEMENTS
For the year ended March 31, 2024

SCHEDULE OF SELF CARE KITS **Schedule 3**

	2024	2023
REVENUES		
GNWT - Justice	$ 29,000	$ -
EXPENSES		
Materials	29,000	-
EXCESS OF REVENUES OVER EXPENSES	$ -	$ -

STATUS OF WOMEN COUNCIL OF THE NWT

SCHEDULES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2024

SCHEDULE OF VICTIM AWARENESS WEEK **Schedule 4**

	2024	2023
REVENUE		
GNWT - Department of Justice	$ 45,000	$ -
EXPENSES		
Administration Fees	3,499	-
Community events	893	-
Community support	11,200	-
Materials	28,473	-
Professional fees	935	-
	45,000	-
EXCESS OF REVENUES OVER EXPENSES	$ -	$ -

STATUS OF WOMEN COUNCIL OF THE NWT

SCHEDULES TO THE FINANCIAL STATEMENTS
For the year ended March 31, 2024

SCHEDULE OF NGO STABILIZATION FUND **Schedule 5**

	2024	2023
REVENUE		
GNWT - Municipal & Community Affairs	$ 20,000	$ -
EXPENSES		
Professional Fees	20,000	-
EXCESS OF REVENUES OVER EXPENSES	$ -	$ -

STATUS OF WOMEN COUNCIL OF THE NWT

SCHEDULES TO THE FINANCIAL STATEMENTS
For the year ended March 31, 2024

SCHEDULE OF ECONOMIC ABUSE **Schedule 6**

	2024	2023
REVENUE		
Canada - Women and Gender Equity	$ 233,008	$ 30,553
EXPENSES		
Administration	8,760	-
Advertising	65,693	-
Facility Rental	846	-
Other	482	-
Professional Fees	125,817	29,249
Project travel	-	1,304
Salaries and benefits	28,550	-
Travel and accommodation	2,860	-
	233,008	30,553
EXCESS OF REVENUES OVER EXPENSES	$ -	$ -

STATUS OF WOMEN COUNCIL OF THE NWT

SCHEDULES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2024

SCHEDULE OF TRAUMA AND VIOLENCE INFORMED **Schedule 7**

	2024	2023
REVENUE		
Canada - Women and Gender Equity	$ -	$ 38,365
EXPENSES		
Marketing & Communications	-	5,506
Print/Publication & Distribution	-	7,773
Professional fees	-	15,000
Salaries and Benefits	-	10,086
	-	38,365
EXCESS OF REVENUES OVER EXPENSES	$ -	$ -

STATUS OF WOMEN COUNCIL OF THE NWT

SCHEDULES TO THE FINANCIAL STATEMENTS
For the year ended March 31, 2024

SCHEDULE OF WORKPLACE SEXUAL HARASSMENT — Schedule 8

	2024	2023
REVENUE		
Justice Canada	$ 490,615	$ 15,033
EXPENSES		
Accounting & Legal	5,322	-
Administration Recovery	63,993	-
Marketing & Communications	11,061	769
Print/Publication & Distribution	22,212	-
Professional Fees	-	8,100
Program Delivery	288,937	5,492
Project Travel	34,225	672
Wages & Benefits	66,000	-
	491,750	15,033
DEFICIENCY OF REVENUES OVER EXPENSES	$ (1,135)	$ -

STATUS OF WOMEN COUNCIL OF THE NWT

SCHEDULES TO THE FINANCIAL STATEMENTS
For the year ended March 31, 2024

SCHEDULE OF WAGE SYSTEMIC CHANGE **Schedule 9**

	2024	2023
REVENUE		
WAGE (Women and Gender Equity) Canada	$ 5,294	$ -
EXPENSES		
Administration Fees	794	-
Research/Contract Fees	4,725	-
	5,519	-
DEFICIENCY OF REVENUES OVER EXPENSES	$ (225)	$ -

STATUS OF WOMEN COUNCIL OF THE NWT

SCHEDULES TO THE FINANCIAL STATEMENTS
For the year ended March 31, 2024

SCHEDULE OF EXPENSES BY OBJECT **Schedule 10**

	2024	2023
Administration	$ 18,373	$ 8,298
Administration Fees	78,447	897
Amortization	3,270	1,596
Bookkeeping, audit and legal	42,114	39,506
Community events	2,587	2,410
Community support	61,251	60,000
Computer	10,619	6,524
Compensation and Benefits	132,738	109,703
Contributed Rent	71,000	71,000
Fees and Dues	1,002	73
Equipment Rental	5,695	5,955
Freight/ Postage	1,348	1,447
Honoraria	10,950	5,750
Interest and bank charges	751	380
Marketing and communications	125,972	19,179
Materials and supplies	59,177	6,710
Print/Publication & Distribution	48,556	6,199
Professional/Contract Services	174,748	65,168
Program delivery costs	288,656	6,238
Telecommunications	9,339	11,176
Travel and Accommodation	55,830	12,858
Staff Training	-	372
	$ 1,202,423	$ 441,439

Fuel Services Division

Financial Statements

March 31, 2024

Fuel Services Division

Financial Statements

March 31, 2024 **Page**

Management's Responsibility for Financial Reporting

To the Minister of Infrastructure
Government of the Northwest Territories

Management is responsible for the reliability, integrity and objectivity of the data in the accompanying financial statements, which have been prepared in accordance with Canadian public sector accounting standards. Where appropriate, the financial statements include estimates and judgments based on careful consideration of the information available to management.

In discharging its responsibility for financial reporting, management maintains and relies on internal control systems and practices, which are designed to provide reasonable assurance that the transactions are authorized, the assets are safeguarded and proper records are maintained. These control systems and practices ensure the orderly conduct of business, the accuracy of the accounting records, reliability of financial information and compliance to legislation governing the Petroleum Products Revolving Fund.

The auditor provides an independent, objective audit for the purpose of expressing an opinion on the financial statements. The auditor also considers whether the transactions that come to their notice during the course of the audit are, in all significant respects, in accordance with specified legislation.

Lorne Browne, Director
Fuel Services Division
Yellowknife, Northwest Territories
June 14, 2024

Crowe MacKay LLP
PO Box 727
5103 51st Street
Yellowknife, NWT X1A 2N5
Main +1 (867) 920-4404
Fax +1 (867) 920-4135
www.crowemackay.ca

Independent Auditors' Report

To the Minister of Infrastructure
Government of the Northwest Territories

Opinion
We have audited the financial statements of the Fuel Services Division Petroleum Products Revolving Fund (the "Fund"), which comprise the statement of financial position as at March 31, 2024, and the statements of operations, changes in net financial debt, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at March 31, 2024, and its results of operations, changes in net financial debt, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

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

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

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

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

Crowe MacKay LLP
PO Box 727
5103 51st Street
Yellowknife, NWT X1A 2N5
Main +1 (867) 920-4404
Fax +1 (867) 920-4135
www.crowemackay.ca

Independent Auditors' Report

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.

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

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

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

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

Crowe MacKay LLP

Yellowknife, Canada
June 14, 2024

Chartered Professional Accountants

Fuel Services Division

Statement of Financial Position

March 31,		2024	2023
Financial Assets			
Accounts receivable (note 5)	$	**46,405,900**	$ 23,077,196
Inventory held for resale (note 6)		**49,540,040**	46,237,579
		95,945,940	69,314,775
Financial Liabilities			
Accounts payable and accrued liabilities (note 7)		**8,393,818**	5,448,625
Salaries payable		**199,876**	163,485
Employee future benefits payable (note 8)		**65,204**	45,732
Due to the Government of the Northwest Territories (note 9)		**89,337,522**	66,019,917
		97,996,420	71,677,759
Net Debt	$	**(2,050,480)**	$ (2,362,984)
Non-financial Assets			
Prepaid expenses		**-**	282
Accumulated Deficit	$	**(2,050,480)**	$ (2,362,702)

Commitments (note 11)

Approved

Lorne Browne
Director
Fuel Services Division

Renalyn Pascua-Matte,
Comptroller
Fuel Services Division

Fuel Services Division

Statement of Changes in Net Financial Debt

For the year ended March 31,	2024 Budget	2024 Actual	2023 Actual
Annual surplus	$ -	**$ 312,222**	$ 360,466
Change in prepaid expenses	-	**282**	629
Decrease in net financial debt		**312,504**	361,095
Net financial debt, beginning of year	(2,362,984)	**(2,362,984)**	(2,724,079)
Net financial debt, end of year	$ (2,362,984)	**$ (2,050,480)**	$ (2,362,984)

Fuel Services Division

Statement of Operations

For the year ended March 31,	2024 Budget	**2024 Actual**	2023 Actual
Revenues			
Sales of petroleum products (note 12)	$ 67,500,000	**$ 74,737,685**	$ 53,610,994
Cost of sales			
Cost of goods sold	59,000,000	**66,175,694**	44,795,234
Loss due to evaporation	100,000	**373**	7,484
Commission	3,200,000	**3,129,218**	3,212,980
	62,300,000	**69,305,285**	48,015,698
Gross margin	5,200,000	**5,432,400**	5,595,296
Gross margin percentage	7.7 %	**7.3 %**	10.4 %
Expenses			
Bad debts (recovered)	140,000	**(26,599)**	315,276
Contracts and purchased services	700,000	**630,085**	600,187
Operating and maintenance	1,100,000	**1,042,408**	932,334
Office and administration	60,000	**76,345**	62,741
Salaries, wages and employee benefits	2,300,000	**2,398,624**	2,510,065
Travel	300,000	**425,594**	353,686
Utilities	600,000	**573,721**	500,627
	5,200,000	**5,120,178**	5,274,916
Annual surplus before other items	-	**312,222**	320,380
Other revenue (expenses)			
Grant contribution - air freight (note 15)	-	**949,842**	1,922,540
Grant-in-kind, Government assets provided at no cost (note 16)	-	**6,330,521**	4,015,074
Tangible capital assets - rent expenses (note 16)	-	**(2,061,341)**	(2,115,738)
Financing charges (note 16)	-	**(4,269,180)**	(1,899,336)
Other revenues and expenses (note 17)	-	**-**	40,086
Air freight	-	**(949,842)**	(1,922,540)
	-	**-**	40,086
Annual surplus	$ -	**$ 312,222**	$ 360,466

Fuel Services Division

Statement of Accumulated Deficit

For the year ended March 31,	2024	2023
Accumulated deficit, beginning of year	$ (2,362,702)	$ (2,723,168)
Annual surplus	312,222	360,466
Accumulated deficit, end of year	$ (2,050,480)	$ (2,362,702)

Fuel Services Division

Statement of Cash Flows

For the year ended March 31,	**2024**	2023
Cash provided by (used for)		
Operating activities		
Annual surplus	**$ 312,222**	$ 360,466
Change in non-cash working capital items		
Accounts receivable	**(23,328,704)**	(14,845,977)
Inventory held for resale	**(3,302,461)**	(12,535,616)
Accounts payable and accrued liabilities	**2,945,193**	(102,179)
Salaries payable	**36,391**	(81)
Employee future benefits payable	**19,472**	18,607
Due to the Government of the Northwest Territories	**23,317,605**	27,104,151
Prepaid expenses	**282**	629
Cash, beginning and end of year	**$ -**	$ -

1. Authority and Operations

Petroleum Products Revolving Fund (the "Fund") was established in 1973 for the distribution of petroleum products in the Northwest Territories. The Fund operates under the authority of the *Revolving Funds Act* (the "*Act*") and the Northwest Territories *Financial Administration Act*. The Fuel Services Division of the Department of Infrastructure of the Government of the Northwest Territories (the "Government") is responsible for the administration of the Fund.

Under the *Act*, the Fund receives working capital advances from the Consolidated Revenue Fund (the "CRF") to finance inventory, accounts receivable and operating expenses. The Fund's purchases of petroleum products and operating expenses are paid from the CRF and funds received by the Fund are deposited in the CRF. The authorized limit of the Fund, being the maximum amount by which the assets may exceed the liabilities is $55 million. The balance of the Fund is reported as a liability due to the Government.

The prices for the Fund's petroleum products are approved by the Government. It is the expectation of the Government that the Fund's cost of goods sold and operating expenses will be recovered through the price structure to achieve a break-even operation. Under the *Act*, there is a special account in the CRF called the Petroleum Products Stabilization Fund to which profits of the Fund shall be credited and losses shall be charged. The debit or credit amount in the Stabilization Fund shall not exceed $3,000,000 (2023 - $3,000,000) at the end of the fiscal year. The balance in the Stabilization Fund at March 31, 2024 is a deficit of $2,050,480 (2023 - deficit of $2,362,702).

2. Change in accounting policies

(a) Revenue, Section PS 3400

This Section is effective for fiscal periods beginning on or after April 1, 2023. This section establishes standards on how to account for and report on revenue. Specifically, it differentiates between revenue arising from transactions that include performance obligations and transactions that do not have performance obligations.

The adoption of this new standard had no impact on the financial statements.

3. Significant accounting policies

These financial statements have been prepared in accordance with Canadian public sector accounting standards established by the Canadian Public Sector Accounting Board ("PSAB") of Canada. The significant accounting policies used are as follows;

(a) Measurement uncertainty

The preparation of financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amount of inventory cost and valuation, assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reported period. Items requiring the use of significant estimates are allowance for doubtful accounts, inventory value, cost of goods sold, tangible capital assets - rent expense and grant-in-kind. These estimates are reviewed periodically and are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

(b) Tangible capital assets

Tangible capital assets are the property of the Government and accordingly are not reported in the financial statements. Use of assets, such as fuel storage facilities and fuel delivery vehicles are accounted for as a rent offset by a grant in kind from the Government which is calculated based on the amortization of the assets as described in Note 16.

(c) Financing charges

Financing charges for the use of working capital provided by the Government are estimated based upon a rolling monthly average prime corporate interest plus 0.35% per annum as described in Note 16.

(d) Services provided without charge

The Fund does not record the following services provided without charge by the Government: the procurement of goods and services, the processing of payroll, legal counsel, records storage and computer operations, and internal audit services, as it is difficult to estimate them.

(e) Inventory

Inventory is valued at the lower of cost and net realizable value. Cost is determined using the weighted average method.

3. **Significant accounting policies (continued)**

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

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

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

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

The Fund and its employees, who are deemed to be employees of the Government, make contributions to the Plan. The Fund and the employees contribute to the cost of the Plan. The Fund contributes at a rate of 1.4 times that of the employees. During the year the Fund contributed $157,261 (2023 - $153,870) to the Plan which was recognized as an expense while employees contributed $160,473 (2023 - $151,956). These contributions represent the total pension obligation of the Fund and are expensed on a current year basis. The Fund is not required under present legislation to make contributions with respect to actuarial deficiencies, if any, of the Plan.

3. **Significant accounting policies (continued)**

(g) Liability for contaminated sites

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard.

As the Government owns the assets of the Fund, it also accepts responsibility for any contaminated sites. As a result, the Fund does not record any liabilities associated with contaminated sites or their remediation.

(h) Revenue recognition

Revenue from the sale of petroleum products is recognized when the fuel is dispensed or delivered to the customers. The customer assumes all risks of ownership and the collection of any amounts receivable is considered probable.

Grant contribution revenue is recognized when the funds are received or become receivable.

Other revenue is recognized as goods are delivered or services are provided.

(i) Government transfers

Government transfers are the transfer of monetary assets or tangible capital assets from a government for which the government making the transfer does not:
• receive any goods or services directly in return;
• expect to be repaid in the future; or
• expect a direct financial return.

Government transfers are recognized as revenue in the period during which the transfer is authorized and eligibility criteria are met, except when and to the extent that the transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers meeting the definition of a liability are recognized as revenue as the liability is settled.

3. **Significant accounting policies (continued)**

(j) Inter-entity transactions

Inter-entity transactions are transactions between commonly controlled entities.

Inter-entity transactions are recorded at the exchange amount when they are undertaken on similar terms and conditions to those adopted if the entities were dealing at arm's length. The cost allocations are recorded on a gross basis.

(k) Asset retirement obligations

An asset retirement obligations are legal obligations associated with the retirement of a tangible capital asset. A liability is recognized when the following criteria are met as at the financial statements date:

- there is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- the past transaction or event giving rise to the liability has occurred;
- it is expected that future economic benefits will be given up; and,
- a reasonable estimate of the amount can be made.

Subsequent measurement of the liability can result in either a change in the carrying amount of the related tangible capital asset (or a component thereof), or an expense, depending on the nature of the remeasurement and whether the asset remains in productive use.

The estimate of a liability includes costs directly attributable to asset retirement activities. Costs includes post-retirement operation, maintenance and monitoring that are an integral part of the retirement of the tangible capital asset. The estimate would include costs of tangible capital assets acquired as part of asset retirement activities to the extent those assets have no alternative use.

The carrying amount of a liability for an asset retirement obligation is estimated at each financial reporting date.

As the Government owns the assets of the Fund, it also accepts responsibility for any asset retirement obligations. As a result, the Fund does not record any liabilities associated with asset retirement obligations.

3. Significant accounting policies (continued)

(l) Related parties

The Fund initially measures related party balances in accordance with the substance of the transactions that gave rise to them. The Fund subsequently measures related party balances in accordance with the Fund's policies for financial instruments, as set out in note (m).

The Fund is related in terms of common control to all Government departments, boards and agencies. These include:

Departments
- Department of Education, Culture and Employment
- Department of Environment and Climate Change
- Department of Executive and Indigenous Affairs
- Department of Finance
- Department of Health and Social Services
- Department of Industry, Tourism and Investment
- Department of Infrastructure
- Department of Justice
- Department of Municipal and Community Affairs

Boards and Agencies
- Arctic Energy Alliance
- Aurora College
- Education Authorities
- Hay River Health and Social Services Authority
- Housing NWT
- Inuvialuit Water Board
- Marine Transportation Services - Revolving Fund
- Northwest Territories Environmental Studies Research Fund
- Northwest Territories Health and Social Services Authority
- Northwest Territories Heritage Fund
- Northwest Territories Human Rights Commission
- Northwest Territories Liquor and Cannabis Commission
- Northwest Territories Power Corporation
- NWT Liquor Licensing Board
- NWT Surface Rights Board
- Physical Activity, Sport and Recreation Fund
- Prosper NWT
- Status of Women Council of the NWT
- Tlicho Community Services Agency
- Workers' Safety and Compensation Commission

The Fund enters into transactions with these entities in the normal course of business, with the exception of sales to the Northwest Territories Power Corporation. In accordance with an agreement with the Government, the Northwest Territories Power Corporation is charged the weighted average cost of petroleum products consumed.

3. Significant accounting policies (continued)

(m) Financial instruments

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

This category includes accounts receivable, accounts payable and accrued liabilities and amounts due to the Government. They are initially recognized at cost and subsequently carried at amortized cost using the effective interest rate method, less any impairment losses on financial assets.

Transaction costs related to financial instruments in the amortized cost category are added to the carrying value of the instruments.

Write-downs on financial assets in the amortized cost category are recognized when the amount of a loss is known with sufficient precision, and there is no realistic prospect of recovery. Financial assets are then written down to net recoverable value with the write-down being recognized in the Statement of Operations.

4. Future changes to significant accounting policies

The Conceptual Framework for Financial Reporting in the Public Sector

The PSAB's Conceptual Framework for Financial Reporting in the Public Sector replaces the conceptual aspects of Section PS 1000, Financial Statement Concepts, and Section PS 1100, Financial Statement Objectives. The Conceptual Framework applies to fiscal years beginning on or after April 1, 2026. Earlier adoption is permitted. This Conceptual Framework is to be applied prospectively.

5. Accounts receivable

	Balance	Allowance	**2024**
Non-Government	$ 1,842,224	$ 201,843	$ 1,640,381
Government of Canada	54,713	4,802	49,911
Government of the Northwest Territories			
Boards and Agencies			
Education Authorities	8,696	-	8,696
Northwest Territories Health and Social Services Authority	7,330	-	7,330
Housing NWT	596,562	-	596,562
Northwest Territories Power Corporation	41,403,705	-	41,403,705
Tlicho Community Services Agency	26,589	-	26,589
Departments			
Education, Culture and Employment	164,269		164,269
Environment and Climate Change	8,413	-	8,413
Infrastructure	396,358		396,358
Local (Municipalities, Community Governments)	2,248,621	144,935	2,103,686
	$ 46,757,480	**$ 351,580**	**$ 46,405,900**

	Balance	Allowance	2023
Non-Government	$ 2,158,597	$ 180,590	$ 1,978,007
Government of Canada	44,197	3,335	40,862
Government of the Northwest Territories			
Boards and Agencies			
Education Authorities	4,073	-	4,073
Northwest Territories Health and Social Services Authority	2,678	-	2,678
Marine Transportation Services - Revolving Fund	207,094	-	207,094
Housing NWT	1,784,988	-	1,784,988
Northwest Territories Power Corporation	17,145,795	-	17,145,795
Tlicho Community Services Agency	12,913	3,958	8,955
Departments			
Education, Culture and Employment	255,850	3,448	252,402
Environment and Climate Change	5,055	-	5,055
Infrastructure	253,947	28	253,919
Local (Municipalities, Community Governments)	1,580,188	186,820	1,393,368
	$ 23,455,375	$ 378,179	$ 23,077,196

6. Inventory for resale

		2024		2023
Diesel	$	40,342,016	$	39,163,088
Gasoline		5,515,146		4,785,630
Jet A1		3,525,066		2,246,519
Naphtha		157,812		42,342
	$	**49,540,040**	$	46,237,579

An inventory write-down of $373 (2023 - $7,484) was expensed during the year. This represents product loss primarily due to evaporation. It is a factor of inventory on hand throughout the year, the type of fuel tanks in which the inventory is held, and weather conditions throughout the year.

7. Accounts payable and accrued liabilities

		2024		2023
Non-Government trade accounts payable	$	7,828,715	$	5,045,152
Government of Canada - Federal excise tax		47,395		53,316
Government of Canada - Goods and services tax		366,244		342,370
Government of the Northwest Territories				
Boards and Agencies				
Northwest Territories Power Corporation		23,450		6,314
Marine Transportation Services - Revolving Fund		128,014		-
Department of Infrastructure		-		1,473
	$	**8,393,818**	$	5,448,625

8. Employee future benefits payable

Other Employee Future Benefits and Compensated Absences

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

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

8. Employee future benefits payable (continued)

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

Valuation results

The last actuarial valuation was completed as at February 11, 2022. The results were extrapolated to March 31, 2024. The effective date of the next actuarial valuation is March 31, 2025. The values presented below are for all of the benefits under the Compensated Absences and Termination Benefits for the Fund.

Changes in Liability	**Severance and Removal**	**Compensated Absences**	**2024**	2023
Accrued benefit obligation, beginning of year	$ 112,736	$ 34,764	$ 147,500	$ 154,934
Benefits earned	4,680	2,233	6,913	7,148
Interest	5,135	1,661	6,796	6,327
Benefits paid	-	(4,780)	(4,780)	(6,782)
Actuarial (gains)/losses	(23,225)	(991)	(24,216)	(14,127)
Accrued benefit obligation, end of year	99,326	32,887	132,213	147,500
Unamortized net actuarial loss	(44,377)	(22,632)	(67,009)	(101,768)
Accrued benefit liability	**$ 54,949**	**$ 10,255**	**$ 65,204**	$ 45,732

Benefits expense

	Severance and Removal	Compensated Absences	**2024**	2023
Current service cost	$ 4,680	$ 2,233	$ 6,913	$ 7,148
Interest cost	5,135	1,661	6,796	6,326
Amortization of net actuarial loss	6,105	4,438	10,543	11,915
	$ 15,920	**$ 8,332**	**$ 24,252**	$ 25,389

The discount rate used in the 2024 fiscal year to determine the accrued benefit obligation is an average of 5.3% (2023 - 4.8%). The expected payments during the next five fiscal years are as follow:

8. Employee future benefits payable (continued)

	Severance and Removal	Compensated Absences	Total
2023	$ 23,845	$ 5,258	$ 29,103
2024	17,317	4,321	21,638
2025	14,277	5,301	19,578
2026	10,722	4,356	15,078
2027	10,041	4,316	14,357
Subsequent 5 years	27,887	13,074	40,961
	$ 104,089	**$ 36,626**	**$ 140,715**

9. Due to the Government of the Northwest Territories

The amount due to the Government of the Northwest Territories represents the balance in the revolving fund as follows:

	2024	2023
Balance, beginning of year	$ 66,019,917	$ 38,915,766
Payments made by the Government of the Northwest Territories		
Purchases of petroleum products	69,478,155	57,330,850
Other cash disbursements	11,547,593	9,826,388
Cash paid to the Government of the Northwest Territories	(57,949,746)	(40,053,087)
	$ 89,337,522	$ 66,019,917

10. Subsequent events

On May 23, 2024 Marine Transportation Services cancelled their barge service for the south end of the Mackenzie River. This impacts the Fund in that delivery to Tulita and Norman Wells will not happen in the summer of 2024. The Fund feels it has sufficient inventories of petroleum products in Tulita to service the community until the winter road is opened in 2025. However, factors such as changes in consumption patterns and weather may impact the endurance of the inventory. Should an airlift to for petroleum products be required, additional costs may be realized. Those costs may be covered by the Government.

Additionally, gasoline will have to be trucked to Tuktoyaktuk rather than transiting north on the river by barge. The assessment of the additional cost, if any, for this trucking operation has not yet been determined.

The Marine Transportation Services has advised the Fund that it is of the opinion that barge transportation to Lutsel K'e will proceed as planned.

11. Commitments

Fuel resupply contracts

The Fund has entered into contracts with Imperial Oil Limited, Midnight Petroleum Ltd., Glencore Ltd. and Arctic Petroleum Services for the supply and transportation of bulk petroleum destined for delivery to communities served by marine by barge, or by road by tanker truck. There are varying contracts with different termination dates; the earliest contract terminates in September 2024 and the last contract terminates in September 2026.

Community fuel delivery contracts

The Fund provides local fuel delivery services in 16 communities across the Northwest Territories. The contracts for sales, dispensing and delivery services are awarded based on a competitive request for proposal (RFP) process. Contracts are awarded to local residents or businesses. Under these contracts, fixed commission rates are paid.

The total value of all commitments is estimated at $129,636,206 (2023 - $27,818,635) as follows:

2025	$ 67,645,364
2026	45,642,677
2027	16,245,153
2028	103,012
	$ 129,636,206

12. Sales of petroleum products

	2024	2023
Non-Government	$ 10,714,583	$ 11,009,437
Government of Canada	143,429	382,767
Government of the Northwest Territories		
Boards and Agencies		
Education Authorities	28,000	19,359
Northwest Territories Health and Social Services Authority	50,284	48,681
Northwest Territories Housing Corporation	4,085,249	3,708,086
Northwest Territories Power Corporation	50,535,968	30,202,973
Tlicho Community Services Agency	47,325	30,271
Departments		
Education, Culture and Employment	1,071,921	1,027,340
Environment and Climate Change	43,545	26,012
Infrastructure	2,321,200	2,026,559
Municipality and Community Affairs	-	4,280
Marine Transportation Services - Revolving fund	138,818	-
Local (Municipalities, Community Governments)	5,557,363	5,125,229
	$ 74,737,685	$ 53,610,994

13. Budget information

The budget figures are from the 2023-2024 Main Estimate Information Item presented to the Legislative Assembly of the Northwest Territories.

14. Comparative figures

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year.

15. Grant contribution - air freight

A one-time grant received from the Government to cover the cost of airlifting cargo and fuel that were not delivered to Sachs Harbour during the 2023 fiscal year sailing season.

16. Grant in kind

Financing charges
Management estimated that the Fund required up to $89 million (2023 - $66 million) in working capital with an estimated annual financing cost of $4,269,180 (2022 - $1,899,336).

Tangible capital assets - rent expenses
Tangible capital assets, i.e. fuel storage facilities and fuel delivery vehicles, are owned by the Government. Tangible capital assets are amortized over the estimated useful life of the assets at the following rates and the expense is recognized as rent:

Buildings	40 years straight line, no salvage
Fuel storage facilities	30 years straight line, no salvage
Fuel delivery vehicles	10 years straight line, no salvage

	Cost	Accumulated Amortization	**2024**	2023
Fuel storage facilities	$ 61,488,608	$ 34,911,153	$ 26,577,455	$ 28,107,048
Fuel delivery vehicles	5,186,583	3,830,393	1,356,190	1,434,271
Construction in process	3,404,031	-	3,404,031	2,690,855
Buildings	561,513	197,340	364,173	378,208
	$ 70,640,735	$ 38,938,886	**$ 31,701,849**	$ 32,610,382

Rent expense for 2024 is $2,061,341 (2023 - $2,115,738).

17. Other revenues and expenses

Other revenues are transactions that generally occur outside of normal operations. They are generally comprised of transactions that have a flow-through effect such as direct expenses that are fully charged back to another party, as well as one-time transactions. Other transactions can include charged back revenue where the revenue is not directly related to expenses, and other miscellaneous revenue transactions such as returned cheque fees.

The transactions consist of the following:

	2024	2023
Other revenues		
Northwest Territories Power Corporation - Tank maintenance	$ -	$ 40,086

18. Related party transactions

Significant expenses incurred from related parties are as follows:

	2024	2023
Government of the Northwest Territories		
Marine Transportation Services - Revolving Fund - Cost of goods sold	$ 7,713,001	$ 8,068,218
Marine Transportation Services - Revolving Fund - Contracts and purchased services	26,891	6,946
Department of Infrastructure - Contracts and purchased services	4,174	8,333
Northwest Territories Power Corporation - Utilities	527,833	495,928
	$ 8,271,899	$ 8,579,425

19. Risk management

The Fund is exposed to credit and liquidity risks from its financial instruments. Qualitative and quantitative analysis of the significant risks from the Fund's financial instruments is provided below.

Transactions in financial instruments may result in an entity assuming or transferring to another party one or more of the financial risks described below. The required disclosures provide information that assists users of financial statements in assessing the extent of risk related to financial instruments.

The Fund is managed to ensure that the cost of goods sold and operating expenses are recovered through the price structure to achieve a break-even operation.

19. Risk management (continued)

(a) Credit risk

Credit risk is the risk of financial loss to the Fund if a debtor fails to make payments of interest and principal when due. The Fund is exposed to this risk relating to its accounts receivable.

Credit risk related to accounts receivable is mitigated by internal controls as well policies and oversight over arrears for ultimate collection.

The Fund's maximum exposure to credit risk is represented by its accounts receivable for a total of $46,405,900 (2023 - $23,077,196). The risk has increased from the prior year.

Concentration of credit risk

Concentration of credit risk is the risk that a customer(s) has a significant portion of the total accounts receivable balance and thus there is a higher risk to the Fund in the event of a default. The Fund does have concentration risk. At March 31, 2024, receivables from one customer comprised 89% of the total outstanding accounts receivables (2023 - 74% from two customers). The Fund reduces this risk by monitoring overdue balances.

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

At March 31, 2024, the following accounts receivable were past due:

	30 days	60 days	90 days	Total
Accounts receivable	$ 7,547,463	$ 6,447,185	$ 20,440,862	$ 34,435,510
Allowance for doubtful accounts	-	-	(351,580)	(351,580)
	$ 7,547,463	$ 6,447,185	$ 20,089,282	$ 34,083,930

(b) Liquidity risk

Liquidity risk is the risk that the Fund will not be able to meet all cash outflow obligations as they come due. The Fund mitigates this risk by monitoring cash activities and expected outflows through budgeting.

The Fund's maximum exposure to liquidity risk is represented by the financial liabilities for a total of $97,996,420 (2023 - $71,677,759). Financial liabilities consist of accounts payable and accrued liabilities and amounts due to the Government of the Northwest Territories. All financial liabilities are considered current and mature within 6 months.

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

19. Risk management (continued)

(c) Other price risk

Other price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether the factors are specific to the instrument or all instruments traded in the market. The Fund is exposed to other price risks as it purchases and sells petroleum products which are sensitive to price fluctuations. The Fund reduces its exposure to this risk by purchasing and selling the petroleum products at pre-approved rates.

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

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)

	2023/24 Actuals	2023/24 Revised Estimates	2023/24 Main Estimates	2022/23 Actuals
Authorized Limit	**1,500**	**1,500**	**1,500**	**1,500**
Opening Accounts Receivable	1,017	1,016	893	967
Advances to Trappers	310	308	731	296
Repayment of Fur Account Loans	(329)	(279)	(659)	(246)
Closing Accounts Receivable	**998**	**1,045**	**965**	**1,017**
Cash	(1,727)			**(1,885)**
Other Asset Accounts	1			**1**
Asset (Liability) Accounts	498			**364**
Clearing Accounts	68			**68**
Closing Balance Fund 12	**(162)**			**(435)**
Authorized limit	**1,500**			**1,500**

The information provided within this working paper addresses all requirements of YE Directive #49 with regards to content, format, completeness, analysis and reconciliation to SAM data, and its due date of May 10th, 2024.

Jessica St.Arnaud, DFA

May 09, 2024

Marine Transportation Services
(Marine Transportation Services Revolving Fund)

Financial Statements

March 31, 2024

March 31, 2024 **Page**

Management's Responsibility for Financial Reporting

To the Minister of Infrastructure

Government of the Northwest Territories

Management is responsible for the reliability, integrity and objectivity of the data in the accompanying financial statements, which have been prepared in accordance with Canadian public sector accounting standards. Where appropriate, the financial statements include estimates and judgments based on careful consideration of the information available to management.

In discharging its responsibility for financial reporting, management maintains and relies on internal control systems and practices, which are designed to provide reasonable assurance that the transactions are authorized, the assets are safeguarded, and proper records are maintained. These control systems and practices ensure the orderly conduct of business, the accuracy of the accounting records, reliability of financial information and compliance to legislation governing the Marine Transportation Services revolving fund (the "Fund").

The auditor provides an independent, objective audit for the purpose of expressing an opinion on the financial statements. The auditor also considers whether the transactions that come to their notice during the course of the audit are, in all significant respects, in accordance with specified legislation.

Steve Hagerman, Director
Marine Transportation Services Revolving Fund
Hay River, Northwest Territories
June 24, 2024

ASHTON
Chartered Accountants
Business Advisors

Suite 8 - 6 Courtoreille Street
Hay River, NT X0E 1G2
PH: (867) 874-6775
FX: (867) 874-3775
Email: tashton@ashtonca.com

INDEPENDENT AUDITOR'S REPORT

To the Members of Marine Transportation Services Revolving Fund

Qualified Opinion

We have audited the financial statements of Marine Transportation Services Revolving Fund (the Fund), which comprise the statement of financial position as at March 31, 2024, and the statements of operations, changes in accumulated surplus (deficit), changes in net financial debt and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at March 31, 2024, and the results of its operations and cash flows for the year then ended in accordance with Canadian public sector accounting standards (PSAS).

Basis for Qualified Opinion

Compensation and related benefits paid to employees of the Fund are administrated by the Government of the Northwest Territories and audited as part of the Government of the Northwest Territories' audit. These balances are excluded from the scope of our audit. Accordingly, we were not able to determine whether any adjustments might be necessary to compensation and benefits expenses for the year ended March 31, 2023, and payroll liabilities, employee future benefits, net financial resources, and accumulated surplus (deficit) as at March 31, 2023, as well as the associated note disclosures.

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

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

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

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

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

(continues)

Independent Auditor's Report to the Members of Marine Transportation Services Revolving Fund *(continued)*

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Ashton

Hay River, Northwest Territories
June 24, 2024

Ashton Chartered Professional Accountants

Marine Transportation Services — Statement I
(Marine Transportation Services Revolving Fund)

Statement of Financial Position

March 31,	2024	2023
Financial Assets		
Accounts receivable (note 4)	$ 5,021,518	$ 4,251,301
	5,021,518	4,251,301
Liabilities		
Bank indebtedness (note 5)	25,938,194	20,360,103
Accounts payable and accrued liabilities (note 6)	15,634,549	13,040,072
Deferred revenue	-	167,671
Employee future benefits (note 7)	21,060	3,010
Due to Government of Northwest Territories - Revolving fund (note 8)	5,391,624	16,420,515
Due to Government of Northwest Territories - long-term loan (note 9)	10,260,438	10,260,438
Net financial debt	(52,224,347)	(56,000,508)
Non-financial assets		
Tangible capital assets (note 10)	49,748,224	52,167,176
Prepaid expenses and deposits (note 11)	326,216	1,463,237
Inventory (note 12)	2,149,907	2,370,095
	52,224,347	56,000,508
Surplus (deficit)	$ -	$ -

Contributed capital (note 13)

Approved:

Steve Hagema — **Director**, **Marine Transportation Services**

[signature] — **Comptroller**, **Marine Transportation Services**

See accompanying notes

Marine Transportation Services

Statement II

(Marine Transportation Services Revolving Fund)

Statement of Changes in Net Financial Debt

For the year ended March 31,		2024 Budget		2024 Actual		2023 Actual
Net financial debt, beginning of year	$	(56,000,508)	$	(56,000,508)	$	(54,884,188)
Deficiency of revenues over expenses		-		-		-
Amortization		2,920,731		3,925,385		2,613,678
Consumption (acquisition) of inventories		-		220,188		(911,530)
Use (acquisition) of prepaid expenses		-		1,137,021		(100,404)
Purchase of tangible capital assets		(2,037,278)		(1,506,433)		(2,718,064)
Change in net financial debt		883,453		3,776,161		(1,116,320)
Net financial debt, end of year	$	(55,117,055)	$	(52,224,347)	$	(56,000,508)

Marine Transportation Services
Statement III

(Marine Transportation Services Revolving Fund)

Statement of Operations

For the year ended March 31,	2024 Budget	2024 Actual	2023 Actual
Revenues			
Cargo delivery revenue	$ 7,828,835	$ 4,861,995	$ 9,374,638
Fuel delivery revenue	13,284,870	9,802,346	12,980,307
Fuel sales	9,020,000	5,368,983	12,456,269
Shipyard services	3,782,250	4,179,396	2,021,934
Charter revenue	1,700,000	3,016,137	3,601,184
Rental and other revenue	452,600	708,752	988,064
	36,068,555	27,937,609	41,422,396
Expenses (note 14)			
Fuel cost of sales	9,020,000	5,403,215	12,516,848
Maintenance	8,817,212	8,635,378	10,424,521
Marine operations	12,877,827	13,407,796	15,067,507
Shipyard service	1,190,000	2,543,061	1,451,077
Terminal operations	3,043,070	3,465,519	3,343,856
General and administrative	3,548,401	3,692,018	3,030,922
	38,496,510	37,146,987	45,834,731
Deficiency of revenue over expenses before other expenses and items	(2,427,955)	(9,209,378)	(4,412,335)
Other expenses			
Amortization	2,920,731	3,925,385	2,613,678
Finance charges (note 15)	1,008,695	1,327,395	1,224,337
Loss on disposal of capital asset	152,083	-	-
	4,081,509	5,252,780	3,838,015
Deficiency of revenue over expenses before other item	(6,509,464)	(14,462,158)	(8,250,350)
Other item			
Grant contributions (note 16)	6,509,464	14,462,158	8,250,350
Deficiency of revenue over expenses	$ -	$ -	$ -

Marine Transportation Services — Statement IV

(Marine Transportation Services Revolving Fund)

Statement of Accumulated Surplus (Deficit)

For the year ended March 31,		2024		2023
Accumulated surplus (deficit), beginning of year	$	-	$	-
Excess (deficiency) of revenue over expenses		-		-
Accumulated surplus (deficit), end of year	$	-	$	-

See accompanying notes

Marine Transportation Services — Statement V

(Marine Transportation Services Revolving Fund)

Statement of Cash Flows

For the year ended March 31,	2024	2023
Cash provided by (used for)		
Operating activities		
Deficiency of revenues over expenses	$ -	$ -
Items not affecting cash		
Amortization	**3,925,385**	2,613,678
Finance charges	**1,327,395**	1,224,337
	5,252,780	3,838,015
Changes in non-cash working capital items		
Accounts receivable	**(770,217)**	(2,952,857)
Accounts payable and accrued liabilities	**2,594,477**	9,065,164
Deferred revenue	**(167,671)**	(40,746)
Employee future benefits	**18,050**	12,150
Inventory	**220,188**	(911,530)
Prepaid expenses and deposits	**1,137,021**	(100,404)
	8,284,628	8,909,792
Financing activities		
Payments to Government of Northwest Territories	**(12,356,286)**	(3,963,925)
Investing activity		
Purchase of tangible capital assets	**(1,506,433)**	(2,718,064)
(Decrease) increase in cash	**(5,578,091)**	2,227,803
Cash (bank indebtedness), beginning of year	**(20,360,103)**	(22,587,906)
Cash (bank indebtedness), end of year	**$ (25,938,194)**	$ (20,360,103)

1. **Nature of operations**

Marine Transportation Services Revolving Fund (the Fund) was established on June 2, 2017 after the closure of the Northern Transportation Company Limited (NTCL) in December 2016. The Fund was established with the main purpose of meeting the capital, operating and maintenance requirements of providing marine transportation services for the movement of cargo to communities on Great Slave Lake, the Mackenzie River and throughout the Arctic coastal region.

Under the Government of the Northwest Territories *Revolving Funds Act* (the "*Act*"), the Fund can receive working capital advances from the Consolidated Revenue Fund (CRF) to finance inventory, accounts receivable and operating expenses. The authorized limit of the Fund, being the maximum amount by which the assets may exceed the liabilities, is $35 million. There is no limit for instances where liabilities may exceed assets. The balance of the Fund is reported as due to or from the Government of the Northwest Territories (the "GNWT") on the statement of financial position.

2. **Significant accounting policies**

The Fund follows Canadian Public Sector Accounting Standards (PSAS) generally accepted in Canada in preparing its financial statements. The significant accounting policies used are as follows:

(a) Revenue recognition

Revenue is recognized when it is probable that all economic benefits will flow to the Fund and delivery of service has occurred, or when the price is fixed or determinable and when collectability is reasonably assured.

Fuel sales revenue is recognized in the period in which the fuel is delivered to the customer premises. Revenue is recognized on the actual volume of fuel delivered at predetermined rates between the Fund and the customer, and when all discharge documents have been acknowledged and signed by the customer.

Cargo and fuel delivery revenue is recognized in the period when the Fund fulfills delivery requirements and when both fuel and cargo have been delivered at the customer premises and all discharge documents acknowledged and signed by the customer. Both fuel and cargo delivery rates are pre-determined.

Charter revenue is recognized when there is use of the Fund's vessels for a specified period of time under specified conditions at pre-determined prices. Revenue is recognized in the period when the Fund provides the required vessels to the customer as specified in the contract.

Shipyard services revenue is recognized in the period when the Fund performs services for any other customer outside the normal Fund's activities. Revenue is recognized in the period that the Fund completes and delivers such services to the customer.

Grant contribution revenue recognized when the funds are receivable or become receivable under the agreement signed between the Government of Canada, the Government of Northwest Territories and the Fund.

Other revenue is recognized as goods are delivered or services are provided.

2. Significant accounting policies (continued)

(b) Government transfers

Government transfers are the transfer of monetary assets or tangible capital assets from a government for which the government making the transfer does not:
• receive any goods or services directly in return;
• expect to be repaid in the future; or
• expect a direct financial return.

Government transfers are recognized as revenue in the period during which the transfer is authorized and eligibility criteria are met, except when and to the extent that the transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers meeting the definition of a liability are recognized as revenue as the liability is settled.

(c) Inter-entity transactions

Inter-entity transactions are transactions between commonly controlled entitles, Government departments.

Inter-entity transactions are recorded at the exchange amount when they are undertaken on similar terms and conditions to those adopted If the entitles were dealing at arm's length. The cost allocations are recorded on a gross basis.

(d) Measurement uncertainty

The preparation of financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reported period. These estimates are reviewed periodically and are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

(e) Financial instruments

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

This category includes cash, bank indebtedness, accounts receivable, accounts payable and accrued liabilities, and amounts due to the Government of the Northwest Territories. They are initially recognized at cost and subsequently carried at amortized cost using the effective interest rate method, less any impairment losses on financial assets.

Transaction costs related to financial instruments in the amortized cost category are added to the carrying value of the instruments.

2. **Significant accounting policies (continued)**

(e) Financial instruments (continued)

Write-downs on financial assets in the amortized cost category are recognized when the amount of a loss is known with sufficient precision, and there is no realistic prospect of recovery. Financial assets are then written down to net recoverable value with the write-down being recognized in the statement of operations.

(f) Cash and bank indebtedness

The Fund maintains an account with the Royal Bank of Canada. All funds received are recorded and banked to this account. All payments made are recorded to this account with exception of payments made directly by the Government of Northwest Territories on behalf of the Fund. Payments made by the Government of Northwest Territories are recorded on the revolving fund loan account with the Government of Northwest Territories. The balance in the financial statements reflects the Funds cash and bank indebtedness by the end of the year.

(g) Inventory

Inventory is valued at the lower of cost and net realizable value. Cost is determined using the weighted average method.

(h) Employee future benefits

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

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

Under the terms and conditions of employment, government employees may earn non-pension benefits for resignation, retirement and removal costs. Eligible employees earn benefits based on years of service to a maximum entitlement based on terms of employment. Eligibility is based on a variety of factors including place of hire, date employment commenced, and reason for termination. Benefit entitlements are paid upon resignation, retirement or death of an employee. The expected cost of providing these benefits is recognized as employees render service. Termination benefits are also recorded when employees are identified for layoff.

2. Significant accounting policies (continued)

(h) Employee future benefits (continued)

Compensated absences include sick, special, parental and maternity leave. Accumulating non-vesting sick and special leave are recognized in the period the employee provides service, whereas parental and maternity leave are event driven and are recognized when the leave commences. An actuarial valuation of the cost of these benefits (except maternity and parental leave) has been prepared using data provided by management and assumptions based on management's best estimates.

(i) Related parties

The Fund initially measures related party balances in accordance with the substance of the transactions that gave rise to them. The Fund subsequently measures related party balances in accordance with the Fund's policies for financial instruments, as set out in note (e).

The Fund is related in terms of common control to all Government of the Northwest Territories departments, boards and agencies.

The Fund enters into transactions with these entities in the normal course of business at the specified market rates for services with the exception of Fuel Services Division (FSD) which is the part of the Department of Infrastructure. FSD is charged for fuel deliveries made by the Fund at non-market rates prepared by the Fund's management and communicated to FSD management.

Departments

- Department of Education, Culture and Employment
- Department of Environment and Climate Change
- Department of Executive and Indigenous Affairs
- Department of Finance
- Department of Health and Social Services
- Department of Industry, Tourism and Investment
- Department of Infrastructure
- Department of Justice
- Department of Lands
- Department of Municipal and Community Affairs
- Legislative Assembly

Boards and Agencies

- Arctic Energy Alliance
- Aurora College
- Education Authorities
- Health and Social Services Authority
- Inuvialuit Water Board
- Northwest Territories Energy Corporation
- Northwest Territories Heritage Fund
- Northwest Territories Power Corporation

2. Significant accounting policies (continued)

(i) Related parties (continued)

Boards and Agencies (continued)

NWT Business Development & Investment Corporation
NWT Environmental Studies Research Fund
NWT Housing Corporation
NWT Human Rights Commission
NWT Liquor and Cannabis Commission
NWT Liquor Licensing Board
NWT Surface Rights Board
Stanton Foundation
Status of Women Council of the NWT
Tlicho Community Services Agency
Workers' Safety and Compensation Commission

(j) Tangible capital assets

Tangible capital assets are accounted for at cost. Amortization is based on their useful life using the straight-line methods.

Machinery and equipment	15 years Straight-line
Vessels and barges	12.5 and 55 years Straight-line

Self-constructed assets: cost includes expenditure on materials, direct labour and allocated proportion of project overheads. Any gain or loss on disposal or retirement of a tangible asset is determined as the difference between proceeds from disposal and the carrying amount of the asset and is recognised in net surplus or deficit.

Major overhauls and inspections costs are capitalized and amortized over the remaining useful life of the asset. Maintenance and repair costs that do not improve productivity or extend the useful life of the assets are expensed in the period incurred.

Useful life for marine assets is determined using industry standards and professional judgment. The used assets are amortized over 12.5 years, barges acquired after 2016 are amortized over 55 years. Additions to existing assets are amortized over the remaining useful life of the assets.

(k) Capital work in progress

Capital work in progress represents capital projects under construction but not completed and are valued at cost. Capital work in progress is accumulated until ready to use.

Amortization is recorded when the asset has been put to use.

2. Significant accounting policies (continued)

(l) Liability for contaminated sites

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. The Fund recognises liability for remediation of contaminated sites when the following criteria have been met:

a) an environment standard exists;
b) contamination exceeds the environment standard;
c) the Fund is directly responsible or accepts responsibility;
d) it is expected that the future benefits will be given up;
e) a reasonable estimate of the amount can be made.

The best estimate of the liability includes all costs directly attributable to remediation activities and reduced by the expected net recoveries based on information available. At each financial reporting date, management reviews the carrying amounts of the liability. Any revision required to the amount previously recognised is accounted for in the period revisions are made.

Government of Northwest Territories contaminated sites division of the Department of Environment and Natural Resources completed an assessment through a contractor. As of March 31, 2024, there was no liability related to contaminated sites.

(m) Budget

Budget figures are not audited and intended for information purposes only.

(n) Services provided by the Government of the Northwest Territories

The Fund does not record the following services provided without charge by the Government of Northwest Territories: the procurement of goods and services, administration of insurance and risk management, the processing of payroll, legal counsel, record storage and computer operations and internal audit services, as it is difficult to estimate them.

3. Future changes to significant accounting policies

Financial Statement Presentation, Section PS 1202

This section is effective for fiscal years beginning on or after April 1, 2026. This section sets out general and specific requirements for the presentation of information in general purpose financial statements. It provides general guidance on the recognition of certain items. The financial statement presentation principles are based on the concepts in the Conceptual Framework.

The impact of the transition to this accounting standard, if any, has not yet been determined.

3. Future changes to significant accounting policies (continued)

The Conceptual Framework for Financial Reporting in the Public Sector

This section is effective for fiscal years beginning on or after April 1, 2026. This section sets out a coherent set of interrelated concepts underlying accounting and financial reporting standards. It prescribes the nature, function and limits of financial accounting and reporting.

The impact of the transition to this framework, if any, has not yet been determined.

4. Accounts receivable

	2024	2023
Customer receivable	$ **2,772,025**	$ 392,277
Government of Canada		
Fisheries and Oceans	**2,696,224**	1,292,527
Transport Canada	-	2,080,982
Government of Northwest Territories		
Department of Infrastructure - Fuel Services Division	**129,126**	-
Department of Environment and Climate Change	**34,830**	-
Department of Finance	**13,400**	-
Department of Health and Social Services	**4,217**	-
Department of Industry, Tourism and Investment	**650**	-
Lutsel K'e Housing Authority	**186**	-
Northwest Territories Energy Corporation	-	638,409
Northwest Territories Power Corporation	-	412
	5,650,658	4,404,607
Less: Allowance for doubtful accounts	**629,140**	153,306
	$ **5,021,518**	$ 4,251,301

5. Bank indebtedness

The Funds bank account is one of numerous Government of Northwest Territories accounts included in a consolidated balance arrangement with the Royal Bank of Canada. There are no fixed repayment terms and the overdraft limits are negotiated based on the forecasted cash flows and borrowing requirements of the Government of Northwest Territories. The Government of Northwest Territories does not pay out or recover interest from the Fund.

6. Accounts payable and accrued liabilities

		2024		2023
Trade accounts payable and accrued liabilities	$	**15,501,763**	$	12,685,287
Government of Canada				
Goods and service tax		**91,279**		77,636
Federal excise tax		**-**		58,054
Government of Northwest Territories				
Department of Infrastructure		**15,382**		5,643
Tulita Housing Association		**7,540**		-
Northwest Territories Health and Social Services Authorities		**6,620**		-
Department of Finance - Carbon tax		**6,211**		-
Department of Finance - Petroleum tax		**3,252**		-
Northwest Territories Power Corporation		**2,502**		6,358
Department of Infrastructure - Fuel Services Division		**-**		207,094
	$	**15,634,549**	$	13,040,072

7. Employee future benefits

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

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

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

Valuation results

The last actuarial valuation was completed as at February 11, 2022. The results were extrapolated to March 31, 2024. The effective date of the next actuarial valuation is March 31, 2025. The values presented below are for all of the benefits under the Compensated Absences and Termination Benefits for the Marine Transportation Services Revolving Fund.

7. Employee future benefits (continued)

		2024		2023
Accrued benefit obligation, beginning of year	$	**75,546**	$	85,478
Benefits earned		**4,208**		4,332
Interest		**3,627**		3,384
Benefit paid		**(2,165)**		(8,805)
Actuarial gain		**(8,158)**		(8,843)
Plan amendment		**-**		-
Accrued benefit obligation, end of year		**73,058**		75,546
Unamortized net actuarial loss		**(51,998)**		(72,536)
Employee future benefit liability, end of year	$	**21,060**	$	3,010

		2024		2023
Benefits Expense				
Current service cost		**4,208**		4,332
Interest cost		**3,627**		3,384
Amortization of net actuarial loss		**12,380**		13,239
Plan amendment		**-**		-
	$	**20,215**	$	20,955

The discount rate used in the 2024 fiscal year to determine the accrued benefit obligation was an average of 5.3% (2023 - 4.8%).

The expected contributions during the next five fiscal years are as follows:

		Total
2025	$	11,229
2026		9,700
2027		10,515
2028		14,059
2029		10,656
Total	$	**56,159**

8. Due to Government of Northwest Territories – Revolving fund

As per the *Revolving Fund Act* (the "*Act*") there shall be an authorized fund to meet the capital, operating and maintenance requirements of the Fund. The Due to Government of Northwest Territories - Revolving fund has no specific term of repayment and bears interest at the Bank of Canada prime rate per annum plus 0.35%. During the year the Government of Northwest Territories charged financing charges of $1,218,700 (2023 - $1,095,066).

9. Due to Government of Northwest Territories – long-term loan

The GNWT purchased assets from NTCL at a cost of $11,300,000 in 2017. The assets comprised tangible capital assets worth $10,656,509 and controllable assets worth $643,491. A repayment plan was prepared based on the loan amount of $11,300,000. Long-term loan bears interest at an interest rate of 1.84% per annum. During the year the GNWT charged financing charges of $108,695 (2023 - $129,271).

Fund made $nil (2023 - $nil) payment against the Government of Northwest Territories long-term loan.

		2024	2023
Government of Northwest Territories long-term loan, due in December 2027	$	**10,260,438**	$ 10,260,438

Estimated principal repayments are as follows:		
2025	$	6,651,605
2026		1,181,079
2027		1,202,811
2028		1,224,943
2029		-
	$	**10,260,438**

10. Tangible capital assets

For the year ended March 31,	Land	Vessels and barges	Machinery and equipment	Capital work in progress	2024 Total	2023 Total
Cost						
Balance, beginning of the year	$ 2,212,843	$ 49,442,821	$ 1,729,805	$ 6,915,158	$ 60,300,627	$ 57,582,561
Addition during the year	-	6,170,339	1,267,727	1,506,433	8,944,499	4,872,984
Capitalized from capital work in progress	-	-	-	(7,438,066)	(7,438,066)	(2,154,918)
Balance, end of year	2,212,843	55,613,160	2,997,532	983,525	61,807,060	60,300,627
Accumulated amortization						
Balance, beginning of the year	-	7,697,999	435,452	-	8,133,451	5,519,773
Annual amortization	-	3,768,483	156,902	-	3,925,385	2,613,678
Balance, end of year	-	11,466,482	592,354	-	12,058,836	8,133,451
Net book value	$ 2,212,843	$ 44,146,678	$ 2,405,178	$ 983,525	$ 49,748,224	$ 52,167,176

11. Prepaid expenses and deposits

	2024	2023
Insurance	$ 326,216	$ 262,873
Other	-	1,200,364
	$ 326,216	$ 1,463,237

Prepaid expenses other includes $nil (2023 - $1,018,589) in costs related to cargo deliveries in transit that will be completed next fiscal year.

12. Inventory

	2024	2023
Fuel	$ 1,790,603	$ 1,995,148
Parts and supplies	359,304	374,947
	$ 2,149,907	$ 2,370,095

13. Contributed capital

The Fund recognized grant contribution from the Government of Northwest Territories for the operating losses charged to an appropriation at the end of each fiscal year as specified in *Financial Administration Act* in Section 104(c). As of March 31, 2024 the Government of Northwest Territories made accumulated contributions of $32,556,852 (2023 - $19,631,318).

14. Expenses

	Fuel cost of sales	Maintenance	Marine operations	Shipyard service	Terminal operations	General and administrative	2024 Actual
Wages and benefits	$ -	$ 5,372,316	$ 7,046,946	$ -	$ 1,817,852	$ 1,709,735	$ **15,946,849**
Fuel cost of sales	5,403,215	-	-	-	-	-	**5,403,215**
Insurance	-	254,883	983,580	-	267,737	-	**1,506,200**
Fuel consumption	-	186,045	1,532,139	-	146,955	-	**1,865,139**
Shipyard service cost of sales	-	-	-	2,543,061	-	-	**2,543,061**
Other	-	2,822,134	3,845,131	-	1,232,975	1,982,283	**9,882,523**
	$ 5,403,215	**$ 8,635,378**	**$ 13,407,796**	**$ 2,543,061**	**$ 3,465,519**	**$ 3,692,018**	**$ 37,146,987**

15. Financing charges

	2024	2023
Interest on revolving fund - due to Government of Northwest Territories	$ **1,218,700**	$ 1,095,066
Interest on long-term loan - due to Government of Northwest Territories	**108,695**	129,271
	$ **1,327,395**	$ 1,224,337

16. Grant contributions

	2024	2023
Government of Canada		
Transport Canada - Ocean Protection Fund - 75% of doubled hulled barges	$ **209,229**	$ 1,105,981
Government of Northwest Territories - Department of Infrastructure		
Operating losses	**12,925,534**	4,271,803
Finance charges	**1,327,395**	1,224,337
Airlift recovery	-	1,648,229
	$ **14,462,158**	$ 8,250,350

17. Related party transactions

During the year the Fund incurred the following transactions with the related parties:

		2024		2023
Revenue				
Government of Northwest Territories				
Department of Infrastructure - Fuel Services Division	$	**7,849,735**	$	8,068,218
Northwest Territories Energy Corporation		**419,487**		2,220,197
Department of Environment and Climate Change		**95,930**		108,678
Northwest Territories Power Corporation		**64,237**		347,660
Department of Infrastructure		**19,069**		25,433
Department of Health and Social Services		**14,822**		-
Department of Finance		**12,762**		-
Lutsel K'e Housing Authority		**7,837**		-
NWT Housing Corporation		**5,594**		54,645
Department of Justice		**4,726**		-
Department of Industry, Tourism and Investment		**2,310**		173
Northwest Territories Health and Social Services Authorities		**1,991**		8,405
Beaufort Delta Divisional Education Council		**1,157**		23,265
Sachs Harbour Housing Association		**562**		-
Sahtu Divisional Education Council		-		5,234
Department of Infrastructure - Yellowknife Airport Revolving Fund		-		972
Ulukhaktok Housing Association		-		692
Sahtu Divisional Board of Education		-		539
	$	**8,500,219**	$	10,864,111
Expenses				
Government of Northwest Territories				
Department of Finance	$	**329,572**	$	281,371
Department of Infrastructure - Fuel Services Division		**248,733**		219,158
Northwest Territories Power Corporation		**132,427**		67,305
Department of Infrastructure		**61,449**		104,909
	$	**772,181**	$	672,743

Accounts receivable from related parties are disclosed in note 4.
Accounts payable and accrued liabilities to related parties are disclosed in note 6.
Finance charges are disclosed in note 15.
Grant contributions are disclosed in note 16.

18. Risk management

The Fund is exposed to credit and liquidity risks from its financial instruments. Qualitative and quantitative analysis of the significant risks from the Fund's financial instruments is provided below.

Transactions in financial instruments may result in an entity assuming or transferring to another party one or more of the financial risks described below. The required disclosures provide Information that assists users of financial statements in assessing the extent of risk related to financial instruments.

(a) Credit risk

Credit risk is the risk of financial loss to the Fund if a debtor fails to make payments of interest and principal when due. The Fund is exposed to this risk relating to its accounts receivable.

Credit risk related to accounts receivable is mitigated by internal controls as well policies and oversight over arrears for ultimate collection.

The Fund's maximum exposure to credit risk is represented by its accounts receivable for a total of $5,021,518 (2023 - $4,251,301). At March 31, 2024, the Fund's management has determined that $629,140 (2023 - $153,306) accounts receivable was impaired. Management's assessment was based on specific identification and age of receivables.

Concentration of credit risk

Concentration of credit risk is the risk that a customer(s) has more than ten percent of the total accounts receivable balance and thus there is a higher risk to the Fund in the event of a default. The Fund does have concentration risk. At March 31, 2024, receivables from three customers comprised 91% (2023 – 97%) of the total outstanding accounts receivables. The risk is considered low since these receivables are from customers who are considered creditworthy by the Fund management. The Fund reduces this risk by monitoring overdue balances.

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

(b) Liquidity risk

Liquidity risk is the risk that the Fund will not be able to meet all cash outflow obligations as they come due. The Fund mitigates this risk by monitoring cash activities and expected outflows and utilizing the overdraft availability on the 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 $57,224,805 (2023 - $60,081,128). Financial liabilities consist of bank indebtedness, accounts payable and accrued liabilities, employee future benefits, due to the Government of Northwest Territories - Revolving fund and due to the Government of the Northwest Territories – long-term loan. All financial liabilities with the exception of the amounts due to the Government of Northwest Territories are considered current and mature within 6 months.

18. Risk management (continued)

(b) Liquidity risk (continued)

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

(c) Interest rate risk

The Fund is exposed to interest rate risk. Interest rate risk is the risk that the Fund has interest rate exposure on its due to the Government of Northwest Territories – Revolving fund liability, which is variable based on the Bank of Canada prime rate. This exposure may have an effect on its earnings in future periods. The Fund reduces its exposure to interest rate risk by regularly monitoring published bank prime interest rates which have been relatively stable over the period presented. The Fund does not use derivative instruments to reduce its exposure to interest rate risk. In the opinion of management the interest rate risk exposure to the Fund low and is not material.

(d) Other price risk

Other price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether the factors are specific to the instrument or all instruments traded in the market. The Fund is exposed to other price risks as it purchases and sells petroleum products which are sensitive to price fluctuations. The Fund reduces its exposure to this risk by purchasing and selling the petroleum products at pre-approved rates.

There have been no significant changes from the previous year in the exposure to risk.

19. Comparative figures

Where necessary, comparative figures have been adjusted to conform with current year presentation.

70th Annual Report

2023– 2024

NORTHWEST TERRITORIES
LIQUOR AND CANNABIS
COMMISSION

Photo credit:
JCVossler

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Government of
Northwest Territories

July 30, 2024

MEMBERS OF LEGISLATIVE ASSEMBLY

NWT Liquor & Cannabis Commission Annual Report

I am pleased to present, for the information of the Members of the Legislative Assembly, the seventieth Annual Report for the Northwest Territories Liquor & Cannabis Commission for the fiscal year ending March 31, 2024.

Caroline Wawzonek
Minister Responsible for the
NWT Liquor Commission

Attachment

HONOURABLE CAROLINE WAWZONEK
MINISTER OF FINANCE

NWT Liquor & Cannabis Commission

Pursuant to Subsection 64 (1) of the Liquor Act, we are pleased to submit the seventieth Annual Report of the Northwest Territories Liquor & Cannabis Commission for the fiscal year ending March 31, 2024.

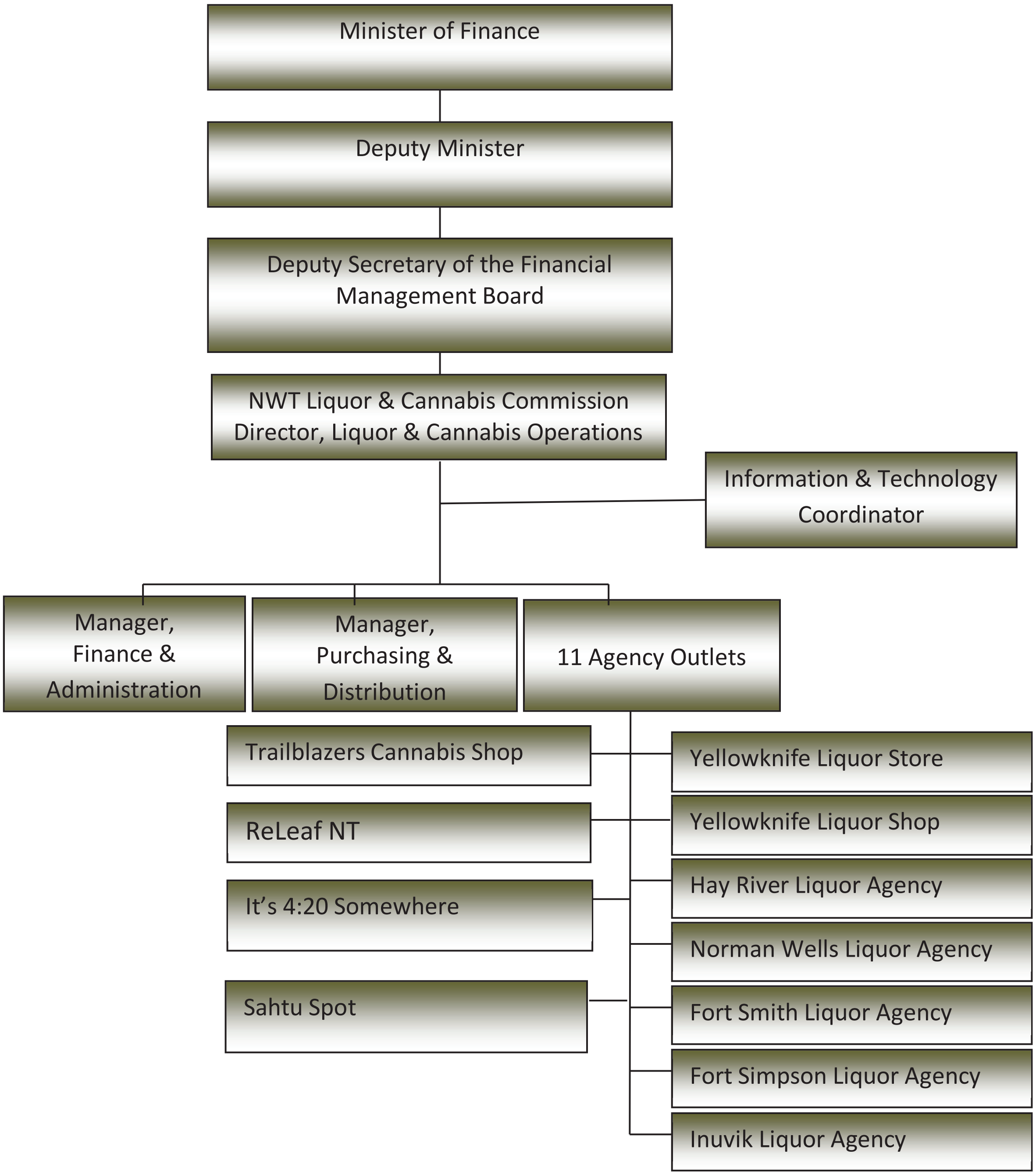
We wish to express our thanks to our staff for all their support and contributions to the progress of the Commission during the year.

Kim Wilkins
Director, Liquor & Cannabis Operations
NWT Liquor & Cannabis Commission

William MacKay
Deputy Minister
Department of Finance

NWT Liquor and Cannabis Commission, 201-31 Capital Drive, Hay River, NT X0E 1G2
Phone: (867) 874-8700 Fax: (867) 874-8720

Organization Chart



Northwest Territories Liquor & Cannabis Commission

Suite 201 – 31 Capital Drive
Hay River, NT X0E 1G2
Ph: 867 874 8700
Fax: 867 874 8720

www.fin.gov.nt.ca

Report on Liquor

NORTHWEST TERRITORIES LIQUOR AND CANNABIS COMMISSION

Director of Liquor & Cannabis Operations' Report

The Northwest Territories Liquor & Cannabis Commission (NTLCC) is established under the *Liquor Act*. The *Liquor Act* and the *Cannabis Products Act* of the Northwest Territories authorizes the NTLCC to purchase, sell, classify, and distribute liquor and cannabis in the Northwest Territories.

The 2023-2024 fiscal year showed a sales decrease of (6.76%) over the prior fiscal year at $51 million in liquor sales. The overall volume of liquor sold, in litres, decreased by (9.19%) over 2022-2023. Subsequently, the annual surplus for liquor was 4.23% below budget targets. The decrease in sales can be attributed to the multiple evacuations within several NWT communities which resulted in four of our seven stores closed anywhere between 4-8 weeks.

Cannabis sales increased over 2022-23 by 11.5%, at $8.4 million in cannabis sales. Product selection and supply continue to improve across Canada.

Combined sales for liquor and cannabis products of $59 million provided a total of $22.8 million dividend payment to the Government of the Northwest Territories.

Sale and distribution of liquor is carried out through a network consisting of seven retail outlets, which are contracted to private sector operators. Two of the seven retail outlets also sell cannabis. There is one private cannabis store in Hay River, one private store in Norman Wells and two in Yellowknife; one which also has a website offering an online option to NWT residents to purchase legal cannabis products.

The strategic plan of the Commission for Liquor and Cannabis focuses on three key areas for measuring performance:

1. Efficient operation, and compliance with legislation, regulation, and policy;
2. Social Responsibility; and
3. Financial Income Targets

These areas serve as a guideline for incorporating our mission statement into day-to-day activities. The success of the organization should not be measured in financial performance alone, and the responsibility of the Commission includes ensuring performance as a responsible industry partner, and as a socially responsible member of society.

I would like to thank our staff, agents, customers, and partners for a safe and successful year.

Kim Wilkins
Director Liquor & Cannabis Operations

NWT Liquor and Cannabis Commission, 201-31 Capital Drive, Hay River, NT X0E 1G2
Phone: (867) 874-8700 Fax: (867) 874-8720

Mandate

Vision

Our customers will have a healthy and responsible attitude toward alcohol consumption, and we will provide them the opportunity to discover, enjoy and share a wide variety of beverage alcohol.

Mission Statement

We will be an innovative, efficient and profitable organization, dedicated to the retail and wholesale distribution of beverage alcohol, and promote the development of a healthy and responsible drinking culture.

Values

We value our customers and employees.
We encourage and support the responsible use of alcohol.
We will be efficient and cost effective.
We will be responsible for our actions and will be honest and fair.
We will treat others with dignity and courtesy.
We will support one another to achieve our goals.

Operations

To respond to the needs and concerns of our customers and stakeholders in the fiscal year 2023–2024 we:

- Delivered a wide variety of quality beverage alcohol products through our network of stores.
- Promoted safe and responsible use of beverage alcohol.

Strategic Objectives

Goal #1 – Management & Compliance

Operations are managed efficiently and comply with legislation, regulation, and policy.

Performance Highlights

The operational structure of the NTLCC is designed to deliver optimal service levels for the best possible costs and consists of a headquarters administrative staff of ten and a network of seven stores - operated by private contractors.

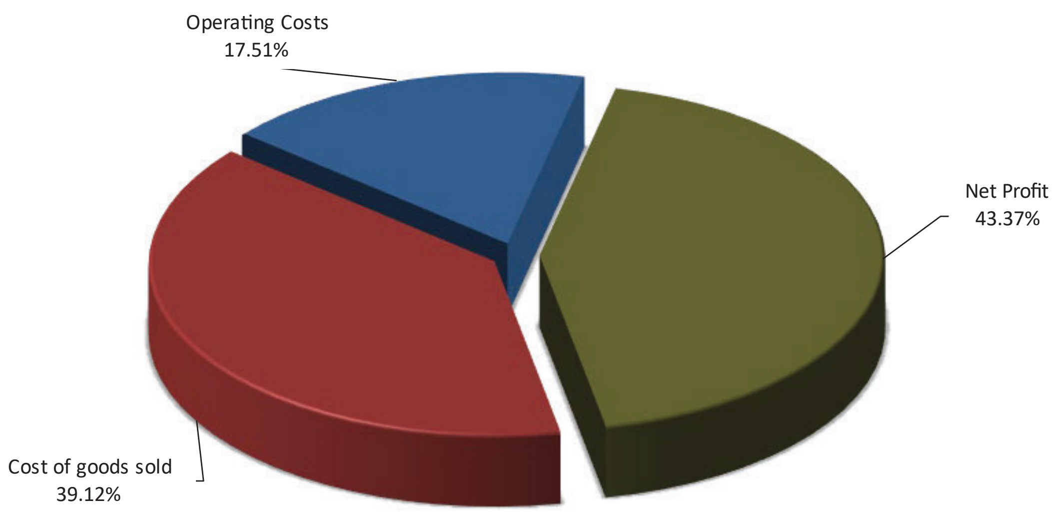
All seven of the private agency stores operate with inventory on consignment from the Commission. Sales to consumers and licensees are incurred through sales by the consignment stores.

Operational compliance with contracts, regulation and legislation by the store operators was maintained throughout the year. The operations of all liquor outlets are monitored monthly and visited periodically by headquarters management.

Application of Revenues

The cost to deliver the sales and administration throughout the year was 17.51% of sales revenue, of which 14.15% was paid to liquor store contractors in Commissions.

for the year ended March 31, 2024



Goal #2 – Social Responsibility

Actively and continuously promote the responsible use of alcohol.

Performance Highlights

Liquor server training is mandatory in all NWT liquor stores. The SafeServe Certification Program is available online and is open to anyone working in the liquor server industry or those seeking employment as a liquor server.

Social Responsibility, cont.

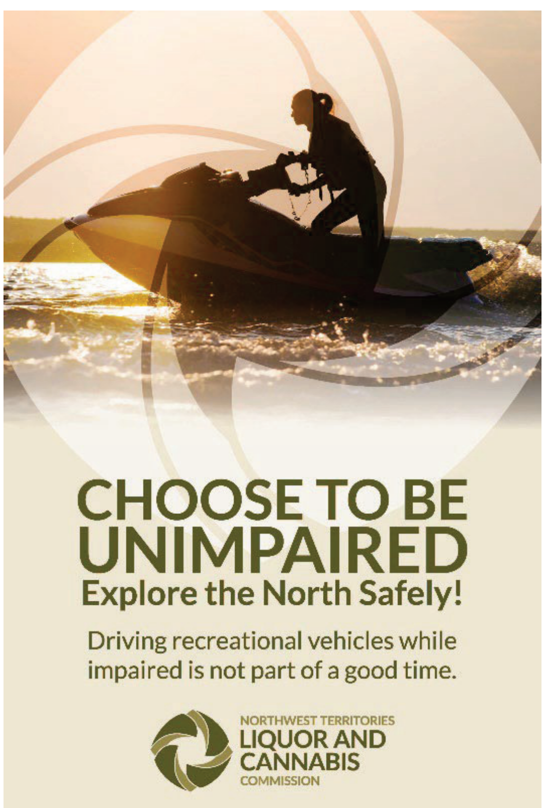
The Check 25 program is intended to strengthen controls concerning service to minors. The program conditions our customers to expect to be asked for proof of identification if they appear to be under the age of 25.

The NTLCC applies warning labels to beverage alcohol containers. The labels warn of the Dangers of Alcohol Consumption during pregnancy, and while driving.

Reusable bags are available in our liquor stores as an alternative to single use paper or plastic bags.

The NTLCC participates with the Canadian Association of Liquor Jurisdictions (CALJ) Social Responsibility Committee in support of socially responsible liquor retailing on a nationwide basis. NTLCC works with other jurisdictions to monitor trends, work collaboratively, facilitate cross-jurisdictional activities where opportunities exist for efficiency/effectiveness, share campaign initiatives, exchange information, present best practices and discuss themes or trends emerging in the field.

We continue to promote awareness that drinking and driving extends to the use of recreational vehicles, through our Choose to be Unimpaired posters.



Social Responsibility, cont.

The NTLCC promotes increased awareness of Canada's Low-Risk Drinking Guidelines; Stores make available pamphlets and display posters as provided by the Canadian Centre on Substance Use and Addictions.

The NTLCC, in partnership with the Foster Family Coalition, Mom's Boobs & Babies, and the Government of the NWT launched the joint FASD Awareness Campaign.

We provided the posters to communities to display in Liquor Stores, Licensees (who agreed to participate), Recreational Centres, Community Offices, and any other location that would have an impact on residents.

The NTLCC assists with annual sponsoring of the Foster Family Coalition of the NWT FASD Awareness Day activities on Sept 9.

The NTLCC continued their "*Moderation is always in Good Taste! – Drink Responsibly*" campaign with My True North Now radio station during 2023-24.

Goal #3 – Financial Targets

Meet financial income targets.

Performance Highlights

An extremely active fire season and extended evacuations in many of the NWT's largest communities resulted in a decline in sales volumes of (6.76%).

Overall litre sales were down (9.19%) with decreases in all categories. The NTLCC annual surplus was (8.27%) below the previous fiscal year.

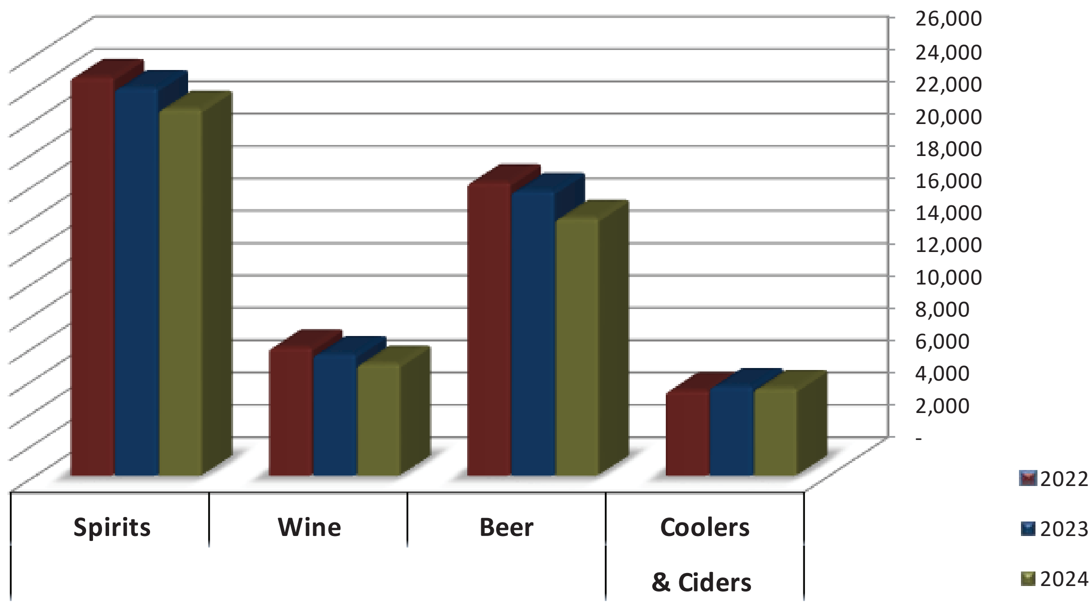
Five Year Performance History

for the year ending March 31
(000's)

	2024	2023	2022	2021	2020
Gross Sales	50,697	54,374	55,741	60,865	52,508
Gross Profit	30,860	33,594	34,892	38,638	33,310
as a % of sales	60.9%	61.8%	62.6%	63.5%	63.4%
Other Income	8	15	6	19	28
Net Surplus	21,989	23,972	25,721	29,338	24,652
as a % of sales	43.4%	44.1%	46.1%	48.2%	47.5%
Operating Expenses	8,879	9,637	9,177	9,319	8,686
as a % of sales	17.5%	17.7%	16.5%	15.3%	16.5%

Three Year Dollar Sales by Category

Gross Dollar Sales had an over-all decrease of (6.76%) from 2023; with decreases in the Spirits (5.43%), Wine (7.95%), Beer (9.53%) and Coolers & Ciders (2.13%).



Three Year Dollar Sales by Category

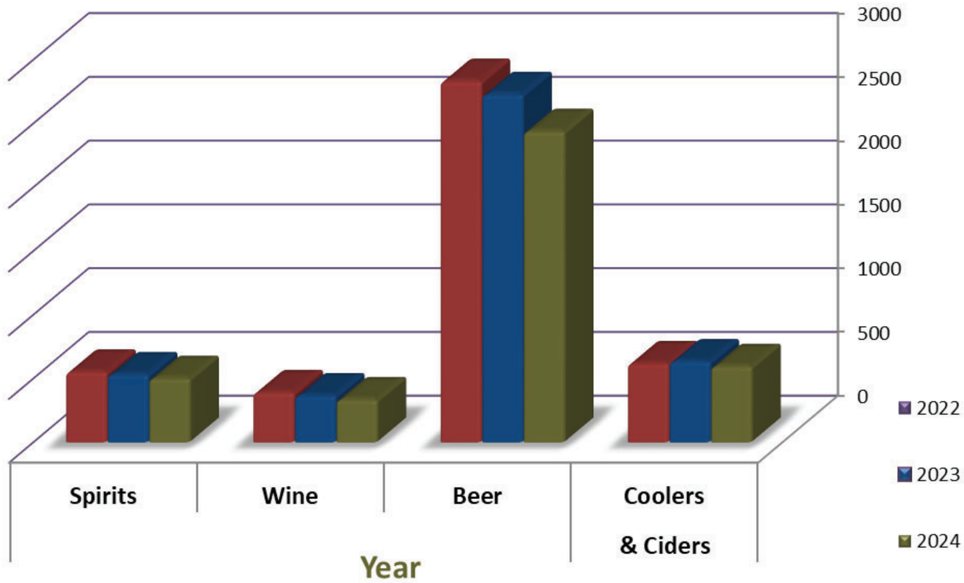
for the year ending March 31

(000's)

	Spirits	Wine	Beer	& Ciders Coolers	Total
2022	24,575	7,875	18,078	5,213	55,741
2023	23,904	7,453	17,545	5,472	54,374
2024	22,607	6,861	15,873	5,356	50,697

Three Year Litre Sales by Category

Litre Sales had an overall decrease of (9.19%) from 2023. There was a decline in Spirits (5.74%), Wine (8.68%), Beer (10.66%) and Coolers & Ciders (5.93%).



Three Year Litre Sales by Category

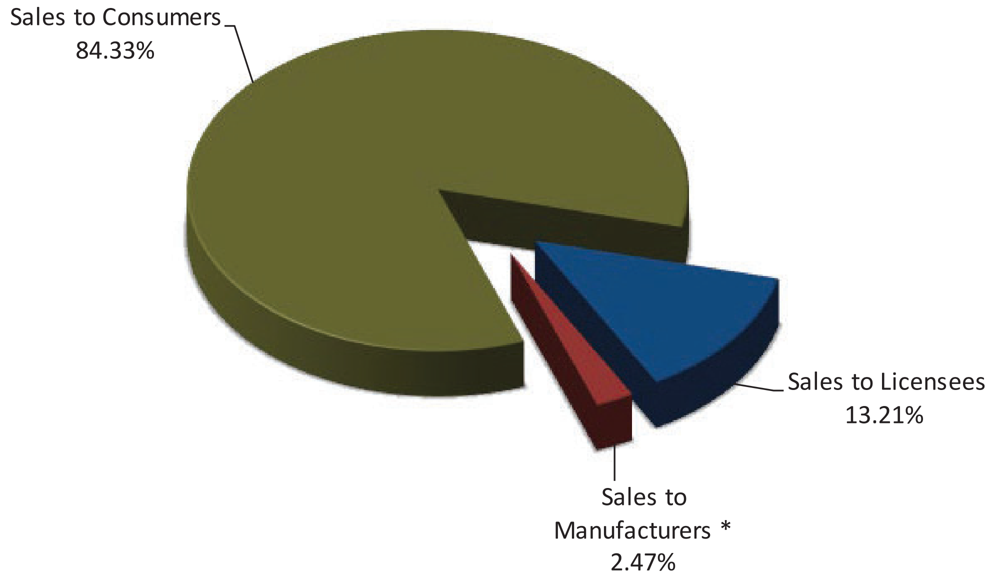
for the year ending March 31
(000's)

	Spirits	Wine	Beer	& Ciders Coolers	Total
2022	543	382	2,823	609	4,357
2023	523	357	2,720	624	4,224
2024	493	326	2,430	587	3,836

Litre Sales by Distribution Channel

Litre Sales by Distribution decreased in all categories in 2023. There was a decrease in Consumer Sales of (9.70%), Licensee Sales (6.70%), and Manufacturer Sales (4.46%).

for the year ended March 31, 2024



* Manufacturer's license markup; per the Liquor Regulations (4.1) A licence holder referred to in paragraph (4)(a) or (b) who sells liquor directly to patrons in the Northwest Territories is deemed to have first sold the liquor to the Commission and purchased it back from the Commission.

Three Year Litre Sales by Distribution Channel

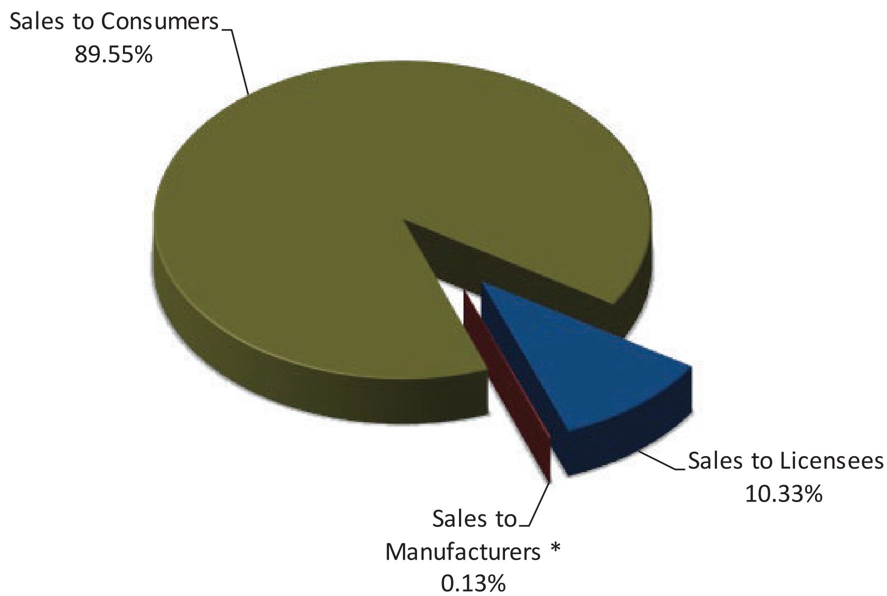
for the year ending March 31
(000's)

	2024	2023	2022
Sales to Consumers	3,235	3,582	3,802
Sales to Licensees	507	543	469
Sales to Manufacturers *	95	99	87
Total	3,836	4,224	4,358

Dollar Sales by Distribution Channel

Gross Dollar Sales by Distribution decreased from 2023. Consumer Sales decreased (6.99%), Licensee Sales decreased (4.89%), while Manufacturer Sales increased 3.23%.

for the year ended March 31, 2024



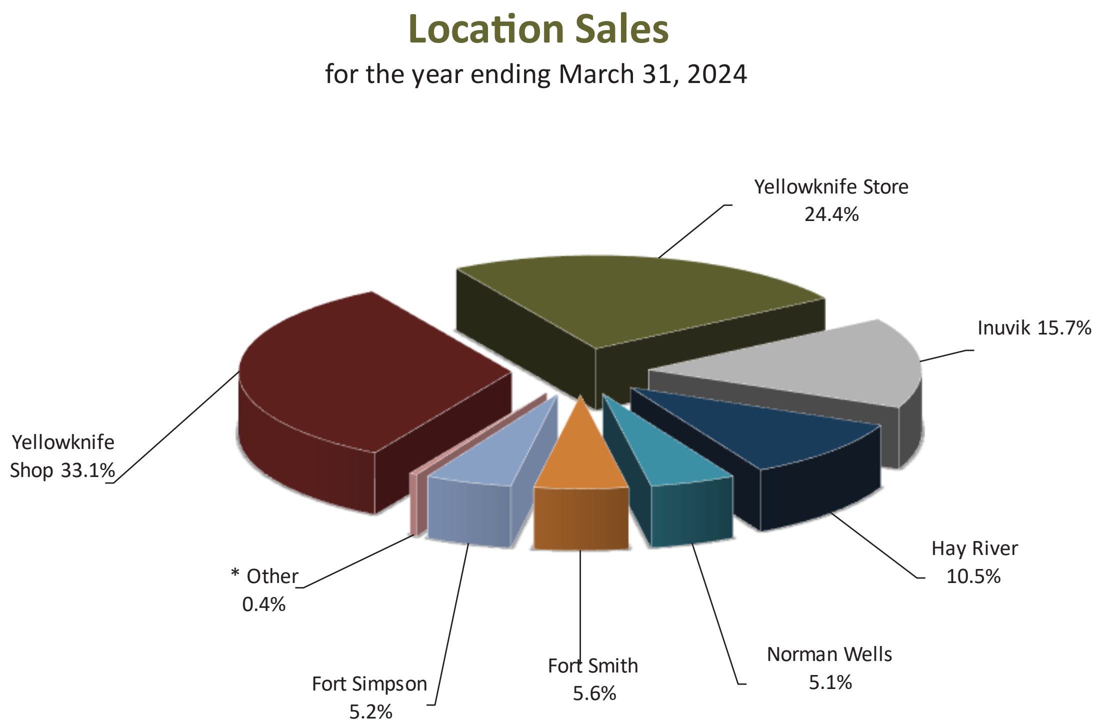
* Manufacturer's license markup; per the Liquor Regulations (4.1) A licence holder referred to in paragraph (4)(a) or (b) who sells liquor directly to patrons in the Northwest Territories is deemed to have first sold the liquor to the Commission and purchased it back from the Commission.

Three Year Dollar Sales by Distribution Channel

for the year ending March 31
(000's)

	2024	2023	2022
Sales to Consumers	45,397	48,807	51,048
Sales to Licensees	5,236	5,505	4,635
Sales to Manufacturers *	64	62	58
Total	50,697	54,374	55,741

Store Operations



Sales by Location

for the year ending March 31
(000's)

	2024	2023	2022	2021	Increase (Decrease)
Yellowknife Shop	16,790	18,157	17,864	18,951	(1,367)
Yellowknife Store	12,392	13,262	13,444	15,724	(870)
Inuvik	7,975	7,876	8,145	8,420	99
Hay River	5,315	6,272	7,217	8,057	(957)
Norman Wells	2,571	2,588	2,417	2,755	(17)
Fort Smith	2,816	3,264	3,304	3,477	(448)
Fort Simpson	2,613	2,616	3,036	3,177	(3)
* Other	225	339	314	304	(114)
Total	50,697	54,374	55,741	60,865	(3,677)

* Other consists of miscellaneous sales that do not conform to the prescribed commission sales.

Statement of Operations by Location

(for the year ended March 31, 2024 with comparative figures for 2023)
(revenue and expenses directly related to sales per location)

Yellowknife Shop

($000's)

	Spirits	Wine	Beer	Coolers	2024 Total	2023 Total
Sales						
Consumers	5,837	2,245	4,145	1,573	13,800	14,970
Licensees	832	491	1,386	281	2,990	3,188
	6,669	2,736	5,531	1,854	16,790	18,158
Cost of goods sold	2,227	1,365	2,451	860	6,903	7,370
Gross margin	4,442	1,371	3,080	994	9,887	10,788
Other income					-	-
Operating expenses					2,438	2,810
Net income					7,449	7,978

Yellowknife Store

($000's)

	Spirits	Wine	Beer	Coolers	2024 Total	2023 Total
Sales						
Consumers	5,985	2,323	3,071	1,013	12,392	13,262
Licensees	-	-	-	-	-	-
	5,985	2,323	3,071	1,013	12,392	13,262
Cost of goods sold	1,872	1,105	1,372	463	4,812	5,047
Gross margin	4,113	1,218	1,699	550	7,580	8,215
Other income					-	-
Operating expenses					1,335	1,283
Net income					6,245	6,932

Statement of Operations by Location, Cont.

(for the year ended March 31, 2024 with comparative figures for 2023)
(revenue and expenses directly related to sales per location)

Inuvik Operations

($000's)

	Spirits	Wine	Beer	Coolers	2024 Total	2023 Total
Sales						
Consumers	3,743	627	2,106	954	7,430	7,379
Licensees	111	19	332	83	545	497
	3,854	646	2,438	1,037	7,975	7,876
Cost of goods sold	1,208	289	1,075	496	3,068	2,923
Gross margin	2,646	357	1,363	541	4,907	4,953
Other income					-	-
Operating expenses					874	946
Net income					4,033	4,007

Hay River Operations

($000's)

	Spirits	Wine	Beer	Coolers	2024 Total	2023 Total
Sales						
Consumers	1,709	454	1,471	491	4,125	4,927
Licensees	513	23	598	56	1,190	1,345
	2,222	477	2,069	547	5,315	6,272
Cost of goods sold	681	206	847	242	1,976	2,310
Gross margin	1,541	271	1,222	305	3,339	3,962
Other income					-	-
Operating expenses					911	1,003
Net income					2,428	2,959

Statement of Operations by Location, Cont.

(for the year ended March 31, 2024 with comparative figures for 2023)
(revenue and expenses directly related to sales per location)

Norman Wells Operations

($000's)

	Spirits	Wine	Beer	Coolers	2024 Total	2023 Total
Sales						
Consumers	1,331	154	810	161	2,456	2,477
Licensees	26	8	70	11	115	11
	1,357	162	880	172	2,571	2,588
Cost of goods sold	422	79	504	89	1,094	922
Gross margin	935	83	376	83	1,477	1,666
Other income					-	-
Operating expenses					615	660
Net income					862	1,006

Fort Smith Operations

($000's)

	Spirits	Wine	Beer	Coolers	2024 Total	2023 Total
Sales						
Consumers	1,014	262	971	400	2,647	3,086
Licensees	48	5	97	19	169	178
	1,062	267	1,068	419	2,816	3,264
Cost of goods sold	338	120	434	179	1,071	1,205
Gross margin	724	147	634	240	1,745	2,059
Other income					-	-
Operating expenses					545	663
Net income					1,200	1,396

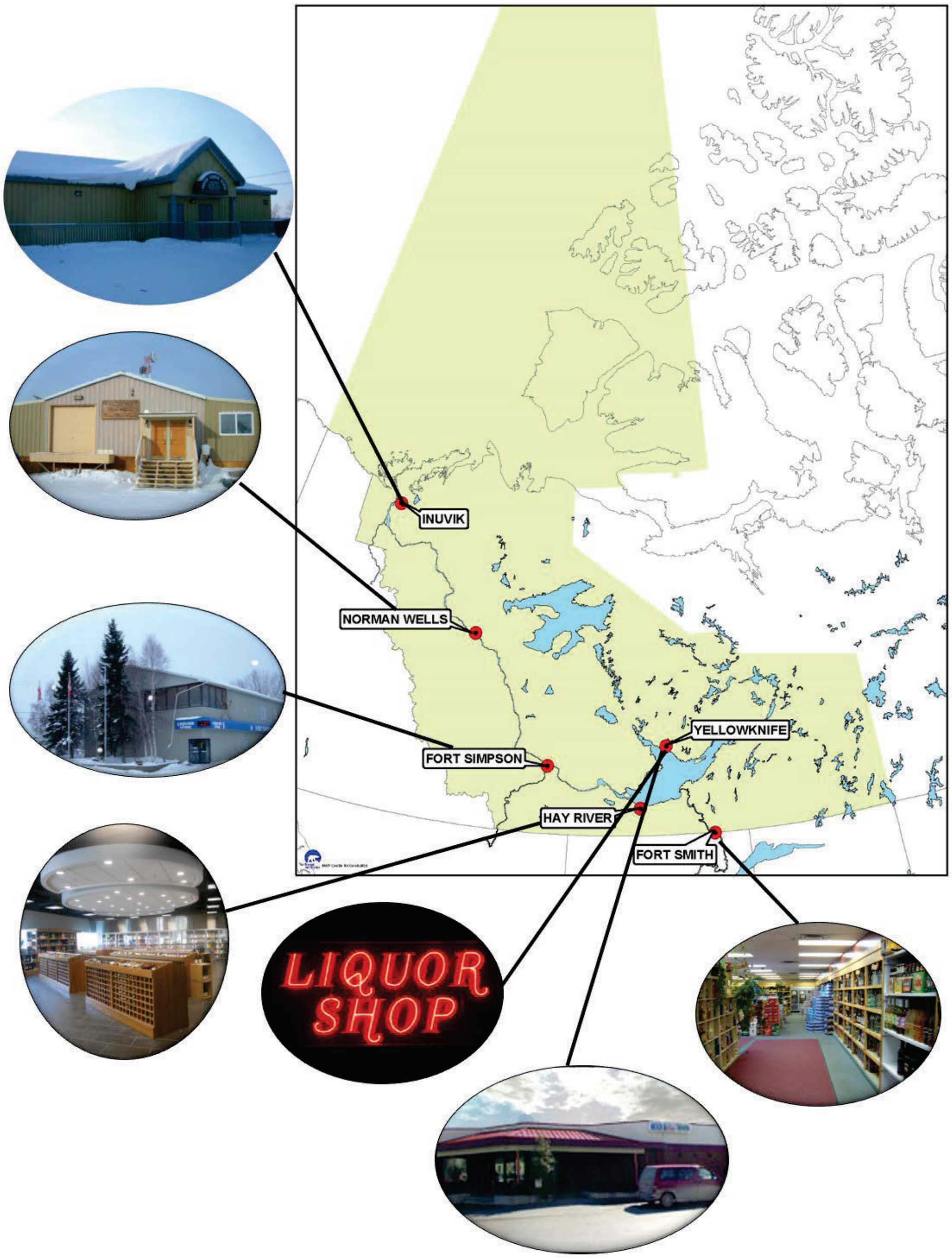
Statement of Operations by Location, Cont.

(for the year ended March 31, 2024 with comparative figures for 2023)
(revenue and expenses directly related to sales per location)

Fort Simpson Operations
($000's)

	Spirits	Wine	Beer	Coolers	2024 Total	2023 Total
Sales						
Consumers	1,336	153	616	281	2,386	2,430
Licensees	99	3	98	27	227	186
	1,435	156	714	308	2,613	2,616
Cost of goods sold	404	65	272	130	871	867
Gross margin	1,031	91	442	178	1,742	1,749
Other income					-	-
Operating expenses					516	544
Net income					1,226	1,205

Store Locations



Report on Cannabis

Mandate

On June 1, 2018, the Legislative Assembly of the Northwest Territories enacted Bill 6, the *"Cannabis Legalization and Regulation Implementation Act*", which legalized the sale and use of cannabis in the Northwest Territories once the federal legislation was passed.

The federal legislation, *Bill C45, Cannabis Act* was passed by Royal Assent June 21, 2018. Cannabis became legal for sale by order of the Governor in Council October 17, 2018; as the day on which certain provisions of the *Cannabis Act* Come into Force. The *Cannabis Act* was amended October 17, 2019, to include edible cannabis, cannabis extracts, and cannabis topicals.

The *Cannabis Legalization and Regulation Implementation Act* was amended March 31, 2020, to the *Cannabis Products Act* and *Regulations*, which authorizes the NTLCC to purchase, sell, classify, and distribute cannabis in the Northwest Territories.

Cannabis products are distributed from the NTLCC Cannabis warehouse in Hay River.

NWT residents can purchase cannabis at NTLCC liquor stores in Fort Smith, and Fort Simpson, and four private stores: two in Yellowknife, one in Hay River, and a newly opened one in Norman Wells. During 2023-24 the NTLCC liquor store in Norman Wells ceased sales of cannabis, as a new private store opened in the community.

NWT residents also have the option to purchase cannabis on-line from ReLeaf NT, one of the private stores in Yellowknife, the only legal NWT on-line store.

Operations

To respond to the needs and concerns of our customers and stakeholders in the fiscal year 2023–2024 we:

- Delivered a wide variety of quality cannabis products through our network of NWT stores and our on-line store.
- Promoted safe and responsible use of cannabis.

Strategic Objectives

Goal #1 – Management & Compliance

Operations are managed efficiently and comply with legislation, regulation, and policy.

Performance Highlights

The operational structure of the NTLCC is designed to deliver optimal service levels for the best possible costs and consists of a headquarters administrative staff of ten and a network of two consignment stores operated by private contractors in conjunction with our liquor stores, four private cannabis retail stores, including one also operating as an online cannabis store.

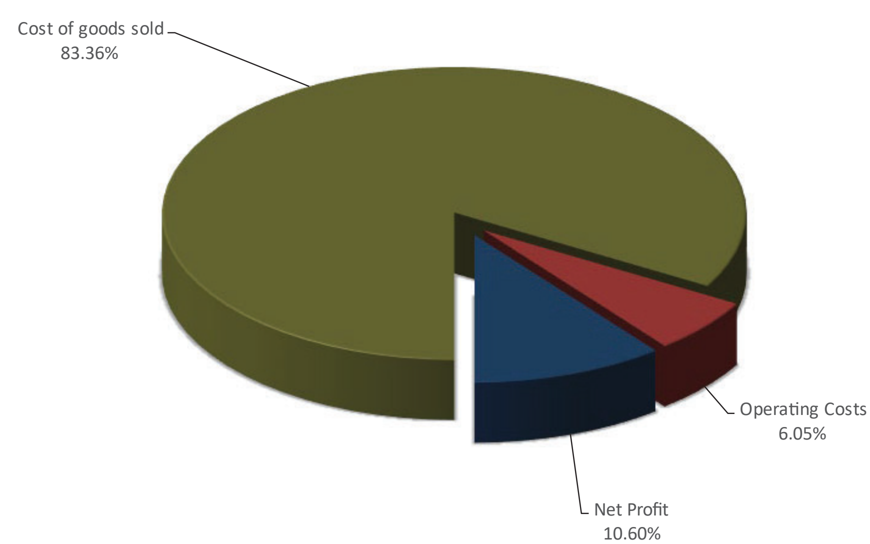
Cannabis inventory is owned by the NTLCC until it is sold to the retail customer from the Liquor Stores selling cannabis and wholesaled to the Private Stores.

Operational compliance with contracts, regulation and legislation, by the retail stores was maintained throughout the year. The operations of all contracted retail stores selling cannabis product are monitored monthly and visited periodically by headquarters management.

Application of Revenues

The cost to deliver the sales and administration of cannabis product throughout the year was 6.05% of sales revenue, of which 2.50% was paid to liquor retail stores for selling cannabis in commissions.

for the year ended March 31, 2024



Goal #2 – Social Responsibility

Actively and continuously promote the responsible use of cannabis.

Performance Highlights

The NTLCC supports the responsible use of cannabis through various awareness programs and initiatives.

The NTLCC participates with the Canadian Cannabis Jurisdictional Leadership (CCJL) Social Responsibility Subcommittee in support of socially responsible cannabis retailing on a nationwide basis. NTLCC works with the other jurisdictions to identify opportunities for collaboration, share best practices and evidence-informed education and streamline social responsibility efforts.

The committee works together to facilitate a space and community for knowledge sharing and partnership among jurisdictions. We work together to ensure cannabis messaging is current and standardized as much as possible across jurisdictions, with the focus being on responsible consumption.

The NTLCC jointly supports the responsible use of cannabis with other GNWT departments including:

- Department of Health & Social Services – Health Effects of Cannabis,
- Worker's Safety and Compensation Commission – Workplace Impairment
- NTLCC – "Recreational Vehicle: Choose to be UnImpaired".
- CRISM - Canada's Lower-Risk Cannabis Use Guidelines
- Department of Infrastructure – Drug Impaired Driving

Goal #3 – Financial Targets

Meet financial income targets.

Performance Highlights

The NTLCC's annual surplus decreased (1.74%) from the previous fiscal year. The change in Gross Profit Percentage from 2021 to current is a result of a change in sales model from consignment to private stores in Yellowknife, Hay River and now Norman Wells, as well as the private online store. Private Stores purchase Cannabis from the NTLCC at a wholesale price rather than receiving a commission on sales. Operating expenses have declined due to the closure of the NTLCC's own online store. They are starting to increase as we become better able to identify and allocate the resources required for the operations.

Five Year Performance History

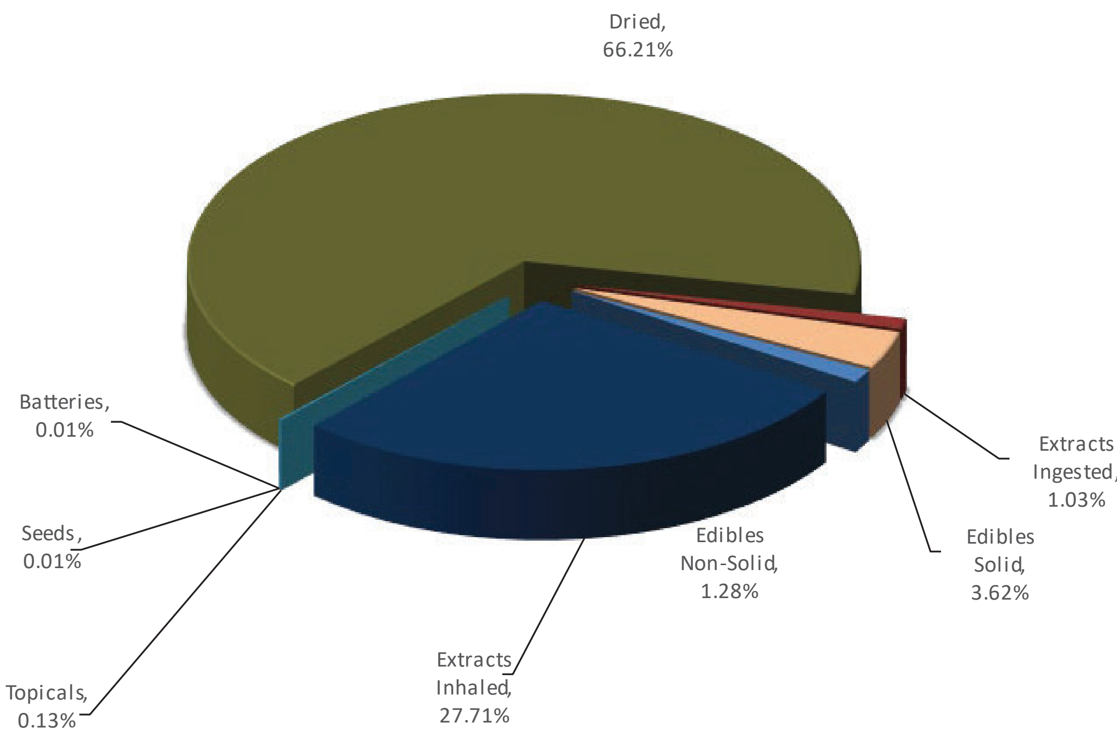
for the year ending March 31
(000's)

	2024	2023	2022	2021	2020
Gross Sales	8,437	7,566	7,447	5,141	3,252
Gross Profit	1,405	1,305	1,405	1,581	1,200
as a % of sales	16.7%	17.2%	18.9%	30.8%	36.9%
Net Surplus	895	911	818	709	405
as a % of sales	10.6%	12.0%	11.0%	13.8%	12.5%
Operating Expenses	510	394	587	872	795
as a % of sales	6.0%	5.2%	7.9%	17.0%	24.4%

Cannabis Dollar Sales by Category

Dollar Sales of Cannabis by Sales Category; Dried Cannabis represents 66.21% of product sold in the NWT, Extracts Ingested 1.03%, Edibles Solid 3.62%, Edibles Non-Solid 1.28%, Extracts Inhaled 27.71%, Topicals 0.13%, and both Seeds and other at 0.01%.

for the year ended March 31, 2024

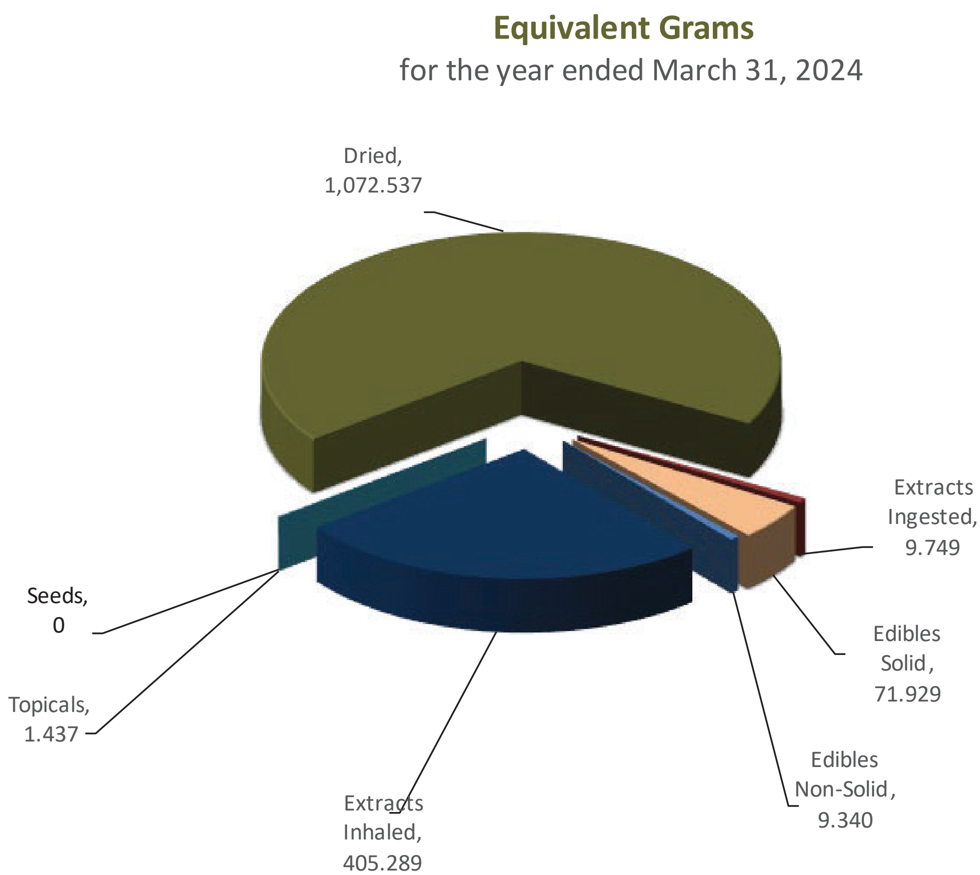


Dollar Sales by Category

for the year ending March 31
(000's)

	Dried	Extracts Ingested	Edibles Solid	Edibles Non-Solid	Extracts Inhaled	Topicals	Seeds	Batteries	Total
2021	4,324	326	126	50	283	0	3	30	5,141
2022	5,465	255	254	104	1,318	23	23	5	7,447
2023	5,653	161	277	103	1,349	21	1	1	7,566
2024	5,586	87	305	108	2,338	11	1	1	8,437

Cannabis Volume Sales by Category



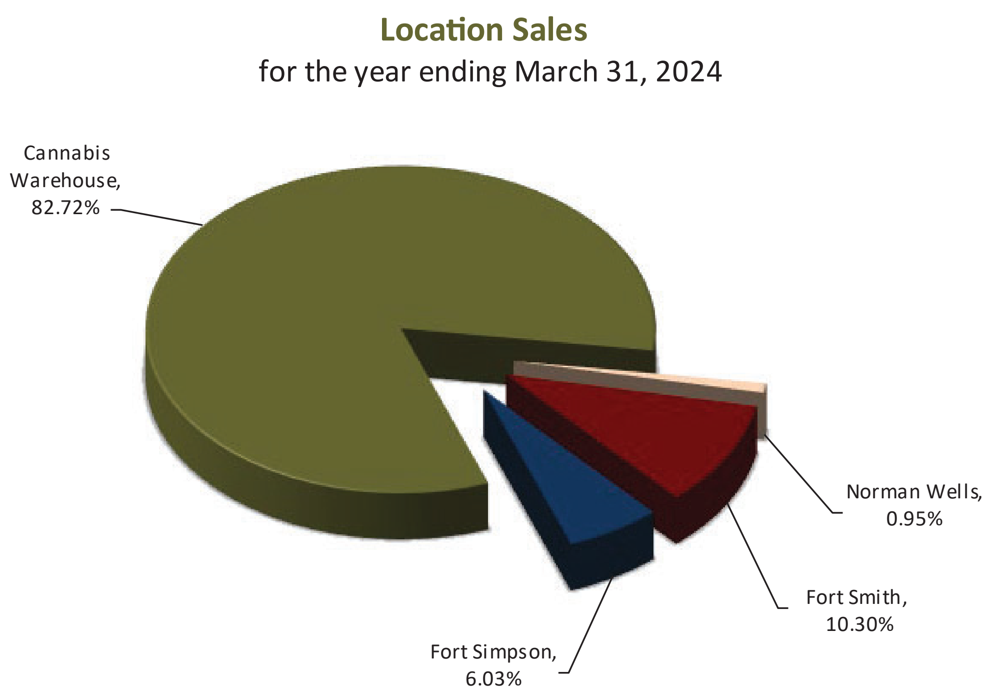
Volume Sales by Category

for the year ending March 31
($000's)

Cannabis, Grams and Equiv:	2024	2023	2022	2021
Dried	1072.537	626.429	676.17	482.68
Extracts Ingested	9.749	9.996	7.87	15.52
Edibles Solid	71.929	94.461	42.49	22.95
Edibles Non-Solid	9.34	11.676	69.04	45.96
Extracts Inhaled	405.289	167.668	104.16	10.54
Topicals	1.437	3.044	0.47	-
Seeds **	0	280	640	264

** Seeds are reported by total number of seeds

Store Operations



Sales by Location

for the year ending March 31
(000's)

	2024	2023	2022	2021	Increase (Decrease)
On-line Store	-	-	8	20	-
Yellowknife Shop	-	-	-	1,730	-
Hay River	-	-	448	740	-
Cannabis Warehouse	6,979	6,037	5,547	1,453	942
Norman Wells	80	341	344	335	(261)
Fort Smith	869	729	641	444	140
Fort Simpson	509	459	459	419	50
	8,437	7,566	7,447	5,141	871

Statement of Operations by Location

(for the year ended March 31, 2024, with comparative figures for 2023)
(revenue and expenses directly related to sales per location)

Norman Wells Operations

($000's)

	Dried	Extracts Ingested	Edibles Solid	Edibles Non-Solid	Extracts Inhaled	Topicals	Seeds	Other	2024 Total	2023 Total
Sales										
Consumers	66	1	-	-	13	-	-	-	80	341
Cost of goods sold	49	1	-	-	10	-	-	-	60	238
Gross margin	17	0	-	-	3	-	-	-	20	103
Operating expenses									11	49
Net income									9	54

Fort Smith Operations

($000's)

	Dried	Extracts Ingested	Edibles Solid	Edibles Non-Solid	Extracts Inhaled	Topicals	Seeds	Other	2024 Total	2023 Total
Sales										
Consumers	572	20	24	13	238	1	-	1	869	729
Cost of goods sold	343	12	14	8	143	1	-	1	520	495
Gross margin	229	8	10	5	95	-	-	-	349	234
Operating expenses									126	106
Net income									223	128

Statement of Operations by Location, cont.

(for the year ended March 31, 2024, with comparative figures for 2023)
(revenue and expenses directly related to sales per location)

Fort Simpson Operations

($000's)

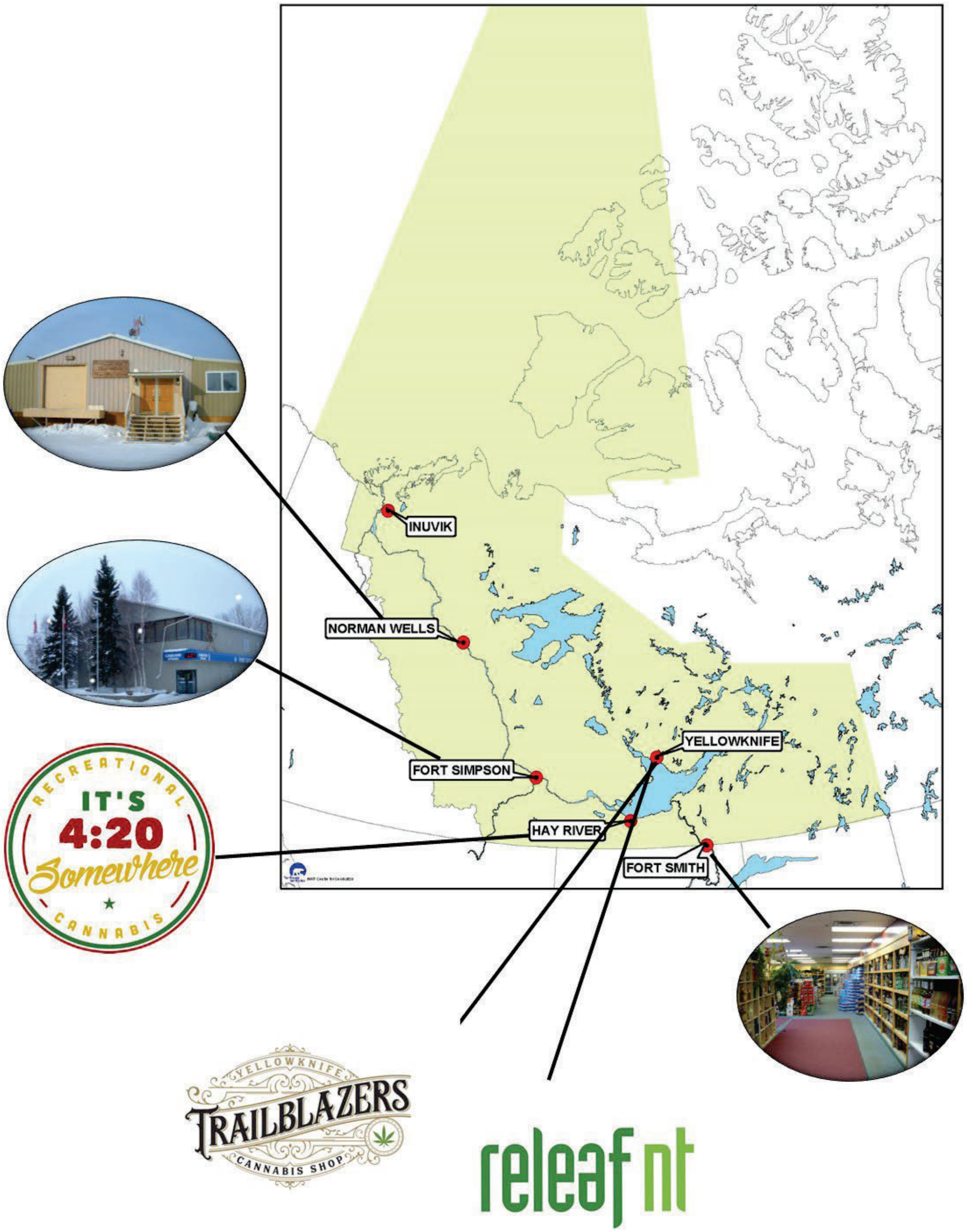
	Dried	Extracts Ingested	Edibles Solid	Edibles Non Solid	Extracts Inhaled	Topicals	Seeds	Other	2024 Total	2023 Total
Sales										
Consumers	397	6	12	5	88	1	-	-	509	459
Cost of goods sold	320	5	10	4	71	1	-	-	410	316
Gross margin	77	1	2	1	17	0	-	-	99	143
Operating expenses									73	66
Net income									26	77

Cannabis Warehouse

($000's)

	Dried	Extracts Ingested	Edibles Solid	Edibles Non Solid	Extracts Inhaled	Topicals	Seeds	Other	2024 Total	2023 Total
Sales										
Consumers	4,552	60	268	91	2,000	8	-	-	6,979	6,037
Cost of goods sold	3,941	52	232	79	1,732	7	-	-	6,042	5,212
Gross margin	611	8	36	12	268	1	-	-	937	825
Operating expenses									299	286
Net income									539	539

Store Locations



Audited Financial Report Statements 2022 - 2023

Northwest Territories Liquor & Cannabis Commission

Financial Statements

Year ended March 31, 2024

Northwest Territories Liquor & Cannabis Commission

Index to Financial Statements

March 31, 2024

Management's Responsibility for Financial Reporting

The preparation of the financial statements of the Northwest Territories Liquor & Cannabis Commission (Commission) is the responsibility of the Commission's management.

The financial statements have been prepared in accordance with the Public Sector Accounting Standards, as recommended by the Public Sector Accounting Standards Board. Where alternative accounting methods are permitted, management has chosen those that are most appropriate. Where required, management's best estimates and judgments have been applied in the preparation of these financial statements.

Management fulfills its financial reporting responsibilities by maintaining financial management and control systems and practices which are designed to provide reasonable assurance that transactions are properly authorized, proper records are maintained, accurate financial information is prepared on a timely basis, assets are safeguarded, and the Commission complies with all statutory requirements.

Our auditor performs an annual audit on the financial statements in order to express an opinion as to whether the financial statements present fairly, in all material respects, the financial position of the Commission, the results of its operations, the change in its net financial resources and its cash flows for the year. During the course of the audit, they also examine transactions that have come to their notice to ensure they are, in all significant respects, in accordance with the statutory authorities of the Commission.

Kim Wilkins
Director, Liquor & Cannabis Operations
NWT Liquor & Cannabis Commission
June 30, 2024

ASHTON
Chartered Accountants
Business Advisors

Suite 8 - 6 Courtoreille Street
Hay River, NT X0E 1G2
PH: (867) 874-6775
FX: (867) 874-3775

INDEPENDENT AUDITOR'S REPORT

To the Ministers of NWT Liquor & Cannabis Commission

Qualified Opinion

We have audited the financial statements of NWT Liquor & Cannabis Commission (the commission), which comprise the statement of financial position as at March 31, 2024, and the statements of operations, changes in accumulated surplus, changes in net financial assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the commission as at March 31, 2024, and the results of its operations and cash flows for the year then ended in accordance with Canadian public sector accounting standards (PSAS)

Basis for Qualified Opinion

The Government of the Northwest Territories is responsible for the calculation and distribution of the Commission's salaries, wages and employee benefits expense for public service employees, the accuracy of which is not susceptible to complete audit verification. We have satisfied ourselves that the payroll information provided by the GNWT is properly reflected in the Commission's records. As a result, we were not able to determine whether any adjustments might be necessary to expenses, liabilities or accumulated surplus.

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

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

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

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

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

(continues)

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the commission's internal control.

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

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

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

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

Ashton

Hay River, Northwest Territories
June 28, 2024

Ashton Chartered Professional Accountants

Northwest Territories Liquor & Cannabis Commission

Statement of Financial Position

As at March 31 ($000)	2024	2023
Financial Assets		
Cash	$ 3,839	$ 4,637
Accounts receivable	822	151
Inventories for resale (note 3)	3,227	3,104
	7,888	7,892
Financial Liabilities		
Accounts payable and accrued liabilities (note 7)	2,130	1,676
Pension and other employee benefits (note 4)	54	62
Due to the NWT Liquor Licensing Board (note 5)	117	92
	2,301	1,830
Net Financial Assets	5,587	6,062
Non-Financial Assets		
Tangible capital assets (note 6)	351	434
Prepaid expenses	166	115
	517	549
Accumulated Surplus	$ 6,104	$ 6,611

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

Approved by the Northwest Territories Liquor & Cannabis Commission:

Kim Wilkins
Director, Liquor & Cannabis Operations

Northwest Territories Liquor & Cannabis Commission

Statement of Operations

For the year ended March 31 ($000)	2024 Budget	2024 Actual	2023 Actual
Sales			
Spirits	$ 23,751	$ 22,607	$ 23,904
Wine	8,537	6,861	7,453
Beer	19,141	15,873	17,545
Coolers and Ciders	5,784	5,356	5,472
Cannabis	9,487	8,437	7,566
	66,700	59,134	61,940
Cost of goods sold			
Spirits	7,253	7,153	7,458
Wine	3,945	3,271	3,525
Beer	7,958	6,954	7,426
Coolers and Ciders	2,456	2,458	2,371
Cannabis	7,808	7,033	6,261
	29,420	26,869	27,041
Gross profit on sales	37,280	32,265	34,899
Other income			
Government contribution - services provided without charge (note 7)	-	1	6
Import fees and Income	8	7	9
	8	8	15
Expenses (notes 7)			
Commissions to agents - Liquor	7,176	6,041	6,510
Commissions to agents - Cannabis	216	211	221
Licensee Discounts	581	523	554
Salaries, wages and employee benefits	1,251	1,279	1,270
Administration - Liquor	710	652	801
Administration - Cannabis	150	152	173
Travel	30	38	26
Rent	352	329	313
Amortization of tangible capital assets (note 6)	109	122	120
Professional Fees	42	42	43
	10,617	9,389	10,031
Annual surplus	$ 26,671	$ 22,884	$ 24,883

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

Northwest Territories Liquor & Cannabis Commission

Statement of Accumulated Surplus

For the year ended March 31 ($000)	2024 Budget	2024 Actual	2023 Actual
Accumulated surplus, beginning of the year	$ 6,611	$ 6,611	$ 8,452
Annual surplus	26,671	22,884	24,883
Amounts transferred to the Consolidated Revenue Fund	(25,900)	(22,900)	(26,233)
Amounts Transferred to the NWT Liquor Licensing Board (note 5)	(771)	(491)	(491)
Increase in accumulated surplus	-	(507)	(1,841)
Accumulated surplus, end of year	$ 6,611	$ 6,104	$ 6,611

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

Northwest Territories Liquor & Cannabis Commission

Statement of Changes in Net Financial Assets

For the year ended March 31 ($000)	2024 Budget	2024 Actual	2023 Actual
Net financial assets, beginning of year	$ 6,062	$ 6,062	$ 7,951
Items affecting net financial resources:			
Increase (decrease) in accumulated surplus	-	(507)	(1,841)
Net investment in tangible capital assets:			
Acquisitions	-	(39)	(145)
Amortization expense	109	122	120
Increase in prepaid expenses	-	(51)	(23)
Net financial assets, end of year	$ 6,171	$ 5,587	$ 6,062

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

Northwest Territories Liquor & Cannabis Commission

Statement of Cash Flow

For the year ended March 31 ($000)		2024		2023
Operating activities				
Cash received from customers	$	59,219	$	61,870
Cash paid to employees and suppliers		(36,612)		(37,240)
Cash provided by operating activities		22,607		24,630
Capital activities				
Purchase of tangible capital assets		(39)		(145)
Financing activities				
Cash transferred to the Consolidated Revenue Fund		(22,900)		(26,233)
Cash transferred to the NWT Licensing Board		(466)		(513)
Cash provided by financing activities		(23,366)		(26,746)
Change in cash		(798)		(2,261)
Cash, beginning of year		4,637		6,898
Cash, end of Year	$	3,839	$	4,637

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

1. Authority and operations

The Northwest Territories Liquor & Cannabis Commission (the "Commission") was established under the *Liquor Act* (the "Act") for the purposes of operating liquor stores and distributing liquor in the Northwest Territories (the “NWT”). The Northwest Territories Liquor Licensing Board (the “Board”) was also established under the same Act for the purposes of regulating the sale of liquor in licensed premises, issuing liquor licenses and overseeing the issuing of special occasion permits and other permits in the NWT. The activities of the Board are administered by the Commission.

In accordance with the Act and the *Revolving Funds Act*:

- The operations of the Commission and the Board are accounted for through the Liquor Revolving Fund (the “Fund”). All monies received by the Commission and the Board must be deposited into the Fund and all expenditures incurred by the Commission and the Board must be paid out of the Fund. The Commission may also receive a working capital advance from the Consolidated Revenue Fund (the “CRF”) of the Government of the Northwest Territories (“GNWT”) to finance its operations.

- The authorized limit of the Fund, defined as the maximum amount by which the assets (cash, accounts receivable and inventories) exceed the liabilities, must not exceed $12,000.

- The Commission must periodically transfer amounts from the Fund to the CRF to ensure that the Fund does not exceed its authorized limit. As at March 31, 2024 the Fund’s assets exceeded the liabilities by $5,587 (2023 – $6,062).

Neither the Commission nor the Board are separate legal entities apart from the Department of Finance of the NWT and neither are subject to the requirements of the *Income Tax Act*.

2. Significant accounting policies

(a) Basis of accounting

The financial statements of the Commission are prepared in accordance with Canadian generally accepted accounting principles (GAAP) for the public sector as recommended by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada.

(b) Measurement uncertainty

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Actual results could differ significantly from those estimates. The more significant management estimates include the calculation of the liability for employee future benefits and estimation of the useful life of the tangible capital assets.

2. Significant accounting policies (continued)

(c) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Commission and the revenue can be reliably measured, regardless of when the payment is received.
Revenue is measured at the fair value of the consideration received or receivable, excluding rebates, recycling fees, and sales taxes or duties.

The Commission assesses its revenue arrangements to determine if it is acting as principal or agent. It acts as a principal in its sales to consumers through its consignment stores. The Commission acts as an agent where manufacturers sell liquor directly to patrons, as well as through the wholesale sale of Cannabis to private stores.

Other income includes revenue from administration fees, restocking fees and in-kind income.

(d) Services provided without charge

The Commission records the estimated cost of the legal services it receives without charge from the Department of Justice. The services are recorded as a government contribution – services provided without charge and included in the expenses in the statement of operations.

(e) Inventories

Inventories are valued at the lower of cost and net realizable value. Cost is determined using the weighted average cost method. Cost includes invoiced cost, freight, duties and taxes.

(f) Tangible capital assets

Tangible capital assets are recorded at cost. Amortization is determined on a straight-line basis using the following rates:

Asset	Rate
Furniture and fixtures	5 Year Straight Line
Computer hardware and software	3 Year Straight Line
Leasehold improvements	Over the life of the lease plus any additional renewal period

March 31, 2024 ($000)

2. Significant accounting policies (continued)

(g) Pension benefits

The employees of the Commission are covered by the public service pension plan (the "Plan"), a contributory defined benefit plan established through legislation and sponsored by the Government of Canada. Contributions are required by both the employees and the Commission to cover current service cost. Pursuant to legislation currently in place, the Commission has no legal or constructive obligation to pay further contributions with respect to any past service or funding deficiencies of the Plan. Consequently, contributions are recognized as an expense in the year when employees have rendered service and represent the total pension obligation of the Commission.

(h) Other employee benefits

Employees are entitled to severance benefits, reimbursement of removal costs and other compensated absences, as provided for under labour contracts and conditions of employment, based upon years of service. The cost of these benefits is accrued as the employees render the services necessary to earn them. The cost of these benefits were actuarially determined using the projected unit credit valuation methodology and expected utilization methods.

3. Inventories for resale

	2024	2023
Spirits	$ 1,171	$ 1,163
Wine	531	531
Beer	821	694
Coolers and ciders	298	258
Cannabis	406	458
	$ 3,227	$ 3,104

4. Other employee future benefits

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

March 31, 2024 ($000)

4. Other employee future benefits (continued)

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

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

Valuation results

The last actuarial valuation was completed as at February 11, 2022. The results were extrapolated to March 31, 2024. The values presented below are for all the benefits under the Compensated Absences and Termination Benefits for the Commission.

	2024			2023		
	Severance and Removal Obligation	Accumulated Sick & Special Obligation	Total	Severance and Removal Obligation	Accumulated Sick & Special Obligation	Total
Accrued benefit obligation, beginning of the year	$ 77	$ 14	$ 92	$ 88	$ 14	$ 102
Current Service Costs	2	1	3	2	1	4
Actuarial (gain)/loss	7	(1)	7	4	1	5
Interest Cost	4	1	4	0	(1)	(1)
Benefits paid during the year	(21)	(1)	(22)	(17)	(1)	(18)
Accrued benefit obligation, end of the year	$ 69	$ 14	$ 84	$ 78	$ 14	$ 92
Unamortized net actuarial gain (loss)	(6)	(24)	(30)	1	(30)	(29)
Accrued benefit (liability)/asset	$ 63	$ (9)	$ 54	$ 79	$ (16)	63

March 31, 2024 ($000)

4. Other employee future benefits (continued)

	2024	2023
Expected inflation rate	2.0%	2.0%
Discount rate used to determine the accrued benefit obligation	5.3%	4.8%
Expected average remaining service life of related employee groups (EARSL)	10.3	10.3

Timing of expected payments for other employee benefits are as follows:

2025	$	13
2026		17
2027		13
2028		11
2029		9
2030 and beyond		36
	$	99

5. Due to/from the NWT Liquor Licensing Board

As explained in Note 1, the financial activities of the Board are administered by the Commission. The Commission receives all amounts receivable to the Board and pays all amounts payable by the Board. The Board does not keep separate cash accounts, nor does it directly own any tangible capital assets. Any amounts owing from the Board to the Commission (or vice versa) are settled through transfers to/from accumulated surplus.

The Commission provides capital assets for use by the Board and Enforcement without charge.

Northwest Territories Liquor & Cannabis Commission

Notes to Financial Statements

March 31, 2024 ($000)

6. Tangible capital assets

	Furniture and fixtures	Computer hardware and software	Leasehold improvements	2024	2023
Cost:					
Opening balance	$ 145	$ 891	$ 860	$ 1,896	$ 1,751
Acquisitions	2	17	20	39	144
Disposals and write- downs	-	-	-	-	-
Closing balance	147	908	880	1,935	1,895
Accumulated Amortization:					
Opening balance	(132)	(741)	(589)	(1,462)	(1,341)
Amortization	(5)	(77)	(40)	(122)	(120)
Disposals and write-downs	-		-	-	-
	(137)	(818)	(629)	(1,584)	(1,461)
Net book value	$ 10	$ 90	$ 251	$ 351	$ 434

March 31, 2024 ($000)

7. Related party transactions

The Commission is related, in terms of common ownership, to all GNWT created departments, agencies and corporations. The Commission enters into transactions with these entities in the normal course of business and these transactions are measured at the exchange amount.

The Commission incurred $1,278 (2023 – $1,270) related to salaries, wages, and employee benefits for the Commission's employees. The Commission reimburses the Department of Finance for these costs.

The Department of Justice provides the Commission with legal services without charge. The total cost of these services has been estimated to be $1 (2023 – $6). The cost of the services noted above has been recognized on the statement of operations.

Included in accounts payable and accrued liabilities is an amount of $147 (2023 – $153) for bottle deposits payable to the Department of Environment and Natural Resources, $219 (2023 – $80) for salaries, wages, and employee benefits payable to the Department of Finance, and $0 (2022 - $0) other various Government Departments.

8. Contractual obligations

The Commission has a five-year lease agreement ending April 30, 2026 for its office premises. The Commission also has a five-year lease agreement ending September 30, 2026 with the option of extending the lease for one further term of five years for the Hay River Liquor Store. The minimum annual lease payments for the leases over the next five year(s) are:

2024/25	$ 248
2025/26	$ 248
2026/27	$ 88

Annual lease payments for the office premises include estimated operating costs and property taxes.

9. Financial instruments

The Commission's financial instruments consist of cash, accounts receivable, accounts payable and accrued liabilities, pension and other employee benefits due to the NWT Liquor Licensing Board. It is management's opinion that the Commission is not exposed to significant interest or currency risks arising from these financial instruments.

The commission is subject to credit risk with respect to accounts receivable. Credit risk arises from the possibility that debtors may experience financial difficulty and be unable to fulfill their obligations. Credit risk is considered minimal as most sales are done on a cash-on-delivery basis.

The carrying value of the financial instrument approximates fair value.

70th Annual Report
2023-2024

NWT LIQUOR LICENSING BOARD

June 24th, 2024

Honourable Caroline Wawzonek
Minister Responsible for the NWT Liquor Licensing Board

Dear Minister Wawzonek:

In accordance with the *Liquor Act*, I am pleased to present the Northwest Territories Liquor Licensing Board's 2023 - 2024 Annual Report.

Sincerely,

Louis Sebert
Chairperson

Contents

Board Overview

The Northwest Territories Liquor Licensing Board (the Board) is established under Subsection 2(1) of the Northwest Territories *Liquor Act*. The Minister of Finance appoints Board Members for a term of three years.

The Board is a regulatory and quasi-judicial administrative tribunal that is independent from government. The Board administers several parts of the NWT *Liquor Act* and the NWT *Liquor Regulations*.

The Liquor Licensing Board regulates:

- the issuance of Licences and Permits;
- liquor sales and service in restaurants, bars, and at special events; and
- the manufacture of liquor.

The Board also adjudicates alleged violations of liquor laws by Licence Holders.

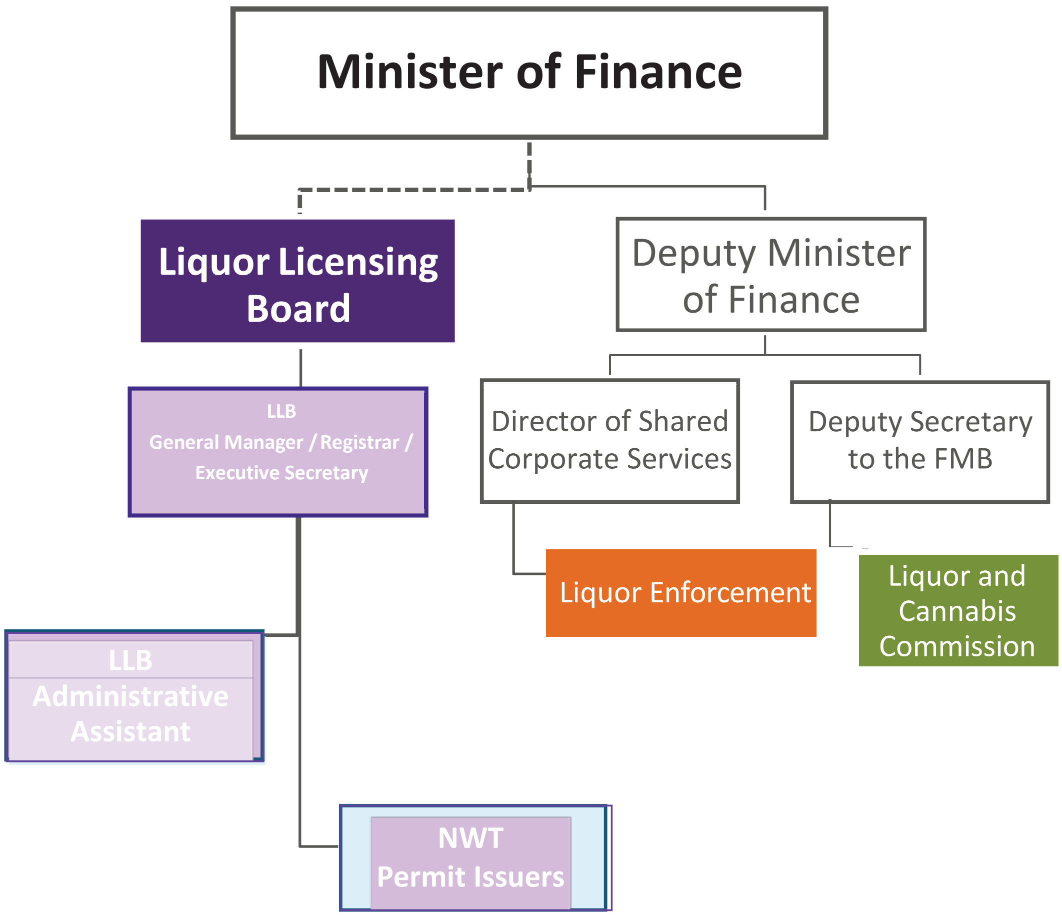
Board Members and Staff

Louis Sebert – Chairperson
Paul Falvo – Board Member
Michael Hansen - Board Member
Jaimie Graham – General Manager/Registrar/Executive Secretary
Harley Beaulieu - Administrative Assistant

In addition to the Liquor Licensing Board, the Northwest Territories liquor system also includes:

- Liquor Enforcement – Inspections of licensed premises, educating Licence and Permit Holders, and enforcement of liquor laws and Board conditions.
- Liquor and Cannabis Commission – Purchasing and retail sales of liquor.

Each of the three liquor entities is established by the *Liquor Act* and is **independent from each of the other two.** The Board, while at arm's length from the Liquor and Cannabis Commission and Enforcement, often interacts with them on matters of mutual interest.



Board Activity

Total Meetings

Board Meeting Type	2022 - 2023	2023-2024
Orientation	0	0
Administrative	0	1
Teleconferences	0	0
Public Hearings	0	0
Compliance Hearings	0	0
Total	**0**	**1**

Administration and Orientation Meetings

The Board proposed legislative amendments to the GNWT Department of Finance in order to modernize the Board-related provisions of the *Liquor Act* and its Regulations. Where possible, the Board meets by teleconference, but it also meets in person where other business such as compliance hearings are scheduled. In this reporting period, any Board items were primarily performed by email, and there was one administrative in-person meeting.

Licence Applications and Public Hearings

The Board must consider each application for a liquor licence and other specific requests. Most often applications are dealt with by the Executive Secretary, but there may be times the Board must meet in person and/or conduct a public hearing of an application.

Compliance Hearings

Where Liquor Enforcement alleges that a Licence Holder has failed to comply with the *Liquor Act* or a condition of their liquor licence, the matter may be brought before the Board for adjudication.

As with other administrative tribunals, the Board does not operate on a cost recovery basis. Applying that requirement could impact the rights of parties to fair and unbiased decision-making. Just as there is no cost recovery requirement for policing and the Courts, the cost of administering and enforcing the *Liquor Act* and its Regulations is balanced against the requirements of procedural fairness.

One of the key requirements of administrative justice is to hear matters in a timely manner. A person accused of a statutory or regulatory infraction has the right to have the matter heard without undue delay.

Should the Board find a Licence Holder is noncompliant, a monetary penalty may be ordered. A licence may also be suspended for up to one year, or cancelled.

There were no compliance hearings conducted during this reporting period.

Liquor Licences

The Liquor Licensing Board regulates liquor sales and service in licensed premises and at special events. The Board also regulates liquor manufacturers. A person, company, or organization that holds a Liquor Licence is known as a Licence Holder. There are six types of Liquor Licences:

Class A (liquor primary) - allows a Licence Holder to sell liquor to patrons in a bar or similar business. The business must generate revenue primarily from the sale and service of liquor.

Class B (food primary) - allows a Licence Holder to sell liquor to patrons in a restaurant or similar business. The business must generate revenue primarily from the sale and service of meals.

Class C (mobile) - allows a Licence Holder to sell and serve liquor under one of three circumstances:

- Catering – where someone other than the Licence Holder hosts events at various locations, and the Licence Holder's primary source of revenue is derived from catering food.
- Ship – where the Licence Holder operates a ship that generates revenue primarily from the sale and service of food, entertainment or services related to tourism.
- Special Events – where the Licence Holder organizes special events from time to time, and revenue is primarily generated from the sale and service of entertainment.

Class D (liquor incidental) - allows a Licence Holder to sell and serve liquor under one of five circumstances:

- Canteen – The Licence Holder is an authorized organization operating a canteen for its authorized patrons. An authorized organization includes a division of the military, the RCMP, and a fire department.
- B & B, Lodge – The Licence Holder operates a bed & breakfast or a remote lodge, and the sale or use of liquor is for its authorized patrons.
- Community, Recreational, Cultural Activities – the Licence Holder operates a facility that provides benevolent, philanthropic, charitable, religious, scientific, artistic, musical, literary, social, educational, recreational, sporting or other like activities, and the sale or use of liquor is for its authorized patrons.
- Tourist Facility – The Licence Holder operates a tourist facility without a licensed premises, but has a mini-bar extension.
- Personal Services – The Licence Holder operates a business that offers to the public hair styling or barber services, nail or skin care services or therapeutic massage services, and the use of liquor is for its authorized patrons.

Manufacturing Licence - authorizes the Licence Holder to manufacture a specified type of liquor. The holder of a Manufacturing Licence may only sell its manufactured liquor to the NWT Liquor and Cannabis Commission or to a liquor commission or other similar authority outside the Northwest Territories.

Manufacturer's Retail Outlet Licence - A Manufacturer's Retail Outlet Licence may only be issued to a person who holds a Manufacturing Licence. A Manufacturer's Retail Outlet Licence authorizes the Licence Holder to operate a retail outlet within the manufacturing facility in order to sell its own liquor to the public, including Licence and Permit Holders.

Total Liquor Licences

Community	Class A	Class B	Class C	Class D	MFG.	Retail Outlet	2023-24	2022-23
Fort Providence	2	1	0	0	0	0	**3**	3
Fort Simpson	1	1	0	2	0	0	**4**	4
Fort Smith	1	1	0	2	0	0	**4**	4
Hay River	2	3	0	5	0	0	**9**	12
Inuvik	2	3	0	4	0	0	**9**	7
Norman Wells	2	2	0	2	0	0	**6**	6
Remote Lodges	-	-	-	7	-	-	**7**	8
Yellowknife	12	21	1	10	1	1	**46**	48
Total	21	32	1	32	1	1	**88**	92

Special Occasion Permits

There are three types of Special Occasion Permits (SOP's):

Class 1 - Anyone 19 years of age or older may apply for a Class 1 Permit. There must not be an admission charge for the event and liquor may not be directly or indirectly sold. A Class 1 permit is intended for events where liquor is given to guests such as a business "meet and greet" where wine is served, or a wedding reception with an open bar.

Class 2 (resale) - Anyone 19 years of age or older may apply for a Class 2 Permit. Liquor may be sold, but not for a profit. The Board sets the maximum amount a Permit Holder may charge for liquor, and presently, the limit is $5.00 per drink. This class of permit is intended for events where the organizer wants to provide liquor but does not want to give it away. The per-drink limit is intended to offset some of the organizer's costs.

Class 3 (fundraising) - Class 3 Resale Permits are available to organizations only, and not to individuals. Organizations eligible for a Class 3 permit include:

- a society incorporated under the *Societies Act*;
- a body incorporated under *Part II* of the *Canada Corporations Act*;
- a service club that holds a premises licence; or
- an unincorporated group of persons that:
    i. has been in existence for a period not less than six months before the date of application,
    ii. has an executive elected by its members, and
    iii. conducts a community, recreational or cultural activity, and does not carry on a trade or business for the pecuniary gain of its members.

After the event, a Class 3 Permit Holder must provide the Board with a statement of account, which reflects the profit from liquor sales and the purpose to which the proceeds will be put.

Total Special Occasion Permits

Community	Class 1	Class 2	Class 3	2023-24	2022-23
Fort Providence	0	0	1	**1**	**8**
Fort Resolution	0	0	0	**0**	**1**
Fort Simpson	0	1	8	**9**	**13**
Fort Smith	7	17	9	**33**	**26**
Hay River	9	4	50	**63**	**45**
Inuvik	1	2	19	**22**	**21**
Norman Wells	0	1	2	**3**	**3**
Ulukhaktok	0	0	0	**0**	**1**
Yellowknife	103	20	94	**217**	**196**
***Total**	**120**	**45**	**183**	**348**	**314**

*Please note that totals reflect issued permits and do not reflect actual events, as some permits did not occur due to the wildfire evacuations in the Northwest Territories during this reporting period - some permit holders were issued a refund in these specific exceptional circumstances.

Special Purpose Permits

A Special Purpose Permit authorizes a Permit Holder to possess and use liquor for a medicinal, scientific or other special purpose. All applications for Special Purpose Permits require the approval of the Liquor Licensing Board.

The Liquor Licensing Board may issue a Special Purpose Permit to:

- a medical practitioner, dentist, nurse practitioner, registered midwife or veterinarian;
- a person requiring liquor for a legitimate scientific or research purpose; or
- a person in charge of a facility that provides health services pursuant to the *Hospital Insurance and Health and Social Services Administration Act*, or a person in charge of a nursing home.

There were three Special Purpose Permits in effect on March 31st, 2024.

Board Office

The Liquor Licensing Board office is located in Hay River.

NWT Liquor Licensing Board
Suite 204 - 31 Capital Drive
Hay River, NT X0E 1G2

Toll-free:1-800-351-7770
Phone: (867) 874-8715
Email: LLBinfo@gov.nt.ca
Website: www.fin.gov.nt.ca/services/liquor/liquor-licensing-board

Government of Northwest Territories Gouvernement des Territoires du Nord-Ouest

NORTHWEST TERRITORIES LIQUOR ENFORCEMENT ANNUAL REPORT 2023-24

SUITE 204 – 31 CAPITAL DRIVE
HAY RIVER NT X0E 1G2
PH: 867 874 8719
Cell: 867 875 7898
FAX: 867 874 8722
TOLL FREE: 1 800 351 7770

ENFORCEMENT ACTIVITY

The Liquor Enforcement Division is responsible for ensuring compliance with the Northwest Territories Liquor Act, by supervising liquor inspectors, conducting liquor inspections, and administering community options on behalf of communities.

Contracted liquor inspectors monitor the activities of licensed premises by conducting liquor inspections at irregular intervals at licensed premises and at licensed special occasion permit functions where liquor is being served or sold. The inspection program strives for voluntary compliance through regular liquor inspections, training courses, newsletters, and on-site visits from the Manager of Enforcement. The inspections program targets high risk premises (those most likely to offend) for inspections more frequently than those considered to be a lower risk (e.g. Restaurants).

The RCMP also conducts walkthroughs at licensed premises and at licensed special occasion permit functions. The frequency of RCMP inspections are not reported to Enforcement, however, violations are reported to Liquor Enforcement when found.

INSPECTION OF LICENSED PREMISES

Community	**Inspections**	
	2022/23	**2023/24**
Fort Providence	18	16
Fort Simpson	17	40
Fort Smith	15	N/A
Hay River	196	121
Inuvik	39	N/A
Norman Wells	292	226
Yellowknife	726	630
TOTAL	**1,300**	**1,033**

Fluctuations in the number of inspections performed are affected by the availability of the inspectors and vacancies in inspector positions.

PUBLIC TRAINING

SafeServe Certification Program

Liquor Enforcement offers an online SafeServe Certification Program free of charge. SafeServe is an online certification program that provides responsible liquor service training SafeServe is designed to ensure that liquor is sold and served in a way that keeps customers, guests, and others safe from alcohol-related harms.

The NWT online SafeServe Certification Program was released to Licence Holders on March 11, 2022 and released to the public on March 15, 2022. As of June 26, 2024, **990** individuals have completed this training.

Currently, the Liquor Licensing Board requires the on-site managers, bartenders, and servers to obtain training for licence renewals and some special occasion permit holders. The Liquor Commission also has the option to use the program for Vendors and their employees. SafeServe educates the license and permit holders on their responsibilities under the *Liquor Act and Regulations* and on-Board policy. The training covers recognizing intoxication, identifying minors, responsible serving, managing crowd control, providing a safe environment and liability issues.

Liquor Enforcement with Policy and Communications are in the final stages of development of policy guidelines to support the SafeServe Certification Program.

Special Occasions Permit Training

Liquor Enforcement is initiating the development of a training program focused on liquor service for those who are not in the liquor service industry, for non-paid positions, volunteers under Special Occasion Permits. The Training will focus on social responsibilities, providing a safe and enjoyable atmosphere at the event while reducing liability, understand and apply relevant liquor legislation.

COMMUNITY LIQUOR STATUS

Communities in the Northwest Territories can choose whether or not they will permit alcohol to be brought into the community or if the quantity of alcohol will be restricted or unrestricted. For more information and details by community, please refer to the information below.

BACKGROUND:

Communities in the Northwest Territories are classed as either:

Unrestricted There are no restrictions beyond those that are described in the *Liquor Act* and Regulations.

Restricted The restriction may limit the quantity and/or frequency of alcohol brought into a community; limit the quantity and hours of sale at a liquor store or require individuals to seek prior approval from a community alcohol education committee to bring in a limited amount of alcohol into a community.

Prohibited There is a complete ban on alcohol being brought into the community.

CURRENT STATUS:

1. Unrestricted Communities

Aklavik	Fort Simpson*	Norman Wells*
Behchokö	Fort Smith*	Sachs Harbour
Colville Lake	Hay River*	Tsiigetchic
Enterprise	Inuvik*	Wrigley
Fort Providence	Jean Marie River	Yellowknife*
Fort Resolution	Kakisa	

*These communities have licensed premises and/or a liquor store(s).

2. Restricted Communities

Déline	Fort McPherson	Tuktoyuktuk
Dettah	Fort Simpson	Tulita
Fort Good Hope	Paulatuk	Uluhuktuk
Fort Liard	Saamba Ke	

There are **two** types of restrictions that can apply:

i) Through community options; or
ii) The Minister may impose a restriction on the operating hours of a liquor store and/or the amount of liquor to be purchased in a certain period.

Déline

No person shall bring into the restricted area, in any 24-hour period, within a radius of 25km of the Déline Got'ine Government John Tetso office building, a quantity of liquor that exceeds the amounts described in any one of the following combinations:

a) Combination 1: 1140 *ml* of spirits and 12 355 *ml* containers of beer;
b) Combination 2: 1140 *ml* of spirits and two *litres* of wine;
c) Combination 3: 12 355 *ml* containers of beer and two *litres* of wine;
d) Combination 4: 24 355 *ml* containers of beer and one *litre* of wine.

Combinations do not apply to a person authorized by the Déline Got'ine Government to bring into and possess in the restricted area greater quantities of liquor for consumption at a wedding, community dance or other special event.

Dettah

No person shall at any time have in his or her possession in, or in any month take into Dettah a quantity of liquor that is in excess of the following combinations:

a) Twelve 355 *ml* containers of beer and one 750 *ml* container of spirits; or
b) 4,500 *ml* of wine in sealed containers.

Fort Good Hope

No person shall bring into the restricted area, in any 24-hour period, within 25km of the Fort Good Hope Community Complex, a quantity of liquor in excess of one unit of liquor of the following types:

a) Type 1: 1140 *ml* of spirits and one dozen 355 *ml* containers of beer;
b) Type 2: 1140 *ml* of spirits and two *litres* of wine;
c) Type 3: one dozen 355 *ml* containers of beer and two *litres* of wine;
d) Type 4: two dozen 355 *ml* containers of beer and one *litre* of wine.

Fort Liard

No person shall purchase, sell or transport within a radius of 15km of the building in the Hamlet of Fort Liard commonly known as the Community Centre, more liquor in one week than any three units of the following types:

a) Type 1: 1140 *ml* of spirits;
b) Type 2: two dozen 355 *ml* containers of beer;
c) Type 3: two 750 *ml* containers of wine.

The restriction does not apply to the purchase, sale or transport of liquor by the Municipal Council or Band Council where liquor shall be consumed at community dances.

Fort McPherson

No person shall bring into the restricted area, in any seven-day period, within a radius of 25km of the Tetlit Co-op Store of the Hamlet:

a) a quantity of spirits in excess of 2280 ml.
b) no person shall operate within the restricted area a vehicle having two or more occupants and transporting a quantity of spirits that exceed 4560ml.

The restriction does not apply to a person authorized by the Hamlet Council to bring into the restricted area a greater quantity of spirits for consumption at a wedding, community event or other special occasion.

Paulatuk

No person shall bring into the restricted area, in any seven-day period, within a radius of 2km of the Paulatuk Hamlet Office, a quantity of liquor that exceeds the amounts described in any one of the following combinations:

a) Combination 1: 1140 *ml* of spirits and 12 355 containers *ml* of beer;
b) Combination 2: 1140 *ml* of spirits and two *litres* of wine;
c) Combination 3: 12 355 *ml* containers of beer and two *litres* of wine;
d) Combination 4: 24 355 *ml* containers of beer and 750 *ml* of spirits;
e) Combination 5: 1175 *ml* of spirits.

Sambaa Ke

No person shall bring into the restricted area, in any 24-hour period, within 15km of the Sambaa K'e Dene Band Administration Office, a quantity of liquor that exceeds the amount described in any one of the following combinations:

a) Combination 1: 750 *ml* of spirits and 12 355 *ml* containers of beer;
b) Combination 2: 750 *ml* of spirits and two *litres* of wine;
c) Combination 3: 12 355 *ml* containers of beer and two *litres* of wine;
d) Combination 4: 24 355 *ml* containers of beer and one *litre* of wine.

Tuktoyaktuk

No person shall bring into the restricted area or possess within the restricted area, at any time, within a 25 km of the Tuktoyaktuk Hamlet Office:

a) a quantity of spirits in excess of 2280 ml
b) within the restricted area, no person shall operate a vehicle
    - having one to three adult occupants and transporting a quantity of spirits that exceed 2280ml per adult occupant; or

- having four or more adult occupants and transporting a quantity of spirits that exceeds 9120 ml.

The restriction does not apply to a person authorized by the Hamlet Council to bring into the restricted area a greater quantity of spirits for consumption at a wedding, community event or other special event.

Tulita

No person shall bring into the residential area, in any 24-hour period, within a radius of 25km of the Tulita Dene Band Office, a quantity of liquor that exceeds the amounts described in any one of the following combinations:

a) Combination 1: 1140 *ml* of spirits and 12 355 *ml* containers of beer;
b) Combination 2: 1140 *ml* of spirits and two *litres* of wine;
c) Combination 3: 12 355 *ml* containers of beer and two *litres* of wine;
d) Combination 4: 24 355 *ml* containers of beer and one *litre* of wine.

Ulukhaktok

No person shall bring into the restricted area, in any seven-day period, within a radius of 2 km from the Ulukhaktok Hamlet Office, a quantity of liquor that exceeds the amounts described in any one of the following combinations:

a) Combination 1: 200 *ml* of spirits and 12 355 *ml* containers of beer;
b) Combination 2: 200 *ml* of spirits and two *litres* of wine;
c) Combination 3: 12 355 *ml* containers of beer and two *litres* of wine;
d) Combination 4: 24 355 *ml* containers of beer and one 100 *ml* bottle of spirits;

The restriction does not apply to a person authorized by the Hamlet Council to bring into the restricted area a greater quantity of spirits for consumption at a wedding, community event or other special event.

3. Prohibited Communities

Gamètì	Nahanni Butte	Whatì
Lutselk'e	Wekweètì	K'atl'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 withing a radius of 25 km from the building in Whatì commonly known as the Mezi Community School.

K'atl'odeeche First Nation

K'atl'odeeche First Nation is prohibited under the *Indian Act* of Canada.

Northwest Territories Liquor Licensing Board and Liquor Enforcement

Financial Statements

Year ended March 31, 2024

Northwest Territories Liquor Licensing Board and Liquor Enforcement

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March 31, 2024

Management's Responsibility for Financial Reporting

The preparation of the financial statements of the Northwest Territories Liquor Licensing Board and Liquor Enforcement (Board) is the responsibility of the Board's management.

The financial statements have been prepared in accordance with the Public Sector Accounting Standards as recommended by the Public Sector Accounting Standards Board. Where alternative accounting methods are permitted, management has chosen those that are most appropriate. Where required, management's best estimates and judgments have been applied in the preparation of these financial statements.

Management fulfills its financial reporting responsibilities by maintaining financial management and control systems and practices which are designed to provide reasonable assurance that transactions are properly authorized, proper records are maintained, accurate financial information is prepared on a timely basis, assets are safeguarded, and the Board complies with all statutory requirements.

Our auditor performs an annual audit on the financial statements in order to express an opinion as to whether the financial statements present fairly, in all material respects, the financial position of the Liquor Licensing Board and Liquor Enforcement, the results of its operations, the change in its net financial resources and its cash flows for the year. During the course of the audit, they also examined transactions that have come to their notice, to ensure they are, in all significant respects, in accordance with the statutory authorities of the Board.

Chairperson, NWT Liquor Licensing Board
June 30, 2024

ASHTON
Chartered Accountants
Business Advisors

Suite 8 - 6 Courtoreille Street
Hay River, NT X0E 1G2
PH: (867) 874-6775
FX: (867) 874-3775

INDEPENDENT AUDITOR'S REPORT

To the Ministers of Northwest Territories Liquor Licensing Board and Liquor Enforcement

Qualified Opinion

We have audited the financial statements of Northwest Territories Liquor Licensing Board and Liquor Enforcement (the organization), which comprise the statement of financial position as at March 31, 2024, and the statements of operations, changes in accumulated surplus, changes in net financial assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the organization as at March 31, 2024, and the results of its operations and cash flows for the year then ended in accordance with Canadian public sector accounting standards (PSAS)

Basis for Qualified Opinion

The Government of the Northwest Territories is responsible for the calculation and distribution of the Commission's salaries, wages and employee benefits expense for public service employees, the accuracy of which is not susceptible to complete audit verification. We have satisfied ourselves that the payroll information provided by the GNWT is properly reflected in the Commission's records. As a result, we were not able to determine whether any adjustments might be necessary to expenses, liabilities or accumulated surplus.

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

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

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

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

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

(continues)

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Ashton

Hay River, Northwest Territories
June 28, 2024

Ashton Chartered Professional Accountants

Northwest Territories Liquor Licensing Board and Liquor Enforcement

Statement of Financial Position

As at March 31, ($000)	2024	2023
Financial Assets		
Accounts Receivable	$ -	$ -
Due from NWT Liquor & Cannabis Commission (note 3)	117	92
Pension and other employee benefits (note 4)	7	14
	124	106
Financial Liabilities		
Accounts payable (Note 6)	98	74
Deferred revenue	26	32
	124	106
Net Financial Assets (debt)	-	-
Non-financial Assets		
Prepaid Expenses	-	-
Accumulated surplus	$ -	$ -

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

Approved by the Northwest Territories Liquor Licensing Board:

Chairperson, Liquor Licensing Board

Northwest Territories Liquor Licensing Board and Liquor Enforcement

Statement of Operations

For the year ended March 31 ($000)	2024 Budget	2024 Actual	2023 Actual
Revenue			
License fees and permits	$ 65	$ 49	$ 50
Government contribution - services provided without charge (note 6)	-	-	-
	65	49	50
Expenses (notes 5 and 6)			
Salaries, wages and employee benefits	534	388	414
Honoraria	50	4	3
Inspector's fees	68	51	52
Rent	30	40	37
Travel	75	10	14
Professional fees	29	22	6
Administration	40	16	15
Server Training	10	9	0
	836	540	541
Annual loss	$ (771)	$ (491)	$ (491)

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

Northwest Territories Liquor Licensing Board and Liquor Enforcement

Statement of Accumulated Surplus

For the year ended March 31 ($000)	2024 Budget	2024 Actual	2023 Actual
Accumulated surplus, beginning of the year	$ -	$ -	$ -
Annual loss	(771)	(491)	(491)
Amounts transferred from the NWT Liquor & Cannabis Commission	771	491	491
Change in accumulated surplus	-	-	-
Accumulated surplus, end of year	$ -	$ -	$ -

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

Northwest Territories Liquor Licensing Board and Liquor Enforcement

Statement of Change in Net Debt

For the year ended March 31 ($000)	2024 Budget	2024 Actual	2023 Actual
Net debt, beginning of year	$ -	$ -	$ -
Items affecting net financial resources:			
Increase (decrease) in accumulated surplus	-	-	-
Decrease (increase) in prepaid expenses	-	-	-
Net debt, end of year	$ -	$ -	$ -

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

Northwest Territories Liquor Licensing Board and Liquor Enforcement

Statement of Cash Flow

For the year ended March 31 ($000)		2024		2023
Operating activities				
Cash received from customers	$	43	$	54
Cash paid to employees and suppliers		(509)		(567)
Cash provided by operating activities		(466)		(513)
Financing activities				
Cash transferred from the NWT Liquor & Cannabis Commission		466		513
Change in cash		-		-
Cash, beginning of year		-		-
Cash, end of Year	$	-	$	-

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

Northwest Territories Liquor Licensing Board and Liquor Enforcement

Notes to Financial Statements

March 31, 2024 ($000)

1. Authority and operations

The Northwest Territories Liquor Licensing Board (the "Board") was established under the *Liquor Act* (the "Act") for the purposes of regulating the sale of liquor in licensed premises, issuing liquor licenses and overseeing the issuing of special occasion permits and other permits in the NWT. The Minister appoints a member of the Public Service to be the Executive Secretary to the Board. Liquor Enforcement is separate from the Liquor Licensing Board and is managed by different staff. The Liquor & Cannabis Commission (the "Commission") provides financial administrative support to the Board.

In accordance with the Act and the *Revolving Funds Act*:

- The operations of the Commission and the Board are accounted for through the Liquor Revolving Fund (the "Fund"). All monies received by the Commission and the Board must be deposited into the Fund and all expenditures incurred by the Commission and the Board must be paid out of the Fund. The Commission provides financial administrative support to the Board and may receive a working capital advance from the Consolidated Revenue Fund (the "CRF") of the Government of the Northwest Territories ("GNWT") to finance its operations.

- The authorized limit of the Fund, defined as the maximum amount by which the assets (cash, accounts receivable and inventories) exceed the liabilities, must not exceed $12,000.

- The Commission must periodically transfer amounts from the Fund to the CRF to ensure that the Fund does not exceed its authorized limit. As at March 31, 2024, the Fund's assets exceeded the liabilities by $5,587 (2023 – $6,062).

Neither the Commission nor the Board are separate legal entities apart from the Department of Finance of the NWT and neither is subject to the requirements of the *Income Tax Act*.

The operations of enforcement are managed separately from the Board. For the purpose of financial reporting the assets, liabilities, and expenses are combined in these financial statements as both are funded from the Liquor Revolving Fund. The Board is a Schedule A (Financial Administration Act) public agency and Liquor Enforcement is not.

2. Significant accounting policies

(a) Basis of accounting

The financial statements of the Board are prepared in accordance with Canadian generally accepted accounting principles (GAAP) for the public sector as recommended by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada. These financial statements include the activities of the Enforcement Program which have been disclosed separately and combined with the activities of the Board in the statement of operations.

(b) Measurement uncertainty

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Actual results could differ significantly from those estimates. The more significant management estimates include the calculation of the liability for employee future benefits and deferred revenue.

(c) Revenue recognition

License fees and permits are recorded in revenue in the year that the fee or permit relates. If cash is received in advance of the fee or permit period, it is recorded in deferred revenue.

(d) Services provided without charge

Liquor Enforcement records the estimated cost of the legal services it receives without charge from the Department of Justice. The services are recorded as a government contribution – services provided without charge and included in the expenses on the statement of operations.

(e) Tangible capital assets

The Board receives the use of tangible capital assets from the Commission without charge.

(f) Pension benefits

The appointed employees of the Board are covered by the public service pension plan (the "Plan"), a contributory defined benefit plan established through legislation and sponsored by the Government of Canada. Contributions are required by both the employees and the Board to cover current service cost. Pursuant to legislation currently in place, the Board has no legal or constructive obligation to pay further contributions with respect to any past service or funding deficiencies of the Plan. Consequently, contributions are recognized as an expense in the year when employees have rendered service and represent the total pension obligation of the Commission.

2. Significant accounting policies; continued,

(g) Other employee benefits

Employees are entitled to severance benefits, reimbursement of removal costs and other compensated absences, as provided for under labour contracts and conditions of employment, based upon years of service. The cost of these benefits is accrued as the employees render the services necessary to earn them. The costs of these benefits were actuarially determined using the projected unit credit valuation methodology and expected utilization methods.

3. Due from NWT Liquor and Cannabis Commission

As explained in note 1, the Commission provides financial administrative support to the Board. The Commission receives all amounts receivable to the Board and pays all amounts payable by the Board. The Board does not keep separate cash accounts, nor does it directly own any tangible capital assets. Any amounts owing from the Board to the Commission (or vice versa) are settled through transfers to/from accumulated surplus.

The Commission provides tangible capital assets for the use by the Board without charge.

4. Other employee future benefits

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

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

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

Northwest Territories Liquor Licensing Board and Liquor Enforcement

Notes to Financial Statements

March 31, 2024 ($000)

4. Other employee future benefits (continued)

Valuation results

The last actuarial valuation was completed as at Feb 11, 2022. The results were extrapolated to March 31, 2024. The values presented below are for all the benefits under the Compensated Absences and Termination Benefits for the Board.

	2024			2023		
	Severance and Removal Obligation	Accumulated Sick & Special Obligation	Total	Severance and Removal Obligation	Accumulated Sick & Special Obligation	Total
Accrued benefit obligation, beginning of the year	$ 3	$ 2	$ 5	$ 3	$ 2	$ 5
Current Service Costs	0	0	0	0	0	0
Actuarial (gain)/loss	0	0	0	0	0	0
Interest Cost	0	0	0	0	0	0
Benefits paid during the year	0	0	0	0	0	0
Accrued benefit obligation, end of the year	$ 3	$ 2	$ 5	$ 3	$ 2	$ 5
Unamortized net actuarial gain (loss)	(4)	(8)	(12)	(6)	(14)	(20)
Accrued benefit (liability)/asset	$ (1)	$ (6)	$ (7)	$ (3)	$ (12)	$ (15)

March 31, 2024 ($000)

4. Pension and other employee benefits (continued)

The actuarial valuation at March 31, 2024 reflects management's best estimate based upon a number of future orientated assumptions including:

	2024	2023
Expected inflation rate	2.0%	2.0%
Discount rate used to determine the accrued benefit obligation	5.3%	4.8%
Expected average remaining service life of related employee groups (EARSL)	10.3	10.3

Timing of expected payments for other employee benefits are as follows:

2025	$	0
2026		0
2027		0
2028		0
2029		0
2030 and beyond		2
	$	2

5. Expenses

As explained in note 1, the liquor enforcement activities are included in total expenses as follows:

For the year ended March 31 ($000)	Enforcement		
	2024 Budget	2024 Actual	2023 Actual
Expenses			
Salaries, wages and employee benefits	$ 328	$ 193	$ 200
Inspector's fees	54	51	52
Rent	19	24	23
Travel	18	9	14
Professional fees	5	7	0
Administration	14	9	11
Server Training	10	9	0
	448	302	300
Annual loss	$ (448)	$ (302)	$ (300)

6. Related party transactions

The Board is related in terms of common ownership to all GNWT created departments, agencies and corporations. The Board enters into transactions with these entities in the normal course of business and these transactions are measured at the exchange amount.

The Board incurred $388 (2023 – $414) related to salaries, wages, and employee benefits for the Board's employees and $4 (2023 - $3) related to honoraria for Board members. The Board reimburses the Department of Finance for these costs.

The Department of Justice provides Liquor Enforcement with legal services without charge. The total cost of these services has been estimated to be $0 (2023 – $0). The cost of the services noted above has been recognized on the statement of operations.

Included in accounts payable and accrued liabilities is an amount of $53 (2023 – $22) for salaries, wages, board honoraria, employee benefits including Worker's Compensation and Medical Travel, payable to the Government of the NWT.

Northwest Territories Liquor Licensing Board and Liquor Enforcement

Notes to Financial Statements

March 31, 2024 ($000)

7. Contractual obligations

The Board has a five-year lease agreement ending April 30, 2026 for its Office premises. The minimum annual lease payments for the leases over the next five year(s) are:

2024/25	$ 31
2025/26	$ 31
2026/27	$ 3

Annual lease payments for the office premises include estimated operating costs and property taxes.

8. Financial instruments

The Board's financial instruments consist of accounts receivable, cash due from the NWT Liquor Commission, accounts payable and accrued liabilities, pension and other employee benefits. It is managements opinion that the Board is not exposed to significant interest or currency risks arising from these financial instruments.

The carrying value of the financial instrument approximates fair value.

PUBLIC STORES REVOLVING FUND

FOR THE YEAR ENDED MARCH 31, 2024

Unaudited

Schedule of Public Stores Revolving Fund Inventories
for the year ended March 31, 2024

Public Stores	Balance March 31, 2023	Net Receipts	Net Issues	Board of Survey	Inventory (Write-downs) Write-ups	Balance March 31, 2024
	$	$	$	$	$	$
Yellowknife	212,662			0	0	212,662
		75,986	(95,677)	0	0	(19,690)
	212,662	**75,986**	**(95,677)**	**0**	**0**	**192,972**

Prepared by: Shamir Siraj

Shamir

Date July 11, 2024
Finance and Administration Manager (NSRO)

Approved: Jason Carroll

Carroll

Date July 11, 2024
Regional Superintendent (NSRO)

Yellowknife Airport Revolving Fund

Financial Statements

March 31, 2024

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Financial Statements

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Yellowknife
Airport I Aéroport

Management's Responsibility for Financial Reporting

To the Minister of Infrastructure
Government of the Northwest Territories

The accompanying financial statements are the responsibility of management. The financial statements have been prepared by management in accordance with Canadian public sector accounting standards and necessarily include estimates which are based on management's best judgements.

In discharging its responsibility for financial reporting, management maintains and relies on internal control systems and practices, which are designed to provide reasonable assurance that the transactions are authorized, the assets are safeguarded and proper records are maintained. These control systems and practices ensure the orderly conduct of business, the accuracy of the accounting records, reliability of financial information and compliance to legislation governing the Yellowknife Airport Revolving Fund (the "Fund").

The auditor provides an independent, objective audit for the purpose of expressing an opinion on the financial statements. The auditor also considers whether the transactions that come to their notice during the course of the audit are, in all significant respects, in accordance with specified legislation.

Randy Straker, Regional Airport Manager
Yellowknife Airport Revolving Fund
Yellowknife, Northwest Territories
July 25, 2024

YELLOWKNIFE ACCOUNTING
PROFESSIONAL CORPORATION

CHARTERED PROFESSIONAL ACCOUNTANTS

P.O. Box 20072,
4910 – 50th Street
2nd Floor
EPR Yellowknife Building
Yellowknife, NT X1A 3X8

Phone: (867) 669-0242
Fax: (867) 669-7242

www.epryellowknife.ca

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Independent Auditor's Report

To the Minister of Infrastructure

Government of Northwest Territories

Qualified Opinion

We have audited the accompanying financial statements of Yellowknife Airport Revolving Fund (the "Fund"), which comprise the statement of financial position as at March 31, 2024, and the statement of operations and accumulated surplus, the statement of changes in net financial assets, the statement of cash flows for the year ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material aspects, the financial position of the Yellowknife Airport Revolving Fund as at March 31, 2024, and the results of its operations, changes in its net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Qualified Opinion

Compensation and related benefits paid to employees of the Yellowknife Airport Revolving Fund are administered by the Government of the Northwest Territories and are audited as part of the Government of the Northwest Territories' audit. Our audit scope was limited as we did not audit the components of compensation and benefits expenses and related balances. Accordingly, we were not able to determine whether any adjustments might be necessary to compensation and benefits expenses, annual surplus and cashflows from operations for the years ended March 31, 2024 and March 31, 2023 and payroll liabilities, employee future benefits, net financial assets, and accumulated surplus as at April 1 and March 31 for both the 2024 and 2023 years as well as note disclosures associated with transactions and period-end balances relating to compensation and benefits. The audit opinion on the financial statements for the year ended March 31, 2024, was modified accordingly because of the possible effect of this limitation in scope.

Tangible capital assets of the Yellowknife Airport acquired prior to the establishment of the Fund, July 1, 2017, were the property of the Government of the Northwest Territories ("the Government") Department of Infrastructure and were transferred to the Fund at their carrying amounts at July 1, 2017, excluding rrunways which were transferred April 1, 2018 and additional capital assets which were identified and transferred April 1, 2019. The tangible capital assets recorded were limited to those assets identified in the Government's accounting records and have not been verified. As such, the tangible capital asset amounts and related amortization expense reported may not be complete. Accordingly, we were not able to determine whether any adjustments might be necessary to tangible capital assets and accumulated surplus as at April 1 and March 31 for both the 2024 and 2023 years and amortization expense and annual surplus for the years ended March 31, 2024 and March 31, 2023. The audit opinion on the financial statements for the year ended March 31, 2023 was modified accordingly because of the possible effect of this limitation in scope.

Inventory records were not updated to reflect the quantities on hand at March 31, 2023 based on year-end inventory count procedures and obsolete inventory has been identified but the value of obsolete inventory has not been determined as such we were not able to satisfy ourselves concerning the quantity and value of inventory. Accordingly, we were not able to determine whether any adjustments might be necessary to expenses, surplus, inventory and cash flows from operations for the year ended March 31, 2024.

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

EPR Yellowknife Accounting Prof. Corp.

Yellowknife, NT

July 25, 2024

EPR Yellowknife Accounting Professional Corporation

Chartered Professional Accountants

Yellowknife Airport Revolving Fund

Statement of Financial Position

March 31,		2024		2023
Financial Assets				
Accounts receivable (Note 4)	$	**1,815,636**	$	2,419,359
Due from the Government of the Northwest Territories (Note 5)		**19,279,741**		13,590,238
		21,095,377		16,009,597
Financial Liabilities				
Accounts payable and accrued liabilities		**1,264,719**		600,720
Deferred revenue (Note 7)		**9,103,998**		9,236,698
Employee future benefits (Note 8)		**53,026**		599
		10,421,743		9,838,017
Net Financial Assets		**10,673,634**		6,171,580
Non-Financial Assets				
Inventories held for use		**298,110**		497,290
Tangible capital assets		**40,471,692**		42,567,760
Prepaid expenses		**4,500**		6,128
		40,774,302		43,071,178
Accumulated Surplus	$	**51,447,936**	$	49,242,758

Contractual Obligations (Note 13)
Contractual Rights (Note 14)

Approved:

July 26, 2024

See accompanying notes

Yellowknife Airport Revolving Fund

Statement of Changes in Net Financial Assets

For the year ended March 31,		Budget		2024		2023
Annual Surplus	$	2,205,178	**$**	**2,205,178**	$	1,870,448
Change in prepaid expenses		-		**1,628**		(1,408)
Acquisition of tangible capital assets		-		**(700,065)**		(2,212,719)
Inventory write down		-		**199,180**		-
Amortization of tangible capital assets		-		**2,796,133**		2,575,438
Increase (decrease) in Net Financial Asset		2,205,178		**4,502,054**		2,231,759
Net Financial assets, beginning of year		6,171,580		**6,171,580**		3,939,821
Net financial assets, end of year	$	8,376,758	**$**	**10,673,634**	$	6,171,580

See accompanying notes

Yellowknife Airport Revolving Fund

Statement of Operations and Accumulated Surplus

For the year ended March 31,	Budget	2024	2023
Revenue			
Aeronautical revenue (Note 15)	$ 5,000,000	**$ 5,596,238**	$ 6,021,912
Non-aeronautical revenue (Note 15)	3,000,000	**3,102,072**	3,009,024
	8,000,000	**8,698,310**	9,030,936
Government transfers (Note 10)	-	**401,625**	2,578,674
Airport improvement fees	4,000,000	**4,975,952**	624,784
	12,000,000	**14,075,887**	12,234,394
Expenses (Note 16)			
Amortization	2,200,000	**2,796,133**	2,575,438
Finance and administration	-	**1,117,897**	1,080,179
Operations and maintenance	-	**4,498,978**	3,580,418
Safety and security	-	**3,485,588**	3,188,818
	11,130,000	**11,898,596**	10,424,853
Operating Surplus before other items	870,000	**2,177,291**	1,809,541
Other items			
Grant-in-kind, occupancy costs (Note 11)	-	**1,116,559**	1,439,801
Occupancy costs (Note 11)	-	**(1,116,559)**	(1,439,801)
Recovery of prior year expenses	-	**27,887**	60,907
	-	**27,887**	60,907
Annual Surplus	870,000	**2,205,178**	1,870,448
Accumulated surplus, beginning of year	49,242,758	**49,242,758**	47,372,310
Accumulated surplus, end of year	$ 50,112,758	**$ 51,447,936**	$ 49,242,758

See accompanying notes

Yellowknife Airport Revolving Fund

Statement of Cash Flows

For the year ended March 31,	2024	2023
Cash provided by (used in)		
Operating activities		
Annual Surplus	$ **2,205,178**	$ 1,870,448
Items not affecting cash:		
Amortization	**2,796,133**	2,575,438
	5,001,311	4,445,886
Changes in non-cash assets and liabilities		
Accounts receivable	**603,723**	(765,970)
Accounts payable and accrued liabilities	**663,998**	7,341
Deferred revenue	**(132,700)**	1,809,695
Employee future benefits	**52,428**	(38,552)
Prepaid expenses	**1,628**	(1,408)
Inventory	**199,180**	-
Security deposits	**-**	(81,769)
Due from Government of the Northwest Territories	**(5,689,503)**	(3,162,504)
Cash from operating activities	**700,065**	2,212,719
Investing activities		
Acquisition of tangible capital assets	**(700,065)**	(2,212,719)
Disposal of capital assets	**-**	-
Cash used in investing activities	**(700,065)**	(2,212,719)
Increase in cash	**5,001,311**	4,445,886
Cash, beginning and end of period.	$ **-**	$ -

See accompanying notes

1. Nature of operations

The Yellowknife Airport Revolving Fund revolving fund (the "Fund") was established July 1, 2017 for the purpose of meeting the capital, operating and maintenance requirements of the Yellowknife Airport. The Fund operates under the authority of the Revolving Funds Act (the "Act") and the Northwest Territories Financial Administration Act. The Yellowknife Airport Division of the Department of Infrastructure of the Government of the Northwest Territories (the "Government") is responsible for the administration of the Fund.

Under the Act, the Fund can receive working capital advances from the Consolidated Revenue Fund (the "CRF") to finance inventory, accounts receivable and operating expenses. The authorized limit of the Fund, being the maximum amount by which the assets may exceed the liabilities is $36 million. The balance of the fund is reported as due to or from the Government on the Statement of Financial Position, as applicable.

2. Significant accounting policies

These financial statements have been prepared in accordance with Canadian public sector accounting standards established by the Canadian Public Sector Accounting Board. The significant accounting policies used are as follows:

(a) Cash

The Fund does not maintain a bank account. All funds received are recorded and deposited to the Government's general bank account and are maintained by the Government's Treasury. Similarly, all payments for the Fund are made from the Government's general bank account. The balance in Treasury attributable to the Fund is reflected in the financial statements as amount due from the Government and is disclosed in note 5.

(b) Revenue recognition

Revenue is recognized when it is probable that the economic benefits will flow to the Fund and provision of services has occurred, when the price is fixed or determinable and when collectability is reasonable assured.

Landing and terminal fees, apron fees, and parking revenues are recognized when the Airport facilities are utilized.

Concession fee revenue is recognized based on the highest of the agreed upon percentage of reported concessionaire sales or the specified minimum rentals in the period in which the rentals occur. Lease revenues are recognized straight-line basis over the duration of the underlying agreements.

Recoveries are recognized when the service is performed or the goods are provided. Airport improvement fee revenue is recognized as income in the period that eligible capital airport improvement costs are incurred.

2. Significant accounting policies (continued)

(c) Government transfers

Government transfers are the transfer of monetary assets or tangible capital assets from a government for which the government making the transfer does not:

- receive any goods or services directly in return;
- expect to be repaid in the future; or
- expect a direct financial return.

Government transfers are recognized as revenue in the period during which the transfer is authorized and eligibility criteria are met, except when and to the extent that the transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers meeting the definition of a liability are recognized as revenue as the liability is settled.

(d) Tangible capital assets

Tangible capital assets of the Yellowknife Airport acquired prior to the establishment of the Fund, July 1, 2017, were the property of the Government and were transferred to the Fund at July 1, 2017, April 1, 2018 and April 1, 2019 at their carrying amounts, accordingly the tangible capital assets are reflected in these financial statements. The Fund amortizes the tangible capital assets over their estimated useful lives at the rates established in the Financial Administration Manual over the following terms:

Buildings	40 years straight-line, no salvage
Water/sewer works	12-25 years straight-line, no salvage
Machinery, equipment and vehicles	5-15 years straight-line, no salvage
Airstrips/runways	10-40 years straight-line, no salvage
Fuel tanks	15-40 years straight-line, no salvage

Tangible capital assets acquired by the Fund after July 1, 2017 are the property of the Fund and are recorded at cost which includes all amounts directly attributable to the acquisition, construction, development or betterment of the asset.

The cost of self-constructed assets includes expenditures on materials, direct labour, financing costs and an allocated proportion of project overheads. When the cost of replacing part of a tangible capital asset is capitalized, the carrying amount of the replaced part is derecognized. Any gain or loss on disposal or retirement of a tangible capital asset is determined as the difference between the proceeds from disposal and the carrying amount of the asset and is recognized in surplus.

Maintenance and repair expenses that do not improve or extend productive life are expensed in the period incurred.

Work in progress represents capital projects under construction but not completed and are valued at cost. Capital assets under construction are transferred to tangible capital assets when the asset is available for use and amortization will commence at that time.

2. Significant accounting policies (continued)

(e) Inventories of supplies

Inventories of supplies are valued at the lower of cost and replacement value, with cost being determined using the weighted average cost method. Inventories of supplies include chemicals, fuel, parts and supplies.

(f) Pension and other employee future benefits and compensated absences

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

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

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

2. Significant accounting policies (continued)

(g) Financial instruments

Financial assets originated or acquired or financial liabilities issued or assumed in an arm's length transaction are initially measured at their fair value. In the case of a financial asset or financial liability not subsequently measured at its fair value, the initial value is adjusted for financing fees and transactions costs that are directly attributable to its origination, acquisition, issuance or assumption. Such fees and costs in respect of financial assets and liabilities subsequently measured at fair value are expensed.

The Fund subsequently measures all its financial assets and financial liabilities at amortized cost using the effective interest rate method, less any impairment losses on financial assets.

Financial instruments measured at amortized cost include accounts receivable, due from the Government of the Northwest Territories and accounts payable and accrued liabilities.

There are no financial instruments subsequently measured at fair value.

At the end of each reporting period, management assesses whether there are any indications that financial assets measured at cost or amortized cost may be impaired. If there is an indication of impairment, management determines whether a significant adverse change has occurred in the expected timing or the amount of future cash flows from the asset, in which case the asset's carrying amount is reduced to the highest expected value that is recoverable by either holding the asset, selling the asset or by exercising the right to any collateral. The carrying amount of the asset is reduced directly or through the use of an allowance account and the amount of the reduction is recognized as an impairment loss in operations. Previously recognized impairment losses may be reversed to the extent of any improvement. The amount of the reversal, to a maximum of the related accumulated impairment charges recorded in respect of the particular asset is recognized in operations.

(h) Inter-entity transactions

Inter-entity transactions are transactions between commonly controlled entities, Government departments.

Inter-entity transactions are recorded at the exchange amount when they are undertaken on similar terms and conditions to those adopted if the entities were dealing at arm's length. The cost allocations are recorded on a gross basis.

The Fund does not record the estimated cost of services provided by Government departments for no charge. The Fund receives the following services provided at no charge; payroll processing, insurance and risk management, legal counsel, records storage and computer operations.

2. Significant accounting policies (continued)

(i) Liability for contaminated sites

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. The liability is recorded net of any expected recoveries. A liability for remediation of contaminated sites is recognized when a site is not in productive use and all the following criteria are met:

- an environmental standard exists,
- contamination exceeds the environmental standard,
- the Fund is directly responsible or accepts responsibility
- it is expected that future economic benefits will be given up, and
- a reasonable estimate of the amount can be made.

The liability is recognized as management's estimate of the cost of post-remediation including operation, maintenance and monitoring that are an integral part of the remediation strategy for a contaminated site.

As the Government of the Northwest Territories controls the land used by the Fund, it also accepts responsibility for any contaminated sites. As a result, the Fund does not record any liabilities associated with contaminated sites or their remediation.

2. Significant accounting policies (continued)

(j) Related parties

The Fund initially measures related party balances in accordance with the substance of the transactions that gave rise to them. The Fund subsequently measures related party balances in accordance with the Fund's policies for financial instruments, as set out in note (g). The Fund is related in terms of common control to all Government of the Northwest Territories departments, boards and agencies. These include:

- Departments
  - Department of Education, Culture and Employment
  - Department of Environment and Climate Change
  - Department of Executive and Indigenous Affairs
  - Department of Finance
  - Department of Health and Social Services
  - Department of Industry, Tourism and Investment
  - Department of Infrastructure
  - Department of Justice
  - Department of Municipal and Community Affairs
- Boards and Agencies
  - Education Authorities
  - Health and Social Services Authorities
  - Aurora College
  - NWT Business Development & Investment Corporation
  - NWT Housing Corporation
  - Northwest Territories Power Corporation
  - Tlicho Community Services Agency
  - Northwest Territories Heritage Fund
  - Status of Women Council of the NWT
  - NWT Human Rights Commission
  - Arctic Energy Alliance
  - Inuvialuit Water Board
  - NWT Surface Rights Board
  - NWT Environmental Fund
  - NWT Liquor Commission
  - NWT Liquor Licensing Board

The Fund enters into transactions with these entities in the normal course of business and are measured at the exchange amount which is the amount of consideration established and agreed to by the related parties.

3. Future accounting changes

The conceptual Framework for Financial Reporting in the Public Sector: On December 1, 2022, PSAB issued the Conceptual Framework to the PSA handbook. It replaces financial statement concepts, section PS 1000, and financial statement objectives, section PS 1100, which will be withdrawn. The conceptual framework applies to fiscal years beginning on or after April 1, 2026. Earlier adoption is permitted. This conceptual framework is to be applied prospectively.

PS 1202- Financial Statement Presentation: This new section set out general and specific requirements for the presentations for the presentation of information in general purpose financial statements. The financial statement presentation principals are based on the concepts in the conceptual framework and particularly respond to the financial statement objectives set out in chapter 6 of the conceptual framework. This section applies for fiscal years beginning on or after April 1, 2026. Earlier adoption is permitted only if the conceptual framework is also adopted at the same time.

4. Accounts receivable

	Accounts receivable	**Allowance for doubtful accounts**	**Net 2024**	Net 2023
Accounts receivable	**$ 1,818,525**	**$ 2,889**	**$ 1,815,636**	$ 2,419,359

5. Due from the Government of the Northwest Territories

The amount due from the Government of the Northwest Territories represents the balance attributable to the Fund held by the Government Treasury. The changes in the Fund's balance is as follows:

	2024	**2023**
Balance, beginning of year	**$ 13,590,238**	$ 10,427,735
Add: cash received by Treasury on behalf of the Fund	**11,522,654**	9,212,156
Less: payments made by the Treasury on the Fund's behalf	**(5,833,151)**	(6,049,653)
Balance, end of the year	**$ 19,279,741**	$ 13,590,238

The funds held by the Government Treasury are part of the consolidated revenue fund and are non-interest bearing with no set terms of repayment.

6. Airport improvement fees

The GNWT, acting on behalf of the Fund, entered into a Memorandum of Agreement (“the Agreement") dated July 1, 2017 with Signatory Air Carriers operating from the Yellowknife Airport. The Agreement provides for a consultative process with air carriers regarding the improvement to and expansion of airport facilities and the collection of airport improvement fees ("AIF") by air carriers through their ticketing processes. AIF revenues can only be used for the Yellowknife Airport Capital Program.

AIF fees are charged at $10 per departing passenger in the Northwest Territories and $20 per departing passenger outside the Northwest Territories

Airport improvement fee summary since implementation, July 1, 2017:

		2024		2023
Cumulative AIF revenue	**$**	**21,929,288**	$	16,666,992
Cumulative AIF expenses		**(13,558,820)**		(8,582,868)
Surplus of revenue over expenses	**$**	**8,370,468**	$	8,084,124

The excess of AIF revenues over expenses is recorded as deferred revenue.

7. Deferred revenue

Deferred revenue is composed of:

		2024		2023
Airport Improvement fees	**$**	**8,370,468**	$	8,084,124
Government transfers - ACAP equipment purchases		**578,624**		1,030,195
Prepaid lease revenues		**154,906**		122,379
Surplus of revenue over expenses	**$**	**9,103,998**	$	9,236,698

8. Employee future benefits

Other Employee Future Benefits and Compensated Absences

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

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

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

Valuation Results

The last actuarial valuation was completed as at February 11, 2022. The results were extrapolated to March 31, 2024. The effective date of the next actuarial valuation is March 31, 2025. The values presented below are for all of the benefits under the Compensated Absences and Termination Benefits for the Fund.

Changes in Liability	**2024**	**2023**
Accrued benefit obligation, beginning of year	**$ 51,903**	$ 52,747
Benefits earned	**3,265**	3,446
Interest	**2,559**	2,237
Benefits paid	**(64,174)**	(45,203)
Actuarial (gains)/losses	**58,280**	38,675
Accrued benefit obligation, end of year	**104,859**	51,902
Unamortized net actuarial loss	**(51,833)**	(51,303)
Accrued benefit liability	**$ 53,026**	$ 599

8. Employee future benefits (continued)

		2024		2023
Current service cost	**$**	**3,265**	$	3,446
Interest cost		**2,559**		2,238
Amortization of net actuarial (gain) loss		**4,724**		969
	$	**10,548**	$	6,653

The discount rate used to determine the accrued benefit obligation is an average of 5.3% (2023 - 4.8%). The expected payments during the next five fiscal years are:

		Total
2025	$	5,136
2026		4,836
2027		4,682
2028		4,226
2029		4,726
	$	23,606

9. Tangible capital assets

	Cost	Accumulated Amortization	March 31, 2024	March 31, 2023
Buildings	**$ 29,938,383**	**$ 7,064,938**	**$ 22,873,445**	$ 24,071,803
Fuel tanks	**109,924**	**10,992**	**98,932**	102,596
Machinery, equipment and vehicles	**11,294,276**	**3,604,012**	**7,690,264**	7,794,012
Water/sewer works	**453,919**	**167,970**	**285,947**	309,945
Airstrips/runways	**12,873,907**	**3,430,425**	**9,443,482**	10,209,784
Work in progress	**79,620**	**-**	**79,620**	79,620
	$ 54,750,028	**$ 14,278,337**	**$ 40,471,692**	$ 42,567,760

Schedule 1 provides a breakdown of tangible capital assets and work in progress

10. Government transfers

The Fund received and recorded as revenue the following grants:

Received from	Type of transfer	Project	2024	2023
Transport Canada	Capital	Plow Truck	**$ 401,625**	$ 2,578,674

11. Grant-in-kind

Cost allocations recorded by the Fund relate to the utility costs associated with the Airport facilities incurred by the Department of Infrastructure, and recognized as occupancy costs and a grant in kind from the Government. The utilities are based on actual costs to the Department of Infrastructure.

12. Budget information

The budget figures are from the 2023-2024 Main Estimates approved by the Legislative Assembly of the Northwest Territories

13. Contractual obligations

The Fund has commitments for leases and service agreements that will require payment in future years. As at March 31, 2024 the commitments amounted to $2,339,169. The annual payments for these commitments are as follows:

	2025	2026	2027	2028
Service contracts	$ 1,850,725	$ 408,148	$ 58,264	$ 22,032

14. Contractual rights

Contractual rights are rights to economic resources arising from contracts or agreements that will result in revenues and assets in the future. The Fund's contractual rights arise because of contracts entered into for leases and licenses. The contractual rights of the Fund are as follows:

	2025	2026	2027	2028	2029 and thereafter
Leases	$ 2,038,218	$ 1,917,020	$ 1,788,414	$ 1,684,980	$ 17,588,864
Licenses	469,331	390,952	329,596	184,414	783,644
	$ 2,507,549	**$ 2,307,972**	**$ 2,118,010**	**$ 1,869,394**	**$ 18,372,508**

15. Revenue by object

The following is a summary of aeronautical and non-aeronautical revenues by object:

For the year ended March 31,	Budget	2024	2023
Concession fees	$ 250,000	$ 212,513	$ 190,034
Aeronautical	5,000,000	5,596,238	6,021,912
Leases	2,600,000	2,606,094	2,606,877
Recoveries	150,000	271,693	211,084
Other	-	11,772	1,029
	$ 8,000,000	**$ 8,698,310**	**$ 9,030,936**

16. Expenses by object

For the year ended March 31,	Budget	2024	2023
Amortization	$ 2,200,000	$ 2,796,133	$ 2,575,438
Computer hardware and software	250,000	251,490	203,914
Contract services	2,000,000	2,076,161	1,608,895
Fees and payments	40,000	22,986	13,912
Materials and supplies	910,000	1,025,765	783,659
Purchased services	60,000	66,987	71,790
Travel	30,000	9,089	5,112
Utilities	140,000	181,679	209,720
Salaries and benefits	5,500,000	5,468,306	4,952,413
	$ 11,130,000	**$ 11,898,596**	**$ 10,424,853**

17. Risk management

The fund is exposed to credit and liquidity risks from its financial instruments. Qualitative and quantitative analysis of the significant risks from the Fund's financial instruments is provided below

(a) Credit risk
Credit risk is the risk of financial loss to the Fund if a debtor fails to make payments of interest and principal when due. The Fund is exposed to this risk relating to its accounts receivable and due from the Government of the Northwest Territories.

The Fund's maximum exposure to credit risk is represented by the financial assets balance for a total of $21,095,377 (2023 - $16,009,597). Accounts receivable are due from various corporations. Credit risk related to accounts receivable is mitigated by internal controls as well as policies and oversight over arrears for ultimate collection. At March 31, 2024, the accounts receivable aging profile is as follows:

	0-30 days	31-60 days	61-90 days	Over 90 days	Total
Accounts receivable	$ 1,633,341	$ 17,487	$ 5,309	$ 159,499	$ 1,815,636

The Fund's management has determined that a portion of account receivable is impaired. Management's assessment was based on specific identification and age of receivables. The portion impaired is $2,889 (2023 - $16,373).

Management believes the risk exposure related to amounts due from the Government of the Northwest Territories is minimal given the Government's stability and strong credit worthiness.

Concentration of credit risk
Concentration of credit risk is the risk that a customer(s) has a significant portion of the total accounts receivable balance and thus there is a higher risk to the Fund in the event of default. The Fund does have concentration risk. At March 31, 2024, two (2023 - two) customers comprise 55% (2023 - 55%) of the total outstanding accounts receivable. The Fund reduces this risk by monitoring overdue balances. The Fund also has concentration risk related to the amount due from the Government of Northwest Territories, which is stable and credit worthy, as stated above.

The Fund derives a substantial portion of its revenues from airlines through airfield and passenger processing fees and through airlines' collection of airport improvement fees on its behalf. The air transportation traffic that drives these revenues is from inter-territorial, domestic and cargo traffic from multiple airlines. Due to this diversification, the concentration risk is considered minimal.

(b) Liquidity risk
Liquidity risk is the risk that the Fund will not be able to meet all cash flow obligations as they come due. The Fund mitigates this risk by monitoring cash activities and expected outflows through budgeting and maintaining an adequate amount of cash to cover unexpected outflows.

The Fund's maximum exposure to liquidly risk is represented by financial liabilities totaling $1,264,719 (2023 - $600,720). Financial liabilities consist of accounts payable and accrued liabilities. All of the Fund's financial assets and financial liabilities as at March 31, 2024 mature within the next six months.

The Fund has disclosed future financial liabilities and commitments in Note 13.

Yellowknife Airport Revolving Fund
Schedule of Tangible Capital Assets

SCHEDULE 1

March 31, 2024

	Buildings	Fuel Tanks	Machinery, Equipment and Vehicles	Water & sewer Works	Airstrips	Work-In-Progress	2024	2023
Cost								
Balance, beginning of the year	$ 29,938,383	$ 109,924	$ 10,594,211	$ 453,919	$ 12,873,907	$ 79,620	$ 54,049,963	$ 51,837,244
Add: additions during the year	-	-	700,065	-	-	-	700,065	2,212,719
Balance, end of year	29,938,383	109,924	11,294,276	453,919	12,873,907	79,620	54,750,028	54,049,963
Accumulated amortization								
Balance, beginning of the year	5,866,580	7,328	2,800,198	143,974	2,664,123	-	11,482,203	8,906,765
Add: amortization	1,198,358	3,664	803,814	23,996	766,302	-	2,796,133	2,575,438
Balance, end of year	7,064,938	10,992	3,604,012	167,970	3,430,425	-	14,278,337	11,482,203
Net book value	**$ 22,873,445**	**$ 98,932**	**$ 7,690,264**	**$ 285,949**	**$ 9,443,482**	**$ 79,620**	**$ 40,471,692**	**$ 42,567,760**

Environment Fund

Financial Statements

March 31, 2024

Management Responsibility Statement

Management is responsible for the reliability, integrity and objectivity of the data in the accompanying financial statement, which has been prepared in accordance with Canadian public sector accounting standards for not-for-profit organizations. Management takes responsibility for the presentation of these financial statements. Where appropriate, the financial statements include estimates and judgments based on careful consideration of the information available to management.

In discharging its responsibility for financial reporting, management maintains and relies on internal control systems and practices, which are designated to provide reasonable assurance that the transactions are authorized, the assets are safeguarded and proper records are maintained. These control systems and practices ensure the orderly conduct of business, the accuracy of the accounting records, reliability of financial information and compliance to legislation governing the Environment Fund.

The auditor provides an independent, objective audit for the purpose of expressing an opinion on the financial statements. The auditor also considers whether the transactions that come to their notice during the course of the audit are, in all significant respects, in accordance with specified legislation.

for Erin Kelly, PhD.
Deputy Minister
Department of Environment and Climate Change

Jessica St. Arnaud
Director, Finance and Capital Planning
Department of Environment and Climate Change

June 28, 2024

Crowe MacKay LLP

PO Box 727
5103 51st Street
Yellowknife, NWT X1A 2N5

Main +1 (867) 920-4404
Fax +1 (867) 920-4135

www.crowemackay.ca

Independent Auditors' Report

To the Minister of Environment Fund

Qualified Opinion

We have audited the financial statements of the Environment Fund, which comprise the statement of financial position as at March 31, 2024, and the statements of operations and changes in fund balances for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the financial statements present fairly, in all material respects, the financial position of the Environment Fund as at March 31, 2024 and the results of its operations and changes in fund balances for the year then ended in accordance with Canadian public sector accounting standards for government not-for-profits.

Basis for Qualified Opinion

The Environment Fund relies on reports prepared by distributors, processing centres and depots for the recording of beverage container program fee revenues $5,682,625 (2023 - $6,003,039), depot handling fees $803,284 (2023 - $846,341), processing fees $444,061 (2023 - $479,176) and refundable deposits $2,153,209 (2023 - $2,401,953). The reports provided by distributors, processing centres and depots are not independently verifiable, and consequently, our review of these accounts was limited to the amounts reported on the filed claims. As a result we are unable to determine if adjustments would be required to revenues or expenses for the years ended March 31, 2024 and 2023, accounts receivable, accounts payable or fund balances as at March 31, 2024 and 2023.

Wages and benefits of $1,116,211 (2023 - $1,047,725) were paid to employees of the Fund are administered by the Government of the Northwest Territories and are audited as part of the Government of the Northwest Territories' audit. Our audit scope was limited as we did not audit the components of wages and benefits expenses and related balances. Accordingly, we were not able to determine whether any adjustments might be necessary to wages and benefits expenses for the years ended March 31, 2024 and 2023, liabilities and fund balances as at March 31, 2024 and 2023.

Our audit opinion on the financial statements for the year ended March 31, 2023 was modified accordingly because of the possible effects of these limitations in scope.

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

Independent Auditors' Report (continued)

Other Matter
Management is responsible for the other information. The other information comprises the annual report. The annual report is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Responsibilities of Management and Those Charged with Governance for the Financial Statements
Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards for government not-for-profits, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.

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

Independent Auditors' Report (continued)

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

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

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

Crowe MacKay LLP

Yellowknife, Canada
June 28, 2024 **Chartered Professional Accountants**

Environment Fund

Statement of Operations

For the year ended March 31,	2024	2023
Revenues		
Beverage Container Program (schedule 1)	**$ 6,547,505**	$ 6,879,795
Electronic Recycling Program (schedule 2)	**208,923**	216,655
Other Programs and Initiatives (schedule 3)	**61,748**	434,391
	6,818,176	7,530,841
Expenses		
Beverage Container Program (schedule 1)	**5,034,421**	5,191,502
Electronic Recycling Program (schedule 2)	**280,348**	271,702
Other Programs and Initiatives (schedule 3)	**810,357**	734,203
	6,125,126	6,197,407
Excess of revenues over expenses	**$ 693,050**	$ 1,333,434

Environment Fund

Statement of Changes in Fund Balances

For the year ended March 31, 2024

	Unrestricted	Equipment replacement reserve	Total 2024	Total 2023
Balance, beginning of year	$ 8,293,486	$ 514,867	**$ 8,808,353**	$ 7,474,919
Excess of revenues over expenses	693,050	-	**693,050**	1,333,434
Transfer from reserve (Note 3c)	(17,863)	17,863	**-**	-
Balance, end of year	**$ 8,968,673**	**$ 532,730**	**$ 9,501,403**	$ 8,808,353

See accompanying notes

Environment Fund

Statement of Financial Position

March 31,	2024	2023
Assets		
Accounts receivable	**$ 670,159**	$ 1,059,129
Due from Treasury (note 4)	**10,058,914**	9,003,107
	$ 10,729,073	$ 10,062,236
Liabilities		
Accounts payable and accrued liabilities	**$ 375,289**	$ 355,558
Unredeemed container liability (note 5)	**852,381**	898,325
	1,227,670	1,253,883
Fund balances		
Unrestricted	**8,968,673**	8,293,486
Equipment replacement reserve	**532,730**	514,867
	9,501,403	8,808,353
	$ 10,729,073	$ 10,062,236

Nature of operations (note 1)

Approved on behalf of the Board:

A/ Deputy Minister

Director, Finance and Capital Planning

1. Nature of operations

The Environment Fund ("the Fund") contains all fees and surcharges collected from programs established under the authority of the *Waste Reduction and Recovery Act* ("the Act") of the Northwest Territories. The Act was enacted in October 2003 during the 6th session of the 16th Legislative Assembly. The Act came into force in July 2005 with the establishment of the Fund.

The financial assets of the Fund may be used to pay for:

- the establishment, operation and evaluation of programs in respect of the reduction or recovery of waste
- education programs related to the reduction or recovery of waste
- research and development activities related to the reduction or recovery of waste
- the appropriate disposal of a designated or prohibited material as waste
- expenses associated with the work of the advisory committee established by the Minister
- to provide advice and assistance relating to the establishment of programs and operation of programs in respect of the reduction and recovery of waste
- other costs associated with programs, initiatives, or activities in respect of the reduction or recovery of waste

Environment Fund Programs

The Beverage Container Program, which came into effect November 1, 2005, is one of three established programs operating within the Environment Fund. Administration of this program rests with the Chief Environmental Protection Officer appointed under the *Environmental Protection Act.*

The Single Use Retail Bag Program, which came into effect January 15, 2010, is the second of three established programs operating within the Environment Fund. Administration of this program rests with the Chief Environmental Protection Officer appointed under the *Environmental Protection Act.*

The Electronics Recycling Program, which came into effect on February 1, 2016, is the third of three established programs operating within the Environment Fund. Administration of this program rests with the Chief Environmental Protection Officer appointed under the *Environmental Protection Act.*

The Department of Environment and Climate Change advised it will be examining other waste reduction and recovery programs that could, in the future, become part of the Fund.

2. Change in accounting policy

PS 3400, Revenues, was issued November 2018 by the Public Sector Accounting Standards Board (PSAB or the"Board") and provides guidance on how to account for and report on revenue. Specifically, it differentiates between revenue arising from transactions that include performance obligations and transactions that do not have performance obligations.

The adoption of this new standard had no impact on the financial statements.

3. Significant accounting policies

The financial statements are prepared by management in accordance with Canadian public sector accounting standards for government not-for-profits organizations.

The significant accounting policies used are as follows:

(a) Revenue recognition

Beverage Container Program revenue, Single-use Retail Bag Program, and Electronics Recycling Program revenue is recognized when beverage containers, single use retail bags or electronics are sold by distributors to retailers. Recoveries and salvage revenue from recycled materials are recognized when cash is received or receivable.

Government transfers are recognized as revenues when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the Statement of Operations as the stipulation liabilities are settled.

Interest revenue is recognized as it is earned.

(b) Capital assets

The capital assets managed by the Fund are not included in these financial statements as they are not capital assets of the Fund.

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard.

As the Government of the Northwest Territories owns the assets of the Fund, it also accepts responsibility for any contaminated sites. As a result, the Fund does not record any liabilities associated with contaminated sites or their remediation. Asset retirement obligations are the responsibility of the Department of Environment and Climate Change.

3. **Significant accounting policies (continued)**

(c) Reserve funds

Restrictions have been placed on surplus to reserve funds for future operations:

This reserve was approved by the Government of the Northwest Territories to be set up for future capital equipment purchases/replacement. The Equipment replacement reserve is equal to 1/10 of the cost of capital equipment, including capital equipment purchased with start-up funds, has been reserved annually for future replacements of capital equipment. The 2024 transfer is $17,863 (2023 - $30,396).

(d) Contributed services

The Department of Environment and Climate Change maintains the accounts of the Fund and provides the Fund with administrative support, including rent, bookkeeping, management overview and auditing costs. The costs associated with administering and maintaining the accounts are not reflected in these financial statements as they are reported on in the consolidated financial statements of the Government of the Northwest Territories and the value cannot been determined.

(e) Start-up funding

The Department of Environment and Climate Change received $1,143,000 in start-up funding from the Government of the Northwest Territories to cover the costs of implementing the Beverage Container Program. The start-up costs, which were incurred before the Beverage Container Program came into force on November 1, 2005, are not reflected in the financial statements as they are reported on in the consolidated financial statements of the Government of the Northwest Territories.

(f) Cash flow statement

As the Fund does not maintain a bank account, but rather receives working capital advances and finances accounts receivable and operating expenses through the Government's Consolidated Revenue Fund (the "CRF"); as a result a Statement of Cash Flows has not been presented.

3. **Significant accounting policies (continued)**

(g) **Financial instruments**

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

This category includes accounts receivable, loans receivable, due from treasury, accounts payable and accrued liabilities, and unredeemed container liability. They are initially recognized at cost and subsequently carried at amortized cost using the effective interest rate method, less any impairment losses on financial assets.

Transaction costs related to financial instruments in the amortized cost category are added to the carrying value of the instruments.

Write-downs on financial assets in the amortized cost category are recognized when the amount of a loss is known with sufficient precision, and there is no realistic prospect of recovery. Financial assets are then written down to net recoverable value with the write-down being recognized in the Statement of Operations.

(h) **Related party transactions**

The transactions with related parties are carried out in the normal course of operations. Expenses and revenues were measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties. Payables and receivables were measured at cost, determined using their undiscounted cash flows. No differences resulted from these transactions.

(i) **Use of estimates**

The preparation of financial statements in conformity with Canadian public sector accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates. Estimates include allowance for doubtful accounts, accrued liabilities and the unredeemed container liability.

4. **Due from Treasury**

The Fund is a special purpose fund as defined in subsection 1(1) of the *Financial Administration Act* that forms part of the Government of the Northwest Territories Consolidated Revenue Fund.

In April 2006, the Fund joined the Government of the Northwest Territories investment pool, which consolidates and invests the cash balances for all participants. The monies for these investments flow out of the CRF and do not affect the cash balances of the participants. The investment pool revenues are prorated and allocated to the participants.

5. Unredeemed container liability

The unredeemed container liability is an amount that is equal to 15% (2023 - 15%) of the beverage container surcharges of the current year. It has been recognized to cover the future redemption of containers that are currently in circulation. This liability has been disclosed in accordance with the *Waste Reduction and Recovery Act*.

6. Related party transactions

The Fund is related in terms of common control of all Government of the Northwest Territories departments, agencies and Crown Corporations. The Fund receives human resource management, legal services and risk management from the Government of the Northwest Territories without charge. The Fund also receives management services from the Department of Environment and Climate Change, as outlined in Note 3 (d).

The Fund entered into transactions with the following entities subject to common control:

NWT Liquor Commission
Government of the Northwest Territories - Human Resources
Marine Transportation Services
École Sir John Franklin High School
Chief T'Seleye School

	2024	2023
Revenue		
NWT Liquor Commission - Beverage container program fees	**$ 1,746,744**	$ 1,928,641
Expenses		
Wrigley District Education Authority - Chief Julian Yendo School - Grants and contributions	**$ 125**	$ -
Government of the Northwest Territories - Human Resources - Payroll	**1,116,211**	1,047,725
Chief T'Seleye School - Grants and contributions	**9,923**	10,348
École Sir John Franklin High School - Grants and contributions	**36,440**	7,072
Marine Transportation Services - Freight	**33,010**	57,333
Deh Cho District Education Authority - Grants and contributions	**1,342**	-
Aurora College - Training	**7,500**	-
	$ 1,204,551	$ 1,122,478
Accounts receivable		
NWT Liquor Commission	**$ 146,560**	$ 279,424

6. Related party transactions (continued)

Accounts payable and accrued liabilities

		2024		2023
École Sir John Franklin High School	$	-	$	786
Chief T'Seleye School		873		873
	$	873	$	1,659

7. Financial instruments

Transactions in financial instruments may result in an entity assuming or transferring to another party one or more of the financial risks described below. The required disclosures provide information that assists users of financial statements in assessing the extent of risk related to financial instruments.

(a) Credit risk

Credit risk is the risk of financial loss to the Fund if a debtor fails to make payments of interest and principal when they become due.

The Fund is exposed to this risk relating to its accounts receivable and due from Treasury. Accounts receivable are amounts due from government agencies and participating retailers of the Beverage Container Program. Credit risk related to accounts receivable is mitigated by internal controls as well policies and oversight over arrears for ultimate collection. Management has determined that no accounts receivable required impairment. Credit risk related to due from Treasury is mitigated by fiscal policy set by the Government of the Northwest Territories which includes a yearly budget.

The Fund's maximum exposure to credit risk is represented by the financial assets for a total of $10,729,073 (2023 - $10,062,235). All financial assets are considered current except for the loan receivable. This risk has not changed from prior year.

7. Financial instruments (continued)

(b) Concentration of credit risk

Concentration of credit risk is the risk that a customer has more than ten percent of the total accounts receivable balance and thus there is a higher risk to the business in the event of a default by one of these customers. The Fund does have a concentration of credit risk.

Concentrations of credit risk relates to groups of counterparties that have similar economic or industry characteristics that cause their ability to meet contractual obligations to be similarly affected by changes in economic or other conditions.

At March 31, 2024 receivables from three (2023- three) customers comprised approximately 43% (2023 - 65%) of the total outstanding receivables. The Fund reduces this risk by regularly assessing the credit risk associated with these accounts.

At March 31, 2024, 100% of the cash stores of the Environment Fund were held in the treasury of the Department of Finance. These funds are subject to extensive internal control and risk management to reduce the credit risk associated with this balance.

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Fund's interest-bearing financial instruments includes the Due from Treasury, with interest rates set by the Government of the Northwest - Department of Finance, Investment pool described in note 5.

Environment Fund

Schedules to the Financial Statements

For the year ended March 31,

Schedule of Beverage Container Program

Schedule 1

	2024	2023
Revenues		
Beverage container program fees	**$ 5,682,625**	$ 6,003,039
Salvage	**358,102**	574,321
Interest revenue	**498,545**	288,625
Recoveries	**8,233**	13,810
	6,547,505	6,879,795
Expenses		
Advertising and promotion	**24,640**	6,737
Contract service - satellite depot	**41,212**	57,694
Depot handling fees	**803,284**	846,341
Equipment, supplies and maintenance	**179,350**	215,664
Freight	**435,315**	387,563
Grants and contributions	**110,619**	117,933
Insurance	**20,838**	19,382
Office and software	**14,645**	9,010
Processing centre handling fees	**444,061**	479,176
Processing centre salvage	**53,475**	114,199
Professional fees	**93,285**	-
Quality control fees	**40,852**	24,750
Refundable deposit fees	**2,153,209**	2,401,953
Storage	**59,042**	57,450
Travel and training	**32,237**	36,352
Wages and benefits	**528,357**	417,298
	5,034,421	5,191,502
Excess of revenues over expenses	**$ 1,513,084**	$ 1,688,293

Schedule of Electronic Recycling Program

Schedule 2

		2024		2023
Revenues				
Electronic recycling program fees	**$**	**208,923**	$	216,655
Expenses				
Advertising and promotion		**8,125**		675
Contract service - satellite depot		**588**		-
Depot, processing centre and recycling fees		**100,568**		100,052
Equipment, supplies and maintenance		**891**		85
Freight		**16,192**		21,318
Professional fees		**46,390**		36,195
Storage		**8,600**		5,600
Travel and training		**-**		1,168
Wages and benefits		**98,994**		106,609
		280,348		271,702
Deficiency of revenues over expenses	**$**	**(71,425)**	$	(55,047)

Schedule of Other Programs and Initiatives

Schedule 3

	2024	2023
Revenues		
Single-use retail bag program fees	**$ 61,748**	$ 434,391
Expenses		
Advertising and promotion	**25,467**	4,052
Bad Debt	**25,670**	-
Contract services - satellite depot	**25,655**	28,437
Grants and contributions	**117,807**	106,713
Office	**9,509**	5,513
Professional fees	**111,100**	54,295
Travel and training	**6,289**	11,377
Wages and benefits - Single-use retail bag program	**61,984**	119,314
Wages and benefits - Policy development	**385,007**	370,005
Wages and benefits - Waste reduction and recycling	**41,869**	34,497
	810,357	734,203
Deficiency of revenues over expenses	**$ (748,609)**	$ (299,812)

LEGISLATIVE ASSEMBLY
RETIRING ALLOWANCE FUND
Yellowknife, NT

FINANCIAL STATEMENTS
For the Year Ended March 31, 2024

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NORTHWEST TERRITORIES
LEGISLATIVE ASSEMBLY
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ASSEMBLÉE LÉGISLATIVE

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying financial statements have been prepared by management, which is responsible for the reliability, integrity and objectivity of the information provided. They have been prepared in accordance with Canadian accounting standards for pension plans. Where necessary the statements include amounts that are based on informed judgements and estimates by management, giving appropriate consideration to reasonable limits of materiality.

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

The Accounting firm of Ashton Chartered Professional Accountants has provided an independent objective audit for the purpose of expressing an opinion on the financial statements in accordance with Canadian accounting standards for pension plans. The auditor also considers whether the transactions that come to his notice in the course of this audit are, in all significant respects, in accordance with specified legislation and directives from the NWT Legislative Assembly.

Aon Hewitt, an independent firm of consulting actuaries, has been engaged to provide an opinion on the adequacy and appropriateness of actuarial valuations of accrued pension benefits of the board.

On behalf of the Board of Management:

Shane Thompson, Speaker

Glen Rutland, Clerk

September 15, 2024
Date

P.O. Box 1320 | Yellowknife | Northwest Territories | X1A 2L9 | Tel: 867-767-9130 | Fax: 867-920-4735
C. P. 1320 | Yellowknife | Territoires du Nord-Ouest | X1A 2L9 | Tel.: 867-767-9130 | Telecopieur: 867-920-4735

ASHTON
Chartered Accountants
Business Advisors

Suite 8 - 6 Courtoreille Street
Hay River, NT X0E 1G2
PH: (867) 874-6775
FX: (867) 874-3775
Email: tashton@ashtonca.com

INDEPENDENT AUDITOR'S REPORT

To the Members of Legislative Assembly Retiring Allowance Fund

Opinion

We have audited the financial statements of Legislative Assembly Retiring Allowance Fund (the Fund), which comprise the statement of financial position as at March 31, 2024, and the statements of changes in net assets available for benefits and changes in pension obligations for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at March 31, 2024, and the changes in its net assets available for benefits, and changes in pension obligations for the year then ended in accordance with Canadian accounting standards for pension plans.

Basis for Opinion

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

(continues)

- 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.

Ashton

Hay River, Northwest Territories
September 15, 2024

Chartered Professional Accountants

LEGISLATIVE ASSEMBLY RETIRING ALLOWANCE FUND

STATEMENT OF FINANCIAL POSITION
March 31, 2024

	2024	2023
ASSETS		
CURRENT		
Accounts Receivable (Note 3)	$ 20,369	$ 35,894
INVESTMENTS (Note 4)	24,088,420	23,250,267
	$ 24,108,789	$ 23,286,161
LIABILITIES		
CURRENT		
Accounts Payable	$ 60,731	$ 52,511
NET ASSETS AVAILABLE FOR BENEFITS per page 2	24,048,058	23,233,650
PENSION OBLIGATIONS per page 3 (Note 5)	18,141,700	18,566,700
PENSION PLAN FUND SURPLUS	5,906,358	4,666,950

APPROVED

______________________________ Speaker

______________________________ Clerk

LEGISLATIVE ASSEMBLY
RETIRING ALLOWANCE FUND

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
For the Year Ended March 31, 2024

	2024	2023
INCREASE IN ASSETS		
Contributions:		
Members	231,278	236,162
Government of the NWT	856,000	856,000
In-Kind Contributions	8,500	8,500
Other Receipts	8	-
	1,095,786	1,100,662
Investment Income:		
Interest	507,352	534,177
Dividends	340,803	305,581
Gain on Sale of Investments	474,707	781,238
	1,322,862	1,620,996
Current Period Change in Fair Values of Investments	739,467	(2,098,658)
Net Investment Income (Loss)	583,395	(477,662)
Total Increase in Assets	1,679,181	623,000
DECREASE IN ASSETS		
Benefits		
Pension Payments	1,146,496	1,074,910
Termination/Lump sum Payments	1,025,162	115,764
Total Benefits	2,171,658	1,190,674
Administrative		
Actuary Fees	39,117	34,537
Audit Fees	8,500	8,500
Investment Management Fees	89,250	84,772
Meeting Travel & Accommodation	12,674	13,456
Trustee Fees	22,509	23,564
Total Administrative	172,050	164,829
Total Decrease in Assets	2,343,708	1,355,503
INCREASE (DECREASE) IN NET ASSETS AVAILABLE FOR BENEFITS	$ 814,408	$ (732,503)
NET ASSETS AVAILABLE FOR BENEFITS		
BEGINNING OF YEAR	23,233,650	23,966,153
END OF YEAR	$ 24,048,058	$ 23,233,650

LEGISLATIVE ASSEMBLY
RETIRING ALLOWANCE FUND

STATEMENT OF CHANGES IN PENSION OBLIGATIONS

For the Year Ended March 31, 2024

	2024	2023
INCREASE IN PENSION OBLIGATIONS		
Interest Accrued on Benefits	$ 950,000	$ 890,000
Benefits Accrued	768,000	868,000
	1,718,000	1,758,000
DECREASE IN PENSION OBLIGATIONS		
Benefits Paid	$ 2,143,000	$ 1,188,000
Experience Gains	-	1,951,600
	2,143,000	3,139,600
DECREASE IN PENSION OBLIGATIONS	(425,000)	(1,381,600)
PENSION OBLIGATIONS, BEGINNING OF YEAR	18,566,700	19,948,300
PENSION OBLIGATIONS, END OF YEAR	$ 18,141,700	$ 18,566,700
AS REPRESENTED BY		
Active Members	$ 4,631,500	$ 4,633,900
Pensioners & Terminated Members	13,510,200	13,932,800
	$ 18,141,700	$ 18,566,700

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended March 31, 2024

1. DESCRIPTION OF PLAN

a) General

The Fund was established pursuant to the Legislative Assembly Retiring Allowances Act (NWT) and is administered by the Board of Management. The Act provides retiring allowances on a contributory, defined benefit basis to Members of the Legislative Assembly of the Northwest Territories who have been Members at any time for six or more years prior to October 16, 1995, or four or more years after October 16, 1995, commencing March 10, 1975, the date of the first fully elected Legislative Assembly.

b) The following description of the Legislative Assembly Retiring Allowance Plan is a summary only. For more complete information, reference should be made to the Plan agreement.

1) Funding Policy

The Legislative Assembly Retiring Allowance (NWT) Act requires that the plan sponsor, the Government of the Northwest Territories, must fund the benefits determined under the Plan. The determination of the value of these benefits is made on the basis of an actuarial valuation for the fund that must be completed no less frequently than as of the day on which each general election is held.

The Legislative Assembly Retiring Allowances Act (NWT) requires Plan members to contribute 6.5% of their pensionable remuneration and earnings to the Plan. Employer contributions required are equal to the amount certified by the Actuary as being necessary to fully fund the benefits accruing under the Plan, less the amount of required employee contributions. Any surplus existing in the Plan may be used to reduce the required employer contributions. Any deficit existing in the Plan must be specifically funded in accordance with the requirements of the Pension Benefits Standards Act.

2) Normal Retirement Age

a. Service Prior to 1992

Age 55

b. Service After 1991

The earliest of:

- age 60
- 30 years of service
- age plus service equals 80

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended March 31, 2024

1. DESCRIPTION OF PLAN - cont'd

3) Retirement Pension

Two percent of the average best total earnings over four years multiplied by Credited Services as a Member

Note that prior to the amendment in 2011, the retirement pension was determined as follows:

Two percent of the average best earnings over four years as an MLA multiplied by Credited Services as an MLA.

PLUS

2% of the average best earnings over four consecutive years in that capacity of Minister, Speaker or Chairperson multiplied by Credited Service for each position. A position must be held for at least one year for a pension to be paid, and the pension for each position is calculated separately.

4) Early Retirement

A member may retire at any time upon ceasing to be a member of the Assembly. A Member retiring prior to Normal Retirement Age shall receive:

a. Service prior to 1992

A pension which is actuarially equivalent to the pension calculated as if the member was 55.

b. Service after 1991.

A pension which is reduced by .25% for each month a member retires before the Normal Retirement Age.

5) Late Retirement

Up to age 71.

6) Maximum Allowance

For benefits earned after 1991, the annual retirement pension payable shall not exceed the lessor of:

a. the defined limit as prescribed under the Income Tax Act of Canada for the year in which the pension commences, times the years of credited service after 1991;

b. 2% of the average annual indexed pensionable remuneration, times the years of credited service after 1991.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended March 31, 2024

1. DESCRIPTION OF PLAN - cont'd

7) Form of Pension

a. Service Prior to 1992

The normal form of payment is a joint and 75% survivor pension reducing on the death of the Member.

Each dependent will receive a pension of 10% of the retirement pension (to a maximum total of 25%) if the spouse survives. If there is no surviving spouse, a benefit of 25% of the retirement pension (to a maximum total of 100%) will be paid to each dependent.

b. Service After 1991

The normal form of payment for service after 1991 is a joint and 66-2/3% survivor pension reducing on the death of the Member with a guarantee of 100% of the first 60 monthly payments in any event.

Each Dependent will receive a pension of 10% of the retirement pension (to a maximum total of 33-1/3%) if the spouse survives. If there is no surviving spouse, a benefit of 100% shall be divided by the number of children for the first 60 monthly payments after the Member's pension commencement and then 25% of the benefit thereafter (to a maximum total of 100%).

8) Increases in Pension

Pensions in pay and deferred pensions are increased every January 1st based on increases in the Consumer Price Index up to the preceding September 30th.

9) Pre-Retirement Death Benefits

If a Member or Former Member dies before retirement and is not eligible to receive a pension, his accumulated contributions with interest will be returned to the beneficiary. If he was eligible to receive a pension, it will be assumed that the Member retired on the day preceding his death and elected the normal form of pension.

10) Withdrawal Benefits

A Member who terminates with four or more years of service or serves at least one full term as a Member of the Assembly is entitled to a retirement pension. All other Members who terminate will receive a lump sum payment of their accumulated contributions with interest.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended March 31, 2024

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements are prepared in accordance with Canadian accounting standards for pension plans. The Significant polices are detailed as follows:

a) Basis of Presentation

These financial statements are prepared on the going concern basis and present the aggregate financial position of the Plan as a separate financial reporting entity independent of the sponsor and plan members. The financial statements are prepared to assist plan members and others in reviewing the activities of the Plan for the fiscal period but they do not portray the funding requirements of the plan or the benefit security of individual plan members. As such, participants may also need to review, amongst other things, actuarial reports, and to take into account the financial health of the sponsor.

b) Investments

Investments for the Pension Fund are measured at fair value and categorized according to the fair value hierarchy using the market approach valuation technique. The Fund determines fair value of investments based on information supplied by the Investment Manager. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions. Transaction costs are expensed as incurred. Investment income is recognized on an accrual basis. The current year change in fair value of investments is the difference between the fair value and the cost of investments at the beginning and end of each year, adjusted for realized gains and losses during the year.

c) Fair Value Hierarchy

The company classifies its financial assets and liabilities at fair value using a fair value hierarchy made up of three levels, according to the inputs used in making the measurements.

Level 1: This level includes assets and liabilities measured at fair value based on unadjusted quoted prices for identical assets and liabilities in an active market that the company can access at the measurement date.

Level 2: This category includes measurements that use, either directly or indirectly, observable inputs other than quoted prices included in level 1. Derivative instruments in this category are measured using models or other standard valuation techniques using observable market data.

Level 3: The measurements in this category depend upon inputs that are less observable, not available or for which observable inputs do not justify most of the instruments' fair value

2. SIGNIFICANT ACCOUNTING POLICIES, continued

d) Pension Obligations

Pension obligations of the defined benefit pension plan are measured using the actuarial present value of accrued pension benefits determined by applying best estimate assumptions and the projected benefit method prorated on services. Net assets available for benefits is the difference between the Plan's assets and its liabilities, excluding the accrued pension benefits.

e) Revenue Recognition

Revenue from contributions and investment income are recognized on an accrual basis.

f) Contributed Services

The Fund recognizes in-kind contributions of materials and services in these financial statements, but only when a fair value can be reasonably estimated and when the materials and services are used in the normal course of the Fund's operations and would otherwise have been purchased.

g) Pension Benefits

Pension benefits are shown as expenses in the year of payment.

h) Measurement Uncertainty

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. Actual results may differ from these estimates.

Significant estimates are used in determining pension obligations. The Fund's actual experience may differ significantly from assumptions used in the-calculation of the Plan's pension obligations. While best estimates have been used in the valuation of the Plan's actuarial value of accrued benefits, management considers that it is possible, based on existing knowledge, that changes in future conditions in the short term could require a material change in the recognized amounts. Differences between actual results and expectations are disclosed in these financial statements as actuarial gains or losses on Actuarial Benefit Obligations in the Statement of Changes in Pension Obligations in the year when actual results are known.

LEGISLATIVE ASSEMBLY
RETIRING ALLOWANCE FUND

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended March 31, 2024

3. ACCOUNTS RECEIVABLE

	2024	2023
Member Contributions	$ 11,869	$ 27,394
In-Kind Contributions- GNWT	8,500	8,500
	$ 20,369	$ 35,894

In-kind contributions arise from the payment of audit fees by GNWT on the Fund's behalf and are also included in Accounts Payable and Accrued Liabilities.

These balances, which are unsecured, non-interest bearing, and due on demand, are measured at fair value

4. INVESTMENTS

The Plan's investments are categorized according to the fair value hierarchy as follows:

	2024 Cost	2024 Market	2023 Cost	2023 Market
Cash & Cash Equivalents	294,359	294,357	127,596	127,596
Canadian Equity Mutual Funds	4,283,920	4,611,040	4,063,399	4,129,509
International Equity Mutual Funds	6,612,716	7,494,736	6,752,056	7,335,466
Temporary Investments	2,119,024	2,119,024	124,475	124,475
Canadian Fixed Income Funds	13,444,099	11,686,144	13,471,026	11,533,223
Pending portfolio transactions	(2,116,881)	(2,116,881)	-	-
	$ 24,637,237	$ 24,088,420	$ 24,538,552	$ 23,250,267

The above listed investments are managed by CIBC Mellon Global Securities and invested by MFS Investment Management Canada Limited and Connor, Clark & Lunn Investment Management Ltd. The investments will not be redeemed in the subsequent period.

4. INVESTMENTS, continued

The fair value hierarchy as described in not 2(c) requires the use of observable market inputs whenever such inputs exist. A financial instrument is classified at the lowest level of the hierarchy for which a significant input has been considered in measuring fair value. The total investment portfolio by fair value hierarchy is as follows:

	2024	2023
Level 1	$ 24,088,420	$ 23,250,267

5. OBLIGATIONS FOR PENSION BENEFITS

The actuarial present value of accrued pension benefits was determined by Aon Hewitt, a firm of consulting actuaries. Their going concern valuation results are reflected in an extrapolation that was based on their last actuarial valuation conducted as at April 1, 2020.

The data and assumptions used for the March 31, 2024 obligations are the same as those used to determine the Best Estimate going-concern valuation results in the most recent valuations at April 1, 2020.

The actuarial liability and cost of benefits accruing after the valuation date have been determined using the Projected Accrued Benefit (or Unit Credit) Actuarial Cost Method.

The following were the assumptions used in determining the actuarial value of accrued pension benefits. They were developed by reference to expected long term market conditions.

	2024	2023
Valuation Interest Rate (net of expenses)	5.20%	4.40%
Remuneration Projection Rate	2.00%	2.00%
Interest Credited on Contributions	5.20%	5.20%
Inflation Rate	2.00%	2.00%

The actuarial valuation is performed on a going concern basis to determine the funded status and the funding requirements of the pension plan.

The latest actuarial valuation was conducted for the period April 1, 2020 and the related report completed in April 2021. The next actuarial valuation will be completed for April 1, 2024.

As provided by the Actuary, the value of pension benefit obligations as at March 31, 2024 has been obtained using a measurement date of January 31, 2024 by increasing the April 1, 2020 liability by the cost of accruing benefits and interest and subtracting the estimated benefit payments.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended March 31, 2024

6. FINANCIAL INSTRUMENTS

The Fund's investments are recorded at fair value based on information provided by the investment manager. Other financial instruments consist of accounts receivable, accrued interest income and accounts payable. The fair value of these other financial instruments approximates their carrying values.

The fair values of investments are exposed to credit, liquidity, and market risks. Asset diversification and investment eligibility requirements serve as a basic risk-management tool for the investment portfolio as a whole. The Fund's investment strategy requires that investments be held in a diversified mix of asset types and also sets out investment eligibility requirements. The diversification of assets serves to lower the variations in the expected return performance of the portfolio. Eligibility requirements serve to ensure that Fund assets, to the extent possible, are not placed at undue levels of risk and can meet the obligations of the Fund as necessary. While the above policies aid in risk management, the Fund's investments and performance remain subject to risks, the extent to which is discussed below:

a) Currency Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of the changes in foreign exchange rates. The Fund is exposed to currency risk arising from its holdings to investments denominated in foreign currencies, as well as investments that, although not denominated in foreign currencies, have underlying foreign currency exposure. This exposure lies principally within foreign equity funds. The Plan manages these risks through its investment policy, which limits the proportion of foreign assets within the portfolio.

b) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is composed of interest rate, currency, and other price risk. The extent of market risk exposure is dependent on the nature of the investment.

6. FINANCIAL INSTRUMENTS, continued

c) Credit Risk

Credit risk is the risk that a counterparty to a financial contract will fail to discharge its obligations in accordance with agreed-upon terms. The Fund is exposed to credit risk through its investments in money market instruments (excluding cash), and fixed-income securities. The Fund's credit risk on money market instruments and fixed-income securities is managed by setting concentration limits on exposure to any single issuer, as well as by setting minimum credit-rating criteria for investment.

d) Concentration Risk

Concentrations of credit risk exist when a significant proportion of the portfolio is invested in securities subject to credit risk with similar characteristics or subject to similar economic, political, or other conditions. The investment portfolio as a whole is subject to maximum exposure limits and asset allocation targets that are designed to manage exposure to concentrated credit risk.

e) Liquidity Risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Fund's financial liabilities consist of Accounts Payable. These amounts are short term in duration and are set to mature within one year. Liquidity risk is managed through ensuring that sufficient liquid assets are maintained to meet anticipated payments and investment commitments in general. With respect to the Fund's financial liabilities and the actuarial value of accrued pension benefits, management believes that the Fund is not subject to any significant liquidity risk. The actuarial value of accrued pension benefits is not considered a financial liability; however, it is the most significant liability of the Fund in the Statement of Financial Position. The government of Northwest Territories (GNWT), as Plan sponsor, is required to contribute all funds necessary to meet any funding shortfalls of the Plan should they occur.

6. FINANCIAL INSTRUMENTS, continued

f) Interest Rate Risk

Interest risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate owing to changes in market interest rates. The Fund is exposed to interest rate risk through its investment holdings in interest-bearing assets. These principally include money market instruments and fixed-income securities. The Fund manages its exposure to interest rate risk through holding a diversified mix of assets, both interest-bearing and non-interest bearing. This approach lowers the impact of variations in overall portfolio performance owing to factors arising from interest rate risk. The fair value of the Fund's assets, specifically the fixed-income securities, is affected by changes in the nominal interest rate. Investments subject to interest rate risk bear fixed rates of interest. Therefore, short-term fluctuations in prevailing interest rates would not normally subject the Fund to fluctuating cash flows. In the event of a sale or redemption prior to maturity, proceeds would be affected by the impact of prevailing interest rates on the fair value of the investment. The actuarial value of accrued pension benefits is not considered a financial instrument; however, these benefits are sensitive to changes in long-term interest rates. The Fund is exposed to interest rate risk because of mismatches between the impacts of interest rates on the actuarial value of accrued pension benefits and their corresponding impact on the investment portfolio as a whole. Given the nature of pension benefits, such risks cannot be eliminated but are addressed through the funding of the Plan and through regular review of the characteristics of the Fund's investment portfolio related to the accrued pension benefit liability.

g) Other Price Risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer or by factors affecting all similar financial instruments traded in the market. The Fund is exposed to other price risk through its holdings in Canadian equities. The Fund manages these risks through maximum proportions of equities in its investment portfolio and through concentration limits on investments in any one issuer, as outlined in the investment policies and procedures. Future cash flows relating to the sale of an investment exposed to other price risk will vary depending on market prices at the time of sale. Concentrations of other price risk exists when a significant portion of the portfolio is invested in equities with similar characteristics or subject to similar economic, market, political, or other conditions.

7. CAPITAL MANAGEMENT

The purpose of the Fund is to provide benefits to plan members. As such, when managing capital, the objective is to preserve assets in a manner that provides the Fund with the ability to continue as a going concern, to have sufficient assets to meet future obligations for benefits and to have sufficient liquidity to meet all benefit and expense payments. The capital of the Fund consists of its surplus. Excluding the impact of investment income, the Fund is financed through member contributions. The surplus represents the difference between the net assets available for benefits and the actuarially determined accrued pension benefits on a going-concern basis. Actuarial valuations, which aid in the determination of the extent of the Fund's capital, are performed every four years following the general election. Surpluses, as well as other relevant aspects of the Plan, are managed in order to comply with the externally imposed requirements of the Income Tax Act and the PBSA.

As at March 31, 2024, the Plan is not in violation of any externally imposed legal or regulatory requirements.

8. AUTHORIZATION

On September 15, 2024 the Board of Management authorized the issue of the financial statements for the year ended March 31, 2024.

Northwest Territories and Nunavut Lotteries
Physical Activity, Sport and Recreation Fund Report
For the year ended March 31, 2024

Northwest Territories and Nunavut Lotteries
Physical Activity, Sport and Recreation Fund Balance
For the year ended March 31, 2024

	2024 Activity Unaudited	
Opening Balance, April 1, 2023		-$ 13,012
Revenue (Statement of Operations)	$ 4,865,935	
Less: Contributions to Organizations (Schedule 2)	(4,432,424)	
Less: Contributions to Multisport Games (Schedule 3)	(1,531,552)	
Less: Administration Expenses (Statement of Operations)	(1,132,603)	
		(2,230,644)
Balance as at March 31, 2024		$ (2,243,656)

Northwest Territories and Nunavut Lotteries
Physical Activity, Sport and Recreation Statement of Operation
For the year ended March 31, 2024

		2023/2024 Budget	March 31, 2024 Unaudited		March 31, 2023 Unaudited
	Opening Fund balance, Note 1	(13,012)	(13,012)		1,511,077
	Revenue				
40110	Other Grants - MACA				
42440	Lottery Revenue	5,120,000	4,726,944		5,807,383
42220	Program Recipient Recoveries				
42940	Nunavut Government Recoveries		131,991		137,536
44020	Fees	4,500	7,000		1,500
44840	Sundry Income				80,000
45020	Recoveries of Prior Year Expenses				20,850
		5,124,500	4,865,935		6,047,269
	Expenses				
MAINS	Compensation and Benefits	577,851	347,295		367,755
MAINS	Grants, Contributions and Transfers	6,024,306	5,815,168		6,416,770
MAINS	Travel	30,000	6,206		7,295
MAINS	Material and Supplies	132,000	122,498		153,377
MAINS	Purchased Services	121,500	60,183		80,856
MAINS	Utilities		-		67
MAINS	Contract Services	447,000	518,890		346,524
MAINS	Fees & Payments	200,000	150,368		167,516
MAINS	Interest Expense				
MAINS	Chargeback Expense				
MAINS	Controllable Assets	68,000	70,171		26,851
MAINS	Computer Hardware/Software	6,200	5,802		4,347
		7,606,857	7,096,579		7,571,358
	Net Income	(2,482,357)	(2,230,644)	$	(1,524,089)
	Year End Fund balance		(2,243,656)	$	(13,012)

Northwest Territories and Nunavut Lotteries
Schedule 1 - Schedule of Lottery Revenue, Net
(amounts derived from Western Canada Lottery Corporation financial statements)
For the year ended March 31, 2024

	March 31, 2024 Unaudited	March 31, 2023 Unaudited
SALES		
Lottery Ticket Sales	$19,733,127	$ 21,526,374
Interest and other income	76,252	40,323
	19,809,379	21,566,697
DIRECT EXPENSES		
Free Tickets	1,021,662	1,206,981
Prizes	10,535,705	11,111,478
Retailer Commissions	1,052,465	1,149,061
Online Transactional Costs	34,949	
Ticket Printing	283,425	294,730
	12,928,206	13,762,250
OPERATING INCOME	6,881,173	7,804,447
EXPENSES		
Amortization	153,930	152,886
Communications	113,731	109,471
Cost of premises	14,221	14,583
Draws and winning numbers publication	3,692	4,255
Employee development	5,505	3,101
Equipment Maintenance and Purchase	86,251	102,918
Federal Government	212,624	213,549
Freight and product transport	3,973	3,787
Goods and services tax	102,866	109,974
I. L. C. expense	12,124	18,800
Insurance and bank charges	10,293	24,604
Media & advertising	229,133	167,362
Overhead allocation	-343	-273
Presentations, publications and miscellaneous	8,125	4,324
Professional fees	111,705	96,893
Promotion	7,357	8,657
Supplies	1,582	1,848
Travel	2,285	1,641
Wages and Benefits	271,021	281,194
	1,350,075	1,319,574
EXCESS OF REVENUES OVER EXPENSES	$ 5,531,098	$ 6,484,873

Northwest Territories and Nunavut Lotteries
Schedule 2 - Contributions to Organizations
For the year ended March 31, 2024

		March 31, 2024 Unaudited		March 31, 2023 Unaudited
REVENUE				
Lottery Contribution	$	-	$	-
MACA Contribution		-		-
		-		-
EXPENSES				
Aboriginal Sports Circle of the NWT		800,000		800,000
Inuvik and Sahtu Sport and Recreation		148,808		167,516
Mackenzie Recreation Association		360,000		360,000
NWT Recreation and Parks Association		800,000		800,000
Sport North Federation		800,000		800,000
Territorial Sport Organizations		1,523,616		1,561,790
		4,432,424		4,489,306
DEFICIENCY OF REVENUES OVER EXPENSES	$	(4,432,424)	$	(4,489,306)

		March 31, 2024 Unaudited		March 31, 2023 Unaudited
Territorial Sport Organizations				
Archery - Note 6	$	20,000	$	20,000
Arctic Sports/Dene Games - Note 6		40,000		40,000
Northern Games-Note 6		20,000		
Athletics		65,790		65,790
Badminton		20,000		
Basketball		100,000		100,000
Biathlon		20,000		20,000
Bowling		20,000		20,000
Boxing		20,000		20,000
Broomball	-	48,777		20,000
Cross Country Skiing		100,000		100,000
Curling		82,500		82,500
Dog Sledding		47,500		47,500
Figure Skating		20,000		20,000
Golf	-	9,397		
Gymnastics		47,500		47,500
Hockey		100,000		100,000
Judo		100,000		100,000
Karate		20,000		20,000
Kayak		20,000		20,000
Shooting		31,000		31,000
Snowboarding		47,500		47,500
Soccer		100,000		100,000
Softball		82,500		82,500
Special Olympics		20,000		20,000
Speed Skating		82,500		82,500
Squash		65,000		65,000
Swimming		100,000		100,000
Table Tennis		20,000		20,000
Taekwondo		20,000		20,000
Tennis		47,500		47,500
Volleyball		82,500		82,500
Wrestling		20,000		20,000
	$	1,523,616	$	1,561,790

Northwest Territories and Nunavut Lotteries
Schedule 3 - Contributions Multisport Games
For the year ended March 31, 2024

	March 31, 2024 Unaudited	March 31, 2023 Unaudited
REVENUE		
MACA Contribution	$ -	$ -
	-	-
Sport North Federation-2022 Canada Summer Games		196,000
Sport North Federation-2023 Arctic Winter Games		966,000
Sport North Federation-2023 Canada Winter Games		270,000
Sport North Federation-2024 Arctic Winter Games	1,017,912	
Aboriginal Sports Circle of the NWT-2023 NAIG		662,980
Aboriginal Sports Circle of the NWT-2024 NAIG	463,640	
NWT 55+ Games Association	50,000	
	1,531,552	2,094,980
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	$ (1,531,552)	$ (2,094,980)

1. Basis of Presentation

The financial information in these reports for the year ended March 31, 2024 is prepared by the NWT and Nunavut Lotteries and internally verified by MACA Finance Staff. This information has not been subject to an audit, review or compilation engagement by a professional accountant.

2. Nature of Operations

NWT and Nunavut Lotteries has agreements with the Western Canada Lottery Corporation (WCLC) and the Government of Nunavut for the purpose of conducting and managing the sale of Western Canada Lottery products pursuant to the *Western Canada Lottery Act* and regulations in both the NWT and Nunavut.

For managing lottery operations on behalf of the Nunavut Government NWT and Nunavut Lotteries receives a management fee based on the Net Income of Nunavut Lottery Operations.

3. Net Sales for the period ended March 31, 2024

	$	%
Eastern Arctic / Nunavut	2,551,650	13.0%
Western Arctic / NWT	17,121,239	87.0%
	19,672,889	100.0%

*The financial statements have a discrepancy in sales between the lottery sales numbers reported in Schedules 1 and 2 compared to Schedule 3 and Note 3. This discrepancy is due to differences in how sales are captured in reports. The Western Canada Lottery Corporation Accounting uses draw based accounting to account for sales, only counting sales once the draw has happened, regardless of when the money has come in. The report used by NWT/NU Lotteries uses a mix between draw-based accounting and calendar-based accounting, meaning that sales are counted the day a ticket is purchased. As an example, all dollars spent in the month are accounted for. If a ticket is bought on April 30th but the draw is May 1st, in a calendar-based report, it shows it as an April sale. Western Canada Lottery Corporation provides audited statements done by Deloitte and all sales are correct. Work is being conducted that aligns the reporting.

4. Number of Terminals as at March 31, 2024

	#	% of Total Sales
Eastern Arctic / Nunavut	5	11.9%
Western Arctic / NWT	37	88.1%
Total Number of Terminals	42	100.0%

5. Fund Operating Parameters

Due to the variable nature of lottery ticket sales and funding to support programs like multisport games, the Fund has been authorized to accumulate a maximum deficit of up to $3 million. If the Fund is projected to exceed this limit, the Minister must present recommendations to the Financial Management Board to address the shortfall. The Fund has also been authorized to accumulate a maximum surplus of $1.5 million. If the Fund is projected to exceed that limit, the Minister must submit recommendations to the Financial Management Board to utilize the funds above $1.5 million in accordance with the Act.

6. Archery, Northern Games, Arctic Sports and Dene Games

Funding for these sports was provided to the Aboriginal Sports Circle of the NWT. An overpayment of $20,000 for Dene Games will be recovered in 2025.

Government of the Northwest Territories
Students Loan Fund
Statement of Operations

for the year ended March 31, 2024 **(thousands of dollars)**

	2024	2023
Loans Receivable, opening balance	40,225	41,294
Loans granted during the year	6,901	5,513
	47,126	**46,807**
Less:		
Principal amount of loans repaid	(3,327)	(3,039)
Principal amount of loan forgiveness	(44)	(708)
Principal amount of loan remissions	(1,982)	(2,258)
Principal Amount of Northern Bonus	(612)	(577)
Loans Receivable, closing balance	41,161	40,225
Less:		
Allowance for remissable and doubtful loans	(16,958)	(16,774)
Net Loans Receivable, closing balance	**24,203**	**23,451**

Effect of Students Loan Fund on Government Operations

	2024	2023
Interest earned and credited to general revenues	285	312
Reduction to allowance for doubtful accounts credited to Recovery of Prior Year Expenses		
Less:		
Collection agency fees	(2)	(4)
Estimated provision for remission and doubtful accounts	(2,807)	(3,036)
Operating deficiency for the year	**(2,524)**	**(2,728)**

Approved:

Michael Saturnino M. Saturnino, A/Deputy Minister

James Fulford
Deputy Minister
Department of Education, Culture and Employment

K. Macdonald

Katherine Macdonald
Director, Finance and Capital Planning
Department of Education, Culture and Employment

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:

	2024	**2023**
Allowance for Forgiveness – Remissible Loans	$5,981	$5,945
Allowance for Doubtful Accounts – Repayable Loans	$10,977	$10,829
Total Allowance	**$16,958**	**$16,774**

5. Related Party Transactions

In accordance with established government practice, all administrative and occupancy costs are paid by ECE. Accordingly, no provision for these costs is reflected in these financial statements. Costs paid to other agencies for loan collection services are paid by the SLF and reflected in the financial statement.

6. Financial Instruments and Risk Management

Through its financial assets and liabilities, the SLF is exposed to various risks.

a) Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge their responsibilities with respect to the financial instrument, and in doing so, cause a loss for the other party. For the Fund, credit risk is significant with respect to potential non-payment of student loans.

Mitigation processes aimed at minimizing credit losses begin with procedures that support the granting of loans and ongoing throughout the loan life cycle such as conducting credit checks, providing repayment support to low-income borrowers, and undertaking well defined procedures for addressing loan delinquencies.

Loans are interest-free during periods of study and become repayable in the seventh month after graduation or discontinuation of study. The SLF's maximum risk is represented by the Loans Receivable, Closing Balance.

b) Interest Rate Risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate due to changes in market interest rates. Interest rate risk is related to payment terms. Changes in interest rates will affect interest revenue.

Interest rates are set during the week of January 1st for students whose loan becomes repayable during the course of that calendar year. Interest rates are set based upon the Bank of Canada Prime Business Rate (less one percentage point). This will be the student's interest rate for the duration of their repayment, except students who return to the NWT. Effective September 2015, students who return to the NWT will be granted zero percent interest for the duration of their stay, with the original interest rate being reinstated if they leave the NWT. The interest rate is not adjusted in any other circumstances.

c) Liquidity Risk

Liquidity risk is the risk the SLF will encounter difficulty in meeting financial obligations as they fall due. The SLF's liquidity risk is minimal as the SLF's bank accounts are supported by the Government of the Northwest Territories.

7. Budget

The budget has been approved by the Legislative Assembly.

Territorial Court Judges Registered Pension Plan Fund

Financial Statements

January 1, 2024

Territorial Court Judges Registered Pension Plan Fund

Financial Statements

January 1, 2024 **Page**

Management's Responsibility Statement

The accompanying financial statements have been prepared by the Government of the Northwest Territories, Department of Justice's management, which is responsible for the reliability, integrity and objectivity of the information provided. They have been prepared in accordance with Canadian accounting standards for pension plans. Where necessary the statements include amounts that are based on informed judgments and estimates by management, giving appropriate consideration to reasonable limits of materiality.

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

The financial statements have been reported on by Crowe MacKay LLP, Chartered Professional Accountants, the Pension Plan auditors. Their report outlines the scope of their examination and their opinion on the financial statements.

Aon Hewitt Associates, an independent firm of consulting actuaries, has been engaged to provide actuarial valuations of the present value of the accrued pension benefits to be provided from the Territorial Court Judges' Registered Pension Plan Fund.

On behalf of the Territorial Court Judges' Registered Pension Plan Fund

Charlene Doolittle
Deputy Minister, Department of Justice
Government of the Northwest Territories,

MAY 10 2024
Date

Crowe MacKay LLP
5103 51st Street, PO Box 727
Yellowknife, NWT X1A 2N5
Main +1 (867) 920-4404
Fax +1 (867) 920-4135
www.crowemackay.ca

Independent Auditors' Report

To the Members of
Territorial Court Judges Registered Pension Plan Fund

Opinion
We have audited the accompanying financial statements of the Territorial Court Judges Registered Pension Plan Fund ("the Plan"), which comprise the statement of financial position as at January 1, 2024 and the statements of changes in net assets available for benefits, and changes in pension obligations for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Territorial Court Judges Registered Pension Plan Fund as at January 1, 2024, and the changes in net assets available for benefits, and changes in pension obligations for the year then ended in accordance with Canadian accounting standards for pension plans.

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

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

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

Independent Auditors' Report Continued

Auditors’ Responsibility for the Audit of the Financial Statements

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

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

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

• Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan’s internal control.

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

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

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

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

Crowe MacKay LLP

Chartered Professional Accountants

Yellowknife, Northwest Territories
May 2, 2024

Territorial Court Judges Registered Pension Plan Fund

Statement of Financial Position

As at January 1, 2024	2024	2023
Assets		
Contributions receivable - Sponsor (note 3)	12,350	84,300
Investments (note 4)	7,953,095	6,844,322
Total Assets	**7,965,445**	**6,928,622**
Liabilities		
Accounts payable and accrued liabilities	32,709	22,023
Total Liabilities	**32,709**	**22,023**
Net Assets Available for Benefits	**7,932,736**	**6,906,599**
Pension obligations (Note 5)	**8,667,302**	**7,857,700**
Surplus (Deficiency)		
Pension Plan Fund Surplus (Deficit)	**$ (734,566)**	**$ (951,101)**

Approved by:

Deputy Minister, Department of Justice,
Government of the Northwest Territories

Territorial Court Judges Registered Pension Plan Fund

Statement of Changes in Net Assets Available for Benefits

For the year ended January 1, 2024	2024	2023
Increase in assets:		
Contributions - members	$ 679,340	$ 69,494
Contributions - sponsor (current service cost)	95,250	98,150
Current year change in fair value of investments	402,093	(1,217,862)
In-kind contributions - sponsor	12,350	46,195
Investment income	299,845	297,570
Net realized capital gains income	73,720	91,175
	1,562,598	(615,278)
Decrease in assets:		
Administrative expenses (Note 7)	89,190	112,287
Benefit payments - regular	447,271	400,057
	536,461	512,344
Increase (decrease) in net assets available for benefits	**1,026,137**	(1,127,622)
Net assets available for benefits, beginning of year	**6,906,599**	8,034,221
Net assets available for benefits, end of year	**$ 7,932,736**	$ 6,906,599
Changes in pension plan fund surplus (deficit):		
Beginning of year	**$ (951,101)**	$ 378,382
Increase (decrease) in net assets available for benefits	**1,026,137**	(1,127,622)
Increase in pension obligation	**(809,602)**	(201,861)
Net change	**216,535**	(1,329,483)
End of year	**$ (734,566)**	$ (951,101)

Territorial Court Judges Registered Pension Plan Fund

Statement of Changes in Pension Obligations

For the year ended January 1, 2024		2024		2023
Increase in pension obligations:				
Interest accrued on benefits	$	364,600	$	355,700
Benefits accrued		892,273		248,700
Experience (gains) and losses		-		46,900
		1,256,873		651,300
Decrease in pension obligations:				
Benefits paid		**447,271**		449,439
Increase in pension obligation		**809,602**		201,861
Pension obligation, beginning of year		**7,857,700**		7,655,839
Pension obligation, end of year	**$**	**8,667,302**	$	7,857,700

1. Description of plan

The following description of the Territorial Court Judges' Registered Pension Plan Fund ("Plan") is a summary only.

(a) General

The Plan is a contributory defined benefit pension plan which provides pension benefits for all Territorial Court Judges of the Northwest Territories. The Plan was established by the Judges' Registered Pension Plan Regulations under Section 32 of the *Territorial Court Act.* The Plan came into effect on February 1, 1994 and was a non-contributory plan until April 1, 1999 when it became contributory. A Territorial Judge appointed after the effective date participates in the Plan, unless the Judge objects on the basis of religious belief.

The Plan is a registered plan as defined in the *Income Tax Act* (Canada) (ITA) and, consequently, is not subject to income taxes. The Plan's registration number for income tax purposes is 995761.

(b) Funding policy

The *Territorial Court Act* requires that the plan sponsor, the Government of the Northwest Territories ("GNWT") and the Plan members, fund the benefits determined under the Plan. The determination of the value of these benefits is made on the basis of a triennial actuarial valuation for the fund.

Member contributions are 6% of pensionable earnings. In accordance with the Trust agreement, sponsor required contributions are equal to the amount determined by the Actuary as being necessary to fund the benefits accruing under the Plan less member contributions. Any surplus existing in the Plan may be used to reduce the required contributions. Any deficit existing in the Plan must be specifically funded in accordance with the requirement of section 8 of the Judges' Pension Plan Regulations.

(c) Normal retirement age

A Judge may retire on or after attainment of age 60 without reduction in pension.

(d) Early retirement

A Judge may retire anytime after age 50 and prior to age 60 with a pension that is reduced by a quarter of one percent for each month that retirement precedes age 60. However, there is no reduction if the Judge has attained 80 years of combined judicial service and age at the date of pension commencement.

(e) Late retirement

A Judge who attains 69 years of age shall receive a retirement pension commencing on the first day of the month immediately following the month in which the judge attains that age.

(f) Benefits paid on resignation

A Judge who resigns from the bench prior to attainment of age 60, and who is not entitled to an immediate unreduced pension, may elect to receive either a monthly deferred pension (commencing between the ages of 50 and 69) or a lump sum payment of the commuted value of the deferred pension.

1. Description of Plan (continued)

(g) Benefits on death

When a Judge or former Judge dies, the Judge's surviving spouse is entitled to receive a pension for life equal to 60% (50% in respect of pre 1992 pensionable service) of the pension that the Judge was receiving immediately before death, or, if the Judge was not yet retired, 60% (50% in respect of pre 1992 pensionable service) of the pension that the Judge had earned up to the date of death. If the deceased Judge was not receiving a pension prior to his/her death, the spouse has the option of transferring the commuted value of the spouse's pension to a Registered Retirement Savings Plan or receiving the commuted value as a cash payment.

(h) Credited pension

The benefit payable from the Plan for each year of pensionable service for periods after January 1, 1992 is equal to the maximum permitted under the *Income Tax Act*. The limit increases annually to reflect increases in average Canadian wages.

The annual pension at retirement for each year of pensionable service credited in respect of periods before 1992 is calculated as 2% of average annual earnings in the six consecutive years before retirement in which such average was the highest, reducing at age 65 by an amount equal to 0.7% of the averages Year's Maximum Pensionable Earnings (as defined in the Canada Pension Plan) determined over 3 years at the time of retirement. The *Income Tax Act* maximum pension does not affect the pre 1992 entitlement.

(i) Cost of living increases

All retirement, spousal and deferred pensions receive cost of living increases equal to the full rate of increase in the Consumer Price Index for Canada. Increases are applied at each January 1st; with the first such increase being prorated to reflect the portion of the prior year since the date of retirement/termination/death. Commuted values are calculated to reflect future cost of living increase.

2. Basis of presentation and summary of significant accounting policies

These financial statements are prepared in accordance with Part IV of the CPA Canada Handbook, Canadian accounting standards for pension plans. The significant policies are detailed as follows:

(a) Basis of presentation

These financial statements are prepared on the going concern basis and present the information of the Plan as a separate financial reporting entity independent of the sponsor and plan members. They are prepared for regulatory purposes and to assist plan members and others in reviewing the activities of the Plan for the fiscal period but they do not portray the funding requirements of the Plan or the benefit security of the individual plan members. As such, participants may also need to review, amongst other things, actuarial reports, and to take into account the financial health of the sponsor.

In selecting or changing accounting policies that do not relate to its investment portfolio or pension obligations, Canadian accounting standards for pension plans require the Plan to comply on a consistent basis with either International Financial Reporting Standards ("IFRS"), or Canadian accounting standards for private enterprises ("ASPE"). The Plan has chosen to comply on a consistent basis with ASPE.

2. Basis of presentation and summary of significant accounting policies (continued)

(b) Investments

The Plan is invested in pooled fund investments as disclosed in note 4. Pooled fund investments are valued at the unit values supplied by the investment manager, which represent the Plan's proportionate share of underlying net assets at fair values determined using closing market prices. Any adjustments to investments due to the fluctuation in market prices from date of purchase or the last valuation adjustment are reflected in the statement of changes in net assets available for benefits as a current year change in fair value of investments.

Investment transactions are recorded on the trade date.

Investment income includes interest and dividend income and are recorded on an accrual basis.

Current period change in fair market value of investments includes all net unrealized capital gains. Gains or losses on sale or maturity of investments, based on the difference between average cost and proceeds, net of any selling expenses, are recorded at the time of disposition of the investment, as net realized capital gains income.

(c) Member and sponsor contributions

Contributions are recognized on an accrual basis during the period in which the members wages and salaries are earned. Sponsor contributions consist of current service contributions and special payments required to fund the deficiency based on the most recent actuarial valuation report. Member contributions for past service are recorded in the year received.

(d) Administrative expenses and benefit payments

Administrative expenses represent fees incurred by the plan for Trustee and management fees, actuarial and audit fees. They are recognized in the period in which the service is provided.

Benefit payments represent pension payments to retired members and are recognized on monthly basis when they become due.

(e) Contributed services

The Fund recognizes in-kind contributions of services in these financial statements, but only when a fair value can be reasonably estimated and when the services are used in the normal course of the Fund's operations and would otherwise have been purchased.

(f) Financial instruments

Initial measurement

Financial assets originated or acquired or financial liabilities issued or assumed in an arm's length transaction are initially measured at their fair value. In the case of a financial asset or financial liability not subsequently measured at its fair value, the initial fair value is adjusted for financing fees and transaction costs that are directly attributable to its origination, acquisition, issuance or assumption. Such fees and costs in respect of financial assets and liabilities subsequently measured at fair value are expensed.

2. Basis of presentation and summary of significant accounting policies (continued)

(f) Financial instruments (continued)

Financial assets or liabilities originated or exchanged in related party transactions are initially measured at cost. The cost of a financial instrument in a related party transaction depends on whether the instrument has repayment terms. If the instrument does, the cost is determined using the instruments undiscounted cash flows, excluding interest and dividend payments, less any impairment losses previously recognized by the transferor. Otherwise cost is determined using the consideration transferred or received by the Company in the transaction.

Transactions, with parties whose sole relationship with the Plan is in the capacity of management, are accounted for as arm's length transactions.

Subsequent measurement
The Plan subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments that are quoted in an active market, which are measured at fair value without any adjustment for transaction costs.

Financial assets measured at cost include contributions receivable - sponsor.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

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

Impairment
At the end of each reporting period, management assesses whether there are any indications that financial assets measured at cost or amortized cost may be impaired. If there is an indication of impairment, management determines whether a significant adverse change has occurred in the expected timing or the amount of future cash flows from the asset, in which case the asset's carrying amount is reduced to the highest expected value that is recoverable by either holding the asset, selling the asset or by exercising the right to any collateral. The carrying amount of the asset is reduced directly or through the use of an allowance account and the amount of the reduction is recognized as an impairment loss in operations. Previously recognized impairment losses may be reversed to the extent of any improvement. The amount of the reversal, to a maximum of the related accumulated impairment charges recorded in respect of the particular asset, is recognized in operations.

(g) Pension obligations

Pension obligations of the defined benefit pension plan are measured using the actuarial present value of accrued pension benefits determined by applying best estimate assumptions and the projected benefit method prorated on services. Net assets available for benefits is the difference between the Plan's assets and its liabilities, excluding the accrued pension benefits.

2. Basis of presentation and summary of significant accounting policies (continued)

(h) Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Actual results could differ from those estimates, changes in estimates are recorded in the accounting period in which they are determined.

Significant estimates are used in determining pension obligations. The Plan's actual experience may differ significantly from assumptions used in the calculation of the Plan's pension obligations.

While best estimates have been used in the valuation of the Plan's actuarial value of accrued benefits, management considers that it is possible, based on existing knowledge, that changes in future conditions in the short term could require a material change in the recognized amounts. Differences between actual results and expectations are disclosed in these financial statements as actuarial gains or losses on Actuarial Benefit Obligations in the Statement of Changes in Pension Obligations in the year when actual results are known.

3. Contribution receivable - Sponsor

	2024	2023
In-kind contribution	**$ 12,350**	$ 10,500
Current services contributions	**-**	73,800
Contribution receivable	**$ 12,350**	$ 84,300

4. Investments

The Plan is fully invested in the RBC Phillips, Hager & North Balanced Pension Trust ("PH&N BPT") fund. The PH&N BPT fund held the following asset mix:

	2024	2023
Cash and cash equivalents	**$ 174,968**	$ 261,101
Canadian equities	**1,495,182**	$ 1,293,497
Global equities	**3,109,660**	2,675,497
Fixed income funds	**2,902,880**	2,328,296
Real estate	**270,405**	285,931
Total market value of the investment portfolio	**$ 7,953,095**	$ 6,844,322

The book value of the investments for the year ended January 1, 2024 is $6,645,318 (2023 - $5,938,638).

All investments are valued based on information provided by the investment manager. In particular, the market value for the portfolio is determined by the Net Asset Value Per Unit (NAPVU or unit price) for the RBC Phillips, Hager & North Investment Counsel Inc. Balanced Pension Trust (BPT) on the last day of each quarter. This price is derived by end-of-day prices for each of the securities that make up the BPT.

4. Investments (continued)

The prices of each security are taken from relevant exchanges or third party providers for each security (TSX for Canadian stocks, NYSE for US stocks, PC Bond Analytics for Bonds) and are compiled by the BPT's custodian, RBC Investor Services Trust.

5. Obligation for pension benefits

The actuarial present value of accrued pension benefits was estimated by Aon Hewitt Associates, a firm of consulting actuaries. The going concern valuation results is determined based on their last actuarial valuation conducted as at April 1, 2022. The going concern results were prepared using the projected benefit actuarial cost method (also known as the projected unit credit method).

The following assumptions used in determining the actuarial value of accrued pension benefits. They were developed by reference to expected long term market conditions.

	2024	2023
Discount rate	**4.70 %**	4.70 %
Increase in pensionable earnings	**3.00 %**	3.00 %
Inflation rate	**2.00 %**	2.00 %

An actuarial valuation is performed on a going concern basis to determine the funded status and the funding requirements of the pension plan. The latest actuarial valuation report conducted for the period April 1, 2022 was completed in October 2022. The next actuarial valuation must be performed no later than April 1, 2025.

As provided by the Actuary, the value of pension benefit obligations as at January 1 of each year is not available. Instead, the value as at April 1 is being used to compare with the net assets available for benefits as at January 1. The pension obligation presented on the Statement of Financial Position is as at April 1, 2023.

6. Management of capital

Management of the Plan defines its capital as the funded status as determined annually based on the fair value of the investment assets less the pension obligations as determined by an actuarial valuation prepared by an independent actuary. The funding surplus or deficit is used to measure the long-term health of the Plan to meet its obligations to its members and their survivors.

Per the actuarial funding valuation as at April 1, 2022, the Plan had a going concern unfunded liability in the amount of $95,500 and excess assets of $1,278,000 under the maximum funding valuation. Per the actuarial valuation, the rule for determining the sponsor's current service cost and special payments is based on the maximum funding valuation as the going concern valuation produces a higher total sponsor contribution and unfunded liability. Per the Plan Regulations, unfunded liabilities are required to be funded over a period of not more than 15 years from the valuation date. Since the plan had excess assets at April 1, 2022, special funding payments are not required.

6. Management of capital (continued)

The GNWT made quarterly contributions to the Fund based on the most recent actuarial valuation which was as at April 1, 2022. Contribution values are based on the assumption of an annual expected return on Fund assets. The GNWT may reduce contributions to the Fund by the amount of any surplus existing within the Fund on the last actuarial valuation date.

Management's objective, when managing the Plan's capital, is to ensure the Plan is fully funded to meet its benefit obligations over the long term through the management of investments, contribution rates and benefits.

Management has adopted a Statement of Investment Policies and Procedures ("SIPP") for the Plan, which sets investment objectives, guidelines and benchmarks used in investing the Plan's assets, permitted categories of investments, asset mix diversification and rate of return expectations. The Plan's SIPP was approved September 30, 2014. The Plan's management is responsible for ensuring that the Plan assets are managed in accordance with the SIPP and the objectives and goals outlined therein.

The SIPP established asset allocation ranges as follows:

Category	Permitted Range	
Canadian equities	20%	40%
Global equities	15%	35%
Emerging Market equities	0%	10%
Fixed Income	25%	55%
Cash and cash equivalents	0%	10%

The investments as at January 1, 2023 fell within the permitted ranges as specified by the SIPP.

7. Administrative expense

Administrative expenses include fees charged by the investment manager, trustee, auditor and actuary. Administration costs of the Fund may be paid directly by the GNWT or by the trustee from Fund assets. Payments made directly by the GNWT to the fund are recognized as a corresponding increase to in-kind contributions.

	2024	2023
Actuarial fees	**$ -**	$ 35,695
Audit	**12,350**	10,500
Investment management	**42,963**	42,446
Trustee and custodial fees	**33,877**	23,646
	$ 89,190	$ 112,287

8. Risk management

The Plan’s investments consist predominantly of assets whose values are exposed to fluctuations in interest rates, foreign exchange rates and financial markets. Other financial instruments are not exposed to significant interest or currency risks.

The fair values of investments are exposed to credit, liquidity, and market risks. Asset diversification and investment eligibility requirements serve as basic risk-management tools for the investment portfolio as a whole. The Plan's investment strategy requires that investments be held in a diversified mix of asset types and also sets out investment eligibility requirements. The diversification of assets serves to lower the variations in the expected return performance of the portfolio. Eligibility requirements serve to ensure that Plan assets, to the extent possible, are not placed at undue levels of risk and can meet the obligations of the Plan as necessary. While the above policies aid in risk management, the Plan's investments and performance remain subject to risks, the extent of which is discussed below:

Credit risk
Credit risk is the risk that counterparty to a financial contract will fail to discharge its obligations in accordance with agree-upon terms. The Plan is exposed to credit risk through its investments in fixed-income securities.

The Plan's credit risk on fixed-income securities is managed by setting concentration limits on exposure to any single issuer, as well as by setting minimum credit-rating criteria for investments.

Concentrations of credit risk exist when a significant proportion of the portfolio is invested in securities subject to credit risk with similar characteristics or subject to similar economic, political, or other conditions. The investment portfolio as a whole is subject to maximum exposure limits and assets allocation targets that are designed to manage exposure to concentrated credit risk.

Interest rate risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. The Plan is exposed to interest rate risk through its investment holdings in interest-bearing, or fixed-income assets. These principally include fixed-income securities. The Plan manages its exposure to interest rate risk through holding a diversified mix of assets, both interest-bearing and non-interest bearing. This approach lowers the impact of variations in overall portfolio performance owing to factors arising from interest rate risk. The fair value of the Plan's assets, specifically the fixed-income securities, is affected by changes in the nominal interest rate.

The actuarial value of accrued pension benefits is not considered a financial instrument; however, these benefits are sensitive to changes in long-term interest rates.

The Plan is exposed to interest rate risk because of mismatches between the impacts of interest rates on the actuarial value of accrued pension benefits and their corresponding impact on the investment portfolio as a whole.

Given the nature of pension benefits, such risks cannot be eliminated but are addressed through the funding of the Plan and through regular review of the characteristics of the Plan's investment portfolio related to the accrued pension benefit liability.

As of January 1, 2024, had market interest rates increased or decreased by 1% with all other variables held constant, the impact on the Plan’s net assets available for benefits would have been an increase or decrease of 2.4% (2023 - 2.1%). In practice, actual results may differ from this sensitivity analysis and the difference could be significant.

8. Risk Management (continued)

Currency risk
Currency risk is the risk that the value of a foreign currency denominated investment will fluctuate due to changes in foreign exchange rates. The Plan is exposed to currency risk arising from its holdings of investments denominated in foreign currencies, as well as investments that, although not denominated in foreign currencies have underlying foreign currency exposure.

The Plan manages these risks through its investment policy, which limits the proportion of foreign assets within the portfolio.

Based on the Plan's net exposure as at January 1, 2024 if the Canadian dollar strengthened or weakened by 5% in relation to the United States Dollar, with all other factors remaining constant, net assets available for benefits would have decreased or increased by approximately 2.0% (2023 - 2.0%). In practice, actual results may differ from this sensitivity analysis and the difference could be significant.

Market risk
Market risk is the risk that the fair value of an investment will fluctuate as a result of change in market price.
Price risk
Price risk is the risk that the fair value or future cash flows of an investment will fluctuate because of changes in market prices (other than those arising from foreign currency or interest rate risk), whether those changes are caused by factors specific to the individual investment or factors affecting all securities traded in the market. The Plan is exposed to other price risk through its holdings in equities.

As of January 1, 2024 had the S&P TSX Capped Composite Index increased or decreased by 10% with all other variables held constant, the impact on the Plan's net assets available for benefits would have been an increase or decrease of 6.2% (2023 - 5.7%). In practice, actual results may differ from this sensitivity analysis and the difference could be significant.

Liquidity risk
Liquidity risk is the risk that the Plan will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Plan's financial liabilities consist of Accounts Payable and Accrued Liabilities. These amounts are short term in duration and are set to mature within one year.

Liquidity risk is managed through ensuring that sufficient liquid assets are maintained to meet anticipated payments and investment commitments in general. With respect to the Plan's financial liabilities and the actuarial value of accrued pension benefits, management believes that the Plan is not subject to any significant liquidity risk. The actuarial value of accrued pension benefits is not considered a financial liability; however, it is the most significant liability of the Plan in the Statement of Financial Position. The GNWT, as Plan sponsor, is required to contribute all funds necessary to meet any funding shortfalls of the Plan as they may arise from time to time.

The Plan manages these risks through maximum proportions of equities in its investment portfolio and through concentration limits on investments with any one issuer, as outlined in the investment policies and procedures. Future cash flows relating to the sale of an investment exposed to other price risk will vary depending on market prices at the time of sale. Concentration of other price risk exists when a significant portion of the portfolio is invested in equities with similar characteristics or subject to similar economic, market, political, or other conditions.

9. Fair value measurement

Fair values
Canadian accounting standards for pension plans require disclosure of a three-level hierarchy for fair value measurements based on transparency of inputs to the evaluation of an asset or liability as of the financial statement date. The three levels are defined as follows:

Level 1: Fair value is based on quoted market prices in active markets for identical assets or liabilities. Level 1 assets and liabilities generally include equity securities traded in an active exchange market.

Level 2: Fair value is based on observable inputs other than Level 1 prices, such as quoted market prices for similar (but not identical) assets or liabilities in active markets, quoted market prices for identical assets or liabilities in markets that are not active, and other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities. Level 2 assets and liabilities include debt securities with quoted prices that are traded less frequently than exchange-traded instruments and derivative contracts whose values are determined using a pricing model with inputs that are observable market data. This category generally includes mutual and pooled funds, hedge funds, Government of Canada, provincial and other government bodies, Canadian corporate bonds, and certain derivative contracts.

Level 3: Fair value is based on non-observable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. This category generally includes private equity investments and securities that have liquidity restrictions.

All of the Plan's investments are measured subsequent to initial recognition at fair value, based on quoted market prices, and are Level 1 financial instruments.

10. Related party transactions

The Plan receives certain administrative services from the GNWT Departments of Justice and Finance at no charge.

The payment of audit and actuary fees by the GNWT on the Plan’s behalf are recognized as in-kind contributions.

11. Subsequent events

Subsequent to year end, there was a $168,000 reciprocal transfer into the plan. The pension obligation increased by $168,000 as a result of the transfer.

THE NATURAL RESOURCES CONSERVATION TRUST FUND

Yellowknife, NT

FINANCIAL STATEMENTS

For the year ended March 31, 2024

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MANAGEMENT'S RESPONSIBILITY FOR REPORTING

The accompanying financial statements have been prepared by management, which is responsible for the reliability, integrity and objectivity of the information provided. They have been prepared in accordance with the *Natural Resources Conservation Trust Act* of the Northwest Territories ("the Act"). Where necessary the statements include amounts that are based on informed judgments and estimates by management, giving appropriate consideration to reasonable limits of materiality.

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

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

Jessica St-Arnaud
Director, Financial and Capital Planning
Department of Environment and Climate Change

June 28, 2024

AVERY COOPER & CO. LTD.
Chartered Professional Accountants

4918—50th Street, P.O. Box 1620
Yellowknife, NT X1A 2P2
www.averycooper.com

Telephone: (867) 873-3441
Facsimile: (867) 873-2353
Toll-Free: 1-800-661-0787

INDEPENDENT AUDITOR'S REPORT

To the Minister of the Department of Environment and Climate Change of
The Natural Resources Conservation Trust Fund

Opinion
We have audited the financial statements of The Natural Resources Conservation Trust Fund (the "Fund"), which comprise the Statement of Financial Position as at March 31, 2024, and the Statements of Operations and Changes in Fund Balances for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are prepared, in all material respects, in accordance with the *Natural Resources Conservation Trust Ac*t of the Northwest Territories (the "Act").

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

Responsibilities of Management and Those Charged with Governance for the Financial Statements
Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Natural Resources Conservation Trust Act of the Northwest Territories, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

INDEPENDENT AUDITOR'S REPORT, continued

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves presentation per the Act.

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

Avery Cooper & Co. Ltd.

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

June 28, 2024

THE NATURAL RESOURCES CONSERVATION TRUST FUND

STATEMENT OF FINANCIAL POSITION
March 31, 2024

ASSET

	2024	2023
CURRENT		
Cash	$ 254,594	$ 244,329

LIABILITY

	2024	2023
CURRENT		
Accounts payable and accrued liabilities	$ 3,575	$ 2,900

FUND BALANCES

	2024	2023
CAPITAL PORTION per page 3	187,828	187,828
INTEREST PORTION per page 3	63,191	53,601
	251,019	241,429
	$ 254,594	$ 244,329

Approved:

for Erin Kelly, PhD.
Deputy Minister
Department of Environment and Climate Change

Jessica St. Arnaud
Director, Finance and Capital Planning
Department of Environment and Climate Change

See accompanying notes

THE NATURAL RESOURCES CONSERVATION TRUST FUND

STATEMENT OF OPERATIONS

For the year ended March 31, 2024

	2024	2023
REVENUE		
Interest income	$ 13,153	$ 8,095
EXPENSES		
Professional fees	3,563	3,250
EXCESS OF REVENUE OVER EXPENSES	$ 9,590	$ 4,845

THE NATURAL RESOURCES CONSERVATION TRUST FUND

STATEMENT OF CHANGES IN FUND BALANCES

For the year ended March 31, 2024

	2024		
	Capital Portion	Interest Portion	Total
BALANCE, opening	$ 187,828	$ 53,601	$ 241,429
Excess of revenue over expenses	-	9,590	9,590
BALANCE, closing	$ 187,828	$ 63,191	$ 251,019

	2023		
	Capital Portion	Interest Portion	Total
BALANCE, opening	$ 187,828	$ 48,756	$ 236,584
Excess of revenue over expenses	-	4,845	4,845
BALANCE, closing	$ 187,828	$ 53,601	$ 241,429

THE NATURAL RESOURCES CONSERVATION TRUST FUND

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2024

1. NATURE OF OPERATIONS

The Natural Resources Conservation Trust Fund (the "Fund") was established under the *Natural Resources Conservation Trust Act* of the Northwest Territories (the "Act"). The purpose of the Fund is to promote, through education, research and demonstration, the:

(a) wise use of renewable resources;
(b) awareness, enhancement and protection of the environment; and
(c) use of the most efficient and most effective methods of trapping wildlife.

A Board of Trustees (the "Board") was appointed by the Minister of Resources, Wildlife and Economic Development, Government of the Northwest Territories ("GNWT"). Commencing April 1, 2005, the responsibilities were transferred to the Minister of Environmental and Climate Change to administer the Fund.

The Fund is established as a Special Purpose Fund as defined under subsection 1 (1) of the *Financial Administration Act* of the Northwest Territories. As such, the Fund is a part of the Consolidated Revenue Fund of the GNWT.

2. BASIS OF ACCOUNTING

The Fund follows accounting principles generally accepted in Canada in preparing its financial statements. The significant accounting policies used are as follows:

(a) Fund accounting

In accordance with the Act, the Fund is administered into two portions, the Capital portion, and the Interest portion.

Capital portion
The Capital portion consists of donations, bequests and other payments for deposit accepted by the Board. The Board may not make payments from the capital portion without prior approval of the Minister; unless the payment is for designated purpose that has been specified by the benefactor. There are no designated funds in the capital portion of the Fund.

Interest portion
The Interest portion consists of interest earned by the Fund. The Financial Management Board fixes the rate of interest earned by the Fund. The Board of Trustees may make payments from the Interest portion of the Fund to persons, groups and programs.

2. BASIS OF ACCOUNTING, continued

(b) Revenue recognition

The Fund follows the deferral method of accounting for contributions. Contributions subject to conditions are recognized as revenue in the year in which the related expenses are incurred. The Board of Trustees may accept donations, bequests or payments that are subject to conditions if the conditions are, in the opinion of the Board, appropriate to the purposes of the Fund. Where the Board accepts such items that are subject to conditions, the Board is bound to comply with those conditions.

Contributions not subject to conditions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Interest income is recognized as revenue when earned.

(c) Contributed materials and services

The Department of Environment and Climate Change maintains the Fund's accounts. The cost of administering the Fund are borne by the Department. The Fund has elected not to recognize contributed materials and services in these financial statements.

(d) Expenses

Payments from the Interest portion and the Capital portion of the Fund are recognized as expenses in the period in which the events giving rise to the payment occurred, as long as the payment is authorized, eligibility criteria have been met and a reasonable estimate of the amount can be made. All other expenses are recognized on an accrual basis.

3. FINANCIAL INSTRUMENTS

(a) Fair value

The Fund's financial instruments consist of cash, and accounts payable and accrued liabilities. In the opinion of the Board, the Fund is not exposed to significant interest rate, market, currency, liquidity or credit risks from these financial instruments. The carrying value of these instruments approximates their fair value.

4. FUND PAYMENTS

In accordance with subsection 101 of the Act, the recipient and amount of each payment made from the Fund during the year is as follows:

Not Applicable - No payments in current or prior year.

5. DEPARTMENTAL MERGER

Effective April 1, 2023, the Department of Environment and Natural Resources merged with the Department of Land to form the Department of Environment and Climate Change. The merger has no impact on the administration of the Fund.

Report to the Commissioner of the
Northwest Territories
on the examination of the accounts
and financial statements of the

PUBLIC TRUSTEE FOR THE
NORTHWEST TERRITORIES

For the year ended March 31, 2024

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Government of Northwest Territories
Gouvernement des Territoires du Nord-Ouest

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The Public Trustee for the Northwest Territories (the "Public Trustee") is responsible for the preparation, integrity and objectivity of the financial statements. The financial statements have been prepared in accordance with the *Public Trustee Act* of the Northwest Territories (the "Act"). Where appropriate, the preparation of financial information contained in this report includes estimates and judgements based on careful consideration of information available to management.

The Public Trustee has developed and maintained books of account, records, financial and management controls and management practices. These are designed to provide reasonable assurance as to the reliability of financial information in accordance with the Act.

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

Public Trustee for the Northwest Territories

Renée Fougère
Public Trustee

May 10, 2024

AVERY COOPER & CO. LTD.
Chartered Professional Accountants

4918 - 50th Street, P.O. Box 1620
Yellowknife, NT X1A 2P2
Website: www.averycooper.com

Telephone: (867) 873-3441
Facsimile: (867) 873-2353
Toll-Free: 1-800-661-0787

INDEPENDENT AUDITOR'S REPORT

To the Commissioner

Report on the Audit of the Financial Statements

Opinion
We have audited the financial statements of the Office of the Public Trustee for the Northwest Territories ("Public Trustee"), which comprise the balance sheet as at March 31, 2024, and the statement of operations, and the statement changes in estate and trust fund balance for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of the Public Trustee for the year ended March 31, 2024, are prepared, in all material respects, in accordance with the *Public Trustee Act* of the Northwest Territories (the "Act").

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

Emphasis of Matter - Basis of Accounting
We draw attention to Note 2 to the financial statements, which describes the basis of accounting. The financial statements are prepared to assist the Public Trustee to meet the requirements of the Act. As a result, the financial statements may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Financial Statements
Management is responsible for the preparation of the financial statements in accordance with the Act and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

INDEPENDENT AUDITOR'S REPORT, continued

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

- Obtain an understanding of internal control relevant to audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Public Trustee's internal control.

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

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

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

Report on Other Legal and Regulatory Requirements

We further report that in our opinion, proper books of account have been kept by the Public Trustee, the financial statements are in agreement therewith and the transactions that have come under our notice have, in all significant respects, been within the statutory powers of the Public Trustee.

Avery Cooper & Co. Ltd.

Avery Cooper & Co. Ltd.
Chartered Professional Accountants

Yellowknife, NT
May 10, 2024

PUBLIC TRUSTEE FOR THE NORTHWEST TERRITORIES
ESTATE & TRUST FUND

BALANCE SHEET
March 31, 2024

ASSETS

	2024	2023
Cash (Note 3)	$9,224,621	$8,626,251
Other assets at nominal value (Note 2b)	1	1
	$9,224,622	$8,626,252

NET ASSETS

	2024	2023
Undistributed Common Fund earnings per Statement II (Note 4)	$ 201,142	$ 195,137
Public Trustee Management Fund (Note 6)	46,488	19,996
Estate & Trust Fund per Statement III (Note 5)	8,976,992	8,411,119
	$9,224,622	$8,626,252

Approved:

Renee Fougere
Public Trustee
Northwest Territories

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, 2024

	2024	2023
Undistributed Common Fund earnings, opening	$ 195,136	$ 32,379
Add:		
Common Fund earnings	490,629	288,307
Less:		
Interest paid to estates and trusts (Statement III)	400,294	107,983
Excess interest paid to the Government of the Northwest Territories	-	-
Transfers to Public Trustee Management Fund (Note 6)	84,329	17,566
	484,623	125,549
Increase (decrease) in Undistributed Common Fund earnings balance	6,006	162,758
Undistributed Common Fund earnings, closing (Note 4)	$ 201,142	$ 195,137

See the accompanying notes.

PUBLIC TRUSTEE FOR THE NORTHWEST TERRITORIES
ESTATE & TRUST FUND

STATEMENT OF CHANGES IN ESTATE & TRUST FUND BALANCE
For the year ended March 31, 2024

	2024	2023
Estate & trust funds provided:		
Estate and trust assets received	$ 1,749,528	$ 1,836,193
Common Fund interest paid to estates and trusts (Statement II)	400,294	107,983
	2,149,822	1,944,176
Estate & trust funds applied:		
Payments to beneficiaries	287,266	704,588
Disbursements made on behalf of estates and trusts	1,171,375	1,001,997
Administration fees (Note 2c)	119,084	120,118
GST on Administration fees	5,954	6,000
Court fees	270	195
	1,583,949	1,832,898
Increase in Estate & Trust Fund balance	565,873	111,278
Estate & Trust Fund balance, opening	8,411,119	8,299,841
Estate & Trust Fund balance, closing (Note 5)	$ 8,976,992	$ 8,411,119

See the accompanying notes.

PUBLIC TRUSTEE FOR THE NORTHWEST TERRITORIES

NOTES TO THE FINANCIAL STATEMENTS
March 31, 2024

NOTE 1 AUTHORITY

The Office of the Public Trustee for the Northwest Territories (the "Public Trustee"), for the Department of Justice, Government of the Northwest Territories (GNWT), operates under the authority of the *Public Trustee Act*, Revised Statutes of the Northwest Territories 1988, Chapter P-19 as amended.

NOTE 2 BASIS OF ACCOUNTING

The financial statements have been prepared in accordance with the significant accounting policies set out below to comply with the *Public Trustee Act* of the Northwest Territories. The basis of accounting used in these financial statements materially differs from Canadian public sector accounting standards because estate and trust funds provided and applied, and Common Fund earnings distributions otherwise accrued at year-end, are not included until paid. Estate & Trust Fund assets other than cash have been recorded at nominal value. Significant accounting policies are as follows:

a) These financial statements have been prepared on the cash basis of accounting except as otherwise stated.

b) All Estate & Trust Fund assets other than cash, which include business interests, mortgages, stocks, bonds, term deposits, real estate and other assets, are carried at a nominal value of one dollar ($1).

c) Expenditures for the operation of the Public Trustee are paid from the Consolidated Revenue Fund of the Government of the Northwest Territories ("GNWT") and, except for $119,084 (2023 - $120,118) paid to the Consolidated Revenue Fund as administration fees and the transfer of interest earned, are not reflected in these financial statements. Management fees paid to the Public Trustee out of the excess interest earned by the Common Fund are credited to the Public Trustee Management Fund. The costs incurred in respect of the annual audit may be deducted from the management fees.

NOTE 3 CASH IN BANK

The Public Trustee is a member of the GNWT investment pool.

The GNWT consolidates and invests the cash balances of all investment pool participants in money market securities. The money for these investments flows out of the GNWT main revenue account and, accordingly, does not affect the participants' cash balances. Investment pool revenues are prorated and paid to participants monthly.

PUBLIC TRUSTEE FOR THE NORTHWEST TERRITORIES

NOTES TO THE FINANCIAL STATEMENTS
March 31, 2024

NOTE 4 UNDISTRIBUTED COMMON FUND EARNINGS

Common Fund earnings are distributed half-yearly, on April 30th and October 31st each year, as interest paid to estates and trusts, and excess interest paid to the GNWT.

Interest earned on the Common Fund is utilized to pay prescribed interest on estates and trusts and any deficiency between the aggregate amounts of sums invested in the Common Fund and the actual value of the Common Fund's investments. Where the interest earned on the investment of the Common Fund exceeds the amount required to make these payments and management fees paid to the Public Trustee, the excess is paid to the Consolidated Revenue Fund of the GNWT.

The balance of Undistributed Common Fund earnings represents the Common Fund's cumulative earnings between November 1st and March 31st, which will be distributed on April 30th of the next fiscal year.

NOTE 5 ESTATE & TRUST FUND

The Estate & Trust Fund reflects all known assets of the estates and trusts administered by the Public Trustee. The Estate & Trust Fund is comprised of the following amounts:

	2024	2023
Common Fund	$8,976,991	$8,411,119
Other assets at nominal value	1	1
	$8,976,992	$8,411,120

PUBLIC TRUSTEE FOR THE NORTHWEST TERRITORIES

NOTES TO THE FINANCIAL STATEMENTS
March 31, 2024

NOTE 6 PUBLIC TRUSTEE MANAGEMENT FUND

The change during the year in the Public Trustee Management Fund is as follows:

	2024	2023
Public Trustee Management Fund balance, opening	$19,996	$13,430
Add:		
Management fees transferred to the Public Trustee out of the excess interest earned (Statement II)	75,717	17,566
Less:		
Costs incurred in respect of the annual audit	(12,500)	(11,000)
Public Trustee Management Fund balance, closing	$83,213	$19,996

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.