

**GOVERNMENT OF NUNAVUT
INTERIM FINANCIAL REPORT
Non-Consolidated Financial Statements (unaudited)
March 31, 2024**

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The Honourable Tony Akoak, MLA
Speaker of the Legislative Assembly of Nunavut

I am pleased to present the Interim Financial Report of the Government of Nunavut for the fiscal year ended March 31, 2024. The report is presented in accordance with subsection 51(4) of the Financial Administration Act.

The Honourable Lorne Kusugak, MLA
Minister of Finance

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The Honourable Lorne Kusugak, MLA
Minister of Finance

I am pleased to present the Interim Financial Report of the Government of Nunavut for the fiscal year ended March 31, 2024. The report is submitted pursuant to subsection 51(3) of the Financial Administration Act.

The purpose of the report is to provide the preliminary operating results of the Government, on a non-consolidated basis, for the year ended March 31, 2024.

The information in the report is unaudited and subject to change prior to the issue of the final Public Accounts. The non-consolidated financial statements are subject to review before the Auditor General issues the auditor's report on the Government's Consolidated Financial Statements. That review is not complete at this time.

Respectfully submitted,

Ibrahim Suleiman, MBA, CPA
Comptroller General

September 19, 2024

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GOVERNMENT OF NUNAVUT
INTERIM FINANCIAL REPORT**Non-Consolidated Financial Statements (unaudited)**
March 31, 2024

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**GOVERNMENT OF NUNAVUT
INTERIM FINANCIAL REPORT**

Non-Consolidated Statement of Financial Position (unaudited)

as at March 31, 2024

(in thousands of dollars)

	Note	2024	2023
Financial assets			
Cash and cash equivalents	4	143,339	490,189
Due from the Government of Canada	5	362,243	192,533
Accounts receivable	6	237,004	169,357
Inventories for resale	7(a)	238,275	271,186
Loans receivable	8	76,273	56,030
Portfolio and other investments	9	736,949	554,611
Total financial assets		1,794,083	1,733,906
Liabilities			
Accounts payable and accrued liabilities	10	520,683	507,090
Deferred revenues	11	178,909	184,333
Liability for contaminated sites	12	7,371	7,635
Liabilities for pension and other employee benefits	13	118,391	113,520
Liability for Iqaluit International Airport	14	145,441	147,669
Capital lease obligations	15	34,938	41,037
Liability for Nunavut Energy Management Program	16	15,758	17,896
Asset Retirement Obligations	17	82,766	82,766
Total liabilities		1,104,257	1,101,946
Net financial assets		689,826	631,960
Non-financial assets			
Tangible capital assets (Schedule C)		1,564,437	1,506,854
Inventories for use	7(b)	4,299	3,942
Prepaid expenses		4,699	3,751
Total non-financial assets		1,573,435	1,514,547
Accumulated surplus		2,263,261	2,146,507
Contractual obligations (Note 19)			
Contractual rights (Note 20)		357	
Contingencies (Note 21)			

The accompanying notes and schedules are an integral part of these non-consolidated financial statements.

**GOVERNMENT OF NUNAVUT
INTERIM FINANCIAL REPORT**

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

for the year ended March 31, 2024

(in thousands of dollars)

	2024 Budget	2024 Actual	2023 Actual
Revenues (Schedule A)			
From the Government of Canada	2,491,742	2,555,594	2,315,219
Tax revenues generated by the Government of Nunavut	165,300	159,758	150,360
Other revenues generated by the Government of Nunavut	133,185	144,519	111,721
Recoveries of prior years expenditures	13,000	25,228	16,010
Total revenues	2,803,227	2,885,099	2,593,310
Expenses (Schedule B)			
Operations and maintenance expenses before amortization and write down of tangible capital assets	2,349,296	2,455,094	2,259,302
<i>Plus:</i> Amortization expenses on tangible capital assets	83,366	90,481	92,336
<i>Plus:</i> ARO accretion expense		-	2,236
<i>Plus:</i> Write-down of tangible capital assets	-	-	-
Total operations and maintenance expenses	2,432,662	2,545,575	2,353,874
Capital expenditures	488,461	371,332	226,145
<i>Less:</i> Transfers to tangible capital assets	109,652	148,562	88,551
Total capital expenses	378,809	222,770	137,594
Total expenses	2,811,471	2,768,345	2,491,468
Surplus for year	(8,244)	116,754	101,842
Accumulated surplus, beginning of year	2,146,507	2,146,507	2,044,665
Accumulated surplus, end of year	2,138,263	2,263,261	2,146,507

The accompanying notes and schedules are an integral part of these non-consolidated financial statements.

GOVERNMENT OF NUNAVUT
INTERIM FINANCIAL REPORT
Non-Consolidated Statement of Change in Net Financial Assets (unaudited)
for the year ended March 31, 2024
(in thousands of dollars)

	2024 Budget	2024 Actual	2023 Actual
Surplus for year	(8,244)	116,754	101,842
Tangible capital assets (Schedule C)			
Additions	(109,652)	(148,562)	(88,952)
Disposals	45	933	-
Amortization	83,366	90,481	92,336
Amortization Adjustment	-	(435)	-
Additions in Kind	(40)	-	-
Write-downs	1,475	-	-
	(24,806)	(57,583)	3,384
Additions to inventories for use	(6,577)	(9,442)	(9,338)
Consumption of inventories for use	5,760	9,085	11,435
Net consumption of prepaid expenses	(500)	(948)	1,873
	(1,317)	(1,305)	3,970
Total Change in the Year	(34,367)	57,866	109,196
Net Financial Assets, beginning of year	631,960	631,960	522,764
Net Financial Assets, end of year	597,593	689,826	631,960

The accompanying notes and schedules are an integral part of these non-consolidated financial statements.

GOVERNMENT OF NUNAVUT
INTERIM FINANCIAL REPORT
Non-Consolidated Statement of Cash Flow (unaudited)
for the year ended March 31, 2024
(in thousands of dollars)

	2024	2023
Cash provided by (used for) operating activities:		
Cash received from:		
Transfers from the Government of Canada	2,383,266	2,335,234
Taxation	154,987	146,735
Other generated revenues	307,268	286,094
Interest on loans receivable and portfolio investments	4,730	2,216
Cash paid for:		
Interest payments on capital leases, mortgage and project financing	(12,671)	(12,737)
To and on behalf of employees	(669,341)	(485,019)
Grants and contributions	(756,586)	(626,376)
Suppliers	(1,430,918)	(1,520,305)
	(19,265)	125,842
Cash provided by (used for) capital activities:		
Purchases of tangible capital assets	(114,387)	(91,824)
	(114,387)	(91,824)
Cash provided by (used for) investing activities:		
Loans issued to municipalities, businesses and individuals	(25,008)	(25,868)
Loan repayments by municipalities, businesses and individuals	4,613	2,317
Investments in portfolio and other investments	(182,338)	(422,483)
	(202,733)	(446,034)
Cash provided by (used for) financing activities:		
Principal payments on Iqaluit International Airport	(2,228)	(2,074)
Principal payments on capital leases	(6,099)	(6,459)
Principal payments on Nunavut Energy Savings Program Project	(2,138)	(2,923)
	(10,465)	(11,456)
(Decrease) increase in cash and cash equivalents	(346,850)	(423,472)
Cash and cash equivalents, beginning of year	490,189	913,661
Cash and cash equivalents, end of year (Note 4)	143,339	490,189

The accompanying notes and schedules are an integral part of these non-consolidated financial statements.

GOVERNMENT OF NUNAVUT
INTERIM FINANCIAL REPORT
Notes to Non-Consolidated Financial Statements (unaudited)
March 31, 2024
(in thousands of dollars)

1 AUTHORITY AND OPERATIONS

(a) Government of Nunavut

The Government of Nunavut (the Government) operates under the authority of Canada's *Nunavut Act*. The Government has an elected Legislative Assembly which authorizes disbursements, advances, loans and investments, except those specifically authorized by statute.

(b) Main Estimates

The 2023-2024 Main Estimates were tabled in the Legislative Assembly in February 2023 and represent the Government's fiscal plan for the year (i.e., original budget). Summary information and totals for the Government's original budget for the year are provided on pages x through xiii of the 2023-2024 Main Estimates. Planned Vote 5 revenues and Vote 4 expenses represent the share of eligible costs to be funded under agreements with the Government of Canada or others, and while not part of the annual Appropriations (Operations and Maintenance) Act approved by the Legislative Assembly in March 2023, they are, along with those of revolving funds, included in the original budget totals disclosed in these financial statements.

2 SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Accounting

These financial statements are prepared in accordance with Canadian public sector accounting standards (PSAS), as issued by the Public Sector Accounting Board of Canada, with the exception that they are not consolidated and certain revenues are reported net of expenses (i.e., Petroleum Products Division and liquor revenues are reported net of their cost of goods sold).

Pursuant to Section 74 of the *Financial Administration Act*, the Government also prepares consolidated financial statements, which provide an accounting of the full nature and extent of the financial affairs and resources for which the Government is responsible. The consolidated reporting entity is defined in those statements.

(b) Reporting Entity

These financial statements include the assets, liabilities and operating results of the Government's Consolidated Revenue Fund, including departments included in the Main Estimates, as well as the following revolving funds:

Liquor and Cannabis Revolving Fund
Petroleum Products Revolving Fund
Public Stores Revolving Fund
Student Loan Fund

Revolving funds are established by the Government to provide the required working capital to deliver goods and services to the general public and to Government departments.

The following public agencies are included in these non-consolidated financial statements only to the extent of the Government's contributions to and services received from or provided to them during the year:

Territorial corporations	Other public agencies
- Nunavut Arctic College (NAC)	- District Education Authorities
- Nunavut Business Credit Corporation (NBCC)	- Human Rights Tribunal
- Nunavut Development Corporation (NDC)	- Inuit Uqausinginnik Taiguusiliuqtiit
- Nunavut Housing Corporation (NHC)	- Labour Standards Board
- Qulliq Energy Corporation (QEC)	- Legal Services Board
	- Liquor and Cannabis Commission
	- Liquor and Cannabis Board
	- Office of the Public Trustee
	- Qullit Nunavut Status of Women Council

Nunavut Lottery, which operates as a government business partnership, is recorded in these non-consolidated financial statements based on the contributions received during the year from the net results of lottery sales and activities in Nunavut.

The Workers' Safety and Compensation Commission (WSCC), which is responsible for the administration of related employer insurance premiums and employee benefit programs within Nunavut, is not accounted for in these financial statements. Since the Government does not control or have access to the WSCC's assets or responsibility for its obligations, it is excluded from the Government's reporting entity.

(c) Use of Estimates and Measurement Uncertainty

The preparation of financial statements in accordance with Canadian PSAS requires government management to make estimates and assumptions that affect the amount of assets, liabilities, revenues and expenses reported in the financial statements. By their nature, these estimates and assumptions 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 financial statements, management believes the estimates and assumptions are reasonable.

The most significant management estimates relate to income tax revenues, pension and other employee benefit liabilities, liability for contaminated sites, asset retirement obligations, contingencies, useful life of tangible capital assets, valuation of inventories for resale and use as well as valuation allowances on loans and other receivables.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Financial Instruments

The following is a list of the Government's financial instruments and their related measurement basis as at March 31, 2024:

Financial Assets	Measurement Basis
Cash and cash equivalents	Cost
Due from the Government of Canada	Cost
Accounts receivable	Cost
Loans receivable	Amortized cost
Portfolio and other investments	Cost
Financial Liabilities	
Accounts payable and accrued liabilities	Cost
Liability for Iqaluit International Airport	Amortized cost

As all financial instruments are measured at cost or amortized cost, there have been no remeasurement gains or losses. Therefore, a statement of remeasurement gains and losses has been excluded.

All financial assets are annually tested for impairment. When financial assets are impaired, impairment losses are recognized in 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. On disposal or derecognition of a financial asset or liability, the resulting gain or loss is recognized in the statement of operations and accumulated surplus.

Upon initial recognition, transactions costs which are incremental and directly attributable to the acquisition or issuance of a financial asset or financial liability are added to the carrying value of the financial instruments measured using the cost or amortized cost method.

For financial instruments measured using amortized cost, the effective interest method is used to determine interest revenue and expense.

(e) Cash and Cash Equivalents

Cash and cash equivalents are comprised of bank account balances, net of outstanding cheques, and short-term highly liquid investments that are readily convertible to cash with a maturity term of 3 months or less from the time of their acquisition.

(f) Portfolio and Other Investments

Portfolio and other investments include long-term investments in Guaranteed Investment Certificates and investments related to the Supplementary Retirement Allowances Fund (SRAF).

Portfolio and other investments are accounted for at cost, which approximates fair value. SRAF designated investments represent ownership interests in a pooled equity fund with an active market.

Where there has been a loss in value of a portfolio or other investment, that is other than a temporary decline, the investment is written down to recognize the loss. A write-down of portfolio and other investments to reflect a loss in value is not reversed if there is a subsequent increase in value. The new carrying value is deemed to be the new cost basis for subsequent accounting purposes. Interest income is recognized using the effective interest method, dividend income is recognized as it is declared, and capital gains and losses are recognized when realized.

(g) Accounts receivable

Accounts receivable are recorded at the principal amount less an allowance for doubtful accounts when collection is in doubt. Receivable amounts are regularly reviewed for collectability.

(h) Inventories

Inventories for resale include bulk fuel and liquor products and are valued at the lower of weighted average cost or net realizable value. Inventory for use includes health and medical supplies valued at the lower of cost or replacement cost, with cost being determined on a first-in, first-out basis.

(i) Loans Receivable

Loans receivable are recorded at amortized cost, net of valuation allowances, if any. Based on the circumstances known at the date the financial statements are prepared, including past events and current conditions, valuation allowances are recorded when collection is considered doubtful or when the value of a loan receivable is impaired. Interest revenue is recognized using the effective interest method. An uncollectable or impaired loan receivable balance can be written off only upon receipt of required statutory approvals.

**GOVERNMENT OF NUNAVUT
INTERIM FINANCIAL REPORT****Notes to Non-Consolidated Financial Statements (unaudited)**

March 31, 2024

(in thousands of dollars)

2 SIGNIFICANT ACCOUNTING POLICIES (continued)**(j) Tangible Capital and Leased Assets**

Tangible capital assets are non-financial assets whose useful life exceeds one fiscal year and are intended to be used on an ongoing basis for delivering government programs and services. They may include such diverse items as buildings, vehicles, equipment, aircraft and computer hardware and software systems.

Tangible capital assets are recorded at cost. Cost includes all outlays to ready the asset for use including contracted services, materials and supplies, direct labour, attributable overhead costs and directly attributable interest. Capitalization of interest ceases when a tangible capital asset is ready for use in producing goods or delivering programs and services. Gifted or contributed tangible capital assets are recorded at fair market value upon receipt, or a nominal value if fair value is not available.

Leased capital assets meet the definition of a tangible capital asset, except that they are held under a lease agreement by the Government. When the terms and conditions of the lease agreement transfer substantially all of the benefits and risks of ownership to the Government, the asset is capitalized. Legal ownership is not a requirement to capitalize the leased asset. The lease liability and corresponding asset are recorded based on the present value of payments due over the term of the lease. The present value is based on the lower of the interest rate implicit in the lease or the Government's incremental borrowing rate at the time the lease obligation is incurred.

Tangible capital assets, when placed into service, are amortized over their useful lives using the straight-line method. When assets are leased, the amortization rate will be based on the lesser of the lease term or the useful life of the leased asset. The following amortization rates are being used:

Asset Category	Amortization Period
Buildings	30 years
Leased Buildings	30 years
Infrastructure	30 years
Tank Farms	30 years
Storage Facilities	30 years
Equipment	5-30 years
Land	Not amortized

When conditions indicate that a tangible capital asset no longer contributes to the Government's ability to provide goods or deliver programs and services, or that the value of future economic benefits associated with the tangible capital asset is less than its net book value, the cost of the tangible capital asset is reduced to reflect the decline in the asset's value.

In the year a tangible capital asset is acquired or put into service, amortization is taken for the full year. Tangible capital assets under construction or development are recorded as work in progress with no amortization taken until the year the asset is placed into service.

Assets acquired by right, such as Crown lands, water, and mineral resources, are not recorded in the financial statements. The cost of works of art and museum collections consisting mainly of paintings, sculptures, drawings, prints, and photographs are charged to expense in the year they are acquired.

(k) Pension and Other Employee Benefits**Pension Benefits**

Substantially all of the employees of the Government of Nunavut are covered by the public service pension plan (the "Plan"), a defined benefit plan established through legislation and sponsored by the Government of Canada. Contributions are required by both the employees and the Government of Nunavut to cover current service costs. Pursuant to legislation currently in place, the Government of Nunavut has no legal or constructive obligation to pay further contributions with respect to any past service or funding deficiencies of the Plan. Consequently, the Government of Nunavut's contributions are recognized as an expense in the year when employees have rendered the service. The contributions represent the total pension obligation of the Government of Nunavut.

The Government provides two different pension benefits to Members of the Legislative Assembly. The costs and obligations of the Government for these pension plan benefits are estimated on an actuarial basis. When actual experience varies from estimates, or when actuarial assumptions change, actuarial gains or losses arise. These gains and losses are not recognized immediately but rather over the estimated average remaining service life of the plan members. Recognition of actuarial gains and losses commences in the year following the effective date of the related actuarial valuation. In addition, upon a plan amendment, curtailment or settlement, previously unrecognized net actuarial gain or loss balances are immediately recognized in the statement of operations and accumulated surplus.

Other Employee Benefits

Under the terms and conditions of employment, Government employees may earn severance and removal benefits based on years of service. Severance and removal benefits are recorded when employees are identified for lay-off or removal. These benefits are paid upon resignation, lay-off or termination, retirement or death of the employee. Upon retirement, employees are entitled to enroll in health and dental benefit programs, the cost of which is cost-shared with the Government. The estimated liability and related expenses for these benefit programs are recorded as employees earn them. Actuarial valuation estimates of the Government's obligations and related costs for each of these benefit programs have been prepared using data provided by management and assumptions based on management's best estimates.

The Government's employees are entitled to sick leave under their terms of employment. Included in other employee benefits is an amount for employees who are permitted to accumulate unused sick leave. However, such entitlements do not vest and can be used only in the event of illness. The amount of accumulated sick leave entitlements which are expected to be used in future years is determined by an actuarial valuation and has been recorded in these financial statements.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Public-private partnership (P3)

An asset is recognized through the terms and economic substance of a public private partnership (P3) when the Government controls:

- a) The purpose and use of the asset;
- b) Access to the future economic benefits and exposure to risks of the asset; and
- c) Significant residual interest in the asset, if any, at the end of the P3

These assets are initially measured at cost and are accounted for in accordance with the Government's Tangible capital assets policy (Note 2(l)).

The Government also recognizes a liability related to the P3 arrangement when it has an obligation to provide consideration to the private sector partner and is initially measured at the same amount as the P3 asset, reduced for any consideration previously provided to the private sector partner. Subsequent measurement of the P3 liability is at amortized cost using the effective interest method.

Annual operating, maintenance costs and capital life cycle costs are expensed as incurred.

(m) Asset Retirement Obligations

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

- i) There is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- ii) The past transaction or event giving rise to the liability has occurred;
- iii) It is expected that future economic benefits will be given up; and
- iv) a reasonable estimate of the amount can be made.

Recognized liabilities include all costs directly attributable to asset retirement activities, including costs related to post-retirement operation, maintenance, and monitoring that is an integral part of the retirement of the tangible capital asset. Estimates are based on the Government's best estimate of the total expenditure required to complete retirement activities using information that was available at the reporting date.

When an asset retirement liability is initially recognized, asset retirement costs are capitalized and added to the carrying value of the related tangible capital asset. The capitalized asset retirement obligation is amortized on the same basis as the related tangible capital asset and any accretion expense is recognized in the statement of operations and accumulated surplus. Asset retirement costs related to unrecognized tangible capital assets and tangible capital assets no longer in productive use are immediately expensed.

The estimate of an asset retirement obligation incorporates a present value technique, when the cash flows required to settle or otherwise extinguish an asset retirement obligation are expected to occur over extended future periods. The liability is discounted using a present value calculation and adjusted annually for accretion expense. The discount rate used reflects the Government's cost of borrowing, associated with the estimated number of years to complete the retirement or remediation.

At each financial reporting date, the carrying amount of the liability is reviewed. The Government recognizes period-to-period changes to the liability due to the passage of time as an accretion expense. Changes to the liability arising from revisions to either the timing or the original estimate of the undiscounted cash flows or the discount rate are recognized as an increase or decrease to the carrying amount of the related tangible capital asset. The Government 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.

(n) Revenues

Unless otherwise stated, all revenues are recognized and reported on an accrual basis in the period in which transactions or events give rise to the revenues. Specific revenue accounting policies are as follows:

Transfers from the Government of Canada

Transfers from the Government of Canada are recognized as revenue when the funding is authorized and any eligibility criteria are met, except to the extent that funding stipulations give rise to an obligation that meets the definition of a liability and is recorded as deferred revenue.

Taxes

Tax revenues are recognized in the period in which the taxable event occurs and when they are authorized by legislation or the ability to assess and collect the tax has been provided through legislative convention. Income tax is calculated net of tax deductions and credits allowed under the *Income Tax Act*. If an expense provides a financial benefit other than a relief of taxes, it is classified as a transfer made through the tax system. If an expense provides tax relief to a taxpayer and relates to revenue, this expense is considered a tax concession and is netted against tax revenues. Tax concessions transferred to taxpayers include the Nunavut child benefit, the cost of living tax credit and the business training tax credit. Taxes, under the *Income Tax Act*, are administered by the Government of Canada on behalf of the Government of Nunavut under a tax collection agreement and are remitted to the Government. The remittances are based on the Government of Canada's estimates for the taxation year, which are periodically adjusted until the income tax assessments for the year are finalized. These income tax adjustments are accounted for in the period they become known.

Fuel, tobacco, and payroll taxes are levied under the authority of the *Petroleum Products Tax Act*, the *Tobacco Tax Act* and the *Payroll Tax Act*, respectively. Revenues are recognized on an accrual basis based on the statements received from collectors or employers. Adjustments from reassessments are recorded in revenue in the year they are identified. Tobacco tax commission on tobacco tax revenue provides a financial benefit other than relief of taxes and is recorded as an expense.

Property taxes are assessed on a calendar year basis and are recorded on an accrual basis in the fiscal year.

Other taxes are accrued based on information provided by those parties which collect tax on the Government's behalf.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

Government non tax revenues

Government non tax revenues consist of revenues that are non exchange transactions and exchange transactions which contain performance obligations.

For non exchange transactions, revenues are recognized when the Government has the authority to obtain the related economic benefit and there is an expectation that such benefits will be obtained.

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 generally recognized as performance obligations are fulfilled. Where consideration is received from a payor prior to the provision of goods or services, these amounts are initially included in unearned revenue provided the definition of a liability is met and are subsequently recognized as revenue as performance obligations are met. All revenues with performance obligations are recurring in nature unless otherwise stated.

Revenue Source	Performance Obligation	Recognition and Measurement
Sales		
- Petroleum Products Revolving Fund	To provide petroleum products (e.g. gas and heating oil)	Revenue is recognized at a point in time when petroleum products are delivered to the customer at the selling price in effect at the time of delivery.
- Liquor Revolving Fund	To provide products (e.g. alcohol)	Revenue is recognized at a point in time when the product is provided to the customer at the selling price in effect at the time of sale.

Recoveries of prior years expenditures

Recoveries of prior years expenditures, including reversals of prior years expenditure over-accruals, are reported separately from other revenues on the statement of operations and accumulated surplus. Pursuant to the subsection 36(9) of the *Financial Administration Act*, these recoveries cannot be used to increase the amount appropriated for current year expenditures.

(o) Expenses

Expenses are recorded on an accrual basis when goods are received or services are rendered.

Grants and contributions are recognized as expenses provided that the transfer is authorized and all eligibility criteria have been met by the recipient. Grants and contributions include transfer payments to individuals, municipalities and other organizations under government funding arrangements. Payments to individuals include payments for children's benefits, income support or income supplement. These payments are based on age, family status, income, and employment criteria. Other grants and contributions are provided to conduct research, to establish new jobs through support for training and to promote educational, health and cultural activities.

(p) Contingencies

The contingencies of the Government are potential liabilities which may become actual liabilities when one or more future events occur or fail to occur. If the future event is likely to occur or fail to occur and is quantifiable, an estimated liability is accrued as part of accounts payable and accrued liabilities. If the likelihood is not determinable or the amount cannot be reasonably estimated, the contingency is disclosed in the notes to the financial statements and no liability is accrued. Contingent liabilities result from potential environmental contingencies or pending litigation and like items.

(q) Contaminated sites

Contaminated sites are the result of contamination being introduced into air, soil, water or sediment in concentrations that exceeds the maximum acceptable amounts under an environmental standard.

A liability for remediation of a contaminated site is recognized when all of the following criteria are met:

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

The liability for contaminated sites reflects government management's best estimate of the amount required to remediate sites to the current minimum standard for its use prior to the contamination. The liability is recognized net of any expected recoveries and includes all costs directly attributable to remediation activities including post remediation operations, maintenance and monitoring.

The liability is adjusted each year for the passage of time, new obligations, changes in management estimates and actual costs incurred. If the likelihood of a future event that would confirm the Government's responsibility is not determinable, a contingency liability is disclosed in the notes to the financial statements.

**GOVERNMENT OF NUNAVUT
INTERIM FINANCIAL REPORT**

Notes to Non-Consolidated Financial Statements (unaudited)

March 31, 2024

(in thousands of dollars)

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(r) Future change in accounting standards

PS 1202 Financial Statement Presentation standard was issued by the Public Sector Accounting Board of Canada but is not yet effective. This standard has not been applied in preparing these consolidated financial statements. *PS 1202* defines how financial statement information is presented. Key changes include the removal of the statement of change in net financial assets or net debt, the addition of a new statement of net assets or net liabilities, and guidance on how this amount is determined. The Government is continuing its assessment of the impact that the new standard will have on its consolidated financial statements and will adopt this new standard on its effective date.

3 ADOPTION OF NEW ACCOUNTING STANDARDS

(a) Implementation of PS 3160, Public Private Partnerships

On April 1, 2023, the Government adopted *PS 3160 Public Private Partnerships* on a retroactive basis. This standard provides guidance on how to account for and report public private sector arrangements used to acquire infrastructure assets and is applicable to the Iqaluit International Airport (see Note 14). The implementation of this standard did not result in the restatement of amounts previously reported.

(b) Implementation of PS 3400, Revenues

On April 1, 2023, the Government adopted *PS 3400 Revenues* on a retroactive basis. This standard provides guidance on how to account for and report revenues. The implementation of this standard did not result in the restatement of amounts previously reported. The accounting policy Note 2(n) has been updated as part of the adoption of this standard.

4 CASH AND CASH EQUIVALENTS

2024

2023

Cash and cash equivalents	143,339	490,189
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During the year, government earned interest of prime less 1.65% on its net bank balances (2023 - prime less 1.83%).

5 DUE FROM THE GOVERNMENT OF CANADA

2024

2023

Grant receivable:		
From the Government of Canada (Schedule A)	1,971,420	1,859,408
Less: Payments received	(1,971,420)	(1,859,408)
	-	-
Balance of grant receivable, beginning of the year	-	-
Balance of grant receivable, end of the year	-	-
Other receivables:		
Other receivables from the Government of Canada	362,243	192,533
	362,243	192,533

The amounts due from the Government of Canada are non-interest bearing. The carrying amounts approximate fair market value because of the short term to receipt.

6 ACCOUNTS RECEIVABLE

2024

2023

Receivable by funds		
Consolidated Revenue Fund	129,001	91,382
Petroleum Products Revolving Fund	145,594	119,977
Public Stores Revolving Fund	153	34
Liquor and Cannabis Revolving Fund	55	87
	274,803	211,480
Less: Allowance for doubtful accounts	(37,799)	(42,123)
	237,004	169,357
Receivable by relation with the creditors		
Nunavut Arctic College	8,546	10,762
District Education Authorities	3,631	2,296
Nunavut Business Credit Corporation	106	185
Nunavut Development Corporation	13	18
Nunavut Housing Corporation	14,417	19,483
Qulliq Energy Corporation	63,861	48,937
Receivables from related parties	90,574	81,681
	184,229	129,799
Other accounts receivable	274,803	211,480
Less: Allowance for doubtful accounts	(37,799)	(42,123)
	237,004	169,357

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7 INVENTORIES	2024	2023
(a) For resale		
Bulk fuels	229,158	263,712
Liquor products	9,117	7,474
	<u>238,275</u>	<u>271,186</u>

The write-down for bulk fuels inventory for 2024 was \$386 (2023 - \$76).

(b) For use		
Health and medical supplies	4,299	3,942

8 LOANS RECEIVABLE	2024	2023
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Working capital advances to the Nunavut Business Credit Corporation. The term is indeterminate with the option to repay any portion of the principal on any interest payment date. Interest is calculated at selected Government of Canada three year benchmark bond yields ranging between 3.40% and 4.64% (2023 - 2.67% and 3.94%) at the end of the month, compounded annually.	13,443	13,619
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Student Loan Fund loans, interest rate of 0.00% (2023 - 0.00%), net of doubtful accounts and valuation allowances of \$7,348 (2023 - \$6,572).	2,410	2,152
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Loan to Qulliq Energy Corporation. Interest is calculated as Government of Nunavut's operating interest plus 0.15 % per annum compounded monthly, beginning September 1, 2021 in equal installments of \$173. The final instalment, including any other amounts accrued under this loan, is payable August 31, 2031.	15,732	16,973
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Loan to Qulliq Energy Corporation. Interest is calculated as Government of Nunavut's operating interest plus 0.15 % per annum compounded monthly, beginning July 1, 2022 in equal installments of \$230. The final instalment, including any other amounts accrued under this loan, is payable June 30, 2032.	21,663	23,286
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Loan to Qulliq Energy Corporation. Interest is calculated as Government of Nunavut's operating interest plus 0.15 % per annum compounded monthly, beginning April 1, 2024 in equal instalments of \$266. The final instalment including any other amounts accrued under this loan, is payable March 31, 2033.	23,025	-
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Other, net of valuation allowances of \$64 (2023 - \$64).	-	-
	<u>76,273</u>	<u>56,030</u>

9 PORTFOLIO AND OTHER INVESTMENTS			2024	2023
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	Effective Rate of Return	Term to Maturity	Carrying Value	Carrying Value
Portfolio investments				
Guaranteed Investment Certificates	5.15% - 6.02%	18 - 1,304 days	705,780	525,238
			<u>705,780</u>	<u>525,238</u>

Other investments				
SRAF designated investments			31,169	29,373
			<u>736,949</u>	<u>554,611</u>

The market value of the portfolio investments at March 31, 2024 was \$705,780 (2023 - \$525,238).

The Supplementary Retiring Allowances Fund of the Legislative Assembly (SRAF) designated investments represent funds set aside within the Consolidated Revenue Fund for use in meeting SRAF benefit obligations. The investments are managed by a third party. The Statement of Investment Policy establishes the eligible classes of securities, categories of issuers, limits and terms. The market value of SRAF investments at March 31, 2024 was \$34,410 (2023 - \$30,357) with a return of 9.53% (2023 - return of 3.49%).

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10 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES	2024	2023
To related parties		
Nunavut Arctic College	1,617	5,302
District Education Authorities	4,325	2,884
Nunavut Business Credit Corporation	6	4
Nunavut Development Corporation	77	285
Nunavut Housing Corporation	2,031	3,915
Qulliq Energy Corporation	17,349	14,940
	<u>25,405</u>	<u>27,330</u>
To others		
Accounts payable	185,365	157,736
Accrued liabilities, payroll deductions, and contractor holdbacks	219,301	233,946
Vacation pay and time in lieu	42,400	43,030
Due to the Government of Canada	41,502	43,122
Due to the Government of the Northwest Territories	6,710	1,926
	<u>495,278</u>	<u>479,760</u>
	<u>520,683</u>	<u>507,090</u>

All amounts above are non-interest bearing.

11 DEFERRED REVENUES

	Balance April 1, 2023	Receipts during the year	Transfer to revenue	Balance March 31, 2024
Gas Tax Agreement	103,093	23,522	(36,572)	90,043
Other deferred revenue	29,627	34,279	(21,421)	42,485
Nunavut Wellness Agreement	26,189	24,064	(26,135)	24,118
Nunavut Land Claim	24,450	6,304	(9,510)	21,244
Provincial-Territorial Base Funding (Building Canada Fund)	970	49	-	1,019
	<u>184,329</u>	<u>88,218</u>	<u>(93,638)</u>	<u>178,909</u>

The deferred revenue balance at March 31 includes mostly funding for eligible capital infrastructure projects and specific programs received from the Government of Canada under formal contribution or other agreements. In 2024-25 and beyond, as the government fulfills its obligations from purpose or other stipulations for the use of these funds the associated revenue will be recognized.

12 LIABILITY FOR CONTAMINATED SITES

	2024	2023
Liabilities for remediation of contaminated sites	7,371	7,635

The Government's activities are subject to various federal and territorial laws and regulations, such as the Environmental Protection Act of Nunavut and the Environmental Guideline for Contaminated Site Remediation - 2010, governing the protection of the environment or to minimize any adverse impact thereon. The Government conducts its operations to protect public health and the environment and believes its operations are in compliance with all applicable laws and regulations.

The Government recognizes that there are costs related to the remediation of environmentally contaminated sites for which it is responsible. As of March 31, 2024, there were 4 sites (2023 - 6) - 1 storage tank farm (2023 - 2) and 3 waste sites - (2023 - 4), identified as requiring environmental remediation. For those sites where the Government of Nunavut expects to give up future economic benefits due to a legal order or plans to remediate contamination (e.g., due to the risk to human health), and is responsible or has accepted responsibility for remediation, and a reasonable estimate can be determined for remediation costs, a liability has been recorded in these financial statements. Where remediation costs have been estimated and a liability has been recorded the methodology used to estimate the liability is either based on third party analyses or extrapolated from costs previously incurred to remediate, monitor, or manage sites of similar size and contamination.

The Government has identified an additional 92 (2023 - 73) sites on Commissioner land for which liabilities for contamination may exist for assessment, remediation and/or monitoring. The activities associated with these sites are classified as follows:

	2024	2023
Storage tank farms	25	25
Power plants	29	29
Town and waste sites	11	11
Garages and other public works	5	5
Airports	21	2
Quarries	1	1
	<u>92</u>	<u>73</u>

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12 LIABILITY FOR CONTAMINATED SITES (continued)

The Government acquired ownership of sites and activities associated with airports, tank farms and power plants on creation of the Territory on April 1, 1999. The contamination of certain sites occurred when other parties were responsible for the use of and/or held tenure to the sites. The Government has estimated that remediation of contamination at 14 storage tank farm sites and 29 power plant sites (2023 - 14 and 29) would cost, without considering inflation, approximately \$9,667 and \$38,940 (2023 - \$9,700 and \$45,000), respectively. In addition, the Government has estimated that remediation at the other sites could cost, without considering inflation, between \$225,074 - \$296,299 (2023 - \$63,000 - \$134,000) depending on the approach taken. No liability for remediation of these 92 sites (2023 - 73) has been recognized in these non-consolidated financial statements as the Government does not expect to give up any future economic benefits (i.e. no legal requirement to remediate). Going forward, a liability for remediation of these or other identified sites will be recognized only when future economic benefits are expected to be given up (i.e. public health risk or legal requirement).

Most storage tank farms and power plants are monitored on a regular basis to ensure the containment of the identified contaminants. For the other Government of Nunavut's operations and/or sites, there is no ongoing monitoring program in place, but plans for one are to be developed in the future.

In addition, the Government has identified 145 (2023 - 146) sites where garages, public works facilities, quarries, sewage disposal/treatment and solid waste sites and activities are generally located and conducted within municipal boundaries and governed by municipal legislation. Contamination at these sites and activities within municipal boundaries and jurisdiction are the responsibility of municipalities to monitor and remediate if necessary.

13 LIABILITIES FOR PENSION AND OTHER EMPLOYEE BENEFITS

There are separate pension arrangements in place to provide retirement benefits to government employees and to Members of the Legislative Assembly (MLAs). In addition to pension benefits, the government provides severance, removal and sick leave benefits to employees as well as retirement health benefits. These non-pension benefit arrangements are not prefunded and thus have no assets set aside to fund them, resulting in deficiencies for the arrangements equal to the accrued benefit obligations, which are estimated actuarially using information and assumptions approved by management. As of March 31, the liabilities for pensions and other employee benefit arrangements were as follows:

	2024	2023
Pension Benefits		
Pension plans for MLAs	23,666	24,246
Total pension benefits	23,666	24,246
Other Employee Benefits		
Severance and removal	15,927	17,887
Retirement health benefits	70,295	63,403
Sick and special leave	8,503	7,984
Total other employee benefits	94,725	89,274
Total pension and other employee benefits	118,391	113,520

Public Service Pension Plan

Substantially all of the employees of the Government of Nunavut are covered by the public service pension plan (the "Plan"), a defined benefit plan established through legislation and sponsored by the Government of Canada. 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 percent of pensionable service times the average of the best five consecutive years of earnings. The benefits are coordinated with Canada/Québec Pension Plan benefits and they are indexed to inflation. Contributions are required by both the employees and the Government of Nunavut. The President of the Treasury Board of Canada sets the required employer contributions based on a multiple of the employees' required contribution. The contribution rate effective at March 31, 2024 was 1.02 times (2023 - 1.02 times) for members enrolled before January 1, 2013, and 1.0 times (2023 - 1.0 times) for members enrolled beginning January 1, 2013. Total employer contributions of \$34,335 (2023 - \$36,473) were recognized as expense in the current year. Total employee contributions were \$34,180 (2023 - \$36,229).

Pension Plans for MLAs

The Government sponsors two defined benefit pension plans for MLAs. Both plans are administered by the Management and Services Board of the Legislative Assembly. The plans provide pensions based on length of service and final average earnings. They provide inflation protection based on increases in the Consumer Price Index.

The first plan is the Legislative Assembly Retiring Allowances Fund (LARAF), a registered and contributory defined benefit pension plan established under the *Legislative Assembly Retiring Allowances Act*. The Office of the Legislative Assembly operates a separate pension fund in trust to administer LARAF contributions and allowances. The fund came into effect on April 1, 1999.

The second plan is the Supplementary Retiring Allowances Fund (SRAF), a voluntary non-registered, non-contributory defined benefit pension plan established under the *Supplementary Retiring Allowances Act* for MLAs who elect to participate. Payments and expenses related to the SRAF are paid from the Government's Consolidated Revenue Fund. This plan came into effect during the 2001-02 year, and provides for benefits retroactive to April 1, 1999.

Retirement benefits are payable to a MLA based on a percentage of the average best earnings over four consecutive years as a MLA and as a Minister, Speaker or Chairperson (if applicable) multiplied by credited service as a MLA and for each of the three positions (if applicable). A position must be held for at least one year, and the pension for each position is calculated separately. The percentages used to calculate retirement benefits are 2% for the LARAF and 3% for the SRAF.

The normal retirement age under both of these plans is the earliest of (a) age 60, (b) 30 years of service, or (c) age plus service equals 80. A MLA may retire at any time upon ceasing to be a MLA. Early retirement results in a pension reduction of 0.25% for each month a MLA retires before the normal retirement age. The late retirement age for MLAs is up to age 69.

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13 LIABILITIES FOR PENSION AND OTHER EMPLOYEE BENEFITS (continued)

There have been no plan amendments, plan settlements and curtailments or temporary deviations from these plans in 2024 (no changes in 2023).

As per the *Legislative Assembly Retiring Allowance Fund Act* and the *Supplementary Retiring Allowance Fund Act*, an actuarial valuation is to be done as at April 1 following each general election, not necessarily every three years. The last actuarial valuations were completed for these plans as of April 1, 2022. The valuations were performed using the projected unit credit actuarial cost method. The valuations were based on a number of assumptions as approved by the Management and Services Board of the Legislative Assembly and represents the best estimates of expected long-term experience and short-term forecast, as well as the demographic assumptions underlying the most recent actuarial valuations for funding purposes. The main assumptions include inflation rate of 2.0% (2023 - 2.0%), expected discount rate of 4.9% (2023 - 4.0%), return on assets of 5.85% (2023 - 5.1%), increases in remuneration of 3.0% (2023 - 3.0%), and mortality.

The asset valuation method, market-related value, for the LARAF plan is equal to a smoothed market value which spreads the difference between the actual and expected investment income over a four year period.

The pension liabilities represent the excess of the actuarial present value of accrued pension benefits over the actuarial value of net assets available for benefits.

Based on information provided for the year by the plans' actuary, the MLA pension liabilities as of March 31 are as follows:

	LARAF	SRAF	2024	2023
Accrued benefit obligation	13,345	23,407	36,752	33,372
Deduct:				
Pension fund assets	20,583	-	20,583	17,940
Amortization of actuarial (gain) / loss	(4,025)	(3,473)	(7,498)	(8,814)
	16,558	(3,473)	13,085	9,126
Pension (asset) liability	(3,213)	26,880	23,667	24,246

As at March 31, 2024, the LARAF pension fund assets had a market value of \$20,965 (2023 - \$18,390). The actual rate of return was positive 9.84% (2023 - positive 3.20%). The SRAF has no pension fund assets; however, the pension liability is funded all or in part by designated investments (Note 9).

LARAF and SRAF actuarial gains/losses are both amortized over 5.7 years (2023 - 6 years for both) which is the estimated average remaining service lives for contributors to these plans.

The total expenses related to MLA pensions include the following components:

	LARAF	SRAF	2024	2023
Current period benefit cost	1,170	1,831	3,001	3,508
Unamortized actuarial (gain) / loss	(1,061)	(1,112)	(2,173)	(1,057)
	109	719	828	2,451
MLAs contributions	(317)	-	(317)	(289)
Pension expense	(208)	719	511	2,162
Interest cost on the average accrued benefit obligation	634	1,115	1,749	1,574
Expected return on average pension plan assets	(1,082)	-	(1,082)	(874)
Pension interest expense	(448)	1,115	667	700
Total pension expenses	(656)	1,834	1,178	2,862

Pension benefits paid for the LARAF and SRAF were \$455 and \$916, respectively (2023 - \$1,092 and \$1,030, respectively).

The Government's contributions related to the LARAF and SRAF during the year were \$841 and \$1,824, respectively (2023 - \$880 and \$1,774, respectively).

The changes in the other employee benefits liabilities during the year were as follows:

	Severance and removal	Sick leave	Retirement health benefits	2024	2023
Accrued benefit obligations at beginning of the year	14,620	4,686	57,726	77,032	76,596
Benefits earned	1,427	1,151	3,997	6,575	6,198
Interest cost on the average accrued benefit	537	155	2,367	3,059	3,008
Benefits paid	(3,308)	(2,763)	(1,136)	(7,207)	(8,770)
Subtotal	13,276	3,229	62,954	79,459	77,032
Actuarial (gain) / loss	-	-	-	-	-
Accrued benefit obligations at end of the year	13,276	3,229	62,954	79,459	77,032
Unamortized net actuarial gain / (loss)	2,651	2,481	7,341	12,473	12,242
Other employee benefits liabilities at end of the year	15,927	5,710	70,295	91,932	89,274

	Severance and removal	Sick leave	Retirement health benefits	2024	2023
Benefit Expenses					
Benefit earned for the period	1,427	1,151	3,997	6,575	6,198
Actuarial (gain) loss on benefit obligation	-	-	-	-	-
Amortization of net actuarial gain / (loss) recognized during the year	(615)	(817)	2,012	580	1,935
Other employee benefits expense	812	334	6,009	7,155	8,133
Interest cost on the average accrued benefit	537	155	2,367	3,059	3,008
Total expense related to other employee benefits	1,349	489	8,376	10,214	11,141

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14 LIABILITY FOR IQUALUIT INTERNATIONAL AIRPORT

In September 2013, the Government signed agreements as part of a public-private partnership (P3) arrangement to design, build, finance, operate and maintain new and updated infrastructure at the Iqaluit International Airport. The airport officially opened and began operations on August 9, 2017. The capital cost of the project was \$298.43 million. These costs are reflected in the tangible capital assets balances in Schedule B. The Government of Canada contributed \$74.16 million toward the capital cost of the project.

	2024	2023
Loan payable to private sector partner in monthly installments of \$1,069 to December 2047, bearing interest at a rate of 7.23%.	145,441	147,669

The private sector partner has no ownership rights. They are entitled to payments for operating, maintenance and life cycle costs as well as payments in the event the agreement is terminated. The calculation of the termination payment is defined by the agreement and is dependent on the circumstances which gave rise to the termination. Termination payment amounts can include the balance of any outstanding debt and related interest, unpaid amounts owing up to the termination date and/or an adjusted estimated market value which includes all future availability payments as defined by the agreement.

The agreement requires the private sector partner to obtain and maintain an airport operating license and to operate the airport for the period of the agreement which expires in December of 2047. The private sector partner is responsible for all operating costs related to the airport and the Government of Nunavut must provide monthly operating and maintenance payments to the partner as well as the payment of capital life cycle costs as provided for in the agreement. The required payments are included in contractual obligations in Note 19. Amounts are estimated and include inflation at the rate of 3%.

	2024	2023
Operating and maintenance	423,186	434,094
Life cycle costs	179,842	181,656
	603,028	615,750

Interest expense on long-term debt relating to the Iqaluit International Airport was \$10,601 for the year (2023 - \$10,756). Interest paid during the year was \$10,601 (2023 - \$10,756).

Minimum debt payments, including principal and interest, for each of the next five years and beyond are as follows:

	Principal	Interest	Total
2025	2,395	10,435	12,830
2026	2,574	10,256	12,830
2027	2,766	10,063	12,829
2028	2,973	9,857	12,830
2029	3,196	9,634	12,830
2030 and beyond	131,537	109,022	240,559
	145,441	159,267	304,708

15 CAPITAL LEASE OBLIGATIONS

Capital lease obligations are based upon contractual minimum lease payments for leases in effect as of March 31. The original capital leases, with terms of 20 years, expired between 2019 and 2020. On July 1, 2017, the Government entered into lease amending and extension agreements with the lessor that extended the original terms by another 10 years.

	2024	2023
Total minimum lease payments	37,258	44,311
Less: Imputed interest	(2,320)	(3,274)
Present value of minimum lease payments	34,938	41,037

Minimum lease payments, including principal and interest, for each of the next five years and thereafter are as follows:

	Principal	Interest	Total
2025	6,266	788	7,054
2026	6,438	615	7,053
2027	6,495	437	6,932
2028	5,988	286	6,274
2029	6,121	153	6,274
2030 and beyond	3,630	41	3,671
	34,938	2,320	37,258

Lease payments are allocated between repayment of the liability and interest expense. The total minimum lease payments less the initial liability represents the total interest cost of the lease. The interest expense is calculated using the same discount rate used in computing the present value of the minimum lease payments applied to the outstanding lease liability at the beginning of the lease payment period.

Interest expense related to capital lease obligations for the year was \$954 (2023 - \$1,134) at an implied average interest rate of 7.0% (2023 - 2.5%). Interest paid for the year was \$954 (2023 - \$1,134). The capital lease obligations expire between 2023 and 2030.

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16 LIABILITY FOR NUNAVUT ENERGY MANAGEMENT PROGRAM PROJECT

	2024	2023
Project financing payable - Baffin	-	208
Project financing payable - Kivalliq	15,758	17,688
	<u>15,758</u>	<u>17,896</u>

Under the Nunavut Energy Management Program Project - Baffin region, the Government has entered into an energy savings contract arrangement that includes an ongoing responsibility for making all principal and interest payments associated with the third-party financing of costs of improvements under the project. Payments are due monthly at \$139 to 2019, \$95 to 2022 and \$21 to July 2023 at an average interest rate of 5.13% (2022 - 5.13%). Interest expense on the project for the year was \$1 (2023 - \$13). Interest paid during the year was \$1 (2023 - \$13). The energy savings contract arrangement - Baffin region was fully repaid in July 2023.

Under the Nunavut Energy Management Program Project - Kivalliq region, the Government has entered into a contract for \$24,258 that includes all principal and interest payments associated with the third-party financing of costs of improvements under the project. The project was completed in November 2022, and payments are due monthly at \$254 until August 2030, at an average interest rate of 6.63% (2023 - 6.63%). Interest expense on the project for the year was \$1,115 (2023 - \$418). Interest paid during the year was \$1,115 (2023 - \$418).

Future payments for the Nunavut Energy Management Program Kivalliq Project, for each of the next five years and thereafter are as follows:

	Principal	Interest	Total
2025	2,061	983	3,044
2026	2,201	842	3,043
2027	2,352	692	3,044
2028	2,513	531	3,044
2029	2,684	359	3,043
2030 and beyond	3,947	192	4,139
	<u>15,758</u>	<u>3,599</u>	<u>19,357</u>

17 ASSET RETIREMENT OBLIGATIONS

The Government owns and operates buildings that are known to have asbestos, lead, mercury and/or PCBs which represents a health hazard upon demolition of the building. There is a legal obligation to remove these contaminants in accordance with *Canada Occupational Health and Safety Regulations (10.26 Schedule, Division II – Hazardous Substances Other than Hazardous Products)*. The Government has recognized an obligation relating to the removal and post-removal care of asbestos, lead, mercury and/or PCBs. Post-closure care is estimated to extend for up to one year after the closure of the building while demolition and decommissioning continues.

The initial recognition of asset retirement obligations involved an increase to the buildings cost with a corresponding increase in the ARO liability. The liability was estimated using costs for similar remediations and then discounted to the present value amount using a discount rate. There are no expected recoveries and the estimated liability includes a contingency of 10%. No assets have been designated to settle any asset retirement obligation and amortization of the asset retirement obligation is on the same basis as the related tangible capital asset.

	2024	2023
Opening balance	82,766	80,129
Accretion expense	-	2,236
Revisions to estimated cash flow	-	401
Closing balance	<u>82,766</u>	<u>82,766</u>

In addition to assumptions based on the costing and prevalence of asset retirement obligations determined using sample testing of units throughout the territory, the following is a summary of the key information and assumptions upon which the carrying amount of the asset retirement obligations are based:

	2024	2023
(i) Total undiscounted asset retirement obligations		77,954
(ii) Expected timing of payments		2024-2054
(iii) Discount rate		3.04%
(iv) Inflation rate		2.00%

The sensitivity of key assumptions relating to the provision are:

i) A 1% increase in the discount rate would decrease the obligation by	1,615
ii) A 1% increase in the inflation rate would increase the obligation by	nil

18 PETROLEUM PRODUCTS STABILIZATION FUND

The Petroleum Products Stabilization Fund was created under the authority of the *Revolving Funds Act*. The purpose of the Fund is to stabilize the prices of petroleum products purchased, sold, and distributed by the Government. The net profit (loss) of the Petroleum Products Revolving Fund is charged to the Petroleum Products Stabilization Fund. The surplus or deficit balance in the fund cannot exceed \$20,000.

	2024	2023
Surplus (deficit), beginning of year	(20,000)	(12,809)
Petroleum Products Revolving Fund net profit (loss) for the year	(4,718)	(11,910)
Minimum transfer required from (to) Consolidated Revenue Fund	4,718	4,719
Surplus (deficit), end of year	<u>(20,000)</u>	<u>(20,000)</u>

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19 CONTRACTUAL OBLIGATIONS

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

	Total
Operating leases (Schedule 5)	59,411
Capital commitments	184,084
Operational commitments	721,434
Policing agreement	562,000
Iqaluit International Airport Improvement commitments	603,028
	2,129,957

Contractual obligations for each of the next five years and beyond are as follows:

2025	522,137
2026	273,269
2027	173,810
2028	152,208
2029	125,973
2030 and beyond	882,560
	2,129,957

20 CONTRACTUAL RIGHTS

The Government enters into various agreements to provide goods and services with various businesses and government agencies. These agreements will result in revenue and assets in the future. The following table summarizes the contractual rights of the Government where the terms of those agreements are met.

	Total
Canada Infrastructure Plan	509,966
Health Canada Agreements	359,299
New Building Canada Fund	148,582
Others / Third Party Agreements	285,706
	1,303,553

Contractual rights by fiscal year are as follows:

2025	417,424
2026	315,374
2027	345,218
2028	199,792
2029	20,249
2030 and beyond	5,496
	1,303,553

21 CONTINGENCIES

(a) Post-division adjustments

The agreement governing the division of assets and liabilities between the Government of Nunavut and the Government of the Northwest Territories as at April 1, 1999 sets out a mechanism which provides for post-division adjustments.

The period for such adjustments is unlimited; and such adjustments could be made in a variety of specified circumstances such as the settlement of litigation related to events prior to the date of division. In such an event, there is an opportunity for one of the governments to file a claim against the other government to share in costs. Post-division adjustments will be recognized in the year the liability can reasonably be estimated. As at March 31, 2024, no new post-division adjustments were recorded.

(b) Litigation

A number of cases of alleged sexual abuse by former employees or contractors in Nunavut when it was part of the Northwest Territories have been filed or are pending. The Nunavut and the Northwest Territories governments will jointly defend any such proceedings and the cost of defending the actions and any damages that may eventually be awarded will be shared by the two governments 44.34% and 55.66%, respectively. Where it is likely that there will be a future payment and a reasonable estimate of the amount can be made, the Government has recorded a liability. For those pending cases, where the outcome is not determinable as at March 31 and a reasonable estimate of the amount can be made, the total amount of those claims is estimated at \$270 (2023 - \$270). No liability has been recorded for these claims as the outcome of these cases is not determinable.

There are a number of claims and threatened litigation cases outstanding against the Government for which the outcomes are not determinable, including a number of cases where an amount is not specified. The nature of these claims includes wrongful dismissal, breach of policy, personal injury, sexual abuse, negligence, wrongful arrest and assault. Where it is likely that there will be a future payment and a reasonable estimate of the amount can be made, the Government has recorded a liability. For those pending cases, where the outcome is not determinable as at March 31 and a reasonable estimate of the amount can be made, the total amount of those claims is estimated at \$130,258 (2023 - \$130,958). No liability has been recorded for these claims as the outcome of these cases is not determinable.

**GOVERNMENT OF NUNAVUT
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Notes to Non-Consolidated Financial Statements (unaudited)

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(in thousands of dollars)

21 CONTINGENCIES (continued)

(c) Loan guarantees

As part of its financing, the Qulliq Energy Corporation (QEC) has arranged various credit facilities at different terms and interest rates. The Government has guaranteed the following QEC credit facilities:

	2024	2023
Bank credit facility, interest at prime minus 0.50%	-	-
Variable rate capital loan facility due June 2023, interest at prime minus 0.50%	-	9,667
Variable rate capital loan facility due April 2024, interest at prime minus 0.50%	8,067	8,867
Variable rate capital loan facility due April 2032, interest at prime minus 0.50%	149,745	160,971
Total guarantees provided on balances outstanding	157,812	179,505

The QEC has a bank credit facility limit of \$20,000 (2023 - \$20,000). The non-revolving committed and bridge loan facilities above each, has an option to utilize BAs with stamping fees calculated at 50 bps per annum with terms not less than 7 days and not more than 365 days and issued and re-issued in minimum aggregate amounts of \$1,000 Canadian and multiples thereof.

Based on its operational needs, the Nunavut Development Corporation (NDC) may from time to time be in a bank overdraft position. The overdraft is guaranteed by the Government, and interest on the overdraft is charged based on a rate of prime plus 0.50% per annum. Interest is charged only when NDC's operating account is in an overdraft position and the pooled accounts of the Government are also in an overdraft position. As at March 31, 2024, NDC's bank overdraft position was nil (2023 - nil).

22 RELATED PARTIES

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

	2024	2023
Nunavut Arctic College	297	922
District Education Authorities	14,518	14,390
Nunavut Development Corporation	3,683	3,735
Nunavut Business Credit Corporation	900	900
	19,398	19,947

Under agreements with related boards and agencies, the Government provides services at cost or for a service fee where direct costs cannot be determined. The fees charged for indirect costs are not necessarily the cost of providing those services. Services provided include personnel, payroll, financial, procurement, accommodation, buildings and works, utilities, legal, and interpretation services. Direct costs of \$52,996 (2023 - \$55,464) were incurred and recovered from related parties. Grants and contributions from the Government of Nunavut to Nunavut Arctic College and Nunavut Housing Corporation are disclosed separately in the Schedule of Expenses Funded under Approved Appropriations (Schedule B.1).

23 TRUSTS UNDER ADMINISTRATION

The Government administers trust accounts on behalf of third parties. These trust accounts are not included in the reported assets and liabilities of the Government.

	2024	2023
Public Trustee	8,681	8,170
Natural Resources Conservation Trust	2,140	1,755
Territorial Court Trust	667	661
	11,488	10,586

24 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

The Government is exposed to certain risks as a result of holding financial instruments. There have been no changes to the risks compared to prior year and no change in the methods and practices used to manage these risks. The following risks have no significant impact on the Government's financial statements.

(a) Credit Risk

Credit risk is the risk that a third party will be unable to fulfill its payment obligations and cause a financial loss to the Government. The Government is exposed to credit risk through its cash and cash equivalents, accounts receivable, portfolio and other investments and loans receivable. The maximum extent of the exposure is the carrying value at the reporting date. At the end of 2024, there were no known relevant concentrations of credit risk by type of customer or geography. The Government's credit risk exposure is mainly influenced by individual customer characteristics.

Exposure to credit risk associated with its cash and cash equivalents is substantially minimized by placing these assets in senior Canadian chartered banks and the Government monitors these assets. The Government invests surplus funds to earn investment income with the deposits in a recognized large financial institution and cash equivalents are invested in short-term highly liquid investments that are readily convertible to cash with a maturity term of 3 months or less from the time of their acquisition. As a result, credit risk arising from cash and cash equivalents is considered negligible.

To mitigate risk, the Government regularly monitors its accounts receivable and assesses collectability. Where collection is at risk, an allowance for doubtful accounts is recognized. The allowance is based on specific accounts and is determined by considering the Government's knowledge of the financial conditions of customers, the aging of the receivable, current business conditions and historical experience. Receivables from the Government of Canada are not considered impaired.

Accounts receivable are generally due in 60 days or less. The Government utilizes an allowance account for potential losses related to accounts receivable. Any amounts subsequently recovered are reflected as recoveries in the statement of operations and accumulated surplus.

**GOVERNMENT OF NUNAVUT
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Notes to Non-Consolidated Financial Statements (unaudited)

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24 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (continued)

The aging analysis of accounts receivable, for amounts past due but not impaired, is as follows:

	31-60 days	61-90 days	Over 90 days	2024	2023
Accounts receivable					
Consolidated revenue fund	305	692	18,310	19,307	30,987
Petroleum Products Division	10,018	9,331	22,526	41,875	19,730
	10,323	10,023	40,836	61,182	50,717

The above table excludes \$65.4M (2023 - \$81.7M) amounts from related parties as the amounts are not considered impaired. Amounts past due but not impaired are based on credit history and/or no indications that amounts will not be collected.

The Government's investment policy for portfolio and other investments is designed to limit credit risk. Portfolio and other investments risk is mitigated by investing in low-risk Guaranteed Investment Certificates and Bankers' Acceptances.

(b) Liquidity Risk

Liquidity risk is the risk that the Government will not be able to meet its short term financial obligations. To manage liquidity risk, the Government maintains cash reserves (cash and cash equivalents) at levels that will meet future cash requirements. The Government's liquidity risk is further mitigated by its short-term portfolio investments, access to credit facilities and the timing of debt repayments.

A maturity analysis of the Government's financial liabilities is as follows (the contractual cash flows reported are the undiscounted principle payments):

	2025 Estimated	2026 to 2029	2030 to 2047	2024	2023
Accounts payable and accrued liabilities	520,683	-	-	520,683	507,090
Liability for Iqaluit International Airport	12,830	51,319	240,559	304,708	317,537
	533,513	51,319	240,559	825,391	824,627

The Government does not currently believe that it will encounter difficulty in meeting its future obligations associated with its financial liabilities.

(c) 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 the marketplace. The Government does not have significant exposure to interest rate risk on its portfolio investments as these investments are not held on the open market, are intended to be held until the end of the term and have fixed interest rates until that time. Although management monitors exposure to interest rate fluctuations, management does not employ any interest rate management policies to counteract interest rate fluctuations.

Long-term debt is comprised primarily of instruments with fixed interest rates; therefore the Government has not provided a sensitivity analysis to show the effect of interest rate changes on operating results.

The Government is not exposed to significant foreign exchange or other price risk.

25 BUDGET ADJUSTMENTS

The 2024 total revenue budget on page xi of the 2023-2024 Main Estimates is \$2,838,194. It includes \$2,420,055 of 'Revenues' and \$242,461 of 'Vote 5 Revenues' on page A-IV-5 of the 2023-2024 Main Estimates, plus \$175,678 of funding under third-party agreements for specific capital projects included on page A-IV-16 of the 2023-2024 Capital Estimates. The planned expenses to be funded by these additional revenues have been added to the affected budget totals disclosed in these statements.

The 2024 budget total for capital expenditures on Schedule B.2 of \$140,711 excludes the \$4,290 of CMHC capital projects and \$30,677 of Social Infrastructure Fund & Investment in Affordable Housing capital projects that were both budgeted for in Nunavut Housing Corporation. As a result, the budget totals for expenses and transfers under third-party funding agreements included in these statements is \$383,172 versus \$418,139 on page xi of the 2023-2024 Main Estimates. The third party funded Infrastructure Projects under the New Building Canada Fund are included in Community and Government Services.

26 Devolution of Authority

On January 18, 2024, the Government of Canada (Canada) and the Government of Nunavut and Nunavut Tunngavik Incorporated (NTI) signed the Nunavut Lands and Resources Devolution Agreement (Agreement). The Agreement transfers the administration and control of public lands and rights in respect of waters in Nunavut to the Commissioner of Nunavut. NTI is a signatory and a full party to the Agreement. NTI's primary role is to ensure that Inuit rights under the Nunavut Agreement are not infringed upon and that Inuit benefit from the devolution process. The target date of the transfer is April 1, 2027.

The Agreement includes the transfer of various assets, resources and funding from Canada to the Government. Funding includes one-time transitional funding of \$67.25 million and one-time human resource development funding of \$15 million. The residual amount of the one-time funding will be provided to the Government through funding agreements with Canada over the next three fiscal years. In addition, Canada will provide the Government with ongoing annual funding of \$85.8 million by making an adjustment, on the transfer date, to the Gross Expenditure Base as determined under the Federal-Provincial Fiscal Arrangements Act and Federal-Provincial Fiscal Arrangements Regulations, 2007 or any successor program governing the financial arrangements between Canada and the Government.

As of March 31, 2024, the Government had received \$6.0 million in transitional funding and \$6.0 million in human resource development funding.

**GOVERNMENT OF NUNAVUT
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Schedule A

Non-Consolidated Schedule of Revenues by Source (unaudited)

for the year ended March 31, 2024

(in thousands of dollars)

	2024 Budget	2024 Actual	2023 Actual
From the Government of Canada			
Territorial Formula Financing	1,971,400	1,971,420	1,859,408
Transfers under third-party funding agreements	378,842	457,808	322,145
Other transfer payments	141,500	126,366	133,666
	2,491,742	2,555,594	2,315,219
Revenues generated by the Government of Nunavut			
Taxation revenues			
Personal income tax	34,000	38,914	27,803
Corporate income tax	24,800	15,321	22,706
Payroll tax	43,200	43,318	41,079
Tobacco tax	22,100	23,956	23,466
Fuel tax	22,800	19,857	17,783
Property tax	14,800	14,533	14,403
Insurance tax	3,400	3,859	3,120
Cannabis tax	200	-	-
	165,300	159,758	150,360
Other revenues			
Petroleum Products Division revenue - net of cost of goods sold of \$225,674 (2023 - \$200,811)	30,419	31,166	30,324
Nunavut Liquor and Cannabis revenue - net of cost of goods sold of \$8,503 (2023 - \$7,959)	12,236	13,227	13,797
Staff housing recoveries	21,200	19,965	18,860
Transfers under third-party funding agreements	4,330	2,108	1,595
Insurance proceeds	-	7,543	-
Other	65,000	70,510	47,145
	133,185	144,519	111,721
Recoveries of prior years expenditures (Schedule 1)	13,000	25,228	16,010
Total revenues	2,803,227	2,885,099	2,593,310

**GOVERNMENT OF NUNAVUT
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Schedule B

Non-Consolidated Schedule of Expenses (unaudited)
for the year ended March 31, 2024
(in thousands of dollars)

TOTALS	Original Budget	Actual	(Over) Under Original Budget
FUNDED UNDER APPROVED APPROPRIATIONS (Schedule B.1)			
Operations and maintenance expenses before amortization	2,013,642	2,064,822	(51,180)
Plus: Amortization expenses on tangible capital assets	83,366	90,481	(7,115)
Plus: Accretion expense on asset retirement obligations	-	-	-
Plus: Write-down of tangible capital assets	-	-	-
Total operations and maintenance expenses	2,097,008	2,155,303	(58,295)
Capital expenditures	337,950	270,746	67,204
Less: Transfers to tangible capital assets	109,652	63,859	45,793
Total capital expenses	228,298	206,887	21,411
Total appropriation expenses	2,325,306	2,362,190	(36,884)
FUNDED UNDER THIRD-PARTY AGREEMENTS (Schedule B.2)			
Operations and maintenance expenses before amortization	242,461	351,178	(108,717)
Plus: Amortization expenses on tangible capital assets	-	-	-
Total operations and maintenance expenses	242,461	351,178	(108,717)
Capital expenditures	140,711	100,586	40,125
Less: Transfers to tangible capital assets	-	84,703	(84,703)
Total capital expenses	140,711	15,883	124,828
Total third-party agreement expenses	383,172	367,061	16,111
FUNDED BY REVOLVING FUNDS (Schedule B.3)			
Operations and maintenance expenses before amortization	43,193	39,094	4,099
Plus: Amortization expenses on tangible capital assets	-	-	-
Total operations and maintenance expenses	43,193	39,094	4,099
Capital expenditures	-	-	-
Less: Transfers to tangible capital assets	-	-	-
Total capital expenses	-	-	-
Total revolving fund expenses	43,193	39,094	4,099
NON-CONSOLIDATED STATEMENTS TOTALS			
Operations and maintenance expenses before amortization and write down of tangible capital assets	2,299,296	2,455,094	
Plus: Centrally estimated 'Supplementary requirements' per page x of 2023-2024 Main Estimates	50,000	-	
Less: Capital portion of the estimated 'Supplementary requirements'	-	-	
Total operations and maintenance expenses before amortization and write down of tangible capital assets	2,349,296	2,455,094	(105,798)
Plus: Amortization expenses on tangible capital assets	83,366	90,481	(7,115)
Plus: Accretion expense on asset retirement obligations	-	-	-
Plus: Write-down of tangible capital assets	-	-	-
Total operations and maintenance expenses	2,432,662	2,545,575	(112,913)
Capital expenditures	478,661	371,332	
Plus: Centrally estimated capital carryovers from prior year included in 'Capital' on page x of 2023-2024 Main Estimates	9,800	-	
Plus: Capital portion of the estimated 'Supplementary requirements'	-	-	
Total capital expenditures	488,461	371,332	117,129
Less: Transfers to tangible capital assets	109,652	148,562	(38,910)
Total capital expenses	378,809	222,770	156,039
Total expenses	2,811,471	2,768,345	43,126

Total expenses above includes, among other items, interest expense of \$12,797 (2023 - \$12,873) and a net increase in valuation allowances of \$4,278 (2023 - \$6,994).

Total capital expenditures above includes capital grants and contributions of \$181,763 (2023 - \$89,889).

**GOVERNMENT OF NUNAVUT
INTERIM FINANCIAL REPORT**

Schedule B.1

**Non-Consolidated Schedule of Expenses Funded under Approved Appropriations (unaudited)
for the year ended March 31, 2024
(in thousands of dollars)**

APPROPRIATIONS	Original Budget	Supplementary Appropriations	Transfers	Revised Budget	Actual	(Over) Under Revised Budget
LEGISLATIVE ASSEMBLY						
Operations and maintenance						
Compensation and benefits	16,396	-	-	16,396	14,186	2,210
Grants and contributions	-	-	-	-	-	-
Other	13,332	-	-	13,332	10,157	3,175
	29,728	-	-	29,728	24,343	5,385
Capital expenditures	250	-	-	250	83	167
Total spending under appropriations	29,978	-	-	29,978	24,426	5,552
EXECUTIVE AND INTERGOVERNMENTAL AFFAIRS						
Operations and maintenance						
Compensation and benefits	17,232	-	(2,091)	15,141	14,396	745
Grants and contributions	335	-	275	610	535	75
Other	4,404	-	1,816	6,220	6,658	(438)
	21,971	-	-	21,971	21,589	382
Capital expenditures	-	41	-	41	-	41
Total spending under appropriations	21,971	41	-	22,012	21,589	423
FINANCE						
Operations and maintenance						
Compensation and benefits	45,322	-	(1,600)	43,722	42,860	862
Grants and contributions	20,621	-	1,600	22,221	22,361	(140)
Other	42,343	-	-	42,343	43,012	(669)
	108,286	-	-	108,286	108,233	53
Capital expenditures	20,163	14,089	-	34,252	9,746	24,506
Total spending under appropriations	128,449	14,089	-	142,538	117,979	24,559
HUMAN RESOURCES						
Operations and maintenance						
Compensation and benefits	17,360	-	-	17,360	14,409	2,951
Grants and contributions	-	-	-	-	-	-
Other	11,751	-	-	11,751	8,652	3,099
	29,111	-	-	29,111	23,061	6,050
Capital expenditures	-	-	-	-	-	-
Total spending under appropriations	29,111	-	-	29,111	23,061	6,050
JUSTICE						
Operations and maintenance						
Compensation and benefits	60,074	-	(950)	59,124	58,529	595
Grants and contributions	18,468	-	-	18,468	17,642	826
Other	88,641	-	950	89,591	82,867	6,724
	167,183	-	-	167,183	159,038	8,145
Capital expenditures	1,350	5,719	-	7,069	1,411	5,658
Total spending under appropriations	168,533	5,719	-	174,252	160,449	13,803

**GOVERNMENT OF NUNAVUT
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Schedule B.1

**Non-Consolidated Schedule of Expenses Funded under Approved Appropriations (unaudited)
for the year ended March 31, 2024
(in thousands of dollars)**

APPROPRIATIONS	Original Budget	Supple- mentary Appro- priations	Transfers	Revised Budget	Actual	(Over) Under Revised Budget
CULTURE AND HERITAGE						
Operations and maintenance						
Compensation and benefits	13,301	-	(1,170)	12,131	10,226	1,905
Grants and contributions	8,452	-	-	8,452	7,351	1,101
Other	6,070	-	1,170	7,240	6,408	832
	27,823	-	-	27,823	23,985	3,838
Capital expenditures	1,450	450	-	1,900	1,200	700
Total spending under appropriations	29,273	450	-	29,723	25,185	4,538
EDUCATION						
Operations and maintenance						
Compensation and benefits	197,859	-	(1,000)	196,859	181,937	14,922
Grants and contributions	41,114	-	(1,000)	40,114	37,974	2,140
Other	34,574	-	2,000	36,574	30,570	6,004
	273,547	-	-	273,547	250,481	23,066
Capital expenditures	47,730	30,977	-	78,707	43,060	35,647
Total spending under appropriations	321,277	30,977	-	352,254	293,541	58,713
HEALTH						
Operations and maintenance						
Compensation and benefits	175,924	9,916	-	185,840	162,028	23,812
Grants and contributions	11,898	-	-	11,898	11,123	775
Other	281,752	-	-	281,752	364,424	(82,672)
	469,574	9,916	-	479,490	537,575	(58,085)
Capital expenditures	32,454	20,146	-	52,600	6,273	46,327
Total spending under appropriations	502,028	30,062	-	532,090	543,848	(11,758)
ENVIRONMENT						
Operations and maintenance						
Compensation and benefits	16,911	-	(820)	16,091	15,622	469
Grants and contributions	1,544	-	25	1,569	1,348	221
Other	7,454	-	795	8,249	7,205	1,044
	25,909	-	-	25,909	24,175	1,734
Capital expenditures	2,550	5,511	-	8,061	3,250	4,811
Total spending under appropriations	28,459	5,511	-	33,970	27,425	6,545
COMMUNITY AND GOVERNMENT SERVICES						
Operations and maintenance						
Compensation and benefits	56,930	-	(3,407)	53,523	51,841	1,682
Grants and contributions	79,319	-	780	80,099	79,445	654
Other	157,548	9,328	2,627	169,503	167,136	2,367
	293,797	9,328	-	303,125	298,422	4,703
Capital expenditures	103,489	91,837	-	195,326	63,445	131,881
Total spending under appropriations	397,286	101,165	-	498,451	361,867	136,584
ECONOMIC DEVELOPMENT AND TRANSPORTATION						
Operations and maintenance						
Compensation and benefits	20,522	-	3,000	23,522	19,343	4,179
Grants and contributions	24,767	-	(459)	24,308	24,128	180
Other	52,852	-	(2,541)	50,311	52,663	(2,352)
	98,141	-	-	98,141	96,134	2,007
Capital expenditures	16,104	33,430	-	49,534	29,152	20,382
Total spending under appropriations	114,245	33,430	-	147,675	125,286	22,389

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Schedule B.1

**Non-Consolidated Schedule of Expenses Funded under Approved Appropriations (unaudited)
for the year ended March 31, 2024
(in thousands of dollars)**

APPROPRIATIONS	Original Budget	Supple- mentary Appro- priations	Transfers	Revised Budget	Actual	(Over) Under Revised Budget
FAMILY SERVICES						
Operations and maintenance						
Compensation and benefits	34,202	273	-	34,475	37,714	(3,239)
Grants and contributions	83,681	2,656		86,337	87,480	(1,143)
Other	61,591	12,188		73,779	85,496	(11,717)
	179,474	15,117	-	194,591	210,690	(16,099)
Capital expenditures	1,900	1,543	-	3,443	2,616	827
Total spending under appropriations	181,374	16,660	-	198,034	213,306	(15,272)
NUNAVUT HOUSING CORPORATION						
Operations and maintenance						
Compensation and benefits	-	-	-	-	-	-
Grants and contributions	257,244	-	-	257,244	257,244	-
Other	-	-	-	-	-	-
	257,244	-	-	257,244	257,244	-
Capital expenditures	110,510	-	-	110,510	110,510	-
Total spending under appropriations	367,754	-	-	367,754	367,754	-
NUNAVUT ARCTIC COLLEGE						
Operations and maintenance						
Compensation and benefits	-	-	-	-	-	-
Grants and contributions	40,318	-	-	40,318	40,318	-
Other	-	-	-	-	-	-
	40,318	-	-	40,318	40,318	-
Capital expenditures	-	-	-	-	-	-
Total spending under appropriations	40,318	-	-	40,318	40,318	-
TOTALS						
Operations and maintenance						
Compensation and benefits	672,033	10,189	(8,038)	674,184	623,091	51,093
Grants and contributions	587,761	2,656	1,221	591,638	586,949	4,689
Other	762,312	21,516	6,817	790,645	865,248	(74,603)
	2,022,106	34,361	-	2,056,467	2,075,288	(18,821)
Less: Principal repayments on capital leases included in spending above	6,099	-	-	6,099	6,099	-
Less: Principal repayments on Nunavut Energy Management Program Project included in spending above	136	-	-	136	2,138	(2,002)
Less: Principal repayments on the Iqaluit International Airport included in spending above	2,229	-	-	2,229	2,229	-
Operations and maintenance expenses before amortization and write down of tangible capital assets	2,013,642	34,361	-	2,048,003	2,064,822	(16,819)
Plus: Amortization expenses on tangible capital assets	83,366	-	-	83,366	90,481	(7,115)
Plus: Accretion expense on asset retirement obligations	-	-	-	-	-	-
Plus: Write-down of tangible capital assets	-	-	-	-	-	-
Total operations and maintenance expenses	2,097,008	34,361	-	2,131,369	2,155,303	(23,934)
Capital expenditures	337,950	203,743	-	541,693	270,746	270,947
Less: Transfers to tangible capital assets	109,652	-	-	109,652	63,859	45,793
Total capital expenses	228,298	203,743	-	432,041	206,887	225,154
Total appropriation expenses	2,325,306	238,104	-	2,563,410	2,362,190	201,220

Total capital expenditures above includes capital grants and contributions of \$147,729 (2023 - \$79,120).

**GOVERNMENT OF NUNAVUT
INTERIM FINANCIAL REPORT**

Schedule B.2

Non-Consolidated Schedule of Expenses Funded under Third-Party Agreements (unaudited)

for the year ended March 31, 2024

(in thousands of dollars)

By Department	Original Budget	Actual	(Over) Under Original Budget
Legislative Assembly	-	-	-
Executive and Intergovernmental Affairs	5,926	2,220	3,706
Finance	800	452	348
Human Resources	5,000	3,814	1,186
Justice	3,730	4,636	(906)
Culture and Heritage	9,700	8,019	1,681
Education	19,300	18,180	1,120
Health	182,298	243,155	(60,857)
Environment	6,105	6,365	(260)
Community and Government Services	85,186	65,932	19,254
Economic Development and Transportation	57,677	4,784	52,893
Family Services	7,450	9,504	(2,054)
	383,172	367,061	16,111

By Category	Original Budget	Actual	(Over) Under Original Budget
Operations and maintenance			
Compensation and benefits	28,284	38,650	(10,366)
Grants and contributions	24,398	57,910	(33,512)
Other	189,779	254,618	(64,839)
Operations and maintenance expenses before amortization	242,461	351,178	(108,717)
<i>Plus: Amortization expenses on tangible capital assets</i>	-	-	-
Total operations and maintenance expenses	242,461	351,178	(108,717)
Capital expenditures	140,711	100,586	40,125
<i>Less: Transfers to tangible capital assets</i>	-	84,703	(84,703)
Total capital expenses	140,711	15,883	124,828
Total third-party agreement expenses	383,172	367,061	16,111

Total capital expenditures above includes capital grants and contributions of \$34,034 (2023 - \$10,769).

**GOVERNMENT OF NUNAVUT
INTERIM FINANCIAL REPORT**

Schedule B.3

Non-Consolidated Schedule of Expenses Funded by Revolving Funds (unaudited)

for the year ended March 31, 2024

(in thousands of dollars)

By Revolving Fund	Original Budget	Actual	(Over) Under Original Budget
Liquor	8,059	6,816	1,243
Petroleum Products	32,567	28,976	3,591
Public Stores	2,000	2,510	(510)
Student Loan	567	792	(225)
	43,193	39,094	4,099

By Category	Original Budget	Actual	(Over) Under Original Budget
Operations and maintenance			
Compensation and benefits	8,769	8,108	661
Grants and contributions	-	-	-
Other expenses	34,424	30,986	3,438
Operations and maintenance expenses before amortization	43,193	39,094	4,099
<i>Plus: Amortization expenses on tangible capital assets (1)</i>	-	-	-
Total operations and maintenance expenses	43,193	39,094	4,099
Capital expenditures	-	-	-
<i>Less: Transfers to tangible capital assets</i>	-	-	-
Total capital expenses	-	-	-
Total revolving fund expenses	43,193	39,094	4,099

(1) Petroleum Products amortization of \$1,409 (2023 - \$1,353) is included in the budget and actuals totals for Department of Community and Government Services on Sch. B.1.

**GOVERNMENT OF NUNAVUT
INTERIM FINANCIAL REPORT**

Schedule C

Non-Consolidated Schedule of Tangible Capital Assets (unaudited)

for the year ended March 31, 2024

(in thousands of dollars)

	Buildings	Leased Buildings	Infra- structure	Tank Farms	Storage Facilities	Equipment	2024	2023
Cost								
Opening balance *	1,602,134	177,996	475,129	224,110	34,227	151,820	2,665,416	2,435,556
Additions	1,882	-	2,057	901	-	7,006	11,846	23,469
Additions In Kind	-	-	-	-	-	-	-	-
Transferred from work in progress	-	-	834	-	-	214	1,048	205,990
Adjustments**	-	-	-	-	-	-	-	401
Reclassification	-	-	-	-	-	-	-	-
Disposals	(1,545)	-	-	-	-	-	(1,545)	-
Write-downs	-	-	-	-	-	-	-	-
Closing balance	1,602,471	177,996	478,020	225,011	34,227	159,040	2,676,765	2,665,416
Accumulated amortization								
Opening balance *	(695,107)	(134,690)	(139,149)	(121,700)	(18,161)	(139,162)	(1,247,969)	(1,155,633)
Amortization *	(53,549)	(6,359)	(16,033)	(7,742)	(1,122)	(5,676)	(90,481)	(92,336)
Adjustments	-	-	-	-	-	435	435	-
Reclassification	-	-	-	-	-	-	-	-
Disposals	611	-	-	-	-	-	611	-
Write-downs	-	-	-	-	-	-	-	-
Closing balance	(748,045)	(141,049)	(155,182)	(129,442)	(19,283)	(144,403)	(1,337,404)	(1,247,969)
Work in progress								
Opening balance	79,296	-	9,897	-	-	214	89,407	230,315
Additions	135,466	-	1,190	-	61	-	136,717	65,082
Transferred to cost	-	-	(834)	-	-	(214)	(1,048)	(205,990)
Closing balance	214,762	-	10,253	-	61	-	225,076	89,407
Net book value	1,069,188	36,947	333,091	95,569	15,005	14,637	1,564,437	1,506,854
Estimated useful life	30 Years	30 Years	30 Years	30 Years	30 Years	5-30 Years		

The tangible capital asset additions presented in the Statement of Cash Flow excludes non-cash acquisitions totalling \$34,986 (2023 - \$21,271) which represent unpaid purchases and holdbacks that are included in accounts payables and accrued liabilities as well as the liability for the Nunavut Energy Management Program at March 31, 2024.

* As of April 1, 2021, the Government recognized a liability related to Asset Retirement Obligations related to asbestos remediation. As a result, an increase of \$58,750 to the buildings tangible capital asset account, representing the original estimate of the obligation as of the date of purchase, and an accompanying increase of \$58,750 to accumulated amortization, representing the amortization had the liability originally been recognized has been recorded. See Note 3 to the non-consolidated financial statements.

** Asset retirement cost impact of revisions in estimated cash flows on the asset retirement obligation due to a change in the discount rate during the year.

**GOVERNMENT OF NUNAVUT
INTERIM FINANCIAL REPORT**

Schedule 1

Non-Consolidated Schedule of Recoveries of Prior Years Expenditures (unaudited)**for the year ended March 31, 2024***(in thousands of dollars)*

Department	Over Accruals	Other Recoveries	Total
Legislative Assembly	-	55	55
Executive and Intergovernmental Affairs	-	5	5
Finance	-	147	147
Human Resources	-	74	74
Justice	1,860	89	1,949
Culture and Heritage	805	794	1,599
Education	499	7,662	8,161
Health	1,126	325	1,451
Environment	857	10	867
Community and Government Services	3,196	(545)	2,651
Economic Development and Transportation	1,336	1,084	2,420
Family Services	5,622	227	5,849
	15,301	9,927	25,228

GOVERNMENT OF NUNAVUT
INTERIM FINANCIAL REPORT
Non-Consolidated Schedule of Special Warrants (unaudited)
for the year ended March 31, 2024
(in thousands of dollars)

Schedule 2

	Date of FMB Approval	Amount Authorized
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OPERATIONS AND MAINTENANCE

There were no Special Warrants during the year.

Total operations and maintenance		-
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	Date of FMB Approval	Amount Authorized
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CAPITAL

There were no Special Warrants during the year.

Total capital		-
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INTERIM FINANCIAL REPORT

Non-Consolidated Schedule of Inter-Activity Transfers Over \$250,000 (unaudited)

for the year ended March 31, 2024

(in thousands of dollars)

	Transfers to (from)	Explanation
OPERATIONS AND MAINTENANCE		
Executive and Intergovernmental Affairs		
Directorate	400	
Strategic Planning	100	
Intergovernmental Affairs	165	
Devolution Secretariat	100	Budget Reallocation
Strategic Planning	(515)	
Intergovernmental Relations	(150)	
Devolution Secretariat	(100)	
Directorate	250	
Strategic Planning	(250)	Budget Reallocation
Finance		
Comptrollership	350	
Corporate Management	(350)	Reallocation of Funds
Corporate Management	350	
Comptrollership	(350)	Reallocation of Funds
Corporate Management	0.5	
Fiscal Management	172	
Comptrollership	4,015	
Centrally Administered Funds	3,859	
Corporate Management	(83.5)	Realign Budget Load
Fiscal Management	(210)	
Comptrollership	(3,336)	
Centrally Administered Funds	(4,417)	
Education		
Corporate Services	512	
K-12 School Operations	1,488	Grants and Contributions Transfer
Advanced Education	(2,000)	
Advanced Education	1,000	
Resource, Cur Dev & French	(1,000)	Increase FANS G&C
Health		
Directorate	250	
Public Health	350	Reclassify Funds
106-Health Care Service Delivery	(600)	
Directorate	5,000	
Health Care Service Delivery	(5,000)	Reclassify Funds
Health Care Service Delivery	500	
Directorate	(500)	Transfer of Funds
Directorate	300	
Public Health	100	Transfer of Funds
Health Care Service Delivery	(400)	

INTERIM FINANCIAL REPORT

Non-Consolidated Schedule of Inter-Activity Transfers Over \$250,000 (unaudited)

for the year ended March 31, 2024

(in thousands of dollars)

Environment

Program Management	730	
Program Management	(230)	Budget Reallocation
Corporate Management	(500)	

Community and Government Services

Infrastructure	2,000	
Info Mngmt/Info Technology	(2,000)	Transfer of Funds
Directorate	331	
Infrastructure	130	Permanent Position Transfer
Local Government Services	(461)	

Economic Development & Transportation

Economic Development	1,889	
Economic Development	(1,430)	Budget Reallocation
Corporate Management	(459)	
Corporate Management	500	
Transportation	2,500	
Corporate Management	(600)	Budget Reallocation
Economic Development	(1,200)	
Transportation	(1,200)	

CAPITAL

Community Government and Services

Petroleum Products Division	1,000	
CGS - Capital	2,300	Reallocation of funds
CGS - Capital	(3,300)	
Petroleum Products Division	(500)	
CGS - Capital	500	Reallocation of funds
CGS - Capital	3,000	
Petroleum Products Division	(3,000)	Reallocation of funds
CGS - Capital	(500)	
Petroleum Products Division	500	Reallocation of funds

INTERIM FINANCIAL REPORT**Non-Consolidated Schedule of Write-offs and Student Loan Remissions (unaudited)
for the year ended March 31, 2024**

Under subsection 26(1) of the *Financial Administration Act* any remissions or write-offs over \$500 must be disclosed in the Public Accounts.

WRITE-OFFS

No amounts were written off during the year.

STUDENT LOAN REMISSIONS

Under the *Student Financial Assistance Regulations*, the Government may forego collection of students' loans, provided certain criteria are met. Students, having met the academic and the employment or residency criteria, qualify for and are granted remission of their loans.

STUDENT LOAN REMISSIONS	
Alashua Crowley	15,600

**GOVERNMENT OF NUNAVUT
INTERIM FINANCIAL REPORT**

Schedule 5

Non-Consolidated Schedule of Contractual Obligations under Operating Leases (unaudited)

for the year ended March 31, 2024

(in thousands of dollars)

	2025	2026	2027	2028	2029	>2029	Total
Headquarters	848	441	231	-	-	-	1,520
Qikiqtaaluk	10,729	8,958	8,018	5,812	5,024	4,493	43,034
Kivalliq	4,296	2,091	1,789	1,542	613	406	10,736
Kitikmeot	1,825	1,256	1,040	-	-	-	4,121
	17,698	12,746	11,077	7,354	5,637	4,899	59,411