PUBLIC ACCOUNTS

OF THE

GOVERNMENT OF NUNAVUT

FOR THE YEAR ENDED MARCH 31, 2024

HONOURABLE LORNE KUSUGAK

Minister of Finance

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THE HONOURABLE EVA QAMANIQ AARIAK
COMMISSIONER OF NUNAVUT

I have the honour to present the Public Accounts of the Government of Nunavut for the fiscal year ended March 31, 2024. I would ask that these accounts be laid before the Legislative Assembly in accordance with the *Financial Administration Act*, R.S.N.W.T. 1988, c.F-4, S. 74 as amended, and duplicated for Nunavut, and the *Nunavut Act*, S.C. 1993, C.28, s.44.

Lorne Kusugak.

The Honourable Lorne Kusugak
Minister of Finance

Government of Nunavut
Iqaluit, Nunavut

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GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS
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Introduction to the Public Accounts of Nunavut

March 31, 2024

These consolidated financial statements, presented through the publication of the Public Accounts, are prepared to meet the financial reporting requirements in Canada's *Nunavut Act* and Nunavut's *Financial Administration Act* . The consolidated financial statements present summary information and serve as a means for the Government of Nunavut (the Government) to show its accountability for the resources, obligations and financial affairs for which it is responsible. The Government has an elected Legislative Assembly which authorizes disbursements, advances, loans and investments; except those specifically authorized by statute.

These consolidated financial statements are prepared by the Department of Finance in accordance with Canadian public sector accounting standards (PSAS) as issued by the Public Sector Accounting Board of Canada. Please refer to the Notes to Consolidated Financial Statements for details of the significant accounting policies that have been used in the preparation of the consolidated financial statements.

The reporting entity of the Government of Nunavut includes all departments, agencies, corporations, organizations, and funds, which are controlled by the Government. For financial reporting purposes, control is defined as the power to govern the financial and operating policies of an organization with benefits from the organization's activities being expected, or the risk of loss being assumed by the Government. All organizations that meet the definitions in the *Financial Administration Act* for departments, revolving funds, territorial corporations or other public agencies are included in the reporting entity for these consolidated financial statements, except for the Workers' Safety and Compensation Commission (WSCC). 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 financial reporting entity. All entities included in the reporting entity, except Nunavut Lottery, are fully consolidated on a line-by-line basis. Significant transactions and balances between fully consolidated entities are eliminated. Nunavut Lottery is accounted for as a government business partnership on a modified equity basis.

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

The Department of Finance publishes the Public Accounts, as well as the Main Estimates and Capital Estimates, for this year and those of past years, in PDF format at the following addresses:

http://www.gov.nu.ca/finance/information/public-accounts

https://www.gov.nu.ca/information/budgets-and-business-plans

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SECTION I

FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

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(in thousands of dollars)

Executive Summary

This financial statement discussion and analysis (FSDA) has been prepared by the Government of Nunavut (GN) to provide additional information related to its financial position, changes in its financial position and its performance. The FSDA should be read in conjunction with the GN's consolidated financial statements for the fiscal year ended March 31, 2024. Financial highlights for the current and prior period are provided below.

Financial Highlights

Consolidated Statement of Financial Position	**2024**	**2023**
Total Financial Assets	$ 2,130,491	$ 2,033,489
Less: Total Liabilities	1,394,703	1,505,859
Net Financial Assets	735,788	527,630
Tangible Capital Assets	2,888,325	2,753,863
Other Non-Financial Assets	75,088	65,616
Total Non-Financial Assets	2,963,413	2,819,479
Accumulated Surplus	$ 3,699,201	$ 3,347,109

Consolidated Statement of Operations	**2024 Budget**	**2024**	**2023**
Revenue from the Government of Canada	$ 2,557,503	$ 2,665,105	$ 2,394,233
Revenue generated by the Government of Nunavut	537,193	639,914	540,234
Total Revenues	3,094,696	3,305,019	2,934,467
Less: Total Expenses	2,997,840	2,952,927	2,767,168
Surplus for the Year	$ 96,856	$ 352,092	$ 167,299

Consolidated Statement of Change in Net Financial Assets	**2024**	**2023**
Net Financial Assets, Beginning of Year	$ 527,630	$ 375,315
Surplus for the Year	352,092	167,299
Change in Tangible Capital Assets	(134,462)	(7,777)
Change in Other Non-Financial Assets	(9,472)	(7,207)
Total Increase in Net Financial Assets	208,158	152,315
Net Financial Assets, End of Year	$ 735,788	$ 527,630

At March 31, 2024, the GN continued to invest in its tangible capital assets while maintaining its strong net financial asset position. The GN increased its net financial assets by $208.2M largely due to an operating surplus of $352.1M. The surplus was $255.2M higher than the budgeted surplus. Increased revenues accounted for $210.3M of the increased surplus and while there was increased departmental spending, a change in estimate for the Asset Retirement Obligation contributed to a $44.9M increase in surplus.

GN revenues were higher than expected and accounted for $102.7M of the increase in revenues for the period when compared to budget. Increased spending in the Health ($116.0M) and Family Service ($34.9M) was offset by lower spending in Community and Government Services ($69.3M), Economic Development and Transportation ($48.5M), Education ($32.8M) and Finance ($16.5M). These departments accounted for the majority of the changes in expenses when compared to budget for 2024.

The GN continues to grow its revenues. Total revenue grew by $370.6M in 2024 over 2023. Revenues from the Government of Canada increased by 11.3% ($270.9M) while GN own source revenues increased by 18.5% ($99.7M) compared to 2023. Revenue from the Government of Canada changed due to a 6.0% ($112.0M) increase in Territorial Formula Financing and 29.7% ($158.9M) increase in Other Transfers from Government of Canada. The increase in Territorial Formula Financing is due to the consistent annual increase in the formula to offset the increased cost of providing public services. GN own source revenue increased mainly due to a 10.3% increase in petroleum product sales ($16.1M), 68.9% increase in other revenues ($26.6M) and an increase of 197.8% in investment income ($37.2M). The increase in GN own source revenues was offset by a decrease of 53.5% in interest on cash deposits ($12.1M) and 32.5% in corporate income tax revenue ($7.4M).

Consistent with other jurisdictions, GN expenses continue to grow. Expenses grew by 6.7% ($185.8M) in 2024 over the prior period. The majority of the growth in expenses is attributable to five departments. Expenses increased by $97.7M in Health, $39.8M in Family Services, $29.4M in Finance, $25.9M in Education, and $10.3M in Housing. Health increased spending was driven by increased staffing requirements and operating costs, inflation, and overall population growth. Finance expenses increased due to the implementation of a new computer software system, increased interest expense in Qulliq Energy Corporation, and increased product costs in the Liquor and Cannabis Revolving Fund. Housing increases were due largely to increased utility and other operating costs.

The Conference Board of Canada expects Nunavut's economy to grow by 3.7% in 2024. This growth is expected to have a positive impact on the GN's finances. The GN will however continue to face many challenges such as changes in global commodity prices, demographic changes which increase the demand for programs and services resulting in continued upward pressure on program spending, an unemployment rate which is higher than the Canadian average, and aging tangible capital assets. The GN continues to take action to mitigate and manage the potential impacts of these challenges including efforts to grow its tax base, providing support to residents and businesses, and investing in tangible capital assets. In 2024, the GN invested $239.6M in tangible capital asset additions.

(in thousands of dollars)

Revenues and Expenses - Variances

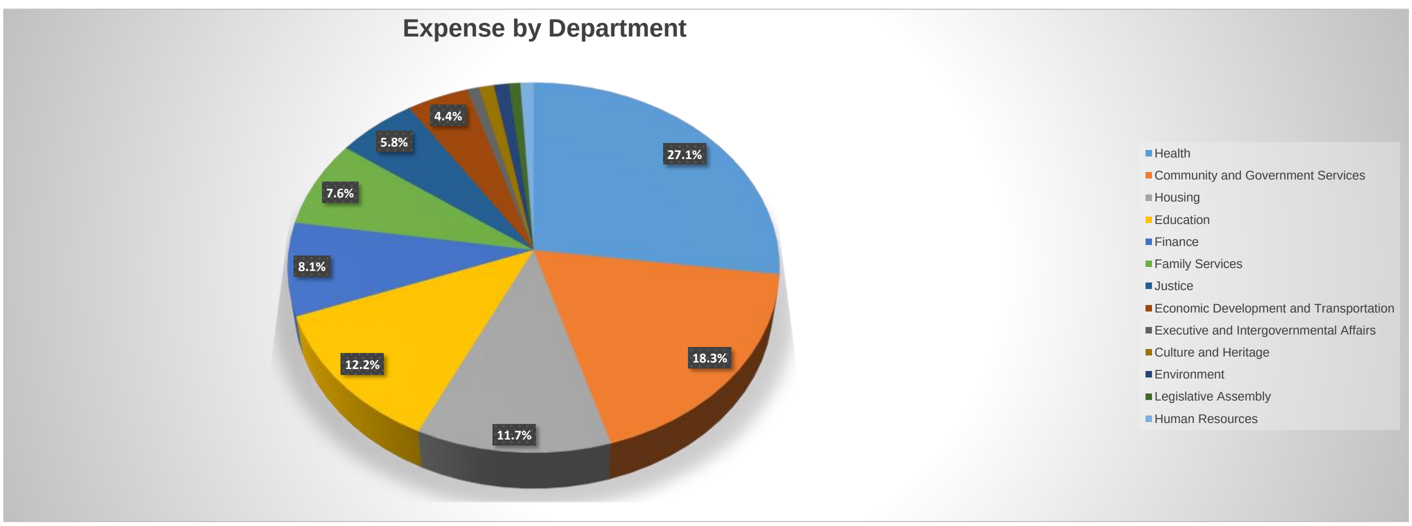
Revenue Variance Analysis	2024 Budget	2024 Actual	2023 Actual	Budget to Actual $ Variance	Budget to Actual % Variance	Actual to Actual $ Variance	Actual to Actual % Variance
Territorial Formula Financing	$ 1,971,400	$ 1,971,420	$ 1,859,408	$ 20	0.0%	$ 112,012	6.0%
Other Transfers from the Government of Canada	586,103	693,685	534,825	107,582	18.4%	158,860	29.7%
Revenues Generated by the Government of Nunavut	537,193	639,914	540,234	102,721	19.1%	99,680	18.5%
Total Revenue	**$ 3,094,696**	**$ 3,305,019**	**$ 2,934,467**	**$ 210,323**		**$ 370,552**	

Budget to Actual

For the year ended March 31, 2024, actual revenues exceeded the budget by $210.3M. GN's own source revenues contributed $102.7M (18.5%) to this increase, primarily driven by a $65.9M rise in other revenue, largely from investment income. Additionally, petroleum product sales increased by $12.4M, and QEC power sales rose by $9.5M compared to the 2024 budget. These gains were partially offset by decreases of $9.5M in corporate income tax revenue, $2.9M in fuel tax revenue, and $2.2M in transfers under third-party funding agreements. Other transfers from the Government of Canada added $107.6M (18.4%) to the overall increase, mainly due to higher funding in cost-sharing agreements.

Actual to Actual

Total revenue for the year increased by $370.6M over the prior period. Revenues from the Government of Canada increased by $270.9M while GN revenues increased by $99.7M compared to the prior year. The increase in revenues from the Government of Canada consisted of an increase in revenue from Territorial Formula Financing of $112.0M (6.0%) and $158.9M (29.7%) in Other Transfers from the Government of Canada. GN own source revenue increased mainly due to a 10.3% increase in petroleum product sales ($16.1M), a 68.9% increase in other revenues ($26.6M) and an increase of 197.8% in investment income ($37.2M). Overall, GN own source revenues increased by $99.8M (18.5%). This increase was offset by a decrease of 32.5% in corporate income tax revenue ($7.4M) and a decrease of 53.5% in interest on cash deposits ($12.1M).



Expense Variance Analysis	2024 Budget	2024 Actual	2024 Percent of Total	2023 Actual	Budget to Actual $ Variance	Budget to Actual % Variance	Actual to Actual $ Variance	Actual to Actual % Variance
Health	$ 683,446	$ 799,484	27.1%	$ 701,763	$ 116,038	17.0%	$ 97,721	13.9%
Community and Government Services	609,330	540,012	18.3%	556,588	(69,318)	-11.4%	(16,576)	-3.0%
Housing	346,305	345,938	11.7%	335,590	(367)	-0.1%	10,348	3.1%
Education	393,746	360,898	12.2%	334,968	(32,848)	-8.3%	25,930	7.7%
Finance	256,425	239,900	8.1%	210,486	(16,525)	-6.4%	29,414	14.0%
Family Services	188,505	223,430	7.6%	183,677	34,925	18.5%	39,753	21.6%
Justice	175,140	170,419	5.8%	166,163	(4,721)	-2.7%	4,256	2.6%
Economic Development and Transportation	179,771	131,256	4.4%	127,232	(48,515)	-27.0%	4,024	3.2%
Executive and Intergovernmental Affairs	28,110	25,286	0.9%	23,565	(2,824)	-10.0%	1,721	7.3%
Culture and Heritage	38,588	32,097	1.1%	30,826	(6,491)	-16.8%	1,271	4.1%
Environment	34,270	31,676	1.1%	34,142	(2,594)	-7.6%	(2,466)	-7.2%
Legislative Assembly	30,082	24,432	0.8%	25,680	(5,650)	-18.8%	(1,248)	-4.9%
Human Resources	34,122	28,099	1.0%	36,488	(6,023)	-17.7%	(8,389)	-23.0%
Total Expenses	**$ 2,997,840**	**$ 2,952,927**	**100%**	**$ 2,767,168**	**-$ 44,913**	**-1.50%**	**$ 185,759**	**6.71%**

(in thousands of dollars)

Budget to Actual

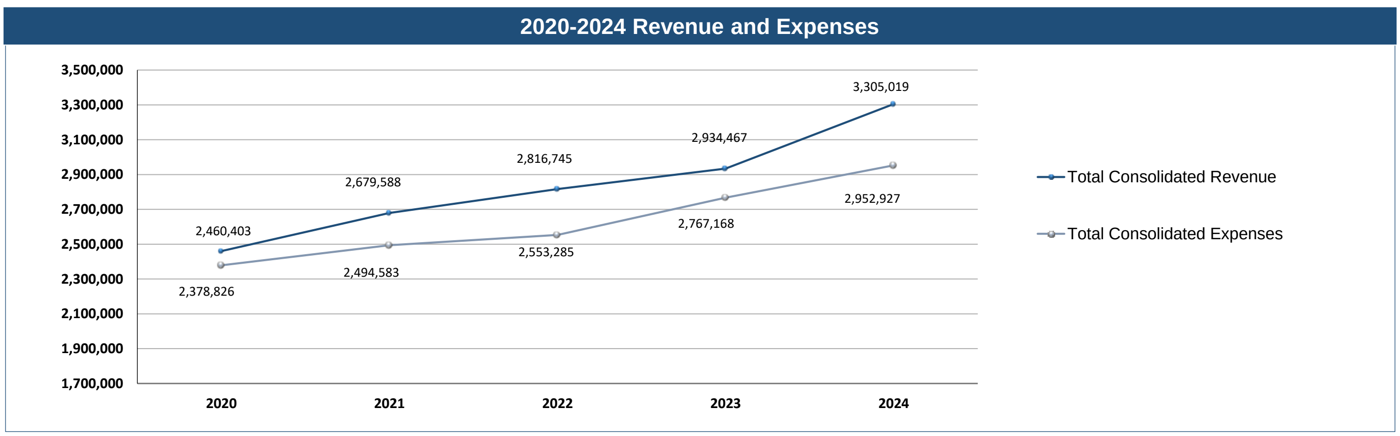
Total expenses were $44.9M lower than the budget, primarily due to a change in the estimate for the Asset Retirement Obligation and decreased spending in Community and Government Services, Economic Development and Transportation, Education, and Finance. However, increased spending in Health and Family Services, driven by higher staffing requirements, operating costs, inflation, and population growth, accounted for the majority of the increase in expenses.

Actual to Actual

Total expenses grew by $185.8M in 2024 over the prior period. Health accounted for $97.7M of the increase, $39.8M was in Family Services, $29.4M was in Finance, $25.9M was in Education and $10.3M was in Housing. The total increase in expenses in these five departments accounted for $203.1M of the increase in spending. Increased spending was offset by $16.6M in lowering spending in Community and Government Services and $8.4M in Human Resources. Increased spending at Health over last year is mainly attributed to an increased population requiring access to medical services and increased prices of commodities and equipment due to inflation. Increases in Finance were due primarily to interest costs in the Qulliq Energy Corporation, Enterprise Resource Planning (ERP) software costs in Finance and liquor product costs. Housing cost increases were driven by operating costs largely due to energy price increases.

Revenues and Expenses - Trends

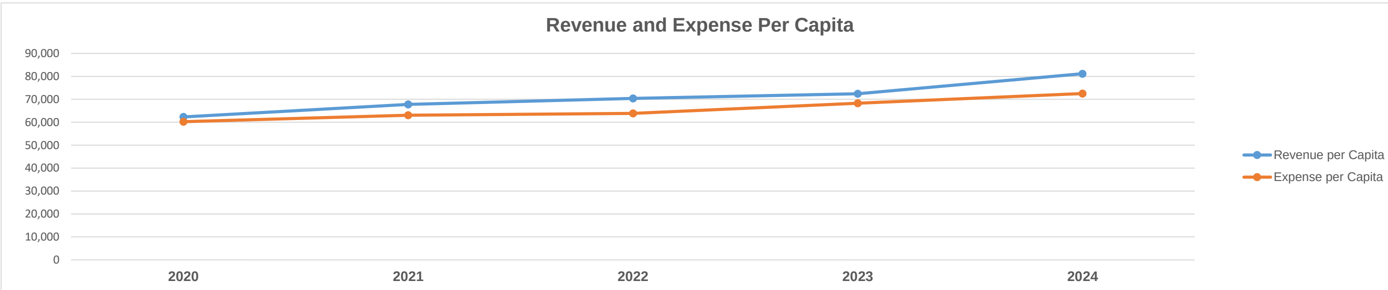
The following chart represents the GN's total consolidated revenues and expenses for the last five years:



Results of Operations	**2020**	**2021**	**2022**	**2023**	**2024**	**5 Yr Avg**
Revenue	$ 2,460,403	$ 2,679,588	$ 2,816,745	$ 2,934,467	$ 3,305,019	
Expenses	2,378,826	2,494,583	2,553,285	2,767,168	2,952,927	
Surplus for the Year	**$ 81,577**	**$ 185,005**	**$ 263,460**	**$ 167,299**	**$ 352,092**	
Annual Revenue Growth	1.4%	8.9%	5.1%	4.2%	12.6%	**6.4%**
Annual Expense Growth	2.0%	4.9%	2.4%	8.4%	6.7%	**4.9%**

The GN has operating results have produced surpluses in each of the last five years. Annual revenue growth has averaged 6.4% over this period while growth in expenses has averaged 4.9%.

(in thousands of dollars)



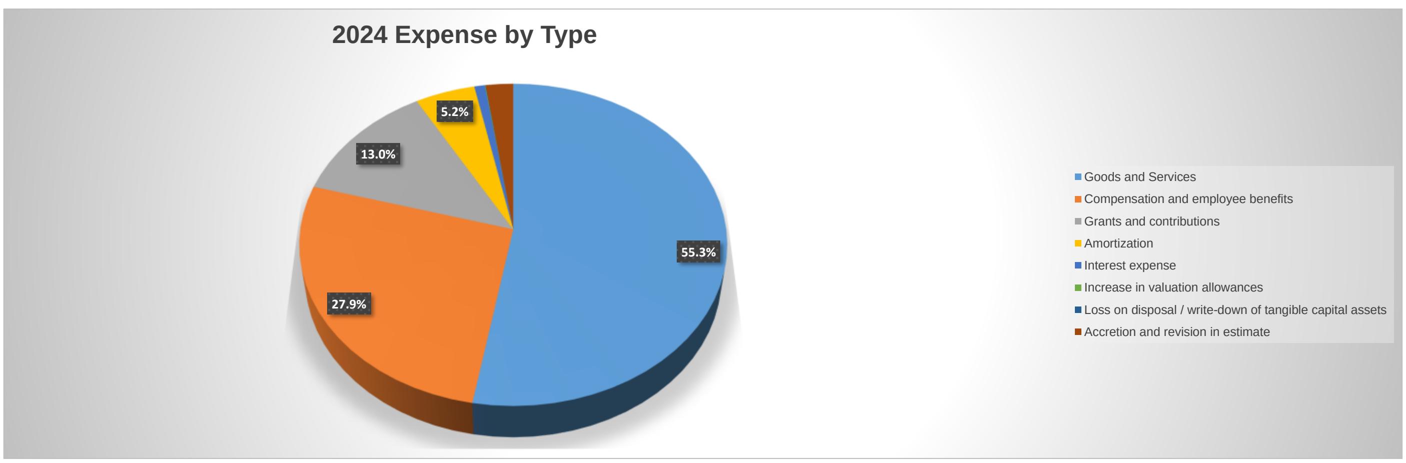
Revenue and Expenses per Capita	**2020**	**2021**	**2022**	**2023**	**2024**	
Population	39,486	39,536	40,003	40,521	40,721	
Revenue per Capita	62,311	67,776	70,413	72,418	81,163	
Expense per Capita	60,245	63,096	63,827	68,290	72,516	
Population Growth	0.8%	0.1%	1.2%	1.3%	0.5%	**0.8%**
Per Capita Revenue growth	0.6%	8.8%	3.9%	2.8%	12.1%	**5.6%**
Per Capita Expense growth	1.2%	4.7%	1.2%	7.0%	6.2%	**4.1%**

Statistics Canada. Table 17-10-0009-01 Population estimates, quarterly

The GN continues to face challenges with rising costs which results in the GN continuing to spend more each year in total and on a per capita basis on its programs and services. On average, per capita revenue and expenses have grown faster than the population over the past five years. The population has grown by an average of 0.8% per year while per capita revenue and expenses have increased by an average of 5.6% and 4.1% respectively over this five year period.

Expense by Type

Spending on compensation and benefits and goods and services account for the approximately 83.2% of GN's expenditures. The majority of the annual growth in GN's expenses is also attributed to these accounts and this trend is expected to continue.



Expense by Type	**2020**	**2021**	**2022**	**2023**	**2024**	**2024 Percent of Total**
Goods and Services	$ 1,185,721	$ 1,257,301	$ 1,294,625	$ 1,439,857	$ 1,633,157	55.3%
Compensation and employee benefits	755,759	777,752	777,373	831,831	823,758	27.9%
Grants and contributions	273,826	299,950	311,232	301,468	383,900	13.0%
Amortization	131,653	133,904	143,136	153,512	153,564	5.2%
Interest expense	20,883	17,443	16,217	21,843	26,919	0.9%
Increase in valuation allowances	7,412	4,702	6,065	12,390	1,366	0.0%
Loss on disposal / write-down of tangible capital assets	3,572	3,531	-	1,501	714	0.0%
Accretion and revision in estimate			4,637	4,766	(70,451)	-2.4%
	$ 2,378,826	**$ 2,494,583**	**$ 2,553,285**	**$ 2,767,168**	**$ 2,952,927**	**100%**
Top two expense categories as a percentage of total expenses	**81.6%**	**81.6%**	**81.2%**	**82.1%**	**83.2%**	

Summary of Significant Risks and Uncertainties

The Government of Nunavut is exposed to risks and uncertainties that can affect its financial position, changes in its financial position, and future operations. The GN is responsible for setting and applying risk management policies and procedures to manage significant risks and uncertainties and is fully accountable for outcomes. The following risks and uncertainties are considered significant:

- High reliance on funding from the Government of Canada
- Impact of changes in the economy, access to resources, and demographic changes
- Unknown effects of climate change (ex. infrastructure damage, natural resource development, water shortages, etc.)
- Impairment of and timely replacement of significant infrastructure such as roads, airfields, power plants, water systems and petroleum storage facilities
- Exposure to interest rate, market, and credit risk
- Uncertainty related to the measurement and valuation of financial assets and liabilities due to the use of accounting and other estimates such as those related to asset retirement obligations and contaminated sites

The Government of Nunavut actively monitors and manages risks and uncertainties in order to make informed decisions, make effective use of available resources, and to enhance strategic and contingency planning. The GN tailors its risk management policies and practices to take into account the scope, size, and nature of risk exposures. The GN is currently monitoring these risks and uncertainties and, to the extent possible, developing and implementing plans to mitigate the exposure and/or impact.

(in thousands of dollars)

Indicators of Financial Condition

Changes in a government's financial position and its results of operations are important in assessing financial condition and performance during the reporting period, however, it is not the only measure of a government's overall financial health. Sustainability, flexibility and vulnerability are also important indicators of fiscal health and changes to it. While these measures are important, they must be considered in light of the many risks and exposures over which a government has no control. These would include items such as changing global economic and financial conditions, changes in federal transfer programs, and emergencies such as natural disasters and pandemics.

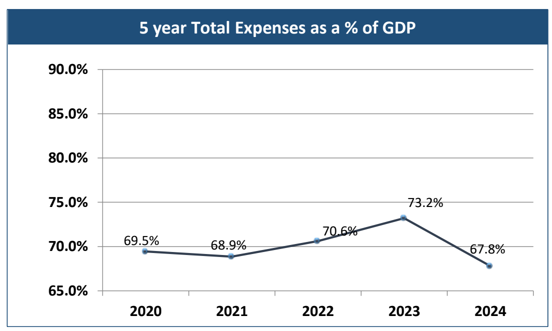
Although many indicators are available, the following sections discuss the more relevant measures and are intended to improve transparency and provide a clearer understanding of the GN's financial condition and performance.

Sustainability

Sustainability indicates a government's ability to maintain its existing programs and services and meet its financial obligations without the need to increase revenues or incur debt. This indicator provides insight into the sustainability of government practices of generating revenues and incurring expenses.

- ***Total Expenses as a Percentage of GDP*** *.* This indicator compares the growth rate of the GN’s spending to the rate of growth in the economy (GDP) in which it operates. The GN’s ratio for 2024 is 67.8%, which means GN spending was 67.8% of the GDP of Nunavut for the period. The ratio had declined from 2020 to 2021 and again in 2024 due to growth in the economy driven largely by resource development. In 2022 and 2023, the rate of growth in GN spending was higher than the rate of growth in the economy. This is largely attributed to the effects of the pandemic. Over the last five years, growth in the economy has been higher than the growth in GN spending. This provides the GN with an opportunity to increase its revenues and thereby lower its reliance on Federal Transfers.

March 31	Growth in Expenses	Total Expenses	Nunavut Real GDP	Total Expenses to GDP
2020	2.0%	2,378,826	3,425,000	69.5%
2021	4.9%	2,494,583	3,623,000	68.9%
2022	2.4%	2,553,285	3,616,000	70.6%
2023	8.4%	2,767,168	3,780,000	73.2%
2024	6.7%	2,952,927	4,355,000	67.8%
$ change, 2023 to 2024		185,759	575,000	
% change, 2023 to 2024		6.7%	15.2%	
$ change, 5 year trend		574,101	930,000	
% change, 5 year trend		24.1%	27.2%	



Source: Statistics Canada, System of National Accounts, Table # 36-10-0402-01. "Nunavut Real Gross Domestic Product by Industry"
Forecasted Real GDP for 2024 was based on the projection of the Key Economic Indicators' in GN's Budget 2023-24.

The Conference Board of Canada (CBOC) expects Nunavut's economy to continue to grow. The expected growth for 2024 is 3.7%. The mining sector accounts for approximately one third of Nunavut's real GDP. Planned infrastructure construction, including a new port, will improve access to remote regions, support natural resource development, and create economic opportunities for local communities. Nunavut’s unemployment rate is higher than the Canadian average and that will remain a principal challenge in the years ahead.

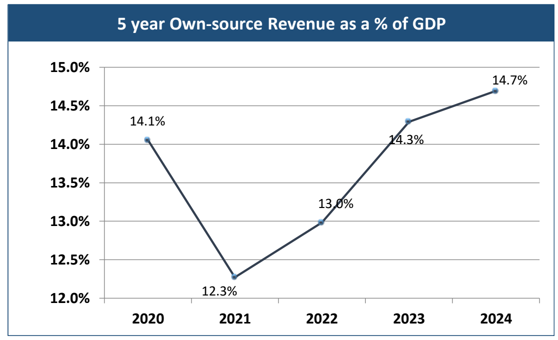
Flexibility

Flexibility indicates a government's ability to either expand its revenues or increase debt to meet existing financial obligations and to provide programs and services. Flexibility provides insight into how a government manages its finances.

(in thousands of dollars)

- ***Own-Source Revenue as a Percentage of GDP***. Own-source revenue as a percentage of GDP indicates the extent to which the government is generating funds through taxation, user fees and other charges. A declining ratio indicates a government is taking less out of the economy relative to the growth in the economy leaving a government with a greater degree of flexibility to respond to changing circumstances.

March 31	Own-source revenue	Nunavut Real GDP	Own-source revenue to GDP
2020	481,451	3,425,000	14.1%
2021	444,606	3,623,000	12.3%
2022	469,505	3,616,000	13.0%
2023	540,234	3,780,000	14.3%
2024	639,914	4,355,000	14.7%
$ change, 2023 to 2024	99,680	575,000	
% change, 2023 to 2024	18.5%	15.2%	
$ change, 5 year trend	158,463	930,000	
% change, 5 year trend	32.9%	27.2%	

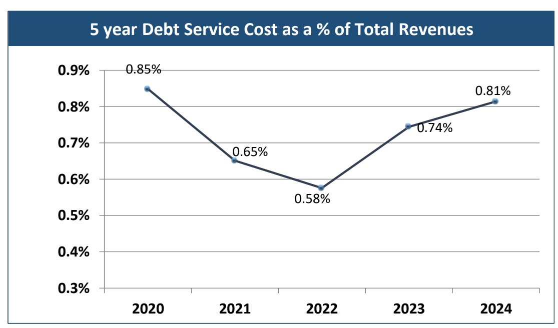


Source: Statistics Canada, System of National Accounts, Table # 36-10-0402-01. "Nunavut Real Gross Domestic Product by Industry"
Forecasted Real GDP for 2024 was based on the projection of the Key Economic Indicators' in GN's Budget 2023-24.

After a period of decline, the GN's own source revenue increased in 2022 and again in 2023. The current year increase was primarily due to petroleum sales, investment income and other revenues. Most Canadian jurisdictions generate their revenue primarily through taxation. In Nunavut, personal, corporate, and other taxes accounted for only 25.0% ($159.8M) of total consolidated own-source revenue in 2024 and 27.8% ($150.4M) in 2023. The GN continues to work to increase its own-source revenues by working to expand its tax base and thereby reduce reliance on federal revenues.

- ***Debt Service Cost as a Percentage of Total Revenues***. This ratio indicates how much of a government's current revenues will be needed to finance past borrowing decisions. If current revenues are needed to fund past borrowing, they are not available to fund current and future programs and services to residents.

March 31	Debt Service Costs	Total Revenue	Debt cost to revenue
2020	20,883	2,460,403	0.85%
2021	17,443	2,679,588	0.65%
2022	16,217	2,816,745	0.58%
2023	21,843	2,934,467	0.74%
2024	26,919	3,305,019	0.81%
$ change, 2023 to 2024	5,076	370,552	
% change, 2023 to 2024	23.2%	12.6%	
$ change, 5 year trend	6,036	844,616	
% change, 5 year trend	28.9%	34.3%	

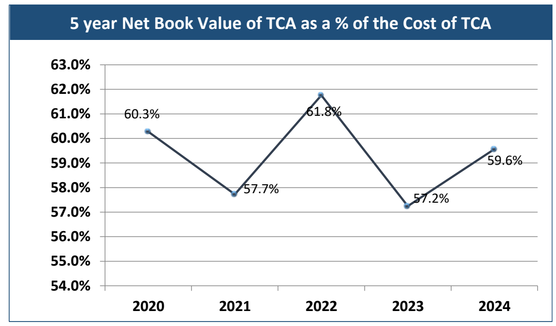


The ratio of debt service cost-to-revenues over the last five years ranged from 0.85% in 2020 to 0.81% in 2024. The ratio has remained stable over this period. While the ratio has increased slightly in 2024 over the prior period, it is currently relatively low which indicates that interest costs are not a strain on the GN's resources, leaving it with greater flexibility. At March 31, 2024, the GN had an authorized borrowing limit of $750.0M of which $381.0M remained available.

(in thousands of dollars)

- ***Net Book Value of Tangible Capital Assets as a Percentage of the Cost of Tangible Capital Assets*.** This ratio measures the estimated useful life of a government's tangible capital assets. A decreasing ratio indicates that tangible capital assets are aging and are not being replaced as fast as they are being used. An aging pool of tangible capital assets indicates a potential for increased repairs and maintenance costs in the future as well as the potential need to replace a significant amount of tangible capital assets.

March 31	Total net book value of TCA	Total Cost of TCA	NBV to cost of TCA
2020	2,586,215	4,290,675	60.3%
2021	2,627,919	4,552,520	57.7%
2022	2,746,086	4,446,611	61.8%
2023	2,753,863	4,810,736	57.2%
2024	2,888,325	4,849,288	59.6%
$ change, 2023 to 2024	134,462	38,552	
% change, 2023 to 2024	4.9%	0.8%	
$ change, 5 year trend	302,110	558,613	
% change, 5 year trend	11.7%	13.0%	



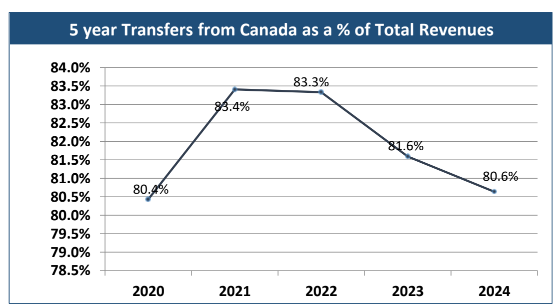
The GN ratio of net book value to total cost of tangible capital assets continues to decline indicating assets are getting older. As assets get older, repairs and maintenance costs increase which results in less funds available for other programs and services. The aging tangible capital asset base also presents a risk to future programs and service delivery as assets become less reliable and the potential for failure increases. The GN is aware of the challenges presented by an aging asset base and continues to actively monitor asset conditions and invest in its tangible capital assets.

Vulnerability

Vulnerability indicates the degree to which a government is dependent on, and therefore vulnerable to, sources of funding outside of its control or influence. This indicator shows the extent of reliance that a government has on external sources of funding which could affect its ability to provide programs and services and meet existing commitments if the level of funding were to change. The higher the ratio, the greater the risk and less control a government has over its revenues.

- ***Transfers from Canada as a Percentage of Total Revenue.*** This ratio measures the degree of dependence a government has on the Government of Canada. A decreasing ratio indicates a lesser degree of reliance on the Federal Government.

March 31	Total Transfers from Canada	Total GN Revenues	Transfers from Canada to GN revenue
2020	1,978,952	2,460,403	80.4%
2021	2,234,982	2,679,588	83.4%
2022	2,347,240	2,816,745	83.3%
2023	2,394,233	2,934,467	81.6%
2024	2,665,105	3,305,019	80.6%
$ change, 2023 to 2024	270,872	370,552	
% change, 2023 to 2024	11.3%	12.6%	



The ratio of transfers from the Government of Canada to total GN revenue has fluctuated over the past five years but on average account for approximately 81.9% of the GN's total revenue. Transfers from the Government of Canada increased in 2021 due to an increase in pandemic related support. Pandemic related funding has since decreased, but overall funding from the Government of Canada has increased over the prior year through the Territorial Financing Formula and other transfers. The GN remains highly dependent on federal sources of funding and is vulnerable to changes in the level of funding. The GN recognizes this high degree of reliance and is pursuing ways to increase its own source revenues without raising tax rates and thereby reduce its dependence on the Federal Government.

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SECTION II

CONSOLIDATED FINANCIAL STATEMENTS

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MANAGEMENT RESPONSIBILITY FOR FINANCIAL REPORTING

The Government, through the Department of Finance, is responsible for the preparation of these consolidated financial statements for the Government of Nunavut, and related information contained in the Public Accounts.

The Government, through the Department of Finance, is responsible to prepare the consolidated financial statements in accordance with Canadian public sector accounting standards (PSAS), which represent generally accepted accounting principles for governments as recommended by the Public Sector Accounting Board of Canada and to ensure compliance with applicable authorities. Where Canadian PSAS permits alternative accounting methods, management has chosen those it believes are most appropriate. Where required, management's best estimates and judgments have been applied in the preparation of these consolidated financial statements.

The Government, through the Department of Finance, is responsible for maintaining systems of financial management, while all departments are responsible for implementing and maintaining the internal control. Where necessary, these systems are enhanced and modified to support the provision of accurate information, safeguarding and control of the Government's assets, and ensuring all transactions are in accordance with Nunavut's *Financial Administration Act* .

The Legislative Assembly, through its Standing Committee on Oversight of Government Operations and Public Accounts, is responsible to review the tabled Public Accounts and make recommendations where appropriate, to improve financial management, financial reporting practices and the systems of internal control. Management is responsible to review these recommendations and take action where appropriate.

The Government's independent external auditor, the Auditor General of Canada, is responsible to conduct an annual audit of the consolidated financial statements and to examine transactions that have come to its notice to ensure that they are, in all material respects, within the statutory powers of the Government and those organizations included in the consolidation. The Auditor General's opinion is accompanying the consolidated financial statements.

Daniel Young	Ibrahim Suleiman, MBA, CPA
Deputy Minister of Finance	Comptroller General

November 14, 2024

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

INDEPENDENT AUDITOR'S REPORT

To the Legislative Assembly of Nunavut

Report on the Audit of the Consolidated Financial Statements

Opinion

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

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

Basis for Opinion

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

Other Information

Management is responsible for the other information. The other information comprises the information included in Sections I and II of the 2023–24 Public Accounts of the Government of Nunavut, but does not include the consolidated financial statements and our auditor's report thereon.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Report on Compliance with Specified Authorities

Opinion

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

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

Responsibilities of Management for Compliance with Specified Authorities

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

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

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

Karen Hogan, FCPA
Auditor General of Canada

Ottawa, Canada
14 November 2024

GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS
Consolidated Statement of Financial Position
as at March 31, 2024
(in thousands of dollars)

	Note	2024	2023
Financial assets			
Cash and cash equivalents	**5**	511,876	791,909
Portfolio and other investments	**6**	787,665	635,250
Accounts receivable	**7**	573,767	315,517
Inventories for resale	**8(a)**	239,916	272,899
Condominiums held for resale	**9**	-	1,052
Loans receivable	**10**	17,267	16,862
Total financial assets		2,130,491	2,033,489
Liabilities			
Bank indebtedness	**11**	10,035	10,055
Accounts payable and accrued liabilities	**12**	571,688	559,549
Deferred revenues	**13**	215,810	242,823
Liability for contaminated sites	**14**	10,102	8,548
Liabilities for pension and other employee benefits	**15**	125,350	120,033
Long-term debt	**16**	162,407	184,917
Liability for Iqaluit International Airport	**17**	145,441	147,669
Capital lease obligations	**18**	35,400	41,755
Liability for Nunavut Energy Management Program	**19**	15,758	17,896
Asset retirement obligations	**20**	102,712	172,614
Total liabilities		1,394,703	1,505,859
Net financial assets		735,788	527,630
Non-financial assets			
Tangible capital assets (Schedule B)		2,888,325	2,753,863
Condominiums held for resale	**9**	2,489	10,903
Inventories for use	**8(b)**	44,214	46,667
Advance on contract		20,209	-
Prepaid expenses		8,176	8,046
Total non-financial assets		2,963,413	2,819,479
Accumulated surplus		3,699,201	3,347,109

Contractual obligations **(Note 22)**
Contractual rights **(Note 23)**
Contingencies **(Note 24)**

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

GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS
Consolidated Statement of Operations and Accumulated Surplus
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	2,557,503	2,665,105	2,394,233
Revenues generated by the Government of Nunavut	537,193	639,914	540,234
Total revenues	3,094,696	3,305,019	2,934,467
Expenses (Note 21, 27)			
Health	683,446	799,484	701,763
Community and Government Services	609,330	540,012	556,588
Housing	346,305	345,938	335,590
Education	393,746	360,898	334,968
Finance	256,425	239,900	210,486
Family Services	188,505	223,430	183,677
Justice	175,140	170,419	166,163
Economic Development and Transportation	179,771	131,256	127,232
Human Resources	34,122	28,099	36,488
Environment	34,270	31,676	34,142
Culture and Heritage	38,588	32,097	30,826
Legislative Assembly	30,082	24,432	25,680
Executive and Intergovernmental Affairs	28,110	25,286	23,565
Total expenses	2,997,840	2,952,927	2,767,168
Surplus for the year	96,856	352,092	167,299
Accumulated surplus, beginning of year	3,347,109	3,347,109	3,179,810
Accumulated surplus, end of year	3,443,965	3,699,201	3,347,109

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

GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS
Consolidated Statement of Change in Net Financial Assets
for the year ended March 31, 2024
(in thousands of dollars)

	2024 Budget	2024 Actual	2023 Actual
Surplus for the year	96,856	352,092	167,299
Tangible capital assets (Schedule B)			
Additions	(208,341)	(239,615)	(162,790)
Adjustments		(55,332)	
Disposals	5,476	1,023	-
Amortization	149,795	153,564	153,512
Write-downs	1,475	5,898	1,501
	(51,595)	(134,462)	(7,777)
Additions to inventories for use	(12,496)	(82,242)	(76,095)
Consumption of inventories for use	11,679	84,695	71,603
Advance on contract		(20,209)	-
Purchases of condominiums for resale	-	8,414	(2,995)
Net use (additions) of prepaid expenses	-	(130)	280
	(817)	(9,472)	(7,207)
Increase in net financial assets	44,444	208,158	152,315
Net financial assets, beginning of year	527,630	527,630	375,315
Net financial assets, end of year	572,074	735,788	527,630

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

GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS
Consolidated Statement of Cash Flow
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	2,442,380	2,435,596
Taxation	154,987	146,735
Insurance proceeds	7,543	
Other generated revenues	348,101	333,766
Interest on loans receivable and portfolio investments	56,033	18,815
Cash paid for:		
Interest payments on long-term debt	(25,936)	(20,675)
Interest payments on capital leases	(983)	(1,168)
Payments to and on behalf of employees	(819,980)	(849,832)
Grants and contributions	(383,900)	(301,467)
Suppliers	(1,605,514)	(1,440,064)
	172,731	321,706
Cash provided by (used for) capital activities:		
Purchases of tangible capital assets	(266,693)	(173,710)
Proceeds from sale of tangible capital assets	-	-
	(266,693)	(173,710)
Cash provided by (used for) investing activities:		
Loans issued to municipalities, businesses and individuals	(5,133)	(7,116)
Loan repayments by municipalities, businesses and individuals	4,728	5,108
Investments in portfolio and other investments	(487,754)	(502,519)
Proceeds from sale of portfolio and other investments	335,339	45,202
	(152,820)	(459,325)
Cash provided by (used for) financing activities:		
Proceeds from long-term debt issuance	-	1,112
Principal payments on long-term debt	(26,876)	(15,175)
Principal payments on capital leases	(6,355)	(6,519)
	(33,231)	(20,582)
(Decrease) increase in cash and cash equivalents	(280,013)	(331,911)
Cash and cash equivalents, beginning of year	781,854	1,113,765
Cash and cash equivalents, end of year	501,841	781,854
Represented by:		
Cash and cash equivalents	511,876	791,909
Bank indebtedness	(10,035)	(10,055)
	501,841	781,854

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

1 AUTHORITY AND OPERATIONS

Authority

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.

These consolidated financial statements are prepared to meet the financial reporting requirements in Canada's *Nunavut Act* and Nunavut's *Financial Administration Act*. The consolidated financial statements present summary information and serve as a means for the Government to show its accountability for the resources, obligations and financial affairs for which it is responsible.

2 SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of accounting

These consolidated financial statements are prepared in accordance with Canadian public sector accounting standards (PSAS) as issued by the Public Sector Accounting Board of Canada.

(b) Reporting entity

The reporting entity of the Government of Nunavut includes all departments, agencies, territorial corporations, organizations and funds, which are controlled by the Government. For financial reporting purposes, control is defined as the power to govern the financial and operating policies of an organization with benefits from the organization's activities being expected, or the risk of loss being assumed by the Government. All organizations that meet the definitions in the *Financial Administration Act* for departments, revolving funds, territorial corporations or other public agencies are included in the reporting entity for these consolidated financial statements, except for the Workers' Safety and Compensation Commission (WSCC).

The WSCC, which is responsible for the administration of related employer insurance premiums and employee benefit programs within Nunavut, is not accounted for in these consolidated 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.

The following organizations comprise the Government reporting entity for these consolidated financial statements, and unless indicated otherwise, they have March 31 year ends.

	Authority for Operations
Consolidated Revenue Fund, including those departments and public agencies set out in the Government's Main Estimates	*Financial Administration Act*
Revolving Funds	*Revolving Funds Act*
Liquor and Cannabis Revolving Fund	
Petroleum Products Revolving Fund	
Public Stores Revolving Fund	
Student Loan Fund	
Territorial Corporations	
Nunavut Arctic College (NAC) *(June 30)*	*Nunavut Arctic College Act*
Nunavut Business Credit Corporation (NBCC)	*Nunavut Business Credit Corporation Act*
Nunavut Development Corporation (including subsidiaries) (NDC)	*Nunavut Development Corporation Act*
Nunavut Housing Corporation (including subsidiaries) (NHC)	*Nunavut Housing Corporation Act*
Nunavut Lottery	*Partnership agreement*
Qulliq Energy Corporation (QEC)	*Qulliq Energy Corporation Act*
District Education Authorities *(June 30)*	*Education Act*

For segmented disclosure reporting purposes (see Schedule C), summary information has been provided based on the accountability and control relationship between the Government and the various organizations within the reporting entity using categorizations or groupings of organizations noted above.

(c) Principles of consolidation

All entities included in the reporting entity, except Nunavut Lottery, are consolidated using the full consolidation method with significant transactions and balances between fully consolidated entities eliminated. Nunavut Lottery is accounted for as a government business partnership. Government business partnerships are accounted for using the modified equity basis of consolidation.

(d) Budget

Canadian public sector accounting standards require a government to present in its consolidated financial statements a comparison of the results of operations and changes in net financial assets (debt) for the period with those originally planned.

The consolidated budget figures are the appropriations approved by the Legislative Assembly. The approved budgets for the consolidated entities are adjusted to eliminate inter-entity revenues and expenses. The budget represents the Government's original consolidated fiscal plan for the year and does not reflect supplementary appropriations.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) 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
Portfolio and other investments	Cost
Accounts receivable	Cost
Loans receivable	Amortized cost
Financial Liabilities	
Bank indebtedness	Cost
Accounts payable and accrued liabilities	Cost
Long-term debt	Amortized cost
Liability for Iqaluit International Airport	Amortized cost

All financial assets are annually tested for impairment. When financial assets are impaired, impairment losses are recognized in the consolidated 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 consolidated 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.

(f) 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.

(g) Portfolio and other investments

Portfolio and other investments include long-term investments in Guaranteed Investment Certificates, Bankers' Acceptances, investments related to the Supplementary Retirement Allowances Fund (SRAF), and investments in the equity of private enterprises.

Portfolio and other investments are accounted for at cost, which approximates fair value.

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.

(h) 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 collectabity.

(i) Inventories

Inventories for resale include bulk fuels, liquor products, finished goods, packaging materials and supplies. Inventories for resale are valued at the lower of the weighted average cost or net realizable value. Impairments, when recognized, result in a write-down to net realizable value and are recorded as an expense in the consolidated statement of operations and accumulated surplus.

Inventories for use include fuel, supplies and lubricants, health and medical supplies, raw materials and work-in-progress. Fuel inventory is valued at the lower of cost or replacement cost, with the cost being determined on a weighted average basis. Supplies and lubricants, health and medical supplies, as well as raw materials and work-in-progress inventory items are valued at the lower of cost or replacement cost, with cost being determined on a first-in, first-out basis. Impairments, when recognized, result in a write-down and are recorded as an expense in the consolidated statement of operations and accumulated surplus.

(j) Condominiums held for resale

Condominiums held for resale are recognized as a financial asset when all of the following criteria are met: (i) prior to the date of the consolidated financial statements, the Government commits to selling the asset; (ii) the asset is publicly seen to be for sale; (iii) there is an active market for the asset; (iv) there is a plan in place for selling the asset; and (v) the Government reasonably anticipates sale of the asset to an external purchaser within one year of the consolidated financial statement date.

When condominiums intended for resale are being developed for sale they are classified as a non-financial asset. Condominiums held for resale are not amortized and are valued at cost less any valuation allowance to reflect its net recoverable value. Cost includes amounts incurred to prepare the condominiums for sale.

(in thousands of dollars)

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Loans receivable

Loans receivable are recorded at amortized cost, net of valuation allowances, if any. Based on the circumstances known at the date the consolidated financial statements are prepared, including past events and current conditions, valuation allowances are recorded when collection is in doubt 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 only be written off upon receipt of required statutory approvals.

(l) Tangible capital and leased capital 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, 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 generally amortized over their estimated 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 Nunavut Housing Corporation applies a declining balance amortization method to certain of its tangible capital assets. The Government has assessed the impact of the method against its stated policies and has determined it to be immaterial to the consolidated financial statements and has therefore not adjusted the consolidated financial statements. The following amortization rates are applied:

Asset Category	**Amortization Period**
Buildings	20 - 35 years
Leased Buildings	20 - 30 years
Storage Facilities	20 - 30 years
Tank Farms	30 years
Equipment	5 - 30 years
Warehouse and Equipment (QEC)	10 - 45 years
Electric Power Plants	20 - 40 years
Transmission Distribution Systems	15 - 45 years
Infrastructure	30 years
Land	Not amortized

When conditions indicate that a tangible capital asset no longer contributes to the Government's ability to provide programs and services, or that the future value of the 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 recognized in the consolidated 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.

(m) 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 employee and the Government of Nunavut to cover current service costs. Pursuant to current legislation, 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 the employee has 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. Government costs and obligations for these pension plans 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 recognized 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 gains or losses are immediately recognized in the consolidated statement of operations and accumulated surplus.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

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 recognized 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.

Government employees are entitled to sick leave in accordance with 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 recognized in these consolidated financial statements.

(n) 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.

(o) 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 consolidated 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.

(p) Revenues

Unless otherwise stated, all revenues are recognized and reported on an accrual basis in the period in which the transaction or event gives rise to the revenue. 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, in which case the transfers are recorded as deferred revenue.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

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 tax 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 recognized in revenue in the year they are identified. Tobacco tax commissions on tobacco tax revenue provides a financial benefit other than a relief of taxes and is recognized 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.

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.
- Qulliq Energy Corporation	To provide power and heat	Utility sales contracts are generally long-term and result in monthly fees in exchange for the delivery of power. These revenues are recognized over a period of time by measuring the usage at established rates over the term of the contract.
Staff Housing Recoveries	Provide access to rental property	Revenue is recognized at a point in time when access is provided in accordance with the lease terms and is measured at rates defined by the lease agreement.

Recoveries of prior years expenditures

Recoveries of prior years expenditures through the Consolidated Revenue Fund, including reversals of prior years expenditure over-accruals, are reported as revenues in the consolidated financial statements. Pursuant to the *Financial Administration Act*, these recoveries cannot be used to increase the amount appropriated for current year expenditures through the Consolidated Revenue Fund.

(g) 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 child benefit payments, income support or income supplements. These payments are based on age, family status, income and/or 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. Tangible capital assets built by the Government on behalf of municipalities are classified as a grant and contribution to the municipality.

(in thousands of dollars)

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(r) 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 consolidated financial statements and no liability is recognized. Contingent liabilities result from potential environmental contingencies, pending litigation and like items.

(s) Contaminated sites

Contaminated sites are the result of contamination being introduced into air, soil, water or sediment in concentrations that exceed 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 management's best estimate of the amount required to remediate the sites to the current minimum standard for its use prior to the contamination. The liability 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 contingent liability is disclosed in the notes to the consolidated financial statements.

(t) 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 it's effective date.

3 USE OF ESTIMATES AND MEASUREMENT UNCERTAINTY

The preparation of financial statements requires the Government to make estimates and assumptions that affect the amounts of assets, liabilities, revenues and expenses recognized during the reporting period. Uncertainty in the determination of these amounts is known as measurement uncertainty.

The most significant management estimates and assumptions relate to income tax revenues, pension and other employee benefit obligations, liabilities for contaminated sites, asset retirement obligations, contingencies, useful life of tangible capital assets, valuation of inventories for resale and the valuation allowances for loans and other receivables. Changes in these estimates and assumptions can cause significant changes in reported amounts.

4 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 infrastucture assets and is applicable to the Iqaluit International Airport (see Note 17). 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(p) has been updated as part of the adoption of this standard.

5 CASH AND CASH EQUIVALENTS

	2024	2023
Cash and cash equivalents	494,333	774,362
Designated and internally restricted cash	17,543	17,547
	511,876	791,909

Designated and internally restricted cash represents funds reserved for further investments, financing for subsidiary business enterprises, venture investments and/or debt repayments related to capital asset acquisitions.

The cash and cash equivalents yield for the year ended March 31, 2024 varied from 3.30% to 5.53% (2023 - 0.80% to 6.70%).

(in thousands of dollars)

6 PORTFOLIO AND OTHER INVESTMENTS

Portfolio investments	2024 Effective Rate of Return	2024 Term to Maturity	2024 Carrying Value	2023 Carrying Value
Guaranteed Investment Certificates	0.90% - 6.02%	18 - 1,304 days	710,780	550,196
Various Bankers' Acceptances	1.45% - 3.50%	20 - 862 days	45,198	55,063
			755,978	605,259
Other investments				
SRAF designated investments			31,169	29,373
Venture investments			518	618
			787,665	635,250

The market value of the portfolio investments at March 31, 2024 was $754,802 (2023 - $603,280).

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 of investments. The market value of SRAF investments at March 31, 2024 was $34,410 (2023 - $30,357) with a positive return of 9.53% (2023 - positive 3.49%).

7 ACCOUNTS RECEIVABLE

	2024	2023
Due from the Government of Canada	402,570	199,757
Other revenues receivable:		
- Of the Territorial Corporations	86,458	82,546
- Of the Departments of Government	109,425	70,575
- Of the Petroleum Products Division	74,433	59,225
	270,316	212,346
Less: Allowance for doubtful accounts:		
- Territorial Corporations	(61,320)	(54,463)
- Departments of Government	(22,219)	(21,349)
- Petroleum Products Division	(15,580)	(20,774)
	171,197	115,760
	573,767	315,517

8 INVENTORIES

	2024	2023
(a) For resale		
Bulk fuels	229,158	263,712
Liquor products	9,117	7,474
Finished goods	1,445	1,545
Packaging materials and supplies	196	168
	239,916	272,899

During the year, Nunavut Development Corporation wrote down inventories by $127 (2023 - $17) and the Petroleum Products Division wrote down bulk fuels inventory by $386 (2023 - $76).

(b) For use		
Supplies and lubricants	26,986	28,944
Fuel	11,878	12,753
Health and medical supplies	4,299	3,942
Raw materials and work-in-progress	1,051	1,028
	44,214	46,667

9 CONDOMINIUMS HELD FOR RESALE

In 2016-17, the Nunavut Housing Corporation acquired 62 residential units in Iqaluit with the intention of selling the units to the Government staff through the Staff Condominium program. In 2017-18, two of the units were added to the Staff Housing portfolio and work was undertaken to make the remaining 60 units available for sale as condominiums. The Nunavut Housing Corporation advertised its intent to sell the condominiums to Government staff, held an information session and sought applications from prospective buyers. Expected sales were delayed in prior years due to obstacles in establishing a condominium corporation. During the year, 36 units were transferred to the staff housing portfolio. Of the remaining units, thirteen units were sold prior to fiscal 2023-24 year end. There are no signed purhcase and sale agreements for any units (2023 - 4) and therefore no units have been classified as a financial asset (2023 - 4). The value of the remaining 11 units have been classifiied as non-financial assets as it is uncertain when these sales will be completed.

(in thousands of dollars)

10 LOANS RECEIVABLE

	2024	2023
Nunavut Business Credit Corporation loans to businesses have a maximum maturity of 25 years, bearing interest between 5.25% and 9.76% (2023 - 5.25% and 8.78%), net of a valuation allowance of $1,372 (2023 - $2,401). There must be sufficient security pledged by clients to support the amount of the loan receivable.	13,665	13,370
Student Loan Fund loans, interest rate of 0.0% (2023 - 0.0%), net of doubtful accounts and valuation allowances of $7,348 (2023 - $6,572).	2,410	2,152
Nunavut Housing Corporation mortgage loans to individuals with a maximum maturity of 25 years, bearing interest between 2.0% and 11.25% (2023 - 2.0% and 11.25%), net of a valuation allowance of $3,089 (2023 - $3,164) and subsidy to mortgage holders of $4,129 (2023 - $4,129).	1,125	1,235
Other receivables, net of valuation allowances of $64 (2023 - $64).	67	105
	17,267	16,862

On November 9, 2023, Bill 34 (Write-off of Assets and Debts Act, 2022-2023) was assented to in the Legislative Assembly of Nunavut, which resulted in a write-off of $260 in relation to an outstanding loan that was deemed to be uncollectible.

11 BANK INDEBTEDNESS

	2024	2023
Bankers' Acceptances	10,000	10,000
Line of credit - Uqqurmiut Arts and Craft Ltd.	35	55
	10,035	10,055

Qulliq Energy Corporation (QEC) has a credit facility with a limit of $20,000 (2023 - $20,000). Interest charged on the credit facility is at Bankers' Acceptances' (BAs) rate (2024 - 5.29%; 2023 - 4.95%).

The QEC borrowing facility also allows for the use of Bank Acceptances (BAs) for borrowing. The BAs have a stamping fee of 50 basis points per annum and the interest rate is approximately prime minus 2.0%, subject to market, with terms not less than 7 days and not more than 365 days and issue and reissued in minimum aggregate amounts of $1,000 Canadian and multiples thereof.

Uqqurmiut Arts and Craft Ltd., a subsidiary of Nunavut Development Corporation (NDC), has a non-interest bearing, revolving demand operating line of credit with a limit of $100, secured by an NDC guarantee, for financing the day-to-day operations of the RBC Agency in Pangnirtung.

12 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2024	2023
Due to the Government of Canada	49,771	42,670
Trade and other accounts payable:		
- Of the Departments of Government	189,991	157,684
- Of the Territorial Corporations	59,603	70,983
- Of the Petroleum Products Division	2,089	3,833
	251,683	232,500
Accrued liabilities, payroll deductions and contractor holdbacks		
- Of the Departments of Government	162,354	160,513
- Of the Petroleum Products Division	56,947	72,136
	219,301	232,649
Vacation pay and time in lieu		
- Of the Departments of Government	42,270	42,900
- Of the Territorial Corporations	8,533	8,700
- Of the Petroleum Products Division	130	130
	50,933	51,730
	571,688	559,549

13 DEFERRED REVENUES

	Balance April 1, 2023	Receipts during the year	Transfer to revenue	Balance March 31, 2024
Gas Tax Agreement	103,093	23,522	(36,780)	89,835
Other deferred revenue	49,435	64,352	(41,228)	72,559
Nunavut Wellness Agreement	26,189	24,064	(26,135)	24,118
Nunavut Agreement	24,450	6,304	(9,510)	21,244
Canada Mortgage and Housing Corporation (CMHC)	38,686	29,459	(61,110)	7,035
Provincial-Territorial Base Funding (Building Canada Fund)	970	49	-	1,019
	242,823	147,750	(174,763)	215,810

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 for purpose or other stipulations on the use of these funds, the associated revenue will be recognized in its consolidated financial statements.

(in thousands of dollars)

14 LIABILITY FOR CONTAMINATED SITES

	2024	2023
Liabilities for remediation of contaminated sites	10,102	8,548
	10,102	8,548

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 so as to protect public health and the environment and believes its operations are in compliance with 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. In addition to the number of sites disclosed above, Nunavut Housing Corporation has also recognized costs related to the remediation of 5 sites (2023 - 3) contaminated as a result of oil spills. Qulliq Energy Corporation has recognized costs related to 3 sites (2023 - 3) resulting from oil spills at the Corporation's power plants. 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 human health risks), is responsible for or has accepted responsibility for remediation and a reasonable estimate can be determined for remediation costs, a liability has been recognized in these consolidated financial statements. Where remediation costs have been estimated and a liability has been recognized, the methodology used to estimate the liability is either based on third party analysis or extrapolated from costs previously incurred to remediate, monitor, and/or manage sites of similar size and contamination.

The Government has identified an additional 92 sites (2023 - 73) on Commissioner's land for which liabilities for contamination may exist for assessment, remediation and 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
	92	**73**

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 $46,000 (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 consolidated financial statements as the Government does not expect to give up any future economic benefits. 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.

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 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 sites (2023 - 146) 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.

15 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		
Retirement health benefits	70,295	63,403
Severance and removal	20,947	23,481
Sick and special leave	10,442	8,903
Total other employee benefits	101,684	95,787
Total pension and other employee benefits	125,350	120,033

Public Service Pension Plan

Substantially all of the employees of the Government 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. The plan is indexed to inflation. Contributions are required by both the employee 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 effective contribution rate at March 31, 2024 was 1.02 times the members rate (2023 - 1.02 times) for members enrolled before January 1, 2013, and 1.0 times the members rate (2023 - 1.0 times) for members enrolled beginning January 1, 2013. Total employer contributions of $39,166 (2023 - $41,816) were recognized as an expense in the current year. Total employee contributions were $39,166 (2023 - $41,395).

(in thousands of dollars)

15 LIABILITIES FOR PENSION AND OTHER EMPLOYEE BENEFITS (continued)

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.

There have been no plan amendments, settlements, 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
Unamortized actuarial (gain) / loss	(4,024)	(3,473)	(7,497)	(8,814)
	16,559	(3,473)	13,086	9,126
Pension liability	(3,214)	26,880	23,666	24,246

As at March 31, 2024, LARAF pension fund assets had a market value of $20,965 (2023 - $18,390). The actual rate of return was +9.84% (2023 - +3.20%). The SRAF has no pension fund assets; however, the pension liability is funded all or in part by designated investments (Note 6).

LARAF and SRAF actuarial gains/losses are both amortized over 5.7 years (2023 - 6.0 years) which is the estimated average remaining service life 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
Amortization of actuarial (gain) / loss	(1,061)	(1,112)	(2,173)	(1,057)
	109	719	828	2,451
MLA 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 the average pension plan assets	(1,082)	-	(1,082)	(874)
Pension interest (revenue) expense	(448)	1,115	667	700
Total 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).

(in thousands of dollars)

15 LIABILITIES FOR PENSION AND OTHER EMPLOYEE BENEFITS (continued)

Other Employee Benefits

Actuarial valuations for severance and removal, sick leave and retirement health benefits were completed as of March 31, 2022. Based on management's best estimates and information available at the reporting date, the principal actuarial assumptions used in measuring the accrued benefit obligations as at March 31, 2024, included increases in remuneration of 3.0% (2023 - 3.0%) and an average discount rate of 4.0% (2023 - 4.0%). Actuarial valuations for special leave was completed as of March 31, 2024. Based on management's best estimates and information available at the reporting date, the principal actuarial assumptions used in measuring the accrued benefit obligations as at March 31, 2024, included increases in remuneration of 3.0% and an average discount rate of 4.5%.

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

	Severance and removal	Sick leave and special leave	Retirement health benefits	2024	2023
Accrued benefit obligation, beginning of the year	19,570	9,559	57,725	86,854	82,912
Benefits earned	1,278	2,708	3,986	7,972	5,912
Interest cost on the average accrued benefit	632	357	2,401	3,390	3,179
Benefits paid	(3,679)	(5,081)	(1,158)	(9,918)	(9,654)
Actuarial gain	-	-	-	-	-
Accrued benefit obligation, before unamortized gains	17,801	7,543	62,954	88,298	82,349
Unamortized net actuarial gain	3,146	2,899	7,341	13,386	13,438
Accrued benefit obligation, end of the year	20,947	10,442	70,295	101,684	95,787
Benefit Expenses[1]					
Benefits earned for the period	1,278	2,708	3,986	7,972	5,912
Amortization of net actuarial (gain) / loss recognized during the year	(765)	(949)	1,663	(51)	1,653
Other employee benefits expense	513	1,759	5,649	7,921	7,565
Interest cost on the average accrued benefit	632	357	2,401	3,390	3,179
Total expense related to other employee benefits	1,145	2,116	8,050	11,311	10,744

[1] The components of other employee benefit expenses are included in the compensation and employee benefits category in Note 21.

16 LONG-TERM DEBT AND BORROWING AUTHORITY LIMIT

Loans and mortgages payable	**2024**	**2023**
Loans payable to Canada Mortgage and Housing Corporation (CMHC), repayable in annual installments until 2032, bearing interest at a rate of 6.97% (2023 - 6.97%).	4,503	5,302
Loans payable to CMHC, assumed from Inuit Non-Profit Housing Corporation in 2017, repayable in monthly installments, maturing in 2028, bearing interest at the rate of 10.375% (2023 - 10.375%).	92	110
Non-revolving committed loan in nine tranches with interest calculated at a variable rate of prime minus 0.5% per annum, with principal payments on the first tranche of $100 plus interest due monthly, beginning on April 1, 2015 with the final payment due on April 1, 2025; on the second tranche of $58 plus interest due monthly, beginning on April 1, 2016 with the final payment due on April 1, 2026; on the third tranche of $82 plus interest due monthly, beginning April 1, 2017 with the final payment due on April 1, 2027; on the fourth tranche of $166 plus interest due monthly, beginning April 30, 2018 with the final payment due on April 30, 2028; on the fifth tranche of $160 plus interest due monthly, beginning April 30, 2019 with the final payment due on April 30, 2029; on the sixth tranche of $80 plus interest due monthly, beginning April 30, 2020 with the final payment due on April 30, 2030; on the seventh tranche of $66 plus interest due monthly, beginning April 30, 2021 with the final payment due on April 30, 2031; on the eighth tranche of $137 plus interest due monthly, beginning April 30, 2022 with the final payment due on April 30, 2032; and on the ninth tranche, interest only monthly payments until March 31, 2023. This tranche was repaid on April 28, 2023. This facility has an option to utilize Banker's Acceptances with stamping fees calculated at 50 basis points per annum with terms not less than 7 days and not more than 365 days and issued and reissued in minimum aggregate amounts of $1,000 and multiples thereof.	149,745	160,971
Non-revolving committed loan facility, payments of $83 plus interest due monthly, beginning on December 1, 2012 with the final payment due November 30, 2022. The facility was extended on a monthly basis until its repayment on June 19, 2023 under the same conditions. Interest at prime minus 0.5%.	-	9,667
Non-revolving committed loan facility, payments of $67 plus interest due monthly, beginning on May 1, 2014 with the final payment due April 30, 2024. Interest at prime minus 0.5%.	8,067	8,867
	162,407	184,917

(in thousands of dollars)

16 LONG-TERM DEBT AND BORROWING AUTHORITY LIMIT (continued)

Principal and interest amounts due in each of the next five fiscal years and beyond are as follows:

	Principal	Interest	Total
2025	19,138	8,714	27,852
2026	22,014	7,451	29,465
2027	16,144	6,454	22,598
2028	17,928	5,384	23,312
2029	25,773	3,859	29,632
2030 and beyond	61,410	5,218	66,628
	162,407	37,080	199,487

Interest expense on long-term debt was $12,264 for the year (2023 - $7,319). During the year, interest costs of $99 (2023 - $67) were capitalized as part of additions to tangible capital assets. The interest paid on long-term debt during the year was $12,351 (2023 - $7,361).

Borrowing Authority

As of March 31, 2024, the Governor General in Council of Canada, pursuant to subsection 27(4) of the *Nunavut Act* , had approved the Government of Nunavut borrowing up to $750 million (i.e., authorized borrowing limit).

	2024	2023
Qulliq Energy Corporation, long-term debt	157,812	179,505
Nunavut Housing Corporation, long-term debt	4,595	5,412
	162,407	184,917
Consolidated Revenue Fund, Liability for Iqaluit International Airport (Note 17)	145,441	147,669
Capital lease obligations (Note 18)	35,400	41,755
Consolidated Revenue Fund, Liability for Nunavut Energy Management Program (Note 19)	15,758	17,896
	359,006	392,237
Bank indebtedness (Note 11)	10,035	10,055
Total debt	369,041	402,292
Authorized borrowing limit	750,000	750,000
Available borrowing capacity	380,959	347,708

The Government of Nunavut guarantees the long-term debt of Qulliq Energy Corporation and Nunavut Housing Corporation as well as any outstanding bank overdrafts of the Qulliq Energy Corporation and the Nunavut Development Corporation. As part of their financing, Nunavut Development Corporation subsidiaries have arranged various credit facilities with different terms and interest rates. Nunavut Development Corporation has provided a guarantee for these credit facilities.

Under the terms of the 1999 Social Housing Agreement (SHA), Canada Mortgage and Housing Corporation (CMHC) originally provided funding to the Nunavut Housing Corporation (NHC) to build social housing assets. This funding was in the form of long-term mortgages payable to CMHC (referred to as *National Housing Act (NHA)* section 79 debt under the SHA) and loans payable to CMHC (referred to as NHA section 82 debt under the SHA). Under the SHA, part of the funding provided to NHC was used to reduce 100% of the NHA section 79 debt and reduce by 5/9th of the NHA section 82 debt and to fund the related interest repayments that NHC would make each year to CMHC. This funding receivable from CMHC and the related payments due by NHC each year on the long-term debt payable to CMHC are legally offset resulting in no exchange of cash between NHC and CMHC. The funding receivable from CMHC is recorded as a reduction of the corresponding long-term debt payable. As the funding from CMHC and the corresponding repayments of long-term debt are non-cash transactions, they have not been recognized in the consolidated statement of cash flow.

17 LIABILITY FOR IQALUIT 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 22. 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

(in thousands of dollars)

17 LIABILITY FOR IQALUIT INTERNATIONAL AIRPORT (continued)

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

18 CAPITAL LEASE OBLIGATIONS

Capital lease obligations are based upon contractual minimum lease payments for leases in effect as of March 31.

	2024	2023
Total minimum lease payments	37,744	45,083
Less: imputed interest	(2,344)	(3,327)
Less: executory costs	-	(1)
Present value of minimum lease payments	35,400	41,755

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

	Principal	Interest	Executory	Total
2025	6,541	793	-	7,334
2026	6,566	616	-	7,182
2027	6,567	441	-	7,008
2028	5,975	300	-	6,275
2029	6,121	153	-	6,274
2030 and beyond	3,630	41	-	3,671
	35,400	2,344	-	37,744

Lease payments are allocated between repayments of the liability, interest expense and any related executory costs. The total minimum lease payments less the initial liability and executory costs 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 $983 (2023 - $1,168) at an implied average interest rate of 2.8% (2023 - 2.8%). The capital lease obligations expire between 2024 and 2030.

19 LIABILITY FOR NUNAVUT ENERGY MANAGEMENT PROGRAM

	2024	2023
Project financing payable - Baffin	-	208
Project financing payable - Kivalliq	15,758	17,688
	15,758	17,896

Under the Nunavut Energy Management Program Project - Baffin region, the Government entered into an energy savings contract arrangement that included an ongoing responsibility for making all principal and interest payments associated with the third-party financing of costs of improvements under the project. Payments were due monthly at $139 to 2019, $95 to 2022 and $21 to July 2023 at an average interest rate of 5.13% (2023 - 5.13%). Interest expense on the project for the year was $1 (2023 - $13). Interest paid during the year was $1 (2023 - $13). The agreement expired during 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 beyond 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
	15,758	3,599	19,357

(in thousands of dollars)

20 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 contaminates 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 Government annually reviews this estimate and adjusts for new information. 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.

A reconciliation of the beginning and ending carrying value of the ARO liability is presented below.

	2024	**2023**
Balance, beginning of year	172,614	172,338
Liabilities incurred during the year [1]	479	
Liabiliites settled during the year	(162)	-
Accretion expense	5,176	4,766
Asset adjustments	232	-
Revisions to estimated cash flow and revaluation [2]	(75,627)	(4,490)
Balance, end of year	102,712	172,614

[1] Includes an adjustment of $221 related to the prior period.

[2] Reflecting changes in the estimated cash flows due to new information and a change in the discount rate.

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 value of the asset retirement obligations are based:

		2024	**2023**
(i)	Total undiscounted asset retirement obligations	193,158	249,591
(ii)	Expected timing of payments	2025 to 2054	2024 to 2054
(iii)	Discount rate	3.35% and 7.00%	3.04% and 5.45%
(iv)	Inflation rate	2.00%	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	16,461	18,926
ii)	A 1% increase in the inflation rate would increase the obligation by	24,152	22,746

21 EXPENSES BY TYPE

	2024	**2023**
Goods and services	1,633,157	1,439,857
Compensation and employee benefits	823,758	831,831
Grants and contributions	383,900	301,468
Amortization of tangible capital assets	153,564	153,512
Interest expense	26,919	21,843
Increase in valuation allowances	1,366	12,390
Accretion and revision in estimate	(70,451)	4,766
Loss on disposal / write-down of tangible capital assets	714	1,501
	2,952,927	2,767,168

22 CONTRACTUAL OBLIGATIONS

In addition to commitments disclosed elsewhere in these consolidated financial statements, the Government has entered into agreements for, or is contractually obligated for, the following payments subsequent to March 31, 2024:

	Total
Commitments under operating leases	158,403
Capital commitments	380,239
Policing agreement	562,000
Iqaluit International Airport commitments*	603,028
Other commitments	754,465
	2,458,135

* Amounts have been Indexed for inflation.

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

2025	786,604
2026	302,297
2027	186,526
2028	156,675
2029	129,270
2030 and beyond	896,763
	2,458,135

(in thousands of dollars)

23 CONTRACTUAL RIGHTS

The Government enters into 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 when the terms of those agreements are met.

	Total
Canada Infrastructure Plan	509,966
New Building Canada Fund	148,582
Canada Mortgage and Housing Corporation	238,713
Health Canada Agreements	359,299
Others / Third party agreements	315,328
	1,571,888

Contractual rights by fiscal year are as follows:

2025	491,863
2026	368,568
2027	391,846
2028	246,263
2029	30,320
2030 and beyond	43,028
	1,571,888

24 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 the costs. Post-division adjustments will be recognized in the year the liability can be reasonably estimated. As at March 31, 2024, no new post-division adjustments were recognized (2023 - nil).

(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% Nunavut and 55.66% Northwest Territories. 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 and a reasonable estimate can be made as at March 31, the total amount claimed is estimated at $270 (2023 - $270). No liability has been recognized 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 recognized a liability. For those pending cases, where the outcome is not determinable and a reasonable estimate of the claim can be made as at March 31, the total amount of those claims is estimated at $130,958 (2023 - $130,958). No liability has been recorded for these claims as the outcome of these cases is not determinable.

(c) Other

Under the terms of the Social Housing Agreement with Canadian Mortgage and Housing Corporation (CMHC), Nunavut Housing Corporation (NHC) is responsible for the administration of a number of loans to third parties, where CMHC is the lender or insurer of these loans. The agreement provides that NHC shall indemnify and reimburse CMHC for, and save it harmless from, all losses, costs and expenses related to these loans. The carrying value of these third party loans is approximately $245 as at March 31, 2024 (2023 - $292).

25 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

(in thousands of dollars)

26 FINANCIAL RISK MANAGEMENT

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 are present but have no significant impact on the Government's consolidated 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 with a recognized large financial institution to earn investment income. Cash 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. As a result, credit risk arising from cash and cash equivalents is considered negligible.

The Government has a concentration of accounts receivable from the Government of Canada which is considered low risk. Territorial Corporations, departments, and the Petroleum Products Division account for the remaining balance of accounts receivable. For certain loans, credit risk is managed through collateral security pledged by the borrowers and personal guarantees provided by borrowers. There is no concentration of loans receivable which further mitigates credit risk. Loans receivable are regularly reviewed and assessed to mitigate credit risk.

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 consolidated statement of operations and accumulated surplus.

The aging analysis of other unimpaired accounts receivable is as follows:

	31-60 days	61-90 days	Over 90 days	2024	2023
Territorial Corporations	3,902	2,289	10,103	16,294	21,477
Departments of Government	-	-	41,468	41,468	30,987
Petroleum Products Division	10,018	9,331	22,526	41,875	27,853
	13,920	11,620	74,097	99,637	80,317

With respect to accounts receivable past due but not impaired, a review of credit history and/or credit ratings indicates customers will be able to meet their obligations.

The Government’s investment policy for portfolio and other investments is designed to limit credit risk. Portfolio and other investment 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 undiscounted and include principal and interest payments):

	Carrying Amount and Interest	2025 Estimated	2026 to 2029	2030 to 2047	2024	2023
Bank indebtedness	10,035	10,035	-	-	10,035	10,055
Accounts payable and accrued liabilities	571,688	-	-	-	571,688	559,549
Long-term debt	199,487	27,852	105,007	66,628	199,487	229,655
Liability for Iqaluit International Airport	304,708	12,830	51,319	240,559	304,708	317,537
	1,085,918	50,717	156,326	307,187	1,085,918	1,116,796

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

(in thousands of dollars)

26 FINANCIAL RISK MANAGEMENT (continued)

(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 market place. 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, it 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 risks.

27 Expenditure Authority

Budgets are approved to provide government with the spending authority to deliver programs and services. Section 32 of Nunavut's *Financial Administration Act* prohibits an expenditure from being incurred that causes the approved budget to be exceeded. During the year, two departments exceeded their approved budget, and a revised operating and maintenance supplementary appropriation was approved subsequent to year-end, on November 7, 2024.

The following is a summary of the two departments budget and actual results.

Department of Health	**Original Vote**	**Transfers and Supplementary Appropriations** [1]	**Actuals**	**Variance** [2]
Operations and maintenance				
Compensation and benefits	175,924	9,916	166,249	19,591
Grants and contributions	11,898	-	11,123	775
Other	281,752	-	360,203	(78,451)
	469,574	9,916	537,575	(58,085)
Department of Family Services				
Operations and maintenance				
Compensation and benefits	34,302	(6,727)	37,792	(10,217)
Grants and contributions	83,581	2,656	87,401	(1,164)
Other	61,591	19,188	86,428	(5,649)
	179,474	15,117	211,621	(17,030)

[1] Approved during the year.

[2] Approved subsequent to year end.

28 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
PUBLIC ACCOUNTS

SCHEDULE A

Consolidated Schedule of Revenues by Source

for the year ended March 31, 2024

(in thousands of dollars)

	2024 Actual	2023 Actual
From the Government of Canada		
Territorial Formula Financing	1,971,420	1,859,408
Transfers under third-party funding agreements	457,808	322,145
Other transfer payments	235,877	212,680
	2,665,105	2,394,233
Revenues generated by the Government of Nunavut		
Personal income tax	38,914	27,803
Corporate income tax	15,321	22,706
Payroll tax	43,318	41,079
Tobacco tax	23,956	23,466
Fuel tax	19,857	17,783
Property tax	14,533	14,403
Insurance tax	3,859	3,120
Sales		
Petroleum Products Revolving Fund - before cost of goods sold of $140,534 (2023 - $127,023)	173,474	157,347
Liquor Revolving Fund - before cost of goods sold of $8,503 (2023 - $9,793)	21,730	21,756
Nunavut Development Corporation - before cost of goods sold of $4,081 (2023 - $3,970)	4,099	3,897
Qulliq Energy Corporation - power sales	74,467	72,185
Staff housing recoveries	19,965	18,860
Transfers under third-party funding agreements	2,108	1,595
Recoveries of prior years expenditures	25,228	16,010
Investment income	56,033	18,815
Insurance proceeds	7,543	-
Interest on cash deposits	10,548	22,683
Social housing rentals	19,840	18,166
Other revenues	65,121	38,560
	639,914	540,234
Total revenues	3,305,019	2,934,467

GOVERNMENT OF NUNAVUT **SCHEDULE B**

PUBLIC ACCOUNTS

Consolidated Schedule of Tangible Capital Assets

for the year ended March 31, 2024

(in thousands of dollars)

	Buildings	Leased Buildings	Storage Facilities	Tank Farms	Equip-ment	Warehouse / Equipment (QEC)	Electric Power Plants	Transmission Distribution Systems	Infra-structure	Land	2024	2023
Cost of tangible capital assets												
Opening balance	3,162,056	183,835	66,740	224,112	162,754	63,348	386,976	85,460	475,128	327	4,810,736	4,446,611
Additions	15,234	-	3,404	901	8,584	-	-	-	2,057	-	30,180	26,165
Transferred from work in progress	29,863	-	845	-	214	22,027	3,810	2,094	834	-	59,687	346,593
Disposals	(1,545)	(3,757)	-	-	(393)	-	-	-	-	-	(5,695)	(850)
Adjustments*	(49,060)	-	(1,690)	(2)	7,253	5	-	1	-	-	(43,493)	(4,318)
Write-downs	(2,127)	-	-	-	-	-	-	-	-	-	(2,127)	(3,465)
Closing balance	3,154,421	180,078	69,299	225,011	178,412	85,380	390,786	87,555	478,019	327	4,849,288	4,810,736
Accumulated amortization												
Opening balance	(1,415,149)	(140,319)	(34,119)	(121,700)	(147,160)	(31,705)	(152,250)	(30,792)	(139,150)	-	(2,212,344)	(2,061,646)
Amortization	(97,996)	(6,464)	(2,162)	(7,742)	(7,111)	(2,977)	(11,275)	(1,804)	(16,033)	-	(153,564)	(153,512)
Adjustments*	53,145		1,752		435						55,332	-
Disposals	611	3,756	-	-	305	-	-	-	-	-	4,672	850
Write-downs	1,433	-	-	-	(4,652)	-	-	-	-	-	(3,219)	1,964
Closing balance	(1,457,956)	(143,027)	(34,529)	(129,442)	(158,183)	(34,682)	(163,525)	(32,596)	(155,183)	-	(2,309,123)	(2,212,344)
Work in progress												
Opening balance	103,562	-	9,137	-	214	22,654	6,817	3,188	9,899	-	155,471	361,121
Additions	229,538	-	4,781	-	-	4,626	10,804	1,989	1,190	-	252,928	140,943
Transferred to cost of tangible capital assets	(29,863)	-	(845)	-	(214)	(22,027)	(3,810)	(2,094)	(834)	-	(59,687)	(346,593)
Write-downs	-	-	-	-	-	-	(552)	-	-	-	(552)	-
Closing balance	303,237	-	13,073	-	-	5,253	13,259	3,083	10,255	-	348,160	155,471
Net book value	1,999,702	37,051	47,843	95,569	20,229	55,951	240,520	58,042	333,091	327	2,888,325	2,753,863
Estimated useful life	**20-35 years**	**20-30 years**	**20-30 years**	**30 years**	**5-30 years**	**10-45 years**	**20-40 years**	**15-45 years**	**30 years**	**n/a**		

During the year, interest of $99 was capitalized (2023 - $67) as part of the cost of additions.

The tangible capital asset additions presented in the consolidated statement of cash flow exclude non-cash acquisitions totalling $52,209 (2023 - $37,053) 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.

Included in tangible capital asset additions are $195 (2023 - $364) of corporate overhead costs of the Qulliq Energy Corporation.

* Consists of the impact on tangible capital assets from the revisions in estimated cash flows and revaluation of the asset retirement obligations (Note 20).

GOVERNMENT OF NUNAVUT

SCHEDULE C

PUBLIC ACCOUNTS

Consolidated Schedule of Segmented Information

for the year ended March 31, 2024

(in thousands of dollars)

	Consolidated Revenue Fund	Revolving Funds	Territorial Corporations	Total for All Segments	Consolidation Adjustments (1)	2024	2023
Revenues							
From the Government of Canada							
Territorial Formula Financing	1,971,420	-	-	1,971,420	-	1,971,420	1,859,408
Transfers under third-party funding agreements	457,808	-	-	457,808	-	457,808	322,145
Other transfer payments	126,366	-	109,511	235,877	-	235,877	212,680
	2,555,594	-	109,511	2,665,105	-	2,665,105	2,394,233
Generated by the Government of Nunavut							
Corporate and personal income taxes	54,235	-	-	54,235	-	54,235	50,509
Other taxes	105,523	-	-	105,523	-	105,523	99,851
Sales	-	287,697	156,426	444,123	(170,353)	273,770	255,185
Transfers under third-party funding agreements	2,108	-	-	2,108	-	2,108	1,595
General	98,226	-	545,787	644,013	(464,963)	179,050	117,084
	260,092	287,697	702,213	1,250,002	(635,316)	614,686	524,224
Recoveries of prior years expenditures	25,228	-	-	25,228	-	25,228	16,010
Total revenues	2,840,914	287,697	811,724	3,940,335	(635,316)	3,305,019	2,934,467
Expenses							
Goods and services	1,312,964	276,138	411,469	2,000,571	(367,414)	1,633,157	1,439,857
Compensation and employee benefits	661,740	8,109	148,353	818,202	5,556	823,758	831,831
Grants and contributions	645,142	-	-	645,142	(261,242)	383,900	301,468
Amortization of tangible capital assets	90,481	-	63,329	153,810	(246)	153,564	153,512
Interest expense	12,753	44	14,646	27,443	(524)	26,919	21,843
Increase in valuation allowances	9,472	(5,194)	4,349	8,627	(7,261)	1,366	12,390
Accretion expense	(67,506)	-	2,660	(64,846)	(5,605)	(70,451)	4,766
Loss on disposal / write down of tangible capital assets	-	-	714	714	-	714	1,501
Total expenses	2,665,046	279,097	645,520	3,589,663	(636,736)	2,952,927	2,767,168
Surplus (deficit) for year	175,868	8,600	166,204	350,672	1,420	352,092	167,299

(1) - Includes adjustments to eliminate inter-entity balances to comply with Canadian public sector accounting standards. For example, contributions by departments to revolving funds, territorial corporations and other agencies (i.e., consolidated entities) are shown in grants and contributions expense under the "Consolidated Revenue Fund" column, while the amounts received by the applicable consolidated entity group are shown as revenues in their respective columns. These amounts are eliminated upon consolidation to avoid double-counting and results in significant amounts shown in the 'Consolidation Adjustments' column.

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SECTION III

NON-CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

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GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS
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	150,941	490,189
Due from the Government of Canada	5	361,237	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		1,800,679	1,733,906
Liabilities			
Accounts payable and accrued liabilities	10	527,279	507,090
Deferred revenues	11	178,701	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	15,163	82,766
Total liabilities		1,043,042	1,101,946
Net financial assets		757,637	631,960
Non-financial assets			
Tangible capital assets **(Schedule C)**		1,564,340	1,506,854
Inventories for use	7(b)	4,299	3,942
Prepaid expenses		4,699	3,751
Total non-financial assets		1,573,338	1,514,547
Accumulated surplus		2,330,975	2,146,507

Contractual obligations **(Note 19)**
Contractual rights **(Note 20)**
Contingencies **(Note 21)**

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

GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS

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	144,727	111,721
Recoveries of prior years expenditures	13,000	25,228	16,010
Total revenues	2,803,227	2,885,307	2,593,310
Expenses (Schedule B)			
Operations and maintenance expenses before amortization and write down of tangible capital assets	2,349,296	2,437,225	2,259,302
Plus: Amortization expenses on tangible capital assets	83,366	90,481	92,336
Plus: ARO accretion expense		2,516	2,236
Plus: ARO (gain) loss		(70,022)	-
Plus: Write-down of tangible capital assets	-	-	-
Total operations and maintenance expenses	2,432,662	2,460,200	2,353,874
Capital expenditures	488,461	389,201	226,145
Less: Transfers to tangible capital assets	109,652	148,562	88,551
Total capital expenses	378,809	240,639	137,594
Total expenses	2,811,471	2,700,839	2,491,468
Surplus for year	(8,244)	184,468	101,842
Accumulated surplus, beginning of year	2,146,507	2,146,507	2,044,665
Accumulated surplus, end of year	2,138,263	2,330,975	2,146,507

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

GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS
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)	184,468	101,842
Tangible capital assets (Schedule C)			
Additions	(109,652)	(93,568)	(88,952)
Disposals	45	933	-
Amortization	83,366	90,481	92,336
Amortization Adjustment	-	(55,332)	-
Additions in Kind	(40)	-	-
Write-downs	1,475	-	-
	(24,806)	(57,486)	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)**	**125,677**	**109,196**
Net Financial Assets, beginning of year	631,960	631,960	522,764
Net Financial Assets, end of year	597,593	757,637	631,960

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

GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS
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	2,386,442	2,335,234
Taxation	154,987	146,735
Other generated revenues	311,572	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	(12,670)	(12,737)
To and on behalf of employees	(669,341)	(485,019)
Grants and contributions	(755,369)	(626,376)
Suppliers	(1,413,746)	(1,520,305)
	6,605	125,842
Cash provided by (used for) capital activities:		
Purchases of tangible capital assets	(132,655)	(91,824)
	(132,655)	(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	(339,248)	(423,472)
Cash and cash equivalents, beginning of year	490,189	913,661
Cash and cash equivalents, end of year (Note 4)	150,941	490,189

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

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
- Nunavut Arctic College (NAC)
- Nunavut Business Credit Corporation (NBCC)
- Nunavut Development Corporation (NDC)
- Nunavut Housing Corporation (NHC)
- Qulliq Energy Corporation (QEC)

Other public agencies
- District Education Authorities
- Human Rights Tribunal
- Inuit Uqausinginnik Taiguusiliuqtiit
- Labour Standards Board
- Legal Services Board
- Liquor and Cannabis Commission
- Liquor and Cannabis Board
- Office of the Public Trustee
- Qulliit 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 collectibity.

(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.

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

<u>Pension Benefits</u>

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.

<u>Other Employee Benefits</u>

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.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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 contingent liability is disclosed in the notes to the financial statements.

(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 it's effective date.

(in thousands of dollars)

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 infrastucture 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	150,941	490,189

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	361,237	192,533
	361,237	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
Other accounts receivable	184,229	129,799
	274,803	211,480
Less: Allowance for doubtful accounts	(37,799)	(42,123)
	237,004	169,357

7 INVENTORIES

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

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

	2024	2023
(b) For use		
Health and medical supplies	4,299	3,942

(in thousands of dollars)

8 LOANS RECEIVABLE

	2024	2023
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
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
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
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
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	-
Other, net of valuation allowances of $64 (2023 - $64).	-	-
	76,273	56,030

9 PORTFOLIO AND OTHER INVESTMENTS

	Effective Rate of Return	Term to Maturity	2024 Carrying Value	2023 Carrying Value
Portfolio investments				
Guaranteed Investment Certificates	5.15% - 6.02%	18 - 1,304 days	705,780	525,238
			705,780	525,238
Other investments				
SRAF designated investments			31,169	29,373
			736,949	554,611

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%).

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
	25,405	27,330
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	48,098	43,122
Due to the Government of the Northwest Territories	6,710	1,926
	501,874	479,760
	527,279	507,090

All amounts above are non-interest bearing.

(in thousands of dollars)

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	(36,780)	89,835
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
	184,329	88,218	(93,846)	178,701

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 so as 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 6 sites (2023 - 6) - 1 storage tank farm (2023 - 2) and 4 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
	92	**73**

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.

(in thousands of dollars)

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.

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.

(in thousands of dollars)

13 LIABILITIES FOR PENSION AND OTHER EMPLOYEE BENEFITS (continued)

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	(4,024)	(3,473)	(7,497)	(8,814)
	16,559	(3,473)	13,086	9,126
Pension (asset) liability	(3,214)	26,880	23,666	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 and special leave**	**Retirement health benefits**	**2024**	**2023**
Accrued benefit obligations at beginning of the year	14,620	8,287	57,726	80,633	76,596
Benefits earned	1,427	1,717	3,997	7,141	6,198
Interest cost on the average accrued benefit	537	296	2,367	3,200	3,008
Benefits paid	(3,308)	(4,278)	(1,136)	(8,722)	(8,770)
Subtotal	13,276	6,022	62,954	82,252	77,032
Actuarial (gain) / loss	-	-	-	-	-
Accrued benefit obligations at end of the year	13,276	6,022	62,954	82,252	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	8,503	70,295	94,725	89,274

Benefit Expenses	**Severance and removal**	**Sick leave and special leave**	**Retirement health benefits**	**2024**	**2023**
Benefit earned for the period	1,427	1,717	3,997	7,141	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	900	6,009	7,721	8,133
Interest cost on the average accrued benefit	537	296	2,367	3,200	3,008
Total expense related to other employee benefits	1,349	1,196	8,376	10,921	11,141

(in thousands of dollars)

14 LIABILITY FOR IQALUIT 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	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	422,019	434,094
Life cycle costs	179,811	181,656
	601,830	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.

(in thousands of dollars)

16 LIABILITY FOR NUNAVUT ENERGY MANAGEMENT PROGRAM PROJECT

	2024	2023
Project financing payable - Baffin	-	208
Project financing payable - Kivalliq	15,758	17,688
	15,758	17,896

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.

Future payment for the Nunavut Energy Management Program Baffin Project for next year is as follows:

	Principal	Interest	Total
2025	-	-	-
	-	-	-

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
	15,758	3,599	19,357

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 contaminates 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 Government annually reviews this estimate and adjusts for new information. 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.

A reconciliation of the beginning and ending carrying value of the ARO liability is presented below.

	2024	2023
Balance, beginning of year	82,766	80,129
Liabilities incurred during the year	-	-
Liabiliites settled during the year	-	-
Accretion expense	2,516	2,236
Asset adjustments	304	-
Revisions to estimated cash flow and revaluation [1]	(70,423)	401
Balance, end of year	15,163	82,766

[1] Reflecting changes in the estimated cash flows due to new information and a change in the discount rate.

(in thousands of dollars)

17 ASSET RETIREMENT OBLIGATIONS (continued)

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 value of the asset retirement obligations are based:

		2024	2023
(i)	Total undiscounted asset retirement obligations	21,080	77,954
(ii)	Expected timing of payments	2025 to 2054	2024 to 2054
(iii)	Discount rate	3.35%	3.04%
(iv)	Inflation rate	2.00%	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	1,392	1,615
ii)	A 1% increase in the inflation rate would increase the obligation by	2,160	-

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	(20,000)	(20,000)

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	179,657
Operational commitments	721,432
Policing agreement	562,000
Iqaluit International Airport Improvement commitments	603,028
	2,125,528

Contractual obligations by fiscal year are as follows:

2025	517,710
2026	273,269
2027	173,810
2028	152,208
2029	125,970
2030 and beyond	882,561
	2,125,528

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

(in thousands of dollars)

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 $130,958 (2023 - $130,958). No liability has been recorded for these claims as the outcome of these cases is not determinable.

(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).

(in thousands of dollars)

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.

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	-	-	41,468	41,468	30,987
Petroleum Products Division	10,018	9,331	22,526	41,875	19,730
	10,018	9,331	63,994	83,343	50,717

The above table excludes $90.6M (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.

(in thousands of dollars)

(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 Expenditure Authority

Budgets are approved to provide government with the spending authority to deliver programs and services. Section 32 of Nunavut's Financial Administration Act prohibits an expenditure from being incurred that causes the approved budget to be exceeded. During the year, two departments exceeded their approved budget, and a revised operating and maintenance supplementary appropriation was approved subsequent to year-end, on November 7, 2024.

The following is a summary of the two departments budget and actual results.

Department of Health	**Original Vote**	**Transfers and Supplementary Appropriations [1]**	**Actuals**	**Variance [2]**
Operations and maintenance				
Compensation and benefits	175,924	9,916	166,249	19,591
Grants and contributions	11,898	-	11,123	775
Other	281,752	-	360,203	(78,451)
	469,574	9,916	537,575	(58,085)
Department of Family Services				
Operations and maintenance				
Compensation and benefits	34,302	(6,727)	37,792	(10,217)
Grants and contributions	83,581	2,656	87,401	(1,164)
Other	61,591	19,188	86,428	(5,649)
	179,474	15,117	211,621	(17,030)

[1] Approved during the year.
[2] Approved subsequent to year end.

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.

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	-
Interest on cash deposits	-	11,056	22,684
Other	65,000	59,662	24,461
	133,185	144,727	111,721
Recoveries of prior years expenditures **(Schedule 1)**	13,000	25,228	16,010
Total revenues	**2,803,227**	**2,885,307**	**2,593,310**

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	-	2,516	(2,516)
Plus: Write-down of tangible capital assets	-	-	-
Total operations and maintenance expenses	2,097,008	2,157,819	(60,811)
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	2,364,706	(39,400)
FUNDED UNDER THIRD-PARTY AGREEMENTS (Schedule B.2)			
Operations and maintenance expenses before amortization	242,461	333,309	(90,848)
Plus: Amortization expenses on tangible capital assets	-	-	-
Total operations and maintenance expenses	242,461	333,309	(90,848)
Capital expenditures	140,711	118,455	22,256
Less: Transfers to tangible capital assets	-	84,703	(84,703)
Total capital expenses	140,711	33,752	106,959
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	2,437,225	
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	2,437,225	(87,929)
Plus: Amortization expenses on tangible capital assets	83,366	90,481	(7,115)
Plus: Accretion expense on asset retirement obligations	-	2,516	(2,516)
Plus: Asset retirement obligations (gain) loss	-	(70,022)	70,022
Plus: Write-down of tangible capital assets	-	-	-
Total operations and maintenance expenses	2,432,662	2,460,200	(27,538)
Capital expenditures	478,661	389,201	
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	389,201	99,260
Less: Transfers to tangible capital assets	109,652	148,562	(38,910)
Total capital expenses	378,809	240,639	138,170
Total expenses	**2,811,471**	**2,700,839**	**110,632**

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
PUBLIC ACCOUNTS

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
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 **Schedule B.1**

PUBLIC ACCOUNTS

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

GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS

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	-	-	-	-	2,516	(2,516)
Plus : Asset retirement obligations (gain) loss	-	-	-	-	(70,022)	70,022
Plus: Write-down of tangible capital assets	-	-	-	-	-	-
Total operations and maintenance expenses	2,097,008	34,361	-	2,131,369	2,087,797	43,572
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**	**2,294,684**	**268,726**

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

GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS

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	58,193	(33,795)
Other	189,779	236,466	(46,687)
Operations and maintenance expenses before amortization	242,461	333,309	(90,848)
Plus: Amortization expenses on tangible capital assets	-	-	-
Total operations and maintenance expenses	242,461	333,309	(90,848)
Capital expenditures	140,711	118,455	22,256
Less: Transfers to tangible capital assets	-	84,703	(84,703)
Total capital expenses	140,711	33,752	106,959
Total third-party agreement expenses	383,172	367,061	16,111

Total capital expenditures above includes capital grants and contributions of $33,752 (2023 - $10,769).

GOVERNMENT OF NUNAVUT

Schedule B.3

PUBLIC ACCOUNTS

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
Plus: Amortization expenses on tangible capital assets (1)	-	-	-
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

(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
PUBLIC ACCOUNTS

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**	(53,423)	-	-	-	(1,571)	-	(54,994)	401
Reclassification	-	-	-	-	-	-	-	-
Disposals	(1,545)	-	-	-	-	-	(1,545)	-
Write-downs	-	-	-	-	-	-	-	-
Closing balance	1,549,048	177,996	478,020	225,011	32,656	159,040	2,621,771	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	53,145	-	-	-	1,752	435	55,332	-
Reclassification	-	-	-	-	-	-	-	-
Disposals	611	-	-	-	-	-	611	-
Write-downs	-	-	-	-	-	-	-	-
Closing balance	(694,900)	(141,049)	(155,182)	(129,442)	(17,531)	(144,403)	(1,282,507)	(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	1,068,910	36,947	333,091	95,569	15,186	14,637	1,564,340	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.

* Consists of the impact on tangible capital assets from the revisions in estimated cash flows and revaluation of the asset retirement obligations (Note 20).

GOVERNMENT OF NUNAVUT **Schedule 1**
PUBLIC ACCOUNTS
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 **Schedule 2**
PUBLIC ACCOUNTS
Non-Consolidated Schedule of Special Warrants (unaudited)
for the year ended March 31, 2024
(in thousands of dollars)

	Date of FMB Approval	Amount Authorized
OPERATIONS AND MAINTENANCE		
There were no Special Warrants during the year.		
Total operations and maintenance		-

	Date of FMB Approval	Amount Authorized
CAPITAL		
There were no Special Warrants during the year.		
Total capital		-

GOVERNMENT OF NUNAVUT

Schedule 3

PUBLIC ACCOUNTS

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

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	Transfer of Funds
Info Mngmt/Info Technology	(2,000)	
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)	Reallocation of funds
CGS - Capital	500	
CGS - Capital	3,000	Reallocation of funds
Petroleum Products Division	(3,000)	
CGS - Capital	(500)	Reallocation of funds
Petroleum Products Division	500	

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
PUBLIC ACCOUNTS

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