GOVERNMENT OF NUNAVUT
INTERIM FINANCIAL REPORT
Non-Consolidated Financial Statements (unaudited)
March 31, 2026

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The Honourable David Joanasie
Speaker of the Legislative Assembly of Nunavut

I am pleased to present the Interim Financial Report of the Government of Nunavut for the fiscal year ended March 31, 2026. The report is presented in accordance with subsection 51(4) of the Financial Administration Act.



The Honourable John Main
Minister of Finance

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The Honourable John Main
Minister of Finance

I am pleased to present the Interim Financial Report of the Government of Nunavut for the fiscal year ended March 31, 2026. The report is submitted pursuant to subsection 51(3) of the Financial Administration Act.

The purpose of the report is to provide the preliminary operating results of the Government, on a non-consolidated basis, for the year ended March 31, 2026.

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

Respectfully submitted,



Ibrahim Suleiman, MBA, CPA
Comptroller General

September 30, 2026

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GOVERNMENT OF NUNAVUT
INTERIM FINANCIAL REPORT
Non-Consolidated Financial Statements (unaudited)
March 31, 2026

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GOVERNMENT OF NUNAVUT
INTERIM FINANCIAL REPORT
Non-Consolidated Statement of Financial Position (unaudited)
as at March 31, 2026
(in thousands of dollars)

	Note	2026	2025
Assets			
Financial assets			
Cash and cash equivalents	3	736,784	944,070
Due from the Government of Canada	4	412,679	279,793
Accounts receivable	5	287,706	238,138
Inventories for resale	6(a)	241,317	203,568
Loans receivable	7	188,012	149,349
Portfolio and other investments	8	142,416	245,973
		2,008,914	2,060,891
Non-financial assets			
Tangible capital assets **(Schedule C)**		1,616,629	1,621,510
Inventories for use	6(b)	5,004	4,441
Prepaid expenses		6,281	3,435
		1,627,914	1,629,386
Total assets		**3,636,828**	**3,690,277**
Liabilities			
Financial liabilities			
Accounts payable and accrued liabilities	9	610,031	646,571
Deferred revenues	10	281,503	240,288
Liability for contaminated sites	11	7,751	7,461
Liabilities for pension and other employee benefits	12	109,747	119,289
Liability for Iqaluit International Airport	13	140,471	143,045
Capital lease obligations	14	22,235	28,672
Liability for Nunavut Energy Management Program	15	22,387	24,828
Asset Retirement Obligations	16	13,196	15,671
		1,207,321	1,225,825
Non-financial liabilities			
		-	-
		-	-
Total liabilities		**1,207,321**	**1,225,825**
Accumulated surplus		2,429,507	2,464,452

Contractual obligations **(Note 18)**
Contractual rights **(Note 19)**
Contingencies **(Note 20)**

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

GOVERNMENT OF NUNAVUT
INTERIM FINANCIAL REPORT
Non-Consolidated Statement of Operations and Accumulated Surplus (unaudited)

for the year ended March 31, 2026
(in thousands of dollars)

	2026 Budget	2026 Actual	2025 Actual
Revenues (Schedule A)			
From the Government of Canada	2,774,586	2,840,039	2,661,901
Tax revenues generated by the Government of Nunavut	180,400	212,659	190,202
Other revenues generated by the Government of Nunavut	134,014	166,240	228,770
Recoveries of prior years expenditures	19,000	28,855	25,869
Total revenues	3,108,000	3,247,793	3,106,742
Expenses (Schedule B)			
Operations and maintenance expenses before amortization and write down of tangible capital assets	2,776,040	2,903,017	2,676,795
Plus: Amortization expenses on tangible capital assets	92,397	96,747	93,558
Plus: ARO accretion expense	-	464	508
Plus: ARO (gain) loss	-	(2,939)	-
Plus: Write-down of tangible capital assets	-	-	-
Total operations and maintenance expenses	2,868,437	2,997,289	2,770,861
Capital expenditures	451,898	377,316	353,137
Less: Transfers to tangible capital assets	88,219	91,867	150,733
Total capital expenses	363,679	285,449	202,404
Total expenses	3,232,116	3,282,738	2,973,265
Surplus (deficit) for year	(124,116)	(34,945)	133,477
Accumulated surplus, beginning of year	2,464,452	2,464,452	2,330,975
Accumulated surplus, end of year	2,340,336	2,429,507	2,464,452

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

GOVERNMENT OF NUNAVUT
INTERIM FINANCIAL REPORT
Non-Consolidated Statement of Net Financial Assets and Change in Net Financial Assets (unaudited)
for the year ended March 31, 2026
(in thousands of dollars)

	2026 Budget	2026 Actual	2025 Actual
Net financial assets, beginning of year			
Financial assets	-	2,060,891	1,800,679
Financial liabilities	-	1,225,825	1,043,042
Net financial assets		**835,066**	**757,637**
Surplus (deficit) for the year	(124,116)	(34,945)	133,477
Tangible capital assets (Schedule C)			
Additions	(88,219)	(91,109)	(150,707)
Disposals	45	-	-
Amortization	92,397	96,747	93,558
Amortization adjustment	-	(758)	(21)
Additions in kind	(40)	-	-
Write-downs	1,615	-	-
Change relating to surplus or deficit	5,798	4,880	76,307
Additions to inventories for use	(6,577)	(10,683)	(10,372)
Consumption of inventories for use	5,760	10,120	10,230
Net additions of prepaid expenses	(500)	(2,845)	1,264
Changes relating to acquisition of non-financial assets	(1,317)	(3,408)	1,122
Increase (decrease) in net financial assets excluding net remeasurment gains and losses	(119,635)	(33,473)	77,429
Net financial assets, end of year	**(119,635)**	**801,593**	**835,066**

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

GOVERNMENT OF NUNAVUT
INTERIM FINANCIAL REPORT
Non-Consolidated Statement of Cash Flow

for the year ended March 31, 2026
(in thousands of dollars)

	2026	2025
Cash and cash equivalents, beginning of year	944,070	150,941
Cash provided by (used for) operating activities:		
Cash received from:		
Transfers from the Government of Canada	2,728,408	2,800,618
Taxation	203,347	183,497
Other generated revenues	360,275	475,319
Interest on loans receivable and portfolio investments	7,141	7,957
Cash paid for:		
Interest payments on capital leases, mortgage and project financing	(12,559)	(12,873)
To and on behalf of employees	(737,259)	(742,097)
Grants and contributions	(846,224)	(767,439)
Suppliers	(1,871,512)	(1,429,293)
Cash provided by (used for) operating transactions:	(168,383)	515,689
Cash provided by (used for) capital activities:		
Purchases of tangible capital assets	(95,625)	(129,595)
Cash provided by (used for) capital transactions:	(95,625)	(129,595)
Cash provided by (used for) investing activities:		
Loans issued to municipalities, businesses and individuals	(44,806)	(75,385)
Loan repayments by municipalities, businesses and individuals	9,424	2,166
Investments in portfolio and other investments	103,557	490,976
Cash provided by (used for) investing transactions:	68,175	417,757
Net Cash provided by (applied to) operating, capital and investing activities	(195,833)	803,851
Net cash before financing activities	748,237	954,792
Cash provided by (used for) financing activities:		
Principal payments on Iqaluit International Airport	(2,574)	(2,396)
Principal payments on capital leases	(6,438)	(6,266)
Principal payments on Nunavut Energy Savings Program Project	(2,441)	(2,060)
Cash provided by (used for) financing transactions	(11,453)	(10,722)
Cash and cash equivalents, end of year	736,784	944,070
Represented by:		
Cash and cash equivalents	736,784	944,070
	736,784	944,070

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

1 AUTHORITY AND OPERATIONS

(a) Government of Nunavut

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

(b) Main Estimates

The 2025-2026 Main Estimates were tabled in the Legislative Assembly in March 2025 and represent the Government's fiscal plan for the year (i.e., original budget). Summary information and totals for the Government's original budget for the year are provided on pages x through xiii of the 2025-2026 Main Estimates. Planned Vote 5 revenues and Vote 4 expenses represent the share of eligible costs to be funded under agreements with the Government of Canada or others, and while not part of the annual Appropriations (Operations and Maintenance) Act approved by the Legislative Assembly in March 2025, they are, along with those of revolving funds, included in the original budget totals disclosed in these financial statements.

2 SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Accounting

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

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

(b) Reporting Entity

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

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

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

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

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

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

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

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

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Use of Estimates and Measurement Uncertainty

The preparation of financial statements in accordance with Canadian PSAS requires government management to make estimates and assumptions that affect the amount of assets, liabilities, revenues and expenses reported in the financial statements. By their nature, these estimates and assumptions are subject to measurement uncertainty. The effect on the financial statements of changes to such estimates and assumptions in future periods could be significant, although, at the time of preparation of these financial statements, management believes the estimates and assumptions are reasonable.

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

(d) Financial Instruments

The following is a list of the Government's financial instrument assets and liabilities and their related measurement basis as at March 31, 2026:

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

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

All financial instrument assets are annually tested for impairment. When financial instruments assets are impaired, impairment losses are recognized in the consolidated statement of operations and accumulated surplus. A write down of a financial instrument asset to reflect a loss in value is not reversed for a subsequent increase in value. On disposal or derecognition of a financial instrument asset or liability, the resulting gain or loss is recognized in the consolidated statement of operations and accumulated surplus.

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

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

(e) Cash and Cash Equivalents

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

(f) Portfolio and Other Investments

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

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

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

(g) Accounts receivable

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

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Inventories

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

(i) Loans Receivable

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

(j) Tangible Capital and Leased Assets

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

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

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

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

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

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

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

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

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Pension and Other Employee Benefits

Pension Benefits

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

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

Other Employee Benefits

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

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

(l) Public-private partnership (P3)

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

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

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

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

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

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) Asset Retirement Obligations

An asset retirement obligation is recognized when, as at the financial reporting date, all of the following criteria are met:
i) There is a legal obligation to incur retirement costs in relation to a tangible capital asset;
ii) The past transaction or event giving rise to the liability has occurred;
iii) It is expected that future economic benefits will be given up; and
iv) a reasonable estimate of the amount can be made.

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

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

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

At each financial reporting date, the carrying amount of the liability is reviewed. The Government recognizes period-to-period changes to the liability due to the passage of time as an accretion expense. Changes to the liability arising from revisions to either the timing or the original estimate of the undiscounted cash flows or the discount rate are recognized as an increase or decrease to the carrying amount of the related tangible capital asset. The Government continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made.

(n) Revenues

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

Transfers from the Government of Canada

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

Taxes

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

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

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

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

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

Government non tax revenues

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

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

Revenues from transactions with performance obligations occur when there is an enforceable promise to transfer goods or services directly to a payor in return for promised consideration. These revenues are generally recognized as performance obligations are fulfilled. Where consideration is received from a payor prior to the provision of goods or services, these amounts are initially included in unearned revenue provided the definition of a liability is met and are subsequently recognized as revenue as performance obligations are met. All revenues with performance obligations are recurring in nature unless otherwise stated.

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

Recoveries of prior years expenditures

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

(o) Expenses

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

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

(p) Contingencies

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

(q) Contaminated sites

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

A liability for remediation of a contaminated site is recognized when all of the following criteria are met:
- an environmental standard exists;
- contamination exceeds the environmental standard;
- the Government is directly responsible or accepts responsibility;
- it is expected that future economic benefits will be given up; and
- a reasonable estimate of the amount can be made.

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

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

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(r) Adoption of the Conceptual Framework and Change in Accounting Policy

Effective April 1, 2025, Government has implemented the new Conceptual Framework for Financial Reporting in the Public Sector (Conceptual Framework) and PS 1202 Financial Statement Presentation for the year ended March 31, 2026.

The Conceptual Framework provides the foundation for the development of accounting policies, the preparation of financial statements, and the application of professional judgement. Key elements include:

- Characteristics of public sector entities
- Financial statement objectives and the role of financial statements
- Financial statement foundations, objectives, and information
- Elements of financial statements
- Recognition, measurement, and presentation concepts for financial statements

The Conceptual Framework does not override existing standards; rather, it provides guidance for accounting for items not addressed by specific standards and informs the development of future standards. Upon adoption, the Government determined that its existing entity-developed accounting policies are consistent with the Conceptual Framework.

The adoption of PS 1202 results in presentation and classification changes to the consolidated financial statements, but underlying recognition and measurement remains the same. Comparative figures for the year ended March 31, 2025 have been restated to conform with the presentation and classification requirements of PS 1202. These changes relate solely to presentation, including reclassification of certain balances within the financial statements, and have no impact on the previously reported annual surplus (deficit), accumulated surplus (deficit). The presentation changes are as follows:

The Statement of Financial Position:

o Reclassifying the "Net financial assets/liabilities" indicator — formerly known as "Net debt" — to its own statement. The calculation was also revised to financial assets minus financial liabilities. For the Government, this change resulted in the exclusion of a portion deferred revenue from the calculation, as a portion deferred revenue is now classified as a non-financial liability.

o Introduction of financial and non-financial categories of liabilities. A financial liability is defined as a liability that is expected to be settled using existing or future financial assets. A non-financial liability is defined as a liability that does not meet the definition of a financial liability. The Government identified a portion of deferred revenues as non-financial liability as they are not expected to be settled using existing or future financial assets. Deferred revenue is expected to be settled by granting permission via access to a non-financial asset or similar arrangements.

o Update to the definition of a non-financial asset. A financial asset is an asset that could be used to discharge existing financial liabilities or be spent on future operations and is not for consumption in the normal course of operations. A non-financial asset is an asset that does not meet the definition of a financial asset. A financial asset is an asset that could be used to discharge existing financial liabilities or be spent on future operations and is not for consumption in the normal course of operations. No changes to the classification of assets were required as a result of adopting PS1202.

- The addition of the “Statement of Net Financial Assets that presents the Governments' net financial position for the period. This statement replaces the presentation of “Net Debt” within the statement of financial position.

- The Government adopted the optional presentation of the Change in Net Financial Assets/Liabilities on the Statement of Net Financial Assets/Liabilities and Change in Net Financial Assets/Liabilities.

- The new Statement of Changes in Net Assets or Net Liabilities was not adopted, as the Government's only component of net assets is accumulated surplus, the reconciliation of which is presented in the Statement of Operations.

- The “Statement of Cash Flows” has been updated to align with PS 1202, including the separate identification of financing activities and related subtotals, to enhance clarity regarding the Government’s financing requirements.

The adoption of PS 1202 did not have a material impact on the Government’s annual surplus (deficit), accumulated surplus (deficit), or net financial assets or net financial liabilities.

The changes resulting from adoption relate solely to the structure, presentation, and disclosure of the consolidated financial statements and are intended to improve their clarity and usefulness to users.

3 CASH AND CASH EQUIVALENTS	**2026**	**2025**
Cash and cash equivalents	736,784	944,070

During the year, government earned interest of prime less 1.80% on its net bank balances (2025 - prime less 1.80%).

4 DUE FROM THE GOVERNMENT OF CANADA

	2026	2025
Grant receivable:		
From the Government of Canada (Schedule A)	2,231,390	2,109,474
Less: Payments received	(2,231,390)	(2,109,474)
	-	-
Balance of grant receivable, beginning of the year	-	-
Balance of grant receivable, end of the year	-	-
Other receivables:		
Other receivables from the Government of Canada	412,679	279,793
	412,679	279,793

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

5 ACCOUNTS RECEIVABLE

	2026	2025
Receivable by funds		
Consolidated Revenue Fund	177,301	157,310
Petroleum Products Revolving Fund	157,581	122,583
Public Stores Revolving Fund	41	41
Liquor and Cannabis Revolving Fund	58	58
	334,981	279,992
Less: Allowance for doubtful accounts	(47,275)	(41,854)
	287,706	238,138
Receivable by relation with the creditors		
Nunavut Arctic College	9,729	6,591
District Education Authorities	4,081	2,714
Nunavut Business Credit Corporation	236	819
Nunavut Development Corporation	-	1
Nunavut Housing Corporation	29,743	24,883
Qulliq Energy Corporation	56,015	41,192
Receivables from related parties	99,804	76,200
Other accounts receivable[1]	235,177	203,792
	334,981	279,992
Less: Allowance for doubtful accounts	(47,275)	(41,854)
	287,706	238,138

[1]On March 6, 2025, the Ontario Superior Court of Justice approved a $32.5 billion settlement agreement under Canada's Companies' Creditors Arrangement Act (CCAA), arising from litigation against three major tobacco companies related to healthcare costs.

Under the terms of the settlement, $24.7 billion is payable to the provinces and territories of Canada over approximately 20 years, including an initial upfront payment of $6.5 billion. Nunavut's share of the settlement is 0.38%, representing approximately $93.8 million of the total amount payable to provinces and territories.

In 2024–25, the Government recognized a receivable of $60.85 million, representing the estimated net present value of Nunavut's share of the settlement payments. During 2025–26, the Government received approximately $25.49 million in settlement payments.

During 2025–26, revised cash flow projections were provided by financial advisors who supported the consortium of provinces and territories during the CCAA proceedings. The revised projections reflected an increase of approximately $3.48 million in expected future cash flows and an extension of the anticipated payment period by 10 years, from 2043 to 2053. As a result of these revisions, the estimated present value of the outstanding receivable decreased by approximately $6.9 million.

The remaining settlement payments are expected to be received in annual instalments and are based on a percentage of the tobacco companies' net after-tax income until the settlement obligations are fully satisfied.

6 INVENTORIES

	2026	2025
(a) For resale		
Bulk fuels	234,414	195,740
Liquor products	6,903	7,828
	241,317	203,568

The write-down for bulk fuels inventory for 2026 was $XX (2025 - $564).

(b) For use		
Health and medical supplies	5,004	4,441

7 LOANS RECEIVABLE

	2026	2025
Working capital advances to the Nunavut Business Credit Corporation. The term is indeterminate with the option to repay any portion of the principal on any interest payment date. Interest is calculated at selected Government of Canada three year benchmark bond yields ranging between 2.34% and 3.01% (2025 - 2.50% and 4.23%) at the end of the month, compounded annually.	21,000	15,895
Student Loan Fund loans, interest rate of 0.00% (2025 - 0.00%), net of doubtful accounts and valuation allowances of $10,672 (2025 - $8,285).	3,518	2,723
Loan to Qulliq Energy Corporation. Interest is calculated as Government of Nunavut's operating interest plus 0.15 % per annum compounded monthly, beginning September 1, 2021 in equal installments of $173. The final instalment, including any other amounts accrued under this loan, is payable August 31, 2031.	-	14,504
Loan to Qulliq Energy Corporation. Interest is calculated as Government of Nunavut's operating interest plus 0.15 % per annum compounded monthly, beginning July 1, 2022 in equal installments of $230. The final instalment, including any other amounts accrued under this loan, is payable June 30, 2032.	-	20,065
Loan to Qulliq Energy Corporation. Interest is calculated as Government of Nunavut's operating interest plus 0.15 % per annum compounded monthly, beginning April 1, 2024 in equal instalments of $266. The final instalment including any other amounts accrued under this loan, is payable March 31, 2033.	-	21,062
Loan to Qulliq Energy Corporation. Interest is calculated as Government of Nunavut's operating interest plus 0.15 % per annum compounded monthly, beginning April 1, 2024 in equal instalments of $266. The final instalment including any other amounts accrued under this loan, is payable March 31, 2034.	-	23,100
Loan to Qulliq Energy Corporation. Interest is calculated as Government of Nunavut's operating interest plus 0.15 % per annum compounded monthly, beginning March 1, 2025 in equal instalments of $417. The final instalment including any other amounts accrued under this loan, is payable March 31, 2045.	95,000	52,000
Consolidated QEC Loan of $78.72M made from QEC Loan #1-4 with an initial term of nine years, payable monthly at end of month in instalments with an interest rate of 0.0%. The monthly instalment payments are scheduled as follows, April 2025 - August 2031, $851,171, September 2031 - June 2032, $663,808, July 2032 - March 2033, $433,173, April 2033 - March 2034, $213,885. Monthly instalments include only principal payments.	68,494	-
	188,012	149,349

8 PORTFOLIO AND OTHER INVESTMENTS

	Effective Rate of Return	Term to Maturity	2026 Carrying Value	2025 Carrying Value
Portfolio investments				
Guaranteed Investment Certificates	5.35%	574 days	100,000	210,986
			100,000	210,986
Other investments				
SRAF designated investments			42,416	34,987
			142,416	245,973

The market value of the portfolio investments at March 31, 2026 was $100,000 (2025 - $210,986).

The Supplementary Retiring Allowances Fund of the Legislative Assembly (SRAF) designated investments represent funds set aside within the Consolidated Revenue Fund for use in meeting SRAF benefit obligations. The investments are managed by a third party. The Statement of Investment Policy establishes the eligible classes of securities, categories of issuers, limits and terms. The market value of SRAF investments at March 31, 2026 was $44,147 (2025 - $38,415) with a positive return of 12.21% (2025 - positive return of 8.55%).

9 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2026	2025
To related parties		
Nunavut Arctic College	2,464	2,574
District Education Authorities	4,779	3,621
Nunavut Business Credit Corporation	27	235
Nunavut Development Corporation	46	233
Nunavut Housing Corporation	1,907	2,817
Qulliq Energy Corporation	13,674	17,365
	22,897	26,845
To others		
Accounts payable	45,850	244,913
Accrued liabilities, payroll deductions, and contractor holdbacks	457,157	288,779
Vacation pay and time in lieu	45,917	40,211
Funds Held on Behalf of Hamlets*	14,386	-
Due to the Government of Canada	23,824	43,784
Due to the Government of the Northwest Territories	-	2,039
	587,134	619,726
	610,031	646,571

All amounts above are non-interest bearing.

*In accordance with PS 3400 (Revenue), the Government of Nunavut assesses each funding agreement under the Canada Community Building Fund Agreement to determine whether it is acting as a principal or an agent. For agreements in which the Government of Nunavut collects and administers funds on behalf of the Government of Canada for distribution to Hamlets/Municipalities, the Government of Nunavut acts as an agent. Because it does not control the underlying economic resources or the delivery of related services, these inflows do not meet the definition of deferred revenue or Government of Nunavut revenue and are presented on a net basis. As an agent, the Government of Nunavut recognizes only the fee earned as revenue.

10 DEFERRED REVENUES

	Balance April 1, 2025	Receipts during the year	Funds Held on Behalf of	Transfer to revenue	Balance March 31, 2026
Canada Community Building Fund Agreement	95,317	4,791	(14,386)	(902)	84,820
Nunavut Implementation Agreement	40,860	38,802	-	(17,097)	62,565
Other deferred revenue	24,321	43,280	-	(36,188)	31,413
Nunavut Lands and Resources Devolution Agreement	23,400	23,400	-	(4,385)	42,415
Nunavut Wellness Agreement	22,298	19,295	-	(22,297)	19,296
Territorial Health Investment Funds (THIF)	17,808	23,139	-	(17,808)	23,139
Pan-Canada Covid-19 Proof of Vaccination Credentials	9,983	9,780	-	(9,983)	9,780
Canada Nunavut SHP - Working Together	5,239	6,984	-	(5,239)	6,984
Provincial-Territorial Base Funding (Building Canada Fund)	1,062	29	-	-	1,091
	240,288	169,500	(14,386)	(113,899)	281,503

The deferred revenue balance at March 31 includes mostly funding for eligible capital infrastructure projects and specific programs received from the Government of Canada under formal contribution or other agreements. In 2025-26 and beyond, as the government fulfills its obligations from purpose or other stipulations for the use of these funds the associated revenue will be recognized.

11 LIABILITY FOR CONTAMINATED SITES

	2026	2025
Liabilities for remediation of contaminated sites	7,751	7,461

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

The Government recognizes that there are costs related to the remediation of environmentally contaminated sites for which it is responsible. As of March 31, 2026, there were 5 sites (2025 - 6) - 2 town sites (2025 - 3), 1 storage tank farm (2025 - 1) and 2 waste sites - (2025 - 2), identified as requiring environmental remediation. For those sites where the Government of Nunavut expects to give up future economic benefits due to a legal order or plans to remediate contamination (e.g., due to the risk to human health), and is responsible or has accepted responsibility for remediation, and a reasonable estimate can be determined for remediation costs, a liability has been recorded in these financial statements. Where remediation costs have been estimated and a liability has been recorded the methodology used to estimate the liability is either based on third party analyses or extrapolated from costs previously incurred to remediate, monitor, or manage sites of similar size and contamination.

11 LIABILITY FOR CONTAMINATED SITES (continued)

The Government has identified an additional 91 (2025 - 92) sites on Commissioner land for which liabilities for contamination may exist for assessment, remediation and/or monitoring. The activities associated with these sites are classified as follows:

	2026	2025
Storage tank farms	25	25
Power plants	29	29
Town and waste sites	10	11
Garages and other public works	5	5
Airports	21	21
Quarries	1	1
	91	**92**

The Government acquired ownership of sites and activities associated with airports, tank farms and power plants on creation of the Territory on April 1, 1999. The contamination of certain sites occurred when other parties were responsible for the use of and/or held tenure to the sites. The Government has estimated that remediation of contamination at 14 storage tank farm sites and 29 power plant sites (2025 - 14 and 29) would cost, without considering inflation, approximately $9,667 and $53,150 (2025 - $9,667 and $52,000), respectively. In addition, the Government has estimated that remediation at the other sites could cost, without considering inflation, between $211,266 - $234,366 (2025 - $225,074 - $296,299) depending on the approach taken. No liability for remediation of these 91 sites (2025 - 92) has been recognized in these consolidated financial statements as the Government does not expect to give up any future economic benefits (i.e. no legal requirement to remediate). Going forward, a liability for remediation of these or other identified sites will be recognized only when future economic benefits are expected to be given up (i.e. public health risk or legal requirement).

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

In addition, the Government has identified 145 (2025 - 145) sites where garages, public works facilities, quarries, sewage disposal/treatment and solid waste sites and activities are generally located and conducted within municipal boundaries and governed by municipal legislation. Contamination at these sites and activities within municipal boundaries and jurisdiction are the responsibility of municipalities to monitor and remediate if necessary.

12 LIABILITIES FOR PENSION AND OTHER EMPLOYEE BENEFITS

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

	2026	2025
Pension Benefits		
Pension plans for MLAs	23,966	23,171
Total pension benefits	23,966	23,171
Other Employee Benefits		
Severance and removal	10,907	14,197
Retirement health benefits	71,757	76,566
Sick leave and Special leave	3,117	5,355
Total other employee benefits	85,781	96,118
Total pension and other employee benefits	109,747	119,289

Public Service Pension Plan

Substantially all of the employees of the Government of Nunavut are covered by the public service pension plan (the “Plan”), a defined benefit plan established through legislation and sponsored by the Government of Canada. The Government of Canada holds a statutory obligation for the payment of benefits relating to the Plan. Pension benefits generally accrue up to a maximum period of 35 years at an annual rate of 2 percent of pensionable service times the average of the best five consecutive years of earnings. The benefits are coordinated with Canada/Québec Pension Plan benefits and they are indexed to inflation. Contributions are required by both the employees and the Government of Nunavut. The President of the Treasury Board of Canada sets the required employer contributions based on a multiple of the employees’ required contribution. The contribution rate effective at March 31, 2026 was 1.01 times (2025 - 1.01 times) for members enrolled before January 1, 2013, and 1.0 times (2025 - 1.0 times) for members enrolled beginning January 1, 2013. Total employer contributions of $36,404 (2025 - $41,994) were recognized as expense in the current year. Total employee contributions were $36,228 (2025 - $41,748).

12 LIABILITIES FOR PENSION AND OTHER EMPLOYEE BENEFITS (continued)

Pension Plans for MLAs

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

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

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

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

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

There have been no plan amendments, plan settlements and curtailments or temporary deviations from these plans in 2026 (no changes in 2025).

As per the *Legislative Assembly Retiring Allowance Fund Act* and the *Supplementary Retiring Allowance Fund Act*, an actuarial valuation is to be done as at April 1 following each general election, not necessarily every three years. The last actuarial valuations were completed for these plans as of April 1, 2022. The valuations were performed using the projected unit credit actuarial cost method. The valuations were based on a number of assumptions as approved by the Management and Services Board of the Legislative Assembly and represents the best estimates of expected long-term experience and short-term forecast, as well as the demographic assumptions underlying the most recent actuarial valuations for funding purposes. The main assumptions include inflation rate of 2.0% (2025 - 2.0%), expected discount rate of 5.10% (2025 - 4.7%), return on assets of 5.60% (2025 - 5.15%), increases in remuneration of 3.0% (2025 - 3.0%), and mortality.

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

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

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

	LARAF	SRAF	2026	2025
Accrued benefit obligation	15,010	27,014	42,024	41,640
Deduct:				
Pension fund assets	24,795	-	24,795	22,686
Amortization of actuarial (gain) / loss	(3,813)	(2,925)	(6,738)	(4,216)
	20,982	(2,925)	18,057	18,470
Pension (asset) liability	(5,972)	29,939	23,967	23,170

As at March 31, 2026, the LARAF pension fund assets had a market value of $26,437 (2025 - $23,422). The actual rate of return was positive 14.70% (2025 - positive 8.71%). The SRAF has no pension fund assets; however, the pension liability is funded all or in part by designated investments (Note 8).

12 LIABILITIES FOR PENSION AND OTHER EMPLOYEE BENEFITS (continued)

LARAF and SRAF actuarial gains/losses are both amortized over 3.7 years (2025 - 4.7 years for both) which is the estimated average remaining service lives for contributors to these plans.

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

	LARAF	SRAF	2026	2025
Current period benefit cost	1,335	2,090	3,425	3,149
Unamortized actuarial (gain) / loss	(631)	(433)	(1,064)	(2,325)
	704	1,657	2,361	824
MLAs contributions	(345)	-	(345)	(343)
Pension expense	359	1,657	2,016	481
Interest cost on the average accrued benefit obligation	751	1,314	2,065	1,921
Expected return on average pension plan assets	(1,286)	-	(1,286)	(1,091)
Pension interest expense	(535)	1,314	779	830
Total pension expenses	(176)	2,971	2,795	1,311

Pension benefits paid for the LARAF and SRAF were $1,217 and $1,039, respectively (2025 - $491 and $901, respectively).

The Government's contributions related to the LARAF and SRAF during the year were $970 and $2,018, respectively (2025 - $916 and $1,917,

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

	Severance and removal	Sick leave and Special leave	Retirement health benefits	2026	2025
Accrued benefit obligations at beginning of the year	18,492	13,521	24,538	56,551	82,252
Benefits earned	1,384	2,489	1,475	5,348	7,584
Interest cost on the average accrued benefit	692	492	1,063	2,247	3,267
Benefits paid	(5,812)	(6,368)	(533)	(12,713)	(8,827)
Subtotal	14,756	10,134	26,543	51,433	84,276
Actuarial (gain) / loss	-	-	-	-	(28,054)
Accrued benefit obligations at end of the year	14,756	10,134	26,543	51,433	56,222
Unamortized net actuarial gain / (loss)	(3,850)	(7,018)	45,214	34,346	39,896
Other employee benefits liabilities at end of the year	10,906	3,116	71,757	85,779	96,118

Benefit Expenses	Severance and removal	Sick leave and Special leave	Retirement health benefits	2026	2025
Benefit earned for the period	1,384	2,489	1,475	5,348	7,584
Actuarial (gain) loss on benefit obligation	-	-	-	-	(28,054)
Amortization of net actuarial gain / (loss) recognized during the year	698	1,149	-	1,847	(1,432)
Other employee benefits expense	2,082	3,638	1,475	7,195	(21,902)
Interest cost on the average accrued benefit	692	492	1,063	2,247	3,267
Total expense related to other employee benefits	2,774	4,130	2,538	9,442	(18,635)

13 LIABILITY FOR IQALUIT INTERNATIONAL AIRPORT

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

	2026	2025
Loan payable to private sector partner in monthly installments of $1,069 to December 2047, bearing interest at a rate of 7.23%.	140,471	143,045

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

The agreement requires the private sector partner to obtain and maintain an airport operating license and to operate the airport for the period of the agreement which expires in December of 2047. The private sector partner is responsible for all operating costs related to the airport and the Government of Nunavut must provide monthly operating and maintenance payments to the partner as well as the payment of capital life cycle costs as provided for in the agreement. The required payments are included in contractual obligations in Note 18. Amounts are estimated and include inflation at the rate of 3%.

	2026	2025
Operating and maintenance	397,939	410,749
Life cycle costs	178,833	179,689
	576,772	590,438

Interest expense on long-term debt relating to the Iqaluit International Airport was $10,256 for the year (2025 - $10,435). Interest paid during the year was $10,256 (2025 - $10,435).

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

	Principal	Interest	Total
2027	2,766	10,063	12,829
2028	2,973	9,857	12,830
2029	3,195	9,635	12,830
2030	3,434	9,396	12,830
2031	3,691	9,139	12,830
2032 and beyond	124,412	90,487	214,899
	140,471	138,577	279,048

14 CAPITAL LEASE OBLIGATIONS

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

	2026	2025
Total minimum lease payments	23,152	30,204
Less: Imputed interest	(917)	(1,532)
Present value of minimum lease payments	22,235	28,672

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

	Principal	Interest	Total
2027	6,495	437	6,932
2028	5,988	286	6,274
2029	6,121	153	6,274
2030	3,631	41	3,672
2031	-	-	-
	22,235	917	23,152

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

Interest expense related to capital lease obligations for the year was $615 (2025 - $788) at an implied average interest rate of 7.0% (2025 - 7.0%). Interest paid for the year was $615 (2025 - $788). The capital lease obligations expire between 2023 and 2030.

15 LIABILITY FOR NUNAVUT ENERGY MANAGEMENT PROGRAM PROJECT

	2026	2025
Project financing payable - North Baffin	10,890	11,130
Project financing payable - Kivalliq	11,497	13,698
	22,387	24,828

Under the Nunavut Energy Management Program Project - North Baffin region, the government has entered into a contract for $18,100 that includes all principal and interest payments associated with the third-party financing of costs of improvements under the project. The project was completed January 2026, at which time monthly payments of $105 commenced, at an average interest rate of 5.28%. The monthly payments will increase annually by 2%. Interest expense on the project for the year was $562 (2025 - $667).

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

	Principal	Interest	Total
2027	733	557	1,290
2028	799	517	1,316
2029	870	473	1,343
2030	944	426	1,370
2031	1,023	374	1,397
2032 and beyond	6,521	933	7,454
	10,890	3,280	14,170

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

	Principal	Interest	Total
2027	2,352	692	3,044
2028	2,513	531	3,044
2029	2,684	359	3,043
2030	2,868	176	3,044
2031	1,080	16	1,096
2032 and beyond	-	-	-
	11,497	1,774	13,271

16 ASSET RETIREMENT OBLIGATIONS

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

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

	2026	2025
Balance, beginning of year	15,671	15,163
Liabilities incurred during the year	-	-
Liabiliites settled during the year	-	-
Accretion expense	464	508
Asset adjustments	(21)	-
Revisions to estimated cash flow and revaluation [1]	(2,918)	-
Balance, end of year	13,196	15,671

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

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

		2026	2025
(i)	Total undiscounted asset retirement obligations	17,370	21,080
(ii)	Expected timing of payments	2026 to 2054	2026 to 2054
(iii)	Discount rate	3.47%	3.36%
(iv)	Inflation rate	2.00%	2.00%
The sensitivity of key assumptions relating to the provision are:			
i)	A 1% increase in the discount rate would decrease the obligation by	977	1,038
ii)	A 1% increase in the inflation rate would increase the obligation by	1,071	1,606

17 PETROLEUM PRODUCTS STABILIZATION FUND

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

	2026	2025
Surplus (deficit), beginning of year	(6,228)	(19,220)
Adjustment to prior year deficit	1,149	-
Petroleum Products Revolving Fund net profit (loss) for the year	13,787	12,992
Minimum transfer required from (to) Consolidated Revenue Fund	-	-
Surplus (deficit), end of year	8,708	(6,228)

18 CONTRACTUAL OBLIGATIONS

The Government has entered into agreements for, or is contractually obligated for, the following payments subsequent to March 31, 2026:

	Total
Operating leases (Schedule 5)	117,698
Capital commitments	183,093
Operational commitments	2,283,278
Policing agreement	454,878
Iqaluit International Airport Improvement commitments	576,772
	3,615,719

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

2027	675,388
2028	442,268
2029	337,134
2030	308,777
2031	284,143
2032 and beyond	1,568,009
	3,615,719

19 CONTRACTUAL RIGHTS

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

	Total
Broadband Fund	261,062
Canada Infrastructure Plan	485,706
Health Canada Agreements	61,790
New Building Canada Fund	157,808
Others / Third Party Agreements	954,810
	1,921,176

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

2027	506,251
2028	528,137
2029	341,859
2030	205,610
2031	98,217
2032 and beyond	241,102
	1,921,176

20 CONTINGENCIES

(a) Post-division adjustments

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

The period for such adjustments is unlimited; and such adjustments could be made in a variety of specified circumstances such as the settlement of litigation related to events prior to the date of division. In such an event, there is an opportunity for one of the governments to file a claim against the other government to share in costs. Post-division adjustments will be recognized in the year the liability can reasonably be estimated. As at March 31, 2026, no new post-division adjustments were recorded.

20 CONTINGENCIES (continued)

(b) Litigation

A number of cases of alleged sexual abuse by former employees or contractors in Nunavut when it was part of the Northwest Territories have been filed or are pending. The Nunavut and the Northwest Territories governments will jointly defend any such proceedings and the cost of defending the actions and any damages that may eventually be awarded will be shared by the two governments 44.34% and 55.66%, respectively. Where it is likely that there will be a future payment and a reasonable estimate of the amount can be made, the Government has recorded a liability. For those pending cases, where the outcome is not determinable as at March 31 and a reasonable estimate of the amount can be made, the total amount of those claims is estimated at $270 (2025 - $270). No liability has been recorded for these claims as the outcome of these cases is not determinable.

There are a number of claims and threatened litigation cases outstanding against the Government for which the outcomes are not determinable, including a number of cases where an amount is not specified. The nature of these claims includes wrongful dismissal, breach of policy, personal injury, sexual abuse, negligence, wrongful arrest and assault. Where it is likely that there will be a future payment and a reasonable estimate of the amount can be made, the Government has recorded a liability. For those pending cases, where the outcome is not determinable as at March 31 and a reasonable estimate of the amount can be made, the total amount of those claims is estimated at $778 (2025 - $64,522). No liability has been recorded for these claims as the outcome of these cases is not determinable.

(c) Loan guarantees

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

	2026	2025
Variable rate capital loan facility due April 2032, interest at prime minus 0.50%	114,816	132,516
Total guarantees provided on balances outstanding	114,816	132,516

Based on its operational needs, the Nunavut Development Corporation (NDC) may from time to time be in a bank overdraft position. The overdraft is guaranteed by the Government, and interest on the overdraft is charged based on a rate of prime plus 0.50% per annum. Interest is charged only when NDC's operating account is in an overdraft position and the pooled accounts of the Government are also in an overdraft position. As at March 31, 2026, NDC's bank overdraft position was nil (2025 - nil).

21 RELATED PARTIES

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

	2026	2025
Nunavut Arctic College	288	1,041
District Education Authorities	21,824	18,820
Nunavut Development Corporation	3,094	3,652
Nunavut Business Credit Corporation	900	900
	26,106	24,413

Under agreements with related boards and agencies, the Government provides services at cost or for a service fee where direct costs cannot be determined. The fees charged for indirect costs are not necessarily the cost of providing those services. Services provided include personnel, payroll, financial, procurement, accommodation, buildings and works, utilities, legal, and interpretation services. Direct costs of $62,559 (2025 - $52,890) were incurred and recovered from related parties. Grants and contributions from the Government of Nunavut to Nunavut Arctic College and Nunavut Housing Corporation are disclosed separately in the Schedule of Expenses Funded under Approved Appropriations (Schedule B.1).

22 TRUSTS UNDER ADMINISTRATION

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

	2026	2025
Public Trustee	10,785	9,385
Natural Resources Conservation Trust	921	871
Territorial Court Trust	2,938	2,540
	14,644	12,796

23 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

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

(a) Credit Risk

Credit risk is the risk that a third party will be unable to fulfill its payment obligations and cause a financial loss to the Government. The Government is exposed to credit risk through its cash and cash equivalents, accounts receivable, portfolio and other investments and loans receivable. The maximum extent of the exposure is the carrying value at the reporting date. At the end of 2026, there were no known relevant concentrations of credit risk by type of customer or geography. The Government's credit risk exposure is mainly influenced by individual customer characteristics.

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

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

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

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

	31-60 days	61-90 days	Over 90 days	2026	2025
Accounts receivable					
Consolidated revenue fund	-	-	16,332	16,332	58,646
Petroleum Products Division	10,015	4,509	23,452	37,976	25,847
	10,015	4,509	39,784	54,308	84,493

The above table excludes $43.5M (2025 - $76.2M) amounts from related parties as the amounts are not considered impaired. Amounts past due but not impaired are based on credit history and/or no indications that amounts will not be collected.

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

(b) Liquidity Risk

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

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

	2026 Estimated	2027 to 2030	2031 to 2047	2026	2025
Accounts payable and accrued liabilities	596,881	-	-	596,881	646,571
Liability for Iqaluit International Airport	12,829	51,320	214,899	279,048	291,878
	609,710	51,320	214,899	875,929	938,449

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

(c) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the marketplace. The Government does not have significant exposure to interest rate risk on its portfolio investments as these investments are not held on the open market, are intended to be held until the end of the term and have fixed interest rates until that time. Although management monitors exposure to interest rate fluctuations, management does not employ any interest rate management policies to counteract interest rate fluctuations.

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

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

24 BUDGET ADJUSTMENTS

The 2026 total revenue budget on page xi of the 2025-2026 Main Estimates is $3,142,136. It includes $2,684,191 of 'Revenues' and $303,918 of 'Vote 5 Revenues' on page A-IV-5 of the 2025-2026 Main Estimates, plus $154,027 of funding under third-party agreements for specific capital projects included on page A-IV-15 of the 2025-2026 Capital Estimates. The planned expenses to be funded by these additional revenues have been added to the affected budget totals disclosed in these statements.

The 2026 budget total for capital expenditures on Schedule B.2 of $119,891 excludes the $4,290 of CMHC capital projects and $29,846 of Social Infrastructure Fund & Investment in Affordable Housing capital projects that were both budgeted for in Nunavut Housing Corporation. As a result, the budget totals for expenses and transfers under third-party funding agreements included in these statements is $423,809 versus $457,945 on page xi of the 2025-2026 Main Estimates. The third party funded Infrastructure Projects under the New Building Canada Fund, previously *Canada Community - Building Fund* , are included in Community Services.

25 Expenditure Authority

Budgets are approved to provide government with the spending authority to deliver programs and services. Section 32 of Nunavut's Financial Administration Act prohibits an expenditure from being incurred that causes the approved budget to be exceeded. During the year, four departments exceeded their approved budget, and a revised operating and maintenance supplementary appropriation will be presented to the Legislative Assembly during the Fall 2026 session for approval.

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

	Original Vote	Transfers and Supplementary Appropriations [1]	Actuals	Variance [2]
Department of Justice				
Operations and maintenance				
Compensation and benefits	63,809	7,000	71,367	(558)
Grants and contributions	18,745	-	18,748	(3)
Other	91,361	2,000	95,825	(2,464)
	173,915	9,000	185,940	(3,025)
Department of Transportation and Infrastructure Nunavut				
Operations and maintenance				
Compensation and benefits	51,842	-	53,321	(1,479)
Grants and contributions	2,035	-	1,762	273
Other	208,439	17,000	225,168	271
	262,316	17,000	280,251	(935)
Department of Education				
Operations and maintenance				
Compensation and benefits	206,275	(10,560)	211,329	(15,614)
Grants and contributions	43,985	7,860	47,755	4,090
Other	39,285	2,700	35,558	6,427
	289,545	-	294,642	(5,097)
Department of Environment				
Operations and maintenance				
Compensation and benefits	19,076	(900)	19,150	(974)
Grants and contributions	2,044	25	1,837	232
Other	7,716	875	8,243	348
	28,836	-	29,230	(394)

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

26 Devolution of Authority

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

The Agreement includes the transfer of various assets, resources, and funding from Canada to the Government. Funding includes one-time transitional funding of $67.25 million and one-time human resource development funding of $15.0 million. It also provides for a separate payment by Canada, on or shortly after the Transfer Date, equal to the value of vacation leave credited to federal employees appointed to the Government. As at March 31, 2026, the Government had received $46.8 million in transitional funding and $12.0 million in human resource development funding. The remaining $23.45 million is expected to be received during 2026–27.

Effective on the Transfer Date, Canada will also increase the Government's Gross Expenditure Base under Territorial Formula Financing (TFF) by $85.8 million. This will provide ongoing annual funding, adjusted each year by the TFF's escalator formula. Separate from the one-time transitional funding, this ongoing funding is intended to support the responsibilities transferred to the Government. The Agreement specifies that the funding includes the Government's costs related to the administration of applicable territorial legislation; operational and project responsibilities associated with the Nunavut General Monitoring Plan; and operations, maintenance, and payments in lieu of taxes for applicable transferred federal buildings. Following the Transfer Date, the Government is also required to make $5.0 million available annually for the Post-Devolution Human Resources Development Strategy.

Beginning on the Transfer Date, the Government will be entitled to receive mineral, oil and gas, and water revenues arising from the transferred responsibilities. Under the default calculation established by the Agreement, the amount by which annual resource revenues exceed $9.0 million will be deducted from the Government's TFF payment. This allows the Government to retain a net fiscal benefit of up to $9.0 million annually. However, the Government may instead make an irrevocable election to apply an alternative calculation. Under the alternative, the Government would retain, without a corresponding reduction in TFF, the lesser of 50% of its annual resource revenues or 5% of its Gross Expenditure Base. The balance of the resource revenues would be deducted from the Government's TFF payment. In effect, the alternative allows the Government to retain up to half of its resource revenues, subject to a cap equal to 5% of the Gross Expenditure Base. Once made, the election applies to all subsequent fiscal years and cannot be revoked. The Government will be responsible for reporting its annual resource revenues to Canada and for making applicable settlement and land-claims agreement payments from resource royalties.

Canada will continue to be responsible for providing funding to support the administration of the Nunavut Surface Rights Tribunal and the Nunavut Water Board. Unless the Parties agree otherwise, Canada will provide its share of funding directly to these bodies, in amounts and on terms and conditions determined through implementation processes under the Nunavut Agreement. The Agreement recognizes that the ongoing funding provided to the Government through the Gross Expenditure Base adjustment is intended to support the Government's costs of administering the territorial legislation governing the Tribunal and the Board. This funding forms part of the Government's unconditional Territorial Formula Financing transfer and is not separately earmarked for these costs. The Government may also provide additional funding to support these bodies.

In connection with the Transfer Date, the Government will also enter into or assume certain financial commitments associated with the transferred responsibilities. These include occupancy arrangements for premises leased or administered by Public Works Canada, assigned office leases, transferred staff-housing leasehold interests, and specified contracts extending beyond the Transfer Date, to the extent included in the finalized transfer lists and arrangements. The related accounting, valuation, recognition, and disclosure implications are under assessment.

GOVERNMENT OF NUNAVUT **Schedule A**

INTERIM FINANCIAL REPORT

Non-Consolidated Schedule of Revenues by Source (unaudited)

for the year ended March 31, 2026

(in thousands of dollars)

	2026 Budget	2026 Actual	2025 Actual
From the Government of Canada			
Territorial Formula Financing	2,221,400	2,231,390	2,109,474
Transfers under third-party funding agreements	420,386	494,195	431,092
Other transfer payments	132,800	114,454	121,335
	2,774,586	2,840,039	2,661,901
Revenues generated by the Government of Nunavut			
Taxation revenues			
Personal income tax	40,300	47,010	44,793
Corporate income tax	22,100	32,838	27,305
Payroll tax	48,800	53,150	48,483
Tobacco tax	24,300	32,039	23,129
Fuel tax	25,200	23,677	25,072
Property tax	14,100	19,539	16,682
Insurance tax	4,500	4,406	4,738
Cannabis tax	1,100	-	-
	180,400	212,659	190,202
Other revenues			
Petroleum Products Division revenue - net of cost of goods sold of $26,797 (2025 - $250,857)	51,271	43,561	43,282
Nunavut Liquor and Cannabis revenue - net of cost of goods sold of $8,044 (2025 - $9,510)	14,620	14,677	11,774
Staff housing recoveries	19,100	22,761	25,606
Transfers under third-party funding agreements	3,423	5,343	755
Insurance proceeds	-	3,749	71
Interest on cash deposits	-	28,041	25,114
Housing rentals	-	-	-
Other	45,600	48,108	122,168
	134,014	166,240	228,770
Recoveries of prior years expenditures **(Schedule 1)**	19,000	28,855	25,869
Total revenues	**3,108,000**	**3,247,793**	**3,106,742**

GOVERNMENT OF NUNAVUT **Schedule B**

INTERIM FINANCIAL REPORT

Non-Consolidated Schedule of Expenses (unaudited)

for the year ended March 31, 2026

(in thousands of dollars)

TOTALS	Original Budget	Actual	(Over) Under Original Budget
FUNDED UNDER APPROVED APPROPRIATIONS (Schedule B.1)			
Operations and maintenance expenses before amortization	2,275,430	2,376,386	(100,956)
Plus: Amortization expenses on tangible capital assets	92,397	96,747	(4,350)
Plus: Accretion expense on asset retirement obligations	-	464	(464)
Plus: Write-down of tangible capital assets	-	-	-
Total operations and maintenance expenses	2,367,827	2,473,597	(105,770)
Capital expenditures	350,216	349,543	673
Less: Transfers to tangible capital assets	88,219	81,528	6,691
Total capital expenses	261,997	268,015	(6,018)
Total appropriation expenses	2,629,824	2,741,612	(111,788)
FUNDED UNDER THIRD-PARTY AGREEMENTS (Schedule B.2)			
Operations and maintenance expenses before amortization	303,918	475,105	(171,187)
Plus: Amortization expenses on tangible capital assets	-	-	-
Total operations and maintenance expenses	303,918	475,105	(171,187)
Capital expenditures	119,891	27,773	92,118
Less: Transfers to tangible capital assets	-	10,339	(10,339)
Total capital expenses	119,891	17,434	102,457
Total third-party agreement expenses	423,809	492,539	(68,730)
FUNDED BY REVOLVING FUNDS (Schedule B.3)			
Operations and maintenance expenses before amortization	46,692	51,526	(4,834)
Plus: Amortization expenses on tangible capital assets	-	-	-
Total operations and maintenance expenses	46,692	51,526	(4,834)
Capital expenditures	-	-	-
Less: Transfers to tangible capital assets	-	-	-
Total capital expenses	-	-	-
Total revolving fund expenses	46,692	51,526	(4,834)
NON-CONSOLIDATED STATEMENTS TOTALS			
Operations and maintenance expenses before amortization and write down of tangible capital assets	2,626,040	2,903,017	(276,977)
Plus: Centrally estimated 'Supplementary requirements' per page x of 2025-2026 Main Estimates	150,000	-	
Less: Capital portion of the estimated 'Supplementary requirements'	-	-	
Total operations and maintenance expenses before amortization and write down of tangible capital assets	2,776,040	2,903,017	(126,977)
Plus: Amortization expenses on tangible capital assets	92,397	96,747	(4,350)
Plus: Accretion expense on asset retirement obligations	-	464	(464)
Plus: Asset retirement obligations (gain) loss	-	(2,939)	2,939
Plus: Write-down of tangible capital assets	-	-	-
Total operations and maintenance expenses	2,868,437	2,997,289	(128,852)
Capital expenditures	470,107	377,316	92,791
Plus: Centrally estimated capital carryovers from prior year included in 'Capital' on page x of 2025-2026 Main Estimates	(18,209)	-	(18,209)
Plus: Capital portion of the estimated 'Supplementary requirements'	-	-	-
Total capital expenditures	451,898	377,316	74,582
Less: Transfers to tangible capital assets	88,219	91,867	(3,648)
Total capital expenses	363,679	285,449	78,230
Total expenses	**3,232,116**	**3,282,738**	**(50,622)**

Total expenses above includes, among other items, interest expense of $12,319 (2025 - $13,729) and a net increase in valuation allowances of $5,659 (2025 - $5,220).

Total capital expenditures above includes capital grants and contributions of $187,275 (2025 - $137,590).

GOVERNMENT OF NUNAVUT **Schedule B.1**

INTERIM FINANCIAL REPORT

Non-Consolidated Schedule of Expenses Funded under Approved Appropriations (unaudited)

for the year ended March 31, 2026

(in thousands of dollars)

APPROPRIATIONS	Original Budget	Supplementary Appropriations	Transfers	Revised Budget	Actual	(Over) Under Revised Budget
LEGISLATIVE ASSEMBLY						
Operations and maintenance						
Compensation and benefits	17,542	-	(105)	17,437	16,432	1,005
Grants and contributions	-	-	-	-	-	-
Other	14,522	-	105	14,627	13,244	1,383
	32,064	-	-	32,064	29,676	2,388
Capital expenditures	250	-	-	250	249	1
Total spending under appropriations	32,314	-	-	32,314	29,925	2,389
EXECUTIVE AND INTERGOVERNMENTAL AFFAIRS						
Operations and maintenance						
Compensation and benefits	15,326	-	(434)	14,892	13,258	1,634
Grants and contributions	335	-	-	335	260	75
Other	4,275	-	434	4,709	5,734	(1,025)
	19,936	-	-	19,936	19,252	684
Capital expenditures	-	1,625	-	1,625	-	1,625
Total spending under appropriations	19,936	1,625	-	21,561	19,252	2,309
FINANCE						
Operations and maintenance						
Compensation and benefits	47,787	-	-	47,787	32,498	15,289
Grants and contributions	18,621	-	-	18,621	12,910	5,711
Other	44,449	-	-	44,449	51,096	(6,647)
	110,857	-	-	110,857	96,504	14,353
Capital expenditures	3,300	17,794	-	21,094	11,651	9,443
Total spending under appropriations	114,157	17,794	-	131,951	108,155	23,796
HUMAN RESOURCES						
Operations and maintenance						
Compensation and benefits	18,420	-	-	18,420	17,428	992
Grants and contributions	-	-	-	-	-	-
Other	11,752	-	-	11,752	7,302	4,450
	30,172	-	-	30,172	24,730	5,442
Capital expenditures	-	-	-	-	-	-
Total spending under appropriations	30,172	-	-	30,172	24,730	5,442
JUSTICE						
Operations and maintenance						
Compensation and benefits	63,809	10,500	-	74,309	71,367	2,942
Grants and contributions	18,745	-	-	18,745	18,748	(3)
Other	91,361	2,000	-	93,361	95,825	(2,464)
	173,915	12,500	-	186,415	185,940	475
Capital expenditures	6,945	4,381	-	11,326	3,382	7,944
Total spending under appropriations	180,860	16,881	-	197,741	189,322	8,419

GOVERNMENT OF NUNAVUT **Schedule B.1**

INTERIM FINANCIAL REPORT

Non-Consolidated Schedule of Expenses Funded under Approved Appropriations (unaudited)

for the year ended March 31, 2026

(in thousands of dollars)

APPROPRIATIONS	Original Budget	Supplementary Appropriations	Transfers	Revised Budget	Actual	(Over) Under Revised Budget
TRANSPORTATION AND INFRASTRUCTURE NUNAVUT						
Operations and maintenance						
Compensation and benefits	51,842	-	-	51,842	53,321	(1,479)
Grants and contributions	2,035	-	-	2,035	1,762	273
Other	208,439	18,000	-	226,439	225,168	1,271
	262,316	18,000	-	280,316	280,251	65
Capital expenditures	78,526	141,810	-	220,336	66,262	154,074
Total spending under appropriations	340,842	159,810	-	500,652	346,513	154,139
COMMUNITY SERVICES						
Operations and maintenance						
Compensation and benefits	37,600	10,000	(10,000)	37,600	32,447	5,153
Grants and contributions	109,914	1,559	10,180	121,653	118,547	3,106
Other	14,865	441	(180)	15,126	22,598	(7,472)
	162,379	12,000	-	174,379	173,592	787
Capital expenditures	53,633	87,754	-	141,387	56,924	84,463
Total spending under appropriations	216,012	99,754	-	315,766	230,516	85,250
CULTURE AND HERITAGE						
Operations and maintenance						
Compensation and benefits	14,026	-	-	14,026	12,353	1,673
Grants and contributions	8,512	-	-	8,512	6,206	2,306
Other	11,603	-	-	11,603	11,356	247
	34,141	-	-	34,141	29,915	4,226
Capital expenditures	1,500	150	-	1,650	798	852
Total spending under appropriations	35,641	150	-	35,791	30,713	5,078
EDUCATION						
Operations and maintenance						
Compensation and benefits	206,275	5,098	(10,560)	200,813	211,329	(10,516)
Grants and contributions	43,985	-	7,860	51,845	47,755	4,090
Other	39,285	-	2,700	41,985	35,558	6,427
	289,545	5,098	-	294,643	294,642	1
Capital expenditures	56,050	29,801	-	85,851	61,593	24,258
Total spending under appropriations	345,595	34,899	-	380,494	356,235	24,259
HEALTH						
Operations and maintenance						
Compensation and benefits	187,635	-	-	187,635	185,827	1,808
Grants and contributions	11,898	5,000	-	16,898	12,675	4,223
Other	380,834	99,200	-	480,034	472,363	7,671
	580,367	104,200	-	684,567	670,865	13,702
Capital expenditures	35,041	46,707	-	81,748	35,263	46,485
Total spending under appropriations	615,408	150,907	-	766,315	706,128	60,187
ENVIRONMENT						
Operations and maintenance						
Compensation and benefits	19,076	394	(900)	18,570	19,150	(580)
Grants and contributions	2,044	-	25	2,069	1,837	232
Other	7,716	-	875	8,591	8,243	348
	28,836	394	-	29,230	29,230	-
Capital expenditures	2,800	4,949	-	7,749	1,310	6,439
Total spending under appropriations	31,636	5,343	-	36,979	30,540	6,439

GOVERNMENT OF NUNAVUT **Schedule B.1**

INTERIM FINANCIAL REPORT

Non-Consolidated Schedule of Expenses Funded under Approved Appropriations (unaudited)

for the year ended March 31, 2026

(in thousands of dollars)

APPROPRIATIONS	Original Budget	Supplementary Appropriations	Transfers	Revised Budget	Actual	(Over) Under Revised Budget
FAMILY SERVICES						
Operations and maintenance						
Compensation and benefits	43,437	4,455	(3,700)	44,192	47,229	(3,037)
Grants and contributions	92,425	5,721	-	98,146	83,813	14,333
Other	92,663	11,174	3,700	107,537	89,567	17,970
	228,525	21,350	-	249,875	220,609	29,266
Capital expenditures	2,400	3,646	-	6,046	2,340	3,706
Total spending under appropriations	230,925	24,996	-	255,921	222,949	32,972
NUNAVUT HOUSING CORPORATION						
Operations and maintenance						
Compensation and benefits	-	-	-	-	-	-
Grants and contributions	285,465	-	-	285,465	285,465	-
Other	-	-	-	-	-	-
	285,465	-	-	285,465	285,465	-
Capital expenditures	109,771	-	-	109,771	109,771	-
Total spending under appropriations	395,236	-	-	395,236	395,236	-
NUNAVUT ARCTIC COLLEGE						
Operations and maintenance						
Compensation and benefits	-	-	-	-	-	-
Grants and contributions	48,125	-	-	48,125	48,125	-
Other	-	-	-	-	-	-
	48,125	-	-	48,125	48,125	-
Capital expenditures	-	-	-	-	-	-
Total spending under appropriations	48,125	-	-	48,125	48,125	-
TOTALS						
Operations and maintenance						
Compensation and benefits	722,775	30,447	(25,699)	727,523	712,639	14,884
Grants and contributions	642,104	12,280	18,065	672,449	638,103	34,346
Other	921,764	130,815	7,634	1,060,213	1,038,054	22,159
	2,286,643	173,542	-	2,460,185	2,388,796	71,389
Less: Principal repayments on capital leases included in spending above	6,438	-	-	6,438	6,438	-
Less: Principal repayments on Nunavut Energy Management Program Project included in spending above	2,201	-	-	2,201	3,398	(1,197)
Less: Principal repayments on the Iqaluit International Airport included in spending above	2,574	-	-	2,574	2,574	-
Operations and maintenance expenses before amortization and write down of tangible capital assets	2,275,430	173,542	-	2,448,972	2,376,386	72,586
Plus: Amortization expenses on tangible capital assets	92,397	-	-	92,397	96,747	(4,350)
Plus: Accretion expense on asset retirement obligations	-	-	-	-	464	(464)
Plus: Asset retirement obligations (gain) loss	-	-	-	-	(2,939)	2,939
Plus: Write-down of tangible capital assets	-	-	-	-	-	-
Total operations and maintenance expenses	2,367,827	173,542	-	2,541,369	2,470,658	70,711
Capital expenditures	350,216	338,617	-	688,833	349,543	339,290
Less: Transfers to tangible capital assets	88,219	-	-	88,219	81,528	6,691
Total capital expenses	261,997	338,617	-	600,614	268,015	332,599
Total appropriation expenses	**2,629,824**	**512,159**	**-**	**3,141,983**	**2,738,673**	**403,310**

Total capital expenditures above includes capital grants and contributions of $165,668 (2025 - $123,203).

GOVERNMENT OF NUNAVUT **Schedule B.2**

INTERIM FINANCIAL REPORT

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

for the year ended March 31, 2026

(in thousands of dollars)

By Department	Original Budget	Actual	(Over) Under Original Budget
Legislative Assembly	-	-	-
Executive and Intergovernmental Affairs	6,534	5,686	848
Finance	800	(46)	846
Human Resources	5,000	3,396	1,604
Justice	7,171	7,517	(346)
Transportation and Infrastructure Nunavut	31,215	125,874	(94,659)
Community Services	91,310	5,374	85,936
Culture and Heritage	9,708	9,865	(157)
Education	25,274	43,936	(18,662)
Health	230,438	274,508	(44,070)
Environment	5,905	6,278	(373)
Family Services	10,454	10,151	303
	423,809	492,539	(68,730)

By Category	Original Budget	Actual	(Over) Under Original Budget
Operations and maintenance			
Compensation and benefits	32,302	49,255	(16,953)
Grants and contributions	40,616	98,350	(57,734)
Other	231,000	327,500	(96,500)
Operations and maintenance expenses before amortization	303,918	475,105	(171,187)
Plus: Amortization expenses on tangible capital assets	-	-	-
Total operations and maintenance expenses	303,918	475,105	(171,187)
Capital expenditures	119,891	27,773	92,118
Less: Transfers to tangible capital assets	-	10,339	(10,339)
Total capital expenses	119,891	17,434	102,457
Total third-party agreement expenses	423,809	492,539	(68,730)

Total capital expenditures above includes capital grants and contributions of $21,607 (2025 - $14,387).

GOVERNMENT OF NUNAVUT **Schedule B.3**

INTERIM FINANCIAL REPORT

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

for the year ended March 31, 2026

(in thousands of dollars)

By Revolving Fund	Original Budget	Actual	(Over) Under Original Budget
Liquor	9,782	5,951	3,831
Petroleum Products	34,118	41,359	(7,241)
Public Stores	2,000	1,789	211
Student Loan	792	2,427	(1,635)
	46,692	51,526	(4,834)

By Category	Original Budget	Actual	(Over) Under Original Budget
Operations and maintenance			
Compensation and benefits	10,057	10,096	(39)
Grants and contributions	163	-	163
Other expenses	36,472	41,430	(4,958)
Operations and maintenance expenses before amortization	46,692	51,526	(4,834)
Plus: Amortization expenses on tangible capital assets (1)	-	-	-
Total operations and maintenance expenses	46,692	51,526	(4,834)
Capital expenditures	-	-	-
Less: Transfers to tangible capital assets	-	-	-
Total capital expenses	-	-	-
Total revolving fund expenses	46,692	51,526	(4,834)

(1) Petroleum Products amortization of $1,696 (2025 - $1,066) is included in the budget and actuals totals for Department of Transportation and Infrastructure Nunavut on Sch. B.1.

GOVERNMENT OF NUNAVUT **Schedule C**

INTERIM FINANCIAL REPORT

Non-Consolidated Schedule of Tangible Capital Assets (unaudited)

for the year ended March 31, 2026

(in thousands of dollars)

	Buildings	Leased Buildings	Infra-structure	Tank Farms	Vehicles	Equipment	2026	2025
Cost								
Opening balance *	1,669,262	177,996	478,020	225,011	12,763	153,386	2,716,438	2,621,771
Additions	-	-	-	-	1,492	6,533	8,025	7,184
Additions In Kind	-	-	-	-	-	-	-	-
Transferred from work in progress	50,877	-	-	-	-	-	50,877	87,583
Adjustments**	(758)	-	-	-	-	-	(758)	(25)
Reclassification	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	(472)	(472)	(75)
Write-downs	-	-	-	-	-	-	-	-
Closing balance	1,719,381	177,996	478,020	225,011	14,255	159,447	2,774,110	2,716,438
Accumulated amortization								
Opening balance *	(769,780)	(147,408)	(171,215)	(137,184)	(8,360)	(142,022)	(1,375,969)	(1,282,507)
Amortization *	(60,332)	(6,359)	(16,035)	(7,400)	(1,749)	(4,872)	(96,747)	(93,558)
Adjustments**	758	-	-	-	-	-	758	21
Reclassification	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	472	472	75
Write-downs	-	-	-	-	-	-	-	-
Closing balance	(829,354)	(153,767)	(187,250)	(144,584)	(10,109)	(146,422)	(1,471,486)	(1,375,969)
Work in progress								
Opening balance	263,991	-	16,376	674	-	-	281,041	225,076
Additions	80,122	-	3,719	-	-	-	83,841	143,548
Transferred to cost	(50,877)	-	-	-	-	-	(50,877)	(87,583)
Closing balance	293,236	-	20,095	674	-	-	314,005	281,041
Net book value	1,183,263	24,229	310,865	81,101	4,146	13,025	1,616,629	1,621,510
Estimated useful life	**30 Years**	**30 Years**	**30 Years**	**30 Years**	**30 Years**	**5-30 Years**		

The tangible capital asset additions presented in the Statement of Cash Flow excludes non-cash acquisitions totalling $41,625 (2025 - $41,713) which represent unpaid purchases and holdbacks that are included in accounts payables and accrued liabilities as well as the liability for the Nunavut Energy Management Program at March 31, 2026.

* As of April 1, 2025, the Government recognized a liability related to Asset Retirement Obligations related to asbestos remediation. As a result, an increase of $4,135 to the buildings tangible capital asset account, representing the original estimate of the obligation as of the date of purchase, and an accompanying increase of $3,381 to accumulated amortization, representing the amortization had the liability originally been recognized has been recorded.

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

GOVERNMENT OF NUNAVUT **Schedule 1**

INTERIM FINANCIAL REPORT

Non-Consolidated Schedule of Recoveries of Prior Years Expenditures (unaudited)

for the year ended March 31, 2026

(in thousands of dollars)

Department	Over Accruals	Other Recoveries	Total
Legislative Assembly	-	25	25
Executive and Intergovernmental Affairs	-	1	1
Finance	-	3,308	3,308
Human Resources	-	149	149
Justice	-	1,331	1,331
Transportation and Infrastructure Nunavut	18	1,934	1,952
Community Services	53	302	355
Culture and Heritage	-	193	193
Education	-	3,240	3,240
Health	11,754	2,152	13,906
Environment	749	13	762
Family Services	3,447	186	3,633
	16,021	12,834	28,855

GOVERNMENT OF NUNAVUT **Schedule 2**

INTERIM FINANCIAL REPORT

Non-Consolidated Schedule of Special Warrants (unaudited)

for the year ended March 31, 2026

(in thousands of dollars)

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

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

GOVERNMENT OF NUNAVUT **Schedule 3**

INTERIM FINANCIAL REPORT

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

for the year ended March 31, 2026

(in thousands of dollars)

	Transfers to (from)	Explanation
OPERATIONS AND MAINTENANCE		
Justice		
Lawyer Support Services Branch	$ (2,253)	Budget Reallocation
Legislation Branch	$ 2,253	
Community Services		
CS Directorate	$ (2,000)	Budget Reallocation
CS Service Nunavut Branch	$ (4,000)	
CS Supporting Communities Branch	$ 8,000	
CS Supporting Economies Branch	$ (2,000)	
Education		
Policy & Planning Branch	$ (260)	Budget Reallocation
K-12 School Operations Branch	$ 260	
Corporate Services Branch	$ 2,033	Transfer of Funds
K-12 School Operations Branch	$ (2,033)	
CAPITAL		
Justice		
JUS Directorate Branch	$ (428)	Transfer of Funds
JUS Corrections Branch	$ 428	
JUS Directorate Branch	$ (300)	Transfer of Funds
JUS Corrections Branch	$ 300	
JUS Directorate Branch	$ (250)	Transfer of Funds
JUS Registries & Court Services Branch	$ (50)	
JUS Corrections Branch	$ 300	
JUS Registries & Court Services Branch	$ (1,600)	Transfer of Funds
JUS Corrections Branch	$ 1,600	
JUS Directorate Branch	$ (300)	Transfer of Funds
JUS Corrections Branch	$ 300	
JUS Registries & Court Services Branch	$ 1,600	Reverse Transfer of Funds
JUS Corrections Branch	$ (1,600)	
Transportation & Infrastructure Nunavut		
TIN Capital	$ (1,000)	Transfer of Funds
PPD Petroleum Products	$ 1,000	

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

WRITE-OFFS

No amounts were written off during the year.

STUDENT LOAN REMISSIONS

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

Five student loan remissions	42,000

GOVERNMENT OF NUNAVUT **Schedule 5**

INTERIM FINANCIAL REPORT

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

for the year ended March 31, 2026

(in thousands of dollars)

	2027	2028	2029	2030	2031	>2031	Total
Headquarters	14,043	11,324	10,797	9,324	8,665	37,143	91,297
Qikiqtaaluk	1,536	1,047	521	447	186	54	3,790
Kivalliq	4,848	2,928	1,860	1,634	709	1,039	13,018
Kitikmeot	2,154	1,051	1,051	1,051	1,051	3,504	9,863
	22,581	16,349	14,229	12,456	10,612	41,740	117,968