

Annual Report 2024



Workers' Safety and Compensation Commission Northwest Territories and Nunavut

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Letter of Transmittal

April 30, 2025



The Honourable Gerald Kisoun

Commissioner of the Northwest Territories

The Honourable Eva Aariak

Commissioner of Nunavut

The Honourable Vince McKay

*Northwest Territories Minister Responsible for the
Workers' Safety and Compensation Commission*

The Honourable Pamela Hakongak Gross

*Nunavut Minister Responsible for the Workers'
Safety and Compensation Commission*

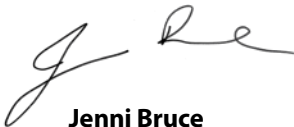
In accordance with Section 106(1) of the Northwest Territories and Nunavut *Workers' Compensation Acts*, it is my pleasure to present the Workers' Safety and Compensation Commission's (WSCC) Annual Report for the year ending December 31, 2024.

The Governance Council, in collaboration with the WSCC Senior Management Team, shares the vision and responsibility to eliminate workplace diseases and injuries across the Northwest Territories and Nunavut. Operating in a manner consistent with the *Workers' Compensation Acts*, policies, and corporate governance directives, the Governance Council oversees the business, management, and accountability of the WSCC.

The *2024 Annual Report* reports on our strategic commitments, our progress towards achieving our goals, and is generally a summary of last year's operations. Also included are audited financial statements, which reflect our commitment to sustaining the Workers' Protection Fund.

Accompanying the financial statements is an actuarial opinion on the reasonableness of future pension and claims liabilities, and the adequacy of the WSCC's contingency reserves.

I congratulate the Governance Council, employees, and WSCC partners on their continued dedication to serving our stakeholders and ensuring workplace safety and care for workers throughout the Northwest Territories and Nunavut.



Jenni Bruce

Chairperson

Message from the President



This was the second year of our 2023-2027 Strategic Plan, *Paths Towards Safety*. We continued to focus on our mission to promote workplace health and safety while providing no-fault insurance and care to injured workers through our three strategic priorities: *Advancing Safety Outcomes*, *Delivering Quality Services*, and *Ensuring Financial Sustainability*.

Building on the foundation set in 2023, we made significant strides in enhancing our services and achieving our strategic objectives in 2024. We launched several initiatives to advance our goals and maintained strong engagement with employers, receiving valuable feedback on new programs and policy updates.

Key achievements in 2024 included: developing a communications strategy to improve occupational health and safety information and resources for stakeholders; completing internal procedures to operationalize new policies; implementing employer experience recommendations; and, achieving 100% integration of cultural safety into WSCC's engagement framework. We introduced separate Year's Maximum Insurable Remuneration (YMIR) values for the Northwest Territories and Nunavut, addressing the unique needs of these territories.

The 2024 Annual Report outlines our progress toward achieving our strategic priorities and annual objectives. Please visit wsc.nt.ca or wsc.nu.ca to view the overarching Strategic Plan.

Rick Hunt
President and CEO

our MISSION

We promote workplace health and safety while providing no-fault insurance to employers and care for injured workers.

our VISION

Eliminate workplace diseases and injuries.

our VALUES

Respect

We demonstrate care, compassion, and honesty.

Engagement

We ensure meaningful participation and collaboration.

Integrity

We honour our commitments and act fairly.

Openness

We are accessible, clear, and transparent.

Cultural Safety

We recognize, gain knowledge of, and respect cultural dignity.

Excellence

We are efficient and service-focused.

Stewardship

We sustain the Workers' Protection Fund through accountability and fiscal responsibility.

2024 Strategic Priorities and Objectives



Strategic Priority 1.0 Advancing Safety Outcomes

Objectives

- 1.1** Expand occupational health and safety (OHS) education
- 1.2** Improve our incident and injury prevention activities
- 1.3** Review the employer assessment rate model

Strategic Priority 2.0 Delivering Quality Services

Objectives

- 2.1** Actively seek stakeholders' feedback
- 2.2** Develop innovative and efficient operations and processes
- 2.3** Support staff to successfully deliver services
- 2.4** Review the legislation WSCC administers
- 2.5** Improve claims management

Strategic Priority 3.0 Ensuring Financial Sustainability

Objectives

- 3.1** Confirm the Workers' Protection Fund is well managed
- 3.2** Increase WSCC's funded position

Governance Council



*Clockwise from top left:
Rick Hunt (President & CEO),
Cathy Cudmore, Robert
Wilkins, Peter Mackey, Jenni
Bruce, Derek Allerton, Eleese
Scott (Chief Governance
Officer and Senior Advisor),
Joseph Ohokannoak.*



Representing Your Interests....

A seven-person Governance Council guides the WSCC's strategic direction. Individuals from Nunavut and the Northwest Territories who represent the interests of workers, employers, and the general public sit on the Governance Council to oversee the WSCC's management and provide responsible stewardship of the Workers' Protection Fund.

The Governance Council oversees the WSCC as outlined in the *Workers' Compensation Acts*, WSCC policies, and Governance Council directives. Meeting quarterly, the Governance Council monitors WSCC's financial and strategic performance, and provides a consistent point of contact for governance.

Jenni Bruce, Chairperson

Peter Mackey, Vice-Chairperson, *Nunavut Public Interest Representative*

Robert Wilkins, Northwest Territories, *Employer Representative*

Cathy Cudmore, Northwest Territories, *Employer Representative*

Vacant, Northwest Territories, *Worker Representative*

Joseph Ohokannoak, *Nunavut Public Interest Representative*

Derek Allerton, *Nunavut Worker Representative*

About the WSCC

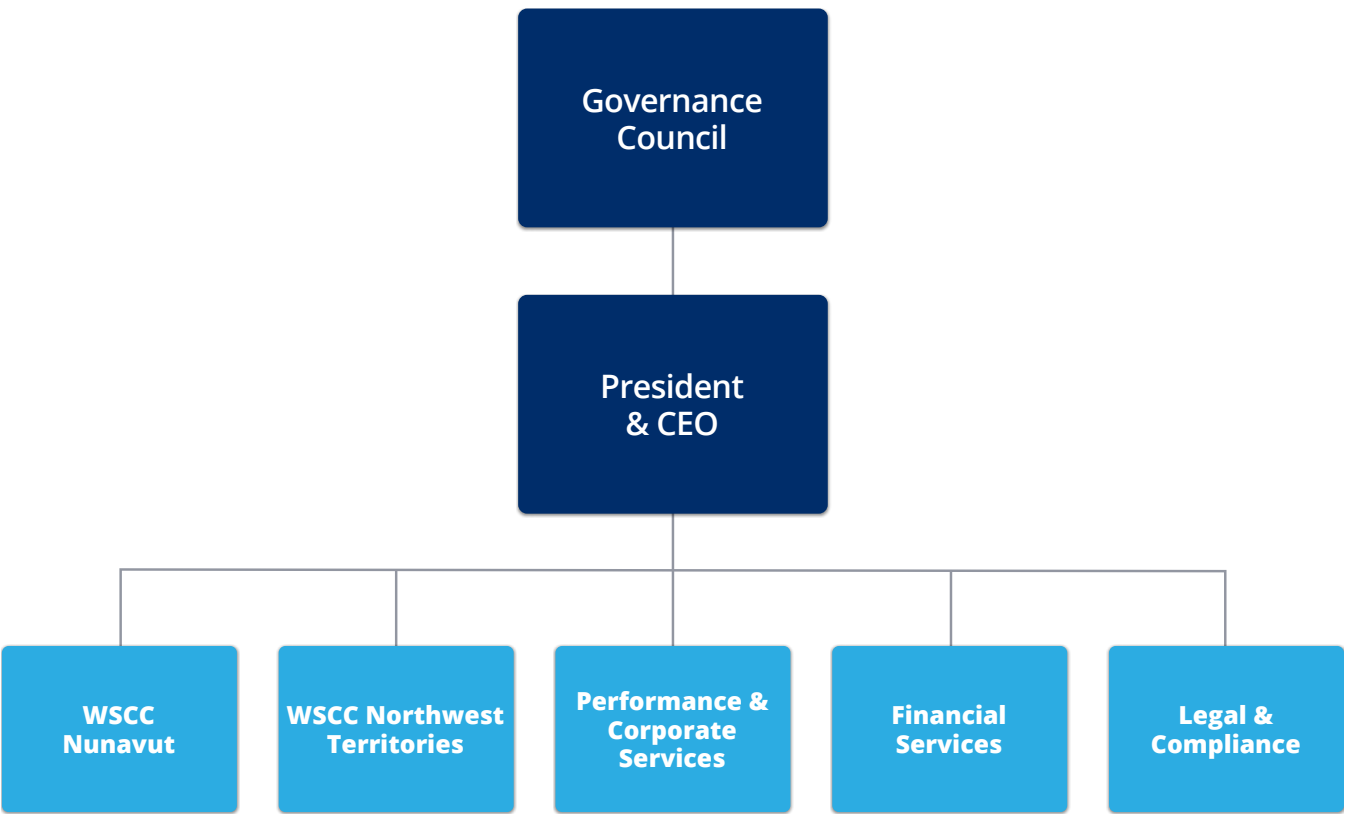
Safety and Care

The WSCC is an independent statutory agency responsible for administering the *Workers' Compensation Acts*, *Safety Acts*, *Explosives Use Acts*, and *Mine Health and Safety Acts* of the Northwest Territories and Nunavut. The WSCC provides services to approximately 40,000 workers and 4,000 employers across the two territories. These *Acts* and the associated *Regulations* help protect and care for workers and employers in the Northwest Territories and Nunavut.

With the broad mandate of safety and care, the WSCC's 2023–2027 Strategic Plan, *Path Towards Safety*, included three strategic priorities: *Advancing Safety Outcomes*, *Delivering Quality Services*, and *Ensuring Financial Sustainability*.

WSCC's Corporate Structure

A team of senior level staff lead the WSCC. Members reside in both Nunavut and the Northwest Territories. They provide leadership and direction to staff and guide WSCC's operations.



WSCC Statistics

Data pulled is from a point-in-time measure⁽¹⁾. Information is adjusted to provide the most up-to-date statistics, which may reflect adjusted values when compared against previous year's data.

	2020	2021	2022	2023	2024
Assessable Employers	3,968	4,064	4,168	3,989	4,359
New Employers	507	601	594	518	708
	231 NU	288 NU	263 NU	267 NU	348 NU
	276 NT	313 NT	331 NT	251 NT	360 NT
Reactivated Employer Accounts	250	289	292	295	249
	104 NU	129 NU	126 NU	133 NU	148 NU
	146 NT	160 NT	166 NT	162 NT	178 NT
Reported Claims	2,832	3,073	3,401	3,033	2,935
Accepted Claims	1,709	2,065	2,414	1,946	1,883
	723 NU	947 NU	1,204 NU	820 NU	794 NU
	986 NT	1,118 NT	1,219 NT	1,126 NT	1,089 NT
Review Requests	36	46	37	51	68
Work-related Fatality	1	10	2	2	11
Assessable Payroll (reported in millions)	\$3,138	\$3,474	\$3,680	\$3,912	\$4,280
Assessment Revenue (reported in millions)	\$78.06	\$84.35	\$90.14	\$96.11	\$103.4
YMIR	\$94,500	\$97,300	\$102,200	\$107,400	\$110,600
Inspections Conducted	626	623	640	958	654
	227 NU	215 NU	261 NU	388 NU	318 NU
	399 NT	408 NT	373 NT	570 NT	340 NT
Engagements⁽²⁾	2,736	1,591	640	828	294
Average number of orders per inspection	2.37	2.42	1.70	1.72	1.69
	3.32 NU	2.72 NU	2.06 NU	2.17 NU	2.04 NU
	1.82 NT	2.27 NT	1.44 NT	1.54 NT	1.32 NT
Orders issued	1,481	1,510	1,087	1,654	1,113
Reports of Unsafe Work received through WSCC Connect	196	129	133	140	143
Reportable Incidents⁽³⁾	194	228	275	265	208
	107 NU	125 NU	123 NU	125 NU	102 NU
	87 NT	103 NT	152 NT	140 NT	106 NT
Investigations	17	7	12	6	6
Prosecutions					
Employers/Supervisors Charged	1	5	3	2	1
Employers/Supervisors Sentenced	2	3	1	3	2

(1) Data in table for 2024 was pulled week of February 28, 2025. The other years remain static.

(2) Engagements include consultation and education and are tracked separately from inspections.

(3) Under the Occupational Health and Safety Regulations and the Mine Health and Safety Regulations.

Report on 2024 Activities

Advancing Safety Outcomes

Workers' Safety and Compensation Commission
Northwest Territories and Nunavut



2024 Key Performance Indicators

Advancing Safety Outcomes

The WSCC uses Key Performance Indicators (KPI's) to track progress towards our Strategic Priorities.

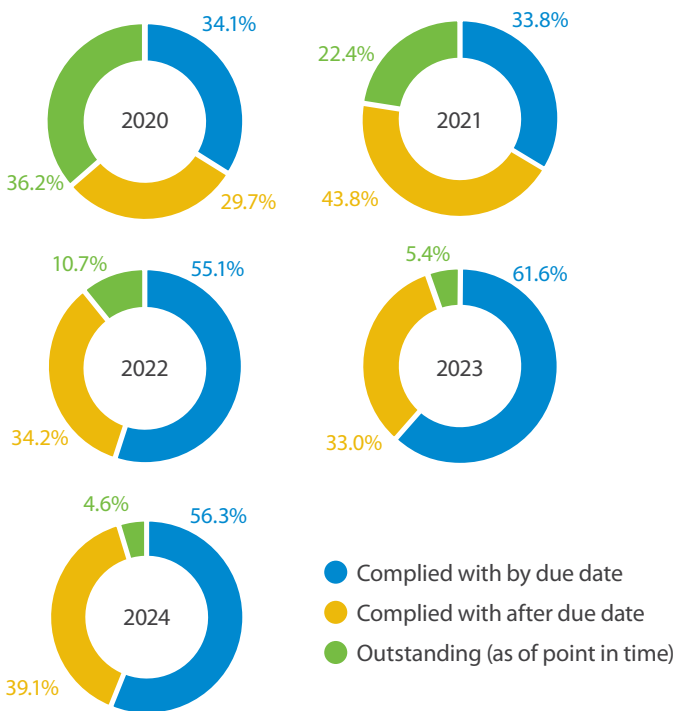
Key Performance Indicator	2024 Target	2024 Results	Assessment	2027 Target
Lost Time Injury Frequency	1.77	1.55	✔	1.68
Percentage of priority worksites that receive OHS resources from Prevention Services	40% ⁽¹⁾	35.8%	✖	100%
Percentage of employers satisfied with the resources and information provided	75%	92.9%	✔	75%
Percentage of total assessable payroll classified as a Safe Workplace	49.9% ⁽²⁾	57.3%	✔	5% increase/year from 2022 baseline
Percentage of eligible employers classified as a Safe Workplace	39.7% ⁽²⁾	46%	✔	5% increase/year from 2022 baseline
Develop OHS policies according to the Comprehensive Policy Review Plan (CPRP)	2024 policies approved	Completed	✔	CPRP on schedule
Status of the employer assessment rate model project	On track with project plan	On Track	✔	Completed

- ✔ Performance meeting or exceeding target
- ⚠ Performance marginally off target
- ✖ Performance off target
- Reprioritized for future or change in direction

(1) The acceptable performance range for this KPI's 2024 Target must be within plus or minus 5%. In 2024, the indicator was lagging due to Prevention Services having five unfilled positions. Staffing for these roles is being addressed in 2025.

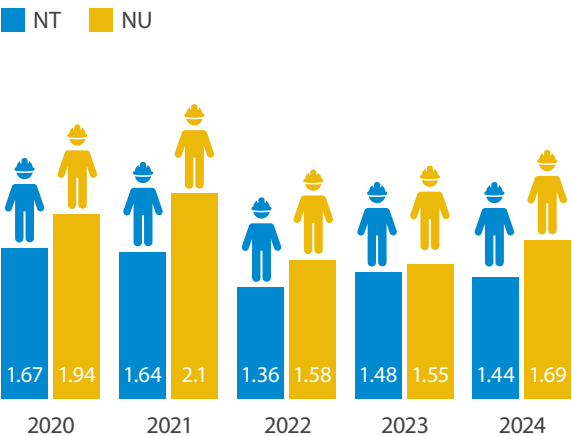
(2) An audit revealed that the 2022 baseline for these KPIs was incorrectly estimated. The targets have been adjusted to reflect the correct 2022 baseline.

Order Compliance 2020-2024



Lost Time Injury Frequency 2020-2024

This is the number of time loss claims per 100 workers



How did we do with our 2024 Advancing Safety Outcomes initiatives?

1.1 Expand occupational health and safety (OHS) education

To raise the understanding of OHS requirements by providing information and resources to the WSCC's stakeholders.		
INITIATIVE	TARGET	PERFORMANCE
Conduct targeted workshops to inform employers about the Safety Outreach Representatives	<ul style="list-style-type: none"> Conduct 4 large employer workshops 	✓
Update OHS resources	<ul style="list-style-type: none"> Update 4 OHS resources 	✓
Continue development of the training funding program	<ul style="list-style-type: none"> Prepare for program launch on January 1, 2025 ⁽¹⁾ 	✓
Develop a communications strategy to improve OHS information and resources for stakeholders	<ul style="list-style-type: none"> Develop and approve strategy 	✓


1.2 Improve our incident and injury prevention activities

To increase the number of employers with OHS programs by making policies clearer and providing guidance on procedures and appropriate tools to reduce and prevent work-related injuries and incidents, thereby creating safer workplaces.		
INITIATIVE	TARGET	PERFORMANCE
Identify, research, and develop OHS policies	<ul style="list-style-type: none"> Submit 2 OHS policies to the Governance Council for approval 	✓
Develop internal Prevention procedures which operationalize newly created policies	<ul style="list-style-type: none"> Create or update 5 procedures 	✓
Host targeted information sessions to educate large employers and associations on the Safe Workplace program	<ul style="list-style-type: none"> Conduct outreach to 1 large employer per quarter in each territory 	✓

(1) Governance Council made the decision to delay the training funding program launch until July 15, 2025.

1.3 Review the employer assessment rate model

To review the employer assessment rate model and identify approaches that may better reward excellent safety performance and motivate weaker-performing employers.

INITIATIVE	TARGET	PERFORMANCE
Identify and investigate potential models for further review	<ul style="list-style-type: none"> Document framework for path forward 	



Performance meeting or exceeding target



Performance marginally off target



Performance off target



Reprioritized for future or change in direction



Exceeding the **2024** Target, the percentage of eligible employers classified as a safe workplace was

46%

Looking Forward

Advancing Safety Outcomes remains central to our vision of eliminating workplace diseases and injuries. Our focus continues on occupational health and safety education, improving injury prevention activities, and sustaining the Safe Workplace program to promote and ensure healthier and safer workplaces for everyone.



Report on 2024 Activities

Delivering Quality Services

Workers' Safety and Compensation Commission
Northwest Territories and Nunavut

2024 Key Performance Indicators

Delivering Quality Services

The WSCC uses Key Performance Indicators (KPIs) to track progress towards our Strategic Priorities.

Key Performance Indicator	2024 Target	2024 Results	Assessment	2027 Target
Stakeholder Satisfaction Score	80%	73% ⁽¹⁾	✖	80%
Percentage of stakeholder engagements that have the stakeholder engagement framework applied	100%	100%	✓	100%
Percentage of WSCC public engagements that meet their response rate target	90%	100%	✓	90%
Net maturity Score (5-point scale)	2.6	2.6	✓	3
Percentage of clients satisfied with e-Business functions	80%	84%	✓	80%
Net Promoter Score	80%	80%	✓	80%
Retention Rates	Exceed GNWT and GN rates ⁽²⁾	86.7%	✓	Exceed GNWT and GN rates
Status of Legislation Review Project	On track with project plan	On Track ⁽³⁾	○	Completed
Average Cost per Claim	4% reduction from 2022	21% increase from 2022	✖ ⁽⁴⁾	10% reduction from 2022 baseline
Number of non-responsiveness complaints forwarded from the Workers' Advisor Office	33% reduction from 2022	72% reduction from 2022	✓	Zero



Performance meeting or exceeding target



Performance marginally off target



Performance off target



Reprioritized for future or change in direction

(1) The 2023-2024 Client Experience Survey, conducted in 2024, measures the quality of WSCC services based on responses from Employers, Workers, and Health Care Providers across six categories: Culturally Respectful, Timely, Competent, Accurate, Polite, and Professional. The average score reflects overall client satisfaction. Initiatives are in place to address client satisfaction with service delivery.

(2) Retention rates: GNWT 2023-2024, 87.5%; GN 2022-2023, 82%.

(3) Status of the Legislative Review project deferred until Q2 2025.

(4) Claims Services has implemented several cost containment measures, with more planned. Short-term results may not be visible. The current cost increase will be assessed to distinguish internal from external factors. Rising medical costs, claim variability, and inflation are likely contributors. The business unit remains focused on sustainable cost control.

There are 4 official languages of the WSCC: English, French, Inuktitut, and Inuinnaqtun. What translations did the WSCC do in 2024?



In 2024, the WSCC had an employee retention rate of



86.7%



How did we do with our 2024 Delivering Quality Services?







2.1 Actively seek stakeholders' feedback

To ensure stakeholders have opportunities to share their experiences and suggestions for improvements by broadening the stakeholder engagement process

INITIATIVE	TARGET	PERFORMANCE
Create an evaluation cycle for the WSCC programs and services	<ul style="list-style-type: none"> Develop evaluation cycle for WSCC programs 	
Integrate cultural safety in the engagement frame	<ul style="list-style-type: none"> Indigenous Governments and Organizations integrated in all WSCC engagements 	
Conduct outreach to Indigenous Governments and Organizations to build rapport and recruit representation on the Stakeholder Engagement Committee	<ul style="list-style-type: none"> 10% or more Indigenous representation on the Stakeholder Engagement Committee 	

2.2 Develop innovative and efficient operations and processes

To create defined processes that deliver the most value to stakeholders by leveraging appropriate tools, technologies, data and solutions to simplify and streamline our work

INITIATIVE	TARGET	PERFORMANCE
Develop internal dashboards to improve the accessibility of organizational data	<ul style="list-style-type: none"> Create 8 dashboards Provide internal training 	
Improve the employer experience	<ul style="list-style-type: none"> Implement Phase 1 of the Employer Support Model Implement 25% of user experience recommendations 	
Modernize records and information management	<ul style="list-style-type: none"> Implement Phase 1 of Enterprise Record Information Management System 	
Enhance Information Systems' operational efficiency	<ul style="list-style-type: none"> Develop comprehensive lifecycle roadmap for the WSCC Financial System 	
Prepare systems, processes, and policies to support a separate Year's Maximum Insurable Renumeration (YMIR) for the Northwest Territories and Nunavut	<ul style="list-style-type: none"> Separate YMIR ready for launch on January 1, 2025 	
Develop and enhance online stakeholder experience	<ul style="list-style-type: none"> Develop roadmap for online services for workers Assess feasibility of a secure message center for stakeholders 	



Performance meeting or exceeding target



Performance marginally off target



Performance off target



Reprioritized for future or change in direction

2.3 Support staff to successfully deliver services




To ensure that robust strategies are in place to respond to an ever-changing labour market by supporting, engaging, and empowering WSCC's employees to deliver excellent services to our stakeholders

INITIATIVE	TARGET	PERFORMANCE
Modernize HR services	<ul style="list-style-type: none"> Implement HR Leadership Dashboard Procure and implement recruitment software 	✓
Implementation of Workforce Planning Strategy	<ul style="list-style-type: none"> Implement top 3 recommendations 	✓
Optimize office space	<ul style="list-style-type: none"> Complete an assessment of office space feasibility 	✓

2.4 Review the legislation WSCC administers

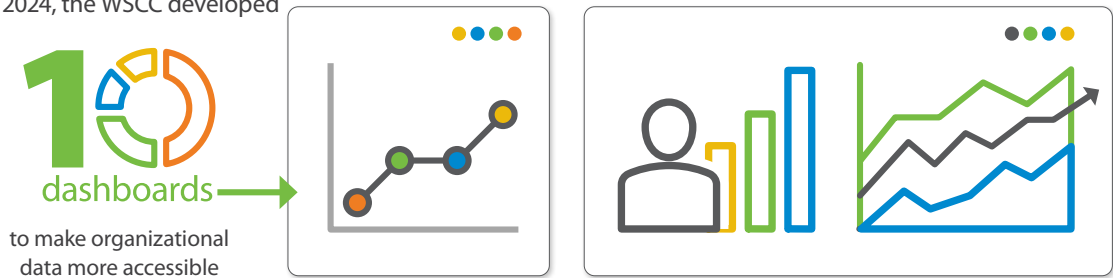
To update the legislation WSCC administers

INITIATIVE	TARGET	PERFORMANCE
Develop options for the modernization of occupational health and safety legislation in collaboration with the Mine Occupational Health and Safety Legislation Committee and the Safety Advisory Committee	<ul style="list-style-type: none"> Advance review of safety legislation prioritized by OHS Steering Committee 	○ ⁽¹⁾
Review <i>Occupational Health and Safety Regulations</i> and <i>Mine Health and Safety Regulations</i>	<ul style="list-style-type: none"> Review OHS regulations prioritized by Legislative Review Committee and deliver harmonization commitments 	✓
Continue the legislative process for the <i>Workers' Compensation Act</i> pension amendments	<ul style="list-style-type: none"> Begin drafting of a Bill 	✓

 Performance meeting or exceeding target
  Performance marginally off target
  Performance off target
  Reprioritized for future or change in direction

(1) This initiative was deferred and other commitments were prioritized under legislative review.

In 2024, the WSCC developed



2.5 Improve claims management

To manage claims effectively and responsibly using appropriate processes, tools and systems, thereby lessening the challenges of staff workloads while improving stakeholder claims experiences

INITIATIVE	TARGET	PERFORMANCE
Review organizational structure and design within Claims Services organizational structure	• Complete a review of Claims Services organizational structure	✓
Enhance claims management communications	• Create 8 standardized claims letters • Create 4 one-page reference documents for common claims-related topics • Evaluate internal communication methods for injured workers and make recommendations	✓
Evaluate the 2022 claims improvement strategy	• Complete evaluation and identify priorities	✓
Develop onboarding and training program for Claim owners	• Develop training program	✓



Performance meeting or exceeding target



Performance marginally off target

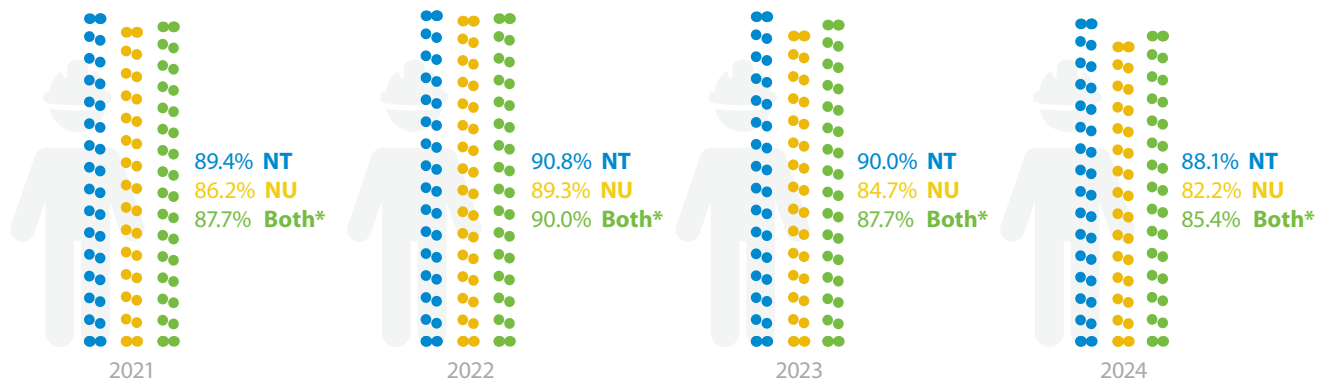


Performance off target



Reprioritized for future or change in direction

Percentage of injured workers who returned to work within 6 months



* The number represents the two territories' cumulative percentage of injured workers who returned to work within six months

Looking Forward



We continue our work on **Delivering Quality Services**, focusing on enhancing processes and empowering WSCC staff to provide timely, accessible, understandable, and effective services to those we serve. We are committed to integrating our core values into our daily operations to improve claims management, streamline service delivery, and expand our cultural safety initiatives.

The background is split into two main green sections by a white diagonal line. The left section features a pattern of small, dark green downward-pointing triangles. The right section features a pattern of small, light green upward-pointing triangles. In the upper right, there is a large white graphic consisting of a circle with a dollar sign (\$) inside, and two arrows pointing upwards from the circle, one slightly to the left and one slightly to the right.

Report on 2024 Activities

Ensuring Financial Sustainability

Workers' Safety and Compensation Commission
Northwest Territories and Nunavut

2024 Key Performance Indicators

Ensuring Financial Sustainability

The WSCC uses Key Performance Indicators (KPIs) to track progress towards our Strategic Priorities.

Key Performance Indicator	2024 Target	2024 Results	Assessment	2027 Target
Average Composite Claim Duration	104.4	109.4	—	10% reduction from 2022 year end
Return on Investment	5.5%	13.6%	✓	5.25% per year
Funded Position	110.7%	114.0%	✓	116.4%



Performance meeting or exceeding target



Performance marginally off target



Performance off target



Reprioritized for future or change in direction





The **2027** Target for Funded Position is

116.4%



The **2023** Target for Funded Position reported in the 2023 Annual Report was **115.2%**, but has been revised to **108.8%**. The **2023** Results remain at **107.1%**.

How did we do with our 2024 Ensuring Financial Sustainability?





3.1 Confirm the Workers’ Protection Fund is well managed


To review if outsourcing the WSCC’s investment management of the Workers’ Protection Fund remains appropriate and to understand if WSCC has gained in overall return on investment by outsourcing this function		
INITIATIVE	TARGET	PERFORMANCE
Conduct a review of the existing investment portfolio and identify underperforming assets to be divested or restructured	<ul style="list-style-type: none"> Make recommendations to optimize portfolio’s performance and maximize returns 	
Conduct an analysis of Investment Custodian services	<ul style="list-style-type: none"> Develop and implement an oversight framework⁽¹⁾ 	

3.2 Increase the WSCC’s funded position

To maintain a balance between the provision of quality benefits to injured workers while maintaining stable and affordable employer assessment rates		
INITIATIVE	TARGET	PERFORMANCE
Evaluate payment processing systems and workflows to optimize efficiency	<ul style="list-style-type: none"> Process review completed⁽²⁾ 	
Develop process to continuously monitor assets and liabilities to identify trends	<ul style="list-style-type: none"> Process implemented 	

(1) Oversight framework of the Investment Custodian services is lagging due to the contractual changes and legal review of the contract and is estimated to be completed in Q1 2025
 (2) The payment processing review has not been completed on time due to dashboard testing delays. This lagging indicator is estimated to be completed in Q1 2025

 Performance meeting or exceeding target
  Performance marginally off target
  Performance off target
  Reprioritized for future or change in direction



Ensuring Financial Sustainability is continuous. In the year ahead, we will evaluate investment strategies, optimize payment systems, and maintain a balanced funded position. Ensuring the Workers’ Protection Fund is well-resourced is crucial for injured workers’ care. By maintaining sufficient funds through a fair funding mechanism, we uphold our dedication to stewardship.



Our Finances

Workers' Safety and Compensation Commission
Northwest Territories and Nunavut

Management Commentary

For the year ended December 31, 2024



Management Discussion and Analysis 2024

The management commentary provides further insights and information about the Workers' Safety and Compensation Commission's (WSCC) financial operations and performance for the year ended December 31, 2024. The following audited financial statements are integral to this commentary and should be read in conjunction.

Executive Summary

The WSCC experienced a remarkable financial turnaround in 2024, achieving a total comprehensive income of \$35.9 million compared to a loss of \$1.9 million in 2023. This 393.6% improvement in our equity position reflects both strong investment performance and effective operational management during the second year of implementing IFRS 17 and IFRS 9 accounting standards.

Key financial highlights for 2024 include:

- 74.6% increase in net investment income to \$67.9 million
- 6.8% growth in insurance revenue to \$103.9 million
- Improved funded position (assets/liabilities) from 101.8% to 108.3% under IFRS 17
- Operating reserve transition from a deficit of \$16.1 million to a positive \$23.4 million
- Total assets growth of 12.1% to \$589.9 million

While facing ongoing challenges from rising insurance service expenses, and the impending trade war looms between Canada and the United States, the WSCC's strategic financial management has significantly strengthened our ability to fulfill our mandate to employers and injured workers across the Northwest Territories and Nunavut.

Forward-looking Information

This report contains forward-looking information from which actual results may differ. This information includes assumptions about the future and is subject to risk and uncertainties. Forward-looking information includes but is not limited to WSCC priorities, objectives, actions, projections, and observations.

Risks and uncertainties about future assumptions may include changing financial markets, industry, and general economic conditions; legislation; accounting standards; appeals and court decisions; and other risks, known or unknown. Accordingly, the reader should be cautious about over-relying on forward-looking information in this document.

Changes to Actuarial Valuation Assumptions

Management reviewed the underlying assumptions supporting the Insurance contract valuation for the year ended 2024, to align with current realities and ensure the Insurance contract liability is ultimately reflective of the exposure of the WSCC to current and future obligations. Changes in assumptions resulted in:

Valuation Assumption Changes

Assumption	2024	2023	Effect of changes on overall liability
Mortality basis	Based on general population mortality table from Statistics Canada (2020 -2022 Canada Life Table)	Based on general population mortality table from Statistics Canada (2010 -2012 Canada Life Table)	\$4.6M
	25% increase applied on mortality rates	10% increase applied on mortality rates	
Discount rate	4.81%	4.86%	\$2.1M
Medical inflation - long term	4.00%	4.50%	\$5.6M

Overview of Financial Performance

2024 is the second year following the implementation of IFRS 17 and IFRS 9. While volatility in financial results is expected due to fluctuations in IFRS 17 discount rate and other underlying assumptions, the WSCC has demonstrated effective management of these challenges.

Total Comprehensive Income Analysis

The significant improvement in total comprehensive income from a loss of \$1.9M in 2023 to a profit of \$35.9M in 2024 represents a turnaround of \$37.8M. This remarkable recovery was driven by several factors:

1. **Investment performance:** Net investment income increased by \$29.0M (74.6%) to \$67.9M, reflecting both improved market conditions and effective portfolio management
2. **Reduced impact from insurance finance expenses:** Insurance finance expenses decreased by \$18.8M (51%), from \$36.9M in 2023 to \$18.1M in 2024
3. **Operational efficiency:** Despite rising costs, the WSCC maintained effective control of administrative expenses

This performance indicates the resilience of our financial strategy in the second year of IFRS 17 implementation, demonstrating our ability to navigate the inherent volatility introduced by the new accounting standards while maintaining financial stability.

Insurance Service Result

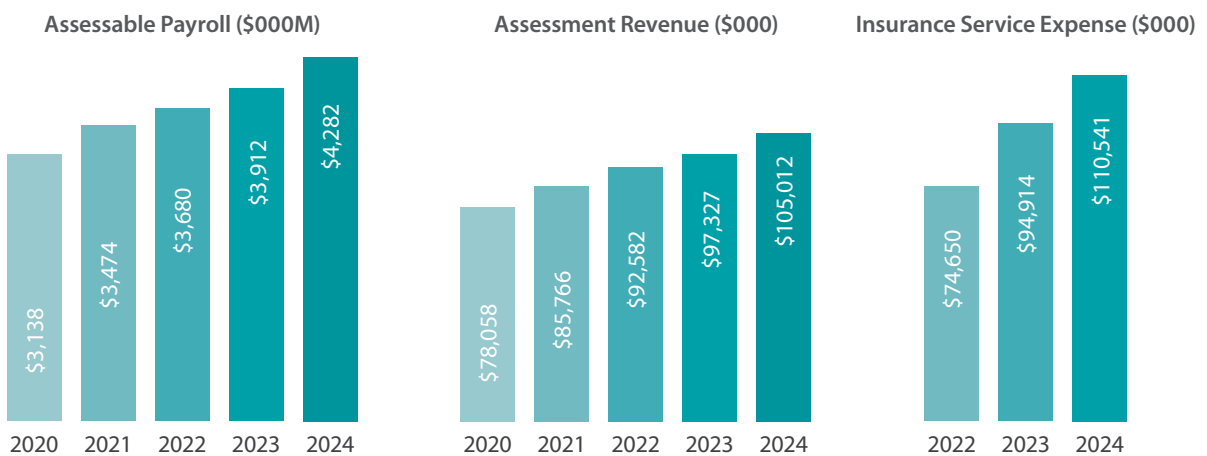
The insurance service result decreased from a profit of \$2.4M in 2023 to a loss of \$6.6M in 2024, reflecting ongoing challenges in managing insurance service expenses in the current economic environment. This decline of \$9.0M requires careful analysis:

1. **Revenue growth:** Insurance revenues grew by 6.8% from \$97.3M to \$103.9M, primarily driven by a 10.3% increase in assessable payroll from \$3.9B to \$4.3B
2. **Expense acceleration:** Insurance service expenses increased at a faster rate (16.5%) from \$94.9M to \$110.5M, outpacing revenue growth

3. Contributing factors to insurance service expense growth:

- Increased medical and compensation costs reflecting inflationary pressures in healthcare
- Higher catastrophe expenses of \$3.9M related to the utilization of the catastrophe reserve
- Rising administrative cost allocations to insurance service expenses

The divergence between revenue and expense growth highlights the need for continued focus on operational efficiency and strategic cost management to return the insurance service result to a positive position in future years.

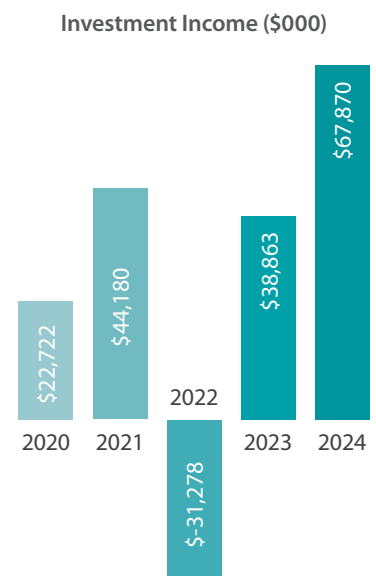


Investment Strategy and Portfolio Performance

The WSCC's investment portfolio achieved exceptional performance in 2024, with net investment income of \$67.9M representing a 74.6% increase over 2023. This result reflects both improved market conditions and our strategic approach to investment management:

1. **Asset allocation:** Our portfolio continues to move toward greater diversification across asset classes, balancing growth potential with risk management
2. **Performance relative to benchmarks:** While delivering a strong 13.6% net return, the portfolio's defensive positioning resulted in underperformance against our benchmark
3. **Long-term perspective:** Our investment strategy maintains a focus on long-term stability to support ongoing obligations to injured workers

The five-year trend shows the inherent volatility in investment returns, with 2024 representing the highest return in this period at \$67.8M compared to \$38.9M in 2023, -\$31.3M in 2022, \$44.2M in 2021, and \$22.7M in 2020. This reinforces the importance of maintaining a disciplined, long-term investment approach rather than reacting to short-term market fluctuations.



Insurance Finance Expenses/Income

The 51% Year-on-Year (YOY) change in the expense from \$36.9M in 2023 to an expense of \$18.1M in the current year is largely due to fluctuation in interest rates and the resulting change in the discount rate used to value the Insurance contract liability.

Net Insurance Financial Results

The net insurance financial result is a crucial metric that showcases the correlation between the net investment income generated by managing WSCC's investment portfolio and the impact of net finance income or expenses from insurance contract results. Given the long-term nature of WSCC's strategy, positive net insurance financial result indicates that the insurance and investment income is exceeding the insurance cost and growth in the insurance contract liability, resulting in a positive result for the year.

This includes the effect of changes to the discount rates used to measure the time value of money and changes in the time value of money, as well as the effect of financial risk and changes in financial risk. Additionally, it incorporates financial assumptions while evaluating WSCC's insurance contract liabilities. The result is \$43.2M in 2024 compared to \$4.4M in 2023, representing a significant improvement of \$38.8M or 882.1%.

Other Income and Expenses

Administrative and General Expenses: Represent the excess of administrative costs after claims management allocation. An increase, although modest, indicates rising operational costs from \$7.5M to \$8.9M in the current year primarily due to inflationary and wage increases.

Fines and Miscellaneous Income: A moderate increase, driven by late payment penalties and recoveries resulted in \$1.9M up from to \$1.3M in the prior year.

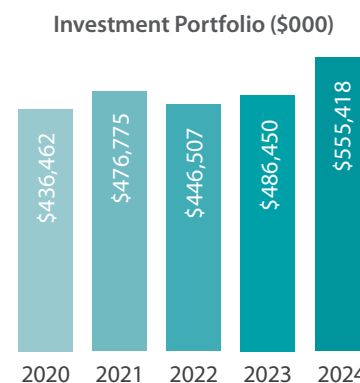
Other Comprehensive Income/(Loss): The re-measurement loss/gain on the defined benefit plan was \$260k in 2024 compared with 2023 of \$83k. These amounts reflect the impact of changes in the defined benefit plan that will not affect surplus or loss in future periods.

Financial Position

The Statement of Financial Position offers a snapshot of WSCC's assets, liabilities, and equity as of December 31 for the financial years **2024** and 2023. The significant changes in financial position providing insights into the WSCC's financial health and efficiency are analyzed below:

Assets

Asset analysis reveals an increase in total assets from \$526.4M on December 31, 2023, to **\$589.9M** by the end of 2024 with Investments showing a notable increase from \$486.5M in December 2023 to \$555.4M by the end of 2024. The WSCC's effective investment management strategies and an appreciation in investment values are responsible for the increase. This development reflects both the organization's operational activities and strategic financial management decisions executed over the period.



Liabilities

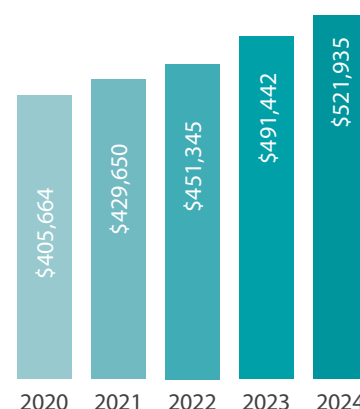
Total liabilities from December 2023 to the end of 2024 indicate an increase from \$517.3M to **\$544.8M**. The observed liability increase relates to the insurance contract liabilities. The insurance contract liabilities significantly increased from \$491.4M in December 2023 to **\$521.9M** by the end of 2024. The increase was primarily due to underlying assumptions, increased claims payments and the catastrophe impact realized.

Financial Position and Equity

The WSCC's financial position strengthened significantly in 2024, with total equity increasing from \$9.1M to \$45.1M, a 393.6% improvement. This remarkable change deserves detailed examination:

1. **Operating Reserve:** The most dramatic improvement occurred in the Operating Reserve, which moved from a deficit of \$16.1M to a positive balance of \$23.4M, a swing of \$39.5M. This transformation reflects both strong investment performance and effective management of insurance operations.
2. **Catastrophe Reserve:** The WSCC experienced a catastrophic event resulting in the utilization of \$3.9M from the Catastrophe Reserve. Following our funding strategy which requires the Catastrophe Reserve to be 5% of total liabilities, we replenished this depleted Catastrophe Reserve through a \$7.1M transfer from the Operating Reserve, ensuring our continued preparedness for future catastrophic events. The net effect was an increase in the Catastrophe Reserve from \$23.1M to \$26.2M in the unaudited funding basis financial statements.

Insurance Contract Liability (\$000)



	Funding basis (Unaudited)		IFRS 17	
	2024	2023	2024	2023
	(\$,000)	(\$,000)	(\$,000)	(\$,000)
Operating reserve	44,952	9,915	23,415	(16,123)
Capital asset replacement reserve	2,494	2,163	2,494	2,163
Catastrophe reserve	26,230	23,094	19,173	23,094
Total Equity	73,676	35,172	45,082	9,134

Funded Position

Under IFRS 17 approach, the funded ratio of 108.3% (2023: 101.8%) indicates that for every dollar of liability, there is \$1.083 in assets. This ratio demonstrates a slightly overfunded position based on the requirements of this accounting standard. On the other hand, the funded ratio of 114.0% (2023: 107.1%) under the Funding basis approach indicates a greater overfunding, with assets and reserves exceeding liabilities by a more significant margin. The net return on investment of \$67.9M (2023: \$38.9M) and prudent management of available funds and expenditure, are significantly responsible for the overfunding position. Management will continue to monitor the funded position in the coming years. From 2022-2024, the trend reflects improving management's prudent use of resources to meet insurance contract liability obligations.

The funded positions under both IFRS 17 and Funding basis standards provide key insights into the WSCC's financial standing for the year ending 2024. While both positions exhibit financial health, the discrepancy between the ratios underscores the importance of accounting standard selection and their impact on financial reporting. To achieve the optimal long-term target of 125%, the WSCC must leverage strategic financial management practices, maximize operational efficiencies, and pursue growth opportunities while prudently managing liabilities. By aligning with the target funded position, the WSCC can fortify its financial resilience, better prepare for future contingencies, and ensure sustained operational success in the dynamic regulatory environment of workers' compensation boards in Canada.

	Funding basis (Unaudited)			IFRS 17		
	2024	2023	2022	2024	2023	2022
	(\$,000)	(\$,000)	(\$,000)	(\$,000)	(\$,000)	(\$,000)
Total Assets	598,108	533,479	495,920	589,889	526,414	487,484
Total Liabilities	524,432	498,307	474,604	544,807	517,280	476,470
Assets/ Liabilities	114.0%	107.1%	104.5%	108.3%	101.8%	102.3%

Risk Management

The WSCC faces several financial risks that require careful management:

1. **Market volatility risk:** The inherent volatility in financial markets directly impacts our investment portfolio and, under IFRS 17, creates additional volatility in our insurance contract liabilities through discount rate fluctuations
2. **Inflation risk:** Rising inflation, particularly in medical costs, continues to pressure our insurance service expenses and long-term liabilities
3. **Demographic changes:** Evolving workforce demographics in the Northwest Territories and Nunavut may impact future assessment revenue and claims patterns

Our risk mitigation strategies include:

- Continued portfolio diversification to manage investment volatility
- Regular review of actuarial assumptions to reflect current economic conditions
- Operational efficiency initiatives to control administrative costs
- Prudent management of reserves to ensure financial stability

Financial Performance and Outlook

While IFRS 17 hinges on a principles-based approach, the standard brings about inherent market volatility, which, if taken to determine funding, could potentially result in significant changes to employer premiums. Considering this volatility, the WSCC will continue to use the Funded basis (long-term view) necessary to balance the rights and obligations of both injured workers and covered employers as required by the Meredith Principles and workers' compensation legislation and to maintain the stability of assessment rates. This practice adheres to accepted actuarial practices for insurance contract liability valuations, and with this, the discount rate used in the insurance contract liabilities follows funding and investment policies already established by the WSCC.

In 2024 the year's maximum insurable remuneration (YMIR) NT & NU increased to \$110,600 from the 2023 level of \$107,400. YMIR represents the maximum level of employee-covered wages used for benefits determination. YMIR is

set annually under WSCC Policy 00.04 Year's Maximum Insurable Remuneration and is a critical determinant in claims compensation and employer assessable earnings. The 2024 provisional assessment rate was maintained at \$2.40/\$100 of assessable payroll from the 2023 rate of \$2.40/\$100.

2025 Outlook

Looking ahead to 2025, the WSCC anticipates:

1. **Assessment rates:** Based on our improved financial position, we will maintain the provisional assessment rate at \$2.40/\$100 of assessable payroll for 2025
2. **YMIR adjustment:** The Year's Maximum Insurable Remuneration will increase in 2025 to \$112,600 and \$113,900 for Northwest Territories and Nunavut respectively, reflecting wage inflation and ensuring adequate coverage for workers
3. **Financial challenges:** We anticipate continued pressure on insurance service expenses due to medical inflation and potential volatility in discount rates under IFRS 17
4. **Strategic initiatives:** The WSCC will implement enhanced cost control measures and claims management practices to improve the insurance service result

Tariff Complexities:

We continue to monitor the evolving tariff situation between Canada and the United States and its potential impact on the two territories with our partners. Recent developments have created a climate of economic uncertainty that warrants careful consideration. The WSCC remains committed to balancing our responsibilities to injured workers with maintaining stable and affordable assessment rates for employers. Our strategic approach includes:

- Continuous monitoring of industry-specific impacts to anticipate assessment revenue fluctuations and labour market trends
- Prudent financial management to ensure stability during this period of trade uncertainty

We recognize that northern communities face unique challenges from tariff implementations due to geographic isolation and limited economic diversity. The WSCC will continue adapting our strategies to support both workers and employers as the tariff situation evolves.

Conclusion

The financial results for 2024 demonstrate the WSCC's resilience and ability to navigate the complexities introduced by IFRS 17 while maintaining focus on our core mission. The significant improvement in our financial position provides a stronger foundation for fulfilling our obligations to stakeholders across the Northwest Territories and Nunavut.

While challenges remain, particularly in managing rising insurance service expenses, and the impending trade war looms between Canada and the United States, our strategic approach to financial management and risk mitigation positions us well for continued stability and growth. We remain committed to transparent reporting and prudent financial stewardship as we move forward.



Harry Cassie, MPhil, MBA, FCCA, CFE, CMgr FCMI, CPA, CGA
Vice President & CFO

Management's Responsibility for Financial Reporting

April 29, 2025

The accompanying financial statements of the Workers' Safety and Compensation Commission of the Northwest Territories and Nunavut (the Commission), and all information in this annual report are the responsibility of the Commission's management and were reviewed and approved by the Governance Council. The financial statements were prepared in accordance with International Financial Reporting Standards and include some amounts, such as the insurance contract liability, that are necessarily based on management's best estimates and judgement. Financial information contained elsewhere in the annual report is consistent with that contained in the financial statements.

In discharging its responsibilities for the integrity and fairness of the financial statements, management maintains financial and management control systems and practices designed to provide reasonable assurance that transactions are authorized in accordance with the specified legislation, assets are safeguarded, and proper records are maintained.

The Governance Council is responsible for ensuring management fulfills its responsibilities for financial reporting and internal control. The Governance Council exercises this responsibility and is composed of Directors who are not employees of the Commission. The Governance Council meets with management and the external auditors on a regular basis. The external auditors have full and free access to the Governance Council.

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

TELUS Health, an independent firm of consulting actuaries, performed an actuarial valuation and provided an opinion on the adequacy and appropriateness of the Insurance contract liability of the Commission.



Rick Hunt

President and CEO



Harry Cassie, MPhil, MBA, FCCA, CFE, CMgr FCMI, CPA, CGA

Vice President & CFO

Actuarial Statement of Opinion



I have completed the actuarial valuation of the benefit liabilities of the Workers' Safety and Compensation Commission (the "Commission") as at December 31, 2024 (the "valuation date") in accordance with the requirements under IFRS 17. Details of the data, actuarial assumptions, valuation methods and results are included in the actuarial valuation report as at the valuation date, of which this statement of opinion forms part.

In my opinion:

1. The data on which the valuation is based were supplied by the Commission in accordance with specifications provided by us. We applied such checks of reasonableness of the data as we considered appropriate, and have concluded that the data are sufficient and reliable for the purpose of the valuation.
2. The actuarial assumptions adopted in computing the liabilities are adequate and appropriate for the purpose of the valuation.
3. The methods used are appropriate for the purpose of the valuation and are in accordance with accepted actuarial practice for Workers' Compensation organizations in Canada.
4. The estimate of the actuarial liabilities as at the valuation date is \$522,941,000. This includes provisions for benefits and future administration expenses expected to be paid after the valuation date for claims that were incurred on or before the valuation date. A provision for future claims arising from long latency occupational diseases is included in this valuation. This liability does not include any self-insured employers or Harvester claims. The liability includes provisions for suspended pension payments, comprising historical unclaimed balances; this figure was obtained from the Commission's Financial Services staff.
5. The amount of the actuarial liabilities makes appropriate provision for all personal injury compensation obligations given the plan's accounting.
6. This report has been prepared, and my opinions given, in accordance with accepted actuarial practice in Canada.
7. The valuation is based on the provisions of the Workers' Compensation Act S.N.W.T. 2007, c. 21, the Workers' Compensation Act S.Nu. 2007, c. 15 and on the Commission's policies and practices in effect on the valuation date.

A handwritten signature in blue ink, appearing to read 'Jeff Queen'.

Jeff Queen, FCIA

This report has been peer reviewed by Sekayi Campbell, FCIA

Independent Auditor's Report



Office of the
Auditor General
of Canada

Bureau du
vérificateur général
du Canada

INDEPENDENT AUDITOR'S REPORT

To the Ministers responsible for the Workers' Safety and Compensation Commission of the Northwest Territories and Nunavut

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Workers' Safety and Compensation Commission of the Northwest Territories and Nunavut (the Commission), which comprise the statement of financial position as at 31 December 2024, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Commission as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

Basis for Opinion

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

Other Information

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Commission to cease to continue as a going concern.

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

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

Report on Compliance with Specified Authorities

Opinion

In conjunction with the audit of the financial statements, we have audited transactions of the Workers' Safety and Compensation Commission of the Northwest Territories and Nunavut coming to our notice for compliance with specified authorities. The specified authorities against which compliance was audited are Part IX of the *Financial Administration Act* of Nunavut and regulations, the *Workers' Compensation Act* of the Northwest Territories and regulations, and the *Workers' Compensation Act* of Nunavut and regulations.

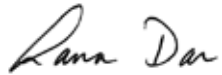
In our opinion, the transactions of the Workers' Safety and Compensation Commission of the Northwest Territories and Nunavut that came to our notice during the audit of the financial statements have complied, in all material respects, with the specified authorities referred to above. Further, as required by the *Financial Administration Act* of Nunavut, we report that, in our opinion, the accounting principles in IFRS Accounting Standards as issued by the IASB have been applied on a basis consistent with that of the preceding year. In addition, in our opinion, proper books of account have been kept by the Workers' Safety and Compensation Commission of the Northwest Territories and Nunavut and the financial statements are in agreement therewith.

Responsibilities of Management for Compliance with Specified Authorities

Management is responsible for the Workers' Safety and Compensation Commission of the Northwest Territories and Nunavut's compliance with the specified authorities named above, and for such internal control as management determines is necessary to enable the Workers' Safety and Compensation Commission of the Northwest Territories and Nunavut to comply with the specified authorities.

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

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

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

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

Vancouver, Canada
24 April 2025

Financial Statements

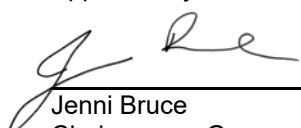
Statement of Financial Position

As at December 31 (in thousands of Canadian dollars)

	2024	2023
	\$	\$
ASSETS		
Cash and cash equivalents	19,906	25,490
Investments (Note 5 & 20)	555,418	486,450
Receivables (Note 6)	1,833	2,557
Prepaid expenses	1,375	674
Property and equipment (Note 7)	5,851	6,162
Intangible assets (Note 8)	1,098	1,493
Right of use assets (Note 9)	4,408	3,588
TOTAL ASSETS	589,889	526,414
LIABILITIES AND EQUITY		
LIABILITIES		
Accounts payable, accrued and other liabilities (Note 10)	2,318	4,612
Salaries and wages payable	3,242	3,966
Lease liabilities (Note 9)	4,584	3,872
Insurance contract liability (Note 11)	521,935	491,442
Contract liability (Note 13)	9,710	10,689
Deferred revenue (Note 13)	2,039	1,833
Post-employment benefits	979	866
	544,807	517,280
EQUITY		
Operating reserve (Note 14.a)	23,415	(16,123)
Capital asset replacement reserve (Note 14.b)	2,494	2,163
Catastrophe reserve (Note 14.c)	19,173	23,094
	45,082	9,134
TOTAL LIABILITIES AND EQUITY	589,889	526,414

Commitments (Note 15), Contingencies (Note 16), Subsequent events (Note 21)

Approved by the Governance Council:



Jenni Bruce
Chairperson, Governance Council

The accompanying notes form an integral part of these financial statements

Statement of Comprehensive Income

For the year ended December 31 (in thousands of Canadian dollars)

	2024 \$	2023 \$
INSURANCE REVENUE AND EXPENSES		
Insurance revenue	103,920	97,327
Insurance service expense (Note 12)	(110,541)	(94,914)
Insurance service result	(6,621)	2,413
Investment income/(loss)		
Interest income	1,059	887
Dividends	33,435	26,348
Investment gains (Note 5.a)	34,628	12,659
Investment fees	(1,252)	(1,031)
Net investment income	67,870	38,863
Insurance finance (expenses) for insurance contracts issued (Note 12)	(18,097)	(36,882)
Net insurance financial result	43,152	4,394
OTHER INCOME AND EXPENSES		
Administration and general expenses (Note 18)	(8,849)	(7,492)
Fines and miscellaneous income	1,905	1,301
Net other income and (expenses)	(6,944)	(6,191)
Income/(loss) before other comprehensive income/(loss)	36,208	(1,797)
OTHER COMPREHENSIVE INCOME/(LOSS)		
Items that will not be reclassified to profit or loss in subsequent periods:		
Re-measurement (loss)/gain on defined benefit plan	(260)	(83)
Total comprehensive income/(loss)	35,948	(1,880)

The accompanying notes form an integral part of these financial statements

Statement of Changes in Equity

For the year ended December 31 (in thousands of Canadian dollars)

	Operating Reserve	Capital Asset Replacement Reserve	Catastrophe Reserve	Total
	\$	\$	\$	\$
Balance at December 31, 2022	(14,863)	2,783	23,094	11,014
Loss before other comprehensive income/(loss)	(1,797)	-	-	(1,797)
Re-measurement loss on defined benefit plan	(83)	-	-	(83)
Transfer from Capital asset replacement reserve	620	(620)	-	-
Balance at December 31, 2023	(16,123)	2,163	23,094	9,134
Income before other comprehensive income/(loss)	36,208	-	-	36,208
Re-measurement loss on defined benefit plan	(260)	-	-	(260)
Transfer to Capital asset replacement reserve	(331)	331	-	-
Transfer from Catastrophe reserve (Note 14)	3,921	-	(3,921)	-
Balance at December 31, 2024	23,415	2,494	19,173	45,082

Capital management and reserves (Note 14)

The accompanying notes form an integral part of these financial statements

Statement of Cash Flows

For the year ended December 31 (in thousands of Canadian dollars)

	2024 \$	2023 \$
OPERATING ACTIVITIES		
Cash received from:		
Employers, insurance revenue	102,779	98,268
Miscellaneous income	2,498	593
Cash paid for:		
Payments for claims cost and claims management	(99,439)	(89,268)
Net payment for Harvesters	(819)	(773)
Purchase of goods and services	(6,867)	(5,317)
Interest portion of lease liabilities	(119)	(277)
Investment fees	(1,252)	(1,031)
Cash (used in) provided by operating activities	(3,219)	2,195
INVESTING ACTIVITIES		
Proceeds on sale of investments	141,881	72,760
Purchases of investments	(176,210)	(99,520)
Dividends	33,424	25,908
Interest received	1,100	887
Purchase of intangible assets	-	(51)
Purchase of property and equipment	(383)	(1,452)
Cash used in investing activities	(188)	(1,468)
FINANCING ACTIVITIES		
Principal portion of lease liabilities payments	(2,177)	(1,834)
Cash used in financing activities	(2,177)	(1,834)
Net decrease in cash and cash equivalents	(5,584)	(1,107)
Cash and cash equivalents, beginning of year	25,490	26,597
Cash and cash equivalents, end of year	19,906	25,490

The accompanying notes form an integral part of these financial statements

Notes to the Financial Statements

For the year ended December 31, 2024 (in thousands of Canadian dollars)

1. Nature of operations

The Workers' Safety and Compensation Commission of the Northwest Territories and Nunavut (the Commission) is domiciled in Canada. The Commission, a territorial entity, was established by and operates under the authority of the *Workers' Compensation Acts* of the Northwest Territories and of Nunavut (the Acts). In addition, the Commission is also responsible for the administration of the *Safety Acts*, *Mine Health and Safety Acts*, and the *Explosives Use Acts* of the Northwest Territories and of Nunavut. The Commission is exempt from income tax and the goods and services tax.

The Commission has its corporate office in Yellowknife, Northwest Territories, Canada, and area offices in Iqaluit, Nunavut.

The Commission's mandate is to provide benefits to injured workers and to levy assessments on employers to cover the current and future costs of existing claims and claims related to latent occupational diseases. The Commission is also responsible for developing safety awareness programs and monitoring and enforcing safety practices in the workplace.

The Government of the Northwest Territories and the Government of Nunavut have signed an inter-governmental agreement for a shared Workers' Safety and Compensation Commission to allow the Commission to remain as a single entity serving both territories. Cancellation of this agreement by either party requires minimum notice of one full fiscal year.

2. Statement of compliance, basis of preparation and summary of material accounting policy information

The financial statements of the Commission have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

The financial statements were authorized for issue by the Governance Council on April 24, 2025.

Basis of preparation

The financial statements have been prepared on a historical cost basis except for certain assets and liabilities, which are measured at fair value, as explained in the accounting policies. The financial statements are presented in Canadian dollars and all values are rounded to the nearest thousand (\$'000). The following is a summary of the material accounting policy information:

a) Financial statements presentation

The Commission presents assets and liabilities in the statement of financial position in order of liquidity. When items contain amounts expected to be recovered or settled after more than one year, and amounts expected to be recovered within one year after the reporting period, the Commission discloses both components within the accompanying notes.

The accompanying notes form an integral part of these financial statements

Notes to the Financial Statements

For the year ended December 31, 2024 (in thousands of Canadian dollars)

2. Statement of compliance, basis of preparation and summary of material accounting policy information (continued)

b) Financial Instruments

Financial assets and financial liabilities are recognized when the Commission becomes party to the contractual provision of the financial instrument. Financial assets are derecognized when contractual rights have expired, or when the risks and rewards are transferred. A financial liability is derecognized when it is extinguished, discharged, cancelled or expires.

Financial assets are classified as either fair value through profit or loss, fair value through other comprehensive income or amortized cost. The classification is determined by the Commission's business model for managing the financial asset and the contractual cash flow characteristics of the financial asset. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Initial recognition depends on the purpose for which the investment was acquired. The purchase and sale of financial assets is recognized on the settlement date for all financial instruments.

Income and expenses relating to financial assets that are recognized in profit or loss are presented within investment income, except for impairment of receivables which is presented within administration expenses.

Investment income is comprised of interest and dividends earned in the period; realized gains and losses earned in the period arising on the sale of investments; unrealized gains and losses from fluctuations in fair value in the period; net of investment management fees.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets that are held within a different business model than "hold to collect" or "hold to collect and sell" are categorized at FVTPL. Also, irrespective of the business model, financial assets whose contractual cash flows are not solely payment of principal and interest are accounted for at FVTPL. A company can also elect to classify assets at FVTPL if classifying them in another category would result in an accounting mismatch.

Assets in this category include the Commission's investment portfolio, including fixed income, infrastructure fund, equity, and real estate portfolio investments.

These assets are measured at fair value with realized gains or losses as well as changes in unrealized gains and losses recognized in net income as investment income. The fair values of quoted investments are based on closing market prices. Transaction costs directly related to the fair value through profit or loss financial assets are expensed as incurred.

All investments, including cash and cash equivalents managed by investment managers are classified as fair value through profit or loss investments, which have been designated by the Commission as fair value through profit or loss investments as permitted under IFRS 9.

Financial assets at amortized cost

Financial assets are measured at amortized cost if the asset meets the following conditions:

Notes to the Financial Statements

For the year ended December 31, 2024 (in thousands of Canadian dollars)

2. Statement of compliance, basis of preparation and summary of material accounting policy information (continued)

b) Financial Instruments (continued)

- They are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and
- The contractual terms of the financial assets give rise to cash flows that are solely payment of principal and interest on the principal amount outstanding.

These assets are recorded initially at fair value and subsequently measured at amortized cost using the effective interest rate method. Interest and realized gains or losses are included in net income. Cash and cash equivalents and accounts receivables fall into this category.

Receivables are recognized when owed pursuant to the terms of the related contract and are short-term; therefore, the net carrying value is considered to be a reasonable approximation of fair value.

Transaction costs are capitalized on initial recognition and are recognized in income using the effective interest rate method. Realized gains and losses as well as interest are recognized in income as investment income.

Impairment of financial assets

IFRS 9's impairment requirements use more forward-looking information to recognize expected credit losses – the “expected credit loss (ECL) model”. Instruments within the scope of the requirements include financial assets measured at amortized cost.

The recognition of an impairment requires the Commission to consider a broad range of information when assessing credit risk and measuring expected credit losses including past events, current conditions and reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument. The Commission has elected to use the simplified method of credit losses for receivables. Receivables include an estimate for the lifetime expected credit losses using the simplified method with a provision in the allowance for doubtful accounts and are regularly reviewed to determine whether the account should be written-off. Receivables are written-off when there is no reasonable expectation of recovery. Any reversals of write-offs are charged to the statement of comprehensive income when received.

Other

Interest and dividends are recognized as income in the period earned. Interest income on financial assets is calculated using the effective interest method. Dividend income is recognized in profit or loss when the right to receive payment is established. Transaction costs are recognized as an expense in the period incurred. Purchases and sales of investments are recognized on the trade date.

Investments denominated in foreign currencies are translated into Canadian dollars at exchange rates prevailing at the end of the year. Interest, dividends, and realized gains and losses are translated at the exchange rates in effect on the transaction date. Exchange gains and losses resulting from the translation of foreign currency balances at year end and transactions during the year are recognized as investment income in the statement of comprehensive income.

Notes to the Financial Statements

For the year ended December 31, 2024 (in thousands of Canadian dollars)

2. Statement of compliance, basis of preparation and summary of material accounting policy information (continued)

b) Financial Instruments (continued)

Financial liabilities

Financial liabilities are initially classified as 'subsequently measured at amortized cost' or 'financial liabilities at fair value through profit or loss'. Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs, unless designated as financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortized cost using the effective interest method except for derivatives and financial liabilities designated at fair value through profit or loss, which are carried subsequently at fair value with gains or losses recognized in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

All interest related charges and, if applicable, changes in a financial liability's fair value that are reported in profit or loss are included within finance costs or finance income.

The Commission's financial liabilities include accounts payable, accrued and other liabilities, salaries and wages payable, lease liabilities and contract liability and are classified and measured at amortized cost. Due to their short-term nature the carrying values of these payables are a reasonable approximation of fair value.

De-recognition of financial assets and liabilities

A financial asset is derecognized when the contractual rights to the cash flows from the asset expire, or the rights to receive the cash flows are transferred in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. The Commission derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire.

Fair value hierarchy

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized using the following hierarchy of valuation techniques:

- Level 1 is used when there are quoted (unadjusted) prices in active markets for identical assets, for example:
 - Traded on stock exchange.
 - Notional unit values for segregated funds are established daily.
- Level 2 is used when there are other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly, for example:
 - Valuations are based on appraisals of the properties that are based on observable market metrics, such as capitalization rates, growth rates, or lease rates.
 - Bonds are traded over the counter rather than on an exchange.

Notes to the Financial Statements

For the year ended December 31, 2024 (in thousands of Canadian dollars)

2. Statement of compliance, basis of preparation and summary of material accounting policy information (continued)

b) Financial Instruments (continued)

Fair value hierarchy (continued)

- Level 3 is used when there are techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

Changes in valuation methods may result in transfers into or out of an asset's assigned level. The Commission's policy is to recognize transfers into and transfers out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer.

c) Cash and cash equivalents

For the purposes of the statement of cash flows and the statement of financial position, cash includes cash and money market instruments with a term to maturity of three months or less when acquired and which are readily convertible to cash. Cash held by investment managers for investment are included in cash.

d) Insurance contracts

Classification

Insurance contracts are contracts under which the Commission accepts significant insurance risk from an employer, by agreeing to compensate the injured worker if a workplace injury occurs. The Commission determines whether it has significant insurance risk by comparing benefits payable after an insured event with benefits payable if the insured event did not occur.

Separating components

The Commission assesses its insurance contracts to determine whether they contain distinct components which must be accounted for under another IFRS. After separating distinct components, the Commission applies IFRS 17 to all remaining components of the insurance contract. The Commission has separated the arrangement with renewable resource harvesters (hunters and trappers) and applies IFRS 15 Revenue from Contracts with Customers, as further described in Note 13.

Level of aggregation

IFRS 17 requires the Commission to determine the level of aggregation for applying its requirements. Groups of contracts with similar risks are managed together and are aggregated into portfolios. Portfolios of contracts are further divided based on expected profitability at inception into three categories: onerous contracts (if any), contracts with no significant risk of becoming onerous (if any) and the remaining contracts. IFRS 17 also requires that no group for level of aggregation purposes may contain contracts issued more than one year apart.

Notes to the Financial Statements

For the year ended December 31, 2024 (in thousands of Canadian dollars)

2. Statement of compliance, basis of preparation and summary of material accounting policy information (continued)

d) Insurance contracts (continued)

Level of aggregation (continued)

The Commission has elected to group the insurance contracts issued as a single portfolio by year, these contracts' durations are all one year (January to December), as all of the Commission's insurance contracts are issued at the same time annually or within the same annual coverage period for new employers. The single portfolio consists of individual insurance contracts to provide insurance benefits to injured workers. The portfolio of contracts is then divided by profitability. Within each year, portfolio of insurance contracts are divided into the following:

- Group of insurance contracts that are onerous at initial recognition (if any);
- Group of insurance contracts that at initial recognition have no significant possibility of becoming onerous subsequently (if any); and
- Group of remaining insurance contracts within the group (if any).

The Commission performs an annual assessment of the profitability of its portfolio to determine the expected profitability. The Commission allocates each annual portfolio to the same profitability grouping based on the Commission's pricing and risk management strategies based on the collective risk of all insured employers.

Recognition

The Commission recognizes groups of insurance contracts it issues at the earliest of the following:

- The beginning of the coverage period of the group of insurance contracts;
- The date when the first payment is due from an employer or when the first payment is received or
- For a group of onerous contracts, if facts and circumstances indicate that the group is onerous.

The Commission's insurance contracts are recognized on an annual basis with initial recognition generally being January 1, aside from new employers to the Commission. The Commission's contracts become effective on January 1 annually for existing employers which coincides with the beginning of the coverage period and when the premium rates are considered binding. New employers are added to the insurance contract portfolio when one of the above conditions are met.

Contract boundary

The contract boundary is used to determine the cash flows to be included in the groups of insurance contracts. A substantive obligation to provide insurance contract service ends when:

- The Commission has the ability to reassess risks of the employer and as a result can set a price that reflects those risks or;

Notes to the Financial Statements

For the year ended December 31, 2024 (in thousands of Canadian dollars)

2. Statement of compliance, basis of preparation and summary of material accounting policy information (continued)

d) Insurance contracts (continued)

Contract boundary (continued)

- Both of the following criteria are satisfied:
 - The Commission has the ability to price the group of contracts so that the price reflects the reassessed risk of the group of insurance contracts; and
 - The pricing of premiums related to coverage to the date when risks are reassessed does not reflect the risks related to periods beyond the reassessment date.

The Commission has determined that the insurance contracts have annual terms that are guaranteed to be renewable each year; however, the Commission has the ability to re-price the premiums based on risk, experience and historical information annually. As the substantive obligation to provide the employer with insurance coverage ends when the Commission has the ability to reprice the risks of the employer, the contract boundary and cash flows are considered to be one year.

Measurement

The Commission uses the Premium Allocation Approach (PAA) for all groups of insurance contracts that it issues to employers due to the fact that the coverage period of each insurance contract is one year or less, including insurance contract services arising from all premiums within the contract boundary.

Initial measurement

For groups of insurance contracts that are not onerous at initial recognition, the Commission measures the liability for remaining coverage at inception as the premiums, if any, received at initial recognition. The Commission has elected to immediately expense any acquisition costs and does not incur any other cash flows prior to the contract commencement date; therefore, no other adjustments are made to the liability for remaining coverage at initial recognition. Where the contract boundary is one year, there is no adjustment required for accretion of interest on the liability for remaining coverage.

For insurance contracts that facts and circumstances indicate that the group of insurance contracts is onerous at initial recognition, the Commission separately groups the onerous contracts from other contracts and recognizes a loss as an element of Insurance Service Expense. The Commission would also establish a loss component for the liability for remaining coverage for such onerous contracts on initial measurement.

Notes to the Financial Statements

For the year ended December 31, 2024 (in thousands of Canadian dollars)

2. Statement of compliance, basis of preparation and summary of material accounting policy information (continued)

d) Insurance contracts (continued)

Measurement (continued)

Risk adjustment for non-financial risk

The risk adjustment for non-financial risk is the compensation that the Commission requires for bearing the uncertainty about the amount and timing of the cash flow of insurance contracts. Although non-financial risks are inherent in the operations of the Commission, due to the nature of operations, the Commission does not seek compensation for the uncertainty around the amount and timing of cash flows that arise from the non-financial risks. As the Commission generates sufficient premiums and income from investments to fully fund the operations of the insurance business and other administrative activities, there is no compensation required or earned by the Commission for such risk and as such, the risk adjustment was determined to be approximately nil or negligible.

The Commission estimated the risk adjustment using a 50% confidence level, which is the probability that the actual outcome of future cash flows associated with the Commission's claims and expenses will be less than the liability.

Discount rates

Insurance contract liabilities are calculated by discounting expected future cash flows as the sum of a risk-free yield curve derived from Government of Canada bonds and an illiquidity premium derived from a reference portfolio. The bottom-up approach was applied in the determination of the discount rate using the Fiera Capital Corporation IFRS 17 reference curve.

Fulfillment cash flows

Fulfillment cash flows comprise the probability-weighted estimates of future cash flows, discounted to reflect the time value of money and the associated financial risks, plus a risk adjustment for non-financial risk. Fulfillment cash flows are comprised of direct expenditures related to insurance activities plus an allocation of indirect expenditures. Management has applied judgement as to the allocation of general and administrative expenses in the determination of the amounts attributable to insurance activities.

Subsequent measurement

Liability for remaining coverage

At the conclusion of each reporting period, the Commission measures the carrying amount of the liability for remaining coverage as:

- The liability for remaining coverage at the beginning of the period;
- Plus premiums received in the period; and

Notes to the Financial Statements

For the year ended December 31, 2024 (in thousands of Canadian dollars)

2. Statement of compliance, basis of preparation and summary of material accounting policy information (continued)

d) Insurance contracts (continued)

Measurement (continued)

- Minus the amount recognized as insurance revenue for the services provided in the period.

Where the Commission's insurance contracts align precisely with the annual reporting period, the liability for remaining coverage at the conclusion of each annual reporting period is nil, signifying the fulfillment of all contractual obligations. Any employer prepaid premiums relating to a future contract year are included in liability for remaining coverage. The Commission measures the carrying amount of the liability for remaining coverage at the end of each reporting period as the liability for remaining coverage at the beginning of the period.

Because the contract boundary is one year and the Commission is using the Premium Allocation Approach, any onerous loss recognized at January 1 is fully recognized by the end of the year.

Liability for incurred claims

The Commission estimates the liability for incurred claims as the fulfilment cash flows related to incurred claims. The fulfilment cash flows incorporate, in an unbiased way, all reasonable and supportable information available without undue cost or effort about the amount, timing and uncertainty of those future cash flows, reflect current estimates from the Commission, and include an explicit adjustment for non-financial risk. The Commission does not adjust the future cash flows for the time value of money and the effect of financial risk for incurred claims that are expected to be paid within one year of being incurred.

The liability for incurred claims represents the present value of expected future payments in respect of claims arising from accidents that occurred prior to the end of the fiscal year as well as an allowance for all recognized latent occupational disease claims expected to arise in the future as a result of past exposures. Occupational diseases differ from other types of occupational injuries in that there can be a considerable time lag between the exposure, the manifestation of the disease and the identification of the ensuing disability as a claim. Further, it may be difficult to establish a link between an occupational disease and the workplace. A portion of the total liability is held based on the accumulated exposure up to the valuation date relative to total exposure before manifestation of the occupational disease. The liability for incurred claims also includes an allowance for future claims management costs.

The liability for incurred claims includes provision for all benefits provided by current legislation, policies, and administrative practices. Many assumptions are required to calculate the benefits liability, including estimates of future inflation, interest rates, and mortality rates. The liability for incurred claims is determined annually by an independent actuary. The independent actuary's opinion on the adequacy and appropriateness of the benefits liability is attached to these financial statements.

Notes to the Financial Statements

For the year ended December 31, 2024 (in thousands of Canadian dollars)

2. Statement of compliance, basis of preparation and summary of material accounting policy information (continued)

d) Insurance contracts (continued)

Measurement (continued)

Onerous contracts

If, during the contract period, facts and circumstances indicate that a group of insurance contracts is onerous, the Commission recognizes a loss in profit or loss for the net outflow, resulting in the carrying amount of the liability for the group being equal to the fulfilment cash flows. A loss component is established by the Commission for the liability for remaining coverage for the onerous group showing the losses recognized.

The change in the liability for incurred claims as a result of changes in discount rates will be captured within insurance finance income or expense.

Modification and derecognition

The Commission derecognizes insurance contracts when the rights and obligations relating to the contract are extinguished or the contract is modified such that the modification results in a change in the measurement model, substantially changes the contract boundary or requires the modified contract to be included in a different group. As a result, the Commission derecognizes the initial contract and recognizes the modified contract as a new contract. When a modification does not result in derecognition, the Commission recognizes amounts paid or received for the modification with the contract as an adjustment to the relevant liability for remaining coverage.

Insurance revenue

At the beginning of each year, the Commission levies assessments on employers by applying their industry assessment rate to their estimated payrolls for the year. The assessment levy is payable by instalments during the year. At year end, employers file a statement of actual assessable payroll and the difference between the estimated assessment and the actual assessment is recognized either as an increase in insurance revenue and recognized as a receivable, or as a decrease in insurance revenue and recognized as assessment refundable. When an employer does not provide estimated payroll, the Commission estimates, and levies assessments based on prior experience with the employer and industry.

Insurance revenue recognized for the period is the amount of expected assessment receipts allocated to the period. The Commission allocates the expected assessment receipts to each period of the insurance contract service on the basis of the passage of time (the calendar year).

Insurance finance income and expense

Insurance finance income or expense comprise the change in the carrying amount of the insurance contracts arising from:

- The effect of the time value of money and changes in the time value of money; and

Notes to the Financial Statements

For the year ended December 31, 2024 (in thousands of Canadian dollars)

2. Statement of compliance, basis of preparation and summary of material accounting policy information (continued)

d) Insurance contracts (continued)

Measurement (continued)

- The effect of financial risk and changes in financial risk.

The Commission recognizes all insurance finance income and expense through profit and loss.

e) Third party legal claims recoveries

Under Section 64 of the Acts, the Commission is deemed to be an assignee of a cause of action in respect of a claimant's injury. If settled, or as a result of a Court decision, the settlement amount less recoveries of legal costs and costs associated with the claim which were incurred by the Commission is distributed to the claimant.

The recoveries from third parties are recognized when receipt is virtually certain and the amount can be reliably measured. Recoveries for claims costs are recognized in the statement of comprehensive income net of contingency-based legal expenses. Non-contingency based legal expenses are recognized in professional services and subsequent recoveries of such expenses are recognized in recoveries within administration and general expenses.

f) Property and equipment

Property and equipment are measured at cost less accumulated depreciation and impairment losses. Depreciation is recognized over the estimated useful lives using the straight-line method as follows:

- | | |
|--------------------------|-------------------------------------|
| • Building | 15 – 50 years |
| • Equipment | 2 – 10 years |
| • Furnishings | 5 – 15 years |
| • Vehicles | 7 years |
| • Leasehold improvements | lesser of useful life or lease term |

Where an item of property and equipment is comprised of significant components with different useful lives, the components are accounted for separately. Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. Depreciation expense is recognized in administration and general expenses in the statement of comprehensive income.

g) Intangible assets

Research costs are expensed as incurred. Development costs of internally developed software systems are capitalized when the system is technically feasible, resources are available, costs can be measured reliably, management intends to use the asset and future economic benefits are probable. The asset is derecognized when it no longer meets these criteria. When the asset is substantially complete and is available for use, development costs capitalization ceases, and the costs are transferred to the related asset category and amortized.

Notes to the Financial Statements

For the year ended December 31, 2024 (in thousands of Canadian dollars)

2. Statement of compliance, basis of preparation and summary of material accounting policy information (continued)

g) Intangible assets (continued)

Amortization is recognized over the asset's estimated useful life (2 – 15 years) using the straight-line method. Amortization expense is recognized in administration and general expenses in the statement of comprehensive income.

h) Contract liability

The contract liability represents pre-funded amounts received from the Governments of the Northwest Territories and of Nunavut. This transaction is considered as self-insurance by these governments for administration of claims by the Commission acting as an agent under the respective Memorandums of Understanding for Hunters and Trappers that the Commission has with these parties. The liability balance is derecognized as claim payments are made by the Commission to Hunters and Trappers.

i) Deferred revenues

The deferred revenues represent administration fee amounts received in advance from the Governments of the Northwest Territories and of Nunavut for administration of claims by the Commission acting as agent under the respective Memorandums of Understanding for Hunters and Trappers that the Commission has with these parties. The Deferred revenue will be recognized as miscellaneous income on the Statement of comprehensive income as the related services are performed.

j) Employee benefits

Pension Plan

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

Other long-term employee benefits

Benefits that are expected to be settled beyond twelve months are determined based on an actuarial valuation as the best estimate of future cash flows discounted to present value with actuarial gains and losses recognized in profit and loss as incurred. These benefits include sick leave and special leave benefits earned but not used.

Notes to the Financial Statements

For the year ended December 31, 2024 (in thousands of Canadian dollars)

2. Statement of compliance, basis of preparation and summary of material accounting policy information (continued)

j) Employee benefits (continued)

Post-employment benefits

Under the terms and conditions of employment, employees may earn non-pension benefits for severance upon resignation, or retirement based on years of service and final salary, and ultimate removal assistance based on years of service. The obligation is calculated using the projected unit credit method prorated on service on an actuarial basis. The liability for accrued employee benefits is based on the December 31, 2024, actuarial valuation as calculated by the Commission's actuary. Any actuarial gains or losses are recognized as income or loss through other comprehensive income in the year they are incurred and any remeasurements are not reclassified to profit or loss in subsequent periods. The amounts recognized in other comprehensive income for the year are immediately transferred to the operating reserve.

Short-term employee benefits

Employee benefits that are expected to be settled within twelve months of the reporting date are measured on an undiscounted basis. These benefits include wages and salaries, and annual vacation leave earned but not yet used.

k) Right of use assets and lease liabilities

The Commission assesses whether a contract is or contains a lease, at inception of the contract. The Commission recognizes a right of use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as personal computers and office equipment). For these leases, the Commission recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the Commission's incremental borrowing rate.

The lease liability is presented as a separate line in the statement of financial position and is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Commission remeasures the lease liability (and makes a corresponding adjustment to the related right of use asset) whenever the lease term has changed.

The right of use assets comprise the initial measurement of the corresponding lease liabilities, plus lease payments made at or before the commencement day. They are subsequently measured at cost less accumulated depreciation and impairment losses. Right of use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. The depreciation starts at the commencement date of the lease. The right of use assets are presented as a separate line in the statement of financial position.

Notes to the Financial Statements

For the year ended December 31, 2024 (in thousands of Canadian dollars)

2. Statement of compliance, basis of preparation and summary of material accounting policy information (continued)

l) Impairment of non-financial assets

The Commission assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the Commission estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs to sell and its value in use. This is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Based on an analysis of cash flows, the Commission identifies that the appropriate CGU for impairment review is the entity. The Commission has statutory power under the Acts to increase premiums and/or charge a premium surcharge to ensure full funding into the foreseeable future and impairment at the entity level is remote.

3. New and revised standards

The new and revised IFRS Accounting standard in issue but not yet effective is:

IFRS 18 Presentation and Disclosures in Financial Statements

IFRS 18 replaces IAS 1 and introduces new requirements to:

- Present specified categories and defined subtotals in the statement of profit or loss;
- Provide disclosures on management-defined performance measures (MPMs) in the notes to the financial statements: and
- Improve aggregation and disaggregation

IFRS 18 requires retrospective application with specific transition provisions. The standard is effective 1 January 2027 and early adoption is allowed. This new standard is expected to impact how performance is presented on the Statement of comprehensive income, and related disclosure on annual performance. The Commission has not elected an early adoption in this financial year ended 31 December 2024.

4. Critical accounting estimates and judgements

The Commission makes estimates and judgements in respect of certain key assets and liabilities. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Notes to the Financial Statements

For the year ended December 31, 2024 (in thousands of Canadian dollars)

4. Critical accounting estimates and judgements (continued)

In particular, information about significant areas of estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year is included in Note 11 Insurance contracts. The estimation uncertainty relates to the determination of assumptions.

In particular, information about applying critical judgements in accounting policies that have the most significant effect on the amounts recognized in the financial statements are described in the following notes:

- Note 11 - Insurance contracts, specifically, the determination of assumptions as discussed in Note 2.d); assessment of whether contracts are onerous, judgements regarding aggregation of contracts, determination of contract boundaries and allocation of general and administrative expenses to insurance related activities
- Note 2.b) and Note 5. – Investments, classification and valuation of financial instruments
- Note 2.b) - Impairment of financial assets
- Note 2.d) - Determination of estimated payroll as part of estimating accrued insurance revenue

5. Investments

The Commission indirectly owns investments in the asset classes listed below through ownership of units in funds which hold the related investments. The Commission's investment objective is to achieve a long-term rate of return that is sufficient to allow the Commission to fund its insurance contract liability, cover its operating costs, and set reasonable and stable assessment rates for employers. The Commission uses judgement to classify securities held in a pooled fund on the basis of the assets comprising the major portion of the pooled fund.

The fair value and cost of the investments are as follows:

	As at December 31, 2024		As at December 31, 2023	
	Fair Value \$	Cost \$	Fair Value \$	Cost \$
Pooled funds				
Fixed income				
Indexed bond funds	194,478	200,695	154,988	164,578
Mortgage funds	15,684	9,996	24,239	16,454
Canadian private debt	41,088	39,044	38,599	37,033
Global private debt	30,228	27,849	19,229	19,696
Infrastructure fund				
Infrastructure fund	25,588	25,529	-	-

Notes to the Financial Statements

For the year ended December 31, 2024 (in thousands of Canadian dollars)

5. Investments (continued)

	As at December 31, 2024		As at December 31, 2023	
	Fair Value	Cost	Fair Value	Cost
	\$	\$	\$	\$
Equities				
Canadian equities fund	67,105	58,532	80,206	70,180
International equities fund	131,637	117,144	112,269	112,532
Canadian real estate fund	49,610	42,257	56,920	46,445
Total	555,418	521,046	486,450	466,918

a) Investment gains and (losses)

The investment gains and (losses) recognized in the Statement of Comprehensive Income are as follows:

	For the year ended December 31, 2024	For the year ended December 31, 2023
	\$	\$
Realized gain/(loss)	19,785	(693)
Change in unrealized gain	14,843	13,352
Investment gains (losses) - net	34,628	12,659

6. Receivables

	As at December 31, 2024	As at December 31, 2023
	\$	\$
Due from claimants	1,618	1,224
Receivable from other governments	91	54
Due from employees and others	319	645
Hunters and trappers receivable	-	674
	2,028	2,597
Less: expected credit loss - employees	(30)	(13)
Less: expected credit loss - claimants	(165)	(27)
	(195)	(40)
Total receivables	1,833	2,557

Notes to the Financial Statements

For the year ended December 31, 2024 (in thousands of Canadian dollars)

7. Property and equipment

The table below provides details of property and equipment per asset class.

	Building \$	Equipment \$	Furnishings \$	Vehicles \$	Leasehold improvements \$	Total \$
<i>Cost</i>						
At December 31, 2022	9,258	1,240	2,215	155	957	13,825
Additions	1,212	151	-	89	-	1,452
Disposals/write-offs	-	(320)	(31)	(90)	-	(441)
At December 31, 2023	10,470	1,071	2,184	154	957	14,836
Additions	59	120	31	64	109	383
Disposals/write-offs	(156)	(66)	(7)	-	156	(73)
At December 31, 2024	10,373	1,125	2,208	218	1,222	15,146
<i>Accumulated Depreciation</i>						
At December 31, 2022	5,265	779	1,308	143	955	8,450
Depreciation	346	108	185	14	2	655
Disposals/write-offs	-	(317)	(24)	(90)	-	(431)
At December 31, 2023	5,611	570	1,469	67	957	8,674
Depreciation	346	115	176	26	26	689
Disposals/write-offs	-	(61)	(7)	-	-	(68)
At December 31, 2024	5,957	624	1,638	93	983	9,295
<i>Net book value</i>						
At December 31, 2024	4,416	501	570	125	239	5,851
At December 31, 2023	4,859	501	715	87	-	6,162

Included in Property and equipment are certain fully depreciated assets with gross cost of \$2,430, accumulated depreciation \$2,430 and net book value of \$ Nil.

Notes to the Financial Statements

For the year ended December 31, 2024 (in thousands of Canadian dollars)

8. Intangible assets

	Purchased software systems \$	Internally developed software systems \$	Total \$
<i>Cost</i>			
At January 1, 2023	816	7,605	8,421
Additions	8	43	51
Disposals/write-offs	(250)	(279)	(529)
At December 31, 2023	574	7,369	7,943
Addition	-	-	-
Disposals/write-offs	-	(8)	(8)
At December 31, 2024	574	7,361	7,935
<i>Accumulated Amortization</i>			
At January 1, 2023	637	5,664	6,301
Amortization	52	344	396
Disposals/write-offs	(247)	-	(247)
At December 31, 2023	442	6,008	6,450
Amortization	49	346	395
Disposals/write-offs	-	(8)	(8)
At December 31, 2024	491	6,346	6,837
<i>Net book value</i>			
At December 31, 2024	83	1,015	1,098
At December 31, 2023	132	1,361	1,493

Included in Intangible assets are certain fully amortized assets with gross cost of \$800, accumulated amortization \$800 and net book value of \$Nil.

Notes to the Financial Statements

For the year ended December 31, 2024 (in thousands of Canadian dollars)

9. Right of use assets and lease liabilities

a) Right of use asset

The Commission leases several assets including real property. Some leases contain extension options exercisable by the Commission. The Commission has included the extension option in the lease term in calculating the lease liabilities where it is reasonably certain to exercise that option. There are no purchase options, contingent rents or escalation clauses included in the leases.

Amounts expensed for common area maintenance and utilities, not included in the calculation of the lease liabilities, in 2024 is \$895 (2023 - \$887).

	2024 \$	2023 \$
Asset balance at January 1,	3,588	4,197
Additions	2,995	1,272
Termination/disposal	(105)	-
Depreciation	(2,070)	(1,881)
Asset balance at December 31,	4,408	3,588

b) Lease liability

	2024 \$	2023 \$
Lease liabilities balance at January 1,	3,872	4,434
Additions	2,995	1,272
Termination/disposal	(106)	-
Accretion of interest	119	277
Payments	(2,296)	(2,111)
Lease liabilities balance at December 31,	4,584	3,872

Notes to the Financial Statements

For the year ended December 31, 2024 (in thousands of Canadian dollars)

9. Right of use assets and lease liabilities (continued)

c) Lease liabilities maturity analysis

Contractual undiscounted cash flows as follows:

	December 31, 2024	December 31, 2023
	\$	\$
Year 1	2,063	1,777
Year 2	1,601	1,131
Year 3	954	909
Year 4	224	383
Year 5	70	44
Sub-Total	4,912	4,244
Less: Imputed Interest	(328)	(372)
Lease liability	4,584	3,872

10. Accounts payable and accrued liabilities

	December 31, 2024	December 31, 2023
	\$	\$
Accounts payable	1,078	2,822
Accrued liabilities	1,240	1,790
Total	2,318	4,612

Notes to the Financial Statements

For the year ended December 31, 2024 (in thousands of Canadian dollars)

11. Insurance contract liability

The reconciliation of the net asset or liability for insurance contracts issued, which shows the liabilities for remaining coverage and the liability for incurred claims is disclosed as follows:

	Liabilities for remaining coverage		Liabilities for incurred claims	2024 Total
	Excluding loss component	Loss component*	Present value of future cash flows	
Insurance contract liability, beginning of year	7,201	-	491,307	498,508
Insurance contract asset, beginning of year	(7,066)	-	-	(7,066)
Net Insurance contract liability, beginning of year	135	-	491,307	491,442
Insurance revenue	(103,920)	-	-	(103,920)
Insurance service expenses:				
Incurred claims expenses	-	-	66,203	66,203
Insurance administrative expenses	-	-	32,144	32,144
Changes to liabilities for incurred claims	-	-	12,194	12,194
Insurance service result	(103,920)	-	110,541	6,621
Insurance finance expenses	-	-	18,097	18,097
Total changes in the statement of operations	(103,920)	-	128,638	24,718
Cash flows				
Premiums received	102,779	-	-	102,779
Claims and other expenses paid	-	-	(99,439)	(99,439)
Total cash flows	102,779	-	(99,439)	3,340
Other adjustments				
Non-cash insurance administration adjustments	-	-	1,113	1,113
Uncashed claims payments**	-	-	1,322	1,322
Insurance contract liability, end of year	7,213	-	522,941	530,154
Insurance contract asset, end of year	(8,219)	-	-	(8,219)
Net Insurance contract liability, end of year	(1,006)	-	522,941	521,935

*There was no loss component for the 2024 accident year (2023 -\$4,249).

**The Commission reclassified uncashed claims payments \$1,322 to the Insurance contract liability. These amounts were previously included in Accounts payable, accrued and other liabilities.

Notes to the Financial Statements

For the year ended December 31, 2024 (in thousands of Canadian dollars)

11. Insurance contract liability (continued)

	Liabilities for remaining coverage		Liabilities for incurred claims	2023 Total
	Excluding loss component	Loss component	Present value of future cash flows	
Insurance contract liability, beginning of year	7,318	-	452,152	459,470
Insurance contract asset, beginning of year	(8,125)	-	-	(8,125)
Net balance at January 1	(807)	-	452,152	451,345
Insurance revenue	(97,327)	-	-	(97,327)
Insurance service expenses:				
Incurred claim expenses**	-	-	61,606	61,606
Insurance administrative expenses**	-	-	31,183	31,183
Losses on onerous contracts*	-	4,249	-	4,249
Reversal of losses on onerous contracts*	-	(4,249)	-	(4,249)
Changes to liabilities for incurred claims	-	-	2,125	2,125
Insurance service result	(97,327)	-	94,914	(2,413)
Insurance finance expenses	-	-	36,882	36,882
Total changes in the statement of operations	(97,327)	-	131,796	34,469
Cash flows				
Premiums received	98,269	-	-	98,269
Claims and other expenses paid	-	-	(89,268)	(89,268)
Total cash flows	98,269	-	(89,268)	9,001
Non-cash insurance administration adjustments	-	-	(3,373)	(3,373)
Insurance contract liability, end of year	7,201	-	491,307	498,508
Insurance contract asset, end of year	(7,066)	-	-	(7,066)
Net Insurance contract liability, end of year	135	-	491,307	491,442

*The loss component for the 2023 accident year is calculated as \$4,249 and reversed within same year.

**To ensure internal consistency between this table and the table in Note 12 for both the incurred claims and other expenses amount and the allocated administration and general expenses amount, the Commission is no longer further allocating a portion of the administrative load for purposes of this table's disclosure. The 2023 comparative information has been reclassified to conform with the current year disclosure, resulting in offsetting impacts of \$16,597 to the previously disclosed amounts in this table for both the incurred claims and other expenses amount and the allocated administration and general expenses amount. This change had no net impact to the previously disclosed total insurance service expense for 2023.

Notes to the Financial Statements

For the year ended December 31, 2024 (in thousands of Canadian dollars)

11. Insurance contract liability (continued)

The following table estimates the expected amounts and timing of future benefit payments for the provision of outstanding claims. The expected timing of payments from the provision for outstanding claims involves considerable uncertainty. The projections presented below do not include a provision for future administration expenses or latent occupational diseases.

Expected timing of future payment for outstanding claims:

	2024 %	2023 %
Up to 1 year	8.47	8.10
Over 1 year and up to 5 years	21.65	20.75
Over 5 years and up to 10 years	16.98	16.73
Over 10 years	52.90	54.42
Total	100.00	100.00

Actuarial assumptions and methods

The overall valuation approach is designed to reflect emerging trends without placing too much emphasis on temporary fluctuations. The factors used in the valuation have been developed on a best estimate basis by taking the Commission's historical experience into consideration along with recent trends in that experience. The general philosophy is to avoid reacting too strongly to temporary fluctuations until there is sufficient evidence that a change in assumption is required.

The insurance contract liability includes payments for both medical aid and compensation and pensions. The portion related to medical aid and compensation liability represents the present value at December 31, 2024 of expected future benefit payments for hospital and physician services, short term income compensation payments, travel expenses, rehabilitation benefits and other eligible medical services under the Acts. The liability for these payments is calculated using the loss development method also known as the "claims run off" approach. In this method, historical paid claims data are summarized by accident year and payment year in order to observe the relationships between payments at different durations for each accident year. Historical factors, at each duration, are developed from prior accident years and are applied to accident years that are not yet fully mature in order to estimate the future timing and amount of remaining benefit payments.

The liability for payments for pensions include an estimate of future capitalizations and approved pensions.

Future capitalizations liability represents the present value of expected future pension awards that have not yet been approved as of December 31, 2024. These future pension capitalizations are in respect of all claims arising from accidents which occurred on or before December 31, 2024. The estimated number and timing of these future capitalizations has been developed based on the historical emergence of capitalized claims experience by accident year for the Commission. In addition, the expected cost of each capitalized claim has been developed based on actual pension awards approved prior to December 31, 2024.

Notes to the Financial Statements

For the year ended December 31, 2024 (in thousands of Canadian dollars)

11. Insurance contract liability (continued)

The liability for approved pensions represents the present value at December 31, 2024 of all expected future pension awards payments, including future inflationary adjustments, to individuals who have been approved for a pension award at December 31, 2024. This portion of the insurance contract liability is calculated on a seriatim basis using the discounted cash flow method. Pension benefits are indexed annually on January 1 of each year, this annual index rate is referred to as the Supplementary Pension Increase (SPI) rate.

The SPI is determined by taking into account the average monthly change in consumer price index (CPI) Canada for the most recent July to June period. Mortality rates are used to determine the future life expectancy of individuals in receipt of a pension award. The actual gender and date of birth for all pension recipients is used in the valuation. Pensions are payable to dependent children until age 19 or age 25 if attending school. The probability of a dependent child continuing to receive a pension award from age 19 to 25 is based on actual experience of the Commission. A projection of future pension payments requires that an explicit assumption be made with respect to the rate of award inflation.

The following economic assumptions are used in the valuation of the medical aid and compensation liability: discount rate – 4.81% (2023 – 4.86%), inflation rate – i) future capitalizations: 3.12% in 2025, and 2.00% per annum thereafter (2023 – 4.00% in 2024, 3.50% in 2025 and 2.00% thereafter), and ii) Compensation: 2.0% (2023 – 2.00%) and Medical Aid: 4.00% (2023 – 4.50%). The medical aid and compensation liability is described earlier in the note.

The following economic assumptions are used in the valuation of the Approved Pension Liability: discount rate – 4.81% (2023 – 4.86%), inflation rate – 3.12% in 2025, and 2.00% thereafter (2023 – 4.00% in 2024, 3.50% in 2025 and 2.00% thereafter). The mortality assumption is determined by the 2020 - 2022 Statistics Canada General Life Mortality Table with a 25% load (2023: 2010-2012 Statistics Canada General Life Mortality Table with a 10% load) with future generational mortality improvements according to the CPM Improvement Scale B (2023 – 2010-2012 Statistics Canada General Life Mortality Table with a 10% load).

An occupational disease provision is included that represents a portion of the present value of the expected future cost of claims that have not yet been filed but are expected to manifest themselves in the future as a result of cumulative exposure to a causative agent in the workplace (i.e. long latency cases). Only a portion of the total provision is held based on the accumulated exposure up to the valuation date relative to total exposure before an occupational disease manifests itself. Occupational diseases differ from occupational injuries in that there can be a considerable time lag between the exposure, the manifestation of the disease and the identification of the ensuing disability as a workers' compensation claim. Furthermore, while the circumstances of an injury usually make it clear whether it is work related or not, the link between an occupational disease and the workplace may be difficult to establish.

Notes to the Financial Statements

For the year ended December 31, 2024 (in thousands of Canadian dollars)

11. Insurance contract liability (continued)

Insurance risk

The Commission has an objective to control insurance risk, thus reducing the volatility of operating results. In addition to the inherent uncertainty of insurance risk, this can lead to significant variability in the experience gain or loss. The Commission's operating results are affected by market factors, particularly movements in investment values.

Key aspects of processes established to mitigate insurance risks include:

- The maintenance and use of management information systems, which provide data on the risks to which the Commission is exposed to at any point in time;
- Actuarial models, using information from the management information system, are used to monitor claims patterns and calculate premiums. Experience and statistical methods are used as part of the process; and
- The mix of assets in which the Commission invests is determined to achieve a long-term rate of return that is sufficient to fund the liability for incurred claims. The management of assets and liabilities is closely monitored to attempt to match assets with the expected pattern of claim payments.

The Commission also faces concentration of risk by industry as some industries have higher claims experience costs than other industries. This is mitigated by higher assessments being charged to industries with proven higher experience costs.

The terms and conditions attached to the Acts affect the level of insurance risk accepted by the Commission. All insurance transactions entered into are in the same standard form and are subject to substantially the same terms and conditions under the Acts.

The most significant assumption in the determination of the insurance contract liability is the net discount rate. The net discount rate is the assumed discount rate in excess of the assumed inflation rate. A reduction in the assumed net discount rate would result in an increase in the actuarial present value of the benefits liability and a decrease in comprehensive income. The Commission is exposed to the risk that interest rate movements may materially impact the value of the benefits liability. The financial impact of changing interest rates on the benefits liability is expected to be offset in the longer term by similar changes in claims inflation.

Medical benefits represent approximately 20.9% (2023 – 19.9%) of the insurance contract liabilities. An increase in the assumed excess medical inflation rate (above the assumed inflation rate) would result in an increase in the benefits liability for medical benefits and a decrease in comprehensive income.

The Approved Pension liability takes into account the future life expectancy of each individual pensioner, surviving spouse or dependent child according to their age and gender. An improvement in the assumed mortality experience would increase the life expectancy of benefit recipients, thereby increasing the actuarial present value of the liability for approved pension awards benefits and decreasing comprehensive income.

Notes to the Financial Statements

For the year ended December 31, 2024 (in thousands of Canadian dollars)

11. Insurance contract liability (continued)

2024	+ 1%	- 1%
+/- % change on assumed rates	\$	\$
Net discount rate	(42,010)	51,084
Excess medical inflation rate	10,057	(8,623)
2023	+ 1%	- 1%
+/- % change on assumed rates	\$	\$
Net discount rate	(40,689)	49,560
Excess medical inflation rate	10,793	(9,020)
2024	+ 10%	- 10%
+/- % change in mortality rates	\$	\$
Mortality rate	(7,167)	7,941
2023	+ 10%	- 10%
+/- % change in mortality rates	\$	\$
Mortality rate	(7,005)	7,775

Notes to the Financial Statements

For the year ended December 31, 2024 (in thousands of Canadian dollars)

11. Insurance contract liability (continued)

Claims development

The following table shows the development of claims cost estimates for the ten most recent injury years:

	2015 \$	2016 \$	2017 \$	2018 \$	2019 \$	2020 \$	2021 \$	2022 \$	2023 \$	2024 \$	Total \$
Estimate of cumulative claim costs:											
At the end of the accident year	39,130	43,611	51,245	53,044	61,637	52,426	68,172	67,185	63,203	81,868	-
One year later	40,675	50,823	55,576	63,383	56,417	51,102	64,236	70,281	70,539		-
Two years later	39,862	50,979	57,815	60,736	53,660	52,086	69,618	74,843			-
Three years later	41,039	50,780	53,429	58,534	53,058	51,796	70,816				-
Four years later	42,829	48,206	50,907	58,660	54,033	52,971					-
Five years later	41,325	47,116	54,573	60,012	56,698						-
Six years later	41,844	46,656	61,130	60,137							-
Seven years later	42,802	48,715	60,652								-
Eight years later	43,918	47,761									-
Nine years later	43,800										-
Current estimate of ultimate claims costs	43,800	47,761	60,652	60,137	56,698	52,971	70,816	74,843	70,539	81,868	620,085
Cumulative payments	28,496	31,911	36,711	38,695	32,089	29,585	32,859	25,485	18,077	7,931	281,839
Estimate of future payments	15,304	15,850	23,941	21,442	24,609	23,386	37,957	49,358	52,462	73,937	338,246
2014 and prior claims estimate of future payments											335,746
Administrative expenses											79,949
Effect of occupational disease liability											47,966
											801,907
Effect of discounting											(278,966)
Net assessment receivable											(1,006)
Amount recognized on Statement of Financial Position											521,935

There is a possibility that changes may occur in the estimate of the Commission's obligations over time. The above table shows the Commission's estimates of total net and gross claims outstanding for each underwriting year at successive year ends.

Notes to the Financial Statements

For the year ended December 31, 2024 (in thousands of Canadian dollars)

12. Insurance service expense and insurance finance expenses

The breakdown of insurance service expenses and insurance finance expenses is presented below:

	2024	2023
	\$	\$
Insurance services expense		
Incurred claims and other expenses	66,203	61,606
Administration - Insurance expense	32,144	31,183
Losses on onerous contracts	-	4,249
Reversal of losses on onerous contracts	-	(4,249)
Changes to liability of Incurred Claims (LIC)	12,194	2,125
Total	110,541	94,914

	2024	2023
	\$	\$
Insurance finance (expenses)/ income from insurance contracts issued		
Expected credit loss	21	149
Interest accredited to insurance contracts	(22,330)	(22,190)
Changes in economic and other financial assumptions	4,212	(14,841)
Total	(18,097)	(36,882)

13. Renewable Resources Harvesters - Contract Liability and Deferred Revenue

In accordance with the Memoranda of Understanding on Renewable Resource Harvesters (April 2015 for the Northwest Territories and April 2009 for Nunavut), the Commission administers the claims and charges the Governments an administration fee, which is included in revenue on the Statement of Comprehensive Income.

The contract liability related to the Renewable Resource Harvesters has not been included in the Commission's insurance contract liability account. As these liabilities will be borne by the governments when paid to claimants in future years, they do not impact the Commission's funded position.

Notes to the Financial Statements

For the year ended December 31, 2024 (in thousands of Canadian dollars)

13. Renewable Resources Harvesters - Contract Liability and Deferred Revenue (continued)

	As at December 31, 2024 \$	As at December 31, 2023 \$
Pre-funded contract liability for Harvesters medical, compensation and capitalized pension claims	1,092	1,280
Pre-funded contract liability for Harvester approved pensions	8,618	9,409
Contract liability	9,710	10,689
Deferred revenue	2,039	1,833

The Commission recognized funds received from the Governments for Harvesters claims as a Contract Liability, and funds received from the Governments for the related administration fee as a Deferred Revenue. The Contract liability is satisfied as pre-funded Harvester claims are paid. Deferred revenue is realized as revenue over time as the Commission satisfies its performance obligations under these arrangements.

14. Capital management and reserves

In accordance with Section 83 of each of the Acts, the Governance Council is responsible for approving the operating and capital budgets of the Commission, for approval of assessment rates for employers and benefits to workers, and for ensuring the proper stewardship of the Workers' Protection Fund. It is the objective of the Governance Council to ensure the financial sustainability of the Commission, while maintaining stability of assessment rates and benefits to injured workers.

The Commission maintains three reserves within the Workers' Protection Fund. All of these reserves are established by the Governance Council, and none are externally restricted.

As the Workers' Protection Fund includes all assessments from employers and amounts to be paid to injured workers, as well as the costs to administer the Acts, the Governance Council considers that capital includes all reserves of the Commission.

The Commission determines the funded position as total assets divided by total liabilities. However, the value of the Insurance contract liabilities included in this determination are based on accepted actuarial practices for going concern valuations, which reflects a discount rate based on the funding and investment policies set by the Commission.

A going concern valuation is based on the primary assumption that the system will be in operation for the long-term, therefore Insurance contract liabilities as calculated for the purpose of the going concern valuation, are calculated under this assumption, which may differ from those required under IFRS. The rate of return reflects the best estimate of the long-term average rate of return that can be expected using the benchmark asset allocation adopted by the Commission. This yields a rate of return assumption of 5.5%.

Notes to the Financial Statements

For the year ended December 31, 2024 (in thousands of Canadian dollars)

14. Capital management and reserves (continued)

The Governance Council manages capital by monitoring all revenues and expenses through its budgeting and financial reporting processes, and by establishing assessment rates and an investment policy that maintain the funded status of the Commission and ensure the ability to care for injured workers.

a) Operating reserve

The operating reserve is intended to protect the Commission against adverse fluctuations in claims costs and investment results.

b) Capital asset replacement reserve

This reserve allows multi-year planning and is used to set aside funds for the purchase of property and equipment and intangible assets. The reserve is funded annually through a Governance Council approved lump sum.

c) Catastrophe reserve

The catastrophe reserve is intended to protect the Commission in the event that a catastrophic event results in a substantial increase in the Commission's liabilities. The Commission established specific criteria to determine whether an accident or event meets the definition of a catastrophic claim.

In 2024 an event occurred that met the criteria for the occurrence of a catastrophic claim. In accordance with Commission capital management policy, the related liability was transferred from the Catastrophe reserve to the Operating reserve.

15. Commitments

Future minimum contractual payments as at December 31 on contracts for goods and services are as follows:

	\$
2025	5,098
2026	2,050
2027	1,500
2028	726
2029	675
Thereafter	-
Total	10,049

\$550 in 2025 relates to property and equipment, and the remaining contracts are for standard service and maintenance agreements.

Notes to the Financial Statements

For the year ended December 31, 2024 (in thousands of Canadian dollars)

16. Contingencies

In certain circumstances, under both the *Workers' Compensation Act* of the Northwest Territories and of Nunavut, the Commission is deemed to be an assignee of a cause of action in respect of a claimant disability. The amount by which settlements exceed the cost of the action, including administration and future benefit entitlement, is paid to the worker or dependents. Contingent assets may arise in the normal course of operation and their eventual disposition is unknown. WSCC has made claims against external parties for which a recovery is likely to materialize. At 31 December 2024, the estimated claim recovery was \$300 (2023 \$Nil). Amounts received from third-party recoveries are recorded in the year during which the settlement occurs. No provision is made in the insurance contract liability for possible future third-party recoveries due to their contingent nature.

Due to the nature of the Commission's operations, various other legal matters are pending. In the opinion of management, these matters will not have a material effect on the Commission's financial position or results of operations.

17. Financial risk management

The Governance Council is responsible for reviewing and approving the Commission's investment policy and plan. The investment policy and plan outline the types and classes of investments the Commission may invest in and how the Commission plans to achieve its investment objective and manage its investment risk. The Commission manages the risk associated to its investments by maintaining a well-diversified portfolio and by engaging external investment managers with different investment styles and objectives. Generally, investments are held until market conditions provide a better investment opportunity. The Commission regularly reviews the performance of its investment portfolio against established industry benchmarks.

The Commission has exposure to the following financial risks from its use of financial instruments:

- Liquidity risk
- Credit risk
- Market risk
 - *Interest rate risk*
 - *Other price risk - real estate risk*
 - *Currency risk*
 - *Other price risk - inflation risk*

Notes to the Financial Statements

For the year ended December 31, 2024 (in thousands of Canadian dollars)

17. Financial risk management (continued)

The Commission's exposure to these risks arises primarily in relation to its investment portfolio, but also in relation to its other financial assets and liabilities. The following sections present information about the Commission's exposure to each of the above risks and the Commission's objectives, policies and processes for measuring and managing its risks.

a) Liquidity risk

Liquidity risk is the risk that the Commission will encounter difficulty in meeting obligations associated with financial liabilities. Liquidity risk is considered to be low. The Commission maintains deposits and short-term investments at banks to meet liquidity needs. At December 31, 2024, Cash and cash equivalent was \$19,906 or a ratio of 1.15 of short term liabilities (2023 – \$25,490 or 1.21).

	As at December 31 2024 1 year or less \$	As at December 31 2023 1 year or less \$
Accounts payable, accrued and other liabilities	2,318	4,612
Salaries and wages payable	3,242	3,966
Contract liability	9,710	10,689
Lease liabilities	2,063	1,777
Total	17,333	21,044

Lease liabilities

The maturity analysis of Lease liabilities (Note 9c) shows the undiscounted contractual lease payments over the remaining lease period.

Contract liability

Although the Contract liability is due on demand, based on historical experience the vast majority of the Contract liability is expected to be settled more than 12 months after the Statement of Financial Position date.

b) Credit risk

Credit risk on financial instruments arises from the possibility that the customer or counterparty to an instrument fails to meet its obligations.

The Commission owns units in funds which hold investments in fixed income assets. As a result, the Commission is indirectly exposed to credit risk through its unit holdings

Notes to the Financial Statements

For the year ended December 31, 2024 (in thousands of Canadian dollars)

17. Financial risk management (continued)

b) Credit risk (continued)

In order to manage this risk, the Commission's investment guidelines require that, for the fixed income funds in which the Commission invests, 90% or more of the market value of short-term investments have a minimum credit rating of R-1(low) or its equivalent and that 90% or more of other fixed income investments have a minimum credit rating of A- or its equivalent. Notwithstanding this general rule, with respect to investments in pooled funds, the Commission's investment policy allows that provisions of the investment manager mandate which govern such pooled funds shall prevail over the investment policy. The investment manager mandate of the fixed income pooled fund specifies an average credit rating of A or equivalent. An independent rating service determines these ratings. The Commission manages credit risk associated with cash and cash equivalents by dealing with reputable and high-quality financial institutions.

The Commission's exposure to credit risk associated with its receivables and Insurance contract assets, is the risk that an employer or a cost recovery customer will be unable to pay amounts due to the Commission. The maximum exposure to credit risk is \$10,606 (2023 – \$9,950). Expected credit loss allowances are provided for lifetime expected losses, taking into consideration future potential losses. The amounts disclosed on the statement of financial position are net of these expected credit losses. All other receivables and assessments receivable are considered for impairment on a case-by-case basis when they are past due or when objective evidence is received that a customer will default. The Commission takes into consideration the customer's payment history, their credit worthiness and the current economic environment in which the customer operates to assess impairment. The Commission recognizes a specific expected credit loss when management considers that the expected recovery is less than the actual amount receivable. All bad debts are charged to administration and general expenses for non-insurance related receivables, or insurance finance expense for insurance related receivables.

The Commission believes that the credit risk of receivables is mitigated by the following:

- The employer base is dispersed across various industries, with government comprising a significant concentration.
- As at December 31, 2024, the majority of other receivables and assessments receivable are outstanding for less than 90 days. The Commission does not require collateral or other security from employers or customers for accounts receivable.
- The Commission has the power and remedies to enforce payment owing.

All of the Commission's other receivables and assessments receivable are reviewed for indicators of impairment on an annual basis.

The Commission holds Cash \$17,278 (2023: \$25,490) and Cash equivalents \$2,628 (2023: -). The credit risk associated with these balances is considered to be low because the Cash is held with regulated Canadian banks and the Cash equivalents hold short term securities (less than three months) in high quality debt instruments.

Notes to the Financial Statements

For the year ended December 31, 2024 (in thousands of Canadian dollars)

17. Financial risk management (continued)

b) Credit risk (continued)

The Commission is indirectly exposed to credit risk through its investment in units of funds investing primarily in fixed income investments. The following table classifies the Commission's proportionate share of fixed income investments according to rating:

	AAA	AA	A	BBB and less	Not rated
	\$	\$	\$	\$	\$
2024					
Pooled funds - Indexed bond funds and private debt	47,163	61,048	44,710	82,347	30,525
Pooled funds - Mortgage funds	1,168	1,219	-	-	185
Total	48,331	62,267	44,710	82,347	30,710
Percentage of total Fixed income pooled funds	18%	23%	17%	31%	11%

	AAA	AA	A	BBB and less	Not rated
	\$	\$	\$	\$	\$
2023					
Pooled funds - Indexed bond funds	39,237	25,198	60,764	67,794	19,823
Pooled funds - Mortgage funds	828	865	-	-	131
Total	40,065	26,063	60,764	67,794	19,954
Percentage of total Fixed income pooled funds	19%	12%	28%	32%	9%

The Commission is also indirectly exposed to credit risk on mortgage and sales agreements through units owned of the Mortgage fund. As at December 31, 2024 the Commission's proportionate investment was \$970 (2023 - \$1,658) in insured mortgages and sales agreements and \$12,141 (2023 - \$20,756) in uninsured mortgages. The credit risk on these investments were not significant in 2024 (2023 - not significant).

c) Market risk

Market risk is the risk that the fair value or future cash flows of the Commission's financial instruments will fluctuate in the future because of price changes as a result of changes in market factors, such as public equity prices and valuations of private equity, real estate and infrastructure. These changes are subject to economic factors and other movements in global capital markets.

Notes to the Financial Statements

For the year ended December 31, 2024 (in thousands of Canadian dollars)

17. Financial risk management (continued)

The Commission is indirectly exposed to market risk through its investment in units of equity funds investing primarily in equities, private equity, real estate and infrastructure.

Market risk is managed through investment in funds with diversification between different asset classes and geographic diversification and by limiting the concentration in any single entity to 5% or less of the fair value of the investment fund. The one exception to the 5% or less concentration rule is an investment in a real estate holding fund, Bentall Kennedy Prime Canadian Property Fund Ltd, at 6.89% (2023 – 11.58%) of the total fund. This fund is diversified by geographic location and investment type. In 2024, the fund held properties in 4 provinces; 48% in Ontario, 28% in British Columbia, 13% in Québec and 11% in Alberta. The types of properties held by the fund can be classified as industrial (35%), multifamily residential (26%), office (19%), retail (14%), land (3%) and other (3%). The Governance Council is aware of this exception to its investment policy.

The Commission's investment target and actual asset mix at fair value December 31, 2024, is as follows:

	Target		Actual %
	Maximum %	Minimum %	
Fixed income securities and indexed bond funds	61.00	38.00	47.57
Global equities	29.00	9.00	23.56
Canadian equities	17.00	7.00	12.01
Real estate	10.00	5.00	8.80
Infrastructure funds	15.00	-	4.58
Mortgages	10.00	-	2.81
Cash and cash equivalents	7.00	-	0.67

Equity investments are particularly sensitive to market risk. Because equities are recorded as FVTPL, changes in their fair value from the movements in the markets have a significant impact on comprehensive income and reserve values. The following table is a sensitivity analysis that shows the impact of a change depending on asset type, on the average market values of each portfolio, which equates to one standard deviation of the portfolio in the respective stock market index.

	Index	Exposure December 31, 2024 \$	Change one standard deviation %	Change to
				comprehensive income 2024 \$
Canadian equities	TSX 300	67,105	13.62	9,140
	MSCI			
Global equities	WORLD	131,637	11.19	14,730

Notes to the Financial Statements

For the year ended December 31, 2024 (in thousands of Canadian dollars)

17. Financial risk management (continued)

	Index	Exposure December 31, 2023 \$	Change one standard deviation %	Change to comprehensive income 2023 \$
Canadian equities	TSX 300	80,206	13.10	10,507
	MSCI			
Global equities	WORLD	112,269	11.90	13,360

d) Interest rate risk

Interest rate risk is the risk that the fair value or cash flows of a financial instrument will fluctuate in the future because of interest rate changes. Fluctuations in interest rates can affect the fair value of the fixed income investments, as well as shift investor preferences among asset classes. Interest rate risk is minimized by actively managing the duration of the fixed income investments.

The Commission is indirectly exposed to interest rate risk through its investment in units of funds investing primarily in fixed income investments.

The following table provides a sensitivity analysis of the impact of a 1.00% change in nominal interest rates at December 31 assuming the change occurs evenly throughout the sector and all other variables remain constant.

	Movement in interest rates %	Change to comprehensive income 2024 \$
Change in nominal interest rates	+1.00	6,973

	Movement in interest rates %	Change to comprehensive income 2023 \$
Change in nominal interest rates	+1.00	5,422

Notes to the Financial Statements

For the year ended December 31, 2024 (in thousands of Canadian dollars)

17. Financial risk management (continued)

e) Other price risk - real estate risk

Real estate risk arises from changes in real estate values related to local markets and vacancy rates. Real estate risk is managed through diversification across real estate types and locations. Adverse impacts in any segment of the market or geographic location are reduced by having holdings diversified across residential, commercial, industrial, and developmental markets.

The Commission is indirectly exposed to real estate risk through its investment in units of funds investing primarily in real estate investments.

The table below presents the estimated effect of a material adverse change in valuations of the investment in domestic real estate for the year ended December 31. This change to comprehensive income reflects a change in valuation of 3.68% (2023 – 4.32%), which, based on ten years of results, would be one standard deviation of valuation change.

Portfolio	Exposure December 31, 2024 \$	Change %	Change to comprehensive income 2024 \$
Canadian real estate	49,610	+3.68%	1,826

Portfolio	Exposure December 31, 2023 \$	Change %	Change to comprehensive income 2023 \$
Canadian real estate	56,920	+4.32	2,457

f) Currency risk

Currency risk is the risk that the fair value of financial assets and financial liabilities denominated in foreign currencies will fluctuate due to changes in their respective exchange rates relative to the Canadian dollar. The Commission owns Canadian denominated units of pooled funds. These pooled funds hold foreign currency denominated financial assets. The investment managers mitigate some of the currency risk related to these foreign-currency denominated financial assets by entering into forward foreign exchange contracts. As a result, the Commission is indirectly exposed to currency risk through its unit holdings.

Notes to the Financial Statements

For the year ended December 31, 2024 (in thousands of Canadian dollars)

17. Financial risk management (continued)

f) Currency risk (continued)

The table below summarizes the Commission's indirect exposure to currency risk through its unit holdings in investment funds:

Foreign country	Total Investments Fair Value 2024 \$	Total Investments Fair Value 2023 \$
United States	170,267	137,689
Europe	19,207	11,290
Australia	12,144	1,287
United Kingdom	6,547	8,010
Japan	5,848	5,633
Switzerland	3,069	3,556
Singapore	1,074	742
Israel	930	195
Cayman Islands	790	-
Hong Kong	735	1,444
Bermuda	417	-
Korea	410	435
Denmark	349	881
India	285	367
Taiwan	285	-
Norway	156	443
Saudi Arabia	141	-
New Zealand	-	73
Sweden	-	567
South Africa	-	45
Brazil	-	45
Total	222,654	172,702

Notes to the Financial Statements

For the year ended December 31, 2024 (in thousands of Canadian dollars)

17. Financial risk management (continued)

f) Currency risk (continued)

The following tables provide a sensitivity analysis that illustrates the impact of a 10% appreciation in the Canadian dollar relative to the five largest currencies the Commission is exposed to for the year ended December 31. This analysis assumes that all other variables remain constant.

	Exposure December 31, 2024 \$	Change %	Change to comprehensive income 2024 \$
United States	170,267	+10.00	(15,497)
Europe	19,207	+10.00	(1,746)
Australia	12,144	+10.00	(1,104)
United Kingdom	6,547	+10.00	(595)
Japan	5,848	+10.00	(532)

	Exposure December 31, 2023 \$	Change %	Change to comprehensive income 2023 \$
United States	137,689	+10.00	(12,517)
Europe	11,290	+10.00	(1,026)
Japan	5,633	+10.00	(512)
United Kingdom	8,010	+10.00	(728)
Switzerland	3,556	+10.00	(323)

g) Other price risk - inflation risk

Inflation risk affects purchasing power of the Commission's assets, impacting its ability to meet future claims liabilities. To mitigate this risk, the Board has strategically allocated investments to asset classes that offer inflation protection vis a vis infrastructure and real estate.

Notes to the Financial Statements

For the year ended December 31, 2024 (in thousands of Canadian dollars)

18. Administration and general expenses

	For the year ended December 31, 2024 \$	For the year ended December 31, 2023 \$
Salaries, wages, allowances and benefits	25,309	23,531
Professional services	4,364	5,351
Depreciation on right of use assets	2,070	1,881
Legislative services and partnerships	1,746	1,712
Office repairs and maintenance	1,528	1,024
Amortization and depreciation	1,083	1,045
Communications	805	765
Office services and supplies	788	771
Travel	765	554
Office furniture and equipment (non-capital)	738	559
Relocation, medical travel and others	582	454
Bad debt	542	(1)
Training and development	241	304
Advertising and public information	212	195
Office lease payments	129	104
Interest expense on lease liabilities	119	277
Grants in lieu of property tax	85	82
Recruitment	53	113
Honoraria and retainers - non-board members	11	9
Gain on asset disposal	(1)	(23)
Recoveries	(176)	(32)
	40,993	38,675
Less: Allocation to insurance service expense (Note 12)	(32,144)	(31,183)
Total	8,849	7,492

During the year, the Commission has changed the way that it classifies certain administration and general expenses to provide a view of the Commission's performance that better aligns with current operations, industry practice and internal management reporting and decisions making.

Notes to the Financial Statements

For the year ended December 31, 2024 (in thousands of Canadian dollars)

18. Administration and general expenses (continued)

The amount of reclassifications for each Administration and general expenses line item affected:

	Prior year, December 31, 2023	Reclassification	Current year, December 31, 2023
	\$	\$	\$
Salaries, wages and allowances	19,735	(19,735)	-
Employer share of benefits	4,322	(4,322)	-
Salaries, wages, allowances and benefits	-	23,531	23,531
Professional services	5,428	(77)	5,351
Relocation, medical travel and others	-	454	454
Contributions to other organizations	1,448	(1,448)	-
Legislative services and partnerships	-	1,712	1,712
Travel	610	(56)	554
Training and development	314	(10)	304
Honoraria and retainers	58	(49)	9

Substantially all of the employees of the Commission are covered by a contributory defined benefit plan established through legislation and sponsored by the Government of Canada. Contributions are required by both the employees and the Commission. The President of the Treasury Board of Canada sets the required employer contributions, based on a multiple of the employee's required contribution. Total contributions of \$2,148 (2023 – \$1,782) were recognized as expense in the current year.

19. Related party transactions

The Commission is related to all departments and territorial public agencies of the Governments of the Northwest Territories and Nunavut. The Commission enters into transactions with these entities in the normal course of business.

Notes to the Financial Statements

For the year ended December 31, 2024 (in thousands of Canadian dollars)

19. Related party transactions (continued)

The following tables summarize the Commission's transactions:

Balances due from related parties included in assessments receivable and other receivables:

	As at December 31, 2024	As at December 31, 2023
	\$	\$
Government of Northwest Territories	826	580
Government of Nunavut	117	314
Territorial public agencies	120	133
Total	1,063	1,027

Balances payable to related parties included in accounts payable, accrued and other liabilities and assessments refundable:

	At at December 31, 2024	As at December 31, 2023
	\$	\$
Government of Northwest Territories	246	781
Government of Nunavut	3	14
Territorial public agencies	440	1,001
Total	689	1,796

Insurance revenue, at rates determined using the same method as with others, from related parties for the years ended December 31:

	At at December 31, 2024	As at December 31, 2023
	\$	\$
Government of Northwest Territories	11,741	11,136
Government of Nunavut	9,106	9,117
Territorial public agencies	4,017	3,572
Total	24,864	23,825

Notes to the Financial Statements

For the year ended December 31, 2024 (in thousands of Canadian dollars)

19. Related party transactions (continued)

Expenses to related parties for the years ended December 31:

	2024	2023
	\$	\$
Government of Northwest Territories	2,571	3,267
Government of Nunavut	304	331
Territorial public agencies	664	1,274
Total	3,539	4,872

The Commission does not record the value of services provided in the normal course of operations without charge by the Governments of the Northwest Territories and Nunavut in these financial statements. The services provided without charge are not significant but include areas where the Commission follows government administrative policies and employment contracts. These services include training services, records management, and human resources support.

During the year, the Commission entered into two rental contracts with a company in which a key management personnel of the company is a key management personnel of the Commission. The terms of the contract are equivalent to those that prevail in arm's length transactions. The total contract value was \$102 with payment spread monthly over the contract period. At 31 December 2024, there was no outstanding payable due.

Compensation of key management personnel

	For the year ended December 31, 2024	For the year ended December 31, 2023
	\$	\$
Compensation	1,758	1,465
Post employment benefits - increase (decrease) in liability	38	(23)
Employer pension plan contributions	327	240
Total compensation paid to key management personnel	2,123	1,682

The amounts disclosed in the table are the amounts recognized as an expense during the reporting period related to key management personnel, which consists of the members of the Governance Council, the President, Vice-presidents and Directors.

Notes to the Financial Statements

For the year ended December 31, 2024 (in thousands of Canadian dollars)

20. Fair value measurement

The Commission's investments categorized according to their fair value hierarchy as described in Note 2 are as follows:

	Level 1	Level 2	Level 3	As at December 31, 2024
	\$	\$	\$	\$
Financial instruments measured at fair value:				
Equities	197,515	1,199	28	198,742
Indexed bond funds	122	196,928	-	197,050
Private debt	1,341	39,747	30,228	71,316
Real estate	5	49,605	-	49,610
Mortgages	-	13,112	-	13,112
Infrastructure funds	-	-	25,588	25,588
Total	198,983	300,591	55,844	555,418

Reclassified from Level 3 to Level 2 relate to Canadian Private debt investments. The reclassification was made at the beginning of the year because of a change in the underlying investment funds.

	2024	2023
Level 3	\$	\$
Fair Value, beginning of year	19,261	16,059
Reclassified from Level 3 to Level 2	-	(6,453)
Purchases	33,690	10,305
Settlements	(12)	(1,392)
Unrealized Gains(Losses)	2,905	742
	55,844	19,261

Notes to the Financial Statements

For the year ended December 31, 2024 (in thousands of Canadian dollars)

20. Fair value measurement (continued)

	Level 1	Level 2	Level 3	As at December 31, 2023
	\$	\$	\$	\$
Financial instruments measured at fair value:				
Equities	190,529	1,913	32	192,474
Indexed bond funds	337	154,651	-	154,988
Private debt	1,040	37,559	19,229	57,828
Real Estate	6	56,914	-	56,920
Mortgages	-	24,240	-	24,240
Total	191,912	275,277	19,261	486,450

Mortgages are valued based on inputs from a non-active but well-defined market for similar assets. Verifiable discount rates and spreads are utilized that are reflective of the underlying mortgage asset quality.

Pooled fund units are valued at their year-end net asset value, as determined by the fund manager or administrator. For equity and fixed income pooled funds, these values represent the Commission's proportionate share of underlying net assets at fair values determined using either quoted market prices or year-end closing market prices or the average of the latest bid/ask prices based on available public quotations from recognized dealers in such securities. Bonds are valued using the PCBonds TMX Group pricing system. Real estate is valued by comparing the property values to other completed transactions or listings in the market and performing a discounted cash flow analysis based on market rents and comparable discount rates.

21. Subsequent events

The Commission's financial position, and financial performance in the coming year might be materially impacted by the current geopolitical climate as it relates to tariffs and trade. The impact of which, is causing significant volatility in financial markets which may have an impact on investment valuation and interest rates.

An estimate of its financial effect cannot be made at this time.

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WORKERS' SAFETY AND COMPENSATION COMMISSION
NORTHWEST TERRITORIES AND NUNAVUT



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