



Public Accounts 2018-2019

Section I

Consolidated Financial Statements



Government of
Northwest Territories

PUBLIC ACCOUNTS
OF THE
GOVERNMENT OF THE NORTHWEST TERRITORIES
FOR THE YEAR ENDED MARCH 31, 2019

SECTION I
CONSOLIDATED FINANCIAL STATEMENTS

HONOURABLE CAROLINE WAWZONEK
Minister of Finance

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**THE HONOURABLE MARGARET M. THOM
COMMISSIONER OF THE NORTHWEST TERRITORIES**

I have the honour to present the Public Accounts of the Northwest Territories in accordance with Sections 37 through 43 of the *Northwest Territories Act (Canada)*, S.C. 2014, c.2, s.2, and Sections 34 through 35 of the *Financial Administration Act*, S.N.W.T. 2015, c.13, for the fiscal year ended March 31, 2019.



Honourable Caroline Wawzonek
Minister of Finance

November 27, 2019

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**Public Accounts of the
Government of the Northwest Territories**

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FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

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RESPONSIBILITY FOR FINANCIAL REPORTING

The preparation of the consolidated financial statements of the Government of the Northwest Territories (the Government), and related information contained in the Public Accounts, is the responsibility of the Government through the Office of the Comptroller General.

The consolidated financial statements have been prepared 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.

The Government fulfills its accounting and reporting responsibilities, through the Office of the Comptroller General, by maintaining systems of financial management and internal control. The systems are continually enhanced and modified to provide timely and accurate information, to safeguard and control the Government's assets, and to ensure that all transactions are in accordance with the *Financial Administration Act*.

The Auditor General of Canada performs an annual audit on the consolidated financial statements in order to express an opinion as to whether the consolidated financial statements present fairly, in all material respects, the financial position of the Government, the results of its operations, the change in its net debt, and its cash flows for the year then ended in accordance with PSAS. During the course of the audit, he also examines transactions that have come to his notice, to ensure they are, in all significant respects, within the statutory powers of the Government and those organizations included in the consolidated financial statements.

Jamie Koe, CPA, CGA
Comptroller General
Government of the Northwest Territories

November 27, 2019

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Office of the
Auditor General
of Canada

Bureau du
vérificateur général
du Canada

INDEPENDENT AUDITOR'S REPORT

To the Legislative Assembly of the Northwest Territories

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of the Government of the Northwest Territories and its controlled entities (the Group), which comprise the consolidated statement of financial position as at 31 March 2019, and the consolidated statement of operations and accumulated surplus, consolidated statement of change in net debt 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 2019, and the consolidated results of its operations, consolidated changes in its net debt, 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 Section I of the Public Accounts 2018-2019, but does not include the consolidated financial statements and our auditor's report thereon.

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

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

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

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

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

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

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

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

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

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

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

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

Report on Compliance with Specified Authorities

Opinion

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

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

Responsibilities of Management for Compliance with Specified Authorities

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

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

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

A handwritten signature in black ink, appearing to read 'Sylvain Ricard', written in a cursive style.

Sylvain Ricard, CPA, CA
Interim Auditor General of Canada

Ottawa, Canada
27 November 2019

Government of the Northwest Territories**Consolidated Statement of Financial Position**



as at March 31, 2019

(thousands of dollars)

	2019	2018 (Restated - Note 3)
	\$	\$
Financial assets		
Cash	110,370	135,897
Portfolio investments (note 4)	82,430	87,680
Due from the Government of Canada (note 10)	75,528	64,751
Accounts receivable (note 5)	108,568	125,157
Inventories for resale	32,423	32,253
Loans receivable (note 6)	78,022	79,260
	487,341	524,998
Liabilities		
Short term loans (note 7)	333,519	297,076
Accounts payable and accrued liabilities (note 8)	312,565	290,087
Deferred revenue	22,091	18,503
Environmental liabilities and asset retirement obligations (note 9)	70,558	70,033
Due to the Government of Canada (note 10)	135,215	118,556
Capital lease obligations (note 11)	17,558	18,620
Long-term debt (note 11)	395,642	413,042
Liabilities under public private partnerships (note 12)	235,721	196,081
Pensions (note 13)	22,850	24,625
Other employee future benefits and compensated absences (note 14)	66,204	73,757
	1,611,923	1,520,380
Net debt	(1,124,582)	(995,382)
Non-financial assets		
Tangible capital assets (schedule A)	3,452,889	3,320,482
Inventories held for use	15,970	14,418
Prepaid expenses	13,647	14,276
	3,482,506	3,349,176
Accumulated surplus	2,357,924	2,353,794

Contractual obligations, rights, guarantees and contingencies (notes 16 and 17)

Approved:


Caroline Wawzonek
Minister of Finance
Jamie Koe, CPA, CGA
Comptroller General

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

Government of the Northwest Territories

Consolidated Statement of Operations and Accumulated Surplus

for the year ended March 31, 2019

(thousands of dollars)

	2019 Budget	2019 Actual	2018 Actual (Restated - Note 3)
	\$	\$	\$
Revenues			
Grant from the Government of Canada <i>(note 2(l))</i>	1,256,289	1,256,289	1,232,439
Transfer payments <i>(note 18)</i>	173,596	210,071	213,732
	1,429,885	1,466,360	1,446,171
Taxation, non-renewable resource and general revenues			
Corporate and personal income taxes <i>(note 18)</i>	134,375	105,856	147,536
Other taxes <i>(note 18)</i>	127,101	124,528	122,742
General <i>(note 18)</i>	68,793	74,670	77,932
Income from portfolio investments	1,046	3,393	3,834
Non-renewable resource revenue	16,020	23,258	66,115
Sales	167,316	185,197	177,806
Recoveries	42,307	40,708	35,697
	556,958	557,610	631,662
Recoveries of prior years' expenses	3,000	13,625	15,042
	1,989,843	2,037,595	2,092,875
Expenses (schedule B) (note 19)			
Environment and Economic Development	158,902	155,987	165,736
Infrastructure	405,581	438,975	392,825
Education	350,863	362,535	349,812
Health, Social Services and Housing	604,935	606,392	552,168
Justice	126,093	129,544	125,339
General Government	334,015	320,464	327,681
Legislative Assembly and statutory offices	20,790	19,568	18,372
	2,001,179	2,033,465	1,931,933
Annual operating surplus	(11,336)	4,130	160,942
Projects on behalf of third parties			
Expenses	(109,906)	(111,998)	(105,495)
Recoveries	109,906	111,998	105,495
Annual surplus	(11,336)	4,130	160,942
Accumulated surplus at beginning of year	2,353,794	2,353,794	2,192,852
Accumulated surplus at end of year	2,342,458	2,357,924	2,353,794

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

Government of the Northwest Territories

Consolidated Statement of Change in Net Debt

for the year ended March 31, 2019

(thousands of dollars)

	2019 Budget	2019 Actual	2018 Actual (Restated - Note 3)
	\$	\$	\$
Net debt at beginning of year (restated)	(995,382)	(995,382)	(969,134)
Items affecting net debt:			
Annual surplus	(11,336)	4,130	160,942
Acquisition of tangible capital assets (<i>schedule A</i>)	(287,246)	(280,365)	(314,215)
Amortization of tangible capital assets (<i>schedule A</i>)	134,521	146,662	123,464
Loss on sale of tangible capital assets	3,267	1,012	2,406
Proceeds on sale of tangible capital assets	-	284	6,685
	(160,794)	(128,277)	(20,718)
Consumption of inventories held for use	5,630	14,682	16,201
Purchase of inventories held for use	(5,772)	(16,234)	(16,040)
Change in prepaid expenses	(100)	629	(5,691)
	(242)	(923)	(5,530)
Change in net debt	(161,036)	(129,200)	(26,248)
Net debt at end of year	(1,156,418)	(1,124,582)	(995,382)

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

Government of the Northwest Territories

Consolidated Statement of Cash Flow

for the year ended March 31, 2019

(thousands of dollars)

	2019 \$	2018 \$
Cash provided by (used in)		
Operating transactions		
Annual surplus*	4,130	160,942
Items not affecting cash:		
Change in valuation allowances	5,945	3,687
Loss on tangible capital assets	1,012	2,406
Amortization	146,662	123,464
Inflation adjustment on real return bonds	2,709	2,139
	160,458	292,638
Changes in non-cash assets and liabilities:		
Change in due to/from the Government of Canada	5,882	(25,927)
Change in accounts receivable	12,581	(799)
Change in inventories for resale	(170)	(3,980)
Change in accounts payable	20,215	(329)
Change in environmental liabilities and asset retirement obligations	1,408	(2,459)
Change in deferred revenue	3,588	(1,107)
Change in pensions	(1,776)	(771)
Change in other employee future benefits and compensated absences	(7,553)	(9,702)
Change in inventories held for use	(1,552)	161
Change in prepaid expenses	629	(5,691)
Cash provided by operating transactions	193,710	242,034
Investing transactions		
Disposition of portfolio investments	15,707	28,726
Acquisition of portfolio investments	(10,457)	(15,999)
Loans receivable receipts	9,427	9,695
Loans receivable advanced	(10,083)	(12,836)
Cash provided by investing transactions	4,594	9,586
Capital transactions		
Acquisition of tangible capital assets	(236,786)	(280,302)
Proceeds of disposition of tangible capital assets	284	6,685
Cash used for capital transactions	(236,502)	(273,617)
Financing transactions		
Net proceeds from short term loans	36,443	62,269
Repayment of capital lease obligations	(1,063)	(1,334)
Repayment of long-term financing	(20,109)	(8,765)
Repayment of Public private partnerships	(2,600)	(11,000)
Cash provided by financing activities	12,671	41,170
Increase (decrease) in cash	(25,527)	19,173
Cash at beginning of year	135,897	116,724
Cash at end of year	110,370	135,897

*Total interest paid during the year \$36,711 (2018 - \$29,499)

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

Government of the Northwest Territories

Notes to Consolidated Financial Statements

March 31, 2019

(All figures in thousands of dollars)

1. AUTHORITY AND OPERATIONS

(a) Authority and reporting entity

The Government of the Northwest Territories (the Government) operates under the authority of the *Northwest Territories Act* (Canada). The Government has an elected Legislative Assembly which authorizes all disbursements, advances, loans and investments unless specifically authorized by statute.

The consolidated financial statements have been prepared in accordance with the *Northwest Territories Act* (Canada) and the *Financial Administration Act* of the Northwest Territories. The consolidated financial statements present summary information and serve as a means for the Government to show its accountability for the resources, obligations and financial affairs for which it is responsible. The following lists the organizations comprising the Government reporting entity, which are fully consolidated in the financial statements and their specific operating authority.

Education Act

- Beaufort-Delta Divisional Education Council
- Commission scolaire francophone Territoires du Nord-Ouest
- Dehcho Divisional Education Council
- Dettah District Education Authority
- N'dilo District Education Authority
- Sahtu Divisional Education Council
- South Slave Divisional Education Council
- Yellowknife Public Denominational District Education Authority (Yellowknife Catholic Schools)
- Yellowknife District No.1 Education Authority

Aurora College Act

- Aurora College

Hospital Insurance and Health and Social Services Administration Act

- Hay River Health and Social Services Authority
- Northwest Territories Health and Social Services Authority

Tlicho Community Services Agency Act

- Tlicho Community Services Agency

Northwest Territories Business Development and Investment Corporation Act

- Northwest Territories Business Development and Investment Corporation

Northwest Territories Housing Corporation Act

- Northwest Territories Housing Corporation

Human Rights Act

- Northwest Territories Human Rights Commission

Northwest Territories Societies Act

- Northwest Territories Sport and Recreation Council
- Arctic Energy Alliance

Status of Women Council Act

- Status of Women Council of the Northwest Territories

Northwest Territories Heritage Fund Act

- Northwest Territories Heritage Fund

Northwest Territories Waters Act

- Inuvialuit Water Board

Northwest Territories Hydro Corporation Act

- Northwest Territories Hydro Corporation (NT Hydro)

Northwest Territories Surface Rights Board Act

- Northwest Territories Surface Rights Board

Government of the Northwest Territories

Notes to Consolidated Financial Statements

March 31, 2019

(All figures in thousands of dollars)

1. AUTHORITY AND OPERATIONS (continued)

(a) Authority and reporting entity (continued)

All organizations included in the Government reporting entity have a March 31 fiscal year-end with the exception of Aurora College, Divisional Education Councils and District Education Authorities, which have a fiscal year-end of June 30. Transactions of these educational organizations that have occurred during the period to March 31, 2019 and that significantly affect the consolidation have been recorded. Revolving funds are incorporated directly into the Government's accounts while trust assets administered by the Government on behalf of other parties (*note 15*) are excluded from the Government reporting entity. Revolving Funds are segments of the Government that are engaged in commercial activities, with undefined and non-lapsing expense authority.

(b) Budget

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(a) Measurement uncertainty

The preparation of consolidated financial statements in accordance with Canadian public sector accounting standards requires the Government to make estimates and assumptions that affect the amounts of assets, liabilities, revenues and expenses reported in the financial statements. 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 statements, the Government believes the estimates and assumptions to be reasonable.

The more significant management estimates relate to environmental liabilities, asset retirement obligations, contingencies, revenue accruals, allowances for doubtful accounts for accounts receivable, valuation allowances for loans receivable, and amortization expense. Other estimates, such as the Canada Health Transfer payments, Canada Social Transfer payments, and Corporate and Personal Income Tax revenues are based on estimates made by the Government of Canada's Department of Finance and are subject to adjustments in future years.

(b) Cash

Cash is comprised of bank account balances, net of outstanding cheques and short-term highly liquid investments that are readily convertible to cash with a maturity date of 90 days or less from the date of acquisition.

Government of the Northwest Territories

Notes to Consolidated Financial Statements

March 31, 2019

(All figures in thousands of dollars)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Portfolio investments

Portfolio investments are long-term investments in organizations that do not form part of the government reporting entity and are accounted for by the cost or amortized cost method. Such investments are normally in shares and bonds of the investee. When there has been a loss in value of a portfolio investment that is other than a temporary decline, the investment is written down to recognize the loss and it is included as a component of investment income. Interest income is recorded on the accrual basis, dividend income is recognized as it is declared and capital gains and losses are recognized when realized.

(d) Inventories

Inventories for resale consist mainly of bulk fuels, liquor products, and arts and crafts. Bulk fuels are valued at the lower of weighted average cost and net realizable value. Liquor products are valued at the lower of cost and net realizable value. Inventories held for use by NT Hydro consist of materials and supplies, lubricants, critical spare parts, and fuel and are recorded at cost as determined using the weighted average cost method. The remaining inventories held for use (including housing materials and supplies, and hospital supplies) are valued at the lower of cost, determined on a first in, first out basis, and net replacement value. Impairments, when recognized, result in write-downs to net realizable value.

(e) Loans receivable

Loans receivable and advances are stated at the lower of cost and net recoverable value. Valuation allowances, determined on an individual basis, are based on past events, current conditions and all circumstances known at the date of the preparation of the financial statements and are adjusted annually to reflect the current circumstances by recording write downs or recoveries, as appropriate. Write downs are recognized when the loans have been deemed unrealizable and or uncollectable. Recoveries are recorded when loans previously written down are subsequently collected. Interest revenue is recorded on an accrual basis. Interest revenue is not accrued when the collectability of either principal or interest is not reasonably assured.

(f) Tangible capital assets and leases

Tangible capital assets are buildings, roads, equipment, etc. whose life extends beyond the fiscal year, original cost exceeds \$50 and are intended to be used on an ongoing basis for delivering programs and services. Individual assets less than \$50 are expensed when purchased. Tangible capital assets are recorded at cost or where actual cost is not available, estimated current replacement cost, discounted back to the acquisition date. Costs include contracted services, materials and supplies, direct labour, attributable overhead costs, and directly attributable interest. Capitalization of interest ceases when no construction or development is taking place or when a tangible capital asset is ready for use in producing goods or delivering services. Assets, when placed in service, are amortized on a straight-line basis over their estimated useful lives as follows:

Asset category	Amortization period
Land	Not amortized
Computers	10 years or less
Equipment	40 years or less
Roads and Bridges	75 years or less
Buildings and Leasehold Improvements	Buildings - 40 years or less; Leasehold improvements - the lesser of useful life or remaining lease term
Infrastructure and Other	40 years or less except for Electric power plants 100 years or less

Government of the Northwest Territories

Notes to Consolidated Financial Statements

March 31, 2019

(All figures in thousands of dollars)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Tangible capital assets and leases (continued)

The estimate of the useful life of tangible capital assets is reviewed on a regular basis and revised where appropriate on a prospective basis. The remaining unamortized portion of a tangible capital asset may be extended beyond its original estimated useful life when the appropriateness of such a change can be clearly demonstrated.

Write-downs and write-offs of tangible capital assets are recognized whenever significant events and changes in circumstances and use suggest that the asset can no longer contribute to program or service delivery at the level previously anticipated. A write-down is recognized when a reduction in the value of the asset can be objectively measured. A write-off is recognized when the asset is destroyed, stolen, lost, or obsolete to the Government.

Tangible capital assets under construction or development are recorded as work in progress with no amortization until the asset is placed in service. Capital lease agreements are recorded as a liability and a corresponding asset based on the present value of the minimum lease payments, excluding executory costs. The present value is based on the lower of the implicit rate or the Government's borrowing rate at the time the obligation is incurred. Operating leases are charged to expenses. All intangibles, works of art, historical treasures and items inherited by right of the Crown, such as Crown lands, forests, water and mineral resources are not recognized in these financial statements.

(g) Pensions and other employee future benefits and compensated absences

All eligible employees participate in the Public Service Pension Plan administered by the Government of Canada. The Government's contributions are charged as an expense on a current year basis and represent the total pension obligations. The Government is not required under present legislation to make contributions with respect to any actuarial deficiencies of the Public Service Pension Plan.

Pension benefits to Members of the Legislative Assembly and judges are reported on an actuarial basis. This is done to determine the current value of future entitlement and uses various estimates. When actual experience varies from estimates or when actuarial assumptions change, the adjustments are amortized on a straight-line basis over the estimated average remaining service lives of the contributors. Recognition of actuarial gains and losses commences in the year following the effective date of the related actuarial valuations. In addition, immediate recognition of a previously unrecognized net actuarial gain or loss may be required upon a plan amendment, curtailment or settlement.

Under the terms and conditions of employment, government employees may earn non-pension benefits for resignation, retirement and removal costs. Eligible employees earn benefits based on years of service to a maximum entitlement based on terms of employment. Eligibility is based on a variety of factors including place of hire, date employment commenced, and reason for termination. Benefit entitlements are paid upon resignation, retirement or death of an employee. The expected cost of providing these benefits is recognized as employees render service. Termination benefits are also recorded when employees are identified for lay-off. Compensated absences include sick, special, parental and maternity leave. Accumulating non-vesting sick and special leave are recognized in the period the employee provides service, whereas parental and maternity leave are event driven and are recognized when the leave commences. An actuarial valuation of the cost of these benefits (except maternity and parental leave) has been prepared using data provided by management and assumptions based on management's best estimates.

Government of the Northwest Territories

Notes to Consolidated Financial Statements

March 31, 2019

(All figures in thousands of dollars)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Contractual obligations and contingent liabilities

The nature of the Government's activities requires entry into contracts that are significant in relation to its current financial position or that will materially affect the level of future expenses. Contractual obligations pertain to funding commitments for operating, commercial and residential leases, and capital projects. Contractual obligations are obligations of a government to others that will become liabilities in the future when the terms of those contracts or agreements are met.

The contingent liabilities of the Government are potential liabilities which may become actual liabilities when one or more future events occur or fail to occur. If the future event is considered likely to occur and is quantifiable, an estimated liability is accrued. If the occurrence of the confirming future event is likely but the amount of the liability cannot be reasonably estimated or if the occurrence of the confirming future event is not determinable, the contingent liability is disclosed.

(i) Contractual rights and contingent assets

The nature of the Government's activities requires entry into contracts that are significant in relation to its current financial position or that will materially affect the level of future revenues. Contractual rights pertain to rights to economic resources arising from contracts or agreements that will result in both an asset and revenue in the future when the terms of contracts or agreements are met.

The contingent assets of the Government are potential assets which may become actual assets when one or more future events occurs or fails to occur. If the future event is considered likely to occur and is quantifiable, an estimated asset is disclosed.

(j) Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into Canadian dollars using exchange rates at year-end. Foreign currency transactions are translated into Canadian dollars using rates in effect at the time the transactions were entered into. All exchange gains and losses are included in net income for the year according to the activities to which they relate.

(k) Projects on behalf of third parties

The Government undertakes projects for the Government of Canada, the Government of Nunavut and others. Where the agreement allows, the Government receives accountable advances and any unexpended balances remaining at year-end are recorded as liabilities in accounts payable and accrued liabilities or due to Canada, as applicable. Recoveries are accrued when expenses as allowed under the project contract, exceed advances and are recorded as receivables in accounts receivable or due from Canada, as applicable.

(l) Grant from the Government of Canada

Under *Federal-Provincial Fiscal Arrangements Act* (Canada), the Grant from the Government of Canada is based on the Territorial Formula Financing calculated as the Gross Expenditure Base, offset by eligible revenues, which are based on a three-year moving average, lagged two years, of representative revenue bases at national average tax rates. Population growth rates and growth in provincial/local government spending are variables used to determine the growth in the Gross Expenditure Base. The Grant is calculated once for each fiscal year and is not revised, with all payments flowing to the Government prior to the end of the fiscal year.

Government of the Northwest Territories

Notes to Consolidated Financial Statements

March 31, 2019

(All figures in thousands of dollars)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) Transfer payments

Transfers from the federal government are recognized as revenue in the period during which the transfer is authorized and eligibility criteria are met, except when and to the extent that the transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers meeting the definition of a liability are recognized as revenue as the liability is settled.

(n) Taxes, regulatory, resource, and general revenues

Corporate and Personal Income tax revenue are recognized on an accrual basis, net of any tax concessions. Income tax is calculated net of tax deductions and credits allowed under the *Income Tax Act* (Canada). If an expense provides a financial benefit other than a relief of taxes, it is classified as a transfer made through the tax system. If an expense provides tax relief to a taxpayer and relates to revenue, this expense is considered a tax concession and is netted against tax revenues. Taxes, under the *Income Tax Act* (Canada), are collected by the Government of Canada on behalf of the Government under a tax collection agreement. The Government of Canada remits Personal Income taxes monthly throughout the year and Corporate Income tax monthly over a six month period beginning in February. Payments are based on Canada's Department of Finance's estimates for the taxation year, which are periodically adjusted until the income tax assessments for that year are final. Income tax estimates, determined by the Government of Canada, combine actual assessments with an estimate that assumes that previous years' income tax allocations will be sustained and are subject to revisions in future years. Differences between current estimates and future actual amounts can be significant. Any such differences are recognized when the actual tax assessments are finalized.

Regulatory revenues, which are part of general revenues, are recognized on an accrual basis and include revenues for fines, fees, licenses, permits, and registrations. Amounts received prior to the end of the year, which relate to revenues that will be earned in a subsequent year, are recorded as deferred revenues and are recognized as revenue when earned.

Non-renewable resource revenues are recognized on an accrual basis and include mineral, quarry, oil and gas, and water revenues as defined in the Northwest Territories Lands and Resources Devolution Agreement. Mineral and quarry revenues are collected under the authority of the *NWT Lands Act*, water revenues are collected under the authority of the *Water Act* and oil and gas revenues are collected under the authority of the *Petroleum Resources Act*. The Government is entitled to 50 percent of the Non-renewable resource revenues collected (which is referred to as the net fiscal benefit), up to a maximum amount based on a percentage of the Gross Expenditure Base under Territorial Formula Financing. The Government of Canada will deduct its share of the Non-renewable resource revenues collected by the Government (the remaining amount) from the Grant from the Government of Canada (*note 2(l)*) payable to the Government two years hence. The Government has also committed to sharing up to 25 percent of the net fiscal benefit with Aboriginal governments that are signatories to the Northwest Territories Lands and Resources Devolution Agreement as per the *Northwest Territories Intergovernmental Resource Revenue Sharing Act*.

Fuel, tobacco, payroll and property taxes are levied under the authority of the *Petroleum Products Tax Act*, the *Tobacco Tax Act*, the *Payroll Tax Act*, and the *Property Assessment and Taxation Act*, respectively. Fuel and tobacco tax revenues are recognized on an accrual basis, based on statements received from collectors. Payroll tax is recognized on an accrual basis, based on payroll tax revenues of the prior year. Property tax and school levies are assessed on a calendar year basis and are recognized in the fiscal year in which the billing occurs. Adjustments arising from reassessments are recorded in revenue in the year they are identified. Revenues from the sale of power and fuel riders are recognized in the period earned based on cyclical meter readings. All other revenues are recognized on an accrual basis.

Government of the Northwest Territories

Notes to Consolidated Financial Statements

March 31, 2019

(All figures in thousands of dollars)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) Taxes, regulatory, resource, and general revenues (continued)

Certain tangible capital asset additions of NT Hydro are made with the assistance of cash contributions from customers. These contributions are recorded as revenues when all external restrictions or stipulations imposed by an agreement with the external party related to the contribution have been satisfied, generally when the resources are used for the purposes intended.

(o) Expenses

Grants and contributions are recognized as long as the grant or contribution is authorized and eligibility criteria have been met. Grants and contributions include transfer payments paid through programs to individuals, and to provide major transfer funding for communities under community government funding arrangements. Payments to individuals include payments for children's benefits, income support or income supplement. Assistance is based on age, family status, income, and employment criteria. Other transfer payments are provided to conduct research, to establish new jobs through support for training and to promote educational, health and cultural activities. Also included are expenses of other consolidated entities and other miscellaneous payments. Under the authority of the *Northwest Territories Intergovernmental Resource Revenue Sharing Act*, a transfer to the Aboriginal parties who are signatories to the Northwest Territories Intergovernmental Resource Revenue Sharing Agreement will be made of up to 25 percent of the net fiscal benefit from Non-renewable resource revenues that is received by the Government (*note 2 (n)*). All other expenses are recognized on an accrual basis.

(p) Environmental liabilities

Environmental liabilities are the result of contaminated sites, as a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. A liability for remediation of contaminated sites is recognized when all of the following criteria are satisfied: an environmental standard exists, contamination exceeds the environmental standard, the Government is directly responsible or accepts responsibility, it is expected that future economic benefits will be given up and a reasonable estimate of the amount can be made. The liability reflects the Government's best estimate of the amount required to remediate the sites to the current minimum standard for its use prior to contamination.

Environmental liabilities consist of the estimated costs related to the management and remediation of environmentally contaminated sites, including costs such as those for future site assessments, development of remedial action plans, resources to perform remediation activities, land farms and monitoring. All costs associated with the remediation, monitoring and post-closing of the site are estimated and accrued. Where estimates are not readily available from third party analyses, an estimation methodology is used to record a liability when sufficient information is available. The methodology used is based on costs or estimates for sites of similar size and contamination when the Government is obligated, or is likely obligated, to incur such costs. If the likelihood of a future event that would confirm the Government's responsibility to incur these costs is either not determinable, or in the event it is not possible to determine if future economic benefits will be given up, or if an amount cannot be reasonably estimated, the contingency is disclosed in the notes to the consolidated financial statements and no liability is accrued. The environmental liabilities for contaminated sites are reassessed on an annual basis.

Government of the Northwest Territories

Notes to Consolidated Financial Statements

March 31, 2019

(All figures in thousands of dollars)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(q) Asset retirement obligations

On an annual basis, NT Hydro identifies legal obligations associated with the retirement of its tangible capital assets. Management's best estimate of the future expenditures required to settle the legal obligations are recognized to the extent that they can be reasonably estimated and are calculated based on the estimated future cash flows necessary to discharge the legal obligations, discounted using the NT Hydro's cost of borrowing for maturity dates that coincide with the expected cash flows.

The estimated asset retirement obligation (ARO) is recorded as a liability and a corresponding increase to tangible capital assets. The liability for AROs is increased annually for the passage of time by calculating accretion on the liability based on the discount rates implicit in the initial measurement. Changes in the obligation resulting from revisions to the timing or amount of the estimated undiscounted cash flows or revisions to the discount rate are recognized as an increase or decrease in the related carrying amount of the related tangible capital asset.

NT Hydro has identified AROs for certain hydro, thermal, transmission and distribution assets where NT Hydro expects to maintain and operate these assets indefinitely and therefore no related ARO has been recognized.

(r) Recoveries of prior years' expenses

Recoveries of prior years' expenses and reversal of prior years' expense accruals in excess of actual expenditures are reported separately from other revenues on the consolidated statement of operations and accumulated surplus. Pursuant to the *Financial Administration Act*, these recoveries cannot be used to increase the amount appropriated for current year expenses.

(s) Restricted assets

Restricted assets result from external restrictions imposed by an agreement with an external party, or through legislation of another government, that specify the purpose or purposes for which resources are to be used. Externally restricted inflows are recognized as revenue in a government's financial statements in the period in which the resources are used for the purpose or purposes specified. An externally restricted inflow received before this criterion has been met is reported as a liability until the resources are used for the purpose or purposes specified.

Government of the Northwest Territories

Notes to Consolidated Financial Statements

March 31, 2019

(All figures in thousands of dollars)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(t) Segmented information

The Government reports on segments on the basis of relationships of its operations with similar entities. Segmented information is disclosed in Schedule B. Segments are identified by the nature of an entity's operations and the accountability relationship that a group of similar entities has with the Government. There are no significant allocations of revenues or expenses between segments.

Government departments are identified as one segment to reflect the direct accountability relationship for financial reporting and budgeting between departments, their respective Ministers and the Legislative assembly.

Other Public Agencies within the Government Reporting Entity represent another segment. These agencies are typically associated with a particular Government department and have a formalized reporting relationship to that department. For example, Health and Social Services Authorities have an accountability relationship to the Minister of Health and Social Services as well as to their respective board members. Other Public Agencies also includes agencies that report directly to a Minister responsible for their operations. For example, the Northwest Territories Housing and Hydro Corporations have Ministers specifically assigned to their operations. The agencies in this segment assist the Government in delivering its programs and services and in achieving its priorities.

(u) Public-Private Partnerships

The Government may, as an alternative to traditional forms of procurement governed by the Government's Contract Regulations, enter into public private partnership (P3) agreements with the private sector to procure services and public infrastructure when: the total projected threshold for procuring those services, including capital, operating and service costs over the life of the agreement, exceeds \$50,000; there is appropriate risk sharing between the Government and the private sector partners; the agreement extends beyond the initial capital construction of the project, and; the arrangement results in a clear net benefit to the Government as opposed to being merely neutral in comparison with standard procurement processes. The operating and service costs, that are clearly identified in the agreements, are expensed as they are incurred.

The Government accounts for P3 projects in accordance with the substance of the underlying agreements. In circumstances where the Government is determined to bear the risks and rewards of an asset under construction, the asset and the corresponding liability are recognized over time as the construction progresses. The capital asset (classified as work in progress) and the corresponding liability are recorded based on the estimated percentage of completion. In circumstances where the Government does not bear the risks and rewards of the asset until substantial completion the future associated agreement is disclosed.

The capital asset value is the total of progress payments made during construction and net present value of the future payments, discounted using the imputed interest rate for the agreement. Capital expenditures may occur throughout the project or at the capital in-service date. Service fees may occur throughout the project or when the project is operational; these fees will include both a service and operational component. All payments are adjusted to reflect performance standards as outlined in the specific agreement and penalties may be deducted for sub-standard performance. When available for use, the P3 assets are amortized over their estimated useful lives.

A P3 agreement may encompass certain revenues, including those collected by the partner on behalf of the Government. In such instances the Government will report the gross revenue along with the asset, liability, and expenses as determined from the specific project.

Government of the Northwest Territories

Notes to Consolidated Financial Statements

March 31, 2019

(All figures in thousands of dollars)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(v) Future accounting changes

Financial instruments

The Public Sector Accounting Board (PSAB) issued PS 3450 Financial Instruments effective for fiscal years beginning on or after April 1, 2021. Items within the scope of the standard are assigned to one of two measurement categories: fair value, or cost or amortized cost. Fair value measurement will apply to derivatives and portfolio investments in equity instruments that are quoted in an active market. Also, when groups of financial assets and financial liabilities are managed on a fair value basis they may be reported on that basis. Other financial assets and financial liabilities will generally be measured at cost or amortized cost. Until an item is derecognized, gains and losses arising due to fair value remeasurement will be reported in the Statement of Remeasurement of Gains and Losses.

Other New Standards

Effective April 1, 2021, the Government will concurrently be required to adopt: PS 2601 Foreign Currency Translation, PS 1201 Financial Statement Presentation, and PS 3041 Portfolio Investments in the same fiscal period. Government organizations that apply PSAS were required to adopt these standards effective April 1, 2021, however there is no significant impact on the consolidated financial statements as a result of its application.

Effective April 1, 2021, the Government will be required to adopt PS 3280 Asset Retirement Obligations. This standard provides guidance on how to account for and report liabilities for retirement of tangible capital assets.

Effective April 1, 2022, the Government will be required to adopt PS 3400 Revenue. This standard provides guidance on how to account for and report on revenue. Specifically, it differentiates between revenue arising from transactions that include performance obligations and transactions that do not have performance obligations.

The Government is currently assessing the impact of these standards on the consolidated financial statements.

(w) Adoption of new accounting standards

Effective April 1, 2018, the Government adopted PS 3430 Restructuring Transactions. This standard provides guidance on how to account for and report restructuring transactions by both transferors and recipients of assets and/or liabilities, together with related program or operating responsibilities. There were no restructuring transactions during the year ended March 31, 2019.

3. RESTATEMENT

Information obtained in the current year indicates that there was some revolving fund expenses which were mistakenly grouped with revolving fund revenues. Total revenues and expenses are required to be shown on a gross basis. As a result there was an understatement of \$33.8 million of both revenues and expenses in the prior year. The comparative figures for sales, general revenues and infrastructure expenses have been restated.

The Stanton Territorial Hospital Renewal P3 project was nearly complete at March 31, 2019. A review of this P3 tangible capital asset project revealed that some work in progress costs (acquisition costs and capitalized interest) and the associated liabilities under public private partnership had not been recorded in prior years. As a result, there was an understatement of \$29.6 million of both tangible capital assets and liabilities under public private partnership in the prior year and these comparative figures have been restated.

Government of the Northwest Territories

Notes to Consolidated Financial Statements

March 31, 2019

(All figures in thousands of dollars)

3. RESTATEMENT (continued)

The consolidated financial statements have been corrected retroactively. In addition to the table below, Note 11 Long-term debt and capital lease obligations, Note 12 Liabilities under public private partnerships, and Note 18 Transfer payments, taxation and general revenue have also been restated.

The restatement of the comparative figures are summarized in the table below:

	2018 as previously reported	Restatement	2018 restated
	\$	\$	\$
Consolidated Statement of Financial Position			
Liabilities under public private partnerships (Note 12)	166,481	29,600	196,081
Liabilities - total	1,490,780	29,600	1,520,380
Net debt	(965,782)	(29,600)	(995,382)
Tangible capital assets (Schedule A)	3,290,882	29,600	3,320,482
Non-financial assets - total	3,319,576	29,600	3,349,176
Consolidated Statement of Operations and Accumulated Surplus			
General	74,693	3,239	77,932
Sales	147,245	30,561	177,806
Taxation, non-renewable resource and general revenues - total	597,862	33,800	631,662
Revenues - total	2,059,075	33,800	2,092,875
Infrastructure	359,025	33,800	392,825
Expenses - total	1,898,133	33,800	1,931,933
Consolidated Statement of Change in Net Debt			
Net debt at beginning of year	(947,834)	(21,300)	(969,134)
Acquisition of tangible capital assets	(305,915)	(8,300)	(314,215)
Items affecting net debt - total	(12,418)	(8,300)	(20,718)
Change in net debt	(17,948)	(8,300)	(26,248)
Net debt at end of year	(965,782)	(29,600)	(995,382)
Schedule A Consolidated Schedule of Tangible Capital Assets			
Cost of tangible capital assets - opening balance	4,810,286	21,300	4,831,586
Cost of tangible capital assets - acquisitions	305,915	8,300	314,215
Cost of tangible capital assets - closing	5,087,267	29,600	5,116,867
Net book value - total	3,290,882	29,600	3,320,482
Prior year figures included in footnotes:			
<i>Footnote 3</i> - Included in work in progress are costs related to P3 projects: Stanton Territorial Hospital Renewal	238,732	29,600	268,332
<i>Footnote 4</i> - Not included in acquisitions of tangible capital assets on the statement of cash flow are non-cash items	25,613	8,300	33,913

Government of the Northwest Territories

Notes to Consolidated Financial Statements

March 31, 2019

(All figures in thousands of dollars)

3. RESTATEMENT (continued)

	2018 as previously reported	Restatement	2018 restated
	\$	\$	\$
Schedule B Consolidated Schedule of Segmented Information			
General	74,693	3,239	77,932
Sales	147,245	30,561	177,806
Taxation, non-renewable resource and general revenues - total	597,862	33,800	631,662
Revenues - total	2,059,075	33,800	2,092,875
Operations and maintenance	724,372	29,830	754,202
Compensation and benefits	825,009	3,970	828,979
Expenses - total	1,898,133	33,800	1,931,933

4. PORTFOLIO INVESTMENTS

	2019	2018
	\$	\$
Marketable securities (market value \$84,218; 2018 - \$88,626)	81,977	87,277
Miscellaneous investments	453	403
	82,430	87,680

5. ACCOUNTS RECEIVABLE

	Accounts Receivable	Allowance for Doubtful Accounts	Net 2019	Net 2018
	\$	\$	\$	\$
General and Other	74,348	(28,370)	45,978	37,136
Utilities	10,607	(136)	10,471	10,998
Non-renewable resource revenue	24,140	-	24,140	54,378
Government of Nunavut	13,356	(77)	13,279	9,857
Health related costs due from third parties	10,608	(4,737)	5,871	5,877
Revolving fund sales	7,980	-	7,980	6,002
	141,039	(33,320)	107,719	124,248
Receivables from related parties:				
Workers' Safety and Compensation Commission	915	(66)	849	909
	141,954	(33,386)	108,568	125,157

Government of the Northwest Territories

Notes to Consolidated Financial Statements

March 31, 2019

(All figures in thousands of dollars)

6. LOANS RECEIVABLE

	2019	2018
	\$	\$
Northwest Territories Business Development and Investment Corporation loans to businesses receivable over a maximum of 25 years, secured by real property, heavy equipment and general security agreements; bearing fixed interest between 5.33% and 6.46%, (2018 between 5.06% and 5.49%) before valuation allowance of \$3,527 (2018 - \$3,527).	41,451	42,024
Northwest Territories Energy Corporation Ltd. loan to the Dogrib Power Corporation due July 2026, bearing interest at an annual rate of 9.6% (2018 - 9.6%), repayable in equal monthly payments of \$195 (2018 - \$195), secured by a \$4,000 guarantee and a restricted bank account.	12,290	13,393
Students Loan Fund loans due in installments to 2035, bearing fixed interest between 0.00% and 10.00%, (2018 - 0.00% and 11.75%) unsecured, before valuation allowance and loan remissions of \$16,837 (2018 - \$17,216).	41,129	40,953
Northwest Territories Housing Corporation mortgages and loans to individuals receivable over a maximum of 25 years, some of which are unsecured and others are secured by registered charges against real property bearing fixed interest between 0.00% and 12.00%, (2018 - 0.00% and 12.00%) before valuation allowance of \$9,989 (2018 - \$10,552).	13,486	14,163
Other	19	22
	108,375	110,555
Valuation allowances	(30,353)	(31,295)
	78,022	79,260

Interest earned on loans receivable during the year is \$3,739 (2018 - \$4,036).

Conditional grants have been provided by the Northwest Territories Housing Corporation to eligible homeowners, which are fully forgivable on the condition that the property remains the principal residence and the homeowner's annual income remains below the core need income threshold for the term of the agreement. If the conditions are not met, the grants are repayable to the Northwest Territories Housing Corporation. Conditional grants expensed during the year were \$5,030 (2018 - \$2,274).

Government of the Northwest Territories

Notes to Consolidated Financial Statements

March 31, 2019

(All figures in thousands of dollars)

7. SHORT TERM LOANS

Based upon operational needs, the Government may enter into short term borrowing arrangements with its banks. Short-term loans of \$333,519 (2018 - \$297,076) incurred interest at a weighted average year-end rate of 1.94% (2018 - 1.28%). Interest expense on short term loans included in operations and maintenance expenses is \$5,141 (2018 - \$2,387).

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2019	2018
	\$	\$
Trade	192,748	195,779
Government of Nunavut	323	188
Other liabilities	7,425	8,926
Employee and payroll-related liabilities	109,306	81,674
Accrued interest	2,692	2,732
	312,494	289,299
Payable to related parties:		
Workers' Safety and Compensation Commission	71	788
	312,565	290,087

Government of the Northwest Territories

Notes to Consolidated Financial Statements

March 31, 2019

(All figures in thousands of dollars)

9. ENVIRONMENTAL LIABILITIES AND ASSET RETIREMENT OBLIGATIONS

The Government recognizes that there are costs related to the remediation of environmentally contaminated sites for which the Government is responsible. The Government has identified 285 (2018 - 281) sites as potentially requiring environmental remediation at March 31, 2019.

Type of Site	2018 Liability \$	Remediation Expenditures \$	New Sites in 2019 \$	Change in Estimate \$	2019 Liability \$	Number of Sites
Abandoned mines ⁽¹⁾	10,943	(505)	200	-	10,638	8
Landfills ⁽²⁾	9,652	(996)	300	(90)	8,866	46
Abandoned infrastructure and schools ⁽³⁾	14,049	(1,578)	374	444	13,289	75
Airports, airport strips or reserves ⁽⁴⁾	3,806	(546)	-	205	3,465	24
Sewage lagoons ⁽⁵⁾	2,354	(297)	-	(12)	2,045	29
Fuel tanks and resupply lines ⁽²⁾	2,437	(18)	-	-	2,419	12
Abandoned lots and maintenance facilities ⁽³⁾	19,223	(320)	238	2,202	21,343 *	91
Total environmental liabilities	62,464	(4,260)	1,112	2,749	62,065	285
Asset retirement obligations	7,569	-	-	924	8,493	
Total	70,033				70,558	

Possible types of contamination identified under each type of site include the following:

(1) metals, hydrocarbons, asbestos, wood/metal debris, waste rock, old mine buildings, lead paint;

(2) hydrocarbons, glycol, metals;

(3) hydrocarbons, petroleum products;

(4) hydrocarbons, vehicle lubricants, asbestos, glycol;

(5) metals, e.coli, total coliforms.

*Includes estimated costs to perform due diligence related to identifying environmental contamination that may be transferred back to Canada under the *Northwest Territories Lands and Resources Devolution Agreement*.

There were 3 (2018 - 2) sites closed during the fiscal year as they were either remediated or no longer meet all the criteria required to record a liability for contaminated sites.

Included in the 285 (2018 - 281) sites, there are 78 (2018 - 79) sites where no liability has been recognized. The contamination is not likely to affect public health and safety, cause damage, or otherwise impair the quality of the surrounding environment and there is likely no need for action unless new information becomes available indicating greater concerns, in which case, the site will be re-examined. These sites will continue to be monitored as part of the Government's ongoing environmental protection program.

The asset retirement obligation includes NT Hydro's disposal of generating plants on leased land, storage tanks systems and the associated piping for petroleum products in all communities serviced by the Northwest Territories Power Corporation, a subsidiary of NT Hydro. The carrying amount of the obligation is based on total expected cash flows, expected timing of cash flows (majority to occur post 2089), and the weighted average discount rate of 2.57% (2018 - 3.12%) for obligations to be settled in 10 years or less and 3.04% (2018 - 3.42%) for obligations to be settled in 10 years or more.

Government of the Northwest Territories

Notes to Consolidated Financial Statements

March 31, 2019

(All figures in thousands of dollars)

10. DUE TO (FROM) THE GOVERNMENT OF CANADA

	2019	2018
	\$	\$
Due from Canada		
Projects on behalf of the Government of Canada	(22,112)	(20,206)
Miscellaneous receivables	(53,416)	(44,545)
	(75,528)	(64,751)
Due to Canada		
Excess income tax advanced	85,142	55,794
Advances for projects on behalf of the Government of Canada	23,013	18,484
Miscellaneous payables	27,060	44,278
	135,215	118,556
	59,687	53,805

The amounts due to the Government of Canada are non-interest bearing. The excess income tax advanced is repayable over the following years:

	\$
2020	14,197
2021	16,024
2022	54,628
2023	293
	85,142

Government of the Northwest Territories

Notes to Consolidated Financial Statements

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(All figures in thousands of dollars)

11. LONG-TERM DEBT AND CAPITAL LEASE OBLIGATIONS

	2019	2018
	\$	\$
Loans due to Canada Mortgage and Housing Corporation, repayable in annual installments until the year 2033, bearing interest at a rate of 6.97% (2018 - 6.97%), unsecured.	5,359	5,847
Mortgages payable to Canada Mortgage and Housing Corporation for three third party loans under the Social Housing Agreement, maturing in 2026 and 2027, bearing interest at rates between 1.05% and 3.13% (2018 - 2.78% and 3.68%), unsecured.	1,096	2,409
Mortgage payable to Canada Mortgage and Housing Corporation, repayable in monthly installments of \$7 (2018 - \$7) maturing June 2024, bearing interest at 3.30% (2018 - 3.30%), secured with real property.	445	521
Yellowknife Catholic Schools debentures, repayable in monthly installments of \$68 (2018 - \$68), including fixed interest at 5.73%, final installment paid in April 2018, unsecured.	-	663
Debentures, due 2025 to 2052, bearing interest between 3.82% and 6.00% (2018 - 3.82% and 6.00%), unsecured.	90,000	90,000
Sinking Fund debenture, paid in October 2018, bearing interest at 6.33% (2018 - 6.33%), secured by sinking funds earning a weighted average effective rate of return of 0.48% (2018 - 0.48%).	-	10,000
Amortizing Debentures, due 2032 to 2047, bearing interest between 3.98% and 6.42% (2018 - 3.98% and 6.42%), unsecured.	110,609	113,470
Series 1, 2 and 3 Debentures, repayable in monthly installments between \$69 and \$73 (2018 - \$69 and \$73), maturing 2025 to 2026, bearing interest between 9.11% and 10.00% (2018 - 9.11% and 10.00%), unsecured.	12,480	13,756
Deh Cho Bridge: Real return senior bonds with accrued inflation adjustment, maturing June 1, 2046, redeemable at the option of the issuer, bearing interest at 3.17% (2018 - 3.17%) payable semi-annually, unsecured.	176,439	177,209
	396,428	413,875
Unamortized premium, discount and issuance costs	(786)	(833)
Total long-term debt	395,642	413,042
Capital lease obligations	17,558	18,620
Total long-term debt and capital lease obligations	413,200	431,662

Government of the Northwest Territories

Notes to Consolidated Financial Statements

March 31, 2019

(All figures in thousands of dollars)

11. LONG-TERM DEBT AND CAPITAL LEASE OBLIGATIONS (continued)

Long-term debt principal repayments due in each fiscal year for the next five years and thereafter are as follows:

	\$
2020	8,472
2021	8,912
2022	9,449
2023	10,025
2024	10,968
2025 and beyond	348,602
	396,428

Interest expense on long-term debt, included in operations and maintenance expenses, is \$22,138 (2018 - \$22,775).

Interest expenses related to capital lease obligations for the year is \$1,692 (2018 - \$1,769), at an implicit average interest rate of 9.55% (2018 - 9.41%). Capital lease obligations (expiring between 2020 and 2061) are based upon contractual minimum lease obligations for the leases in effect as of March 31, 2019.

Debt Authority

The Government has the authority to borrow, pursuant to subsection 28(4) of the *Northwest Territories Act* (Canada), within a borrowing limit authorized by the Government of Canada.

	2019	2018 (Restated - Note 3)
	\$	\$
Short term debt (note 7)	333,519	297,076
Long term debt (note 11), net of sinking funds (note 22)	396,428	406,764
Capital Lease Obligations (note 11)	17,558	18,620
Guarantees (note 17 (a))	12,944	15,166
	760,449	737,626
Authorized borrowing limit	1,300,000	1,300,000
Available borrowing capacity before P3s	539,551	562,374
P3 debt (note 12)	235,721	196,081
Available Borrowing capacity	303,830	366,293

Government of the Northwest Territories

Notes to Consolidated Financial Statements

March 31, 2019

(All figures in thousands of dollars)

12. LIABILITIES UNDER PUBLIC PRIVATE PARTNERSHIPS

The Government has entered into three contracts for the design, build, operate and maintenance of the Mackenzie Valley Fibre Link; the design, build, and maintenance of the Stanton Territorial Hospital Renewal; and the design, build and maintenance of the Tlicho All Season Road. Operations and maintenance provided by the partner cease at the repayment date at which time operational responsibility reverts to the Government.

The calculation of the Public Private Partnerships (P3) liabilities is as follows:

	2018 (Restated - Note 3) \$	Additions during the year \$	Principal Payments \$	2019 \$	Repayment date
Stanton Territorial Hospital Renewal	116,181	20,873	(400)	136,654	2048
Mackenzie Valley Fibre Link	79,900	-	(2,200)	77,700	2037
Tlicho All Season Road	-	21,367	-	21,367	2047
Total	196,081	42,240	(2,600)	235,721	

The details of the contracts under P3s are as follows:

	Partner	Date contract entered into	Scheduled/actual completion date	Interest rate
Stanton Territorial Hospital Renewal	Boreal Health Partnership	September 2015	November 2018	5.36%
Mackenzie Valley Fibre Link	Northern Lights General Partnership	October 2014	June 2017	6.52%
Tlicho All Season Road	North Star Infrastructure GP	February 2019	November 2022	6.53%

Estimated loan principal repayments for each of the next five years and thereafter are as follows:

	\$
	2020
	2021
	2022
	2023
	2024
	2024 and beyond
	235,721

The capital payments for Mackenzie Valley Fibre Link and Stanton Territorial Hospital Renewal are fixed, equal monthly payments for the privately financed portion of the costs of building the infrastructure. The scheduled principal payments for Tlicho All Season Road will include a lump sum payment of \$111.2 million at the expected time of completion and then fixed equal monthly payments thereafter. P3 interest expense is \$7,700 (2018 - \$5,300). Interest capitalized in the period as a function of construction or developing tangible capital assets relating to the Stanton Territorial Hospital Renewal is \$2,700 (2018 - \$5,500); Tlicho All Season Road is \$400 (2018 - \$0)

Government of the Northwest Territories

Notes to Consolidated Financial Statements

March 31, 2019

(All figures in thousands of dollars)

13. PENSIONS

a) Plans' description

The Government administers Regular Pension Plans for Members of the Legislative Assembly (MLAs), Territorial Court Judges, Employees of the Hay River Health and Social Services Authority and the Employees, Superintendent and Assistant Superintendents of the Yellowknife Catholic Schools. These Regular Pension Plans are contributory defined benefit registered pension plans and are pre-funded (Regular Funded). The funds related to these plans are administered by independent trust companies.

In addition to the Regular Pension Plans listed above, the Government administers Supplemental Pension Plans the MLAs, Territorial Court Judges and Superintendent and Assistant Superintendents of the Yellowknife Catholic Schools that are non-contributory defined benefit pension plans and are non-funded (Supplemental Unfunded). The Government has designated assets for the purposes of meeting the obligations of the MLA Supplemental Pension Plan (note 22). The Supplemental Pension Plan for the Yellowknife Catholic Schools Superintendent and Assistant Superintendents is not funded until the employee terminates their employment from Yellowknife Catholic Schools.

The Government is liable for all benefits. All Plans provide death benefits to spouses and eligible dependents. All Plans are indexed. Plan assets consist of Canadian and foreign equities, and Canadian fixed income securities, bonds and mortgages.

Benefits provided under all Plans are based on years of service and pensionable earnings. Plan benefits generally accrue as a percentage of a number of years of best average pensionable earnings.

The remaining government employees participate in Canada's Public Service Pension Plan (PSPP). The PSPP provides benefits based on the number of years of pensionable service to a maximum of 35 years. Benefits are determined by a formula set out in the legislation; they are not based on the financial status of the pension plan. The basic benefit formula is 2 percent per year of pensionable service multiplied by the average of the best five consecutive years of earnings.

The public service pension plan was amended during 2013 which raised the normal retirement age and other age related thresholds from age 60 to age 65 for new members joining the plan on or after January 1, 2013. For members with start dates before January 1, 2013, the normal retirement age remains age 60. Furthermore, contributions rates for current service for all members of the public service increased to an employer: employee cost sharing of 50:50 in 2017.

Other benefits include survivor pensions, minimum benefits in the event of death, unreduced early retirement pensions, and disability pensions.

Government of the Northwest Territories

Notes to Consolidated Financial Statements

March 31, 2019

(All figures in thousands of dollars)

13. PENSIONS (continued)

b) Pension liability

	2019	2019	2019
	Regular	Supplemental	Total
	Funded	Non funded	Total
	\$	\$	\$
Accrued benefit obligation	88,799	37,715	126,514
Pension fund assets - market-related value	(109,209)	-	(109,209)
Unamortized actuarial gains	4,702	843	5,545
Pension liability (asset)	(15,708)	38,558	22,850
	2018	2018	2018
	Regular	Supplemental	Total
	Funded	Non funded	Total
	\$	\$	\$
Accrued benefit obligation	85,645	36,320	121,965
Pension fund assets - market-related value	(103,107)	-	(103,107)
Unamortized actuarial gains	5,122	645	5,767
Pension liability (asset)	(12,340)	36,965	24,625

Included in the pension asset of \$(15,708) (2018 - \$(12,340)) is a deficit for accounting purposes of the Judges' plan in the amount of \$1,963 (2018 - \$1,884).

Government of the Northwest Territories

Notes to Consolidated Financial Statements

March 31, 2019

(All figures in thousands of dollars)

13. PENSIONS (continued)

c) Change in pension liability (asset)

	2019 Regular Funded \$	2019 Supplemental Unfunded \$	2019 Total \$
Opening balance	(12,340)	36,965	24,625
Change from cash items:			
Contributions from plan members	(2,779)	-	(2,779)
Contributions from Government	(5,500)	-	(5,500)
Benefit payments to plan members	(6,966)	(1,642)	(8,608)
Drawdown from plan assets	6,966	-	6,966
Change from cash items	(8,279)	(1,642)	(9,921)
Change from accrual items:			
Current period benefit cost	6,369	1,375	7,744
Amortization of actuarial (gains) losses	(1,063)	182	(881)
Change in valuation allowance	531	-	531
Interest on average accrued benefit obligation	4,263	1,678	5,941
Expected return on average plan assets	(5,189)	-	(5,189)
Change from accrual items	4,911	3,235	8,146
Ending balance	(15,708)	38,558	22,850
	2018 Regular Funded \$	2018 Supplemental Unfunded \$	2018 Total \$
Opening balance	(9,588)	34,984	25,396
Change from cash items:			
Contributions from plan members	(2,801)	-	(2,801)
Contributions from Government	(5,183)	-	(5,183)
Benefit payments to plan members	(5,707)	(1,504)	(7,211)
Drawdown from plan assets	5,707	-	5,707
Change from cash items	(7,984)	(1,504)	(9,488)
Change from accrual items:			
Current period benefit cost	6,335	1,321	7,656
Amortization of actuarial (gains) losses	(764)	550	(214)
Change in valuation allowance	460	-	460
Interest on average accrued benefit obligation	4,049	1,614	5,663
Expected return on average plan assets	(4,848)	-	(4,848)
Change from accrual items	5,232	3,485	8,717
Ending balance	(12,340)	36,965	24,625

Government of the Northwest Territories

Notes to Consolidated Financial Statements

March 31, 2019

(All figures in thousands of dollars)

13. PENSIONS (continued)

d) Pension expense

The components of pension expense include current period benefit cost, amortization of actuarial net (gains)/losses and interest on average accrued benefit obligation net of the expected return on average plan assets, change in valuation allowance and contributions from plan members. The total expense is \$5,365 (2018 - \$5,914). The interest cost on the accrued benefit obligation is determined by applying the discount rate determined at the beginning of the period to the average value of the accrued benefit obligation for the period. The expected return on plan assets is determined by applying the assumed rate of return on plan assets to the average market-related value of assets for the period. The difference between the expected and actual return on plan assets is a gain of \$1,104 (2018 - \$2,930).

In addition to the above, the Government contributed \$52,158 (2018 - \$52,274) to the Public Service Pension Plan. The employees' contributions to this plan were \$51,133 (2018 - \$49,128).

e) Changes to pension plans in the year

There have been no plan amendments, plan settlements and curtailments or temporary deviations from the plan in 2019.

f) Valuation methods and assumptions used in valuing pension liability

Date of Valuation for accounting purposes

Pension Plan	Last Actuarial Valuation Accounting Date	Last Extrapolation Date
Legislative Assembly Retiring Allowance Plan	April 1, 2016	January 31, 2019
Judges Registered Plan	April 1, 2016	March 31, 2019
Retirement Plan for Employees of the Hay River Health and Social Services Authority	January 1, 2019	March 31, 2019
Retirement Plan for Employees of the Yellowknife Catholic Schools	June 30, 2017	June 30, 2018

Liability valuation method

The actuarial valuations were performed using the projected accrued benefit method. The valuations are based on a number of actuarial assumptions about matters such as mortality, service, withdrawal, earnings and interest rates. The assumptions are based on the Government's best estimates of expected long-term rates and short-term forecasts.

Government of the Northwest Territories

Notes to Consolidated Financial Statements

March 31, 2019

(All figures in thousands of dollars)

13. PENSIONS (continued)

f) Valuation methods and assumptions used in valuing pension liability (continued)

Asset valuation method

The asset valuation method for all the plans is generally market-related value. The market value of the pension assets is \$112,050 (2018 - \$105,230).

Actuarial gains and losses

Actuarial gains and losses occur when actual experience varies from estimates or when actuarial assumptions change. The adjustments needed are amortized on a straight-line basis over the estimated average remaining service lives of the contributors.

<i>Actuarial assumptions</i>	Yellowknife Catholic Schools' plans	Hay River H&SS Authority plan	MLA's plans	Judges' plans
Expected rate of return on plan assets	4.75%	5.4%	4.8%	4.1%
Rate of compensation increase	2.0%	2.5%	2.0%	3.5%
Annual inflation rate	2.0%	2.0%	2.0%	2.0%
Discount rate	4.75%	5.4%	4.8%	4.1%

Government of the Northwest Territories

Notes to Consolidated Financial Statements

March 31, 2019

(All figures in thousands of dollars)

14. OTHER EMPLOYEE FUTURE BENEFITS AND COMPENSATED ABSENCES

In addition to pension benefits, the Government provides severance (resignation and retirement), removal and compensated absence (sick, special, maternity and parental leave) benefits to its employees. The benefit plans are not pre-funded and thus have no assets, resulting in a plan deficit equal to the accrued benefit obligation.

Severance benefits are paid to the Government's employees based on the type of termination (e.g. resignation versus retirement) and appropriate combinations that include inputs such as when the employee was hired, the rate of pay, the number of years of continuous employment and age and the benefit is subject to maximum benefit limits. Removal benefits are subject to several criteria, the main ones being location of hire, employee category and length of service. The benefits under these two categories were valued using the projected unit credit methodology.

Compensated absence benefits generally accrue as employees render service and are paid upon the occurrence of an event resulting in eligibility for benefits under the terms of the plan. Events include, but are not limited to employee or dependent illness and death of an immediate family member. Non-accruing benefits include maternity and parental leave. Benefits that accrue under compensated absence benefits were actuarially valued using the expected utilization methodology.

Valuation results

The actuarial valuation was completed as at February 15, 2019. The results were extrapolated to March 31, 2019. The effective date of the next actuarial valuation is March 31, 2020. The values presented below are for all of the benefits under the Compensated Absences and Termination Benefits for the consolidated Government.

	Severance and Removal \$	Compensated Absences \$	2019 \$	2018 \$
Changes in Obligation				
Accrued benefit obligations, beginning of year	39,625	10,919	50,544	64,361
Current period benefit cost	2,423	916	3,339	3,504
Interest accrued	1,425	408	1,833	1,914
Benefits payments	(4,919)	(4,507)	(9,426)	(12,904)
Plan amendments	86	-	86	5
Actuarial (gains)/losses	8,557	3,159	11,716	(6,349)
Accrued benefit obligations, end of year	47,197	10,895	58,092	50,531
Unamortized net actuarial gain/(loss)	5,010	(4,566)	444	14,151
Net future obligation	52,207	6,329	58,536	64,682
Other employee future benefits	6,118	-	6,118	7,666
Other compensated absences	-	1,550	1,550	1,409
Total employee future benefits and compensated absences	58,325	7,879	66,204	73,757

Government of the Northwest Territories

Notes to Consolidated Financial Statements

March 31, 2019

(All figures in thousands of dollars)

14. OTHER EMPLOYEE FUTURE BENEFITS AND COMPENSATED ABSENCES (continued)

	Severance and Removal \$	Compensated Absences \$	2019 \$	2018 \$
Benefits Expense				
Current period benefit cost	2,423	916	3,339	3,504
Interest accrued	1,425	408	1,833	1,914
Plan amendments	86	-	86	5
Amortization of actuarial (gain)/loss	(2,233)	210	(2,023)	(1,235)
	1,701	1,534	3,235	4,188

The discount rate used to determine the accrued benefit obligation is an average of 3.2% (2018 - 3.8%). The expected payments during the next five fiscal years are:

	Severance and Removal \$	Compensated Absences \$	Total \$
2020	13,696	2,469	16,165
2021	8,397	1,621	10,018
2022	6,338	1,283	7,621
2023	5,257	1,103	6,360
2024	4,436	977	5,413
	38,124	7,453	45,577

15. TRUST ASSETS UNDER ADMINISTRATION

The Government administers trust assets on behalf of third parties, which are not included in the reported Government assets and liabilities. These consist of cash and term deposits of \$17,421 (2018 - \$16,183) which include Public Trustees and Securities for land use permits and water licenses and oil and gas.

In addition to the trust assets under administration, the Government holds cash and bank guarantees in the form of letters of credit and surety bonds in the amount of \$640,051 (2018- \$662,899). The majority of these guarantees are held against water licenses issued to regulate the use of water and the deposit of waste.

Government of the Northwest Territories

Notes to Consolidated Financial Statements

March 31, 2019

(All figures in thousands of dollars)

16. CONTRACTUAL OBLIGATIONS AND RIGHTS

The Government has entered into agreements for, or is contractually committed to, the following payments subsequent to March 31, 2019:

	Expiry Date	2020 \$	2021 \$	2022 \$	2023 \$	2024 \$	2025+ \$	Total \$
Operational commitments	2048	144,038	88,738	55,421	29,440	19,847	6,517	344,001
RCMP policing agreement	2032	45,881	45,804	45,804	45,804	45,804	364,379	593,476
Commercial leases	2040	24,876	19,555	14,752	10,680	7,729	9,232	86,824
Equipment leases	2026	1,843	1,099	765	548	286	342	4,883
TCA's in progress at year end	2024	90,419	13,202	245	202	202	-	104,270
Operational payments P3	2048	10,686	10,961	11,973	15,394	16,624	491,335	556,973
TCA Construction P3	2022	28,611	80,082	56,613	-	-	-	165,306
		346,354	259,441	185,573	102,068	90,492	871,805	1,855,733

The Government has entered into agreements for, or is contractually entitled to, the following receipts subsequent to March 31, 2019:

	Expiry Date	2020 \$	2021 \$	2022 \$	2023 \$	2024 \$	2025+ \$	Total \$
Transfer Payments	2028	98,889	86,509	113,577	111,565	129,190	229,327	769,057
Regulatory Revenue	2023	777	284	109	51	26	-	1,247
Lease Revenue	2048	4,386	4,386	4,237	3,978	3,960	36,830	57,777
Licence Revenue	2038	314	216	187	144	113	299	1,273
Other	2043	982	219	219	219	219	4,153	6,011
		105,348	91,614	118,329	115,957	133,508	270,609	835,365

Government of the Northwest Territories

Notes to Consolidated Financial Statements

March 31, 2019

(All figures in thousands of dollars)

17. GUARANTEES AND CONTINGENCIES

(a) Guarantees

The Government has guaranteed residential housing loans to banks totaling \$555 (2018 - \$751) and indemnified Canada Mortgage and Housing for third party loans totaling \$12,389 (2018 - \$14,415). In addition, the Government has provided a guarantee to the Canadian Blood Agency and Canadian Blood Services to cover a share of potential claims made by users of the national blood supply. The Government's percentage is limited to the ratio of the Northwest Territories' population to the Canadian population.

The Northwest Territories Business Development and Investment Corporation (BDIC) has three outstanding loans to two Northern Community Futures organizations totaling \$409 (2018 - \$471). Loans provided by these three organizations may be assigned to the BDIC when impaired. If assigned, the BDIC would then write-off the Northern Community Futures organization loan balance and would attempt to recuperate its loss. In 2019, no accounts were assigned to BDIC (2018 - \$0).

The BDIC has two (2018 - three) outstanding irrevocable standby letters of credit totaling \$2,100 (2018 - \$2,201) that will expire in 2020 and 2021. Payment by the BDIC is due from these letters in the event that the applicants are in default of the underlying debt. To the extent that the BDIC has to pay out to third parties as a result of these agreements, these payments will be owed to the BDIC by the applicants. Each letter of credit is secured by promissory note, general security agreement, guarantee or collateral mortgage. During the year, no payments were made (2018 - nil).

(b) Claims and litigation

There are a number of claims and pending and threatened litigation cases outstanding against the Government. In certain of these cases, pursuant to agreements negotiated prior to the division of the territories, the Governments of the Northwest Territories and Nunavut will jointly defend the suits. The cost of defending these actions and any damages that may eventually be awarded will be shared by the two Governments 55.66% and 44.34%, respectively. The Government has recorded a provision for any claim or litigation where it is likely that there will be a future payment and a reasonable estimate of the loss can be made. The provision is based upon estimates determined by the Government's legal experts experience or case law in similar circumstances. At year-end, the Government estimated the total claimed amount for which the outcome is not determinable at \$93,727 (2018 - \$80,208). No provision for such claims has been made in these financial statements as it is not determinable that any future event will confirm that a liability has been incurred as at March 31.

Government of the Northwest Territories

Notes to Consolidated Financial Statements

March 31, 2019

(All figures in thousands of dollars)

18. TRANSFER PAYMENTS, TAXATION AND GENERAL REVENUE

	2019	2018 (Restated - Note 3)
	\$	\$
Transfer payments:		
Capital transfers	30,309	57,919
Canada Health and Social Transfer Reform Fund	64,741	62,109
Federal cost shared	77,267	65,626
Other	37,754	28,078
	<hr/> 210,071	<hr/> 213,732
Taxation:		
Corporate Income Tax	(4,753)	60,006
Personal Income Tax	110,609	87,530
	<hr/> 105,856	<hr/> 147,536
Other taxes:		
Cannabis	111	-
Fuel	22,863	20,925
Tobacco	15,822	15,598
Payroll	43,445	42,633
Property and school levies	36,473	38,417
Insurance	5,814	5,169
	<hr/> 124,528	<hr/> 122,742
General:		
Lease	3,828	4,913
Regulatory	35,377	42,276
Sundry and other	28,341	23,198
Interest	6,678	6,094
Gain on disposition of assets	141	1,008
Grants in kind	305	443
	<hr/> 74,670	<hr/> 77,932
	<hr/> 515,125	<hr/> 561,942

Transfer payment revenue comprises of transfers received from the Government of Canada. Federal cost shared transfer payments relate to those service agreements that are funded by both the Government and the Government of Canada. Other transfer payments comprises of contributions from the Canada Mortgage and Housing Corporation and of grants and contributions received by the Government's public agencies.

Government of the Northwest Territories

Notes to Consolidated Financial Statements

March 31, 2019

(All figures in thousands of dollars)

19. EXPENSES

Expenses of various Government departments, its territorial corporations and other public agencies are aggregated in the Statement of Operations as follows:

Environment and economic development	Department of Environment and Natural Resources Department of Industry, Tourism and Investment NWT Business Development and Investment Corporation Northwest Territories Heritage Fund Arctic Energy Alliance Inuvialuit Water Board
Infrastructure	Department of Infrastructure Department of Lands Northwest Territories Hydro Corporation Northwest Territories Surface Rights Board
Education	Department of Education, Culture and Employment Aurora College All Divisional Education Councils in the NWT All District Education Authorities in the NWT Tlicho Community Services Agency (education portion)
Health, social services, and housing	Department of Health and Social Services All Health and Social Services Authorities in the NWT Tlicho Community Services Agency (health portion) Northwest Territories Housing Corporation Status of Women Council of the Northwest Territories
Justice	Department of Justice
General Government	Department of Executive and Indigenous Affairs Department of Finance Department of Municipal and Community Affairs Northwest Territories Sport and Recreation Council
Legislative Assembly and statutory offices	Legislative Assembly Northwest Territories Human Rights Commission

Government of the Northwest Territories

Notes to Consolidated Financial Statements

March 31, 2019

(All figures in thousands of dollars)

20. OVEREXPENDITURE

During the year 2 departments (2018 - 1) exceeded their operations vote by \$5,958 (2018 - \$496) and 2 departments (2018 - 1) exceeded their capital vote by \$4,597 (2018 - \$33).

Overexpenditure of a vote contravenes subsection 71 of the *Financial Administration Act* which states that "No person shall incur an expenditure that causes the amount of the appropriation set out in the Estimates for a department to be exceeded".

The voted items that were over expended in the current year is as follows:

Department of Health and Social Services (operations)	\$4,048
Department of Justice (operations)	\$1,910
Department of Health and Social Services (capital)	\$4,588
Department of Municipal and Community Affairs (capital)	\$9

These overexpenditures have been deemed a supplementary appropriation in accordance with section 77 of the *Financial Administration Act* S.N.W.T 2015 which states that "Where the charging of expenditures to an appropriation would cause the appropriation to be exceeded, the Comptroller General may, at the end of a fiscal year, record the amount by which the liability exceeds the appropriation as a deemed appropriation for that fiscal year".

21. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the financial statement presentation adopted for the current year.

22. DESIGNATED AND RESTRICTED ASSETS

Designated and restricted assets are included in cash and portfolio investments.

Pursuant to the *Student Financial Assistance Act*, the assets of the Student Loan Fund are to be used to provide financial assistance to post-secondary students that meet eligibility criteria as prescribed in its regulations.

Pursuant to the *Northwest Territories Heritage Fund Act*, the assets of the Heritage Fund are to be used to ensure that the future generations of people of the Northwest Territories benefit from on-going economic development, including the development of non-renewable resources.

Pursuant to the *Waste Reduction and Recovery Act*, the assets of the Environment Fund are to be used for purposes specified in the act including programs with respect to the reduction and recovery of waste.

Portfolio investments, while forming part of the Consolidated Revenue Fund, are designated for the purpose of meeting the obligations of the Legislative Assembly Supplemental Retiring Allowance Pension Plan (*note 13*). Supplementary Retiring Allowance Regulations restrict the investments to those permitted under the *Pension Benefits Standards Act*. The remainder consists of investments held by public agencies listed in note 1(a).

Government of the Northwest Territories

Notes to Consolidated Financial Statements

March 31, 2019

(All figures in thousands of dollars)

22. DESIGNATED AND RESTRICTED ASSETS (continued)

Pursuant to the *Northwest Territories Business Development and Investment Corporation Act*, and its Regulations, the Northwest Territories Business Development and Investment Corporation (BDIC) is required to establish a Loan and Investments Fund for its lending and investing activities. The regulations specifies that a Loans and Bonds Fund will be used to record the lending operations. BDIC is required to use a Venture Investment Fund to record the venture investment operations. Furthermore, BDIC is obligated to maintain a Capital Fund and Subsidy Fund.

In addition to these funds, the BDIC is required, to establish a Capital Reserve Fund and a Venture Reserve Fund, respectively. The BDIC will continue to deposit to these reserve funds an amount equal to 10% of each capital or venture investment made. The BDIC may use these reserve funds for further investment or financing for its subsidiaries and venture investments through approved drawdowns.

Pursuant to the *Land Titles Act*, the assets of the Land Titles Assurance Fund are to be used to compensate owners for certain financial losses they incur due to real estate fraud or omissions and errors of the land registration system.

Other designated assets will be used for various purposes.

Included in restricted assets are sinking fund investments of NT Hydro, which are held by a Trustee for the redemption of debentures. The agreements require annual installments to retire debt at maturity. NT Hydro's sinking fund policy allows only Canadian fixed-income investments with investment grade credit. Restricted assets for the Sinking Fund at March 31, 2019 is \$0 (2018 - \$6,278).

Restricted assets also include funds remitted to the Government, that are restricted for use in the Yellowknife Airport Capital Program, pursuant to the *Memorandum of Agreement* between the Government and Signatory Air Carriers. Restricted assets for Yellowknife Airport Improvement Fees at March 31, 2019 is \$5,478 (2018 - \$2,716) and is included in deferred revenue.

Government of the Northwest Territories

Notes to Consolidated Financial Statements

March 31, 2019

(All figures in thousands of dollars)

22. DESIGNATED AND RESTRICTED ASSETS (continued)

	2019	2018
	\$	\$
<i>Student Financial Assistance Act</i>		
Student Loan Fund:		
Authorized limit for loans receivable	45,000	45,000
Less: Loans receivable balance (<i>note 6</i>)	(41,129)	(40,953)
Funds designated for new loans	3,871	4,047
<i>Northwest Territories Heritage Fund Act</i>		
Heritage Fund:		
Heritage Fund net assets	24,215	17,170
<i>Waste Reduction and Recovery Act</i>		
Environment Fund:		
Beverage Container Program net assets	4,244	3,890
<i>Pension Benefits Standard Act</i>		
Portfolio Investments for the Legislative Assembly Supplementary Retiring Allowance (<i>note 13</i>)		
Marketable securities (market value \$34,604; 2018 - \$33,279)	32,149	31,631
Cash and other assets (market value approximates cost)	138	232
	32,287	31,863
<i>Northwest Territories Business Development and Investment Act</i>		
Loan and Investment Funds	8,947	6,836
<i>Land Titles Act</i>		
Land Titles Assurance Fund net assets	4,743	4,539
<i>Other designated assets</i>		
Cash	690	672
Guaranteed investment certificate	-	785
	690	1,457
	78,997	69,802

Consolidated Schedule of Tangible Capital Assets

for the year ended March 31,

(All figures in thousands of dollars)

	Land ⁵	Building and Leasehold Improvements ¹	Infrastructure and Other ^{1,2}	Roads and Bridges	Equipment ¹	Computers	Work in Progress ^{3,4}	2019	2018 (Restated - Note 3)
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cost of tangible capital assets, opening balance	22,997	1,811,791	782,260	1,686,341	253,579	141,619	418,280	5,116,867	4,831,586
Transfers	366	105,350	21,494	51,629	12,159	9,736	(200,734)	-	-
Acquisitions	-	415	884	-	1,702	-	277,364	280,365	314,215
Write-downs	-	-	-	-	-	-	(29)	(29)	(246)
Disposals	-	(6,270)	(2,860)	-	(4,853)	(875)	-	(14,858)	(28,688)
Cost of tangible capital assets, closing	23,363	1,911,286	801,778	1,737,970	262,587	150,480	494,881	5,382,345	5,116,867
Accumulated amortization, opening	-	(770,910)	(280,967)	(515,343)	(139,410)	(89,755)	-	(1,796,385)	(1,692,764)
Amortization expense	-	(56,468)	(27,361)	(44,557)	(11,933)	(6,343)	-	(146,662)	(123,464)
Disposals	-	5,285	2,642	-	4,856	808	-	13,591	19,843
Accumulated amortization, closing	-	(822,093)	(305,686)	(559,900)	(146,487)	(95,290)	-	(1,929,456)	(1,796,385)
Net book value	23,363	1,089,193	496,092	1,178,070	116,100	55,190	494,881	3,452,889	3,320,482

¹ Included in buildings, leasehold improvements, infrastructure and other, and equipment are assets under capital lease (cost \$34,018 (2018 - \$34,018); accumulated amortization, \$12,461 (2018 - \$11,593); net book value, \$21,557 (2018 - \$22,425).

² Includes ferries, barges, airstrips, aprons, fuel distribution systems, park improvements, aircraft, water/sewer works, fences, signs, transmission and distribution systems and electric power plants.

³ Included in work in progress are costs related to P3 projects: Stanton Territorial Hospital Renewal \$316,562 (2018 - \$268,332) and Tli Cho All Season Road \$32,145 (2018 - \$0).

⁴ Not included in acquisitions of tangible capital assets on the statement of cash flow are non-cash items of \$73,179 (2018 - \$33,913).

⁵ Land with cost and net book value of \$0, market value \$2,184 (2018- \$3,329) was contributed to third parties.

Consolidated Schedule of Segmented Information

for the year ended March 31,

(All figures in thousands of dollars)

	Departments ¹	Other Public Agencies ²	Total for All Segments	Adjustments ³	2019	2018 (Restated - Note 3)
	\$	\$	\$	\$	\$	\$
Revenues						
Grant from the Government of Canada	1,256,289	-	1,256,289	-	1,256,289	1,232,439
Transfer payments	172,317	37,754	210,071	-	210,071	213,732
	1,428,606	37,754	1,466,360	-	1,466,360	1,446,171
Taxation, non-renewable resource and general revenues						
Corporate and personal income taxes	105,856	-	105,856	-	105,856	147,536
Other taxes	114,605	10,401	125,006	(478)	124,528	122,742
General	51,045	749,649	800,694	(726,024)	74,670	77,932
Income from portfolio investments	1,992	1,778	3,770	(377)	3,393	3,834
Non-renewable resource revenue	23,258	-	23,258	-	23,258	66,115
Sales	133,767	95,051	228,818	(43,621)	185,197	177,806
Recoveries	25,945	16,878	42,823	(2,115)	40,708	35,697
	456,468	873,757	1,330,225	(772,615)	557,610	631,662
Recoveries of prior years' expenses	13,625	-	13,625	-	13,625	15,042
	1,898,699	911,511	2,810,210	(772,615)	2,037,595	2,092,875
Expenses						
Grants and contributions	853,957	5,250	859,207	(632,405)	226,802	222,691
Operations and maintenance	581,918	356,184	938,102	(135,034)	803,068	754,202
Compensation and benefits	375,738	485,059	860,797	(6,968)	853,829	828,979
Change in valuation allowances	3,104	-	3,104	-	3,104	2,597
Amortization of tangible capital assets	110,497	36,165	146,662	-	146,662	123,464
	1,925,214	882,658	2,807,872	(774,407)	2,033,465	1,931,933
Annual operating surplus (deficit)	(26,515)	28,853	2,338	1,792	4,130	160,942
Projects on behalf of third parties						
Expenses	(111,998)	-	(111,998)	-	(111,998)	(105,495)
Recoveries	111,998	-	111,998	-	111,998	105,495
Annual surplus (deficit)	(26,515)	28,853	2,338	1,792	4,130	160,942

¹ Departments consist of all those listed in Note 19 that begin with the word "Department" and the Legislative Assembly.

² Public agencies consist of those listed in Note 19 other than Departments and the Legislative Assembly.

³ Includes adjustments to eliminate inter-entity balances to comply with Canadian public sector accounting standards of consolidated financial statements; for example, contributions by departments to boards and agencies are shown under grants and contributions expense under the "Departments" column. The amounts received by the applicable board or agency (e.g. Health and Social Services Authority, Divisional Education Council) are shown under general revenue in the "Other Public Agencies" column. These amounts are eliminated upon consolidation to avoid double counting and result in significant amounts shown in the "Adjustments" column.

**GOVERNMENT OF THE NORTHWEST TERRITORIES
FINANCIAL STATEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2019**

**HONOURABLE CAROLINE WAWZONEK
Minister of Finance**

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INTRODUCTION

The Public Accounts report the financial position and results of operations of the Government for a fiscal year. The Consolidated Statement of Financial Position discloses the assets, liabilities, accumulated surplus or deficit, as well as the net debt position of the Government. The Consolidated Statement of Change in Net Debt discloses the significant items that impacted the Government's net debt position since the last fiscal year end. The financial position of the Government is measured at a specific point in time (March 31 fiscal year end), whereas information relating to revenues and expenses encompasses the results for a fiscal year as disclosed in the Consolidated Statement of Operations. It is important to note that the financial position of the Government is often quite different from the financial condition of the economy.

The financial health of a government can be measured by its sustainability, flexibility, and vulnerability, looked at in the context of the overall economic and financial environment. These terms are defined as follows:

- **Sustainability:** the degree to which a government can maintain existing programs and meet existing creditor requirements without increasing the debt burden on the economy.
- **Flexibility:** the degree to which a government can increase its financial resources to respond to rising commitments, by either expanding its revenues, or increasing its debt burden.
- **Vulnerability:** the degree to which a government becomes dependent on, and therefore vulnerable to, sources of funding outside its control or influence, both domestic and international.

The information provided in the following pages is intended to assist readers of the Public Accounts in their assessment of the Government's financial health. It is important to note that the information contained within the Consolidated Financial Statements (Public Accounts – Section I) includes all Government-controlled organizations as well as the Government. Collectively, these entities are referred to as the Government Reporting Entity. Organizations included in the Government Reporting Entity are listed in Note 1 to the Consolidated Financial Statements.

EXECUTIVE SUMMARY - FINANCIAL HIGHLIGHTS

The executive summary provides a summary of key events affecting the results within the Public Accounts and includes a discussion on these results compared to the original plan (budgets).

Information obtained in the current year indicates that some revolving fund expenses were mistakenly grouped with revolving fund revenues. As a result there was an understatement of revenues and expenses in the prior year by approximately \$33.8 million.

The Stanton Territorial Hospital Renewal P3 project was nearly complete at March 31, 2019. A review of the costs associated with this project revealed that certain development costs and capitalized interest, totalling \$29.6 million, had not been recorded in the prior years. The consolidated financial statements have been corrected retroactively and the comparative figures have been restated.

See note 3 of the consolidated financial statements.

The consolidated results of operations for the fiscal year ending March 31, 2019 and the financial position as at March 31, 2019 are summarized below:

(\$ in thousands)

	Budget 2019	Actual 2019	Actual 2018 (Restated)
Total Revenue	1,989,843	2,037,595	2,092,875
Total Expense	2,001,179	2,033,465	1,931,933
Annual Surplus	(11,336)	4,130	160,942
Financial assets		487,341	524,998
<i>Less: Total liabilities</i>		1,611,923	1,520,380
Net debt		(1,124,582)	(995,382)
<u>Non-financial assets</u>		3,482,506	3,349,176

The 2019 consolidated financial statements report a surplus of \$4.1 million, \$15 million over the original budget. Subsequent budget adjustments approved during the fiscal year are not reflected as the budget is presented in accordance with Public Sector Accounting Standards (PSAS). Budget adjustments made during the year typically reflect new information that was not known at the time the original budget was approved, changes in revenues, expenses or both. Mid-year budget

adjustments should be considered before any conclusions are drawn with respect to operational results.

Net debt increased by \$129 million in 2019, largely due to investment in capital infrastructure. This increase is largely attributable to the financing related to public private partnerships (P3) for work done and an increase in short term borrowing.

The Northwest Territories economy (real Gross Domestic Product) is estimated to have grown 1.9% in 2018, compared to the national rate of 2%. The 2018 real GDP growth is due to electric power and transmission infrastructure construction, upgrades to the transportation system and replacement of a pipeline under the Mackenzie River.

The Government's own source revenues are directly linked to the Northwest Territories (NWT) economy. For example, the Government relies on a small number of resource based companies for the majority of its corporate tax revenue, whose incomes fluctuate significantly with economic events. In addition, the Government collects resource royalties, though it shares these revenues with the federal government and Aboriginal partner organizations, which reduces the fiscal benefit of royalties for the Government. However as the Government relies on federal transfers for the majority of its revenues the overall linkage between the economy and the Government's revenues does not appear very strong.

The NWT continues to manage growth in spending, while making targeted investments to encourage economic growth and address infrastructure needs. Cumulative infrastructure investments of \$5.38 billion focusing on health care, education and transportation have made the NWT a safer, more competitive and productive territory, while supporting the creation of jobs in construction and related industries.

Financial Health

A government's financial health should be measured in terms of sustainability, flexibility and vulnerability. The preceding measures have attempted to show how the Government's fiscal health measures up from this standpoint. This suggests the following conclusions:

- **Sustainability** – at the end of the 2019 fiscal year the Government had a net debt position of \$1.12 billion compared to net debt of \$995 million at the end of the prior fiscal year. The net debt represents 55% of total revenue. Future investments in infrastructure and operations cannot be sustained at the present level without incurring more debt.

- **Flexibility** – pertains to the Government’s ability to increase its financial resources. The majority of revenue comes from the Territorial Formula Financing Grant from the Government of Canada. The Government’s own-source revenues, net of \$23 million in non-renewable resource revenues, decreased to 27% of total revenue in 2019 (28% - 2018). The Government’s limited flexibility to increase taxes combined with a small tax base makes a significant increase in own source revenues unlikely in the short term.

At March 31, 2019, the Government has a federally imposed borrowing limit of \$1.3 billion. Although the Government is currently under this limit, \$1.3 billion represents 64% of total 2019 expenses. The limit on the borrowing capacity precludes the use of debt to increase financial resources; as well, an increase in debt would at best provide short term flexibility.

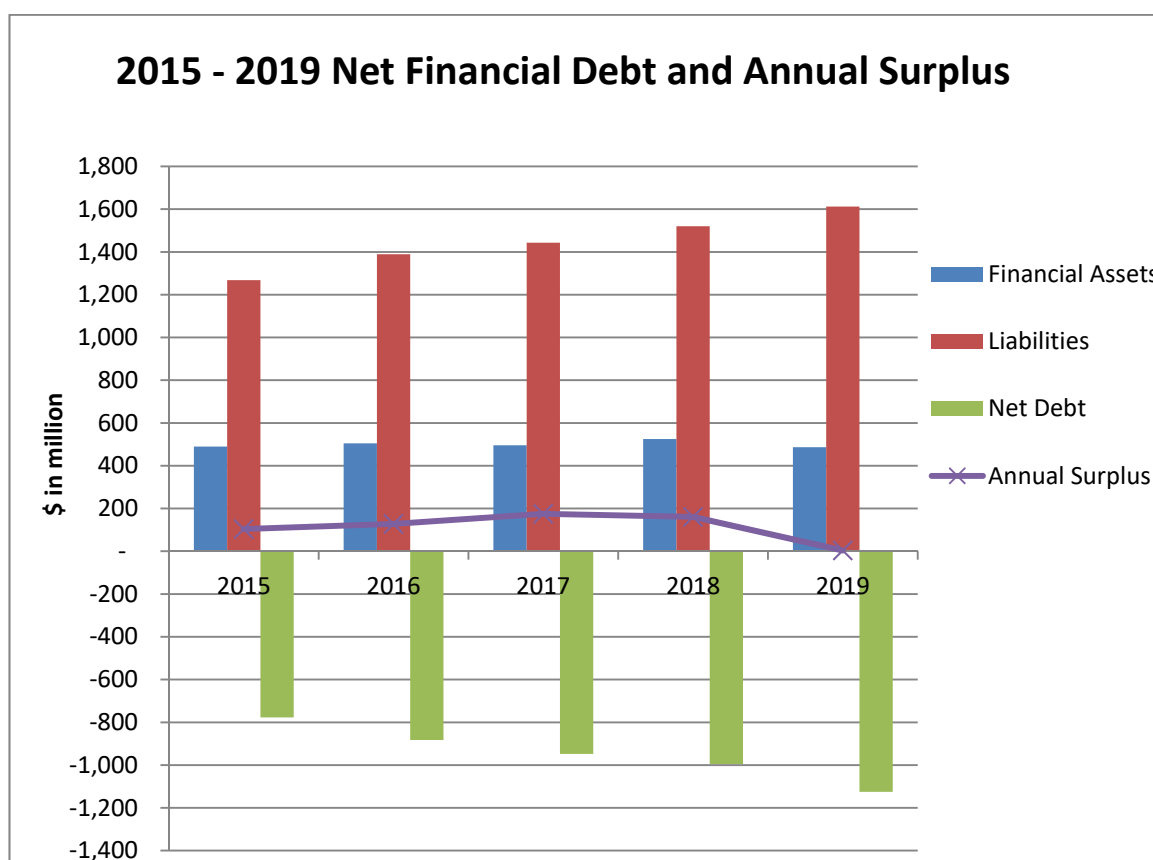
- **Vulnerability** – to assess the Government’s vulnerability, it is not necessary to look further than the Government’s limited own-source revenues and the volatility related to corporate and personal income taxes. The Government’s largest source of revenue is the grant and transfer payments from Canada which represent 72% of total revenue for the current year. The formula determining the Territorial Formula Financing Grant is established under federal legislation and will remain in effect until March 31, 2024.

In summary, the Government cannot sustain the current level of investment in infrastructure and operations without incurring more debt. The Government has limited flexibility to raise new revenues, and continues to be vulnerable to federal control over changes to its future revenues.

ANNUAL AND ACCUMULATED SURPLUS AND NET DEBT

Net financial resources result when there are financial assets remaining after deducting all liabilities of the Government. Net debt results when liabilities are more than financial assets. The Government is in a net debt position as liabilities exceeded financial assets at the end of the fiscal year. Over the last five years, the Government's net debt has been increasing, but not in unison with the annual surplus, as depicted in the graph below. This occurs as other factors that impact net debt do not impact annual surplus, most notably a reduction in cash or an increase in debt as the result of investing in infrastructure. The composition of net debt is shown on the Consolidated Statement of Change in Net Debt within Section 1 of the Public Accounts.

The graph below illustrates the Government's net debt position and annual surplus at the end of each of the last five fiscal years.

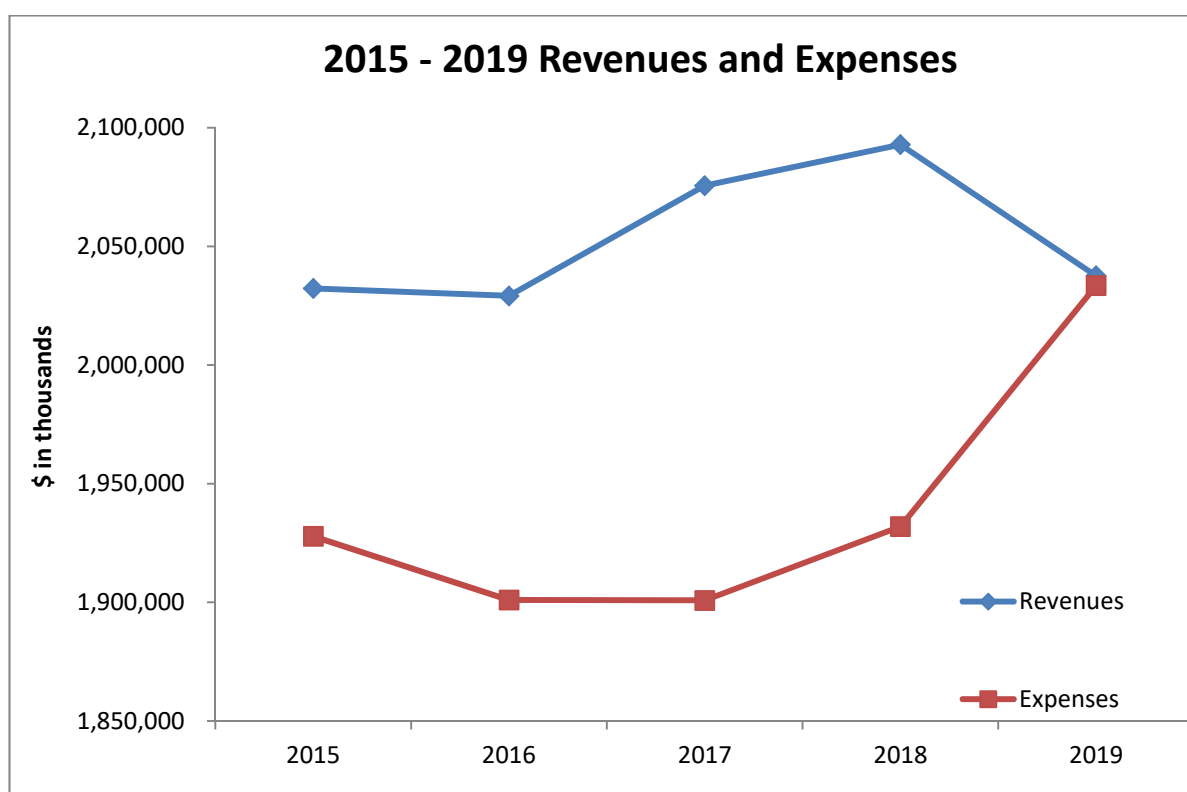


Net debt increased during the 2019 fiscal year largely due to investment in capital infrastructure. This increase is largely attributable to the financing related to public private partnerships (P3) for work done and an increase in short term borrowing.

Net debt is subtracted from the Government's accumulated investment in non-financial assets (tangible capital assets/prepaid expenses/inventories held for use) to produce the accumulated surplus balance at the end of the year.

Net debt represents the debt burden on future generations that must be recovered through future revenues. An important measure of the flexibility of a government is the level of financial assets available to meet current and future obligations, as well as its ability to absorb any budgeted annual deficit.

REVENUES AND EXPENSES



* Revenues depicted above include recoveries of prior year expenditures

In 2018 expenses started increasing to reflect the expenses coming from the new revolving funds that started operating that year. In 2019 expenses increased due to increased operations in one of the Revolving Funds. In addition, the Health, Social Services and Housing expenses increased mainly due to an increase in operational expenses pertaining to the building of the new Stanton Hospital as well as an increase in compensation and benefits as a result of increases stipulated by the recently agreed upon collective agreement. The decrease in revenues in 2019 is mainly due to a decrease in corporate income tax and non-renewable resource revenue.

REVENUES BY SOURCE

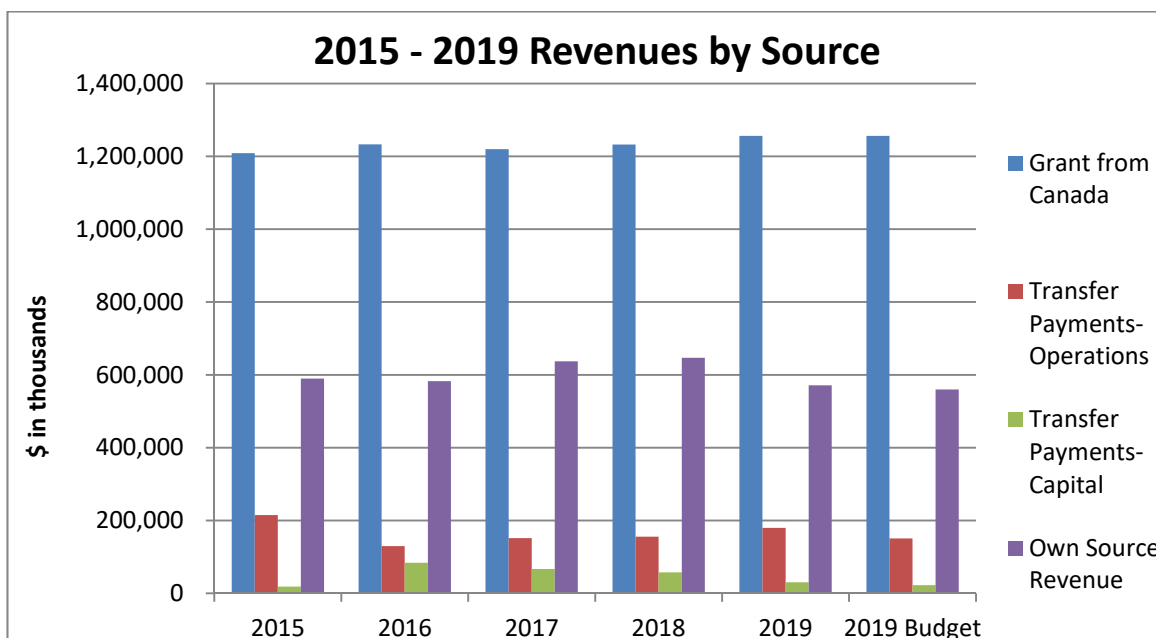
The Government funds programs and services through a combination of transfers from the federal government and own-source revenues. In order to assess the long-term sustainability of the present level of programs and services, various key indicators are monitored on an ongoing basis, including the following:

- Growth rates of revenues and expenditures;
- Changes in the net debt ratio; and
- Impacts of one-time (or non-recurring) events.

The most significant factor that contributes to revenues being more unpredictable than expenses in any given year is volatility in corporate income tax. NWT corporate income tax revenues are volatile as the majority of corporate income tax revenues are generated by a small number of resource based tax payers, whose taxable income fluctuates depending on production and global commodity prices.

The Grant from Canada calculation is based on an equally-weighted three-year moving average of data, which includes a two year lag. As a result, changes in underlying variables, such as corporate income tax, do not lead to a corresponding impact (up or down) on the Grant from Canada until the second, third and fourth years following the year of the change to the revenue in question. For example, in the event of a revenue shortfall in corporate income tax, the resulting positive offset on the Grant from Canada would occur in one-third increments; in the second, third and fourth years following the year in which the shortfall took place.

Transfer payments revenues related to the purchase or construction of a tangible capital asset, whether fully funded or cost-shared, are recognized as revenue in the period during which the transfer is authorized and eligibility criteria are met, except when and to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. This is another significant factor that contributes to revenues being unpredictable. For large projects; this causes revenue to be higher than it would normally be as expenditures related to this are capital in nature. The impact on operational expenses will be over future years as the asset is amortized.



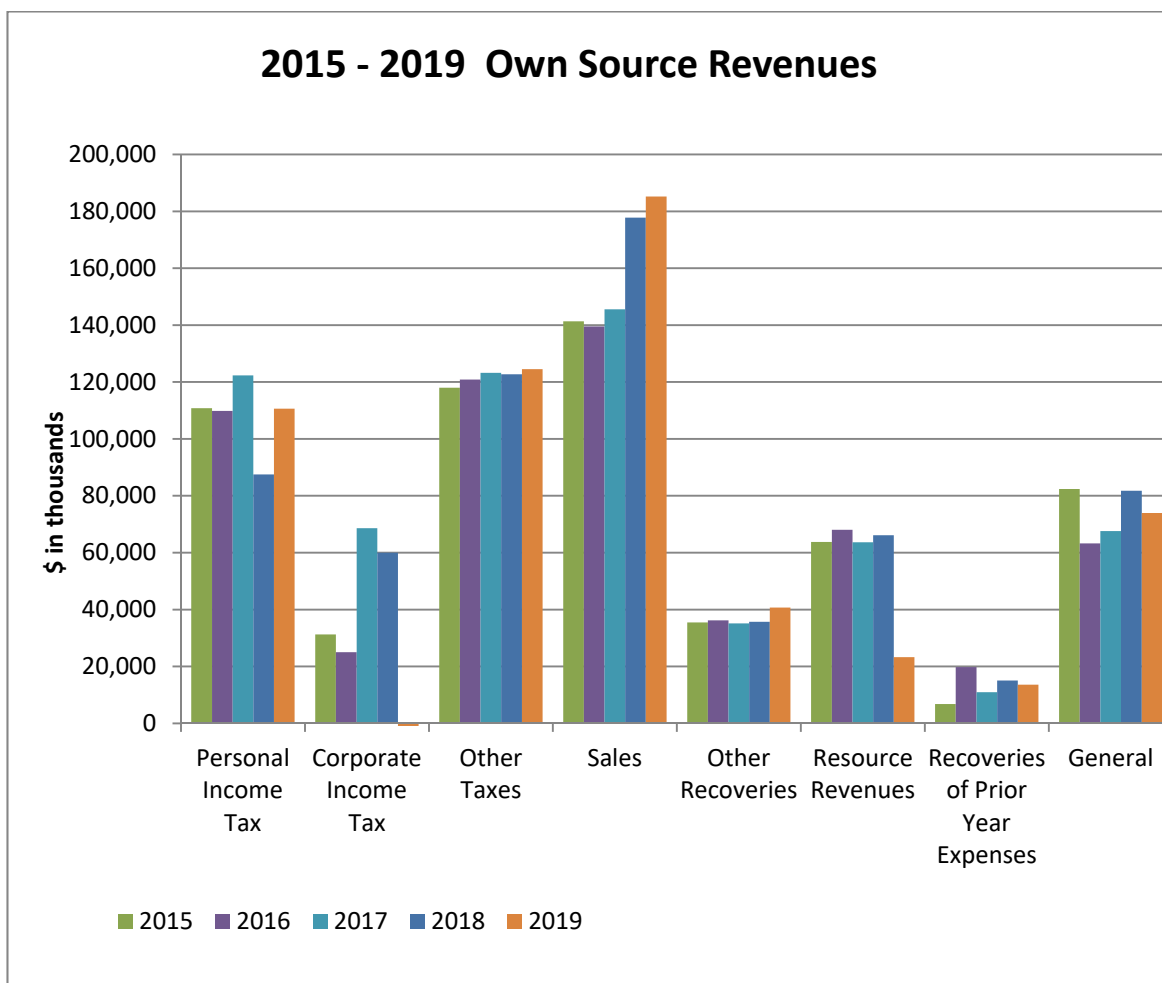
* Own source revenues include recoveries of prior year expenditures

Total revenue in 2019 was \$2.038 billion, an increase of \$47.8 million or 2.4 per cent from the original budget. This increase is primarily due to higher transfer payments and more sales partially offset by decrease in corporate income taxes.

Territorial Formula Financing Grant from Canada

The Grant from Canada was \$1.256 billion in 2019, an increase of \$24 million over 2018. This was due to an increase in the Gross Expenditure Base (\$38 million), partially offset by higher eligible revenues (\$11 million), and change in the resource revenue offset (\$3 million).

The Grant from Canada is an annual formula-based calculation to fill the fiscal gap between the Government's expenditure needs and its ability to raise revenues. The NWT's grant equals the difference between its gross expenditure base and a measure of revenue capacity known as eligible revenues. The gross expenditure base is an estimate of the expenditure requirements of the Government, which takes into account the higher costs and needs in the NWT to deliver public services of similar quality to those in the provinces. The gross expenditure base is increased annually by the growth in provincial and local government spending and the growth in the NWT population relative to the growth in the Canadian population. Eligible revenues are calculated by determining what the Government could have raised in revenues at national average tax rates and reducing that amount by a 30 per cent economic development incentive. The resource revenue offset reduces the amount of the grant by 50 per cent of resource revenues shared with the federal government, which is lagged two years.



Own Source Revenue

The Government's major own-source revenues, corporate and personal income tax, tobacco tax, fuel tax, and payroll tax (excluding non-renewable resource revenues), have averaged approximately 27% of total revenues indicating a reliance on the Grant from Canada. Grants and transfer payments from Canada vary, accounting for approximately 72% of total revenues for the current year.

With the exception of corporate income tax, personal income tax and non-renewable resource revenues, other own-source revenues have proven to be fairly consistent over the years. Corporate income tax revenue is volatile as it is dependent upon a small base of significant taxpayers.

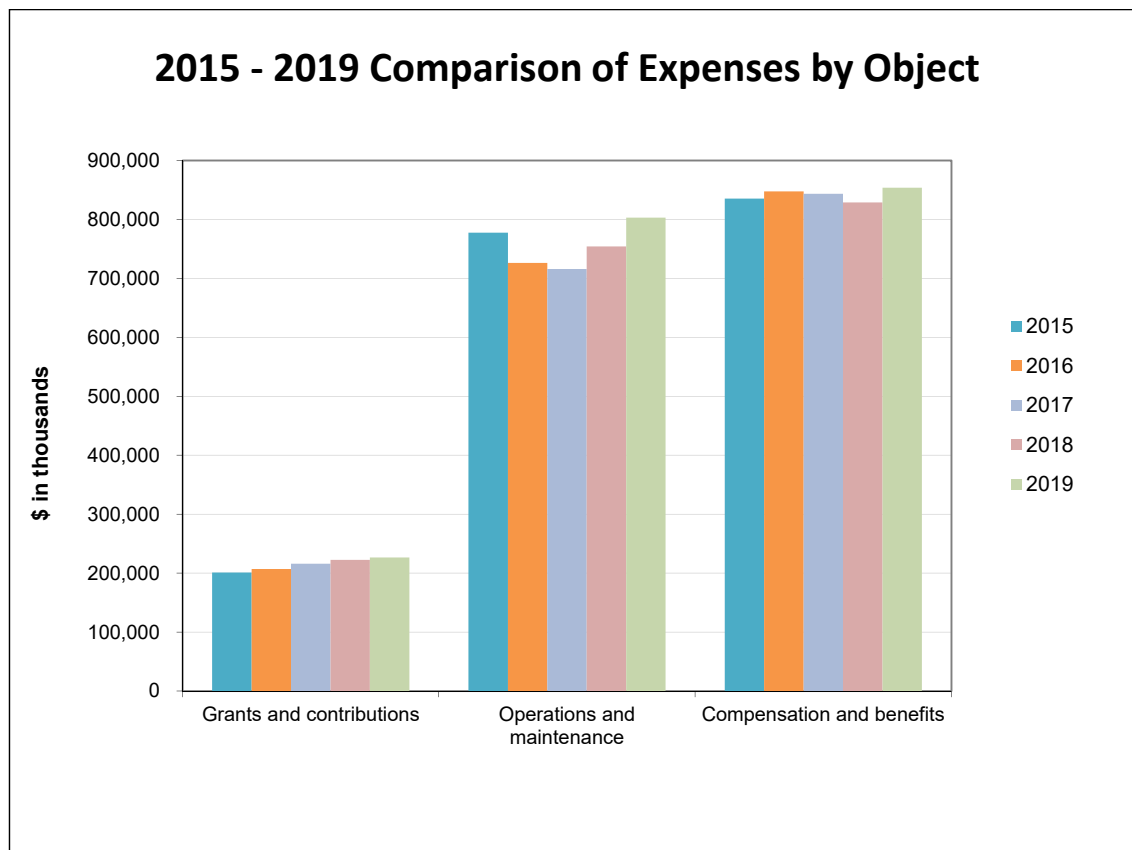
After a tax year ends, tax payers are required to file their income tax returns by the deadline: April 30 for personal income tax and six months after the corporation fiscal year-end for corporate income tax. Because of this lag time, for a given tax year, the Government receives advance payments from Canada based on the federal estimate of the territorial tax to be collected by Canada Revenue

Agency for that year. After tax payers file their income taxes, the actual territorial taxes collected are compared against the advance payments the Government received in the previous year. If the taxes collected exceed the advance payments, the Government receives an extra payment for the underpayment. Conversely, if the taxes collected fall short of the advance payments, the Government pays back to Canada the overpayment.

- In 2019 personal income tax revenues increased by \$23.1 million over 2018 due to two factors: an \$11 million increase in advance payments related to the current tax year plus a \$12 million increase in an underpayment related to the previous tax year tax.
- In 2019 corporate income tax revenues decreased by \$64.8 million over 2018 due to two factors: a \$23.8 million decrease in advance payments related to the current tax year coupled with a \$40.7 increase in an overpayment related to the previous tax year.

Non-renewable resource revenues decreased in 2019 by \$42.8 million over 2018. Non-renewable resource revenues are subject to volatility and the revenue streams fluctuate annually based on production and work bid deposits that are forfeited. In addition, non-renewable resource revenues are generated as the resources are extracted and are therefore finite. Non-renewable resource revenues, after sharing with the federal and indigenous partners (signatories to the Northwest Territories Lands and Resources Devolution Agreement) are used to fund infrastructure, pay down debt and contribute to the NWT Heritage Fund.

EXPENSES BY OBJECT



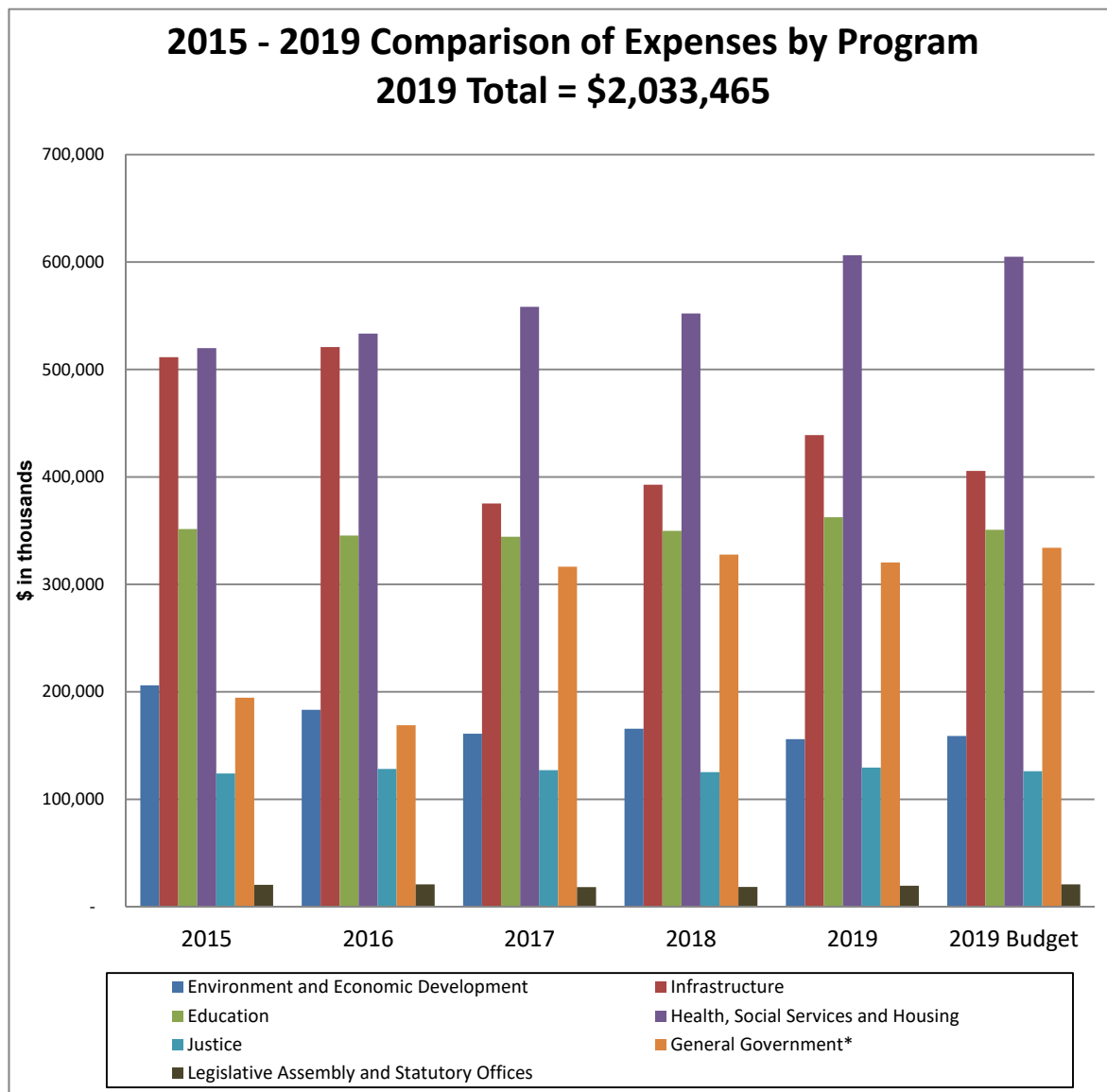
The graph above provides information on the consolidated Government’s operations. Total expenses in 2019 are \$2.03 billion; this is 1.6% higher than budget.

Grants and contributions from the Government to boards and agencies consolidated in Section I of the Public Accounts are reported under two categories (operations and maintenance, compensation and benefits) to better reflect the nature of the final expense types. This classification does not change the way that these government organizations are funded as many of our social and educational programs are funded by contributions from the Government. Many components of these funding agreements with boards and agencies are fixed costs incurred by the recipients and as the major (or sole) provider of funds, the Government cannot vary the funding without affecting the level of output by these boards and agencies.

In addition, lease commitments and other contractual obligations, which are disclosed in the notes to the Consolidated Financial Statements, are long-term fixed costs over which there is little discretion to be exercised in the short-term.

The Government is also vulnerable to inflation for operational expenses and as an important factor when negotiating compensation and benefits. Not only are the direct wages of the Government and its boards and agencies vulnerable to this, compensation and benefits also comprise a significant factor in determining the amount of grants and contributions given out to third parties.

EXPENSES BY PROGRAM



*Prior to 2017 the expenses for the Department of Municipal and Community Affairs and the Northwest Territories Sport and Recreational Council were part of Infrastructure; these expenditures are now included in General Government

The Government spends the majority of its budget on social programs (education, health, support to community governments, infrastructure and housing), with the remaining budget allocated to justice, natural resources and economic development. Any additional resources to improve a service often have to be made at the expense of other important needs. Balancing a budget entails not only controlling expenses but also finding the most effective and efficient mix of programs.

The following comparisons to budget are based on original plans and do not include supplementary appropriations/or budget adjustments:

- Environment and economic development expense was \$156 million in 2019. This was \$3 million or 1.8% less than budgeted due to forest management wildfire cost savings, as a result of less forest fires than anticipated.
- Infrastructure expense was \$439 million in 2019. This was \$33 million or 8.2% more than budgeted due to more than anticipated utility and amortization costs as a result of assets coming into service. This was compounded by Marine Transportation Services Revolving Fund which was more than \$20 million over budget, due to more business than budgeted.
- Education expense was \$363 million in 2019. This was \$12 million or 3.3% more than budgeted due to increased income security payments, as a result of more clients than anticipated. In addition labour development standards costs originally budgeted as third party expenses were reported as Government expenses.
- Health, social services and housing expense was \$606 million in 2019 which was consistent with the budgeted amount.
- Justice expense was \$130 million in 2019. This was \$3.5 million or 2.7% more than budgeted mostly due to uncontrollable costs driven by contractual obligations and court operations in Police and Court Services.
- General government expense was \$320 million in 2019. This was \$14 million or 4.1% less than budgeted largely due to the reduced resource revenue transfer to indigenous groups than budgeted.
- Legislative Assembly and statutory offices expense was \$19.6 million in 2019. This was \$1.2 million or 5.9% less than budgeted due to a decrease in pension expense.

GROSS DOMESTIC PRODUCT

Gross Domestic Product (GDP) represents the total unduplicated value of goods and services produced within the geographical boundaries of a country, province or territory, regardless of whether the factors of production involved are resident or non-resident. GDP is presented in chained dollars. Chained dollars are a real measure of GDP meaning pricing effects are excluded providing a direct comparison of the quantity of goods and services produced from year to year; GDP changes because the quantity of goods and services changes. Estimates of GDP are typically expressed at basic prices, which exclude the impact of taxes and subsidies in the estimate.

For the NWT, Statistics Canada estimated GDP was \$5.0 billion for 2018, which represents a 1.9% increase relative to prior year. This growth was a result of an increase in oil and gas extraction, construction and transportation industries; partly offset by a decrease in the diamond mine industry.

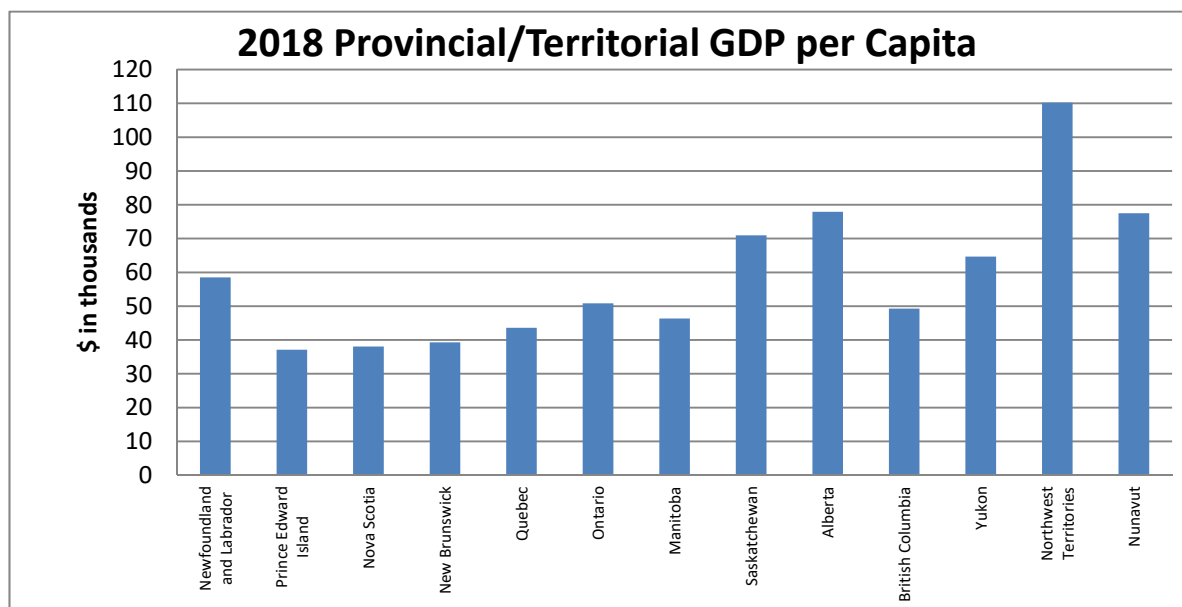
Real Gross Domestic Product at Basic Prices, calendar years 2017 and 2018
Canada, Provinces and Territories
Millions of Chained (2012) Dollars

	2018	2017	Percent Change
Canada	1,937,054	1,898,412	2.0
Northwest Territories	4,955	4,861	1.9
Nunavut	2,955	2,685	10.0
Yukon	2,626	2,554	2.8
British Columbia	246,506	240,658	2.4
Alberta	335,096	327,596	2.3
Saskatchewan	82,503	81,179	1.6
Manitoba	62,732	61,941	1.3
Ontario	728,364	712,984	2.2
Quebec	365,614	356,678	2.5
New Brunswick	30,295	30,272	0.1
Nova Scotia	36,518	36,075	1.2
Prince Edward Island	5,700	5,553	2.6
Newfoundland and Labrador	30,758	31,611	-2.7

Source: Statistics Canada

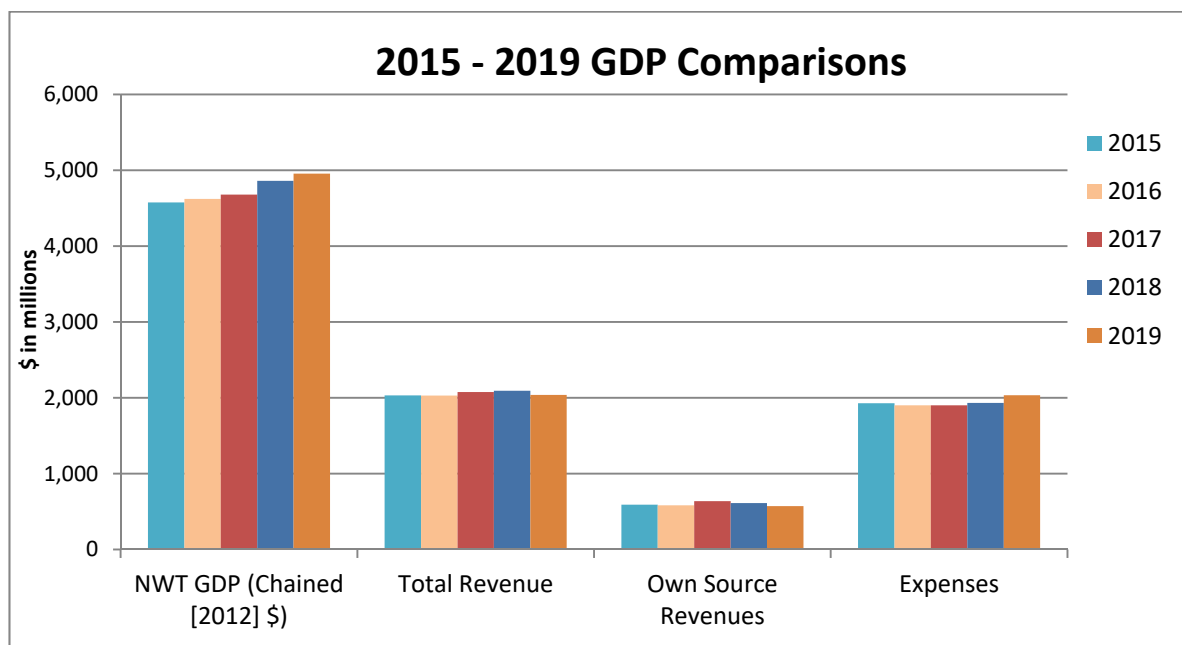
Note: Data will not sum to totals since chained dollars are not additive.

GROSS DOMESTIC PRODUCT (continued)



Based on July 1, 2018 population estimates of Statistics Canada

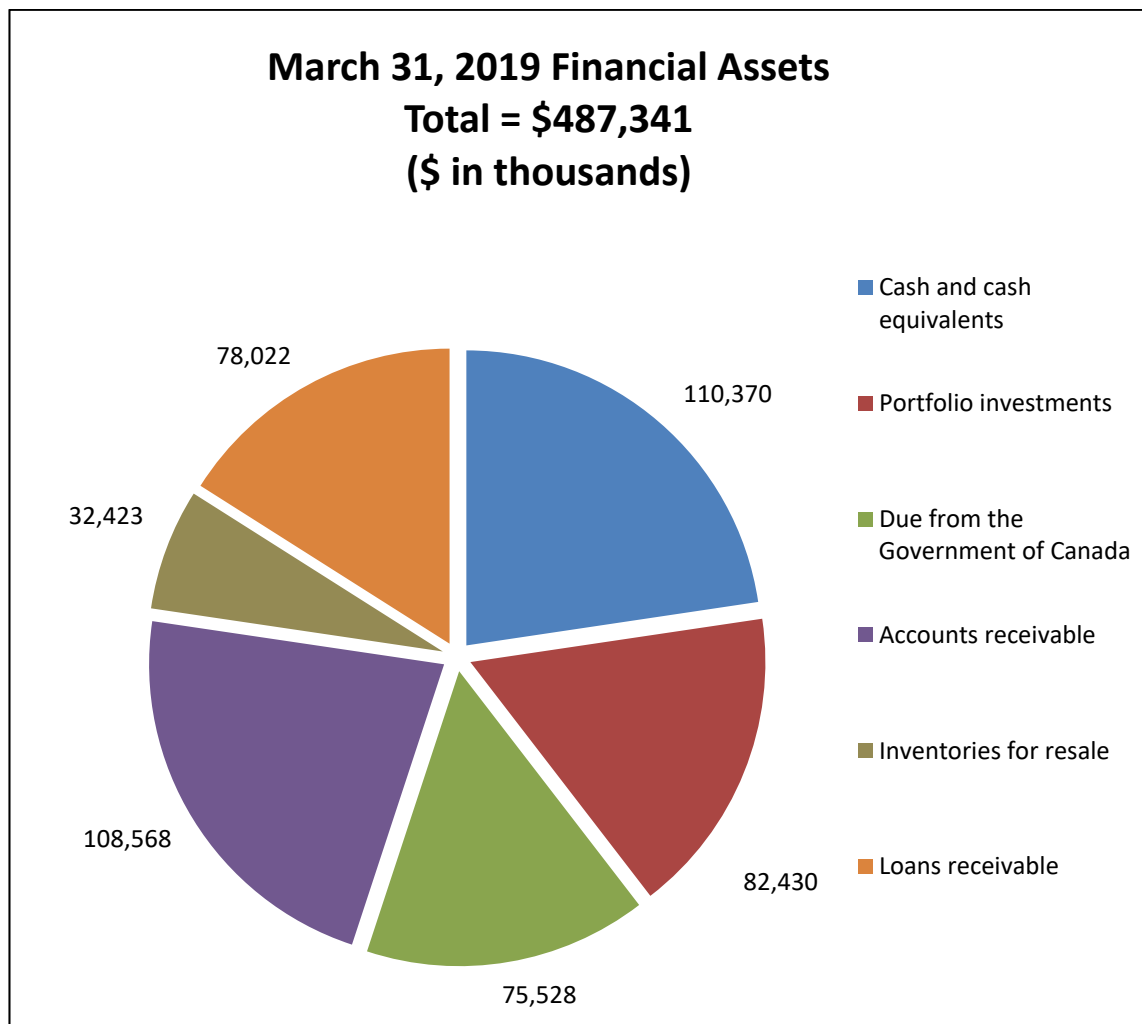
The NWT currently has the highest GDP per capita in Canada. This is an important indicator to note when considering GDP statistics as it shows that while the NWT has a relatively small population our economy is large by comparison.



* NWT GDP is based on a calendar year, while the balance of the information is based on the fiscal yearend (March 31 of the following year).

FINANCIAL POSITION - FINANCIAL ASSETS

Financial assets represent the amount of resources available to the Government that can be converted to cash to meet obligations or fund operations.

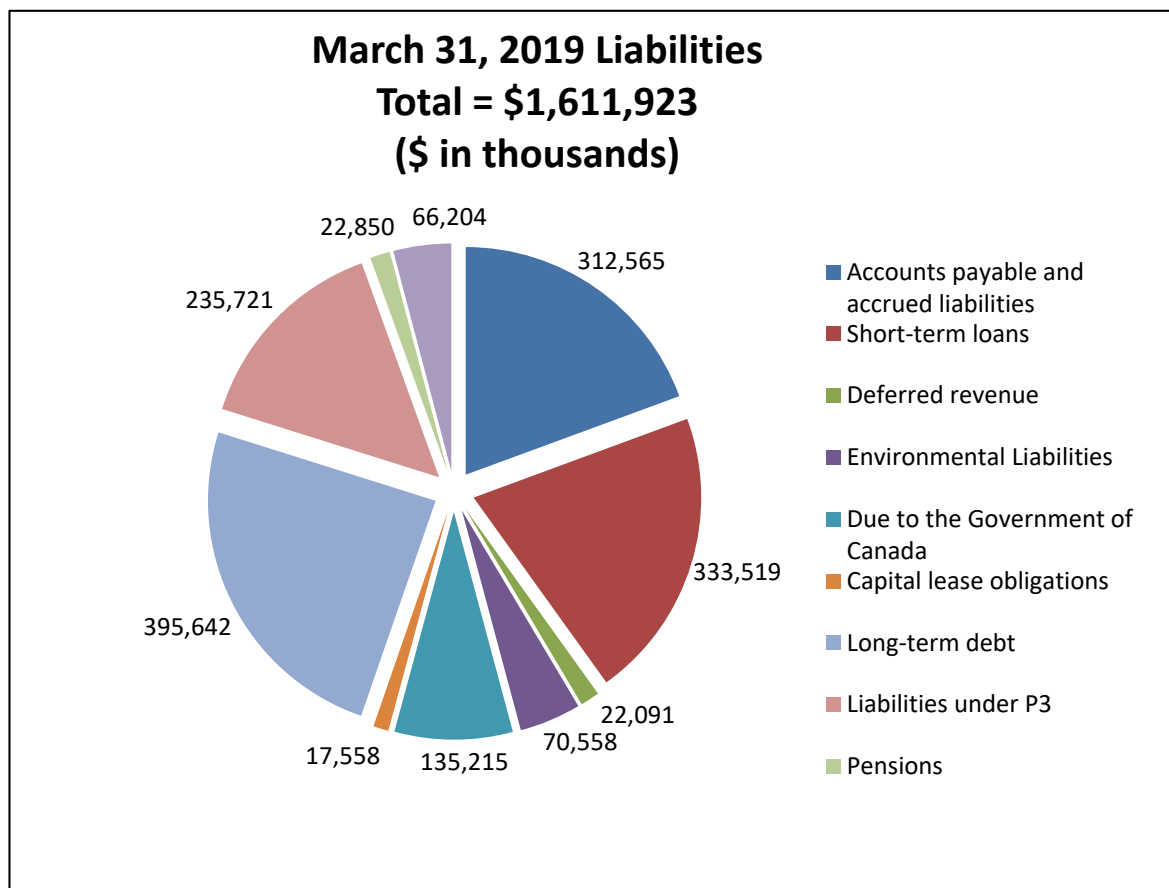


The above graph illustrates the composition of the Government's financial assets.

Approximately 23% of the Government's financial assets are cash. The balance of the financial assets is convertible to cash over time, varying from relatively short-term investments and inventory for resale to long term loans receivable. The balance of the financial assets will, over time, contribute to the Government's ability to discharge its liabilities as depicted on the following page.

FINANCIAL POSITION - FINANCIAL LIABILITIES

Liabilities represent the obligations the Government has to others arising from past transactions or events.



The above graph illustrates the composition of the Government's liabilities.

The Government presently has approximately \$487 million in financial assets available to discharge liabilities of approximately \$1.612 billion. The gap between the Government's financial assets and its liabilities indicates that some of its future revenues will be required to meet these obligations.

Environmental Liabilities

Environmental Liabilities are included within the Financial Liabilities. The nature of the Government's programs and services exposes the Government to costs associated with remediation of any site contamination that occurred as a result of government operations. These costs make up the Environmental Liabilities amount disclosed in the Public Accounts - Section I (note 9). In addition to its own sites, the liability also includes contaminated sites where the Government has accepted responsibility. A summary of Government's policy with respect to Environmental Liabilities can be found in the Public Accounts - Section I (note 2p).

The process used by the Government to include a contaminated site is based upon PSAS, as well as responsible stewardship. When a site is suspected of contamination, the first step is to determine if the contamination is above an environmental standard. If the investigation determines that an environmental standard has been exceeded then the site is included within the Government's inventory of contaminated sites.

Only sites that are non-operating or high priority due to a risk to human health or property are assigned a value. Before the value can be calculated the Government must first determine the appropriate action to be taken: remediation, monitoring or risk management. The Government's best estimates of the action to be taken are based upon further assessments performed by third parties or from similar remediation actions that Government can rely upon. If no basis exists to estimate full remediation costs, the value of the liability is limited to estimates of the known costs to be incurred for next steps.

Where the costs of remediation may be shared with a third party, such as Canada, only the Government's share of the remediation costs has been recorded.

The Government works to address required remediation of contaminated sites in a systematic approach that considers risk, available resources, coordination of efforts and a short summer season.

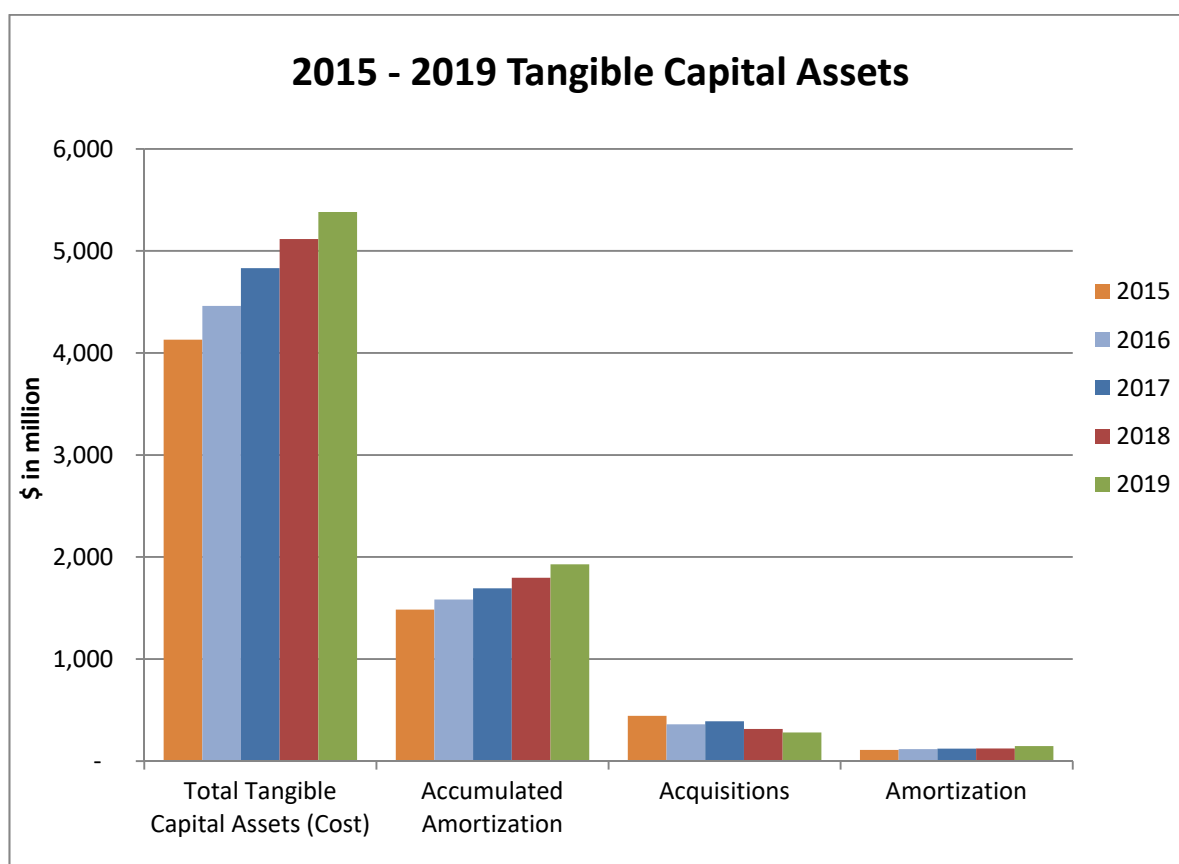
NON-FINANCIAL ASSETS

Non-financial assets typically represent resources that the Government can use to provide services in the future. Non-financial assets consist primarily of tangible capital assets but also include inventories held for use and prepaid expenses.

Tangible Capital Assets

Tangible capital assets (TCAs) include assets purchased or constructed by the Government and assets that were fully or partially contributed to the Government by Canada or other parties. Examples include roads, schools and hospitals.

Under the Government’s capitalization policy, assets valued at \$50,000 or more are capitalized and then expensed over time as amortization in the Consolidated Statement of Operations based on their estimated useful life.



Tangible capital assets (at cost) do not include adjustments for contributions that may have been received to offset the cost. For further details regarding tangible capital assets refer to Schedule A in the Consolidated Financial Statements included in Section I of the Public Accounts.

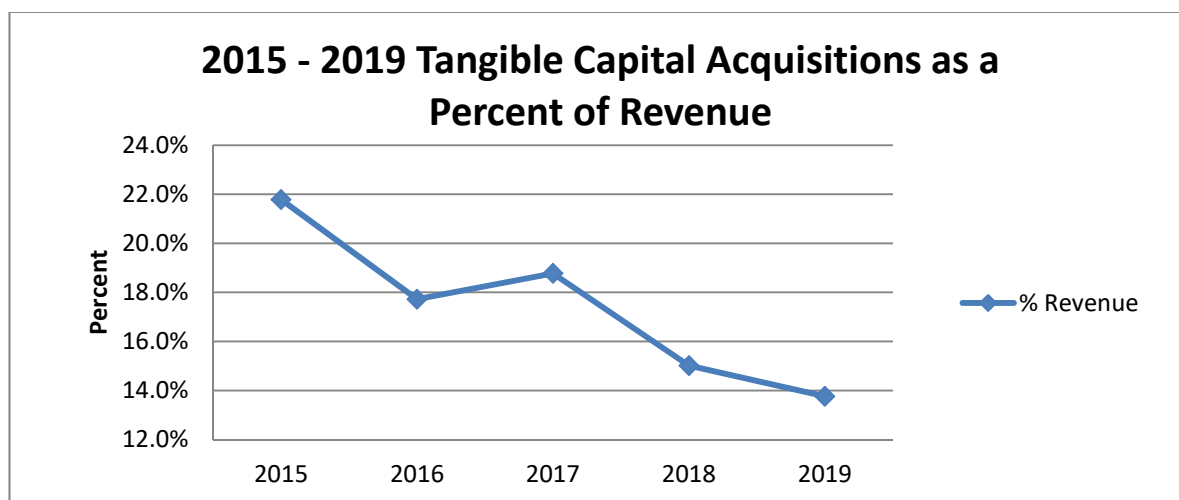
The Government plans its capital expenditures to ensure that existing tangible capital assets are replaced or expanded in a timely manner in conjunction with the

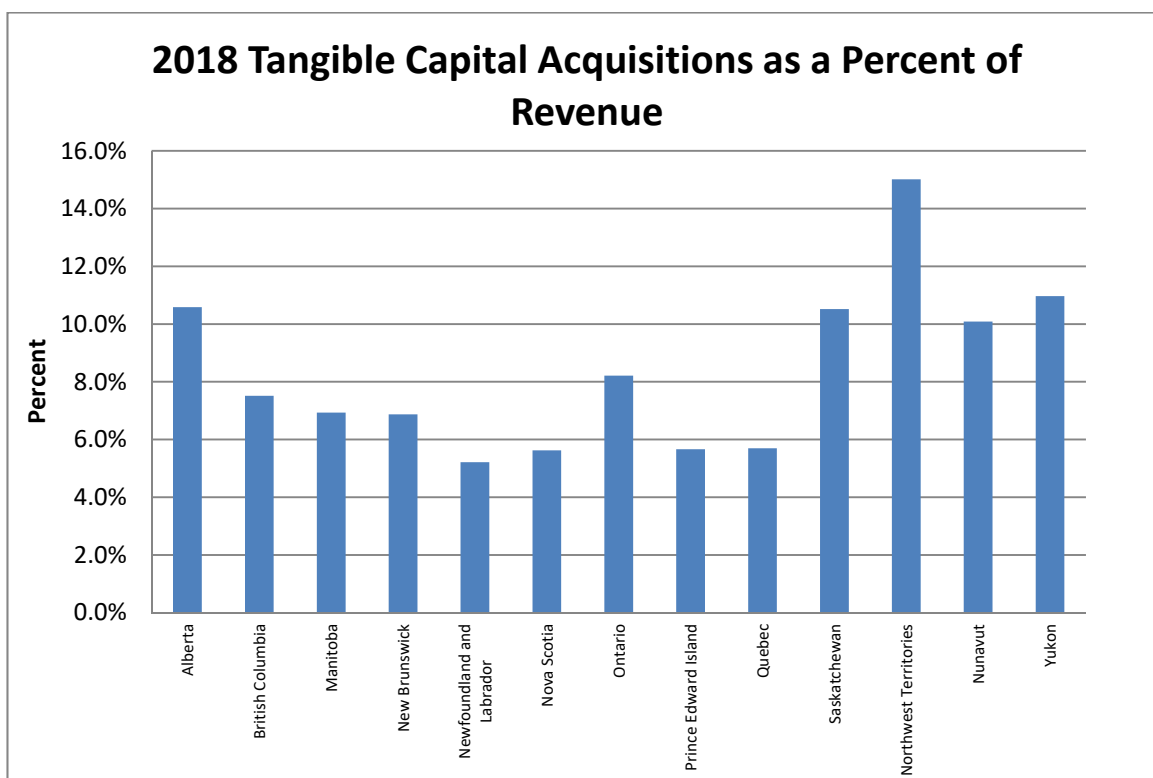
Government's direction, priorities and fiscal strategy. The breakdown of capital investment categories is located in Schedule A of the Consolidated Financial Statements.

The Government invests in infrastructure in three ways:

- By investing in Government-owned capital;
- By entering into public private partnerships (P3) agreements; and
- By providing transfers to third parties, including municipalities, for capital purposes. Assets funded in this manner are disclosed as contributions, not as Government capital assets.

The Government is currently investing in tangible capital assets at a level that represents about 50% to 60% of the estimated investment needed for replacement and growth. This illustrates a continued commitment to invest in NWT infrastructure (including education and health care facilities). In the 2019 fiscal year, the Government placed \$201 million worth of new assets into service (2018 - \$273 million). The most significant being the additions to Lutsel K'e Dene School, Ecole Allain St -Cyr and Access Roads.



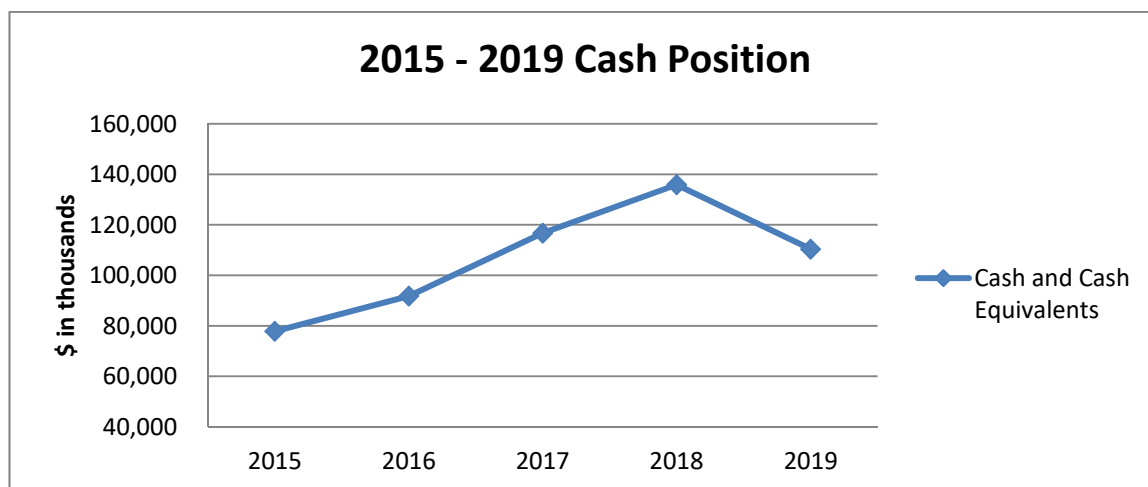


Source: Figures calculated based on 2017-18 Provincial/Territorial Public Accounts

In the past 5 years, the Government's acquisition of tangible capital assets as a percentage of revenue has gone down from a high of 22% in 2015 to 14% in 2019. However, in 2018 the Government had the highest percentage of revenue invested in infrastructure compared to other Territories and Provinces.

CASH FLOWS

The statement of cash flow reports on the sources and uses of cash during the year. The Government's overall cash position decreased by \$26 million; from \$136 million in 2018 to \$110 million in 2019.

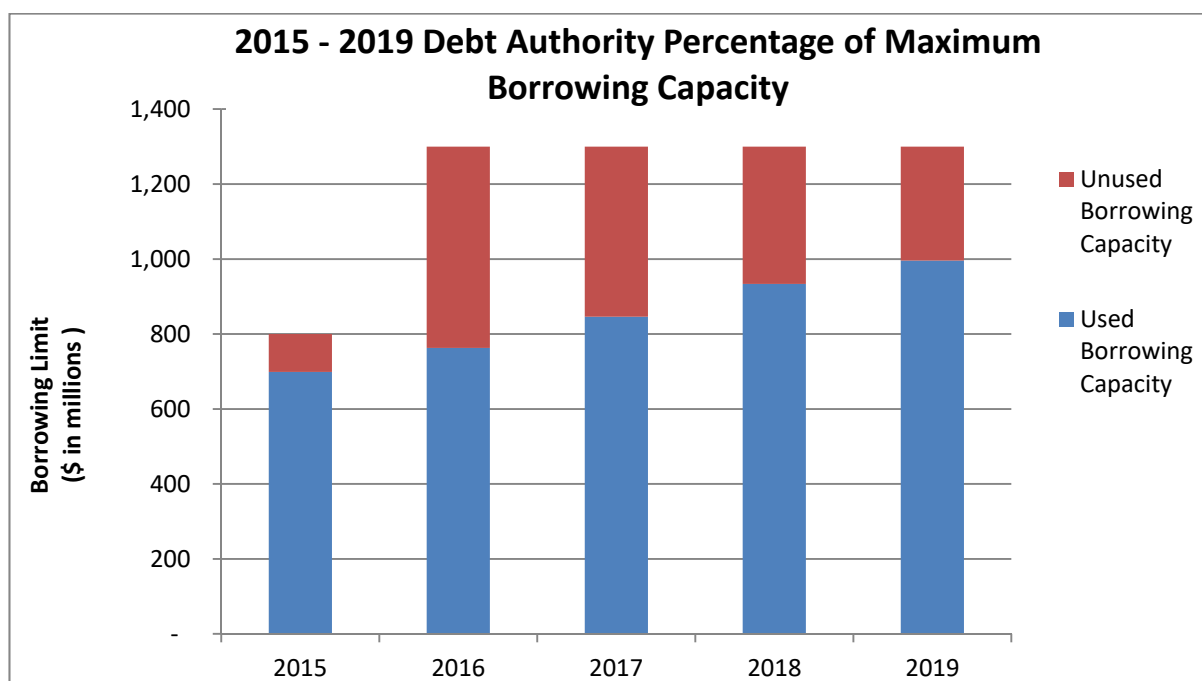


The primary source of cash was operations in public agencies. Other sources of cash included a disposition of portfolio investments and proceeds from short-term loans. Cash is used to meet operational expenses, reduce liabilities and to pay for the Government's investment in infrastructure. More detail is available on the Statement of Cash Flows within the Section I of the Public Accounts.

LONG-TERM DEBT BORROWING LIMITS

The Government has a Fiscal Responsibility Policy which guides borrowing decisions while ensuring flexibility is provided to plan for its future infrastructure needs. As part of its fiscal management strategy, the Government has obtained a credit rating of Aa1 from Moody’s Investors Service to assist in decisions that may be required related to any future debt instruments that the Government may consider. Government has had a stable credit rating of Aa1 since 2007. The current Capital Plan includes projects under the Government’s P3 policy or projects that will be fully funded by the Government’s revenues. There are no approved capital investments that require the Government to issue debt directly.

Consolidated debt, for purposes of the territorial borrowing limit, includes borrowings of all Government organizations that are included within the Consolidated Public Accounts. The borrowing limit is currently \$1.3 billion, as established pursuant to subsection 20(2) of the *Northwest Territories Act*. Additional detail is reflected in the Public Accounts – Section I (note 11).



The NWT requires a significant investment in infrastructure. The Fiscal Responsibility Policy requires the Government to plan for, and achieve sufficient operating surpluses to finance annual infrastructure investments, as well as meet debt servicing payments.

The Fiscal Responsibility Policy makes the Government accountable for its level of borrowing with the establishment of performance measures for debt management

that ensure the total debt of the Government does not exceed the capacity of the Government to repay the debt as it becomes due.

The Fiscal Responsibility Policy establishes seven debt management performance measures which are to be assessed annually in the Public Accounts. The measures are required to be evaluated on a consolidated basis to ensure consideration is given to debt affordability of the entire Government Reporting Entity. The following section discloses this commitment to reporting on these performance measures.

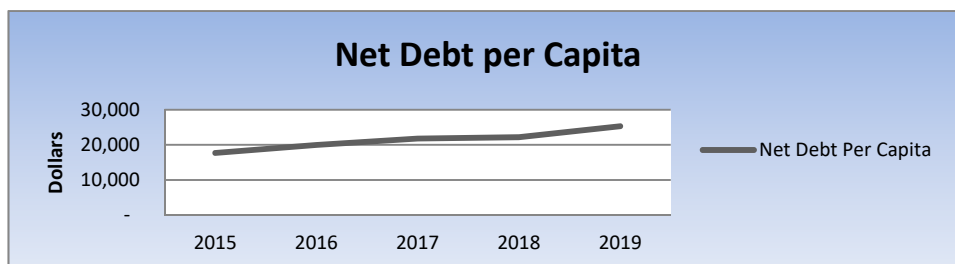
INDICATORS OF FINANCIAL CONDITION

Financial condition describes a government’s financial health or its ability to meet its existing financial obligations, both with respect to its service commitments to the public and its financial commitments to employees, creditors, and others. The following assessment of the Government’s financial condition considers three elements: sustainability, flexibility and vulnerability.

Specific Measures of the Fiscal Responsibility Policy

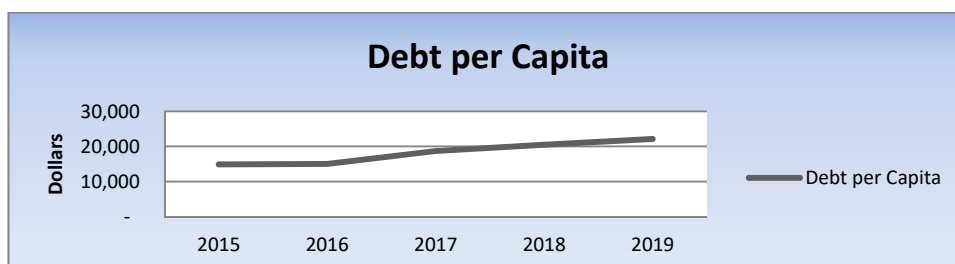
The Government’s Fiscal Responsibility Policy requires that the following measures are to be assessed on a consolidated basis as part of its determination of the affordability of any proposed increases in its consolidated debt level.

- i) Net debt per capita represents the net debt attributable to each Northwest Territories resident. A decrease in this ratio indicates the debt burden per resident has improved, while an increase means the debt burden per resident has risen.



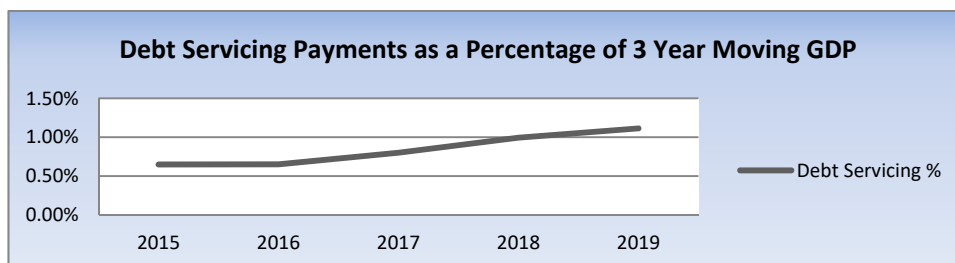
Net debt for the Northwest Territories increased by 14.3%, from \$22,151 per capita in 2018 to \$25,317 per capita in 2019. The increase is mainly due to the increase in P3 obligations and an increase in short term borrowing.

- ii) Debt per capita represents the debt attributable to each Northwest Territories resident. A decrease in this ratio indicates the debt burden per resident has been reduced, while an increase means the debt burden has risen.



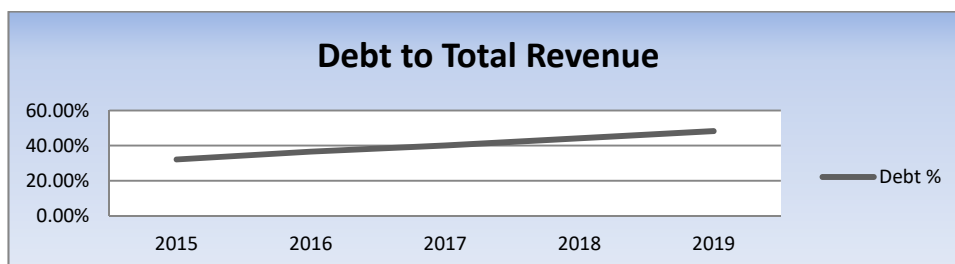
Debt per capita increased by 8.2%; from \$20,460 per capita in 2018 to \$22,135 per capita in 2019. As with net debt per capita, this is mainly due to the increase in P3 obligations and short term borrowing.

iii) Debt servicing payments (interest and principal) as a percent of a 3 year average Northwest Territories GDP is a measure of debt payments in relation to economic growth, where ideally, economic growth exceeds the growth rate of public debt payments. A decreasing ratio reflects a consistent improvement in financial position, while an increase reflects deterioration in the financial position.



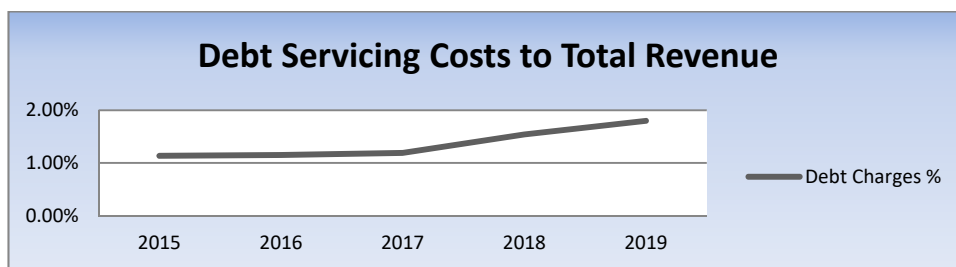
Debt servicing payments as a percentage of GDP for the Northwest Territories increased from 0.99% in 2018 to 1.11%, in 2019 mainly due to the payment of NT Hydro’s sinking fund debentures debt servicing of \$10 million.

iv) Debt to total revenue is an indicator of the change in debt in proportion to the change in revenue, where decreasing ratios are positive indicators that the rate of increase in revenue is greater than the rate of increase in debt. A lower debt to revenue ratio indicates higher sustainability, as less time is required to eliminate debt.



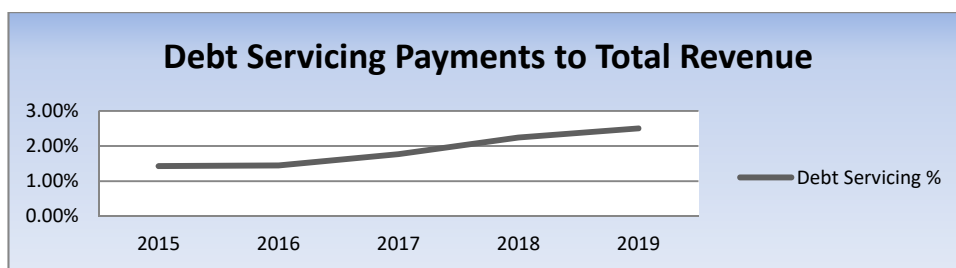
The Government’s debt to total revenue has increased from 44.19% in 2018 to 48.25% in 2019 mainly due to the increase of P3 obligations and increase in short term borrowing. An increase in this ratio is slowly occurring as the Government has stagnant revenue while there has been an increase in debt.

v) Debt servicing costs (interest) as a percentage of total revenue is a measure of the extent that Government revenues are being applied to debt charges, rather than to programs and services, or tax reduction. A lower debt charges ratio indicates an increased ability to borrow.



The Government's debt servicing costs to total revenue has increased from 1.54% in 2018 to 1.80% in 2019 due to lower revenues and increased borrowing.

- vi) Debt servicing payments (interest and principal) to total revenue ratio is a measure of the extent that Government revenues are being applied to debt repayment, rather than to programs and services, or tax reduction. A lower debt charges ratio indicates an increased ability to borrow.



The Government's debt servicing payments to total revenue has increased from 2.24% in 2018 to 2.50% in 2019. The economy is not growing at the same rate as public debt. This is often the case when governments invest in large infrastructure projects to stimulate the economy; there can be a lag before an impact is evident.

Compliance with Fiscal Responsibility Policy

In addition to the measures which are required to be monitored under the Fiscal Responsibility Policy there are two additional measures which require assessment to ensure the Government was able to meet the full policy requirements.

The policy states the Government will restrict infrastructure investments, excluding P3 projects as follows:

- a) A minimum of fifty per cent (50%) from the operating surpluses generated within the *non-consolidated* Public Accounts; and
- b) A maximum of fifty percent from government debt.

The policy also states that the Government must ensure *non-consolidated* debt service payments shall not exceed five per cent (5%) of total non-consolidated annual revenues.

In order to assess if these two policy objectives have been met, it is important to review the information on a *non-consolidated* basis in accordance with the policy. That is, if the Government itself, without including factors from public agencies, generated enough cash during the fiscal year to satisfy these objectives.

Fiscal Responsibility Policy Compliance

(All calculations based on Section II of the Public Accounts - Non Consolidated Financial Statements)

2019 2018

(\$ in Millions)

Policy Provision 6(5)(a)- Debt Servicing Payments

Revenues (Public Accounts - Section II, Schedule A, pg 35)	1,756	1,840
<i>Maximum Debt Servicing Payments- 5% of Revenues</i>	88	92
Debt Servicing Payments		
Short-Term Interest Expense (Public Accounts - Section II, note 6, pg 17)	5	2
Deh Cho Bridge (Public Accounts - Section II, note 11, pg 21)	9	10
P3 Debt Servicing (Public Accounts - Section II, note 12, pg 22)	<u>10</u>	<u>16</u>
Total Debt Servicing Payments	24	28
Actual Debt Servicing Payments as a % of Revenues	1.38%	1.54%

Provision 6(3)- Infrastructure Financing

Capital Acquisitions (Public Accounts - Section II, Schedule 4, pg 46)	233	260
Less: P3 Items- Out of Scope (Public Accounts - Section II, pg 22)		
Stanton Territorial Hospital P3 (Health and Social Services)	(50)	(35)
Tlichu All Season Road	<u>(21)</u>	<u>-</u>
Cash Required for Infrastructure Investment Expenditures	162	225

Operating Cash Required

Minimum cash required from operating surplus (50% of Acquisitions less out of scope items)	81	113
Debt Servicing Payments	<u>24</u>	<u>28</u>
Total Operating Cash Requirement	105	141

Operating Cash Available

Operating Surplus (Public Accounts - Section II, Statement of Operations, pg 2)	(25)	127
Add Non Cash Item - Amortization (Public Accounts - Section II, Statement of Cash Flow, pg 4)	<u>110</u>	<u>95</u>
Total Operating Cash Available	85	222

Operating Cash Generated Exceeding 50% of Capital Acquisitions

Cash Required for Infrastructure Investment Expenditures	162	225
Total Operating Cash Available	<u>85</u>	<u>222</u>
Borrowing Requirement for Infrastructure	77	3
Infrastructure investment expenditures as a percent of operating surpluses	52%	99%

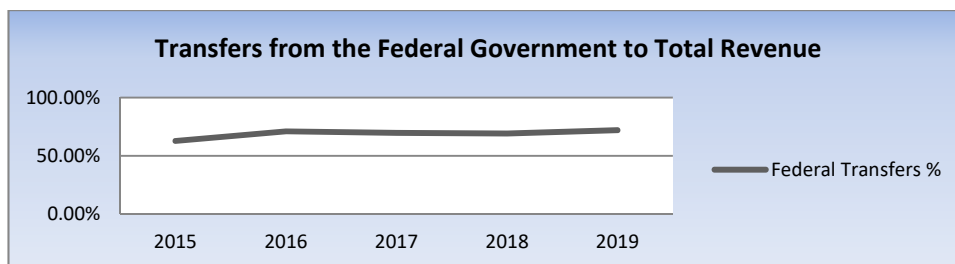
Conclusion

The parameters of the Fiscal Responsibility Policy have again been met for the 2019 fiscal year. Non-consolidated debt servicing costs are 1.38% of non-consolidated annual revenue, which is less than the 5% limit.

The Government's non-consolidated infrastructure investments, excluding P3 projects, are 52% of operating surpluses generated within the non-consolidated Public accounts, which is greater than the 50% requirement.

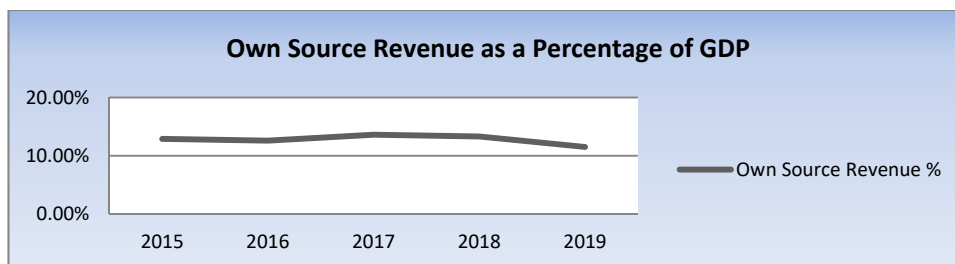
OTHER FINANCIAL INDICATORS

- i) Transfers from the federal government as a percentage of total revenue is an indicator of the degree of vulnerability the Government has as a result of relying on federal government transfers. A decreasing ratio typically reflects that a government is less reliant on transfers to fund its programs, making it less vulnerable.



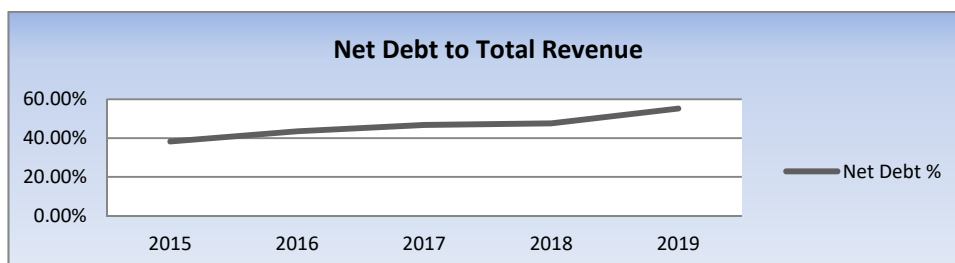
Total revenue from federal government transfers has increased from 69% in 2015 to 72% in 2019. The total share of own source revenue is decreasing resulting in a continued reliance on the Territorial Formula Financing Grant from Canada.

- ii) Own source revenue to GDP measures the extent to which the Government is taking income out of the economy. An increase in this ratio indicates that the Government's own source revenue is growing faster than the economy, reducing the flexibility to increase revenue without slowing the growth of the economy.



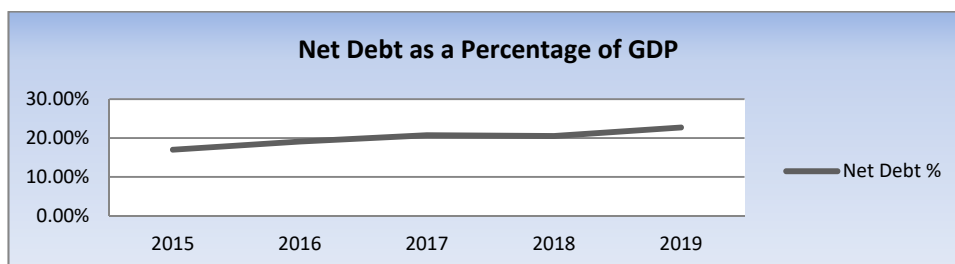
As indicated in the graph above, own source revenue as a percentage of GDP has remained relatively stable, with a small decrease in 2019 due to fluctuations in corporate and personal income taxes, and non-renewable resource revenue.

iii) Net debt to total revenue is an indicator of the change in debt in proportion to the change in revenue, where decreasing ratios are a positive indicator that the rate of increase in revenue is greater than the rate of increase in debt. A lower net debt to revenue ratio indicates higher sustainability, as less time is required to eliminate net debt.



The Government’s net debt to total revenue has increased from 47.6% in 2018 to 55.2% in 2019 mainly due to the increase of P3 obligations and an increase in short term borrowing. An increase in this ratio is slowly occurring as the Government has stagnant revenue while there has been an increase in net debt due to investment in tangible capital assets.

iv) Net debt as a percentage of the Territories GDP is a measure of debt growth in relation to economic growth, where ideally, economic growth exceeds the growth rate of public debt. A decreasing ratio reflects a consistent improvement in financial position.



Net debt for the Northwest Territories increased as a percentage of GDP from 20.48% in 2018 to 22.70% in 2019.

RISKS AND UNCERTAINTIES

The Government is subject to risks and uncertainties that arise from variables which the Government cannot directly control. These risks and uncertainties include:

- Changes in economic factors such as economic growth or decline, commodity and non-renewable resource prices, inflation, interest rates, marketplace competition, population change, personal income and retail sales;
- Exposure to interest rate risk, credit risk, and liquidity risk;
- Changes in transfers from the federal government;
- Utilization of government services;
- Other unforeseen developments including unusual weather patterns and nature and other disasters;
- Criminal or malicious attacks, both cyber and physical in nature, potentially resulting in business interruption, privacy breach and loss of, or damage to, information, facilities and equipment;
- Identification and quantification of environmental liabilities;
- Factors that could hinder the safe delivery of products and services;
- Outcomes from litigation, arbitration and negotiations with third parties;
- Changes in reported results where actual experience may differ from initial estimates as discussed in the Public Accounts – Section I (note 2) and
- Changes in accounting standards.

The Government uses a number of forecasts from banks and private industry when developing the underlying assumptions for fiscal forecasts both in budget development and throughout the fiscal year.

For the Government to meet its challenges of growth and remain competitive, attention is directed towards maintaining and investing in the Territories' infrastructure to allow for continued future growth.

PUBLIC PRIVATE PARTNERSHIPS

P3 projects under construction:

1. Stanton Renewal Project (Stanton)

The Government entered into an agreement with Boreal Health Partnership (BHP) on September 22, 2015 to design, build, operate and maintain the Government's new Territorial hospital. Construction was completed in November 2018 with BHP operating and maintaining the new facility until 2048. The total cost of construction is \$254 million, with 60% of the construction cost financed by the Government and 40% financed by BHP. Upon completion, there will be average operations and maintenance costs of \$10.9 million per year, totaling \$326 million for the duration of the contract, before indexing for the CPI.

The Stanton Renewal Project was put in place to replace the old Stanton Territorial Hospital in Yellowknife. The project is the largest ever undertaken by the Government and residents of the NWT will benefit from a state of the art hospital built to current national standards. The new 280,000 square-foot facility will have a larger enhanced emergency department and medical laboratory; enhanced additional space for diagnostic imaging and improved medical technology to modernize hospital operations. It will also have additional space for ambulatory care including specialist clinics, medical day care and dialysis; and more space for support services such as sterile reprocessing and biomedical engineering. Subsequent to year end, the hospital began accepting patients on May 26, 2019.

(\$ in 000's)	2015-16	2016-17	2017-18	2018-19	Total
Annual Expenditures					
Government	27,000	68,200	57,000	27,500	179,700
P3 Partner	13,700	58,700	43,700	20,800	136,900
Total Annual Expenditures	40,700	126,900	100,600	48,300	316,600
Project cost not yet in service	40,700	167,600	268,300	316,600	

2. Tłıchq All-Season Road

The Government entered into an agreement with North Star Infrastructure GP on February 13, 2019 to design, build, operate and maintain the Tłıchq All-season Road. Construction is anticipated to be completed in November 2022 with North Star Infrastructure GP operating and maintaining the new facility until 2047. Upon completion, there will be average operations and maintenance costs of \$6 million per year, totaling \$149.6 million for the duration of the contract, before indexing for the CPI.

All-season roads are critical to adapting the NWT transportation system to the impacts of climate change, helping support more reliable infrastructure. By replacing the southern section of the existing winter road serving the region, the Tłıchq All-season Road will not only provide year-round access to Whatı but will also increase the window of access to the communities of Gamèti and Wekweèti.

This project will maximize the involvement of Northern businesses. Road construction and maintenance will result in employment and training opportunities for Tłıchq and Northern residents.

(\$ in 000's)	2015-16	2016-17	2017-18	2018-19	Total
Annual Expenditures					
Government	279	2,271	4,682	3,546	10,778
P3 Partner	-	-	-	21,367	21,367
Total Annual Expenditures	279	2,271	4,682	24,913	32,145
Project cost not yet in service	279	2,550	7,232	32,145	

Additional detail on P3's is reflected in the Public Accounts – Section 1 (notes 12 and 16)

COMPLETION OF ENTITIES CONSOLIDATED WITHIN THE PUBLIC ACCOUNTS

The following table lists the consolidated entities and completion date of their audited financial statements.

Entity	Due Date	Extension Due Date	Completion Date
Beaufort Delta Divisional Education Council	28-Sep-18		03-Aug-18
Commission scolaire francophone Territoires du Nord-Ouest	28-Sep-18		19-Sep-18
Dehcho Divisional Education Council	28-Sep-18		28-Sep-18
Dettah District Education Authority	28-Sep-18		28-Sep-18
N'dilo Divisional Education Council	28-Sep-18		27-Sep-18
Sahtu Divisional Education Council	28-Sep-18		26-Sep-18
South Slave Divisional Education Council	28-Sep-18		30-Jul-18
Yellowknife Catholic Schools	28-Sep-18		19-Sep-18
Yellowknife No.1 District Education Authority	28-Sep-18		11-Sep-18
Aurora College	28-Sep-18	27-Nov-18	21-Nov-18
Northwest Territories Health and Social Services Authority	29-Jun-19	28-Aug-19	26-Sep-19
Hay River Health and Social Services Authority	29-Jun-19		05-Jul-19
Tlicho Community Services Agency	29-Jun-19		26-Jun-19
Arctic Energy Alliance	29-Jun-19		18-Jun-19
Northwest Territories Hydro Corporation	29-Jun-19	28-Aug-19	19-Jul-19
Northwest Territories Business Development and Investment Corporation	29-Jun-19	28-Aug-19	23-Aug-19
Northwest Territories Housing Corporation	29-Jun-19	28-Aug-19	28-Aug-19
Northwest Territories Human Rights Commission	29-Jun-19		25-Jun-19
Inuvialuit Water Board	29-Jun-19		06-Jun-19
Northwest Territories Sport and Recreation Council	29-Jun-19		14-Jun-19
Status of Women Council of the Northwest Territories	29-Jun-19		25-Jun-19
Northwest Territories Surface Rights Board	29-Jun-19		05-Jun-19



Public Accounts 2018-2019

Section II

Non-Consolidated Financial Statements



Government of
Northwest Territories

PUBLIC ACCOUNTS
OF THE
GOVERNMENT OF THE NORTHWEST TERRITORIES
FOR THE YEAR ENDED MARCH 31, 2019

SECTION II
NON-CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

HONOURABLE CAROLINE WAWZONEK

Minister of Finance

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Government of the Northwest Territories**Non-Consolidated Statement of Financial Position (unaudited)**

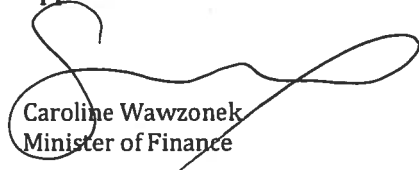
as at March 31, 2019

(thousands of dollars)

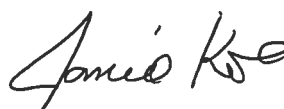
	2019 Actual \$	2018 Actual \$
Financial assets		
Portfolio investments (note 3)	32,287	31,864
Accounts receivable (note 4)	228,675	219,095
Due from the Government of Canada (note 9)	66,190	52,697
Inventories held for resale	31,964	31,772
Loans receivable (note 5)	45,900	45,454
	405,016	380,882
Liabilities		
Bank overdraft (note 3)	55,319	13,798
Short-term loans (note 6)	324,478	297,076
Accounts payable and accrued liabilities (note 7)	265,873	246,592
Deferred revenue (note 8)	20,141	17,470
Due to the Government of Canada (note 9)	131,589	117,944
Environmental liabilities (note 10)	47,986	50,595
Capital lease obligations (note 11)	337	949
Long-term debt (note 11)	176,884	177,731
Liabilities under public private partnerships (note 12)	235,721	166,481
Pensions (note 13)	37,838	36,987
Other employee future benefits and compensated absences (note 14)	30,270	33,822
	1,326,436	1,159,445
Net Debt	(921,420)	(778,563)
Non-financial assets		
Tangible capital assets (schedule C)	2,699,763	2,581,152
Inventories held for use	419	279
Prepaid expenses	10,367	11,345
	2,710,549	2,592,776
Accumulated surplus	1,789,129	1,814,213

Contractual obligations, rights, guarantees and contingencies (notes 17 and 18)

Approved:



Caroline Wawzonek
Minister of Finance



Jamie Koe, CPA, CGA
Comptroller General

The accompanying notes and Schedules A, B and C are an integral part of these non-consolidated financial statements.

Government of the Northwest Territories

Non-Consolidated Statement of Operations and Accumulated Surplus (unaudited)

for the year ended March 31, 2019

(thousands of dollars)

	2019 Main Estimates (note 1b) \$	2019 Actual \$	2018 Actual \$
Revenues			
Revenues by source (schedule A)	1,746,337	1,756,285	1,839,823
Recoveries of prior years expenses (schedule 3)	3,000	14,185	15,394
	1,749,337	1,770,470	1,855,217
Expenses (schedule B)			
Environment and Economic Development	174,047	144,659	155,039
Infrastructure	241,941	291,968	270,249
Education	327,641	338,325	327,670
Health, Social Services and Housing	461,563	486,717	445,682
Justice	126,093	129,702	125,477
General Government	390,706	383,404	385,107
Legislative Assembly and statutory offices	20,790	19,634	18,377
	1,742,781	1,794,409	1,727,601
Annual operating surplus (deficit)	6,556	(23,939)	127,616
Petroleum Products Stabilization Fund Net loss for the year (note 15)	(150)	(1,145)	(500)
Projects on behalf of the Government of Canada, Nunavut and Others (schedule 10)			
Expenses	(109,906)	(111,998)	(105,495)
Recoveries	109,906	111,998	105,495
Annual surplus (deficit)	6,406	(25,084)	127,116
Accumulated surplus at beginning of year	1,814,213	1,814,213	1,687,097
Accumulated surplus at end of year	1,820,619	1,789,129	1,814,213

The accompanying notes and Schedules A, B and C are an integral part of these non-consolidated financial statements.

Government of the Northwest Territories**Non-Consolidated Statement of Change in Net Debt (unaudited)**

for the year ended March 31, 2019(thousands of dollars)

	2019 Main Estimates (note 1b) \$	2019 Actual \$	2018 Actual \$
Net debt at beginning of year	(778,563)	(778,563)	(742,665)
Items affecting net financial resources:			
Annual surplus (deficit) for the year	6,406	(25,084)	127,116
Change in tangible capital assets, net book value (schedule C)	(106,504)	(118,611)	(156,804)
Change in inventories held for use	-	(140)	(143)
Change in prepaid expenses	-	978	(6,067)
Net debt at end of year	(878,661)	(921,420)	(778,563)

The accompanying notes and Schedules A, B and C are an integral part of these non-consolidated financial statements.

Government of the Northwest Territories**Non-Consolidated Statement of Cash Flow (unaudited)**

for the year ended March 31, 2019(thousands of dollars)

	2019	2018
	\$	\$
Cash provided by (used in)		
Operating transactions		
Annual surplus (deficit) for the year*	(25,084)	127,116
Items not affecting cash:		
Provision for bad debts and forgivable loans	3,226	1,377
Recoveries of forgivable loans	(380)	(481)
Amortization of tangible capital assets	110,498	94,959
	88,260	222,971
Changes in non-cash assets and liabilities:		
Change in due to (from) Canada	151	(25,790)
Change in other financial assets	(12,805)	(33,763)
Change in other financial liabilities	17,496	(2,664)
Change in prepaid expenses	978	(6,067)
Change in inventories held for use	(140)	(143)
Change in inventories for resale	(192)	(4,051)
	93,748	150,493
Cash provided by operating transactions	93,748	150,493
Investing transactions		
Designated cash and investments purchased	(6,787)	(12,043)
Designated cash and investments sold	6,337	10,865
Net loans receivable receipts (disbursements)	(65)	4,334
	(515)	3,156
Cash provided by (used for) investing transactions	(515)	3,156
Capital transactions		
Acquisition of tangible capital assets	(158,159)	(234,052)
Disposal of tangible capital assets (net)	62	8,252
	(158,097)	(225,800)
Cash used for capital transactions	(158,097)	(225,800)
Financing transactions		
Acquisition of short-term financing	27,402	62,269
Repayment of capital lease obligations	(612)	(885)
Repayment of long-term financing	(3,447)	(12,141)
	23,343	49,243
Cash provided by financing activities	23,343	49,243
Decrease in cash	(41,521)	(22,908)
Cash at beginning of year	(13,798)	9,110
Cash at end of year	(55,319)	(13,798)

*Total interest paid during the year \$18,224 (2018 - \$13,298)

The accompanying notes and Schedules A, B and C are an integral part of these non-consolidated financial statements.

Government of the Northwest Territories

Notes to Non-Consolidated Financial Statements (unaudited)

March 31, 2019

(All figures in thousands of dollars)

1. AUTHORITY, OPERATIONS AND REPORTING ENTITY

(a) Authority and reporting entity

The Government of the Northwest Territories (the Government) operates under the authority of the *Northwest Territories Act* (Canada). The Government has an elected Legislative Assembly which authorizes all disbursements, advances, loans and investments unless specifically authorized by statute.

The Government prepares consolidated financial statements. They are presented in Section I of the Public Accounts and provide an accounting of the full nature and extent of the financial affairs and resources for which the Government is responsible. The reporting entity is defined in those statements. These financial statements have been prepared on a non-consolidated basis to show the operating results of the Government separate from the entities included in the consolidated financial statements.

These financial statements include the assets, liabilities and operating results of the Government and its revolving funds. Revolving funds are established by the Government to provide the required working capital to deliver goods and services to the general public and to Government departments.

The following related Territorial Crown Corporations, boards and agencies are included in these statements only to the extent of the Government's contributions to, or revenues from them:

- Arctic Energy Alliance
- Aurora College
- Divisional Educational Councils and District Education Authorities
- Health and Social Services Authorities
- Inuvialuit Water Board
- Northwest Territories Business Development and Investment Corporation
- Northwest Territories Heritage Fund
- Northwest Territories Housing Corporation
- Northwest Territories Human Rights Commission
- Northwest Territories Hydro Corporation
- Northwest Territories Sport and Recreation Council
- Northwest Territories Surface Rights Board
- Status of Women Council of the Northwest Territories
- Tlicho Communities Services Agency

(b) Main estimates

The main estimates are the appropriations approved by the Legislative Assembly. They represent the Government's original fiscal plan for the year and do not reflect Supplementary Appropriations.

Government of the Northwest Territories

Notes to Non-Consolidated Financial Statements (unaudited)

March 31, 2019

(All figures in thousands of dollars)

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements are prepared in accordance with Canadian public sector accounting standards as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada.

(a) Measurement uncertainty

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

The more significant management estimates relate to environmental liabilities, contingencies, revenue accruals, allowance for doubtful accounts for accounts receivable, valuation allowances for loans receivable, and amortization expense. Other estimates, such as the Canada Health Transfer, Canada Social Transfer payments, Corporate and Personal Income Tax revenues are based on estimates made by the Government of Canada's Department of Finance and are subject to adjustments in future years.

(b) Cash

Cash is comprised of bank account balances, net of outstanding cheques.

(c) Portfolio investments

Portfolio investments are long-term investments in organizations that do not form part of the government reporting entity and are accounted for by the cost or amortized cost method. Such investments are normally in shares and bonds of the investee. When there has been a loss in value of a portfolio investment that is other than a temporary decline, the investment is written down to recognize the loss and it is included as a component of investment income. Interest income is recorded on the accrual basis, dividend income is recognized as it is declared, and capital gains and losses are recognized when realized.

(d) Inventories

Inventories for resale consist mainly of bulk fuels and liquor products. Bulk fuels are valued at the lower of weighted average cost and net realizable value. Liquor products are valued at the lower of cost and net realizable value. Inventories held for use are valued at the lower of cost, determined on a first in, first out basis and net replacement value. Impairments, when recognized, result in write-downs to net realizable value.

(e) Loans receivable

Loans receivable and advances are stated at the lower of cost and net recoverable value. Valuation allowances, determined on an individual basis, are based on past events, current conditions and all circumstances known at the date of the preparation of the financial statements and are adjusted annually to reflect the current circumstances by recording write downs or recoveries, as appropriate. Write downs are recognized when the assets have been deemed unrealizable and or uncollectable. Recoveries are recorded when loans previously written down are subsequently collected. Interest revenue is recorded on an accrual basis. Interest revenue is not accrued when the collectability of either principal or interest is not reasonably assured.

Government of the Northwest Territories

Notes to Non-Consolidated Financial Statements (unaudited)

March 31, 2019

(All figures in thousands of dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Tangible capital assets and leases

Tangible capital assets are buildings, roads, equipment, etc. whose life extends beyond the fiscal year, original cost exceeds \$50 and are intended to be used on an ongoing basis for delivering programs and services. Individual assets less than \$50 are expensed when purchased. Tangible capital assets (TCA) are recorded at cost (including qualifying interest expense), or where actual cost is not available, estimated current replacement cost discounted back to the acquisition date. Costs include contracted services, materials and supplies, direct labour, attributable overhead costs, and directly attributable interest. Capitalization of interest ceases when no construction or development is taking place or when a tangible capital asset is ready for use in producing goods or services. Assets, when placed in service are amortized on a straight line basis over their estimated useful life as follows:

Asset category	Amortization period
Land	Not amortized
Infrastructure and Other	40 years or less
Computers	10 years or less
Equipment	40 years or less
Roads and bridges	75 years or less
Buildings and Leasehold improvements	Buildings - 40 years or less; leasehold improvements - lesser of useful life or remaining lease term

The estimate of the useful life of tangible capital assets is reviewed on a regular basis and revised where appropriate on a prospective basis. The remaining unamortized portion of a tangible capital asset may be extended beyond its original estimated useful life when the appropriateness of such a change can be clearly demonstrated.

Write-downs and write-offs of tangible capital assets are recognized whenever significant events and changes in circumstances and use suggest that the asset can no longer contribute to program or service delivery at the level previously anticipated. A write-down is recognized when a reduction in the value of the asset can be objectively measured. A write-off is recognized when the asset is destroyed, stolen, lost, or obsolete to the Government.

Tangible capital assets under construction or development are recorded as work in progress with no amortization until the asset is placed in service. Capital lease agreements are recorded as a liability and a corresponding asset based on the present value of the minimum lease payments, excluding executory costs. The present value is based on the lower of the implicit rate or the Government's borrowing rate at the time the obligation is incurred. Operating leases are charged to expenses. All intangibles, works of art, and items inherited by right of Crown, such as Crown lands, forests, water and mineral resources are not recognized in these financial statements.

Government of the Northwest Territories

Notes to Non-Consolidated Financial Statements (unaudited)

March 31, 2019

(All figures in thousands of dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Pensions and other employee future benefits and compensated absences

All eligible employees participate in the Public Service Pension Plan administered by the Government of Canada. The Government's contributions are charged as an expense on a current year basis and represent the total pension obligations. The Government is not required under present legislation to make contributions with respect to actuarial deficiencies of the Public Service Pension Plan.

Pension benefits to Members of the Legislative Assembly and judges are reported on an actuarial basis. This is done to determine the current value of future entitlement and uses various estimates. When actual experience varies from estimates, or when actuarial assumptions change, the adjustments are amortized on a straight line basis over the estimated average remaining service lives of the contributors. Recognition of actuarial gains and losses commences in the year following the effective date of the related actuarial valuations. In addition, immediate recognition of a previously unrecognized net actuarial gain or loss may be required upon a plan amendment, curtailment or settlement.

Under the terms and conditions of employment, government employees may earn non-pension benefits for resignation, retirement and removal costs. Eligible employees earn benefits based on years of service to a maximum entitlement based on terms of employment. Eligibility is based on variety of factors including place of hire, date employment commenced, and the reason for termination. Benefit entitlements are paid upon resignation, retirement or death of an employee. The expected cost of providing these benefits is recognized as employees render service. Termination benefits are also recorded when employees are identified for lay-off. Compensated absences include sick, special, parental and maternity leave. Accumulating non-vesting sick and special leave are recognized in the period the employee provides service, whereas parental and maternity leave are event driven and are recognized when the leave commences. An actuarial valuation of the cost of these benefits (except maternity and parental leave) has been prepared using data provided by management and assumptions based on management's best estimates.

(h) Contractual obligations and contingent liabilities

The nature of the Government's activities requires entry into contracts that are significant in relation to its current financial position or that will materially affect the level of future expenses. Contractual obligations pertain to funding commitments for operating, commercial and residential leases, and capital projects. Contractual obligations are obligations of a government to others that will become liabilities in the future when the terms of those contracts or agreements are met.

The contingent liabilities of the Government are potential liabilities, which may become actual liabilities when one or more future events occur or fail to occur. If the future event is considered likely to occur and is quantifiable, an estimated liability is accrued. If the occurrence of the confirming future event is likely but the amount of the liability cannot be reasonably estimated or if the occurrence of the confirming future event is not determinable, the contingent liability is disclosed.

(i) Contractual rights and contingent assets

The nature of the Government's activities requires entry into contracts that are significant in relation to its current financial position or that will materially affect the level of future revenues. Contractual rights pertain to rights to economic resources arising from contracts or agreements that will result in both an asset and revenue in the future when the terms of contracts or agreements are met.

The contingent assets of the Government are potential assets which may become actual assets when one or more future events occurs or fails to occur. If the future event is considered likely to occur and is quantifiable, an estimated asset is disclosed.

Government of the Northwest Territories

Notes to Non-Consolidated Financial Statements (unaudited)

March 31, 2019

(All figures in thousands of dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into Canadian dollars using exchange rates at year-end. Foreign currency transactions are translated into Canadian dollars using rates in effect at the time the transactions were entered into. All exchange gains and losses are included in net income for the year according to the activities to which they relate.

(k) Projects on behalf of third parties

The Government undertakes projects for the Government of Canada, the Government of Nunavut and others. Where the agreement allows, the Government receives accountable advances and any unexpended balances remaining at year-end are recorded as liabilities in accounts payable and accrued liabilities or due to Canada, as applicable. Recoveries are accrued when expenses as allowed under the project contract, exceed advances and are recorded as receivables in accounts receivables or due from Canada.

(l) Grant from the Government of Canada

Under *Federal-Provincial Fiscal Arrangements Act* (Canada), the Grant from the Government of Canada is calculated based on Territorial Formula Financing as the Gross Expenditure Base, offset by eligible revenues, which are based on a three-year moving average, lagged two years, of representative revenue bases at national average tax rates. Population growth rates and growth in provincial/local government spending are variables used to determine the growth in the Gross Expenditure Base. The Grant is calculated once for each fiscal year and is not revised, with all payments flowing to the Government prior to the end of the fiscal year.

(m) Transfer payments

Transfers from the federal government are recognized as revenue in the period during which the transfer is authorized and eligibility criteria are met, except when and to the extent that the transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers meeting the definition of a liability are recognized as revenue as the liability is settled.

(n) Taxes, regulatory, resource, and general revenues

Corporate and Personal Income tax revenue are recognized on an accrual basis, net of any tax concessions. Income tax is calculated net of tax deductions and credits allowed under the *Income Tax Act* (Canada). If an expense provides a financial benefit other than a relief of taxes, it is classified as a transfer made through the tax system. If an expense provides tax relief to a taxpayer and relates to revenue, this expense is considered a tax concession and is netted against tax revenues. Taxes, under the *Income Tax Act* (Canada), are collected by the Government of Canada on behalf of the Government under a tax collection agreement. The Government of Canada remits Personal Income taxes monthly throughout the year and Corporate Income tax monthly over a six month period beginning in February. Payments are based on Canada's Department of Finance's estimates for the taxation year, which are periodically adjusted until the income tax assessments for that year are final. Income tax estimates, determined by the Government of Canada, combine actual assessments with an estimate that assumes that previous years' income tax allocations will be sustained and are subject to revisions in future years. Differences between current estimates and future actual amounts can be significant. Any such differences are recognized when the actual tax assessments are finalized.

Government of the Northwest Territories

Notes to Non-Consolidated Financial Statements (unaudited)

March 31, 2019

(All figures in thousands of dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) Taxes, regulatory, resource, and general revenues (continued)

Regulatory revenues, which are part of general revenues, are recognized on an accrual basis and include revenues for fines, fees, licenses, permits, and registrations. Amounts received prior to the end of the year, which relate to revenues that will be earned in a subsequent year, are recorded as deferred revenues and are recognized as revenue when earned.

Non-renewable resource revenues are recognized on an accrual basis and include mineral, quarry, oil and gas, and water revenues as defined in the Northwest Territories Lands and Resources Devolution Agreement. Mineral and quarry revenues are collected under the authority of the *NWT Lands Act*, water revenues are collected under the authority of the *Water Act* and oil and gas revenues are collected under the authority of the *Petroleum Resources Act*. The Government is entitled to 50 percent of the resource revenues collected (which is referred to as the net fiscal benefit), up to a maximum amount based on a percentage of the Gross Expenditure Base under Territorial Formula Financing. The Government of Canada will deduct its share of the resource revenues collected by the Government (the remaining amount) from the Territorial Formula Financing Grant (*note 2(l)*) payable to the Government two years hence. The Government has also committed to sharing up to 25 percent of the net fiscal benefit with Aboriginal governments that are signatories to the Northwest Territories Lands and Resources Devolution Agreement as per the *Northwest Territories Intergovernmental Resource Revenue Sharing Act*.

Fuel, tobacco, payroll and property taxes are levied under the authority of the *Petroleum Products Tax Act*, the *Tobacco Tax Act*, the *Payroll Tax Act*, and the *Property Assessment and Taxation Act*, respectively. Fuel and tobacco tax revenues are recognized on an accrual basis, based on statements received from collectors. Payroll tax is recognized on an accrual basis, based on payroll tax revenues of the prior year. Property tax and school levies are assessed on a calendar year basis and are recognized in the fiscal year in which the billing occurs. Adjustments arising from reassessments are recorded in revenue in the year they are identified. All other revenues are recognized on an accrual basis.

(o) Expenses

Grants and contributions are recognized as long as the grant or contribution is authorized and eligibility criteria have been met. Grants and contributions include transfer payments paid through programs to individuals, and to provide major transfer funding for communities under community government funding arrangements. Payments to individuals include payments for children's benefits, income support or income supplement. Assistance is based on age, family status, income, and employment criteria. Other transfer payments are provided to conduct research, to establish new jobs through support for training and to promote educational, health and cultural activities. Under the authority of the *Northwest Territories Intergovernmental Resource Revenue Sharing Act*, a transfer to the Aboriginal parties who are signatories to the Northwest Territories Intergovernmental Resource Revenue Sharing Agreement will be made of 25 percent of the net fiscal benefit from resource revenues that is received by the Government (*note 2 (n)*). All other expenses are recognized on an accrual basis.

Government of the Northwest Territories

Notes to Non-Consolidated Financial Statements (unaudited)

March 31, 2019

(All figures in thousands of dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(p) Environmental liabilities

Environmental liabilities are the result of contaminated sites, as a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. A liability for remediation of contaminated sites is recognized when all of the following criteria are satisfied: an environmental standard exists, contamination exceeds the environmental standard, the Government is directly responsible or accepts responsibility, it is expected that future economic benefits will be given up and a reasonable estimate of the amount can be made. The liability reflects the Government's best estimate of the amount required to remediate the sites to the current minimum standard for its use prior to contamination.

Environmental liabilities consist of the estimated costs related to the management and remediation of environmentally contaminated sites, including costs such as those for future site assessments, development of remedial action plans, resources to perform remediation activities, land farms and monitoring. All costs associated with the remediation, monitoring and post-closing of the site are estimated and accrued. Where estimates are not readily available from third party analyses, an estimation methodology is used to record a liability when sufficient information is available. The methodology used is based on costs or estimates for sites of similar size and contamination when the Government is obligated, or is likely obligated, to incur such costs. If the likelihood of a future event that would confirm the Government's responsibility to incur these costs is either not determinable, or in the event it is not possible to determine if future economic benefits will be given up, or if an amount cannot be reasonably estimated, the contingency is disclosed in the notes to the consolidated financial statements and no liability is accrued. The environmental liabilities for contaminated sites are reassessed on an annual basis.

(q) Recoveries of prior years' expenses

Recoveries of prior years' expenses and reversals of prior years' expense accruals in excess of actual expenditures are reported separately from other revenues on the statement of operations and accumulated surplus. Pursuant to the *Financial Administration Act*, these recoveries cannot be used to increase the amount appropriated for current year expenses.

(r) Restricted assets

Restricted assets result from external restrictions imposed by an agreement with an external party, or through legislation of another government, that specify the purpose or purposes for which resources are to be used. Externally restricted inflows are recognized as revenue in a government's financial statements in the period in which the resources are used for the purpose or purposes specified. An externally restricted inflow received before this criterion has been met is reported as a liability until the resources are used for the purpose or purposes specified.

Government of the Northwest Territories

Notes to Non-Consolidated Financial Statements (unaudited)

March 31, 2019

(All figures in thousands of dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(s) Public-Private Partnerships

The Government may, as an alternative to traditional forms of procurement governed by the Government's Contract Regulations, enter into public private partnership (P3) agreements with the private sector to procure services and public infrastructure when: the total projected threshold for procuring those services, including capital, operating and service costs over the life of the agreement, exceeds \$50,000; there is appropriate risk sharing between the Government and the private sector partners; the agreement extends beyond the initial capital construction of the project, and; the arrangement results in a clear net benefit to the Government as opposed to being merely neutral in comparison with standard procurement processes. The operating and service costs, that are clearly identified in the agreements, are expensed as they are incurred.

The Government accounts for P3 projects in accordance with the substance of the underlying agreements. In circumstances where the Government is determined to bear the risks and rewards of an asset under construction, the asset and the corresponding liability are recognized over time as the construction progresses. During construction, the capital asset (classified as work-in-progress) and the corresponding liability are recorded based on the estimated percentage of completion. In circumstances where the Government does not bear the risks and rewards of the asset until substantial completion the future associated agreement is disclosed.

The capital asset value is the total of progress payments made during construction and net present value of the future payments, discounted using the imputed interest rate for the agreement. Capital expenditures may occur throughout the project or at the capital in-service date. Service fees may occur throughout the project or when the project is operational; these fees will include both a service and operational component. All payments are adjusted to reflect performance standards as outlined in the specific agreement and penalties may be deducted for sub-standard performance.

A P3 agreement may encompass certain revenues, including those collected by the partner on behalf of the Government. In such instances the Government will report the gross revenue along with the asset, liability, and expenses as determined from the specific project.

(t) Future accounting changes

Financial instruments

The Public Sector Accounting Board (PSAB) issued PS 3450 Financial Instruments effective for fiscal years beginning on or after April 1, 2021. Items within the scope of the standard are assigned to one of two measurement categories: fair value, or cost or amortized cost. Fair value measurement will apply to derivatives and portfolio investments in equity instruments that are quoted in an active market. Also, when groups of financial assets and financial liabilities are managed on a fair value basis they may be reported on that basis. Other financial assets and financial liabilities will generally be measured at cost or amortized cost. Until an item is derecognized, gains and losses arising due to fair value remeasurement will be reported in the Statement of Remeasurement of Gains and Losses.

Other New Standards

Effective April 1, 2021, the Government will concurrently be required to adopt: PS 2601 Foreign Currency Translation, PS 1201 Financial Statement Presentation, and PS 3041 Portfolio Investments in the same fiscal period.

Effective April 1, 2021, the Government will be required to adopt PS 3280 Asset Retirement Obligations. This standard provides guidance on how to account for and report liabilities for retirement of tangible capital assets.

Government of the Northwest Territories

Notes to Non-Consolidated Financial Statements (unaudited)

March 31, 2019

(All figures in thousands of dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(t) Future accounting changes (continued)

Effective April 1, 2022, the Government will be required to adopt PS 3400 Revenue. This standard provides guidance on how to account for and report on revenue. Specifically, it differentiates between revenue arising from transactions that include performance obligations and transactions that do not have performance obligations.

The Government is currently assessing the impact of these standards on the financial statements.

(u) Adoption of new accounting standards

Effective April 1, 2018, the Government adopted PS 3430 Restructuring transactions. This standard provides guidance on how to account for and report restructuring transactions by both transferors and recipients of assets and/or liabilities, together with related program or operating responsibilities. There were no restructuring transactions during the year ended March 31, 2019.

3. CASH, RESTRICTED ASSETS AND DESIGNATED ASSETS

(a) Investment pool

The Government has lines of credit provided by two chartered banks, secured by the Consolidated Revenue Fund of the Government. There are no fixed repayment terms and the overdraft limits are negotiated over the year based on the forecasted cash flows and borrowing requirements of the Government. Interest is only charged when there is a net overdraft balance of the Government and its investment pool participants. As at March 31, 2019, the investment pool had no net overdraft balance (2018 - nil).

The surplus cash (deficit) of the Government is pooled with the surplus cash of certain Territorial Crown Corporations, and other public agencies. This investment pool is invested in a diversified portfolio of high grade, short and long term income producing assets.

As of March 31, 2019, on a cash basis, the Government's share in the investment pool is a deficit of \$52,575 (2018 - deficit of \$8,984). When taking into account \$6,413 classified from in-trust and \$61,732 of outstanding items, the bank balance, on an accounting basis, becomes a deficit of \$55,319 (2018 - deficit of \$13,798).

The Government's cash deficit related to the investment pool carried interest at an average rate of 1.74%.

The average portfolio yield range for the year is 1.80% - 2.30% (2018 was 1.05% - 1.80%). In 2019, the Government paid interest on short-term investments of \$578 (2018 - \$69).

Government of the Northwest Territories

Notes to Non-Consolidated Financial Statements (unaudited)

March 31, 2019

(All figures in thousands of dollars)

3. CASH, RESTRICTED ASSETS AND DESIGNATED ASSETS (continued)

(b) Restricted Assets

In July 2017, the Government entered into a Memorandum of Agreement with the Signatory Air Carriers for the collection of the Yellowknife Airport Improvement Fee (YKAIF) from Yellowknife originating passengers and remittance of these fees to the Government. The YKAIF revenues are used to pay for capital development of certain facilities at the Yellowknife Airport. Restricted assets at March 31, 2019 is \$5,478 (2018 - \$2,716) and is included in deferred revenue (note 8).

(c) Designated Assets

Designated assets are included in cash and portfolio investments.

Pursuant to the *Student Financial Assistance Act*, the assets of the Student Loan Fund are to be used to provide financial assistance to post-secondary students that meet certain eligibility criteria as prescribed in its regulations.

Pursuant to the *Waste Reduction and Recovery Act*, the assets of the Environment Fund are to be used for purposes specified in the *Waste Reduction and Recovery Act* including programs with respect to the reduction and recovery of waste.

Portfolio investments, while forming part of the Consolidated Revenue Fund, are designated for the purpose of meeting the obligations of the Legislative Assembly Supplemental Retiring Allowance Pension Plan (*note 13*). Supplementary Retiring Allowance Regulations restrict the investments to those permitted under the *Pension Benefits Standards Act*.

Government of the Northwest Territories

Notes to Non-Consolidated Financial Statements (unaudited)

March 31, 2019

(All figures in thousands of dollars)

3. CASH, RESTRICTED ASSETS AND DESIGNATED ASSETS (continued)

The proportionate asset mix in the investment portfolio is as follows as at March 31:

	2019 %	2018 %
Canadian stocks	23.28	22.79
Cash and other assets	0.43	0.74
Fixed income mutual funds	40.35	40.49
Federal bonds	13.21	13.39
Foreign stocks	22.73	22.59
	<u>100.00</u>	<u>100.00</u>

The Government has the following assets which are designated for specific purposes under legislation and regulations as follows:

	2019 \$	2018 \$
Student Loan Fund:		
Authorized limit for loans receivable	45,000	45,000
Less: Loans receivable balance	(41,129)	(40,953)

Funds designated for new loans	3,871	4,047
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Environment Fund:

Beverage Container Program net assets	4,244	3,890
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Land Titles Assurance Fund:

Land Titles net assets	4,743	4,539
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Portfolio Investments for the Legislative Assembly Supplementary
Retiring Allowance Pension Plan:

Marketable securities (market value \$34,604; 2018 - \$33,279)	32,149	31,632
Cash and other assets (market value approximates cost)	138	232

	32,287	31,864
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	45,145	44,340
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Government of the Northwest Territories

Notes to Non-Consolidated Financial Statements (unaudited)

March 31, 2019

(All figures in thousands of dollars)

4. ACCOUNTS RECEIVABLE

	Accounts Receivable \$	Allowance for Doubtful Accounts \$	Net 2019 \$	Net 2018 \$
General	71,277	(16,143)	55,134	38,310
Government of Nunavut	8,491	-	8,491	6,224
Revolving fund sales	12,240	-	12,240	8,667
Non-renewable resource revenue	24,140	-	24,140	54,378
	<hr/>	<hr/>	<hr/>	<hr/>
	116,148	(16,143)	100,005	107,579
	<hr/>	<hr/>	<hr/>	<hr/>
Receivables from related parties:				
Divisional Education Councils and District Education Authorities	5,046	-	5,046	6,671
Health and Social Services Authorities	112,162	-	112,162	96,462
Northwest Territories Business Development and Investment Corporation	237	-	237	193
Northwest Territories Housing Corporation	2,807	-	2,807	3,112
Tlicho Community Services Agency	4,089	-	4,089	2,239
Workers' Safety Compensation Commission (Northwest Territories and Nunavut)	102	-	102	151
Northwest Territories Hydro Corporation	204	-	204	221
Aurora College	3,880	-	3,880	2,467
Inuvialuit Water Board	143	-	143	-
	<hr/>	<hr/>	<hr/>	<hr/>
	128,670	-	128,670	111,516
	<hr/>	<hr/>	<hr/>	<hr/>
	244,818	(16,143)	228,675	219,095

During the year, no accounts receivable (2018 - \$ nil) were written off and \$606 (2018 - \$ nil) were forgiven.

Government of the Northwest Territories

Notes to Non-Consolidated Financial Statements (unaudited)

March 31, 2019

(All figures in thousands of dollars)

5. LOANS RECEIVABLE

	2019 \$	2018 \$
Working capital advances to the Northwest Territories Business Development and Investment Corporation. The term is indeterminate with the option to repay any portion of principal on any interest payment date. Interest is calculated at selected Government of Canada three-year bond rates at the end of each month.	20,934	20,935
Student Loan Fund loans due in installments to 2032, bearing fixed interest between 0.00% and 10.00%, unsecured.	41,128	40,953
Yellowknife Catholic School Board Advance, unsecured, repayable in monthly installments of \$10 (2018 - \$10). Interest is calculated monthly based upon the Government's current borrowing rate.	654	760
Other	20	22
	62,736	62,670
Valuation allowance - Student Loan Fund	(16,836)	(17,216)
	45,900	45,454

During the year, \$2,205 in student loans (2018 - \$2,737) was remised with proper authority.

Interest earned on loans receivable during the year is \$692 (2018 - \$541).

6. SHORT-TERM LOANS

Based upon operational needs, the Government may enter into short term borrowing arrangements with its banks. Short term loans of \$324,478 (2018 - \$297,076) incurred interest at the weighted average year-end rate of 1.94% (2018 - 1.28%). Interest paid in 2019 is \$4,916 (2018 - \$2,387).

The short-term borrowing limit under the *Appropriation Act* as at March 31, 2019 is \$366,000.

Government of the Northwest Territories

Notes to Non-Consolidated Financial Statements (unaudited)

March 31, 2019

(All figures in thousands of dollars)

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2019	2018
	\$	\$
Trade	169,391	163,544
Government of Nunavut	35	-
Employee and payroll-related liabilities	77,339	55,604
Other liabilities	5,922	5,555
Non-renewable resource sharing	7,786	12,926
	260,473	237,629
Payables to related parties:		
Arctic Energy Alliance	52	50
Aurora College	195	518
Divisional Education Councils and District Education Authorities	650	330
Health and Social Services Authorities	2,951	5,830
Northwest Territories Business Development and Investment Corporation	18	2
Status of Women Council of the Northwest Territories	18	-
Northwest Territories Housing Corporation	76	44
Northwest Territories Hydro Corporation	1,339	1,533
Tlicho Community Services Agency	95	101
Northwest Territories Human Rights Commission	3	9
Workers' Safety and Compensation Commission (Northwest Territories and Nunavut)	3	546
	5,400	8,963
	265,873	246,592

8. DEFERRED REVENUE

	2019	2018
	\$	\$
Government of Canada	573	-
Ministry of Finance	3,172	4,061
Building Canada Plan	-	2
Transport Canada	703	-
Canadian Northern Economic Development Agency	4,300	3,781
Canadian Heritage	309	3,762
Crown - Indigenous Relations and Northern Affairs Canada	417	-
Public Health Agency of Canada	85	85
NPR Limited Partnership	1,866	2,168
Work deposits, commercial use permits and tourism licences	1,674	1,857
Mining Recorders	1,027	1,230
Restricted Assets (note 3b)	5,478	-
Other	537	524
	20,141	17,470

Deferred revenue in the current year consists mainly of funds received from the Government of Canada for corporate income tax, improvements to highways and bridge rehabilitation.

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(All figures in thousands of dollars)

9. DUE TO (FROM) THE GOVERNMENT OF CANADA

	2019	2018
	\$	\$
Due from Canada:		
Projects on behalf of the Government of Canada	(22,112)	(20,206)
Miscellaneous receivables	(44,078)	(32,491)
	(66,190)	(52,697)
Due to Canada:		
Advances for projects on behalf of the Government of Canada	23,013	18,484
Excess income tax advanced	85,142	55,794
Miscellaneous payables	23,434	43,666
	131,589	117,944
	65,399	65,247

The amounts due to the Government of Canada are non-interest bearing. The excess income tax advanced is repayable over the following years:

	\$
2020	14,197
2021	16,024
2022	54,628
2023	293
	85,142

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10. ENVIRONMENTAL LIABILITIES

The Government recognizes that there are costs related to the remediation of environmentally contaminated sites for which the Government is responsible. The Government has identified 251 (2018 - 246) sites as potentially requiring environmental remediation at March 31, 2019.

Type of Site	2018 Liability \$	Remediation Costs \$	New Sites in 2018 \$	Change in estimate \$	2019 Liability \$	Number of Sites
Abandoned mines ⁽¹⁾	10,944	(505)	200	-	10,639	8
Landfills ⁽²⁾	9,652	(996)	300	(90)	8,866	46
Abandoned infrastructure and schools ⁽³⁾	14,049	(1,578)	375	444	13,290	75
Airports, airport strips or reserves ⁽⁴⁾	3,806	(545)	-	205	3,466	24
Sewage lagoons ⁽⁵⁾	2,354	(297)	-	(12)	2,045	29
Fuel tanks and resupply lines ⁽³⁾	2,437	(18)	-	-	2,419	12
Abandoned lots and maintenance facilities ⁽³⁾	7,353	(92)	-	-	7,261 *	57
Total environmental liabilities	50,595	(4,031)	875	547	47,986	251

Possible types of contamination identified under each type of site include the following:

⁽¹⁾ metals, hydrocarbons, asbestos, wood/metal debris, waste rock, old mine buildings, lead paint;

⁽²⁾ hydrocarbons, glycol, metals;

⁽³⁾ hydrocarbons, petroleum products;

⁽⁴⁾ hydrocarbons, vehicle lubricants, asbestos, glycol;

⁽⁵⁾ metals, e.coli, total coliforms.

*Includes estimated costs to perform due diligence related to identifying environmental contamination that may be transferred back to Canada under the *Northwest Territories Lands and Resources Devolution Agreement*.

One of the sites, Giant Mine, has been formally designated as contaminated under the *Environmental Protection Act* (NWT). In 2005, the Government recorded a liability for its share of the above ground remediation. The remaining balance of the Government's share of the Giant Mine remediation liability at March 31, 2019 is \$2,316 (2018 - \$2,708). There are 6 other abandoned non-operating mine sites that the Government will be remediating in conjunction with Canada based on cost allocations similar to that of Giant Mine.

No sites were closed during the fiscal year (2018 - 1).

Included in the 251 (2018- 246) sites, the Government has identified 77 (2018 - 78) sites where no liability has been recognized. The contamination is not likely to affect public health and safety, cause damage, or otherwise impair the quality of the surrounding environment and there is likely no need for action unless new information becomes available indicating greater concerns, in which case, the site will be re-examined. These sites will continue to be monitored as part of the Government's ongoing environmental protection program.

Government of the Northwest Territories

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(All figures in thousands of dollars)

11. LONG-TERM DEBT AND CAPITAL LEASE OBLIGATIONS

	2019	2018
	\$	\$
Mortgage payable to Canada Mortgage and Housing Corporation, repayable in monthly installments of \$7 (2018 - \$7), maturing June 2024, bearing interest at 3.30% (2018 - 3.30%), secured with real property.	445	521
Deh Cho Bridge: Real return senior bonds with accrued inflation adjustment, maturing June 1, 2046, redeemable at the option of the issuer, bearing interest at 3.17% (2018 - 3.17%), payable semi-annually, unsecured.	176,439	177,210
Total long-term debt	176,884	177,731
Capital lease obligations	337	949
Total long-term debt and capital lease obligations	177,221	178,680

Long-term debt principal repayments due in each fiscal year for the next five years and thereafter are as follows:

	\$
2020	3,511
2021	3,714
2022	3,950
2023	4,200
2024	4,464
Beyond 2024	157,045
	176,884

Interest expense on long-term debt, included in operations and maintenance expenses, is \$10,168 (2018 - \$9,622).

Interest expenses related to capital lease obligations for the year is \$43 (2018 - \$68), at an implicit average interest rate of 7.9% (2018 - 6.6%). Capital lease obligations (expiring in 2020) are based upon contractual minimum lease obligations for the leases in effect as of March 31, 2019.

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(All figures in thousands of dollars)

12. LIABILITIES UNDER PUBLIC PRIVATE PARTNERSHIPS

The Government has entered into three contracts for the design, build, operate and maintenance of the Mackenzie Valley Fibre Link; the design, build, and maintenance of the Stanton Territorial Hospital Renewal; and the design, build, and maintenance of the Tlichio All Season Road. Operations and maintenance provided by the partner cease at the repayment date at which time operational responsibility reverts to the Government.

The calculation of the Public Private Partnerships (P3) liabilities is as follows:

	2018 \$	Additions during the year \$	Principal Payments \$	2019 \$	Repayment date
Stanton Territorial Hospital Renewal	86,581	50,473	(400)	136,654	2048
Mackenzie Valley Fibre Link	79,900	-	(2,200)	77,700	2037
Tlichio All Season Road	-	21,367	-	21,367	2047
Total	166,481	71,840	(2,600)	235,721	

The details of the contracts under P3s are as follows:

	Partner	Date contract entered into	Scheduled/ actual completion date	Interest rate
Stanton Territorial Hospital Renewal	Boreal Health Partnership	September 2015	November 2018	5.36%
Mackenzie Valley Fibre Link	Northern Lights General Partnership	October 2014	June 2017	6.52%
Tlichio All Season Road	North Star Infrastructure GP	February 2019	November 2022	6.53%

Estimated loan principal repayments for each of the next five years and thereafter are as follows:

	\$
2020	5,400
2021	5,700
2022	6,000
2023	19,120
2024	6,942
2024 and beyond	192,559
	235,721

The principal payments for the Mackenzie Valley Fibre Link and Stanton Territorial Hospital Renewal are fixed, equal monthly payments for the privately financed portion of the costs of building the infrastructure. The scheduled principal payments for Tlichio All Season Road will include a lump sum payment of \$111.2 million at the expected time of completion and then fixed equal monthly payments thereafter. P3 interest expense is \$7,700 (2018 - \$5,300). Interest capitalized in the period as a function of construction or developing tangible capital assets relating to the Stanton Territorial Hospital Renewal is \$2,700 (2018 - \$5,500); Tlichio All Season Road is \$400 (2018 - \$0).

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13. PENSIONS

(a) Plans description

The Government administers Regular Pension Plans for Members of the Legislative Assembly (MLAs) and Territorial Court Judges. These Regular Pension Plans are contributory defined benefit registered pension plans and are pre-funded (Regular Funded). The funds related to these plans are administered by independent trust companies.

In addition to the Regular Pension Plans listed above, the Government administers Supplemental Pension Plans the MLAs and Territorial Court Judges that are non-contributory defined benefit pension plans and are non-funded (Supplemental Unfunded). The Government has designated assets for the purposes of meeting the obligations of the MLA Supplemental Pension Plan (note 3).

The Government is liable for all benefits. All Plans provide death benefits to spouses and eligible dependents. All Plans are indexed. Plan assets consist of Canadian and foreign equities, and Canadian fixed income securities, bonds and mortgages.

Benefits provided under all Plans are based on years of service and pensionable earnings. Plan benefits generally accrue as a percentage of a number of years of best average pensionable earnings.

The remaining government employees participate in Canada's Public Service Pension Plan (PSPP). The PSPP provides benefits based on the number of years of pensionable service to a maximum of 35 years. Benefits are determined by a formula set out in the legislation; they are not based on the financial status of the pension plan. The basic benefit formula is 2 percent per year of pensionable service multiplied by the average of the best five consecutive years of earnings.

The public service pension plan was amended during 2013 which raised the normal retirement age and other age related thresholds from age 60 to age 65 for new members joining the plan on or after January 1, 2013. For members with start dates before January 1, 2013, the normal retirement age remains age 60. Furthermore, contributions rates for current service for all members of the public service increased to an employer: employee cost sharing of 50:50 in 2017.

Other benefits include survivor pensions, minimum benefits in the event of death, unreduced early retirement pensions, and disability pensions.

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Notes to Non-Consolidated Financial Statements (unaudited)

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13. PENSIONS (continued)

(b) Pension liability (asset)

	Regular Funded \$	2019 Supplemental Non Funded \$	Total \$
Accrued benefit obligation	28,502	37,569	66,071
Pension fund assets - market related value	(30,202)	-	(30,202)
Unamortized actuarial gains	1,120	849	1,969
Pension liability (asset)	(580)	38,418	37,838

	Regular Funded \$	2018 Supplemental Non Funded \$	Total \$
Accrued benefit obligation	27,530	36,194	63,724
Pension fund assets - market related value	(29,589)	-	(29,589)
Unamortized actuarial gains (losses)	2,182	670	2,852
Pension liability	123	36,864	36,987

Included in the pension asset of \$580 (2018 - \$123 liability) is a deficit for accounting purposes of the Judges' plan in the amount of \$1,963 (2018 - \$1,883).

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March 31, 2019

(All figures in thousands of dollars)

13. PENSIONS (continued)

(c) Change in pension liability (asset)

	Regular Funded \$	2019 Supplemental Non Funded \$	Total \$
Opening balance	123	36,864	36,987
Change to pension liability (asset) from cash items:			
Contributions from plan members	(306)	-	(306)
Contributions from Government	(649)	-	(649)
Benefit payment to plan members	(1,369)	(1,642)	(3,011)
Drawdown from plan assets	1,369	-	1,369
Net change to pension asset from cash items	(955)	(1,642)	(2,597)
Change to pension liability (asset) from accrual items:			
Current period benefit cost	1,070	1,342	2,412
Amortization of actuarial (gains) losses	(731)	179	(552)
Interest on average accrued benefit obligation	1,271	1,675	2,946
Expected return on average plan assets	(1,358)	-	(1,358)
Net change to pension liability from accrual items	252	3,196	3,448
Ending balance	(580)	38,418	37,838

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Notes to Non-Consolidated Financial Statements (unaudited)

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13. PENSIONS (continued)

(c) Change in pension liability (asset) (continued)

	Regular Funded \$	2018 Supplemental Non Funded \$	Total \$
Opening balance	(81)	34,924	34,843
Change to pension liability (asset) from cash items:			
Contributions from plan members	(281)	-	(281)
Contributions from Government	(90)	-	(90)
Benefit payment to plan members	(1,286)	(1,504)	(2,790)
Drawdown from plan assets	1,286	-	1,286
Net change to pension asset from cash items	(371)	(1,504)	(1,875)
Change to pension liability(asset) from accrual items:			
Current period benefit cost	1,023	1,282	2,305
Amortization of actuarial (gains) losses	(377)	549	172
Interest on average accrued benefit obligation	1,226	1,613	2,839
Expected return on plan assets	(1,297)	-	(1,297)
Net change to pension liability from accrual items	575	3,444	4,019
Ending balance	123	36,864	36,987

(d) Pension expense

The components of pension expense include current period benefit cost, amortization of actuarial net (gains)/losses and interest on average accrued benefit obligation net of the expected return on average plan assets and contributions from plan members. The total pension expense is \$3,142 (2018 - \$3,738). The interest cost on the accrued benefit obligation is determined by applying the discount rate determined at the beginning of the period to the average value of the accrued benefit obligation for the period. The expected return on plan assets is determined by applying the assumed rate of return on plan assets to the average market-related value of assets for the period. The difference between the expected and the actual return on plan assets is a gain of \$1,435 (2018 - \$1,669).

In addition to the above, the Government contributed \$28,886 (2018 - \$30,075) to the Public Service Superannuation Plan. The employees' contributions to this plan were \$27,960 (2018 - \$27,372).

(e) Changes to pension plans in the year

There have been no plan amendments, plan settlements and curtailments or temporary deviations from the plan in 2019 (no changes in 2018).

Government of the Northwest Territories

Notes to Non-Consolidated Financial Statements (unaudited)

March 31, 2019

(All figures in thousands of dollars)

13. PENSIONS (continued)

(f) Valuation methods and assumptions used in valuing pension liability

Valuation date

The actuarial valuation for the Legislative Assembly was completed as of April 1, 2016 and the results were extrapolated to January 31, 2019. The effective date of the next actuarial valuation is April 1, 2020. The actuarial valuation for the Judge's plan was completed as of April 1, 2016 and the results were extrapolated to March 31, 2019. The effective date of the next actuarial valuation is April 1, 2019.

Liability valuation method

The actuarial valuations were performed using the projected accrued benefit method. The valuations are based on a number of actuarial assumptions about matters such as mortality, service, withdrawal, earnings and interest rates. The assumptions are based on the Government's best estimates of expected long-term rates and short-term forecasts.

Asset valuation method

The asset valuation method, for the MLA's plans is equal to a smoothed market value which spreads the difference between the actual and expected investment income over a four year period and is then adjusted for payments due to, and payable from, the pension plan. The fair market value of the MLA's regular plan is \$24,914 (2018 - \$23,968). The asset valuation method for the Judges' plans is market value. The market value of the Judges' regular plan is \$6,476 (2018 - \$6,281).

Actuarial gains and losses

Actuarial gains and losses occur when actual experience varies from estimates or when actuarial assumptions change. The adjustments needed are amortized on a straight line basis over the estimated average remaining service lives of the contributors. The estimated average remaining service lives of the contributors is 5.0 years (2018 - 6.0 years) for the MLA's plans and 0.7 years (2018 - 1.7 years) for the Judges' plans.

Actuarial assumptions

	Judges' plans	MLAs' plans
Expected rate of return on plan assets	4.1%	4.8%
Rate of compensation increase	3.5%	2.0%
Annual inflation rate	2.0%	2.0%
Annual interest rate	4.1%	4.8%

Retirement assumptions

- Members of Legislative Assembly may retire at the earliest of age 60, thirty years of service or when age plus service equals 80.
- Judges may retire at the earlier of age 60 or when age plus service equals 80.

Government of the Northwest Territories

Notes to Non-Consolidated Financial Statements (unaudited)

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14. OTHER EMPLOYEE FUTURE BENEFITS AND COMPENSATED ABSENCES

In addition to pension benefits, the Government provides severance (resignation and retirement), removal and compensated absence (sick, special, maternity and parental leave) benefits to its employees. The benefit plans are not pre-funded and thus have no assets, resulting in a plan deficit equal to the accrued benefit obligation.

Severance benefits are paid to the Government's employees based on the type of termination (e.g. resignation versus retirement) and appropriate combinations that include inputs such as when the employee is hired, the rate of pay, the number of years of continuous employment, age and if the benefit is subject to maximum benefit limits. Removal benefits are subject to several criteria, the main ones being location of hire, employee category and length of service. The benefits under these two categories were valued using the projected unit credit methodology.

Compensated absence benefits generally accrue as employees render service and are paid upon the occurrence of an event resulting in eligibility for benefits under the terms of the plan. Events include, but are not limited to employee or dependent illness and death of an immediate family member. Non-accruing benefits include maternity and parental leave. Benefits that accrue under compensated absence benefits were valued using the expected utilization methodology.

Valuation results

The last actuarial valuation was completed as at March 31, 2019. The effective date of the next actuarial valuation is March 31, 2020. The liabilities are actuarially determined as the present value of the accrued benefits at February 15, 2019 and the results were extrapolated to March 31, 2019. The values presented below are for all of the benefits under the Compensated Absences and Termination Benefits for the Government.

	Severance and Removal \$	Compensated Absences \$	2019 \$	2018 \$
Changes in Obligation				
Accrued benefit obligations, beginning of year	18,227	6,097	24,324	31,066
Benefits earned	910	492	1,402	1,709
Interest	652	227	879	938
Benefits paid	(2,050)	(2,309)	(4,359)	(7,559)
Actuarial (gains)/losses	3,281	915	4,196	(1,606)
Accrued benefit obligations, end of year	21,020	5,422	26,442	24,548
Unamortized net actuarial gain/(loss)	907	(1,922)	(1,015)	3,695
Net future obligation	21,927	3,500	25,427	28,243
Other employee future benefits	3,964	-	3,964	4,733
Other compensated absences	-	879	879	846
Total employee future benefits and compensated absences	25,891	4,379	30,270	33,822

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14. OTHER EMPLOYEE FUTURE BENEFITS AND COMPENSATED ABSENCES (continued)

	Severance and Removal \$	Compensated Absences \$	2019 \$	2018 \$
Benefits Expense				
Benefits earned	910	492	1,402	1,709
Implicit Interest	652	227	879	938
Amortization of actuarial (gain)/loss	(690)	156	(534)	(334)
	872	875	1,747	2,313

The discount rate used to determine the accrued benefit obligation is an average of 3.2% (2018 - 3.8%). The expected payments during the next five fiscal years are:

	Severance and Removal \$	Compensated Absences \$	Total \$
2020	5,430	1,222	6,652
2021	3,529	809	4,338
2022	2,805	665	3,470
2023	2,206	565	2,771
2024	1,827	492	2,319
	15,797	3,753	19,550

15. PETROLEUM PRODUCTS STABILIZATION FUND

The Petroleum Products Stabilization Fund is included in the accumulated surplus. The purpose of the Fund is to stabilize the prices of petroleum products purchased, sold and distributed by the Government. The annual net profit or loss of the Petroleum Products Revolving Fund is charged to the Stabilization Fund. The accumulated surplus or deficit balance in the fund cannot exceed \$1,000.

	2019 \$	2018 \$
Surplus at beginning of the year	292	792
Add: Petroleum Products Stabilization Fund		
Net loss for the year	(1,145)	(500)
Surplus (deficit) at end of the year	(853)	292

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16. TRUST ASSETS UNDER ADMINISTRATION

The Government administers trust assets of \$16,788 (2018 - \$15,925) on behalf of third parties, which are not included in the reported Government assets and liabilities. These consist of cash, term deposits, investments, real estate, and other sundry assets.

In addition to the trust assets under administration, the Government holds cash and bank guarantees in the form of letters of credit and surety bonds in the amount of \$640,051 (2018 - \$662,899). The majority of these guarantees are held against water licenses issued to regulate the use of water and the deposit of waste.

17. CONTRACTUAL OBLIGATIONS AND RIGHTS

The Government has entered into agreements for, or is contractually committed to the following expenses that will be incurred subsequent to March 31, 2019:

	Expiry Date	2020 \$	2021 \$	2022 \$	2023 \$	2024 \$	2025+ \$	Total \$
Operational commitments	2048	99,538	65,560	34,911	12,006	2,585	5,238	219,838
RCMP policing agreement	2032	45,881	45,804	45,804	45,804	45,804	364,379	593,476
Commercial leases	2040	17,402	13,861	10,130	7,595	6,244	7,515	62,747
Equipment leases	2023	473	263	186	80	1	-	1,003
TCAs in progress at year end	2024	73,796	13,202	245	202	202	-	87,647
Operational payments under P3	2048	10,686	10,961	11,973	15,394	16,624	491,335	556,973
TCA Construction under P3	2022	28,611	80,083	56,613	-	-	-	165,307
		276,387	229,734	159,862	81,081	71,460	868,467	1,686,991

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17. CONTRACTUAL OBLIGATIONS AND RIGHTS (continued)

The Government has 2 (2018 - 1) cost recovery service agreements with the Government of Nunavut (GNU) for the provision of various corporate and program delivery services. The expenses for and costs recovered from these projects are estimated at \$583 for the fiscal year ended 2019 (2018 - \$27). The Government has 2 agreements with the GNU for the delivery and chargeback of health services for eligible Nunavut residents. The 2 agreements with the GNU have no firm cost recovery amounts or end dates.

The Government has entered into agreements for, or is contractually entitled to, the following receipts subsequent to March 31, 2019:

	Expiry Date	2020 \$	2021 \$	2022 \$	2023 \$	2024 \$	2025+ \$	Total \$
Transfer Payments	2028	91,389	85,819	113,435	111,540	129,190	229,327	760,700
Regulatory Revenue	2023	777	284	109	51	26	-	1,247
Lease Revenue	2048	4,386	4,386	4,237	3,978	3,960	36,830	57,777
Licence Revenue	2038	314	216	187	144	113	299	1,273
Other	2043	982	219	219	219	219	4,153	6,011
		97,848	90,924	118,187	115,932	133,508	270,609	827,008

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18. GUARANTEES AND CONTINGENCIES

(a) Guarantees

The Government is contingently liable for the following guarantees:

	2019
	\$
Debentures issued by the Northwest Territories Power Corporation:	
Debenture series issued by the Northwest Territories Power Corporation	
maturing December 18, 2032	9,333
maturing September 13, 2040	43,451
maturing May 1, 2025	3,817
maturing October 1, 2025	3,950
maturing July 11, 2025	15,000
maturing November 25, 2052	25,000
maturing September 1, 2026	4,713
maturing August 1, 2028	25,000
maturing December 15, 2034	25,000
maturing February 17, 2047	57,825
Loans payable by the Northwest Territories Housing Corporation to	
Canada Mortgage and Housing Corporation	12,389
Guaranteed residential housing loans of the Northwest Territories Housing Corporation	555

Total Guarantees	226,033
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The Government has also provided a guarantee to the Canadian Blood Services and Canadian Blood Services Captive Insurance Company Ltd. to cover a share of potential claims made by users of the national blood supply. The Government's share is limited to the ratio of the Northwest Territories' population to the Canadian population.

(b) Claims and litigation

There are a number of claims and pending and threatened litigation cases outstanding against the Government. In certain of these cases, pursuant to agreements negotiated prior to the division of the territories, the Governments of the Northwest Territories and Nunavut will jointly defend the suits. The cost of defending these actions and any damages that may eventually be awarded will be shared by the two Governments 55.66% and 44.34%, respectively. The Government has recorded an allowance for any claim or litigation where it is likely that there will be a future payment and a reasonable estimate of the loss can be made. At year-end the Government estimated the total claimed amount for any claims and litigation for which the outcome is not determinable at \$88,407 (2018 - \$80,087). No provision for such claims has been made in these financial statements as it is not determinable that any future event will confirm that a liability has been incurred as at March 31.

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19. RELATED PARTIES

Transactions with related parties and balances at year-end, not disclosed elsewhere in the financial statements, are disclosed in this note. During the year the Government provided grants and contributions to the following related parties.

	2019	2018
	\$	\$
Arctic Energy Alliance	3,253	2,596
Aurora College	34,589	34,378
Inuvialuit Water Board	913	913
Divisional Education Councils and District Education Authorities	144,592	144,994
Health and Social Services Authorities	312,872	274,301
Northwest Territories Power Corporation	13,981	7,346
Tlicho Community Services Agency	33,751	33,740
Northwest Territories Business Development and Investment Corporation	1,905	2,819
Northwest Territories Heritage Fund	6,591	6,344
Northwest Territories Housing Corporation	77,974	74,943
Northwest Territories Human Rights Commission	180	250
Northwest Territories Surface Rights Board	303	302
Northwest Territories Sport and Recreation Council	850	1,000
Status of Women Council of the Northwest Territories	434	464
	632,188	584,390

The Government funds communities, boards and agencies and other organizations offering services to the public. These organizations operate independently of normal Government operations. The Government may be held responsible for any liabilities or deficits on behalf of related boards and agencies. An estimate of the potential liability, if any, cannot be determined.

Under agreements with related boards and agencies, the Government provides services at cost or for a service fee where direct costs cannot be determined. The fees charged for indirect costs are not necessarily the cost of providing those services. Services provided includes personnel, payroll, financial, procurement, accommodation, buildings and works, utilities, legal and interpretation services.

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20. OVEREXPENDITURE

During the year 2 departments (2018 - 1) exceeded their operations vote by \$5,958 (2018 - \$496) and 2 departments (2018 - 1) exceeded their capital vote by \$4,597 (2018 - \$33).

Overexpenditure of a vote contravenes subsection 71 of the *Financial Administration Act* which states that "No person shall incur an expenditure that causes the amount of the appropriation set out in the Estimates for a department to be exceeded".

The voted items that were over expended in the current year is as follows:

Department of Health and Social Services (operations)	\$4,048
Department of Justice (operations)	\$1,910
Department of Health and Social Services (capital)	\$4,588
Department of Municipal and Community Affairs (capital)	\$9

These overexpenditures have been deemed a supplementary appropriation in accordance with section 77 of the *Financial Administration Act* S.N.W.T 2015 which states that "Where the charging of expenditures to an appropriation would cause the appropriation to be exceeded, the Comptroller General may, at the end of a fiscal year, record the amount by which the liability exceeds the appropriation as a deemed appropriation for that fiscal year".

21. SUBSEQUENT EVENTS

Subsequent to year end, the Government was notified of corporate taxpayers reporting net losses that will be carried back to previous tax years. The loss carry backs will reduce the Government's 2019-20 corporate tax revenue but net implications cannot be determined until the 2018 tax assessment is finalized in December 2019. Differences between current estimates and future actual amounts can be significant. Any such differences are recognized when the actual tax assessments are finalized.

22. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the financial statement presentation adopted for the current year.

Government of the Northwest Territories

Non-Consolidated Schedule of Revenues by Source (unaudited)

Schedule A

for the year ended March 31, 2019

(thousands of dollars)

	2019 Main Estimates (note 1b) \$	2019 Actual \$	2018 Actual \$
Revenue from the Government of Canada			
Grant	1,256,289	1,256,289	1,232,439
Transfer Payments	148,247	172,317	185,654
	1,404,536	1,428,606	1,418,093
Taxation			
Corporate Income Tax	31,299	(4,752)	60,006
Personal Income Tax	103,076	110,609	87,530
Cannabis	-	111	-
Fuel	21,684	22,863	20,925
Tobacco	16,087	15,822	15,598
Payroll	44,866	43,445	42,633
Property and school levies	29,235	26,550	28,744
Insurance	4,850	5,814	5,169
	251,097	220,462	260,605
Non-renewable Resource Revenue			
Minerals, Oil and Gas Royalties	13,460	18,930	39,862
Licences, Rental and Other Fees	2,380	4,246	26,132
Quarry Fees	180	82	122
	16,020	23,258	66,116
General			
Program	16,946	21,545	19,690
Service and miscellaneous	508	5,753	6,391
Lease	3,815	3,898	4,966
Interest revenue	805	781	1,342
Revolving Funds net revenue	28,410	25,410	32,036
Regulatory revenue	23,986	24,360	27,501
Investment income	-	1,907	2,640
Grants in Kind	214	305	443
	74,684	83,959	95,009
Total Revenues	1,746,337	1,756,285	1,839,823

Government of the Northwest Territories

Non-Consolidated Schedule of Expenses (unaudited)

Schedule B

for the year ended March 31, 2019

(thousands of dollars)

	Main Estimates (note 1b) \$	Compensation and Benefits \$	Grants and Contributions \$	Valuation Allowances \$	Other \$	Amortization \$	2019 Total Expenses \$	2018 Total Expenses \$
Legislative Assembly	20,790	12,622	180	-	5,970	862	19,634	18,376
Executive and Indigenous Affairs	21,393	14,531	1,918	-	3,529	-	19,978	18,432
Finance	234,943	61,660	121,318	130	39,895	4,391	227,394	232,148
Municipal and Community Affairs	134,370	13,999	116,889	48	5,071	25	136,032	134,525
Infrastructure	241,941	63,053	10,071	139	130,225	61,874	265,362	245,069
Health and Social Services	461,563	22,762	334,468	70	111,128	18,289	486,717	445,682
Justice	126,093	60,944	2,927	9	63,015	2,807	129,702	125,478
Education, Culture and Employment	327,641	34,033	238,526	2,638	46,605	16,523	338,325	327,670
Environment and Natural Resources	88,954	37,716	9,574	18	37,399	3,506	88,213	96,387
Industry Tourism and Investment	57,420	24,166	16,671	6	13,969	1,634	56,446	58,653
Lands	27,673	19,399	1,178	45	5,866	118	26,606	25,181
	1,742,781	364,885	853,720	3,103	462,672	110,029	1,794,409	
Prior Year Totals	1,686,923	361,413	796,886	2,598	471,745	94,959		1,727,601

Government of the Northwest Territories

Non-Consolidated Schedule of Tangible Capital Assets (unaudited)

Schedule C

As at March 31, 2019

(thousands of dollars)

	Land ⁵	Buildings and Leasehold Improvements ¹	Infrastructure and Other ²	Roads and Bridges	Equipment ¹	Computers	Work in Progress ^{3,4}	2019	2018
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cost of tangible capital assets, opening balance	5,276	1,229,320	303,690	1,686,342	207,235	127,463	350,186	3,909,512	3,672,133
Transfers	-	82,521	2,495	51,629	9,846	7,219	(153,710)	-	-
Acquisitions	-	-	-	-	-	-	229,171	229,171	260,015
Disposals	-	(2,348)	(78)	-	(4,580)	-	-	(7,006)	(22,636)
Cost of tangible capital assets, closing	5,276	1,309,493	306,107	1,737,971	212,501	134,682	425,647	4,131,677	3,909,512
Accumulated amortization, opening	-	(505,892)	(115,906)	(515,343)	(108,685)	(82,534)	-	(1,328,360)	(1,247,785)
Amortization expense	-	(39,090)	(12,841)	(44,557)	(9,313)	(4,697)	-	(110,498)	(94,959)
Disposals	-	2,303	61	-	4,580	-	-	6,944	14,384
Accumulated amortization, closing	-	(542,679)	(128,686)	(559,900)	(113,418)	(87,231)	-	(1,431,914)	(1,328,360)
Net book value	5,276	766,814	177,421	1,178,071	99,083	47,451	425,647	2,699,763	2,581,152

¹ Included in buildings, leasehold improvements and equipment are assets under capital leases: cost, \$5,285 (2018 - \$5,285); accumulated amortization, \$3,240 (2018 - \$2,832); net book value, \$2,045 (2018 - \$2,453).

² Includes ferries, barges, airstrips, aprons, fuel distribution systems, park improvements, aircraft, water/sewer works, fences, and signs.

³ Included in work in progress are P3 projects: Stanton Territorial Hospital Renewal \$316,562 (2018 - \$238,732) and Tli Cho All Season Road \$32,145 (2018 - \$0).

⁴ Included in work in progress are current year non-cash items of \$71,012 (2018 - \$25,963).

⁵ Land with cost and net book value of \$0, market value \$2,184 (2018 - \$3,329) was contributed to third parties.

Change in net book value of tangible capital assets	2019	2018
	\$	\$
Assets transferred from work in progress	153,710	231,213
Disposals/write-downs/adjustments	(62)	(8,252)
Amortization	(110,498)	(94,959)
Increase in work in progress	75,461	28,802
Increase	118,611	156,804

Government of the Northwest Territories

Non-Consolidated Schedule of Revenues by Department (unaudited)

Schedule 1

for the year ended March 31, 2019

(thousands of dollars)

	Main Estimates \$	Increases (Decreases) \$	Revised Estimates \$	Actual Revenues \$	Over (Under) Estimates \$
Legislative Assembly					
Transfer Payments					
Information and Privacy Commissioner	179	-	179	111	(68)
General Revenues					
Service and miscellaneous	5	-	5	10	5
Regulatory revenue	-	-	-	1	1
Investment income	-	-	-	1,907	1,907
	5	-	5	1,918	1,913
	184	-	184	2,029	1,845
Executive and Indigenous Affairs					
Transfer Payments					
Federal cost shared	-	-	-	22	22
Industry, Tourism and Investment					
Transfer Payments					
Federal cost shared	100	-	100	1,069	969
Non-renewable Resource Revenue					
Minerals, oil and gas royalties	13,460	11,996	25,456	18,930	(6,526)
Licences, rental, and other fees	2,300	1,452	3,752	4,191	439
	15,760	13,448	29,208	23,121	(6,087)
General Revenues					
Regulatory revenue	845	(52)	793	1,038	245
Service and miscellaneous	5	-	5	-	(5)
	850	(52)	798	1,038	240
	16,710	13,396	30,106	25,228	(4,878)
Environment and Natural Resources					
Transfer Payments					
Federal cost shared	3,650	-	3,650	4,445	795
Non-renewable Resource Revenue					
Licences, rental, and other fees	80	-	80	55	(25)
General Revenues					
Regulatory revenue	1,829	43	1,872	1,646	(226)
Service and miscellaneous	32	-	32	32	-
	1,861	43	1,904	1,678	(226)
	5,591	43	5,634	6,178	544

Government of the Northwest Territories

Non-Consolidated Schedule of Revenues by Department (unaudited)

Schedule 1 (continued)

for the year ended March 31, 2019

(thousands of dollars)

	Main Estimates \$	Increases (Decreases) \$	Revised Estimates \$	Actual Revenues \$	Over (Under) Estimates \$
Finance					
Grant from Government of Canada	1,256,289	-	1,256,289	1,256,289	-
Transfer Payments					
Federal cost shared	-	-	-	52	52
Canada Health Transfer	46,239	1,119	47,358	47,358	-
Canada Social Transfer	16,970	413	17,383	17,383	-
	1,319,498	1,532	1,321,030	1,321,082	52
Taxation					
Corporate	31,299	(36,768)	(5,469)	(4,752)	717
Personal	103,076	7,096	110,172	110,609	437
Fuel	21,684	(691)	20,993	22,863	1,870
Tobacco	16,087	(755)	15,332	15,822	490
Cannabis	-	373	373	111	(262)
Payroll	44,866	(1,380)	43,486	43,445	(41)
Property and school levies	29,235	(24)	29,211	26,550	(2,661)
Insurance	4,850	-	4,850	5,814	964
	251,097	(32,149)	218,948	220,462	1,514
General Revenues					
Service and miscellaneous	-	780	780	4,638	3,858
Program	60	-	60	1,029	969
Revolving funds net revenue	24,783	825	25,608	24,445	(1,163)
Interest income	480	-	480	424	(56)
Regulatory revenue	1,280	(780)	500	917	417
	26,603	825	27,428	31,453	4,025
	1,597,198	(29,792)	1,567,406	1,572,997	5,591
Municipal and Community Affairs					
Transfer Payments					
Federal cost shared	-	-	-	2	2
General Revenues					
Regulatory revenue	248	-	248	185	(63)
	248	-	248	187	(61)
Justice					
Transfer payments					
Federal cost shared	6,302	605	6,907	6,860	(47)
General Revenues					
Lease	-	-	-	6	6
Program	2,200	-	2,200	4,092	1,892
Regulatory revenue	5,504	-	5,504	6,525	1,021
Grants in Kind	-	-	-	39	39
	7,704	-	7,704	10,662	2,958
	14,006	605	14,611	17,522	2,911

Government of the Northwest Territories

Non-Consolidated Schedule of Revenues by Department (unaudited)

Schedule 1 (continued)

for the year ended March 31, 2019

(thousands of dollars)

	Main Estimates \$	Increases (Decreases) \$	Revised Estimates \$	Actual Revenues \$	Over (Under) Estimates \$
Infrastructure					
Transfer Payments					
Federal cost shared	-	1,153	1,153	8,358	7,205
Capital transfer	22,800	1,400	24,200	25,904	1,704
	22,800	2,553	25,353	34,262	8,909
General Revenues					
Service and miscellaneous	440	-	440	964	524
Lease	1,199	-	1,199	1,295	96
Program	771	344	1,115	1,096	(19)
Interest revenue	-	-	-	-	-
Regulatory revenue	13,868	-	13,868	13,582	(286)
Revolving fund net revenue	3,627	1,918	5,545	965	(4,580)
Grants in kind	140	-	140	-	(140)
	20,045	2,262	22,307	17,902	(4,405)
	42,845	4,815	47,660	52,164	4,504
Health and Social Services					
Transfer Payments					
Federal cost shared	32,885	795	33,680	33,122	(558)
Capital transfers	-	-	-	502	502
	32,885	795	33,680	33,624	(56)
General Revenues					
Program	13,915	1,971	15,886	15,328	(558)
Interest	-	-	-	95	95
Regulatory revenue	365	-	365	395	30
Grants in kind	74	-	74	266	192
	14,354	1,971	16,325	16,084	(241)
	47,239	2,766	50,005	49,708	(297)
Education, Culture and Employment					
Transfer Payments					
Federal cost shared	19,122	3,265	22,387	22,923	536
Capital transfers	-	4,391	4,391	3,903	(488)
	19,122	7,656	26,778	26,826	48
General Revenues					
Service and miscellaneous	26	-	26	11	(15)
Lease	46	-	46	27	(19)
Interest income	325	-	325	262	(63)
Regulatory revenue	27	-	27	36	9
	424	-	424	336	(88)
	19,546	7,656	27,202	27,162	(40)

Government of the Northwest Territories

Non-Consolidated Schedule of Revenues by Department (unaudited)

Schedule 1 (continued)

for the year ended March 31, 2019

(thousands of dollars)

	Main Estimates \$	Increases (Decreases) \$	Revised Estimates \$	Actual Revenues \$	Over (Under) Estimates \$
Lands					
Transfer Payments					
Federal cost shared	-	303	303	303	-
Non-renewable Resource Revenue					
Quarry royalties, fees	180	-	180	82	(98)
General Revenues					
Regulatory revenue	20	-	20	35	15
Lease	2,570	-	2,570	2,570	-
Service and miscellaneous	-	-	-	98	98
	2,590	-	2,590	2,703	113
	2,770	303	3,073	3,088	15
	1,746,337	(208)	1,746,129	1,756,285	10,156

Government of the Northwest Territories

Non-Consolidated Schedule of Expenses by Department (unaudited)

Schedule 2

for the year ended March 31, 2019

(thousands of dollars)

	Main Estimates \$	Supplementary Estimates \$	Transfers \$	Total Appropriation \$	Actual Expenditures \$	(Over) Under Appropriation \$
Legislative Assembly						
Office of the Clerk	8,190	71	-	8,261	8,171	90
Expenditures on Behalf of Members	8,889	-	-	8,889	8,051	838
Office of the Chief Electoral Officer	878	6	-	884	754	130
Statutory Offices	2,333	24	-	2,357	2,171	186
Office of the Speaker	500	2	-	502	487	15
	20,790	103	-	20,893	19,634	1,259
Executive and Indigenous Affairs						
Executive Council Offices	4,001	25	30	4,056	4,108	(52)
Directorate	5,410	485	(49)	5,846	5,878	(32)
Cabinet Support	1,625	8	10	1,643	1,354	289
Indigenous and Intergovernmental Affairs	8,081	92	(2)	8,171	6,449	1,722
Corporate Communications	1,396	10	3	1,409	1,360	49
Office of Priorities and Planning	880	6	8	894	829	65
	21,393	626	-	22,019	19,978	2,041
Industry, Tourism and Investment						
Economic Diversification and Business Support	17,313	332	(461)	17,184	16,393	791
Corporate Management	8,037	126	761	8,924	9,193	(269)
Tourism and Parks	16,290	300	106	16,696	15,027	1,669
Minerals and Petroleum Resources	15,780	141	(303)	15,618	15,833	(215)
	57,420	899	103 *	58,422	56,446	1,976
Environment and Natural Resources						
Wildlife	14,389	134	-	14,523	15,383	(860)
Forest Management	36,971	(312)	-	36,659	33,976	2,683
Corporate Management	13,928	122	-	14,050	14,716	(666)
Water Resources	11,450	90	-	11,540	11,475	65
Conservation, Assessment and Monitoring	7,926	50	-	7,976	8,604	(628)
Environment	4,290	40	-	4,330	4,059	271
	88,954	124	-	89,078	88,213	865

* Infrastructure investments that were not classified as capital have been transferred to operations. See schedule 8 for details.

Government of the Northwest Territories

Non-Consolidated Schedule of Expenses by Department (unaudited)

Schedule 2 (continued)

For the year ended March 31, 2019

(thousands of dollars)

	Main Estimates \$	Supplementary Estimates \$	Transfers \$	Total Appropriation \$	Actual Expenditures \$	(Over) Under Appropriation \$
Finance						
Directorate	85,345	1,719	(221)	86,843	87,149	(306)
Management Board Secretariat	64,180	190	34	64,404	54,450	9,954
Office of the Comptroller General	65,044	352	59	65,455	66,930	(1,475)
Human Resources	20,311	317	128	20,756	18,804	1,952
	234,880	2,578	-	237,458	227,333	10,125
Amortization of tangible capital assets of the NWT Liquor Commission	63	-	-	63	61	2
	234,943	2,578	-	237,521	227,394	10,127
Municipal and Community Affairs						
Regional Operations	116,192	1,533	-	117,725	117,076	649
Community Operations	2,036	340	-	2,376	2,195	181
Directorate	3,765	260	-	4,025	4,339	(314)
School of Community Government	2,860	15	-	2,875	2,793	82
Community Governance	2,043	89	-	2,132	1,986	146
Sport, Recreation and Youth	5,342	22	-	5,364	5,480	(116)
Public Safety	2,132	32	-	2,164	2,163	1
	134,370	2,291	-	136,661	136,032	629
Justice						
Corrections	36,789	502	-	37,291	36,727	564
Policing Services	44,916	349	-	45,265	46,313	(1,048)
Court Services	13,646	252	-	13,898	14,767	(869)
Services to Government	12,847	267	-	13,114	14,006	(892)
Legal Aid Services	6,241	50	-	6,291	6,576	(285)
Services to Public	4,340	56	-	4,396	4,754	(358)
Community Justice and Policing	5,445	211	-	5,656	5,245	411
Office of Oil and Gas Regulations	1,869	12	-	1,881	1,314	567
	126,093	1,699	-	127,792	129,702	(1,910)
Health and Social Services						
Administration and Support	87,835	3,676	9,231	100,742	102,804	(2,062)
Ambulatory Care Services	75,161	2,757	(666)	77,252	81,121	(3,869)
Community Health Programs	177,198	3,197	(2,151)	178,244	177,132	1,112
Community Social Programs	28,765	232	-	28,997	29,108	(111)
Diagnostic and Therapeutic Services	26,103	682	385	27,170	26,299	871
Nursing Inpatient Services	34,108	507	-	34,615	34,636	(21)
Supplementary Health Programs	32,393	585	2,671	35,649	35,617	32
	461,563	11,636	9,470 *	482,669	486,717	(4,048)

* Infrastructure investments that were not classified as capital have been transferred to operations. See schedule 8 for details.

Government of the Northwest Territories

Non-Consolidated Schedule of Expenses by Department (unaudited)

Schedule 2 (continued)

for the year ended March 31, 2019

(thousands of dollars)

	Main Estimates \$	Supplementary Estimates \$	Transfers \$	Total Appropriation \$	Actual Expenditures \$	(Over) Under Appropriation \$
Education, Culture and Employment						
Corporate Management	12,881	139	(39)	12,981	12,768	213
Culture, Heritage and Languages	19,422	167	(2,089)	17,500	18,892	(1,392)
Early Childhood and School Services	193,848	3,480	1,383	198,711	197,858	853
Income Security	50,801	4,583	3	55,387	55,496	(109)
Labour Development and Advanced Education	50,689	3,697	(1)	54,385	53,311	1,074
	327,641	12,066	(743)*	338,964	338,325	639
Infrastructure						
Corporate Management	11,670	631	60	12,361	12,985	(624)
Asset Management	75,631	1,599	1,392	78,622	83,498	(4,876)
Programs and Services	23,925	8,060	20,122	52,107	35,217	16,890
Regional Operations	130,715	2,430	(514)	132,631	133,662	(1,031)
	241,941	12,720	21,060 *	275,721	265,362	10,359
Lands						
Corporate Management	3,170	56	7	3,233	3,680	(447)
Informatics	6,754	80	2	6,836	6,284	552
Operations	10,758	721	(14)	11,465	9,989	1,476
Planning and Coordination	6,991	70	5	7,066	6,653	413
	27,673	927	-	28,600	26,606	1,994
	1,742,781	45,669	29,890 *	1,818,340	1,794,409	23,931

* Infrastructure investments that were not classified as capital have been transferred to operations. See schedule 8 for details.

Government of the Northwest Territories**Non-Consolidated Schedule of Recoveries of Prior Years Expenses (unaudited)****Schedule 3****for the year ended March 31, 2019****(thousands of dollars)**

DEPARTMENT	Over-Accruals \$	Other Recoveries \$	Total \$
Legislative Assembly	1	169	170
Executive and Indigenous Affairs	5	70	75
Finance	4	1,297	1,301
Municipal and Community Affairs	23	333	356
Infrastructure	624	2,141	2,765
Health and Social Services	4,125	932	5,057
Justice	281	1,242	1,523
Education, Culture and Employment	454	1,286	1,740
Environment and Natural Resources	-	468	468
Industry, Tourism and Investment	179	374	553
Lands	72	105	177
	5,768	8,417	14,185

Government of the Northwest Territories**Non-Consolidated Schedule of Summary of Capital Acquisitions (unaudited)****Schedule 4****for the year ended March 31, 2019****(thousands of dollars)**

DEPARTMENT	Main Estimates \$	Supplementary Estimates \$	Total Appropriation \$	Actual Expenditure \$
Legislative Assembly	390	-	390	263
Lands	1,623	69	1,692	149
Finance	7,130	-	7,130	1,709
Municipal and Community Affairs	115	-	115	124
Infrastructure	108,035	74,454	182,489	102,243
Health and Social Services	34,660	49,908	84,568	89,156
Justice	4,892	18,437	23,329	11,509
Education, Culture and Employment	13,339	11,076	24,415	18,972
Environment and Natural Resources	3,549	4,735	8,284	4,449
Industry, Tourism and Investment	3,670	6,726	10,396	4,314
	177,403	165,405	342,808 *	232,888

Projects completed by Infrastructure on behalf of other Departments are reported as expenditures under the owner Department when completed to better reflect investments in Departmental Programs.

*\$29,890 of the budget associated with infrastructure investments that were classified as non-capital in nature has been transferred to operations, as disclosed in Schedules 2 and 8.

Government of the Northwest Territories

Non-Consolidated Schedule of Grants (unaudited)

Schedule 5

for the year ended March 31, 2019

(thousands of dollars)

	Main Estimates \$	Supplementary Estimates \$	Transfers \$	Total Appropriation \$	Actual Expenditures \$	(Over)Under Appropriation \$
Executive and Indigenous Affairs						
Aboriginal Intergovernmental Meetings						
Fund	300	-	-	300	259	41
Arctic Inspiration Prize	50	50	-	100	100	-
Canada Next Public Policy Forum	-	-	-	-	10	(10)
Core Funding to Métis Locals	225	-	-	225	225	-
Indigenous Leader's Economic Forum	-	-	-	-	20	(20)
NWT Friendship Centres	250	-	-	250	250	-
NWT Society for the Prevention of Cruelty to Animals	-	-	-	-	25	(25)
Special Events - Aboriginal Organizations	50	-	-	50	45	5
Tuktoyaktuk Community Corporation Strategic Direction and Action Plan	100	-	-	100	100	-
Women's Initiatives	50	-	-	50	64	(14)
	1,025	50	-	1,075	1,098	(23)

Infrastructure

Band Council Subsidized Leases	140	-	-	140	-	140
Deh Cho Bridge Opportunities	200	-	-	200	200	-
Taltson Hydro Expansion	-	225	-	225	225	-
	340	225	-	565	425	140

Finance

Cost of Living Tax Credit	22,150	-	-	22,150	22,779	(629)
NWT Child Benefit	2,200	-	-	2,200	2,364	(164)
Net Fiscal Benefit Transfer to Aboriginal Parties	10,100	-	-	10,100	4,276	5,824
NWT Evaluation Symposium	-	-	-	-	10	(10)
	34,450	-	-	34,450	29,429	5,021

Municipal and Community Affairs

Designated Authority Additional Funding	624	-	-	624	624	-
New Deal Taxation Revenue Program	565	-	-	565	575	(10)
High Performance Athlete Program	100	-	-	100	85	15
Community Government Funding	49,103	-	-	49,103	49,103	-
Grant-in-Lieu of Taxes	7,616	1,070	-	8,686	8,685	1
Senior Citizens and Disabled Persons Property Tax Relief	847	-	-	847	818	29
Deline Self Government	2,933	389	-	3,322	3,322	-
	61,788	1,459	-	63,247	63,212	35

Government of the Northwest Territories

Non-Consolidated Schedule of Grants (unaudited)

Schedule 5 (continued)

for the year ended March 31, 2019

(thousands of dollars)

	Main Estimates \$	Supplementary Estimates \$	Transfers \$	Total Appropriation \$	Actual Expenditures \$	(Over)Under Appropriation \$
Environment and Natural Resources						
Disaster Compensation	15	-	-	15	-	15
Fur Price Program	405	-	-	405	349	56
Fire Damage Compensation	100	-	-	100	3	97
	520	-	-	520	352	168
Health and Social Services						
Medical Professional Development	40	-	-	40	40	-
Apartment Lease Funding	74	-	-	74	266	(192)
	114	-	-	114	306	(192)
Justice						
National Justice Issues	9	-	-	9	9	-
Education, Culture and Employment						
Student Financial Assistance	11,972	-	-	11,972	10,586	1,386
Early Childhood Program Operator Subsidy	4,003	-	250	4,253	4,364	(111)
Early Childhood Program Grants	80	10	-	90	529	(439)
Early Childhood Worker Program	890	-	-	890	670	220
Early Childhood Worker Scholarship	145	20	-	165	50	115
French Language Broadcasting	10	-	-	10	10	-
Indigenous Broadcasting	-	-	-	-	3	(3)
Indigenous Scholarships	-	-	-	-	50	(50)
NWT Arts Council	500	200	-	700	689	11
Senior Home Heating Subsidy	-	-	2,192	2,192	1,867	325
Speaker Series Grants	-	-	-	-	4	(4)
Support to Northern Performers	101	-	-	101	97	4
Trades and Occupations Wage Subsidy	-	-	1,072	1,072	655	417
Workforce Development Agreement	-	1,454	-	1,454	825	629
	17,701	1,684	3,514	22,899	20,399	2,500
Total	115,947	3,418	3,514	122,879	115,230	7,649

Land with cost and net book value of \$0, market value \$2,184 (2018 - \$3,329) was contributed to third parties.

Government of the Northwest Territories**Non-Consolidated Schedule of Contributions (unaudited)****Schedule 6****for the year ended March 31, 2019****(thousands of dollars)**

	Main Estimates \$	Supplementary Estimates \$	Transfers \$	Total Appropriation \$	Actual Expenditures \$	(Over) Under Appropriation \$
Legislative Assembly						
Capital Area Development Fund	50	-	-	50	-	50
Human Rights Commission Core Funding	180	-	-	180	180	-
	230	-	-	230	180	50
Executive and Indigenous Affairs						
Native Women's Association Core Funding	426	-	-	426	426	-
Status of Women Council Core Funding	394	-	-	394	394	-
	820	-	-	820	820	-
Finance						
Territorial Power Subsidy Program	7,153	-	-	7,153	7,379	(226)
Northwest Territories Heritage Fund Core Funding	7,600	-	-	7,600	6,591	1,009
Northwest Territories Housing Corporation Core Funding	76,423	1,241	-	77,664	77,664	-
Northwest Territories Housing Infrastructure Contributions	255	-	-	255	255	-
	91,431	1,241	-	92,672	91,889	783

Government of the Northwest Territories

Non-Consolidated Schedule of Contributions (unaudited)

Schedule 6 (continued)

for the year ended March 31, 2019

(thousands of dollars)

	Main Estimates \$	Supplementary Estimates \$	Transfers \$	Total Appropriation \$	Actual Expenditures \$	(Over) Under Appropriation \$
Municipal and Community Affairs						
Partners Contributions	460	-	-	460	510	(50)
Annual Non-Government-Organization Stabilization Fund	350	-	-	350	345	5
Ground Ambulance and Highway Rescue	185	-	-	185	155	30
Recreation Contributions	825	-	-	825	801	24
Volunteer Contributions	70	-	-	70	43	27
A Brilliant North	565	-	-	565	393	172
Youth Centres	500	-	-	500	500	-
Pan Territorial Sport Program	272	-	-	272	272	-
Multisport Games	250	-	-	250	650	(400)
Healthy Choices Initiative	765	-	-	765	745	20
Children and Youth Resiliency Program	450	-	-	450	382	68
Community Governments:						
Water Treatment Plant Projects	-	64	-	64	64	-
Community Financial Services	135	-	-	135	39	96
Capital Formula Funding	27,193	-	-	27,193	27,193	-
Recreation Funding	450	-	-	450	392	58
Water and Sewer Services Funding	19,237	-	-	19,237	19,237	-
Partner Contribution - Assessment Services	125	-	-	125	125	-
Get Active NWT	100	-	-	100	100	-
Assistance to Community Governments	-	-	-	-	15	(15)
Regional Youth Sport Events	400	-	-	400	387	13
Youth Corps - Sport, Recreation and Youth	675	-	-	675	625	50
Youth Contribution Programs	225	-	-	225	225	-
Youth Corps - Regional Operations	500	-	-	500	471	29
Volunteer Recognition	30	-	-	30	8	22
	53,762	64	-	53,826	53,677	149
Lands						
Consultation for Land Use Decisions	75	-	-	75	142	(67)
Land Use Planning Initiatives	325	-	-	325	562	(237)
Northwest Territories Surface Rights Board	-	-	-	-	303	(303)
Sustainable Land Use Management	230	-	-	230	171	59
	630	-	-	630	1,178	(548)

Government of the Northwest Territories

Non-Consolidated Schedule of Contributions (unaudited)

Schedule 6 (continued)

for the year ended March 31, 2019

(thousands of dollars)

	Main Estimates \$	Supplementary Estimates \$	Transfers \$	Total Appropriation \$	Actual Expenditures \$	(Over) Under Appropriation \$
Health and Social Services						
Health and Social Services						
Authority Funding	294,636	6,474	30,130	331,240	328,075	3,165
Cannabis Awareness - Substance Use and Abuse Program	-	-	-	-	217	(217)
Respite Fund	225	-	-	225	229	(4)
Anti-Poverty Fund and Day Shelter	1,150	-	-	1,150	1,048	102
Family Violence	395	-	-	395	238	157
Early Childhood Development Action Plan	277	-	-	277	249	28
Community Wellness Initiatives Fund	1,014	-	-	1,014	964	50
On the Land Healing Fund	1,100	-	-	1,100	954	146
Mental Health and Addictions	450	-	-	450	172	278
Seniors Fund	205	-	-	205	205	-
Child and Family Services	128	-	-	128	217	(89)
French Language Services	856	-	-	856	601	255
Early Childhood Development Breastfeeding Fund	65	-	-	65	28	37
Registered Nurses Association of the NT/NU - Regulatory Framework	-	-	-	-	5	(5)
Disabilities Fund	335	-	-	335	351	(16)
Healthy Family Program	292	-	-	292	609	(317)
Tlicho Cultural Coordinator	35	-	-	35	-	35
	301,163	6,474	30,130	337,767	334,162	3,605

Government of the Northwest Territories

Non-Consolidated Schedule of Contributions (unaudited)

Schedule 6 (continued)

for the year ended March 31, 2019

(thousands of dollars)

	Main Estimates \$	Supplementary Estimates \$	Transfers \$	Total Appropriation \$	Actual Expenditures \$	(Over) Under Appropriation \$
Environment and Natural Resources						
MacKenzie River Basin Board	50	-	-	50	-	50
Industry Development	50	-	-	50	84	(34)
Community Harvester Assistance Program	1,074	-	-	1,074	1,246	(172)
Adaptation Plan	251	-	-	251	136	115
Traditional Knowledge	65	-	-	65	52	13
Interim Resource Management Assistance Program	1,655	-	-	1,655	1,876	(221)
Local Wildlife Committees	257	-	-	257	59	198
Country Foods	100	-	-	100	25	75
Climate Change Conservation Program	162	-	-	162	42	120
Stewardship Program	430	-	-	430	320	110
Modelling and Remote Sensing	65	-	-	65	50	15
NWT Water Strategy	250	-	-	250	498	(248)
Wildfire Risk Management Plans	75	-	-	75	57	18
Wildfire Research Support	25	-	-	25	57	(32)
Wildlife Management Boards	118	-	-	118	103	15
Inuvialuit Water Board	913	-	-	913	913	-
Indigenous Women's Gathering	-	-	-	-	24	(24)
Alternative Harvest	-	-	-	-	88	(88)
Water Strategy Action Plan	325	-	-	325	456	(131)
Caribou Strategy	326	-	-	326	404	(78)
Take A Kid Trapping	125	-	-	125	107	18
Cumulative Impact Monitoring Program	1,871	-	-	1,871	1,814	57
Conservation Planning	290	-	-	290	788	(498)
Disease Contaminants	41	-	-	41	23	18
	8,518	-	-	8,518	9,222	(704)

Government of the Northwest Territories

Non-Consolidated Schedule of Contributions (unaudited)

Schedule 6 (continued)

for the year ended March 31, 2019

(thousands of dollars)

	Main Estimates \$	Supplementary Estimates \$	Transfers \$	Total Appropriation \$	Actual Expenditures \$	(Over) Under Appropriation \$
Industry, Tourism and Investment						
Business Development and Investment Corporation	1,876	36	-	1,912	1,905	7
Community Futures	825	-	-	825	783	42
Community Transfers Initiative	1,587	-	-	1,587	1,316	271
Support for Entrepreneur and Economic Development	3,866	-	-	3,866	3,955	(89)
Film Industry Rebate Program	100	100	-	200	119	81
Tourism Skills Development	50	-	-	50	61	(11)
Various Contributions Tourism and Parks	-	-	-	-	83	(83)
Various Contributions Economic Diversification	-	-	-	-	74	(74)
Tourism 2020	400	-	-	400	442	(42)
Fur Program	155	-	-	155	85	70
Community Tourism Coordinators	150	-	-	150	150	-
Tourism Product Diversification Program	1,086	-	-	1,086	1,044	42
Northwest Territories Chamber of Mines	30	-	-	30	170	(140)
Commercial Fisheries	450	-	-	450	332	118
Aboriginal Mineral Development Support Program	100	-	-	100	120	(20)
Northern Food Development Program	550	-	-	550	412	138
Mining Incentive Program	1,000	-	-	1,000	966	34
Great Northern Arts Festival	25	-	-	25	25	-
Community Tourism Infrastructure	200	-	-	200	178	22
Tourism Industry Funding	3,336	-	-	3,336	3,336	-
Various Contributions Minerals and Petroleum Resources	-	-	-	-	475	(475)
Convention Bureau	100	-	-	100	100	-
Yellowknife Visitors Centre	161	-	-	161	161	-
Canadian Agricultural Partnership	488	-	-	488	379	109
	16,535	136	-	16,671	16,671	-
Justice						
Victims Assistance Support Projects	878	-	90	968	967	1
Community Justice Committees and Projects	1,565	-	253	1,818	1,846	(28)
Wilderness Programming	179	-	-	179	-	179
YWCA of Yellowknife	105	-	-	105	105	-
	2,727	-	343	3,070	2,918	152

Government of the Northwest Territories

Non-Consolidated Schedule of Contributions (unaudited)

Schedule 6 (continued)

for the year ended March 31, 2019

(thousands of dollars)

	Main Estimates \$	Supplementary Estimates \$	Transfers \$	Total Appropriation \$	Actual Expenditures \$	(Over) Under Appropriation \$
Infrastructure						
Alternative Energy Program	150	-	-	150	200	(50)
Alternative and Renewable Energy Research	70	-	-	70	-	70
Arctic Energy Alliance Core Funding	1,600	-	-	1,600	1,600	-
Biomass Energy Program	200	-	-	200	100	100
Bridge Funding - Alternative Energy Projects	-	-	-	-	250	(250)
Business Support Program	200	-	-	200	200	-
Canadian Permafrost Association	-	-	-	-	10	(10)
Community Government Retrofits	200	-	-	200	190	10
Community Renewable Energy Program	100	-	-	100	100	-
Electricity System Analysis	30	-	-	30	-	30
Energy Efficiency Incentive Program	100	-	-	100	200	(100)
Energy Guide for Houses	190	-	-	190	200	(10)
Gameti Biogas Digester	-	-	-	-	15	(15)
Hydro Upgrades	-	-	8,031	8,031	3,352	4,679
Inuvik Wind Project	-	-	12,000	12,000	1,401	10,599
Local Community Roads	1,480	-	-	1,480	1,218	262
Low Carbon Economy Leadership Fund	-	5,332	-	5,332	363	4,969
NWT Generator Efficiency Projects	300	-	-	300	-	300
Renewable Solutions for Off-Grid Diesel	-	-	120	120	-	120
Snare Snow Pack Study	30	-	-	30	-	30
Students Against Drinking and Driving	12	-	-	12	10	2
Talston Hydro Expansion	-	50	-	50	71	(21)
Wind Monitoring	40	-	-	40	166	(126)
	4,702	5,382	20,151	30,235	9,646	20,589

Government of the Northwest Territories

Non-Consolidated Schedule of Contributions (unaudited)

Schedule 6 (continued)

for the year ended March 31, 2019

(thousands of dollars)

	Main Estimates \$	Supplementary Estimates \$	Transfers \$	Total Appropriation \$	Actual Expenditures \$	(Over) Under Appropriation \$
Education, Culture and Employment						
Education Authority Funding	154,887	971	48	155,906	155,029	877
Aurora College Funding	32,421	450	-	32,871	32,309	562
Healthy Food for Learning	650	-	-	650	650	-
Literacy Funding:						
Labour Development and Advanced Education	1,679	-	-	1,679	2,299	(620)
Early Childhood and School Services	677	-	-	677	691	(14)
NWT Teachers' Association Professional Development Fund	2,019	-	-	2,019	1,891	128
Education Renewal and Innovation	-	-	272	272	544	(272)
Early Childhood Program	1,652	20	(250)	1,422	1,503	(81)
Minority Language Education and Second Language Instruction (French)	2,539	-	-	2,539	2,927	(388)
Official Languages:						
Indigenous Languages Broadcasting	1,028	-	-	1,028	879	149
Francophone Affairs	127	-	-	127	132	(5)
Indigenous Languages	8,385	-	(2,100)	6,285	6,658	(373)
Community Library Services	763	-	-	763	752	11
Cultural Organizations	424	-	-	424	427	(3)
Homelessness Program	1,739	-	-	1,739	1,581	158
Heritage Centres	491	-	-	491	511	(20)
Arts Organizations Operating Funding	460	-	-	460	459	1
Early Childhood Intervention Program	1,700	-	-	1,700	1,481	219
Income Security Initiative	228	-	-	228	226	2
Skills Canada	70	-	-	70	78	(8)
Small Community Employment	3,229	-	1,015	4,244	4,178	66
Career Development and Training	80	-	-	80	77	3
Tlicho Cultural Coordinator	35	-	-	35	-	35
Northern Distance Learning	-	-	1,220	1,220	734	486
Workforce Development Agreement	-	1,038	-	1,038	1,004	34
Infrastructure Contributions:						
Aurora College	300	-	-	300	300	-
Education Authorities	-	1,527	(1,500)	27	757	(730)
Northern Youth Abroad	-	-	-	-	50	(50)
	215,583	4,006	(1,295)	218,294	218,127	167
Total	696,101	17,303	49,329	762,733	738,490	24,243

Government of the Northwest Territories**Non-Consolidated Schedule of Special Warrants (unaudited)****Schedule 7****for the year ended March 31, 2019****(thousands of dollars)**

	Date of FMB Approval	Amount Authorized \$
A special warrant was approved to fund the ratification of the 2016-17 to 2020-21 Collective Agreement with the Union of Northern Workers.	29-Mar-2019	
Legislative Assembly		44
Education, Culture and Employment		1,336
Environment and Natural Resources		687
Executive and Indigenous Affairs		145
Finance		780
Health and Social Services		2,631
Industry, Tourism and Investment		416
Infrastructure		1,153
Justice		836
Lands		316
Municipal and Community Affairs		<u>221</u>
Total Special Warrants		<u>8,565</u>

Government of the Northwest Territories**Non-Consolidated Schedule of Inter-activity Transfers Exceeding \$250,000 (unaudited)****Schedule 8****for the year ended March 31, 2019****(thousands of dollars)**

	Transfer to (from) \$	Explanation
OPERATIONS AND MAINTENANCE		
Health and Social Services		
Ambulatory Care Services	(1,166)	Transfer from Ambulatory Care Services to Diagnostic and Therapeutic Services for Referred Out Lab, and transfer Supplementary Health Programs for the Extended Health Program.
Diagnostic and Therapeutic Services	286	
Supplementary Health Programs	880	
Community Health Programs	(2,190)	Transfer of funding from Community Health Programs to Ambulatory.
Administrative and Support Services	(200)	Care Services for a Youth Psychiatrist, to Diagnostic and Therapeutic Services for the HPV Vaccine, Supplementary Health Programs for Medical Travel and Extended Health Benefits. Transfers of funding from Community Health Programs to Administrative and Support Services for chargebacks related to positions transferred to the Northwest Territories Health and Social Services Authority (NTHSSA) and cannabis legalization activities. Transfer of funding from Administrative and Support Services to Community Health Programs for amortization.
Ambulatory Care Services	500	
Diagnostic and Therapeutic Services	99	
Supplementary Health Programs	1,791	
Infrastructure Project Classification	9,470	The infrastructure budget associated with project costs that are not classified as capital expenditures has been transferred to the operations and maintenance budget.
Education, Culture and Employment		
Culture, Heritage and Languages	(2,089)	Transfer to replace the Aboriginal Language and Culture-based Education Departmental Directive 2004 with the Northwest Territories Junior Kindergarten to Grade 12 Indigenous Languages and Education Policy. Funding is reallocated from the Indigenous Languages and Education Secretariat to the school contributions appropriation under Early Childhood and School Services.
Early Childhood and School Services	2,089	
Infrastructure Project Classification	(1,500)	The infrastructure budget associated with project costs that are not classified as operations and maintenance expenditures has been transferred to the capital investment budget.
Infrastructure Project Classification	757	The infrastructure budget associated with project costs that are not classified as capital expenditures has been transferred to the operations and maintenance budget.
Infrastructure		
Regional Operations	(514)	Transfer of the new Stanton Territorial Hospital utility funding to the Asset Management activity and allocate the salary budget from Asset Management to Regional Operations where the position reports.
Asset Management	514	
Infrastructure Project Classification	21,060	The infrastructure budget associated with project costs that are not classified as capital expenditures has been transferred to the operations and maintenance budget.

Government of the Northwest Territories**Non-Consolidated Schedule of Inter-activity Transfers Exceeding
\$250,000 (unaudited)****Schedule 8 (continued)****for the year ended March 31, 2019****(thousands of dollars)**

	Transfer to (from) \$	Explanation
Industry, Tourism, and Investment		
Economic Diversification and Business Support Corporate Management	(461) 461	Transfer of the Economic Analysis unit from the Business Support and Trade division to the Policy, Planning, Communications and Analysis division of Corporate Management to realign business functions.
Minerals and Petroleum Resources Corporate Management	(303) 303	Transfer of the Promotion and Marketing unit from the Mineral and Petroleum Resources activity to the Policy, Planning, Communications and Analysis division of Corporate Management to realign business functions.
Infrastructure Project Classification	103	The infrastructure budget associated with project costs that are not classified as capital expenditures has been transferred to the operations and maintenance budget.

Government of the Northwest Territories**Non-Consolidated Schedule of Inter-activity Transfers Exceeding
\$250,000 (unaudited)****Schedule 8 (continued)****for the year ended March 31, 2019****(thousands of dollars)**

	Transfer to (from) \$	Explanation
CAPITAL INVESTMENT		
Health and Social Services		
Infrastructure Project Classification	(9,470)	The infrastructure budget associated with project costs that are not classified as capital expenditures has been transferred to the operations and maintenance budget.
Industry, Tourism and Investment		
Tourism and Parks	(499)	Due to the timing of the work required for the design contract to keep the project on track, funding was transferred to the Hay River Fish Processing Plant project from the Little Buffalo River Falls Fence Replacement, Hay River Territorial Park Playground, Lady Evelyn Falls Kitchen Shelter, McNallie Creek Kitchen Shelter, Hay River Shower Building, Dory Point Picnic Shelter, Queen Elizabeth Power Installation to Site and Louise Falls Maintenance Building and Fence Campground projects.
Economic Diversification and Business Support	499	
Infrastructure Project Classification	(103)	The infrastructure budget associated with project costs that are not classified as capital expenditures has been transferred to the operations and maintenance budget.
Education, Culture and Employment		
Labour Development and Standards	(1,365)	Transfer of Aurora College Heavy Equipment Operators Facility project surplus to offset a funding shortfall for the Junior Kindergarten upgrades and Prince of Wales Northern Heritage Centre Accessible Washrooms upgrade project funding shortfall.
Early Childhood and School Services	1,300	
Culture, Heritage and Languages	65	
Infrastructure Project Classification	1,500	The infrastructure budget associated with project costs that are not classified as operations and maintenance expenditures has been transferred to the capital investment budget.
Infrastructure Project Classification	(757)	The infrastructure budget associated with project costs that are not classified as capital expenditures has been transferred to the operations and maintenance budget.
Infrastructure		
Asset Management Programs and Services	(6,017) 6,017	Transfer of ten capital projects to the appropriate activity in which the project is being managed.
Infrastructure Project Classification	(21,060)	The infrastructure budget associated with project costs that are not classified as capital expenditures has been transferred to the operations and maintenance budget.

for the year ended March 31, 2019

ACCOUNTS RECEIVABLE WRITTEN OFF

No amounts were written off during the fiscal year ended March 31, 2019.

FORGIVENESS OF DEBT

The total debts forgiven during the fiscal year ended March 31, 2019 was \$606,298.

	\$		\$
Finance			
Simpson, Amber May	<u>9,750</u>	Don's NWT Ventures	270
Infrastructure			
Fleury, Edsel C	1,061	G & C Graphics & Bookkeeping Services	1,600
Gauthier, Laurier Lee	1,602	The Northern Craft Store	<u>6,612</u>
MacLeod, Ellen, Estate of	8,262		<u>45,050</u>
809656 Alberta Ltd	3,692	Education, Culture and Employment	
994589 N.W.T. Limited	28,175	Alipao, Juanita	6,924
Connector Foods Ltd	17,628	Allain, Lizanne	1,289
Fort Liard Metis Development	680	Almond, Sonya	1,903
Gneiss Catering	10,877	Banksland, Annie	1,244
Wild Rose Resources Ltd	<u>4,670</u>	Base, Noella	1,200
	<u>76,647</u>	Beaulieu, Donna Therese	2,750
Legislative Assembly			
Divine Inc	<u>3,076</u>	Beaulieu, Louie	1,248
Health and Social Services			
Dobbs, Chantelle Therese	5,133	Beck, Doris	5,104
Morrison, Paula Yvonne	693	Beck, Rebecca	6,994
Pin, Sophia	<u>70,000</u>	Bernarde, Alice	3,327
	<u>75,826</u>	Bernier, Jonathan, Estate of	3,482
Industry, Tourism and Investment			
Betsina, Muriel	3,100	Besaw, Kayla	1,744
Bezha, Denise, Estate of	5,000	Bodnar, Elsie May	8,425
Browning, Rose Marie	3,150	Boline, Mary Rose	1,197
Buckley, Bert	16,125	Boulet, Sherry	5,861
Illasiak, Anny	967	Bourke, Travis	2,484
Jerome, Ashley Farren	1,589	Brown, Montgomery Alexander	1,943
Kochon, Richard	3,165	Cardinal, Cyril	1,680
Lafferty, Douglas G.	1,545	Cardinal, Irma	679
Lemouel, Irene	35	Cardinal, Wayne	1,780
Nataway, Peter	430	Castle, M. Pauline	4,807
Tedjuk, Ronald James Norman Jr.	1,462	Catholique, Alfred	1,373
		Catholique, Pierre	2,500
		Caudron, Shari-Lynn	12
		Chinn, Al	5,144
		Chinna, Jacqueline Yvonne	700
		Chocolate, Linda	3,373
		Clark, Billie	1,082
		Cook, Harold George	1,330
		Cook, Norma	3,662
		Courtoreille, Richard Charles	482

Government of the Northwest Territories**Non-Consolidated Schedule of Bad Debt Write-offs and Forgiveness (unaudited)****Schedule 9 (continued)**

for the year ended March 31, 2019

	\$		\$
Crapeau, Noel	2,950	Lesage, Celine	1,246
Crook, Clell	2,123	Limpscomb, Mervin	1,209
Cross, Dana Christoper	4,580	Loutitt, Betty Joyce	2,424
Daniels, Allen Roy	6,278	Lynch, Benjamin	2,607
Dentith, Kathy	1,352	Mandeville, Harvey	2,418
Desjarlais, Joseph Andrew	22,652	Maniapik, Myna	5,000
Digness, Mary Anne, Estate of	1,295	Mantla, George Joseph	4,564
Dillon, Yvonne Kay	1,100	Mantla, Marcella	1,735
Doucette, Donald J	2,278	Mantla, Martina	1,053
Drybones, Noel	10,212	Mantla, Patricia	4,300
Dube, Claude	1,370	Marrai, Paolo	26,540
Edjericon, Dora	2,411	Martel, Arthur	5,900
Elanik, Florence	1,309	Mercredi, Dwayne	3,850
Eqilaq, Lukasi	2,750	Mercredi, Mary	1,379
Esagok, Rhoda	4,243	Mercredi, Nicholas	4,332
Ettagiak, Agnes	1,611	Mongeon, Michel Andre	3,073
Eyakfwo, Cecilia	1,510	Natomagan, Christopher	1,221
Fabien, Eva	5,146	Neary, Patricia	1,660
Fletcher, Jason Anthony	3,466	Nitsiza, Cindy	1,565
Gagnon, Angela	1,201	Nitsiza, Norman	1,070
Gordon, Shelly	2,175	Norbert, Joseph	1,479
Green, Jessie	1,762	Norman, Rosa	1,822
Grossetete, Floyd, Estate of	3,218	Notaina, Martha	7,069
Grossetette, Betty	1,208	Paul, Kathy	300
Gruben, Lily	1,012	Peterson, Irene	2,710
Guerrero, Sonia	232	Pomfrey, Gary Bryan Douglas	68
Guinn, Clayton	4,250	Porter, Georgina	4,749
Hagen, Bessie	1,872	Powder, Wanda	4,515
Hansen, Terri	1,192	Rinas, Otto	2,459
Heron, Ken	1,181	Rossen, Chris	2,127
Hessdorfer, Kristy	2,449	Ruben, Celestine	1,219
Hobbs, Lawrence	1,034	Ruben, Roberta	1,125
Hodder, Rendell	1,190	Shattler, Bradley	2,317
Kay, Ester	1,450	Sibbeston, Trina	1,326
Kennedy, James J	2,400	Snow, Colin	1,230
King, Tendah	2,674	Snow, Rosalyn	2,513
King-Beaulieu, Billy	1,475	Snow, Viola	1,537
Klause, Mavis	2,800	Stacey, Gordon	1,075
Klengenberg, Anthony Douglas	4,000	Steffanson, Sandy	3,269
Koblogina, Karen	1,033	Stewart, Frank	16,210
Koch, Richard L.	1,260	Stewart, Kenneth, Estate of	1,937
Kotchea, Raymond	1,083	Stewart, Richard	4,020
Kowona, Jacob	1,623	Tagornak, Deborah	1,118
Kuneyuna, Evelyn	1,166	Thrasher, Marylouise Jane	700
Lander, Karen	2,071	T'Seleie, Brenda	1,121
Landrie, Gabrielle Sky	1,270	Villeneuve, Sharon	1,576
Latham, Leigh	2,631	Wanderingspirit, Jacqueline, Estate of	4,800
Laviolette, Sylvia	1,028	Weyallon, Nora	1,260
Lemouel, Frank	9,349	Wilson, Ellen	4,169
Leonardis, Audrey	1,215		

Government of the Northwest Territories

Non-Consolidated Schedule of Bad Debt Write-offs and Forgiveness (unaudited)

Schedule 9 (continued)

for the year ended March 31, 2019

	\$
Yakeleya, Valarie	1,108
Lil' Lambs Dayhome	1,430
	<u>386,367</u>
 Justice	
Bennett, Jeanie	4,093
Moriarty, Michael	1,837
Pruden, Helen Mae	19
Tourangeau, Sharon Dawn Marie	3,370
Fossil Lake Enterprises Ltd	263
	<u>9,582</u>
 Total Forgiveness of Debt	 <u><u>606,298</u></u>

Government of the Northwest Territories**Non-Consolidated Schedule of Projects for the Government of Canada, Nunavut and Others
- Expenditures Recovered (unaudited)****Schedule 10****for the year ended March 31, 2019**

\$

Executive and Indigenous Affairs

Inuvialuit Land Claim Implementation	126,680
Gwich'in Land Claim Implementation	162,946
Sahtu Land Claim Implementation	121,356
Tlicho Land Claim Implementation	187,272

598,254

Municipal and Community Affairs

Pan-Territorial Strategy	358,935
Gas Tax	17,786,037
Small Community Fund	6,768,215
Public Transit Fund	164,517
Clean Water & Wasted Water Fund	19,613,399
Emergency Management Development	79,184
National Disaster Mitigation - Aklavik	262,596
National Disaster Mitigation - Tuktoyaktuk	253,300

45,286,183

Infrastructure

Sahtu Land Claim Implementation	4,858
Gwich'in Land Claim Implementation	4,858
Tlicho Land Claim Implementation	89,303
Office Lease - Beaufort Delta Education Council	146,100
Royal Canadian Mounted Police Facility Maintenance	1,513,146
Royal Canadian Mounted Police Minor Capital	1,835,788
Royal Canadian Mounted Police Janitorial	210,723
Northern Responsible Energy Approach	386,720
Royal Canadian Mounted Police Utilities	2,535,099
Hay River Access Corridor	56,864
National Safety Code	153,140
The Alberta Road Maintenance	219,335
Wood Buffalo National Park	1,408,451

8,564,385

Government of the Northwest Territories**Non-Consolidated Schedule of Projects for the Government of Canada, Nunavut and Others
- Expenditures Recovered (unaudited)****Schedule 10 (continued)****for the year ended March 31, 2019**

\$

Justice

Sahtu Land Claim Implementation	24,101
Gwich'in Land Claim Implementation	24,101
Tlicho Land Claim Implementation	51,496
Estates Clerk	151,547
Assistance for Court Ordered Counsel	8,369
Bulding a Northern Evidence Based Approach to Crime Prevention	100,000
Annual Conference	12,032
Family Information Liaison Unit	351,000

722,646**Health and Social Services**

Pan-Canadian Public Health Network	4,315
Northern Wellness	9,660,308
Fist Nations, Inuit and Metis Cancer Strategy	19,925
Autism Spectrum Disorder Surveillance System	25,900
Pan Northern Child Welfare	167,692
Canadian Chronic Disease Surveillance System	347,098
Canadian Hospitals Injury Reporting and Prevention	98,490
Toll-Free Tobacco Quitline Services	57,549
Non Insured Health Benefits	17,275,766
Canadian Congenital Anomalies Surveillance System	75,000
Home and Community Care Enhancement	6,481,073
Territorial Health Investment Fund	395,265
Territorial Health Investment Fund Medical Travel	5,000,000
Territorial Health Investment Fund Oral Health	1,022,589
Congenital Anomalies Surveillance System	23,300
Territorial Health Investment Fund Cultural Competencies	728,851

41,383,121**Education, Culture and Employment**

Sahtu Land Claim Implementation	24,000
Gwich'in Land Claim Implementation	24,000
Tlicho Land Claim Implementation	90,889
Labour Market Development Agreement	4,227,852
Digitizing Canadian Collections	22,056

4,388,797

Government of the Northwest Territories**Non-Consolidated Schedule of Projects for the Government of Canada, Nunavut and Others
- Expenditures Recovered (unaudited)****Schedule 10 (continued)****for the year ended March 31, 2019**

\$

Environment and Natural Resources

Climate Change Preparedness in the North	755,000
Estimated Cost Implications of Climate Change	104,700
Tlicho Land Claim Implementation	653,354
Bison Control Program	35,890
Gwich'in Land Claim Implementation	89,736
Inuvialuit Land Claim Implementation	4,910,380
Sahtu Land Claim Implementation	154,089
Sahtu Duck Banding Project	10,309
Bats in Building Educational Campaign and Habitat Use Identification	22,500
Yellowknife Legacy Contaminants	30,000
Mutual Aid Research Sharing Agreement	2,532,104
National Forest Inventory	276,562
Conversation Data Centre Data Development	31,239
Parks Canada Regional Data Enhancement and Data Capture	5,000
Develop Science Programs	56,500
Monitoring of the Bluenose - West Caribou	40,000
Changing Range Use Patterns - Barren Ground Caribou Herds	33,600
Caribou Behavioral Monitoring	20,000
Monitoring Polar Bear Subpopulations in the Western Arctic	25,000
How We Count Caribou Video Production	21,000
NWT Guidelines for Industrial Development in Boreal Caribou	75,000
Regional Climate Change Adaptation Workshop	42,441
Alberta and Northwest Territories Bilateral Water Management Agreement	140,886
Support for the Ratification Process for Thaidene Nene Territorial Protected and Conservation Area	100,000
State of Northwest Territories Country Foods System	112,000
British Columbia and NWT Bilateral Water Management Agreement	810

10,278,100

Industry, Tourism and Investment

Gwich'in Land Claim Implementation	19,325
Sahtu Land Claim Implementation	41,000
Canadian Agricultural Partnership	716,317

776,642

Total**111,998,128**

for the year ended March 31, 2019

STUDENT LOAN REMISSIONS

Under the Student Financial Assistance Regulations, the Government may forego collection of students' loans, provided certain criteria are met. The students listed below, having met the academic or employment and residency criteria, have qualified and been granted remission of their loans.

Name	\$	Name	\$
Abdelmegid, Camilia	6,921	Brasseur, Kali	2,976
Adam, Shariff	6,001	Breadmore, Belinda	6,001
Adams, Dustin	6,800	Brenton, Sarah	2,976
Affleck, Alexander	3,995	Brenton, Victoria	1,710
Aho, David	5,546	Brewster, Jasmine	8,001
Aho, Valisa	8,976	Brissette, Samantha	2,055
Alain, Jill	6,001	Broddy, Taylor	3,814
Alcos, Kirk	9,294	Brookes, Claire	6,001
Alty, Kierra	2,976	Brooks, Paulina	5,425
Anderson, Alice	9,116	Brown, Joshua	7,118
Anderson, Casey	9,025	Bryan, Tre	8,056
Anderson, Fraser	2,214	Buchanan, Ty	2,981
Ashby, Kaleigh	6,001	Budgell, Victoria	3,286
Ashcroft, Brandon	7,760	Bui, Phuong	19,421
Auger, Marie-Christine	6,001	Bullock, Seiji	7,957
Avadluk, Mick	2,975	Byatt, Gabriel	4,291
Ayiku, Sarah	2,647	Callas, Aaron	4,589
Bailey, Victoria	6,514	Canning, Casey	8,138
Ballantyne, Nicholas	6,001	Cao, Xiao Xuan	4,903
Balmer, Lisa	2,976	Caudron-Bakker, Tyson	2,975
Barbier, Jan	3,074	Chambers, Grace	6,001
Bassett, Jordan	6,970	Cherwaty, Kyla	5,737
Bassett, Shawna	2,992	Chiasson, Quinlyn	2,006
Bastedo, Nimisha	12,001	Chugh, Pooja	6,001
Bell, Jason	1,393	Coad, Abigale	3,321
Bennett, Shane	6,001	Colford, Noah	4,416
Benoit, Shelby-Lynn	2,943	Collier, Katelyn	6,001
Bevan, Kyle	5,401	Collins, Lona	1,512
Biggar, Zachary	2,630	Cooper, Laura	6,001
Bindiridza, Alphine	2,800	Cooper, Merrill	2,976
Blake, Jessica	1,940	Corrigal, Bailey	2,455
Blake, Kaed	2,674	Covello, Katharine	9,979
Blampied, Devin	3,400	Cracknell, Alexandra	6,001
Blampied, Cassidy	6,001	Craig, Mathew	8,187
Boden, Frederick	947	Curren, Jessica	5,080
Boden, Mary	493	Curtis, Colton	6,001
Boggis, Christina	3,946	Cutler, Jonah	2,006
Bokovay, Michelle	59	Cutler, Julia	6,001
Bolivar, Kate	1,369	Cuvelier, Justine	6,800
Booth, Miranda	6,001	Daly, Seamus	3,732
Boothe, Alexandra	5,628	Dapilos, Alinar	6,494
Bothamley, Kelly	9,025	D'Argencourt, Katia	4,965
Braden, Carmen	2,158	De Bastiani, Lana	6,001
Brasseur, Jacqueline	2,860	De Bastiani, Thomas	2,260

Government of the Northwest Territories**Non-Consolidated Schedule of Student Loan Remissions (unaudited)****Schedule 11 (continued)**

for the year ended March 31, 2019

Name	\$	Name	\$
Debogorski, Amelia	6,001	Gillander, Christopher	8,976
Debogorski, Ashley	6,001	Gillard, Danielle	5,326
Debogorski, Julaine	2,976	Giovanetto, Lisa	4,176
Dempster, Ryan	8,550	Gosselin, Kenna	3,400
Dentinger, Danielle	2,976	Goudreau, Connor	2,762
Depot-Bernier, Danika	841	Gourlay, Julie	7,875
Devitt, Alison	6,001	Gray, Hunter	92
Dewar, Chelsy	2,006	Gray, Madison	6,861
Digness, Laura	6,001	Grayston, Jeremy	4,629
Digness, Robert	8,582	Grayston, Jodi	821
Dimaano, Lyza	2,196	Grey, Chantal	2,745
Do, Lisa	6,001	Griffith, Fritz	1,397
Doan, Aaron	4,225	Guigon, Jessica	1,989
Douleva, Lemann	4,768	Guile, Aimee	2,252
Dugre, Marie-Eve	5,100	Guile, Zoe	6,001
Dumas, Christopher	3,376	Hacala, Amy	6,001
Dunsford, Tara	4,225	Hall, Lisa	5,515
Durkee, Kevin	2,976	Hamilton, Rylie	4,225
Duval, Amelie	9,025	Hanthorn, Micalah	10,018
Duval, Chloe	2,745	Hardy, Matthew	222
Eggenberger, Christian	1,216	Hargreaves, Elizabeth	4,164
Elanik, Shelley	11,968	Harris, Dana	2,088
Elford, Rebecca	3,978	Harrison, Michaelis	6,001
Elke, Joshua	6,819	Harrold, Alexander	3,915
Elkin, Davis	3,025	Harrold, Lee	83
Elkin, Katherine	7,464	Hashi, Samiro	3,941
Ellis, Matthew	6,001	Hehn, Atikin	8,045
Embleton, Samson	6,001	Hehn, Brandi	3,967
Enerio, Joe	1,804	Hehn, Nikita	3,595
Enns, Monica	2,151	Hicks, Samantha	6,001
Esau, Sally	8,001	Hildebrandt, Reid	1,973
Esteban, Jose	4,192	Hinchev, Alexandra	2,976
Esteban, Maria Luisa	2,055	Hinchev, Chad	6,001
Fabien, Katelyn	12,001	Hinchev, Devin	2,006
Ferrier, Olivia	6,707	Hinchev, William	6,001
Fillion, Deanna	3,025	Hobbs, Kirsten	5,853
Fontaine, Marieve	12,088	Hobbs-Peddle, Kelsey	4,720
Fournier, Jessica	3,209	Hodgins, Laureena	2,186
Freeland-Ballantyne, Erin	6,740	Hodgins, Oliver	6,954
Freeman, Daniel	10,982	Hoeve, Thys	6,001
Froese, Kristen	8,110	Holden, Alberta	4,623
Froment, Evan	9,026	Holloway, Madeline	2,022
Gagnier, Cordell	3,400	Hovhannisyan, Arpine	602
Gagnon, Joshua	3,293	Hunt, Edward	6,001
Gard, Tehnille	6,001	Hunter, Kacee	25
Gauthier, Aimee	4,915	Hunt-Poitras, Jennifer	1,726
Gibbons, Olivia	8,001	Hurst, Madison	7,979
Gibson, Diana	3,370	Huynh, Phoenix	5,968
Gilbert, Stephanie	2,014	Hval, Jessica	8,001
Gilday, Jillian	5,400	Ignacio-Pacunayen, Angelica	1,766
Gilday, Michael	6,001	Inglangasuk, Alexandra	1,576

Government of the Northwest Territories

Non-Consolidated Schedule of Student Loan Remissions (unaudited)

Schedule 11 (continued)

for the year ended March 31, 2019

Name	\$	Name	\$
Jensen, Jack	8,500	MacIntosh, Hayden	6,001
Jimenez, Runel	1,907	MacIntosh, Lane	6,001
Jobse, Chiara	4,291	MacIsaac, Joanna	3,055
Johnson, Michaela	3,905	MacNeill, Laura	6,001
Johnston, Karl	6,773	Mahler, Rebecca	1,653
Jonassen, Trista	2,170	Mailman, Melanie	128
Jonasson, Jessica	6,001	Mair, Dylan	967
Jones, Brittany	2,976	Malakoe, Michael	2,628
Jones, Savannah	6,001	Malik, Huzaifa	6,050
Jorge, Tomas	4,192	Marchiori, Kaitlyn	2,976
Jossa, Andrew	7,447	Marie, Angela	6,839
Jung, Courtney	3,968	Marin, Diane	6,001
Kamran, Aarsal	540	Marriott, Samantha	6,001
Kearley, Mitchell	6,800	Martin-Elson, Sonja	3,030
Keefe, Alexander	2,877	Marzan, Jaymar	2,608
Keizer, Michelle	8,001	Mason, Chelsea	13,201
Kelln, Danae	6,001	Mason, Nathan	2,550
Khachatryan, Narek	6,001	Matthews, Andrew	3,962
Kikoak, Catherine	3,967	Matthews, Bryana	6,001
Kimble, Kelsey	5,950	Maund, Cara Amy	2,702
Kipling, Keisha	6,729	Mayordo, Joisa Ann	2,088
Kivi, Kevin	2,750	McArthur, Allison	12,034
Koop, Erika	8,680	McBride, Alexandra	7,184
Kraft-Bailey, Corinne	4,705	McDonald, Aaron	3,400
Kruse, Henry	7,266	McDonald, William	4,373
Lake, Austin	2,844	McGurk, Caitlin	2,550
Lakhani, Sabrina	2,976	McKiel, Kieran	4,548
Lane, Skylor	6,001	McLeod, Marty	7,350
Lapka, Heather	6,001	McNaughton, Gillian	2,455
Lavers, Jamie	9,025	Menard, Kaitlyn	6,001
Legaree, Sean	808	Mennillo, Veronica	2,597
Lepage, Natasha	5,926	Meredith, Dayna	2,252
Lepine, Rose	1,578	Michel, Gina	6,001
Leprieur, Joanna	2,976	Miklosovic, Stefanie	6,001
Letemplier, Chantal	2,975	Monks, Deanna	2,976
Lewis, Michelle	9,025	Montinola, Mark	2,326
Lillis, Amanda	2,515	Mooney, Keelan	3,342
Lim, Cheril	2,959	Moore, Christopher	6,001
Linaker, Alexa	12,034	Moore, Kelly	6,001
Linaker, Ben	5,828	Moore, MacKinley	6,001
Lindsay, Michel	7,092	Moran, Colton	5,636
Lirette, Joseph	7,875	Morrison, John	3,967
Loomis, Julie	6,346	Morse, Melanie	6,001
Lu, Ryan	7,628	Morton, Fallon	1,488
Ly, May	1,891	Mulders, Ashley	4,439
MacDonald, Cameron	6,001	Mulders, Tamika	1,545
MacDonald, Claire	5,326	Murphy, Natalie	8,105
MacDonald, Erin	8,903	Nadji, Anisa	888
MacDonald, Kenzie	3,967	Nadji, Negaar	6,001
MacDonald, Mariah	6,214	Nagel, Alan	3,715
MacDougall, Kelsey	8,168	Nazaryan, Hovhannes	3,400

Government of the Northwest Territories**Non-Consolidated Schedule of Student Loan Remissions (unaudited)****Schedule 11 (continued)**

for the year ended March 31, 2019

Name	\$	Name	\$
Neudorf, Joel	8,105	Rein, Taylor	6,001
Newhook, Rachael	6,203	Remigio, Mischelle	1,989
Nguyen, Ngoc	6,001	Rendell, Teegan	1,808
Nguyenha, Tai	1,216	Rentmeister, Lindsey	9,025
Nielsen, Jamie Lynn	2,976	Rieger-Steed, Colton	1,378
Nilson, Andrea	6,001	Roberts, Donald	5,442
Norbert, Nigit'stil	4,184	Roberts, Sabrina	2,976
Normandin-Flesjer, Nicole	6,017	Robson, Sean	6,001
Nunkoo, Dishti	6,001	Rodgers, Hayley	8,001
O'Brien, Kathleen	2,943	Roesch, Kendra	4,415
Ocko, Leanne	1,732	Rose, Joshua	1,933
O'Connor, Elise	2,008	Ross, Jamie	9,025
Ogilvie, Tristan	2,466	Ross, Lee	6,970
Olayvar, Rogine	6,001	Rossouw, Calvin	4,833
Oliver, Dylan	4,225	Rossouw, Maxwell	2,976
Oliver, Fraser	7,908	Rossouw, Nicolas	4,209
Ollerhead, Kristy	9,025	Rowe, Terrance	15,454
Olson, Jessie	3,400	Rudkevitch, Logan	4,340
Ondrack, Tess	5,102	Rudkevitch, Wylie	5,426
Orchard, Kali	7,172	Sartor-Pielak, Arianna	5,525
Ormiston, Kyle	2,240	Scarf, Adam	6,001
Oteiza, Christopher	1,556	Schafer, Christopher	2,236
Oteiza, Marissa	8,001	Scheper, Nathan	1,013
Pagonis, Meghan	384	Schmalz, Alexandra	6,001
Painchaud, Krista	5,414	Shaben, Krystal	6,001
Paivalainen, Barret	6,001	Shaben, Megan	6,001
Paivalainen, Braeden	491	Shank, Jacob	3,598
Palmer, Zachary	9,025	Short, Dylan	4,225
Pardy, Kathryn	7,316	Shortt, Jordan	2,976
Paul, Lindsay	2,071	Shouhda, Kyle	2,652
Payne, Keegen	6,001	Sibbald, Alan	6,001
Payne, Kyle	8,006	Silke, David	2,525
Peterson, Karla	2,550	Silke, Jordan	7,234
Phillips, Madison	9,025	Silke, Tanya	6,001
Phillips, Taylor	5,896	Simpson, Axelle	2,300
Pidborochynski, Nichol	5,000	Skinner, Shelby	3,325
Pilling, Maxwell	1,629	Smith, Angus	6,527
Plouffe, Nicholas	6,527	Smith, Emily	6,001
Pluchinski, Michael	2,976	Smith, Jared	3,858
Polakoff, Derrick	9,025	Smith, Sara Lynn	3,518
Porter, Raylene	6,001	Soderberg, Jonathon	3,206
Powder, Mary	3,995	Sorensen-O'Keefe, Keelie	6,001
Power, Sarah Elizabeth	877	Squires-Rowe, Ashley	3,666
Purchase, Eli	2,944	St. Arnaud, Richard	6,001
Randell, Julia	7,283	St. Croix, Kadee	2,959
Redshaw, Braden	2,893	Stevens, Megan	5,622
Redshaw, Heather	5,503	Stirling, Carter	6,001
Redshaw, Walker	2,015	Stoodley, Shannon	4,948
Reid, Caleb	2,055	Straker, Jeremy	2,503
Reid, Graeme	1,201	Sullivan, Kathleen	9,025
Reid, Taylor	3,967	Swihart, Kristi	2,976

Government of the Northwest Territories**Non-Consolidated Schedule of Student Loan Remissions (unaudited)****Schedule 11 (continued)**

for the year ended March 31, 2019

Name	\$	Name	\$
Taggart, Ryan	6,001	Woldum, Gillian	6,800
Talbot, Trey	4,044	Wong, Helen	6,001
Tam, Jared	8,001	Wong, Janet	6,001
Tam, Kevin	9,025	Wong, Karen	1,849
Taskova, Aleksandra	4,757	Wrigglesworth, Patrick	5,127
Taylor, Sarah	7,086	Yurris, Jeanne	6,001
Thagard, Shaun	8,894		
Thiessen, Rosemarie	2,051	Total Remissions	<u>2,204,882</u>
Thomas, Katherine	5,031		
Tordoff, Devon	6,001		
Tordoff, Jared	6,800		
Torindo, Defny	2,976		
Tuckey, Brenda	8,001		
Tulugarjuk, Kayla	2,550		
Tuma, Michelle	6,264		
Tutton, Emma	5,211		
Ukkhoy, Nushreen	6,001		
Ullah, Fatima	2,219		
Urilyon, Hailey	8,001		
Urschel, Skylar	6,001		
Vallillee, Erin	2,976		
Van Dyke, Christian	5,592		
Vician, Kaitlyn	6,001		
Vician, Lindsay	6,001		
Vornbrock, Jarrett	3,570		
Vulkov, Deyan	5,299		
Walsh, Caterina	6,001		
Walz, Brandon	6,001		
Watters, Brittaney	2,784		
Waugh, Gillian	11,064		
Waugh, Jennifer	6,001		
Weaver, Katie	6,001		
Weaver, Sarah	5,031		
Weaver, Shane	4,998		
Weaver, Whitney	9,025		
Webb, Danielle	6,001		
Weber, Kennedy	5,557		
Weir, Alexander	343		
Welsh, Megan	2,976		
West, Jessica	3,255		
Whalen, Patrick	3,610		
White, Alexander	1,067		
White, Amanda	2,786		
White, Derek	3,025		
White, Heather	1,759		
White, Rebecca	1,454		
Wideman, Isaac	5,100		
Williams, Linna	7,636		
Williams, Robert	6,001		
Wind, Matthew	6,800		
Wiseman, Scott	362		
