



YEARS of bringing greater
prosperity to NWT
businesses & communities

Annual ²⁰²⁴⁻²⁰²⁵ Report

The Annual Report offers a comprehensive overview of Prosper NWT's operations, progress in fulfilling its mandate and achieving strategic goals, and includes audited financial statements for the fiscal year spanning April 1, 2024, to March 31, 2025.

This report was prepared pursuant to section 31 of the *Prosper NWT Act* and the Government of Northwest Territories Planning and Accountability Framework as required by subsection 32(1) of the *Financial Administration Act*.

Prosper NWT

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Minister's Message



Caitlin Cleveland
Minister Responsible for Prosper NWT

Businesses bring energy and opportunity to the Northwest Territories. They create jobs, provide essential services, and help our communities grow. Whether it's a long-standing family business or a resource-based start-up, every business is a vital part of the social and economic fabric of the North.

The Government of the Northwest Territories is committed to fostering an environment where businesses don't just survive but thrive.

By streamlining regulations, promoting innovation, and providing support during challenging times, we strive to empower entrepreneurs to launch, grow, and adapt with confidence. This work is central to advancing the 20th Legislative Assembly's priority of building a strong economic foundation for all residents of the NWT.

Over the past year, NWT businesses showed great resilience and flexibility despite rising inflation and economic uncertainty. Many embraced new digital technologies, entered new markets, and built stronger connections with customers and communities.

This year is a significant milestone as Prosper NWT celebrates 20 years of supporting business growth and innovation across the territory. Over these two decades, Prosper NWT has been key to shaping the North's economy. With more than \$130 million invested in over 780 businesses, it has helped create or keep more than 2,000 jobs — a lasting impact in the territory.

As the business landscape continues to evolve, Prosper NWT is helping companies stay competitive by supporting innovation and the adoption of new technologies. In 2024–2025 alone, nearly 60 digital transformation projects received funding and expert advice. These efforts are helping to build a more resilient and prosperous North — a place where entrepreneurs can turn their ideas into reality and strengthen their communities.

As Minister, my commitment is to the people behind these businesses — the entrepreneurs, workers, and communities who make the NWT strong. I will keep listening, engaging, and taking action to ensure every business, no matter its size or location, has a genuine chance to succeed.

Together, we are building a resilient, inclusive economy that stays true to the North's values and works to fulfill its vast potential.

Joint Message

Chairperson

FROM THE

AND

CEO



Marie-Soleil Lacoursière
Chairperson, Prosper NWT



Joyce Taylor
*Chief Executive Officer (CEO),
Prosper NWT*

This year marks 20 years since our organization was created – a milestone that invites both reflection and renewed ambition. Over the past two decades, Prosper NWT and the business landscape in the Northwest Territories have undergone significant transformation. What remains unchanged is our unwavering commitment to helping businesses launch, grow, adapt, and thrive.



Since 2005, Prosper NWT has disbursed over \$130 million to more than 780 businesses. We've processed more than 1,000 loan and investment applications, delivered over 1,100 learning events, and supported entrepreneurs through challenges like the pandemic and climate-driven crises. We've also seen major changes including new legislation, a new name and brand identity, and an evolving mandate. Through it all, our focus remains clear: to provide what businesses need to start strong, scale up, and prosper.

In 2024–2025, we continued this journey of evolution. Prosper NWT disbursed \$1.7 million in new financing, supported over 200 loan accounts, and managed a portfolio valued at over \$45 million. More than \$396,000 was provided to help 57 businesses implement digital projects. We also launched a new website with an updated online application and introduced a refreshed brand — both designed to improve awareness and simplify access to our programs and services. Our expanded business services team is now offering more personalized, one-on-one support to help entrepreneurs navigate every stage of the business journey, from start-up to succession.

A key milestone was the development of our next four-year Strategic Plan. Grounded in feedback from businesses and partners, this plan outlines where we're headed and how we'll get there. It emphasizes the need for greater financing, stronger support for emerging sectors, and an increased readiness for change. By embracing innovation, investing in learning, and leveraging technology, we aim to help NWT businesses stay competitive and resilient in a rapidly changing world.

To our dedicated staff, Board of Directors, clients, partners, and the broader business community — thank you. Your continued support is what makes our work both possible and rewarding. With your continued collaboration and the Strategic Plan as our guide, we look forward to helping more businesses prosper and driving lasting impact across the Northwest Territories.

ABOUT Prosper NWT



Prosper NWT is a public agency of the Government of the Northwest Territories.

Founded in 2005, Prosper NWT currently operates under the *Prosper NWT Act*, and the organization's structure, functions, and governance are defined by this legislation.

Prosper NWT's Vision, Mission, and Values — outlined in this Annual Report — were refreshed as part of developing a new four-year Strategic Plan (April 1, 2025, to March 31, 2029). This plan sets the direction, focus, and tone for Prosper NWT's future work.

MANDATE

Prosper NWT's mandate is to support the economic objectives of the Government of the Northwest Territories in a manner that benefits the people and the economy of the Northwest Territories by:

- Encouraging the creation and development of businesses
- Providing financial assistance to businesses
- Directly investing in businesses
- Providing information and support to businesses and members of the public

VISION

Businesses thrive in the Northwest Territories, helping to create vibrant communities.

MISSION

Helping to build successful, sustainable Northern businesses by providing tailored financing and expert business supports, facilitating partnerships, and promoting investment opportunities throughout all stages of business.



Guiding Values

Five core values form the foundation of Prosper NWT's work.

Driven to make a difference in the NWT

What we do matters. Through our work, we help enable and empower NWT businesses to succeed, thrive, and reach their potential. We are motivated by results; we help support the creation of jobs and opportunities in the NWT which build strong and healthy communities.

Serve with integrity

We follow through on what we say we will do and take ownership of our work. We build and foster relationships by sharing information in an open and transparent manner. We abide by our governing legislation, regulations, policies, and processes.

Respectful and inclusive

We are considerate and ensure everyone is treated fairly and with dignity. We value diversity and create an environment where everyone feels important and included.

Innovative

We embrace new ideas and diverse perspectives, remaining adaptive and flexible in our approach. By fostering creativity and innovation, we continuously explore and introduce solutions that improve outcomes for our clients, partners, stakeholders, and communities.

Strategic

We are committed to being strategic and forward-looking, making evidence-based decisions that are informed by data and insights. By carefully analyzing trends and anticipating future opportunities and challenges, we plan with foresight to ensure long-term success and sustainability for our clients, communities, and the organization.





Whether you are just getting started or leading a well-established company, Prosper NWT is here to guide and support your journey.



Programs and Services

Prosper NWT offers a comprehensive suite of programs and services designed to support entrepreneurs and businesses at every stage of their business journey — from the spark of an idea and start-up phase, through growth and expansion, to ongoing operations and succession or exit planning.

Prosper NWT supports entrepreneurs and businesses across the Northwest Territories with debt and equity financing, contribution funding for digital projects, and tailored business support services to help them grow and succeed.

Board OF Directors

Prosper NWT is a public agency of the Government of the Northwest Territories, governed by an independent public Board of Directors (Board). Board members are appointed by the Minister Responsible for Prosper NWT.

The Board is responsible for the organization's governance, overall affairs, strategic plan and budget, and reporting on Prosper NWT's performance to the public.

Board members as of March 31, 2025, include:

Kenny Ruptash retired from the Board in 2025, concluding his service as Chairperson and Director after serving since 2020. We extend our sincere thanks to Kenny for his years of dedicated service, strong leadership, and continued support of Prosper NWT.



CHAIRPERSON

Marie-Soleil Lacoursière



BOARD MEMBERS

Misty Ireland

Lloyd Jones

Brad Mapes

Rosalind Mercredi

Gregory Merrithew

Patrick Scott

Soham Srimani

Garth Wallbridge

20 Years of Impact

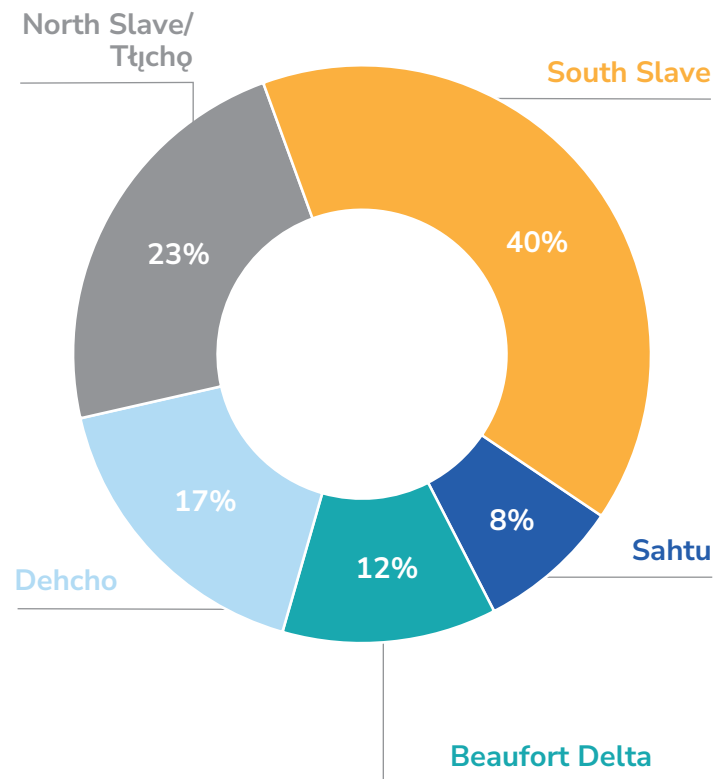
(FROM APRIL 1, 2005
TO MARCH 31, 2025)

Since 2005, Prosper NWT has made a significant and lasting impact throughout the Northwest Territories.

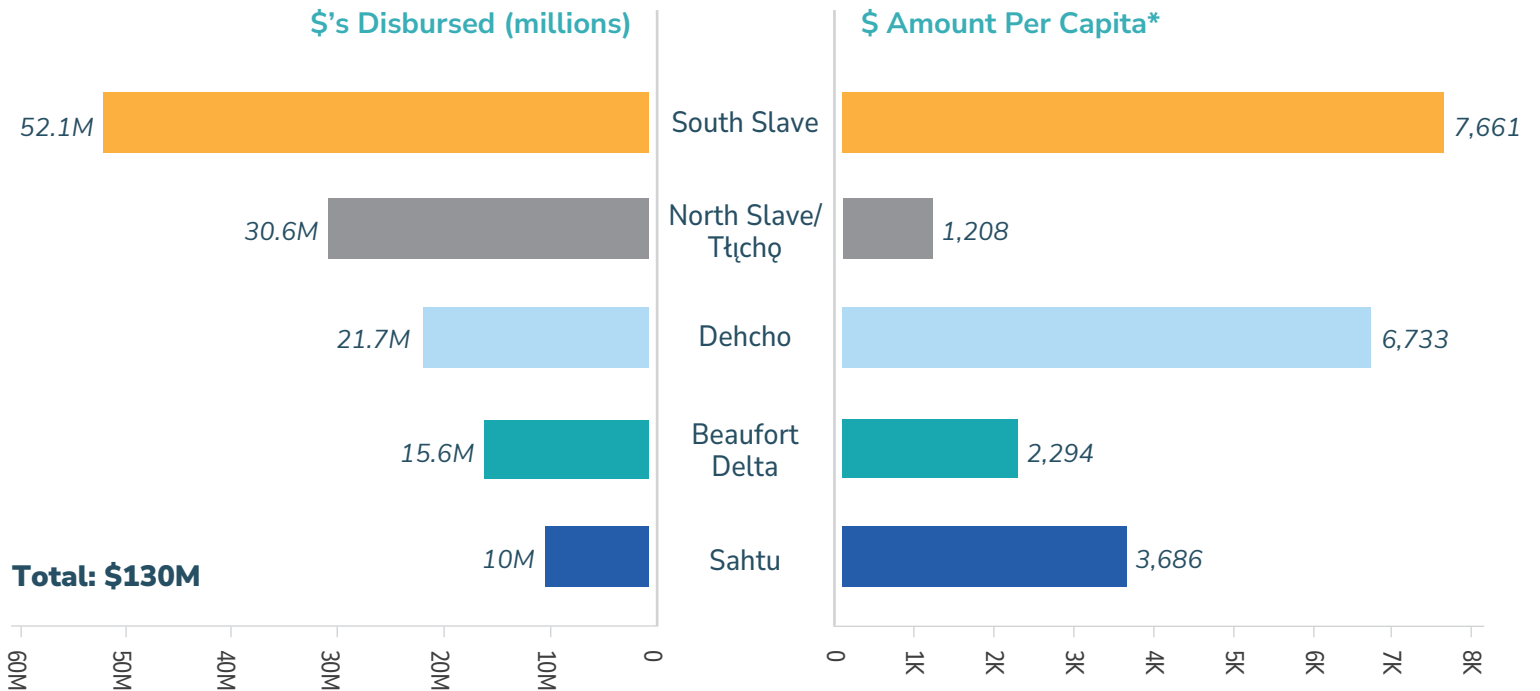
Disbursed
approximately

\$130
million
to **782**
businesses

% of Total Financial Disbursements by Region

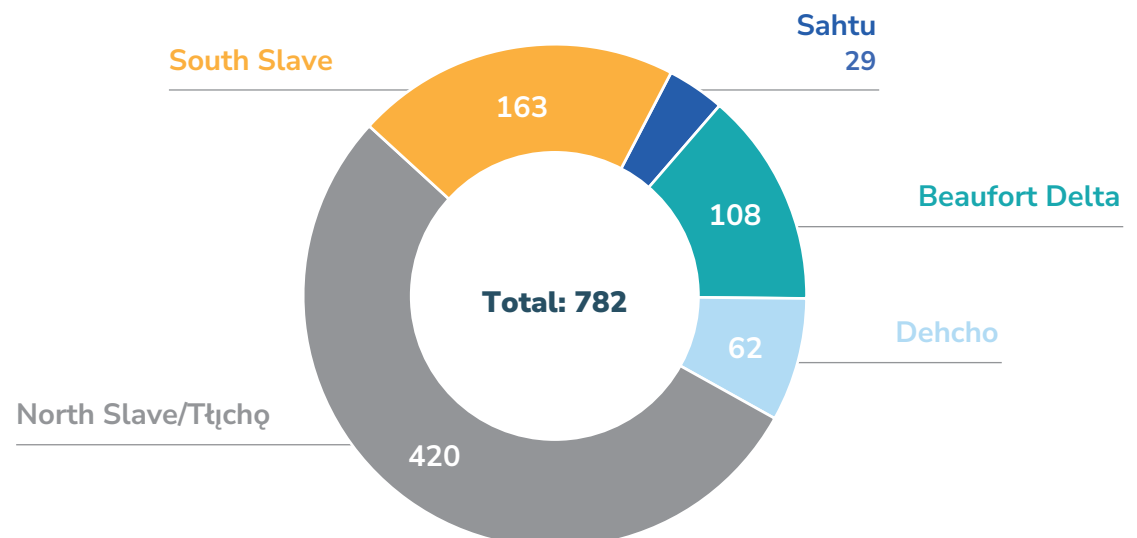


Total Financial Disbursements by Region



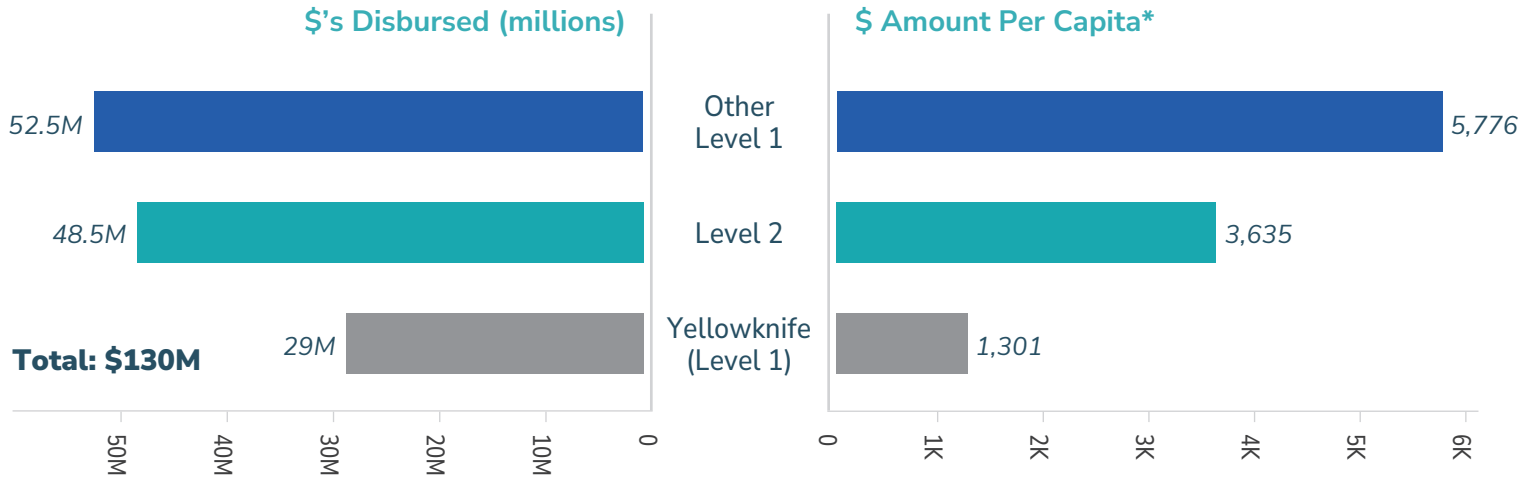
*This calculation represents the financial amount disbursed per person based on population estimates by region published by the NWT Bureau of Statistics as at July 1, 2024.

Number of Businesses by Region that Received Financial Disbursements



20 YEARS **OF IMPACT** (FROM APRIL 1, 2005 TO MARCH 31, 2025)

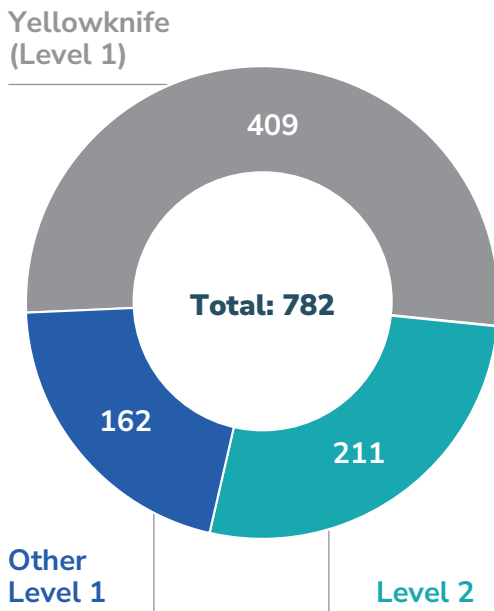
Total Financial Disbursements by Community Level



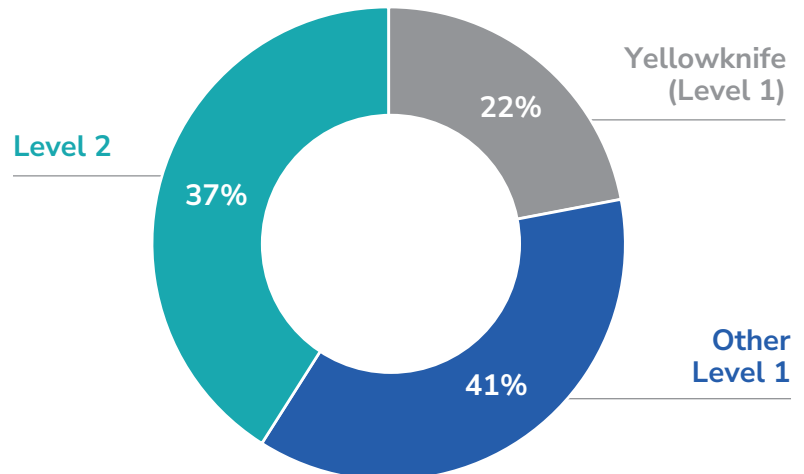
M = million K = thousand

*This calculation represents the financial amount disbursed per person based on population estimates by community level published by the NWT Bureau of Statistics as at July 1, 2024.

Number of Businesses by Community Level that Received Financial Disbursements



% of Total Disbursements by Community Level

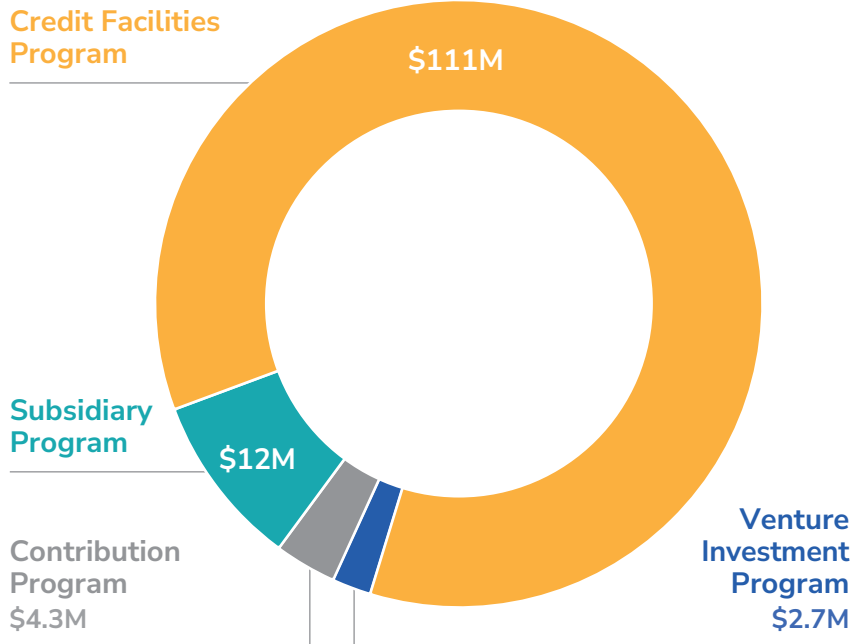


Level 1 Communities: Communities with well developed business infrastructure and air/road transportation links; includes Fort Smith, Hay River, Inuvik, and Yellowknife (including Ndilo).

Level 2 Communities: Communities with less developed business infrastructure and air/road transportation links; includes all other NWT communities not listed as Level 1.

Total Financial Disbursements by Program

\$'s Disbursed (millions)



Total Financial Disbursements for all Programs

\$130
million

Helped to create or maintain over **2,000 jobs** in the territory



Delivered over **1,100** learning events with more than **2,700** participants

Grew the value of the loan and investment portfolio from **\$33 million to \$45 million**



Reduced debt owed to the Government of the Northwest Territories from **\$36 million to \$15 million**

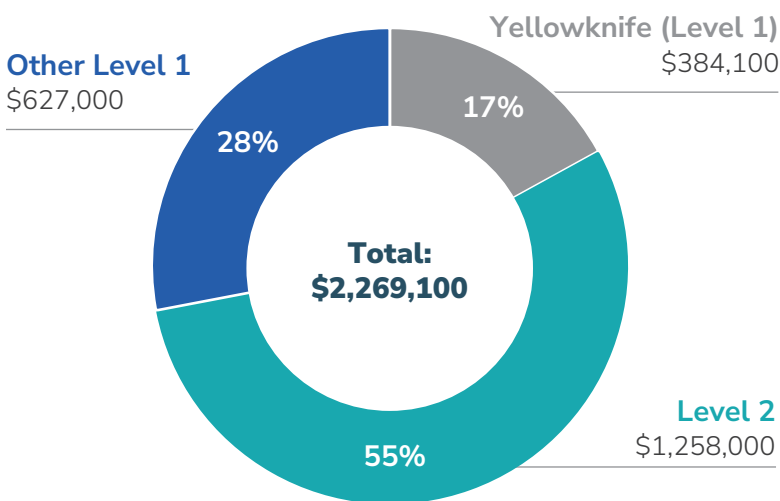
Processed **more than 1,000** loan and investment applications

HOW WE Supported NWT Businesses IN 2024-2025

Total Financial Support (FROM APRIL 1, 2024 TO MARCH 31, 2025)

Prosper NWT disbursed **\$2.3 million in total financial support** including new loans, contributions, and subsidies.

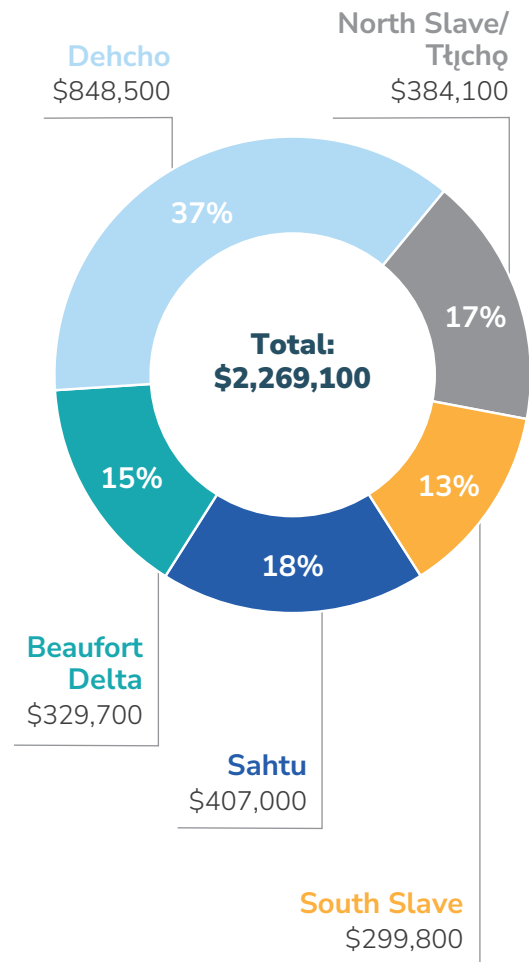
Total Financial Disbursements by Community Level



Level 1 Communities: Communities with well developed business infrastructure and air/road transportation links; includes Fort Smith, Hay River, Inuvik, and Yellowknife (including Ndilo).

Level 2 Communities: Communities with less developed business infrastructure and air/road transportation links; includes all other NWT communities not listed as Level 1.

Total Financial Disbursements by Region



Programs (FROM APRIL 1, 2024 TO MARCH 31, 2025)

Credit Facilities Program

Portfolio value on
March 31, 2025

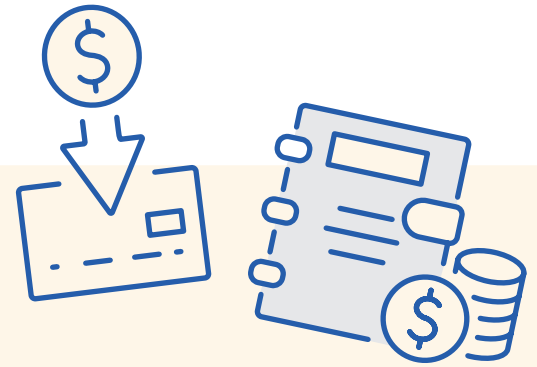
\$42 MILLION*

 **7 APPLICATIONS
APPROVED**
(including 5 new borrowers)

**\$1.7 million
DISBURSED**

*This amount includes \$3.2 million in principal and accrued interest on impaired loans which is properly excluded from the financial statements.



About the Credit Facilities Program

Prosper NWT offers a range of credit solutions to help entrepreneurs and business owners access the financing they need. The Credit Facilities Program includes:

Loan Program

Flexible loans tailored to support new and growing businesses. Repayment terms are customized based on the client's needs, and interest rates — fixed or variable — are determined according to the level of risk.

Working Capital Guarantee

This guarantee helps entrepreneurs secure working capital from conventional financial institutions. Prosper NWT provides the guarantee, while clients pay an annual commission based on assessed risk.

Standby Letter of Credit (SLC)

An SLC offers assurance to a third party that Prosper NWT will make a payment if the client is unable to fulfill their obligations. Common uses include securing contract bids or providing payment guarantees to suppliers.

Credit Risk Management

To support responsible lending, Prosper NWT uses sound credit risk assessment practices. Each applicant is evaluated to ensure they have the capacity to repay their obligations and build a sustainable business.

Digital Support Program (FROM APRIL 1, 2024 TO MARCH 31, 2025)

A total of



 applications approved



\$396,000
disbursed (combined total)

A total of



digital projects funded

About the Digital Support Program

The Digital Support Program empowers NWT businesses to bring their digital projects to life — whether it's building websites, launching e-commerce platforms, or enhancing inventory and payment systems.

By leveraging multiple funding sources, businesses gained access to substantial financial support, including:

- Up to \$2,600 annually from Prosper NWT's Accelerate Digital Adoption Projects for Tomorrow (ADAPT) Fund
- Up to \$2,400 from the federally funded Canada Digital Adoption Program (CDAP)
- Up to \$10,100 from the Canadian Northern Economic Development Agency (CanNor)

Together, these programs provide valuable resources to help businesses innovate, compete, and thrive in today's digital landscape.

ACCELERATE DIGITAL ADOPTION PROJECTS FOR TOMORROW (ADAPT) FUND

Total number of approved applications: **46**

Total \$'s disbursed: **\$112,700**

CANADA DIGITAL ADOPTION PROGRAM (CDAP)

Total number of approved applications: **43**

Total \$'s disbursed: **\$98,300**

DIGITAL FUNDING FROM THE CANADIAN NORTHERN ECONOMIC DEVELOPMENT AGENCY (CANNOR)

Total number of approved applications: **33**

Total \$'s disbursed: **\$185,000**

Subsidiary Program

(FROM APRIL 1, 2024 TO MARCH 31, 2025)

Prosper NWT operated

five active
subsidiaries
 which generated revenue of
617,000



Provided

\$200,000
 in subsidiary funding

Helped support
51 arts and
craft producers



Maintained

9.7 full-time equivalent
(FTE) jobs
 in small NWT communities



About the Subsidiary Program

Prosper NWT supports community-led initiatives and businesses that create local jobs, support local artisans, and deliver locally-produced goods. The subsidiaries are undergoing strategic reviews by their respective boards, aimed at identifying future pathways to enhance long-term sustainability.

ON MARCH 31, 2025,
 Prosper NWT transferred
 60% ownership of
 Dene Fur Clouds to
 long-term community-
 based employees.

This strategic move reduced government ownership — previously at 100% — and enabled the company to access funding sources that were previously unavailable. The company is continuing to explore additional funding opportunities.

Subsidiary Company	Revenue \$ (000s)	Direct Employment Positions (FTE)
Acho Dene Native Crafts Ltd.	61	0.6
Dene Fur Clouds Ltd.	90	2.9
913044 N.W.T. Ltd. (Fort McPherson Tent & Canvas)	397	5.3
5983 N.W.T. Ltd. (Uluksaktok Arts Centre)	69	0.9
Total	617	9.7

Arctic Canada Trading Co. Ltd. (ACTCL), another subsidiary of Prosper NWT, supports the subsidiaries and their products.

Business Support Services (FROM APRIL 1, 2024 TO MARCH 31, 2025)

Educational Webinars and Events



Client Service



About the Venture Investment Program

Prosper NWT partners with businesses by making equity investments in exchange for preferred shares that provide investment returns. These shares are redeemable at any time, offering flexibility for participating businesses.

The Venture Investment Program supports a broad range of job creation initiatives and can be used to leverage additional financing from private sector sources. This makes it a valuable tool for businesses seeking both capital and strategic partnership.

Looking ahead, upcoming regulation changes will allow program enhancements, expanding its reach, impact, and accessibility.

Venture Investment Program

There were no new venture investments approved in 2024–2025.

Venture investment portfolio value on March 31, 2025:

\$2.7 MILLION

About Business Support Services

Prosper NWT helps people start and grow businesses across the Northwest Territories. We support entrepreneurs with practical tools, events, and a business resource library — plus access to webinars, programs, and expert guidance. Our business centre offers workstations for local use, and services are available online and through community partners.



Business Support Services – In Action

Intellectual Property (IP) Workshop

In February 2025, Prosper NWT hosted a dynamic Introduction to Intellectual Property (IP) workshop, empowering entrepreneurs, small business owners, and economic development professionals from across the territory.

Held in partnership with New Ventures BC, and led by IP expert Beth Gallup, the session was offered both in-person in Yellowknife and virtually, ensuring broad access across the NWT.

With 50 people registered and 38 in attendance, the workshop delivered practical, actionable insights on how to identify, protect, and leverage valuable IP assets such as trademarks, patents, copyrights, and trade secrets.

As the NWT's economy continues to diversify, understanding IP is essential. This workshop marked an important step in equipping local businesses with the knowledge to unlock innovation, enhance competitiveness, and navigate a rapidly changing economic landscape. By helping participants recognize and protect the value already within their businesses, Prosper NWT is fostering a more resilient economy built on Northern ideas and innovation.

Entrepreneurship Week 2024

Yellowknife Entrepreneurship Week 2024 was a powerful celebration of innovation, collaboration, and community.

Co-led for the first time by the City of Yellowknife and Prosper NWT, this exciting week of programming brought together nearly 70 participants to hear directly from local entrepreneurs who are transforming their businesses through digital adoption.

Each session highlighted a different sector — agrifood, arts, e-commerce, tourism, and health & wellness — with inspiring stories from business owners who accessed Prosper NWT's Digital Support Program. From hands-on demonstrations to interactive Q&A sessions, attendees left energized and equipped with practical tools to embrace digital transformation.

This initiative highlighted the power of partnerships to strengthen the local economy. By collaborating with the City of Yellowknife, local business leaders, and sector-specific organizations, the event helped build a more connected business community, spark new relationships, and deliver meaningful support to address the unique challenges faced by Northern entrepreneurs.

Client Success Stories



Throughout 2024-2025, Prosper NWT worked alongside hundreds of entrepreneurs and business owners, celebrating countless inspiring successes and significant milestones. In this report, we're proud to highlight just a few of their remarkable stories.

Simpson Air

When longtime Northern charter company Simpson Air was listed for sale, a Dehcho-based couple, Vanessa and Garry Murtsell, saw not only a unique business opportunity, but a chance to preserve a legacy and build something deeply rooted in their community.



“Stay grounded in your community. In the North, relationships are everything. Your business is stronger when it reflects the people, land, and stories around it — and when you stay open to learning and collaborating along the way.”

Vanessa Murtsell, Co-owner

Today, Simpson Air is proudly 51% Indigenous-owned and woman-led, marking a new chapter for a business that’s been flying across the NWT skies for over 40 years. “We’re proud to carry it forward as an Indigenous-owned business that reflects the values of the North,” says Vanessa Murtsell, Vice-President.

Founded in its current form in 1981 by Ted Grant, Simpson Air’s operations trace back even earlier to the 1960s. Based in Fort Simpson in the Dehcho region, the company offers custom air charters for passengers and freight, scenic flight tours over the Nahanni National Park Reserve, lodge transfers, paddler pickups, and remote access services for hunters, researchers, and government agencies. Their floatplanes serve as a vital link to isolated lakes, rivers, and camps in the region.

With a dedicated team of eight people — including five pilots, office staff, and a seasonal groundskeeper — Simpson Air remains small but mighty. One recent milestone is the hiring of their first Łı́ı́ıı Kúé First Nations pilot, marking a significant step toward fostering Indigenous leadership in aviation. “Mentorship matters,” Vanessa shared. “Supporting and training the next generation of Northern pilots is one of the most fulfilling parts of our work.”

Since taking ownership, the Murtsells have focused on preserving Simpson Air’s reputation for reliability while gradually modernizing operations. With support from Prosper NWT, they launched a sleek new website and introduced an online booking system — enhancing both the customer experience and internal workflows.

Prosper NWT played a central role in helping the couple acquire Simpson Air. “In this industry, you can’t just wing it,” Vanessa explains. “Prosper NWT’s support gave us the financial runway to take ownership. The flexibility they provided removed a major barrier for us.”

As they look to the future, the new owners are committed to steady, sustainable growth — honouring the past while building for the next generation.



“We really appreciate Prosper NWT’s support for our Indigenous family-owned business. We are looking forward to more partnerships in the future.”

Kelly Clarke, Co-owner

North of 60 Aurora Adventures

North of 60 Aurora Adventures is more than just a tour company – it’s a continuation of tradition, family, and Northern hospitality.

Based in Yellowknife and family-run by the owners, Kelly and Larry Clarke, along with their son, the company offers immersive experiences that celebrate Indigenous culture and showcase the natural beauty of the North.

Founded in 2019, the business draws on Larry’s deep roots in the region. His grandparents operated a traditional Indigenous business, and today, North of 60 Aurora Adventures carries that legacy forward — blending heritage with innovation in the tourism sector.

What began with dogsledding tours has expanded to include awe-inspiring aurora viewing in custom-built Skydomes, axe-throwing experiences, and guided cultural activities rooted in Dene traditions. With up to nine team members during peak season, the business is steadily growing and welcoming visitors from around the world.

To help meet rising demand and streamline operations, North of 60 Aurora Adventures recently partnered with Prosper NWT to enhance their website and implement a new booking platform. “Prosper NWT gave us the encouragement and support to modernize,” Kelly explains. “The updated website and booking system make it easier for customers to explore our tours and for us to manage bookings more efficiently.”

While entrepreneurship has its challenges, the team says support systems like Prosper NWT have helped make a real difference. “Running a business can be tough,” Kelly admits, “but with the right support, you gain the confidence and momentum to try new things and to keep growing.”

With plans to launch a new mini-golf course and further expand its range of experiences, North of 60 Aurora Adventures continues to bring tradition to life in fresh, engaging, and accessible ways — one unforgettable tour at a time.



Polar Tires and Lubes Inc.

For Nathaniel ‘Ned’ Day, owning and operating an automotive shop wasn’t just a business decision – it was a dream rooted in a passion for the trade.



As a heavy-duty technician, Ned had always envisioned having a space of his own to work with vehicles, tools, and machinery. That dream became a reality four years ago when the opportunity arose to purchase Polar Tires and Lubes from his father-in-law.

Located in the tight-knit community of Inuvik, Polar Tires and Lubes has grown into more than just a service centre — it’s become a trusted hub for reliable automotive repairs, tire services, oil changes, and, most recently, cold storage. Since taking over the business, Ned has significantly expanded operations. Tire sales have grown from 150 per year to over 1,000 in the first half of 2025, and Polar Tires and Lubes recently added a second service area after acquiring an adjacent lot.

With the support of a term loan from Prosper NWT, Ned was able to fund expansion efforts, including the purchase of 10 sea cans for cold storage, diversifying his shop’s services and better meeting local needs. Prosper NWT was recommended to Ned early in the process by the Department of Industry, Tourism and Investment (ITI). Since then, the partnership has helped accelerate the company’s growth while keeping it grounded in community values.

Today, the business employs three people and continues to grow. Nathaniel is proud of what he’s built and even prouder of the opportunity it’s given him to give back. Polar Tires and Lubes now sponsors local hockey teams and supports community charities and organizations. For Ned, it’s a meaningful way to give back to the community that’s supported him.

Looking ahead, Ned is optimistic. Each day brings new faces and fresh challenges — and he’s ready to meet them head-on.

“I’m really thankful to be in a position where I can give back to the community. And it would not have been possible without the support of Prosper NWT. Jump in with both feet, give it your all, and enjoy the ride.”

Nathaniel Day, Owner

Reporting

ON THE

2024- 2025 SCORECARD

The goals and targets were approved by Prosper NWT's Board of Directors in the 2024-2025 Corporate Plan.

GOAL 1:

To support NWT businesses throughout their lifecycle

Highlights

- Expanded the Business Services team to provide more customized service
- Launched an online appointment booking form and updated the online application portal
- Secured a partnership with Alberta's Business Link to expand webinar and resource offerings

MEASURES

- **\$2.3M** in total funding disbursed
- **129** businesses received financial support
- **5** new borrowers served

GOAL 2:

To build a foundation for greater entrepreneurial growth and sustainability

Highlights

- Developed a Financial Management Board submission to increase the lending limit
- Secured \$534,000 from CanNor to support businesses' digital projects and \$80,000 for Dene Fur Clouds Inc.
- Completed a comprehensive strategic analysis of the portfolio

MEASURES

- **82%** of loans from the total portfolio are performing
- **57** digital projects funded by **122** contributions
- Strategic portfolio risk management framework drafted

GOAL 3:

To support business growth and diversification in the regions

Highlights

- Attended regional outreach/events in 5 communities
- Contracted an Indigenous company to provide production, marketing, and sales support services for Dene Fur Clouds Inc., resulting in improved sales and operations and supporting the transfer of 60% of common shares to long-term employees

MEASURES

- **83%** of funding disbursed to businesses outside Yellowknife
- **13** applications from businesses located outside Yellowknife and **12** received financial support
- **\$85,000** in sales generated by Dene Fur Clouds Inc.



MEASURES

- **37** learning events hosted with **7** being in-person
- **213** in-person meetings and **919** remote engagements/interactions
- **15,750** website sessions (20% increase vs. prior year)
- **600** subscribers to the e-communications program
- **129** applications approved

GOAL 4:

To build awareness of the organization

Highlights

- Completed the transition to the new name and visual identity
- Launched a new website
- Executed an ad campaign promoting the Digital Support Program
- Co-hosted Entrepreneurship Week with five in-person events
- Hosted a new workshop event on Intellectual Property (IP)

MEASURES

- **90%** of staff had learning plans and actively used the new training tracking system
- **All** professional staff completed required training and obtained certifications

GOAL 5:

To be an engaged and continuous learning organization

Highlights

- Utilized the new HRIS training tracking system
- Organized three learning workshop events for staff with external experts

MEASURES

- Held orientation training for Board members
- **5** Board meetings
- **All** Board members attended a two-day strategic planning session

GOAL 6:

To continue to strengthen corporate governance

Highlights

- Developed a new four-year Strategic Plan
- Designated a new Chairperson
- The Audit Committee Chairperson completed external in-person training

Write-Offs AND Forgiveness

The Prosper NWT Board of Directors may approve debt write-offs in accordance with legislation. A debt written off can still be collected, however, is assigned a zero value in Prosper NWT's financial statements.

The Financial Management Board may approve the forgiveness of debts. A forgiven debt is removed from the financial statements as Prosper NWT is no longer able to collect it.

In 2024–2025, there were no debts written off and six debts were forgiven by the Financial Management Board.

Debts Forgiven

Business Name	Total Amount
974095 NWT Ltd., operating as Westwind Recreation	\$437,962
506739 NWT Ltd., operating as Lisa's Place	\$159,331
Brittany McArthur Cahill, operating as Harokita Salon	\$108,170
Kelly Yew	\$16,726
Leonard Buckley, operating as Bucks Firewood & Logging	\$16,543
Robert Kuptana, operating as Beaudel Services	\$1,275
Total	\$740,007

Disbursements

2024-2025

CREDIT FACILITIES PROGRAM

BUSINESS NAME	OWNERS	COMMUNITY	AMOUNT
Berthiaume Arboriculture Ltd.	Marc-Antoine Berthiaume	Fort Smith	\$288,000
Dempsey Holdings NWT Ltd.	Ainsley Zock-Dempsey and Colin Dempsey	Yellowknife	\$20,000
Nailicho Ventures Ltd.	Vanessa Murtzell and Garry Murtzell	Fort Simpson	\$643,800
Northridge Contracting Ltd.	Pascal Audet	Norman Wells	\$400,000
Polar Tires and Lubes Inc.	Nathaniel Day	Inuvik	\$315,000
Total			\$1,666,800

DIGITAL SUPPORT PROGRAM (CONTRIBUTIONS)

(includes CDAP, ADAPT, and additional funding from the Canadian Northern Economic Development Agency)

BUSINESS NAME	OWNERS	COMMUNITY	AMOUNT
507168 NWT Ltd. (o/a Under Pressure Massage)	Erin Sawatzky	Yellowknife	\$4,410
507232 NWT Ltd. (o/a MY WORLD Children Entertainment)	Gilbert Langsi and Eric Neba	Yellowknife	\$12,700
507798 NWT Ltd. (o/a Flamecraft Grill 'n' Chill)	Mohd Shezhad Khan	Yellowknife	\$12,700
507843 NWT Ltd. (o/a Maroda Suites)	Muaz Hassan and Rajwinder Hundal	Fort Simpson	\$2,400
508048 NWT Ltd. (o/a Rekindle Health)	Kyla Wright and Shahin Moslehi	Yellowknife	\$11,808



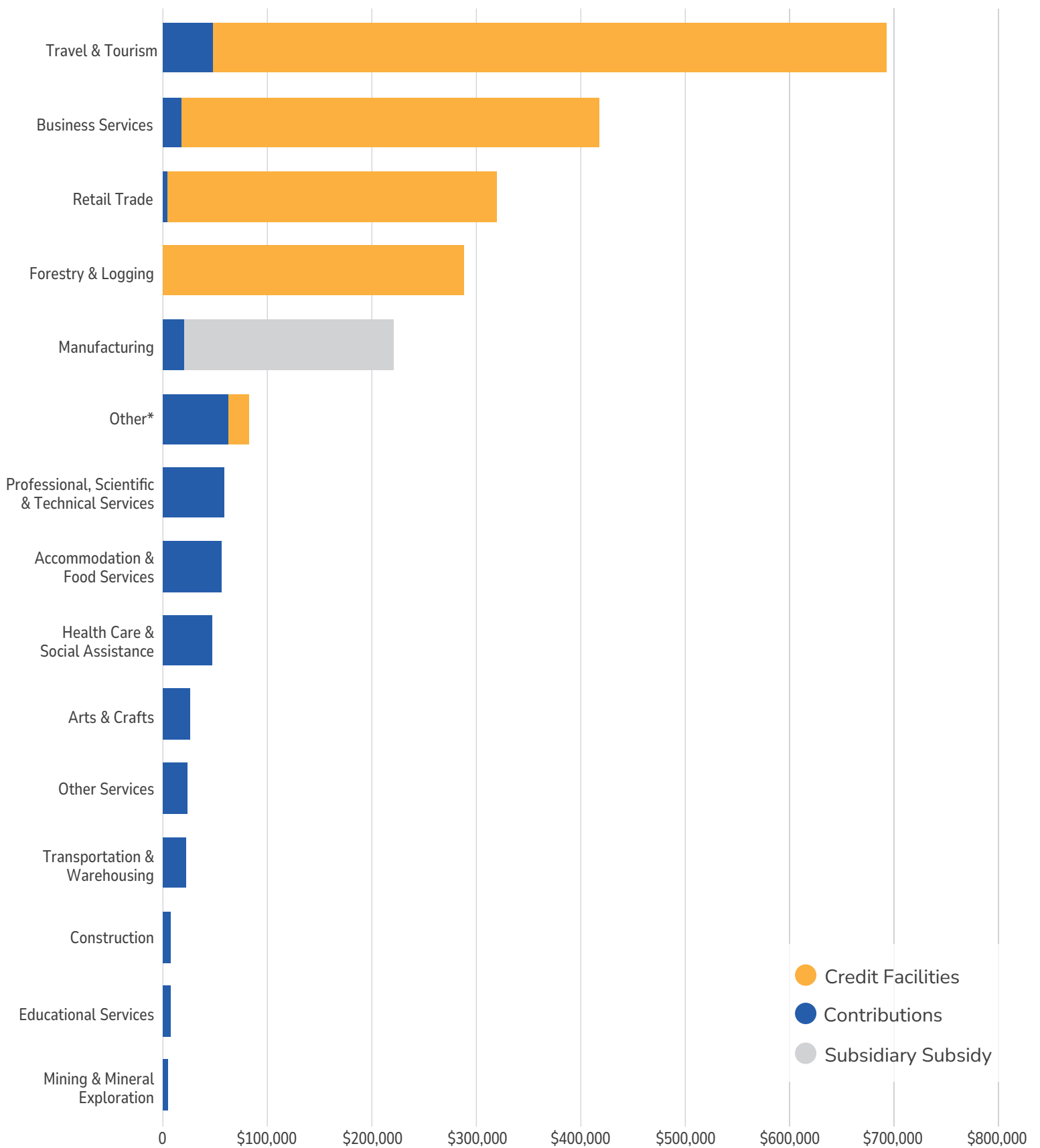
BUSINESS NAME	OWNERS	COMMUNITY	AMOUNT
508080 NWT Ltd. (o/a Northern Quill Publishing)	Judith Drinnan, Lana de Bastiani, Amber Henry, Myranda Bolstad, and Rachel VanderVeen	Yellowknife	\$11,982
14057112 CANADA Inc. (o/a True North Surveys)	Jean-Simon Hurtubise	Yellowknife	\$6,510
Air Tindi Ltd.	Clairvest Group Inc.	Yellowknife	\$12,700
Akaeze, Emmanuel Lotanna (o/a Value Enabler)	Emmanuel Lotanna Akaeze	Yellowknife	\$7,700
All Celebrations and Events (ACE) Inc.	Memory Sakala	Yellowknife	\$2,550
Arctic Defensive Driving School Ltd.	Chenayimoyo Mufandaedza and Rangarirai Moyo	Yellowknife	\$2,600
Aurora Technical Services Inc.	Sharwyn MacPherson and Siyath Sok	Yellowknife	\$5,000
Bear Clan Strategy Inc.	Diane Archie and Ian Baele	Yellowknife	\$7,778
Berdouz, Lahoucine (o/a CLK Cleaning and Maintenance)	Lahoucine Berdouz	Yellowknife	\$1,830
Bush Order Provisions Ltd.	Marie Auger and Kyle Thomas	Yellowknife	\$12,700
Casting North Fly-Fishing Company	Jennifer Bond and Mark Bond	Yellowknife	\$10,500
Cetana Neurotherapy Ltd.	Becky Austin, Bryan Austin, and Tyler Rentmeister	Yellowknife	\$10,300
Cleanscene Inc.	Stuart Finlay and Mahbub Abade	Yellowknife	\$2,400
Dhindsa, Sukhmanpreet (o/a SKD Law)	Sukhmanpreet Dhindsa	Yellowknife	\$12,000

BUSINESS NAME	OWNERS	COMMUNITY	AMOUNT
Dome Homes Inc.	Juan Bidegain Umpierrez	Inuvik	\$12,700
Drummond, Reginald (o/a The Hungry Wolf)	Reginald Drummond	Yellowknife	\$11,500
Energy Wall & Building Products Ltd.	Manuel Jorge and Marta Simek Dejorge	Yellowknife	\$5,000
Ferguson, Joshua (o/a Norteno Media)	Joshua Ferguson	Norman Wells	\$4,580
Friesen, Wade (o/a Friesen Photography)	Wade Friesen	Yellowknife	\$12,700
Gakah, Both (o/a Nikitis Solutions)	Both Gakah	Yellowknife	\$9,681
Gloa Medical Aesthetics Clinic Inc.	Allyson Arychuk	Yellowknife	\$6,268
Great Slave Fish Products Ltd.	Brian Abbott	Yellowknife	\$2,400
Henry, Charlotte (o/a Henry Design Build Live)	Charlotte Henry	Yellowknife	\$5,000
Hobbs-Peddle, Cameron (o/a Peddle Contracting)	Cameron Hobbs-Peddle	Yellowknife	\$10,777
Iwuji, Uche (o/a Alphana HR Consulting)	Uche Iwuji	Yellowknife	\$12,500
Jackpine Paddle Inc.	Daniel Wong	Yellowknife	\$10,300
Jonathan Gillingham Photography	Jonathan Gillingham	Yellowknife	\$10,836
Landry, Loretta (o/a Nina & Associates)	Loretta Landry	Fort Providence	\$2,400
Leclerc, Valérie (o/a CNDA Clinic)	Valérie Leclerc	Yellowknife	\$4,873
Lepage, Simon (o/a Lepage Productions)	Simon Lepage	Hay River	\$9,350
Liidlíi Kue Hotel NT Ltd. (Nahanni Traveller Hotel)	Muaz Hassan and Rajwinder Hundal	Fort Simpson	\$2,400
McNeely's Mechanical Services Inc.	Bryan McNeely	Fort Good Hope	\$2,400
McPhail, Danielle	Danielle McPhail	Yellowknife	\$5,000

BUSINESS NAME	OWNERS	COMMUNITY	AMOUNT
MJ's Express Services Ltd.	John St. Louis	Yellowknife	\$7,122
Mtongwiza, Lovingson (o/a NWT Charter Services)	Lovingson Mtongwiza	Yellowknife	\$8,829
MZ Accounting Services Inc.	Marisa Ziyapapa	Yellowknife	\$2,400
North of 60 Aurora Adventures Inc.	Kelly Clarke and Larry Clarke	Yellowknife	\$5,000
Olepeka SLP Services Inc.	Diana Neill	Yellowknife	\$2,431
O'Rourke, Robert (o/a Omega Marine)	Robert O'Rourke	Yellowknife	\$12,700
Parallel 60 Media Inc.	Andrew Silke	Yellowknife	\$5,000
Scott, Robyn (o/a Robyn Scott Fine Art)	Robyn Scott	Yellowknife	\$2,432
Spruce Tip Occupational Therapy Services	Rachel Schooley and Colin McAskile	Inuvik	\$1,963
Sylla, Ndeye Mama (o/a Tènesy African Market)	Ndeye Mama Sylla	Yellowknife	\$2,600
The Hidden Gem Restaurant	Christopher Jambaya, Martin Maguta, and Samuel Maguta	Yellowknife	\$11,760
Therrien, Tracy C. (o/a Your Planner)	Tracy C. Therrien	Yellowknife	\$12,700
Trinity Tactical Consulting Ltd.	Ian Ellsworth	Yellowknife	\$3,539
Whitehead, Gillian (o/a Gillian Whitehead Hair)	Gillian Whitehead	Yellowknife	\$4,377
Yellowknife Vacations Ltd.	Amit Tripathi	Yellowknife	\$9,484
Zehabesha Restaurant	Eline Baye and Dinku Tadesse	Yellowknife	\$12,427
Total			\$395,997

WILDFIRE ASSISTANCE AND RELIEF MEASURES (CONTRIBUTIONS)			
BUSINESS NAME	OWNERS	COMMUNITY	AMOUNT
City Guard Security Services Inc.	Colleen Tsikira and Zebhedia Tsikira	Yellowknife	\$2,482
DME Driving School Inc.	Colleen Tsikira and Zebhedia Tsikira	Yellowknife	\$2,754
Lovatt, Stephanie (o/a King of the Kastle)	Stephanie Lovatt	Yellowknife	\$1,010
Total			\$6,246
SUBSIDIARY PROGRAM			
Dene Fur Clouds Ltd.	Prosper NWT (through March 30, 2025)	Fort Providence	\$200,000
TOTAL FOR ALL PROGRAMS			\$2,269,043

Disbursements by Industry Sector



*Other includes Entertainment & Recreation, Wholesale Trade, Agriculture, Fisheries, Finance & Insurance, Information & Cultural Industries, Management of Companies & Enterprises, and Film.

Disbursements by Industry Sector and Program

Industry Sector	CREDIT FACILITIES	CONTRIBUTIONS	SUBSIDIARY SUBSIDY	TOTAL
Travel & Tourism	\$643,800	\$47,984		\$691,784
Business Services	\$400,000	\$17,489		\$417,489
Retail Trade	\$315,000	\$4,377		\$319,377
Forestry & Logging	\$288,000			\$288,000
Manufacturing		\$20,400	\$200,000	\$220,400
Other*	\$20,000	\$62,350		\$82,350
Professional, Scientific & Technical Services		\$58,391		\$58,391
Accommodation & Food Services		\$55,786		\$55,786
Health Care & Social Assistance		\$47,054		\$47,054
Arts & Crafts		\$25,968		\$25,968
Other Services		\$22,222		\$22,222
Transportation & Warehousing		\$21,529		\$21,529
Construction		\$7,400		\$7,400
Educational Services		\$6,293		\$6,293
Mining & Mineral Exploration		\$5,000		\$5,000
Total	\$1,666,800	\$402,243	\$200,000	\$2,269,043

*Other includes Entertainment and Recreation, Wholesale Trade, Agriculture, Fisheries, Finance and Insurance, Information and Cultural Industries, Management of Companies and Enterprises, and Film.

What's Ahead

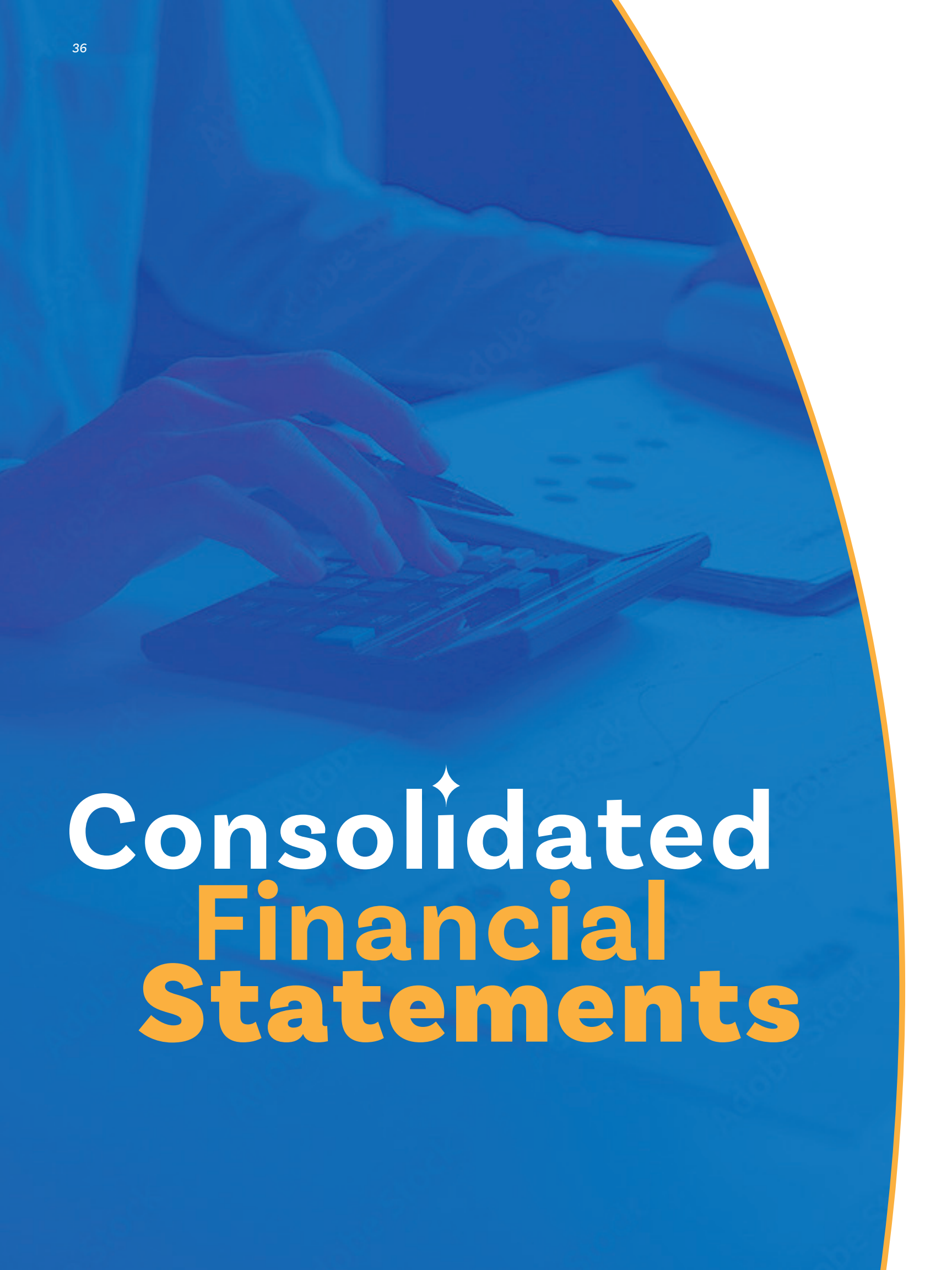
Small and medium-sized enterprises remain the backbone of the Northwest Territories' economy — driving innovation, creating jobs, and enriching our communities. Prosper NWT is dedicated to supporting and strengthening this vital foundation.

As we enter the first year of our four-year Strategic Plan, our focus is clear: to help businesses navigate uncertainty and change. The economic landscape is evolving — global trends, labour shortages, and rising costs are creating real pressures. But alongside these challenges lie exciting opportunities: major infrastructure and housing projects, renewed interest in mineral exploration, growing national attention on the North, and economic potential tied to enhancing Arctic security. Prosper NWT's goal is to help businesses turn these challenges into momentum.

Our plan is centered on adaptability, with strategic investments in programs that drive innovation, promote the adoption

of artificial intelligence (AI) and other technologies, and expand access to broader markets. Just as importantly, we are committed to listening, learning, and working alongside entrepreneurs, community leaders, and partners to find solutions that reflect the realities of doing business in the North.

The road ahead holds great promise, powered by the strength, creativity, and determination of NWT businesses. With the right support, they won't just adapt to change — they'll lead it. Together, we can build a vibrant, secure, forward-looking economy that benefits every community across the territory.



Consolidated Financial Statements

Prosper NWT
Consolidated Financial Statements
For the year ended
March 31, 2025

Prosper NWT
Management's Responsibility for Financial Reporting

The accompanying Consolidated financial statements of the Prosper NWT (the Corporation) are the responsibility of the Corporation's management and have been reviewed and approved by its board of directors.

Management is responsible for preparing these Consolidated financial statements in accordance with Canadian public sector accounting standards (PSAS). Where PSAS permits alternative accounting methods, management has chosen those that are most appropriate. Where required, management's best estimates and judgment have been applied in the preparation of these Consolidated financial statements.

In discharging its responsibility for the integrity, fairness and quality of the Consolidated financial statements, management is responsible for maintaining financial and management control systems and practices designed to provide reasonable assurance that transactions are properly authorized and recorded, assets are safeguarded, proper records are maintained, and the Corporation complies with applicable laws and conflict of interest rules. These controls and practices help to ensure the orderly conduct of business, the accuracy of the accounting records, the timely preparation of financial information, and adherence to the Corporation's policies and statutory requirements.

The board of directors is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control. It exercises this responsibility through the Audit Committee, which is comprised of members who are not employees of the Corporation. The Audit Committee meets with management on a regular basis. The external auditors also have full and free access to the Audit Committee.

The Corporation's independent external auditor, the Auditor General of Canada, is responsible for auditing the transactions and Consolidated financial statements of the Corporation and for issuing her report thereon.



Joyce Taylor, CPA, CA
Chief Executive Officer



Edwin Shu, MSc, CPA, CGA
Director, Finance and Programs

August 25, 2025



INDEPENDENT AUDITOR'S REPORT

To the Minister responsible for Prosper NWT

Opinion

We have audited the consolidated financial statements of Prosper NWT and its controlled entities (the Group), which comprise the consolidated statement of financial position as at 31 March 2025, and the consolidated statement of operations and accumulated surplus, consolidated statement of change in net financial assets and consolidated statement of cash flow for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 March 2025, and the consolidated results of its operations, consolidated changes in its net financial assets, and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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

Other Information

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

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

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

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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



Dusan Duvnjak, CPA, CMA
Principal
for the Auditor General of Canada

Ottawa, Canada
25 August 2025

Prosper NWT
Consolidated Financial Statements March 31, 2025

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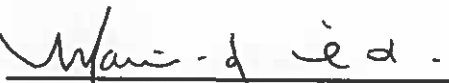
Prosper NWT

Consolidated Statement of Financial Position (000's)

	March 31, 2025	March 31, 2024
Financial assets		
Cash (Notes 3 and 18)	\$ 14,471	\$ 17,427
Accounts receivable (Notes 4, 15 and 18)	690	386
Inventories held for resale (Note 5)	108	155
Loans receivable (Notes 6, 7 and 18)	35,090	40,048
Portfolio investments (Note 8)	230	-
Venture investments (Note 8)	2,725	2,725
	53,314	60,741
Liabilities		
Accounts payable and accrued liabilities	1,153	1,069
Other employee benefits and compensated absences (Note 9)	182	179
Advances from the Government of the Northwest Territories (Notes 10 and 15)	15,014	23,377
Asset retirement obligations	244	272
	16,593	24,897
Net financial assets	36,721	35,844
Non-financial assets		
Tangible capital assets (Schedule A)	123	134
Prepaid expenses	6	15
	129	149
Accumulated surplus	\$ 36,850	\$ 35,993

Contractual Obligations and Contingencies (Notes 13 and 14)

Approved by:


Marie-Soleil Lacoursiere
Chairperson of the Board of Directors


Joyce Taylor, CPA, CA
Chief Executive Officer

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

Prosper NWT**Consolidated Statement of Change in Net Financial Assets (000's)**

For the year ended March 31	Budget 2025	Actual 2025	Actual 2024
Annual surplus (deficit)	\$ (578)	\$ 857	\$ 799
Amortization of tangible capital assets	20	11	11
Acquisition of prepaid expenses	-	(6)	(15)
Use of prepaid expenses	-	15	5
	-	9	(10)
Increase (decrease) in net financial assets	(558)	877	800
Net financial assets, beginning of the year	35,844	35,844	35,044
Net financial assets, end of the year	\$ 35,286	\$ 36,721	\$ 35,844

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

Prosper NWT**Consolidated Statement of Operations and Accumulated Surplus (000's)**

For the year ended March 31	Budget 2025	Actual 2025	Actual 2024
Revenues			
Interest on loans receivable	\$ 2,510	\$ 2,143	\$ 2,543
Sales and other income	899	787	581
Interest on pooled cash (Note 3)	901	899	937
	4,310	3,829	4,061
Government transfers (Note 11)	2,886	2,869	3,014
	7,196	6,698	7,075
Expenses (Note 12)			
Lending and investments	6,119	4,512	4,977
Retail and manufacturing	1,655	1,329	1,299
	7,774	5,841	6,276
Annual surplus (deficit)	(578)	857	799
Accumulated surplus, beginning of year	35,993	35,993	35,194
Accumulated surplus, end of year	\$ 35,415	\$ 36,850	\$ 35,993

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

Prosper NWT**Consolidated Statement of Cash Flow (000's)**

For the year ended March 31	2025	2024
Operating transactions		
Cash received from:		
Governments	\$ 1,729	\$ 2,325
Customers	551	637
Interest	3,197	3,074
	5,477	6,036
Cash paid for:		
Compensation and benefits	2,633	3,205
Payments to suppliers	989	1,082
Interest on advances from the Government of the Northwest Territories (Note 10)	637	1,341
Grants and contributions	686	772
	4,945	6,400
Cash provided by (used for) operating activities	532	(364)
Investing transactions		
Loans receivable disbursed	(1,667)	(1,745)
Venture investment disbursed	-	(2,375)
Loans receivable repaid	6,542	4,914
Cash provided by capital activities	4,875	794
Financing transactions		
Repayment of advances from the Government of the Northwest Territories (Note 10)	(8,363)	(1,159)
Cash used for financing activities	(8,363)	(1,159)
(Decrease) in cash	(2,956)	(729)
Cash, beginning of the year	17,427	18,156
Cash, end of the year	\$ 14,471	\$ 17,427

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

Prosper NWT

Notes to the Consolidated Financial Statements (000's) March 31, 2025

1. The Corporation

a) Authority

Prosper NWT (the Corporation), formerly known as the Northwest Territories Business Development and Investment Corporation was established on April 1, 2005 pursuant to the Northwest Territories Business Development and Investment Corporation Act, which continued as Prosper NWT Act (the Act) effective February 27, 2024 due to the coming in to force of Bill 84, an Act to amend the Northwest Territories Business Development and Investment Corporation Act.

The Corporation is a territorial corporation of the Government of the Northwest Territories (the Government of the NWT) named in Schedule B of the *Financial Administration Act* (the FAA). Accordingly, the Corporation operates in accordance with Part 3 of the FAA, the Act and its regulations, and any directives issued to it by the Minister responsible for the Corporation (the Minister) under Section 4 of the Act.

b) Mandate

The mandate of the Corporation is to support the economic objectives of the Government of the NWT by encouraging the creation and development of business enterprises in the Northwest Territories and by providing information and financial assistance to, and making investments in, such enterprises.

The Corporation and its organizations are economically dependent upon the transfers received from the Government of the NWT for their ongoing operations (Note 17).

Section 26 of the Act also authorizes the Government of the NWT to advance to the Corporation an amount out of the Consolidated Revenue Fund not exceeding \$150 million for the purpose of providing financial assistance to, or making investments in, business enterprises. These advances are repayable to the Government of the NWT on demand.

c) Taxes

The Corporation and its organizations are exempt from the payment of municipal and territorial taxes pursuant to Section 35 of the Act and federal income tax pursuant to Section 149 of the *Income Tax Act* of Canada.

d) Budget

The Consolidated budget figures have been derived from the budgets approved by the Financial Management Board (FMB) and the Corporation's board of directors. Other budgeted amounts have been approved by the Corporation's senior management.

Prosper NWT**Notes to the Consolidated Financial Statements (000's)
March 31, 2025**

2. Summary of significant accounting policies

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

The significant accounting policies followed by the Corporation in the preparation of these Consolidated financial statements are summarized below:

(a) Measurement uncertainty

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

The more significant estimates relate to the determination of the valuation of loans receivable, impaired loans, venture investments, amortization, and the allowance for credit losses, the provision for termination and removal benefits, services received without charge and asset retirement obligations. A variation in the quality of the loan portfolio or economic conditions under which these estimates are made could result in significant changes in these management estimates.

Prosper NWT**Notes to the Consolidated Financial Statements (000's)**
March 31, 2025

2. Summary of significant accounting policies (continued)**(b) Principles of consolidation**

The Consolidated financial statements include the assets, liabilities, revenues and expenses of the reporting entity, which includes the Corporation and the organizations it controls. All inter-entity transactions and balances have been eliminated upon consolidation. These Consolidated financial statements include the accounts of the following organizations:

Organization	Location	Percentage Ownership	Incorporation Date
Light manufacturing			
913044 N.W.T. Ltd.			
(o/a Fort McPherson Tent & Canvas)	Fort McPherson, NT	100%	September 25, 1991
Aklavik & Tuktoyaktuk Furs Ltd.	Tuktoyaktuk, NT	100%	June 30, 1997
Fine arts and crafts			
Acho Dene Native Crafts Ltd.	Fort Liard, NT	100%	October 15, 1992
5983 N.W.T. Ltd.			
(o/a Ulukhaktok Arts Centre)	Ulukhaktok, NT	100%	February 12, 2008
Wholesale/retail stores			
Arctic Canada Trading Co. Ltd.	Yellowknife, NT	100%	June 28, 1997
Muskox Harvesting			
6355 N.W.T. Ltd.	Sachs Harbour, NT	100%	May 12, 2011

On March 26, 2025, Prosper NWT completed a transaction to divest 60% of its ownership interest in Dene Fur Clouds Ltd., a wholly owned subsidiary prior to the transaction. As a result, Prosper NWT lost control over Dene Fur Clouds Ltd. and ceased consolidating its financial results from that date forward.

(c) Cash

Cash is comprised of bank account balances (net of outstanding cheques). Surplus cash is pooled with the Government of NWT's surplus cash that is invested in a diversified portfolio of high-grade, short-term income producing assets which can be withdrawn at any time, and are not restricted by maturity dates on investments made by the Government of NWT. Cash also includes funds and reserves subject to restrictions as described in Note 3.

(d) Accounts receivable

Accounts receivable are recorded at cost. A valuation allowance is recorded when the collection of a receivable is considered doubtful.

Prosper NWT

Notes to the Consolidated Financial Statements (000's)
March 31, 2025

2. Summary of significant accounting policies (continued)

(e) Inventories held for resale

Inventories held for resale consist of finished goods, work-in-process and raw material and are carried at the lower of cost and net realizable value, with cost being determined on a first in, first out basis. In estimating NRV, an allowance for obsolescence is considered to address potential decreases in value due to factors such as inventory age, changing market conditions, and deterioration. The inventory allowances are reviewed annually for each subsidiary to ensure that reported net inventory values represent the expected net realizable value based on age and other factors.

2. Summary of significant accounting policies (continued)**(f) Loans receivable**

Loans receivable are initially recognized at cost. Valuation allowances are used to adjust the carrying amount of loans receivable to the lower of cost and net recoverable value. Concessionary loans are recorded at net present value at issue, and the related present value discounts are expensed. Loans are classified as impaired when, in management's opinion, there is no longer reasonable assurance of the timely collection of the full amount of principal and interest.

Loans are considered in default when payments are three months past due (unless the loan was fully secured), or six months past due (regardless of whether the loan was fully secured).

Loans receivable with concessionary terms are considered in part to be grants and are recorded on the date of issuance at face value discounted by the amount of the grant portion. The discounted value and the effective interest rate are determined using the prime rate adjusted for risk at the date of issuance. At the date of issue, the grant portion is calculated as the difference between the face and discounted value of the loan and recorded as interest expense. The grant portion is recognized as an expense at the date of issuance of the loan or when the concession is provided. These loans are carried at amortized costs with the discount being recorded as an increase in the loan balance and an increase to interest income over the term of the loan using the effective interest rate method.

When a loan is classified as impaired, the carrying amount of the loan is reduced to its estimated net recoverable value through an adjustment to the allowance for credit losses. Subsequent changes in the estimated net recoverable value are also adjusted through the allowance for credit losses.

Interest income is recognized on an accrual basis using the effective interest rate method until such time as the loan is classified as impaired. All payments received (i.e. recoveries) subsequent to a loan, or loan with concessionary terms, being classified as impaired, are offset against the allowance for credit losses. The loan reverts to performing status when all provisions for credit losses are reversed and, in management's opinion, the ultimate collection of principal and interest is reasonably assured. At that time, previously non-accrued interest income is recognized as interest income.

In accordance with the FAA, the Corporation's board of directors may approve the write-off of debts owing to the Corporation. An account that has been written off is still subject to collection action. Once an account has been forgiven, no further collection action is possible.

2. Summary of significant accounting policies (continued)**(g) Allowance for credit losses**

The allowance for credit losses represents management's best estimate of the probable credit losses existing in the loan portfolio. In determining the allowance for credit losses, management segregates probable credit losses into two components: specific and general.

The specific allowance is established on an individual loan basis to recognize credit losses. When a loan is considered impaired, the carrying amount of the loan is reduced to its estimated net recoverable value by discounting the expected future cash flows at the effective interest rate inherent in the loan. If the expected future cash flows cannot be reasonably determined, the fair value of the underlying security of the loan is used to determine net recoverable value.

The general allowance is established using management's best judgment to reflect the probable losses on performing loans which cannot yet be specifically identified as impaired. The general allowance is based on the Corporation's historical loan loss experience, aggregate exposure to particular industries or geographical regions and prevailing economic conditions.

The allowance for credit losses is an accounting estimate based on historical loan loss experience and an assessment of current economic conditions. Events may occur that render the underlying assumptions invalid and thus cause actual credit losses to vary significantly from management's best estimate.

The allowance is increased or decreased by changes in the estimated net recoverable values during the current period and is reduced by recoveries and loan write-offs.

(h) Venture and Portfolio investments

Venture and Portfolio investments are recognized at cost less any write-downs to reflect impairment in value.

Gains and losses on disposal are recognized in income when realized. Where there has been a significant and other than temporary decline in value, the investment is written down to recognize the loss. Dividends from these investments are included in revenue when received. When they are received, they are deposited to the Venture Investment Fund to be used for additional investment activities.

There is no active quoted market.

(i) Accounts payable and accrued liabilities

Accounts payable and accrued liabilities include trade payables and liabilities, accrued payroll and benefits and vacation pay payable. These liabilities are valued at cost.

2. Summary of significant accounting policies (continued)**(j) Asset retirement obligations**

The fair value of an asset retirement obligation is recognized in the period in which the obligation is incurred and is discounted from the expected date of settlement back to its present value using the Corporation's credit-adjusted risk-free rate. The fair value of the estimated obligation is recognized as a liability, with a corresponding increase in the carrying amount of the related asset.

The costs capitalized to the related assets are amortized to earnings in a manner consistent with the amortization of the underlying asset. The liability amount is increased in each reporting period due to the passage of time and the amount of accretion is charged to earnings in the period. Revisions to the estimated timing of cash flows or to the original estimated undiscounted costs could also result in an increase or decrease to the obligation. Actual costs incurred upon settlement of a retirement obligation are charged against the obligation to the extent of the liability recognized.

(k) Revenue

- i) **Government transfers:** Government transfers are recognized as revenue when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfer revenue is recognized in the Consolidated Statement of Operations and Accumulated Surplus as the stipulation liabilities are settled.

The Government of the NWT provides certain services without charge to the Corporation. The estimated cost of these services is recognized as services received without charge, which is included in government transfers, and is included in the Corporation's expenses.

- ii) **Sales and other income:** Revenue from sales is for the sale of goods and is recognized when the title passes to the customer, which generally coincides with the delivery and acceptance of goods.

Revenue for sales as noted above are exchange transactions that are separate performance obligations that are satisfied at a point in time. Revenue is recorded when performance obligations are met, amounts can be reasonably estimated, and collection is reasonably assured.

2. Summary of significant accounting policies (continued)**(l) Post-employment benefits**

- i) **Pension benefits:** Substantially all of the employees of the Corporation are covered by the public service pension plan (the Plan), a contributory defined benefit plan established through legislation and sponsored by the Government of Canada. Contributions are required by both the employees and the Corporation to cover current service cost. Pursuant to legislation currently in place, the Corporation has no legal or constructive obligation to pay further contributions with respect to any past service or funding deficiencies of the Plan. Consequently, contributions are recognized as an expense in the year when employees have rendered service and represent the total pension obligation of the Corporation.
- ii) **Termination and removal benefits:** Employees are entitled to termination benefits and reimbursement of removal costs, as provided for under labour contracts and conditions of employment, based upon years of service. The benefits are paid upon resignation, retirement or death of an employee. The cost of these benefits is accrued as employees render the services necessary to earn them. Termination benefits are also recognized when employees are identified for lay-off. The cost of the benefits has been determined based on an actuary assessment.

(m) Tangible capital assets

Tangible capital assets are carried at cost less accumulated amortization and write-downs. Amortization is recognized on a straight-line basis over the estimated useful lives of the assets as follows:

Land	Not amortized
Buildings	20 years
Vehicle and equipment	4 years
Leasehold improvements	4 years
Computer equipment	4 years

Tangible capital assets are written down when conditions indicate that they no longer contribute to the Corporation's ability to provide goods and services, or when the value of future economic benefits associated with the tangible capital assets are less than their net book value. The net write-downs are accounted for as expenses in the Consolidated Statement of Operations and Accumulated Surplus.

(n) Financial instruments

The Corporation's financial instruments consists of cash, accounts receivable, portfolio investments, loans receivable, venture investments, accounts payable and accrued liabilities, and the advances from the Government of the NWT. These financial instruments are measured at cost.

Prosper NWT**Notes to the Consolidated Financial Statements (000's)
March 31, 2025**

2. Summary of significant accounting policies (continued)**(o) Non-financial assets**

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the normal course of operations. The change in non-financial assets during the year, together with the excess of revenues over expenses, provides the change in net financial assets during the year.

(p) Segment disclosure

The Corporation presents segment information for lending and investment and retail and manufacturing activities. Lending and investment represents the activities of the Corporation and retail and manufacturing represents the activities of the organizations the Corporation controls. Interest on loans receivable and interest on pooled cash are generated from lending and investment activities. Sales and other income are generated from retail and manufacturing activities.

3. Cash

Cash is comprised of cash held by the Corporation for operations, in funds and reserves established under the Act, and for post-employment benefits, as well as cash held by the Corporation's organizations. Cash is pooled with the Government of the NWT's surplus cash that is invested in a diversified portfolio of high-grade, short-term income producing assets. Cash can be withdrawn at any time and is not restricted by maturity dates on investments made by the Government of the NWT. The eligible classes of securities, categories of issuers, limits and terms are approved by the Department of Finance. All instruments, depending on the investment class, are rated R-2 High or better from the Dominion Bond Rating Service Limited. The Corporation earned \$899 in interest at an average investment yield of 5.41% during the year (2024: \$937 at an average investment yield of 5.33%).

In accordance with Section 27 of the Act, the Corporation is required to establish a Loan and Investments Fund for its lending and investing activities. The Program, Projects and Services Continuation Regulations (Regulations) of the Corporation specifies in Part 1 Section 4 (2), that a Loans and Bonds Fund will be used to record the lending operations while in Part 2 Section 19 (2), a Venture Investment Fund will be used to record the venture investment operations. Furthermore, under the Regulations Part 2 Section 18 (2), the Corporation has the obligation to continue to maintain a Capital Fund and the Subsidy Fund.

In addition to these funds, the Corporation is required under the Regulations Part 2 Sections 18 (6) and 19 (5) to establish a Capital Reserve Fund and Venture Reserve Fund, respectively. The Corporation will continue to deposit to the reserve funds an amount equal to 10% of each capital or venture investment made. The Corporation may use the reserve funds for further investment or financing for its organizations and venture investments through approved drawdowns.

The Corporation is responsible for administering post-employment benefits including the cash held (Note 9b).

Prosper NWT**Notes to the Consolidated Financial Statements (000's)**
March 31, 2025

3. Cash (continued)

	000's	
	2025	2024
Cash held by the Corporation for operations	\$ 6,377	\$ 6,241
Cash held by the Corporation's organizations	1,098	1,648
	7,475	7,889
Venture Investment Fund	1,193	1,193
Capital Fund	873	873
Subsidy Fund	237	327
Venture Reserve Fund	758	758
Loans and Bonds Fund	3,788	6,240
Capital Reserve Fund	147	147
	6,996	9,538
	\$ 14,471	\$ 17,427

4. Accounts receivable

	000's	
	2025	2024
Receivables	\$ 231	\$ 195
Receivables from the Government of the NWT	334	88
Receivables from the Government of Canada	275	219
Less: provision for doubtful accounts	(150)	(116)
	\$ 690	\$ 386

Prosper NWT**Notes to the Consolidated Financial Statements (000's)**
March 31, 2025

5. Inventories held for sale

	000's	
	2025	2024
Arts and crafts	\$ 25	\$ 52
Canvas products	83	103
	\$ 108	\$ 155

During the year, \$13 of inventories were written down (2024: \$23) and no inventories were pledged as security. Also during the year, the Corporation had \$148 recoveries on inventory that had been previously written down (2024: \$91). Inventory write-downs and recoveries are included in the cost of goods sold. The Corporation's write down estimate is five years.

6. Loans receivable

The Corporation provides variable and fixed rate loans for periods up to five years with the amortization period not to exceed twenty-five years.

The Corporation charges its clients prime plus 2%, 3%, or 4%, depending on the security provided, client's management ability, the client's investment, and the amortization period. The Corporation holds various types of security on its loans, including real property, equipment, guarantees and general security agreements. Loans receivable are expected to mature as follows:

		000's	
		2025	2024
	Rate Range	Balances	Balances
	%		%
Performing	1 year*	1.75-6.95 \$ 6,352	2.95-6.75 \$ 3,292
loans due	1-2 years*	1.75-6.45 9,366	1.75-6.45 7,167
within:	2-3 years	4.45-8.95 9,255	1.75-6.45 10,478
	3-4 years	2.00-11.20 4,429	3.00-8.95 9,365
	over 4 years	6.95-9.20 2,158	2.95-11.00 4,135
		31,560	34,437
Accrued loan interest receivable		150	332
Impaired loans		7,076	9,024
		38,786	43,793
Less: allowance for credit losses (Note 7)		3,696	3,745
		\$ 35,090	\$ 40,048

* See loans with concessionary terms below.

In 2025, no Loans receivable were written off (2024: \$nil) by the board of directors. Six loans receivable amounting to \$740 were forgiven (2024: no loan receivables were forgiven) by the FMB.

Prosper NWT**Notes to the Consolidated Financial Statements (000's)**
March 31, 2025

6. Loans receivable (continued)**Concentration of credit risk**

Concentration of credit risk may arise from exposure to groups of debtors having similar characteristics such that their ability to meet their obligations may be affected similarly by changes in economic or other conditions. The concentrations of performing loans and impaired loans by industry sector and geographic concentrations are displayed in the following tables:

Industry sector concentration

Sectors	000's			
	2025		2024	
	Performing	Impaired	Performing	Impaired
Accommodations, food and beverage	\$ 3,991	\$ 1,990	\$ 4,993	\$ 2,342
Agriculture	559	1,869	181	2,255
Arts and craft	1	309	3	322
Business services	670	-	301	-
Communication	-	334	-	406
Construction	5,613	1,338	5,809	1,799
Educational services	5	-	11	-
Entertainment and recreation	497	-	521	-
Finance and insurance	227	-	252	-
Fisheries and wildlife	12	-	22	10
Forestry and logging	288	-	-	-
Healthcare	19	-	37	-
Information and cultural industries	17	-	36	-
Management of companies	1,123	-	1,144	-
Manufacturing	414	-	1,193	-
Mining	251	-	269	-
Oil and gas	-	333	-	339
Other services	1,677	33	1,891	33
Professional, scientific and technical services	301	-	377	-
Real estate	5,161	-	5,496	127
Retail	6,625	200	7,748	658
Transportation and storage	2,620	14	3,157	25
Travel and tourism	1,047	656	436	708
Wholesale	442	-	560	-
	\$ 31,560	\$ 7,076	\$ 34,437	\$ 9,024

Prosper NWT**Notes to the Consolidated Financial Statements (000's)**
March 31, 2025

6. Loans receivable (continued)**Geographic concentration**

Region	000's			
	2025		2024	
	Performing	Impaired	Performing	Impaired
Beaufort-Delta	\$ 3,028	\$ 204	\$ 2,958	\$ 387
Dehcho	6,481	460	6,287	508
North Slave	5,604	5,152	6,186	5,737
Sahtu	3,346	14	3,313	15
South Slave	13,101	1,246	15,693	2,377
	\$ 31,560	\$ 7,076	\$ 34,437	\$ 9,024

The following table illustrates performing loans outstanding classified by the Corporation's credit risk rating system:

Credit risk rating	000's	
	2025	2024
Low	\$ 16,123	\$ 19,165
Medium	14,610	13,659
High	827	1,613
	\$ 31,560	\$ 34,437

The Corporation considers a loan past due when a client has not made a payment in accordance with the payment terms. The following table presents the carrying value of loans that are past due but not classified as impaired because they did not meet the criteria of impairment:

Loans past due but not impaired	2025	2024
31 - 60 days	1	3
61 - 90 days	-	-
Over 90 days	2	-
	3	3

Prosper NWT**Notes to the Consolidated Financial Statements (000's)**
March 31, 2025

6. Loans receivable (continued)

The risk exposure relating to loans is directly impacted by the clients' ability to meet their obligations. Among other factors, this ability is impacted by the clients' exposure to fluctuations in the economy of the Northwest Territories. To mitigate this risk, the Corporation limits the concentration of loans with any individual client. Under its regulations, the maximum the Corporation can lend to or invest in any one business enterprise or group of related enterprises is \$2 million. Amounts greater than \$2 million must be approved by the FMB. There were no loans approved by the FMB in 2025 (2024: nil).

The table represents loans receivable with and without concessionary terms before allowance:

Concessionary terms	000's	
	2025	2024
With no concessionary terms	\$ 38,227	\$ 42,742
With concessionary terms	409	719
Accrued loan interest receivable	150	332
	\$ 38,786	\$ 43,793

Economic relief measure extended - Loans with concessionary terms

The Corporation offered low interest working capital loans during the pandemic in 2021. Loans up to \$25 or higher in certain circumstances, were provided to qualified businesses at a rate of 1.75% on unsecured loans, which normally have an interest rate of 6.45% (prime + 4%). These loans receivable have been reduced by \$11 (2024: \$40) under the concessionary terms.

The specific allowance on loans with concessionary terms is \$55 (2024: \$75).

Prosper NWT**Notes to the Consolidated Financial Statements (000's)**
March 31, 2025

7. Allowance for credit losses

	000's	
	2025	2024
Balance, beginning of year	\$ 3,745	\$ 4,038
Provision for credit losses	239	165
Recoveries from repayments of allowance	(288)	(458)
Balance, end of year	3,696	3,745
Comprised of:		
Specific allowance*	3,065	3,282
General allowance	631	463
Balance, end of year	\$ 3,696	\$ 3,745

*The specific allowance includes \$55 (2024: \$75) for the economic relief working capital loans that were disbursed in 2021 (Note 6).

8. Investments**(a) Venture investments**

The Corporation's portfolio of venture investments is focused on providing financing in the form of preferred shares and debt to companies in the Northwest Territories. As at March 31, 2025, the Corporation does not have significant influence in the companies in which it has invested.

The total cumulative venture investments at March 31, 2025 were \$3,318 (2024: \$3,318) with accumulated write-downs of \$593 (2024: \$593). In 2025, no venture investments were approved for write-off (2024: nil) by the board and no forgiveness by the FMB (2024: nil).

Investments in preferred shares carry the right of conversion to common shares. This right, if exercised, may result in the holding of a controlling interest under certain circumstances. Preferred shares are redeemable at the option of the Issuer and earn dividends at either fixed or variable rates. Investment yields vary from year to year due to the amount and timing of the dividends received.

(b) Disposal of subsidiary and portfolio investments

On March 26, 2025, Prosper NWT disposed of 60% of its interest in its subsidiary, Dene Fur Clouds Ltd., resulting in a loss of control. Prior to disposal, the subsidiary's financial results were consolidated into these financial statements. As a result, Prosper NWT ceased consolidating its financial results from that date forward.

Prosper NWT**Notes to the Consolidated Financial Statements (000's)**
March 31, 2025

Item	Amount
Cash proceeds received	Three dollars
Ordinary shares retained and reclassified to Portfolio investments - Ordinary shares	Two dollars
Preference shares retained and reclassified to Portfolio investments - Preference shares	\$230
Total consideration and retained investment	Two hundred and thirty thousand and five dollars
Carrying amount of subsidiary's net assets derecognised	\$111
Gain (loss) on disposal	\$119

The retained preference and ordinary shares in Dene Fur Clouds are classified as portfolio investments in accordance with PS 3041, *Portfolio Investments*, and are measured at cost

Fair value information is not disclosed because these shares are not quoted in an active market, and cost is used as a proxy for value.

At March 31, 2025, no indicators of an other-than-temporary decline in value were identified, and no write-downs were recorded.

Dividends from these investments will be recognized as revenue in the Statement of Operations and Accumulated Surplus when declared..

9. Employment and post-employment benefits**(a) Pension benefits**

Substantially all of the employees of the Corporation are covered by the Plan (Note 2(l)(i)). Contributions are required by both the employees and the Corporation. The President of the Treasury Board of Canada sets the required employer contributions based on a multiple of the employees' required contribution. The required employer contribution rate is dependent on the employee's employment start date.

Prosper NWT**Notes to the Consolidated Financial Statements (000's)**
March 31, 2025

9. Employment and post-employment benefits (continued)**(a) Pension benefits (continued)**

For employment start dates before January 1, 2013, the Corporation's contribution rate effective at year-end was 1.02 times (2024: 1.03) the employee's contribution; and for employment start dates after December 31, 2012, the Corporation's contribution rate effective at year-end was 1.0 times (2024: 1.0) the employee's contribution. Total contributions of \$130 (2024: \$160) were recognized as an expense in the current year. The Corporation's and employees' contributions to the Plan for the year were as follows:

	000's	
	2025	2024
Corporation's contributions	\$ 130	\$ 160
Employees' contributions	129	158

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% of pensionable service times the average of the best five consecutive years of earnings. The benefits are coordinated with Canada Pension Plan and they are indexed to the increase in the Consumer Price Index.

Prosper NWT**Notes to the Consolidated Financial Statements (000's)**
March 31, 2025

9. Employment and post-employment benefits (continued)**(b) Termination, removal benefits and leave**

The Corporation provides termination benefits to employees based on years of service and final salary (Note 2(l) ii)). It also provides removal assistance, along with sick and special leave to employees, as provided under labour contracts. This benefit plan is pre-funded from current contributions and recognized as part of cash.

The most recent actuarial valuation was completed in February 2025 and the information has been extrapolated to year-end. The values presented below are for the benefits under the severance, removal and compensated absences for the Corporation.

Change in Obligation	000's	
	2025	2024
Accrued benefit obligation, beginning of year	\$ 135	\$ 159
Current period benefit cost	8	9
Interest cost	7	7
Benefits payments	(3)	(106)
Actuarial (gain)/loss	(32)	66
Accrued benefit obligation, end of year	115	135
Unamortized actuarial gain	67	44
Accrued benefit liability*	\$ 182	\$ 179

*Total retirement, post-employment, and other leave benefits includes \$148 (2024: \$147) related to severance and removal and \$34 (2024: \$32) related to compensated absences.

Benefits Expense	000's	
	2025	2024
Current period benefit cost	\$ 8	\$ 9
Interest cost	7	7
Amortization of actuarial gain	(9)	(13)
Post-employment benefits	\$ 6	\$ 3

The discount rate used to determine the accrued benefit obligation is an average of 4.30% (2024: 5.30%). The assumed rate of compensation increase is 2% (2024: 2%). Unamortized actuarial gains and losses are amortized straight line over the expected average remaining service lives of active employees which is 10.6 years (2024: 10.3 years). No inflation was applied.

Prosper NWT**Notes to the Consolidated Financial Statements (000's)**
March 31, 2025

10. Advances from the Government of the Northwest Territories

For the purpose of providing financial assistance to or making investments in business enterprises, the Act authorizes the Corporation to borrow from the Government of the NWT through advances. Increases to the outstanding balance of the advances must be approved by the FMB based on the needs of the Corporation. The balance was not to exceed \$45 million (2024: \$45 million) as at March 31, 2025.

Interest on the advances is based on the rate set during the last week of each month for the Government of Canada 3-year bonds, compounded annually. The rate varied from 2.61% to 4.18% (2024: 3.48% to 4.72%) during the year.

	000's	
	2025	2024
Balance, beginning of year:	\$ 23,377	\$ 24,898
Interest expense and cost of interest (Note 12)	637	979
Repayments of advances (Note 18)	(9,000)	(2,500)
Balance, end of year	\$ 15,014	\$ 23,377

During the year, no advances were provided to the Corporation (2024: nil) to cover new loans receivable. The \$9,000 (2024: \$2,500) paid during the year represents \$8,317 (2024: \$1,159) in principal and \$683 (2024: \$1,341) in interest.

11. Government transfers

	000's					
	2025			2024		
	Lending/ Investments	Retail/ Manufacturing	Total	Lending/ Investments	Retail/ Manufacturing	Total
Government of the NWT:						
Operations and maintenance	\$ 1,632	\$ 200	\$ 1,832	\$ 1,924	\$ 200	\$ 2,124
Services received without charge (Note 16)	645	-	645	598	-	598
	2,277	200	2,477	2,522	200	2,722
Federal programs	392	-	392	292	-	292
	\$ 2,669	\$ 200	\$ 2,869	\$ 2,814	\$ 200	\$ 3,014

A stipulation included in the agreement is for any unspent funds to be repaid to the Government of the NWT. There were nil unspent amounts in 2025 (2024: nil).

Prosper NWT

Notes to Consolidated Financial Statements (000's) March 31, 2025

12. Consolidated budgeted figures and expenses by object

	000's							
	2025				2024			
	Total Budget	Lending/ Investments	Retail/ Manufacturing	Total	Total Budget	Lending/ Investments	Retail/ Manufacturing	Total
Advertising and promotion	\$ 87	\$ 30	\$ 43	\$ 73	\$ 49	\$ 12	\$ 1	\$ 13
Amortization	20	-	11	11	24	-	11	11
Asset retirement	13	-	2	2	3	-	12	12
Bad debts (recovery)	7	-	29	29	3	-	(10)	(10)
Bank charges and interest	29	4	22	26	29	2	23	25
Board members	92	50	3	53	69	32	1	33
Business Development Fund	-	-	-	-	200	-	-	-
Business Service Centre	275	225	-	225	275	240	-	240
Compensation and benefits*	2,846	2,681	229	2,910	3,035	2,546	245	2,791
Computers and communications	138	121	27	148	134	115	24	139
Cost of goods sold	704	-	641	641	607	-	731	731
Digital technology support	563	363	-	363	159	141	-	141
Emergency support services **	-	-	-	-	-	752	-	752
Insurance	30	-	44	44	33	-	32	32
Interest expense and cost of interest rate reduction	1,467	637	-	637	860	979	-	979
Office and general	88	49	32	81	80	53	20	73
Professional services	448	155	186	341	236	191	122	313
Provision for (recovery of) credit losses (net)	510	(57)	-	(57)	558	(293)	-	(293)
Rent	187	191	14	205	185	186	16	202
Repairs and maintenance	46	-	3	3	-	-	16	16
Training and workshops	86	18	-	18	-	18	-	18
Travel	81	45	11	56	90	3	12	15
Utilities	57	-	32	32	45	-	43	43
	\$ 7,774	\$ 4,512	\$ 1,329	\$ 5,841	\$ 6,674	\$ 4,977	\$ 1,299	\$ 6,276

*Compensation and benefits include the estimated cost of staff support services provided without charge by the Department of Industry, Tourism and Investment of \$414 (2024: \$372). See Note 16.

**There were no expenditures under the Wildfire Assistance Relief Measures (WARM) program during the fiscal year ended March 31, 2025 (2024:\$752).

Prosper NWT**Notes to the Consolidated Financial Statements (000's)
March 31, 2025**

13. Contractual obligations

As at March 31, 2025, there were no loans to businesses approved but not yet disbursed (2024: nil). These loans do not form part of the loans receivable balance until disbursed. Also as at March 31, 2025, there were no approved ventures not disbursed (2024: nil) and all contributions to businesses approved have been disbursed (2024: all).

14. Contingencies**Loans**

The Corporation has one outstanding loan to a Northern Community Futures organization for their own lending purposes totaling \$228 (2024: one loan totaling \$252). Loans provided by this organization may be assigned to the Corporation when impaired. If assigned, the Corporation would then write off the Northern Community Futures organization loan balance and would attempt to recuperate its loss directly from the borrowers. In 2025, no accounts were assigned to the Corporation (2024: nil).

Letters of credit

The Corporation has one outstanding irrevocable standby letter of credit. The amounts of this letter of credit totaled \$2,000 (2024: \$2,000) and expire in fiscal 2026. Payment by the Corporation is due from this letter in the event that the applicants are in default of the underlying debt. To the extent that the Corporation has to pay out to third parties as a result of these agreements, these payments will be owed to the Corporation by the applicants. Each letter of credit is secured by a promissory note, general security agreement, guarantee or collateral mortgage. During the year, no payments were made (2024: nil).

15. Related party transactions

The Corporation is related in terms of common ownership to all Government of the NWT created departments, territorial corporations, public agencies, its board of directors and key management personnel and their close family members. The Corporation enters into transactions with these entities in the normal course of business and on normal trade terms applicable to all individuals and enterprises except that certain services are provided without charge (Note 16).

Prosper NWT**Notes to the Consolidated Financial Statements (000's)**
March 31, 2025

15. Related party transactions (continued)

Transactions with related parties during the year and balances at year end are as follows:

	000's	
	2025	2024
Revenues		
Sales	\$ 15	\$ 22
Government of the NWT transfers (Note 11)	2,477	2,850
Expenses		
Purchases	62	155
Services received without charge (Note 16)	645	598
Interest on advances from the Government of the NWT	637	979
Balances at year end		
Accounts receivable	90	81
Accounts payable and accrued liabilities	630	381
Advances from the Government of the NWT	15,014	23,377

16. Services received without charge

The Corporation records the estimated cost of services provided by the Government of the NWT without charge. Services received without charge from the Government of the NWT include regional and human resource services and office accommodation. The estimated cost of such services is as follows:

	000's	
	2025	2024
Staff support from the Department of Industry, Tourism, and Investment	\$ 414	\$ 372
Accommodation provided by the Department of Infrastructure	231	226
	645	598

17. Economic dependence

The Corporation received 37% (2024: 38.5%) of its revenues in the form of a contribution and services without charge from the Government of the NWT. The Corporation's continued operations are dependent on these arrangements.

18. Risk management

The Corporation is exposed to the following risks as a result of holding financial instruments:

Prosper NWT**Notes to the Consolidated Financial Statements (000's)**
March 31, 2025

18. Risk management (continued)**Credit risk**

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to meet its obligations.

The risk associated with cash is minimized substantially by ensuring that these financial assets are placed with well-capitalized financial institutions.

Credit granting and loan management are based on established credit policies. The maximum exposure to credit risk from borrowers and investees is limited to the carrying amount of the loans and investments. The Corporation's management of credit exposures from borrowers and investees includes:

- a standardized credit risk rating classification system established for all loans;
- credit policies and directives, communicated to lending officers whose activities and responsibilities include credit granting and monitoring client performance;
- Application Review Committee (consisting of senior management) reviews and approves loans over \$500,000; and
- limiting the concentration of loans and investments with any one business enterprise or group of related enterprises to \$2 million. Amounts greater than \$2 million must be approved by the FMB.

The principal collateral held as security and other credit enhancements for loans include real property, equipment, guarantees, and general security agreements.

As at March 31, 2025, \$5,381 (2024: \$2,075) of the impaired loans are fully secured by assets the Corporation has the ability to sell in order to satisfy borrowers' commitments. There were no significant changes to the Corporation's credit risk management policies and practices from the prior year.

The table below illustrates the maximum credit exposure to the Corporation if all counterparties defaulted on March 31, 2025:

	000's	
	2025	2024
Cash	\$ 14,471	\$ 17,427
Accounts receivable	690	386
Loans receivable	35,090	40,048
Letters of credit	2,000	2,000

Prosper NWT**Notes to the Consolidated Financial Statements (000's)
March 31, 2025**

18. Risk management (continued)**Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Corporation is exposed to interest rate risk in that changes in market interest rates will cause fluctuations in the future cash flows of the advances from the Government of the NWT, fluctuations in the fair value and future cash flows of loans receivable, and interest revenue from cash.

The Corporation's borrowing from the Government of the NWT is based on a variable market rate and it lends to the majority of its clients at fixed term rates. The Corporation's interest rate margin or spread widens when interest rates fall and it narrows when interest rates rise.

The Corporation manages its interest rate risk by paying down the advances from the Government of the NWT with cash available from the Loans and Bonds fund. During the year, the repayment of advances amounting to \$9,000 (Note 10) were made to the Government of the NWT (2024: \$2,500).

Based on the Corporation's advances from the Government of the NWT as at March 31, 2025, and the monthly cash balance on hand, a 100-basis point increase in interest rates would decrease annual surplus by \$38 (2024: decrease of \$78). A 100-basis point decrease in interest rates would increase annual surplus by \$34 (2024: increase of \$75).

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting its obligations associated with financial liabilities. The Corporation manages its liquidity risk by regularly monitoring forecasted and actual cash flows.

The advances from the Government of the NWT are due on demand with no fixed repayment terms. Repayment on advances is made whenever the Corporation has sufficient cash on hand which is not earmarked for lending purposes.

Accounts payable and accrued liabilities are expected to be settled within the next 12 months.

Prosper NWT**Consolidated Schedule of Tangible Capital Assets (000's)**
March 31, 2025

Schedule A

		Land	Buildings	Vehicle and Equipment	Leasehold Improvements	Computer Equipment	March 31, 2025	March 31, 2024
Cost of tangible capital assets, opening	\$	78	\$ 1,789	\$ 640	\$ 540	\$ 9	\$ 3,056	\$ 3,056
Acquisitions		-	-	-	-	-	-	-
Disposals		-	(5)	(12)	(14)	-	(31)	-
Cost of tangible capital assets, closing		78	1,784	628	526	9	3,025	3,056
Accumulated amortization, opening		-	1,733	640	540	9	2,922	2,911
Amortization expense		-	11	-	-	-	11	11
Disposals		-	(5)	(12)	(14)	-	(31)	-
Accumulated amortization, closing		-	1,739	628	526	9	2,902	2,922
Net book value	\$	78	\$ 45	\$ -	\$ -	\$ -	\$ 123	\$ 134

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



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