

GIANT MINE OVERSIGHT BODY SOCIETY

Financial Statements

March 31, 2024

GIANT MINE OVERSIGHT BODY SOCIETY
Financial Statements

Year ended March 31, 2024

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Independent Auditor's Report

To the members of **Giant Mine Oversight Body Society**:

Opinion

We have audited the accompanying financial statements of the **Giant Mine Oversight Body Society (the Society)**, which comprise the statement of financial position as at March 31, 2024, and the statement of operations, statement of changes in net assets and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Society as at March 31, 2024, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

EPR Yellowknife Accounting Prof. Corp.

EPR Yellowknife Accounting Professional Corporation
Chartered Professional Accountants
Yellowknife, NWT
July 26, 2024


GIANT MINE OVERSIGHT BODY SOCIETY
Statement of Financial Position
As at March 31, 2024

Statement I

	General Fund	Research Fund	2024 Total	2023 Total
Current assets				
Cash (<i>Note 4</i>)	\$ 62,074	\$ 133,424	\$ 195,498	\$ 84,788
Short term investment (<i>Note 5</i>)	-	367,678	367,678	503,693
Due from General Fund	-	25,069	25,069	10,554
Accounts receivable (<i>Note 6</i>)	29,979	-	29,979	18,083
Prepaid expenses (<i>Note 7</i>)	9,925	-	9,925	17,971
	101,978	526,171	628,149	635,089
Non Current Assets				
Tangible capital assets (<i>Note 8</i>)	19,521	-	19,521	8,433
Intangible capital assets	769	-	769	769
Capital Assets in Display	3,536	-	3,536	3,536
Total Assets	125,804	526,171	651,975	647,827
Current liabilities				
Accounts payable & accrued liabilities	69,922	-	69,922	23,364
Wages and benefit payable (<i>Note 9</i>)	16,123	-	16,123	30,565
Payroll Taxes Payable	14,690	-	14,690	11,184
Due to General Fund	25,069	-	25,069	10,554
	\$ 125,804	-	125,804	75,667
Non Current Liabilities				
Deferred capital contributions (<i>Note 10</i>)	-	-	-	1,455
	125,804	-	125,804	77,122
Net Assets				
Operating fund	-	-	-	1,865
Research fund	-	526,171	526,171	568,840
	-	526,171	526,171	570,705
Total Liabilities & Net Assets	\$ 125,804	\$ 526,171	\$ 651,975	\$ 647,827

Approved by:

 , Director

 , Director

GIANT MINE OVERSIGHT BODY SOCIETY
Statement of Operations
For the Year Ended March 31, 2024

Statement II

	2024	2023
Revenues		
Contribution-Government of Canada-Operating- Schedule A	\$ 777,026	\$ 726,376
Contribution-Government of Canada-Research- Schedule B	298,606	279,376
Interest earned- Schedule B	13,984	2,733
Amortization of deferred capital contribution- Schedule A	1,455	2,765
Total Revenues	1,091,071	1,011,250
Expenses		
Advertising and promotion	24,427	18,244
Amortization	4,746	2,765
Contracts and consulting fees	549,226	424,586
Honoraria	166,247	174,766
Insurance	13,697	13,566
Interest and bank charges	2,728	1,803
Meetings expenses	27,594	16,194
Office and general	12,017	10,342
Professional fee	53,158	57,226
Programming	11,482	5,095
Rent	42,241	41,732
Telephone and utilities	7,622	5,118
Travel	31,450	35,460
Wages and benefits	188,967	219,274
Total Expenses	1,135,602	1,026,171
Deficit of Revenues over Expenses For The Year	\$ (44,531)	\$ (14,921)

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

GIANT MINE OVERSIGHT BODY SOCIETY
Statement of Changes in Net Assets
For the Year Ended March 31, 2024

Statement III

	Operating Fund	Research Fund	Total 2024	Total 2023
Balance, beginning of year	\$ 1,865	\$ 568,840	\$ 570,707	\$ 585,628
Surplus (Deficit) of revenues over expenses	50,796	(95,330)	(44,531)	(14,921)
Transfer from (to) research fund	(52,661)	52,661	-	-
Balance, end of year	\$ -	526,171	\$ 526,176	\$ 570,707

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

GIANT MINE OVERSIGHT BODY SOCIETY
Statement of Cash Flows
For the Year Ended March 31, 2024

Statement IV

	2024	2023
Cash provided by (used in)		
Operating activities		
Deficit of revenues over expenses	\$ (44,531)	\$ (14,921)
Amortization	4,746	2,765
Amortization of deferred capital contribution	(1,454)	(2,765)
	(41,239)	(14,921)
Changes in non-cash working capital balances		
Increase in accounts receivable	(11,896)	(9,313)
Increase (decrease) in prepaid expenses	8,046	(3,825)
Increase (decrease) in accounts payable and accrued liabilities	46,555	(11,980)
Increase in payroll tax payable	3,505	1,618
Increase (decrease) in wages payable	(14,442)	3,958
Net change in non-cash working capital balances	31,768	(19,542)
Net cash used in operating activities	(9,471)	(34,463)
Investing activity		
Purchase of capital assets	(15,834)	(7,251)
Net cash used in investing activity	(15,834)	(7,251)
Net decrease in cash position	(25,305)	(41,714)
Cash, Beginning of Year	588,481	630,195
Cash, End of Year	563,176	588,481
Cash consists of :		
First Nation Bank	195,498	84,788
Term deposits - GIC	367,678	503,693
	\$ 563,176	\$ 588,481

GIANT MINE OVERSIGHT BODY SOCIETY
NOTES TO FINANCIAL STATEMENTS
For The Year Ended March 31, 2024

1. ORGANIZATION AND JURISDICTION

Giant Mine Oversight Body Society is a not-for-profit organization incorporated under the Northwest Territories' Societies Act. The Society was formed to fulfil the mandate and carry out the roles and responsibilities of the independent oversight body of the Giant Mine Remediation Project, in accordance with and in furtherance of the Giant Mine Remediation Project Environmental Agreement, as that agreement may be amended from time to time.

The Society is exempt from income tax under section 149(1) (I) of the Income Tax Act.

2. BASIS OF ACCOUNTING

These financial statements have been prepared in accordance with the significant accounting policies set out below. These financial statements are prepared in accordance with Canadian Accounting Standards for not-for-profit organizations.

3. SIGNIFICANT ACCOUNTING POLICIES

The following is the summary of the significant accounting policies used by management in the preparation of these financial statements.

a) Fund accounting

The Society follows the restricted fund method of accounting. Under this method, operations are separated between unrestricted and restricted activities with a set of self-balancing accounts for each fund. The Society uses the following funds:

- i) The operating Fund accounts for the Society's program delivery and administrative activities. This fund reports unrestricted resources and restricted operating grants. Surpluses are transferred to the Research Fund in accordance with CIRNAC agreement.
- ii) The Research Fund reports only internally restricted funds to be used in conjunction with research activities.

Contributions and other revenues are recognized in the fund corresponding to the purpose for which they were contributed or raised. Restricted contributions and other revenues contributed to or raised for the general fund are deferred and recognized in the year in which the related expenses are incurred.

b) Tangible capital assets

Tangible Capital Assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution. Capital assets acquired or constructed during the year are not amortized until they are put into use. One half of the year's amortization is recorded in the year of acquisition unless the tangible capital assets was acquired in March, in which no case of amortization is recorded. No amortization is recorded in the year of disposal.

GIANT MINE OVERSIGHT BODY SOCIETY
NOTES TO FINANCIAL STATEMENTS
For The Year Ended March 31, 2024

Tangible Capital Assets (Contd...)

Amortization is calculated over their estimated useful lives over the following years and at the following rates:

Furniture and Equipment	5 years
Computer equipment and software	5 years
Website	100%

c) Financial instruments - recognition and measurement

The Society measures its financial assets and financial liabilities at fair value. The Society subsequently measures all of its financial assets and financial liabilities at amortized cost, except for investment in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in the statement of operations.

Financial assets measured at cost include cash, trade and other receivables, grant receivables and other short term investments. Financial liabilities that are measured at cost include cash, trade accounts payable and accrued liabilities. The Society's financial assets measured at fair value include investment in quoted shares.

d) Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of possible impairment. When a significant adverse change has occurred during the period in the expected timing or amount of future cash flows from the financial asset or group of assets, a write-down is recognized in net income. The write down reflects the difference between the carrying amount and the higher of:

- the present value of the cash flows expected to be generated by the asset or group of assets;
- the amount that could be realized by selling the assets or group of assets;
- the net realizable value of any collateral held to secure repayment of the assets or group of assets.

When the events occurring after the impairment confirm that a reversal is necessary, the reversal is recognized in net income to a maximum of the accumulated impairment loss recorded in respect of the particular financial asset.

e) Transfers

In accordance with the grants with the Government of Canada, any surpluses that are generated in the operating fund are transferred to the Research Fund.

f) Revenue recognition

The Society follows the restricted fund method of accounting whereby externally restricted contributions are recognized in the fund corresponding to the purpose for which they were contributed. Under this method, operations are separated between unrestricted and restricted activities with a set of self-balancing accounts for each fund. Restricted contributions for which no corresponding restricted fund is presented must be recognized in the General fund using the deferral method. Unrestricted contributions are recognized as revenues in the general fund.

GIANT MINE OVERSIGHT BODY SOCIETY
NOTES TO FINANCIAL STATEMENTS
For The Year Ended March 31, 2024

g) Use of estimates

The preparation of financial statements, in conformity with Canadian accounting standards for not-for-profit organizations, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates.

h) Employee future benefits policy

Provision has been made for the Society's liability for employee future benefits arising from services rendered by employees at the date of statement of financial position. Accordingly, the Society has provided for obligations related to unused vacation entitlement. The accrued amounts have been classified under salaries payable.

i) Allocation of expenses

Society records number of its expenses by function: research and Core. Personnel cost are prorated to the hours worked per function and premises cost are prorated of the floor area occupied by each function.

4. CASH

	2024	2023
First Nation Bank-Operating Account	\$ 62,074	\$ 30,195
First Nation Bank-Research Account	133,424	54,593
	\$ 195,498	\$ 84,788

5. SHORT TERM INVESTMENT

	2024	2023
First Nation Bank GIC	\$ 367,678	\$ 503,693

Term deposits are for investment purpose, interest rate is per annum and is paid on maturity. These term deposits are matured in 1 year and hence classified as short term investment. Interests are paid at 2.25% for the \$100,000 GIC and 3.5% for \$200,000 GIC and \$54,376 GIC respectively. .

6. ACCOUNTS RECEIVABLE

	2024	2023
GST receivable	\$ 29,979	\$ -

GIANT MINE OVERSIGHT BODY SOCIETY
NOTES TO FINANCIAL STATEMENTS
For The Year Ended March 31, 2024

7. PREPAID EXPENSES

	2024	2023
Prepaid insurance	\$ 9,304	\$ 8,944
Prepaid membership and subscriptions	621	9,027
	\$ 9,925	\$ 17,971

8. TANGIBLE CAPITAL ASSETS

	Cost	Accumulated Amortization	2024 Net Book Value	2023 Net Book Value
Furniture & Equipment	\$ 62,735	\$ 49,471	\$ 13,264	\$ 610
Computer Equipment and software	42,906	36,649	6,257	7,823
Website	12,654	12,654	-	-
	\$18,295	\$ 98,774	\$ 19,521	\$ 8,433

9. WAGES & BENEFITS PAYABLE

	2024	2023
Salary payables	\$ 13,577	\$ 24,754
Vacation and pension payables	2,546	5,811
	\$ 16,123	\$ 30,565

10. DEFERRED CAPITAL CONTRIBUTIONS

	Cost	Accumulated Amortization	2024 Net Book Value	2023 Net Book Value
Govt of Canada-Indigenous and Northern Affair (CIRNAC)	\$ 103,055	\$ 103,055	\$ -	\$ 1,454

11. COMMITMENTS

The Society had no commitments as at March 31, 2024.

12. CONTRACTUAL OBLIGATION

The Society leases the office building under a lease contract that expires on December 31, 2026. Future minimum lease payments total \$86,351 and include the following payments over the next two years: 2025-\$42,764, 2026-\$43,587 .

13. ECONOMIC DEPENDENCE

The Society receives all of its revenue through a funding agreement from the Crown -Indigenous Relations and Northern Affairs Canada (CIRNAC). The Society's continued operations are dependent on this funding agreement and on satisfying the terms of the agreement.

14. FINANCIAL INSTRUMENTS

Financial instruments consist of accounts receivable, contributions receivable, holdbacks receivable, which will result in future cash receipts, as well as accounts payable and accrued liabilities, deferred revenue, and contributions repayable which will result in future cash outlays.

The Society is exposed to the following risks in respect of certain financial instruments held:

(a) Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Society is exposed to credit risk from its cash and account receivables.

i) Cash

Cash is held in a Canadian Chartered Bank. The Society minimizes its credit risk by limiting the amount held at entities other than reputable and high quality financial institutions.

ii) Accounts Receivable

The Society is exposed to credit risk from its accounts receivable in the amount of \$29,979, (2023 - \$18,083). However, since all of the accounts receivable is from federal governmental departments, the credit risk is minimized.

FINANCIAL INSTRUMENTS (CONT'D..)

(b) Liquidity risk

Liquidity risk arises from the potential that an entity will have difficulty in meeting its obligation associated with the financial liabilities. The Society manages liquidity risk by continually monitoring actual and forecasted cash flows from operations to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, without incurring unacceptable losses or risking damage to the Society's reputation. The Society has determined that the risk is not significant.

GIANT MINE OVERSIGHT BODY SOCIETY
Operating Fund
For The Year Ended March 31, 2024

SCHEDULE A

	2024	2023
Revenues		
Crown-Indigenous Relations and Northern Affairs Canada (CIRNAC)	\$ 777,026	\$ 726,376
Amortization of deferred capital contribution	1,455	2,765
	778,481	729,141
Expenses		
Advertising and promotion	20,793	18,244
Amortization	4,746	2,765
Contract and consulting fees	232,754	211,697
Honoraria	150,848	157,661
Insurance	9,398	9,365
Interest and bank charges	2,728	1,793
Meeting expenses	9,656	16,194
Office and general	6,771	8,333
Professional fees	44,277	50,067
Programming	11,482	5,095
Rent	35,800	22,786
Telephone and utilities	7,624	5,118
Travel	19,138	27,195
Wages and benefits	171,670	190,963
	727,685	727,276
Excess (Deficit) of Revenues Over Expenses	\$ 50,796	\$ 1,865

GIANT MINE OVERSIGHT BODY SOCIETY
Research Fund
For The Year Ended March 31, 2024

SCHEDULE B

	2024	2023
Revenues		
Crown-Indigenous Relations and Northern Affairs Canada (CIRNAC)	\$ 298,606	\$ 279,376
Interest revenue	13,984	2,733
	312,590	282,109
Expenses		
Accounting	-	-
Advertising	3,634	-
Contract services	316,472	212,889
Honoraria	15,399	17,105
Interest and bank charges	-	11
Insurance	4,300	4,202
Office supplies	5,246	2,009
Professional fees	8,881	7,159
Rent	6,441	18,946
Travel and accommodation	12,312	8,265
Wages and benefits	17,297	28,311
Meeting Expenses	17,938	-
	407,920	298,897
Deficit of Revenues over Expenses	(95,330)	(16,788)
Transferred to operating fund	-	-
Deficit of Revenues over Expenses	\$ (95,330)	\$ (16,788)