

**PUBLIC ACCOUNTS**  
**OF THE**  
**GOVERNMENT OF THE NORTHWEST TERRITORIES**  
**FOR THE YEAR ENDED MARCH 31, 2015**

**SECTION I**  
**CONSOLIDATED FINANCIAL STATEMENTS**

**Honourable J. Michael Miltenberger**  
**Minister of Finance**

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THE HONOURABLE GEORGE L. TUCCARO  
COMMISSIONER OF THE NORTHWEST TERRITORIES

I have the honour to present the Public Accounts of the Northwest Territories in accordance with Sections 27 through 31 of the *Northwest Territories Act (Canada)*, R.S.C. 1985, c. N-27, and Sections 72 through 74 of the *Financial Administration Act*, R.S.N.W.T. 1988, c. F-4, for the fiscal year ended March 31, 2015.



J. Michael Miltenberger

November 18, 2015

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# Public Accounts of the Government of the Northwest Territories

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Table of Contents	Page
<b>SECTION I</b>	
<b>CONSOLIDATED FINANCIAL STATEMENTS</b>	
<b>RESPONSIBILITY FOR FINANCIAL REPORTING</b>	7
<b>AUDITOR'S REPORT</b>	9
Consolidated Statement of Financial Position	11
Consolidated Statement of Change in Net Debt	12
Consolidated Statement of Operations and Accumulated Surplus	13
Consolidated Statement of Cash Flow	14
Notes to Consolidated Financial Statements	15
Schedule A - Consolidated Schedule of Tangible Capital Assets	48
Schedule B - Consolidated Schedule of Segmented Information	49

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## RESPONSIBILITY FOR FINANCIAL REPORTING

The preparation of the consolidated financial statements of the Government of the Northwest Territories, 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 change in its net debt, the results of its operations 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.



Bill Merklinger, CPA, CMA  
Comptroller General

November 18, 2015

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## INDEPENDENT AUDITOR'S REPORT

To the Legislative Assembly of the Northwest Territories

### Report on the Consolidated Financial Statements

I have audited the accompanying consolidated financial statements of the Government of the Northwest Territories, which comprise the consolidated statement of financial position as at 31 March 2015, 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 a summary of significant accounting policies and other explanatory information.

#### *Management's Responsibility for the Consolidated Financial Statements*

Management is responsible for the preparation and fair presentation of these 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.

#### *Auditor's Responsibility*

My responsibility is to express an opinion on these consolidated financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

*Opinion*

In my opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Government of the Northwest Territories as at 31 March 2015, and the results of its operations, changes in its net debt, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

**Report on Other Legal and Regulatory Requirements**

In my opinion, the transactions of the Government of the Northwest Territories and of those organizations listed in note 1 to the consolidated financial statements that have come to my notice during my audit of the consolidated financial statements have, in all significant respects, been in accordance with the Government of the Northwest Territories' powers under 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 to the consolidated financial statements.

A handwritten signature in black ink, appearing to read 'M. Ferguson', with a long horizontal flourish extending to the right.

Michael Ferguson, CPA, CA  
FCA (New Brunswick)  
Auditor General of Canada

18 November 2015  
Edmonton, Canada

# Government of the Northwest Territories

## Consolidated Statement of Financial Position

as at March 31, 2015

(thousands of dollars)

	2015 \$	2014 \$
<b>Financial assets</b>		
Cash and cash equivalents (note 4)	77,835	62,924
Portfolio investments (note 5)	108,165	89,174
Due from the Government of Canada (note 14)	44,279	28,154
Accounts receivable (note 7)	150,755	68,304
Inventories for resale (note 8)	29,474	32,548
Loans receivable (note 9)	79,845	61,141
Investment in NT Hydro Corporation (notes 3(a) and 10)	-	115,790
	<b>490,353</b>	<b>458,035</b>
<b>Liabilities</b>		
Short term loans (note 11)	252,974	144,909
Accounts payable and accrued liabilities (note 12)	359,464	267,282
Deferred revenue (note 13)	23,427	29,910
Due to the Government of Canada (note 14)	118,469	100,832
Capital lease obligations (note 15)	22,579	3,181
Long-term debt (note 16)	376,759	194,984
Pensions (note 17)	26,320	25,652
Other employee future benefits and compensated absences (note 18)	87,820	55,165
	<b>1,267,812</b>	<b>821,915</b>
<b>Net debt</b>	<b>(777,459)</b>	<b>(363,880)</b>
<b>Non-financial assets</b>		
Tangible capital assets (schedule A)	2,645,528	2,138,614
Inventories held for use (note 8)	15,117	5,463
Prepaid expenses	6,784	5,341
	<b>2,667,429</b>	<b>2,149,418</b>
<b>Accumulated surplus</b>	<b>1,889,970</b>	<b>1,785,538</b>

Contractual obligations and contingencies (notes 20 and 21)

Approved:



J. Michael Miltenberger  
Minister of Finance



Bill Merklinger CPA, CMA  
Comptroller General

The accompanying notes and schedules A and B 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, 2015

(thousands of dollars)

	2015 Budget \$	2015 Actual \$	2014 Actual \$
<b>Net debt at beginning of year</b>	(363,880)	(363,880)	(338,066)
Adjustments to net debt upon consolidation of NT Hydro Corporation, beginning of year ( <i>note 3(a)</i> )			
Tangible capital assets	-	(333,812)	-
Inventories held for use	-	(9,000)	-
Prepaid expenses	-	(1,052)	-
<b>Adjusted net debt, beginning of year</b>	<b>(363,880)</b>	<b>(707,744)</b>	<b>(338,066)</b>
Items affecting net debt:			
Annual surplus	205,790	104,432	84,566
Acquisition of tangible capital assets	(262,976)	(285,923)	(205,892)
Amortization of tangible capital assets	116,225	110,186	92,151
Gain on sale of tangible capital assets	-	(559)	-
Proceeds on sale of tangible capital assets	-	1,762	2,478
Write-downs of tangible capital assets	-	1,432	-
	(146,751)	(173,102)	(111,263)
Increase in inventories held for use	-	(654)	(113)
Decrease (increase) in prepaid expenses	-	(391)	996
	-	(1,045)	883
<b>Decrease (increase) in net debt</b>	<b>59,039</b>	<b>(69,715)</b>	<b>(25,814)</b>
<b>Net debt at end of year</b>	<b>(304,841)</b>	<b>(777,459)</b>	<b>(363,880)</b>

*The accompanying notes and schedules A and B 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, 2015

(thousands of dollars)

	2015 Budget \$	2015 Actual \$	2014 Actual \$
<b>Revenues</b>			
Grant from the Government of Canada (note 2(l))	1,208,840	1,208,840	1,121,244
Transfer payments (note 22)	184,651	233,603	154,420
	<b>1,393,491</b>	<b>1,442,443</b>	<b>1,275,664</b>
Taxation and general revenues			
Corporate and personal income taxes (note 22)	157,981	142,083	170,706
Other taxes (note 22)	122,287	117,967	117,277
General (note 22)	199,659	141,615	67,487
Income from portfolio investments	2,315	4,516	3,471
Sales	168,474	141,324	93,153
Recoveries	12,385	35,485	41,151
	<b>663,101</b>	<b>582,990</b>	<b>493,245</b>
Recoveries of prior years' expenses	3,000	6,815	7,156
	<b>2,059,592</b>	<b>2,032,248</b>	<b>1,776,065</b>
<b>Expenses (schedule B)</b>			
Environment and economic development	160,883	206,070	138,427
Infrastructure	533,435	511,427	392,205
Education	331,205	351,580	335,317
Health, social services and housing	497,117	519,864	524,076
Justice	124,955	124,007	118,868
General government	186,793	194,483	168,739
Legislative Assembly and statutory offices	19,414	20,385	19,100
	<b>1,853,802</b>	<b>1,927,816</b>	<b>1,696,732</b>
<b>Annual operating surplus</b>	<b>205,790</b>	<b>104,432</b>	<b>79,333</b>
Net income from investment in NT Hydro Corporation (notes 3(a) and 10)	-	-	5,233
Projects on behalf of third parties			
Expenses	(60,025)	(69,661)	(60,439)
Recoveries	60,025	69,661	60,439
<b>Annual surplus</b>	<b>205,790</b>	<b>104,432</b>	<b>84,566</b>
Accumulated surplus at beginning of year	1,785,538	1,785,538	1,700,972
<b>Accumulated surplus at end of year</b>	<b>1,991,328</b>	<b>1,889,970</b>	<b>1,785,538</b>

The accompanying notes and schedules A and B 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, 2015

(thousands of dollars)

	2015	2014
	\$	\$
<b>Cash provided by (used in)</b>		
<b>Operating transactions</b>		
Annual surplus*	104,432	84,566
Items not affecting cash:		
Change in valuation allowances	(8,746)	(225)
Loss on tangible capital assets	873	-
Amortization	110,186	92,151
Adjustment resulting from NT Hydro conversion to PSAS	(4,181)	-
Contributed assets	(6,890)	-
Net income from investment in NT Hydro Corporation	-	(5,233)
	195,674	171,259
Changes in non-cash assets and liabilities:		
Due to the Government of Canada	1,512	(22,243)
Increase in accounts receivable	(74,773)	(7,318)
Decrease (increase) in inventories for resale	3,074	(590)
Increase in accounts payable	74,602	43,117
Decrease in deferred revenue	(6,483)	(13,413)
Increase in pensions	668	124
Increase in other employee future benefits and compensated absences	29,060	1,421
Increase in inventories held for use	(654)	(113)
Decrease (increase) in prepaid expenses	(391)	996
<b>Cash provided by operating transactions</b>	<b>222,289</b>	<b>173,240</b>
<b>Investing transactions</b>		
Disposition of portfolio investments	75,575	57,306
Acquisition of portfolio investments	(87,372)	(73,965)
Loans receivable receipts	12,599	9,806
Loans receivable advanced	(11,120)	(9,261)
<b>Cash used for investing transactions</b>	<b>(10,318)</b>	<b>(16,114)</b>
<b>Capital transactions</b>		
Acquisition of tangible capital assets	(283,466)	(205,892)
Proceeds of disposition of tangible capital assets	1,762	2,478
<b>Cash used for capital transactions</b>	<b>(281,704)</b>	<b>(203,414)</b>
<b>Financing transactions</b>		
Net proceeds from (repayment) of short term loans	90,177	39,947
Repayment of capital lease obligations	(1,716)	(1,150)
Repayment of long-term financing	(4,974)	(46)
<b>Cash provided by financing activities</b>	<b>83,487</b>	<b>38,751</b>
<b>Increase (decrease) in cash and cash equivalents</b>	<b>13,754</b>	<b>(7,537)</b>
Cash and cash equivalents at beginning of year	62,924	70,461
Adjustment to cash upon consolidation of NT Hydro Corporation, beginning of year (note 3 (a))	1,157	-
<b>Adjusted cash and cash equivalents at beginning of year</b>	<b>64,081</b>	<b>70,461</b>
<b>Cash and cash equivalents at end of year**</b>	<b>77,835</b>	<b>62,924</b>

\*Total interest paid during the year \$22,390 (2014- \$7,676)

\*\*Cash and cash equivalents are represented by cash and short-term investments.

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

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# Government of the Northwest Territories

## Notes to Consolidated Financial Statements

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March 31, 2015

(All figures in thousands of dollars)

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### 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 chart lists the organizations comprising the Government reporting entity, how they are accounted for in the consolidated financial statements and their specific operating authority.

#### **Public Agencies fully consolidated:**

##### *Education Act*

- Beaufort Delta Divisional Education Council
- Commission scolaire francophone Territoires du Nord-Ouest
- Deh Cho Divisional Education Council
- Dettah District Education Authority
- Ndilo District Education Authority
- Sahtu Divisional Education Council
- South Slave Divisional Education Council
- Yellowknife Catholic Schools District Education Authority
- Yellowknife Education District No.1 District Education Authority

##### *Aurora College Act*

- Aurora College

##### *Hospital Insurance and Health and Social Services Administration Act*

- Beaufort Delta Health and Social Services Authority
- Deh Cho Health and Social Services Authority
- Fort Smith Health and Social Services Authority
- Hay River Health and Social Services Authority
- Sahtu Health and Social Services Authority
- Stanton Territorial Health Authority
- Yellowknife 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) (note 3(a))

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## Government of the Northwest Territories

### Notes to Consolidated Financial Statements

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March 31, 2015

(All figures in thousands of dollars)

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#### 1. AUTHORITY AND OPERATIONS (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, 2015 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 19*) 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 appropriations.

##### (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 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 employee future benefits, 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.



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## Government of the Northwest Territories

### Notes to Consolidated Financial Statements

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March 31, 2015

(All figures in thousands of dollars)

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#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

##### (b) Cash and cash equivalents

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

##### (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 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) Non-financial assets

Tangible capital and other non-financial assets are accounted for as assets by the Government as they can be used to provide government services in future periods. These assets do not normally provide resources to discharge the liabilities of the government unless they are sold.

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## Government of the Northwest Territories

### Notes to Consolidated Financial Statements

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March 31, 2015

(All figures in thousands of dollars)

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## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### (g) 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 (including qualifying interest expense), or where actual cost was 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 lives as follows:

Asset category	Amortization period
Land	Not amortized
Roads and bridges	75 years or less
Airstrips and aprons	40 years or less
Buildings	40 years or less
Ferries	25 years or less
Water/sewer works	15 - 25 years
Mainframe and software systems	5 - 10 years
Mobile and heavy equipment	7 - 15 years
Major equipment	5 - 15 years
Medical equipment	5 - 15 years
NT Hydro	
Electric power plants	15 - 100 years
Transmission and distribution systems	20 - 65 years
Warehouse, equipment, motor vehicles and general facilities	8 - 100 years
LNG and NT Hydro equipment under capital lease	5 years
Leasehold improvements renewal option	Lesser of useful life or lease term plus

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 Commissioner or Territorial lands are not recorded.

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## Government of the Northwest Territories

### Notes to Consolidated Financial Statements

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March 31, 2015

(All figures in thousands of dollars)

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## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### (h) 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 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 has been prepared using data provided by management and assumptions based on management's best estimates.

### (i) Contractual obligations and contingencies

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 contingencies of the Government are potential liabilities which may become actual liabilities when one or more future events occur or fail to occur. If the future event is 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, the contingency is disclosed. If the occurrence of the confirming future event is not determinable, the contingency 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 possible, the Government receives accountable advances and any unexpended balances remaining at year-end are recorded as liabilities. Recoveries are accrued when expenses, as allowed under the project contract, exceed advances.

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## Government of the Northwest Territories

### Notes to Consolidated Financial Statements

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March 31, 2015

(All figures in thousands of dollars)

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## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### (l) Grant from the Government of Canada

The Grant from the Government of Canada is 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.

Effective April 1, 2014 Canada devolved the administration and control of public lands, resources, and rights in respect of waters in the Northwest Territories to the Commissioner of the Northwest Territories. The Northwest Territories Lands and Resources Devolution Agreement establishes a framework for a cooperative and coordinated management regime for lands, resources and rights in respect of waters in the Northwest Territories in which the Government of the Northwest Territories and Aboriginal peoples of the Northwest Territories participate. Effective April 1, 2014, Canada made an adjustment to the Gross Expenditure Base of the Grant to fund the ongoing delivery of the transferred programs and responsibilities in the amount of \$67,300 as specified under the *Federal-Provincial Fiscal Arrangements Act* (Canada). Thereafter the \$67,300 transfer is part of the Gross Expenditure Base and grows at the same rate. The Department of Lands was created April 1, 2014 to administer and control public lands in the Northwest Territories.

### (m) Transfer payments

Government transfers are recognized as revenue in the period in which the events giving rise to the transfer occurred, as long as the transfer is authorized, eligibility criteria have been met, stipulations that give rise to a liability have been satisfied and a reasonable estimate of the amount can be made. Transfers received before these criteria are fully met are recorded as deferred revenue. Transfers received for tangible capital assets are recorded when the tangible capital asset is put into service.

### (n) Taxes, resource, general and restricted 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*. 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*, 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.

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. The Government of Canada will deduct its share of the resource revenues collected by the Government (the remaining amount) from the Grant (*note 2(l)*) payable to the Government two years hence. The Government has also committed to sharing 25 percent of the net fiscal benefit with Aboriginal governments that have signed the Devolution Agreement.

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## Government of the Northwest Territories

### Notes to Consolidated Financial Statements

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March 31, 2015

(All figures in thousands of dollars)

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#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

##### (n) Taxes, resource, general and restricted revenues (continued)

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.

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 Agreement 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.

##### (p) Environmental liabilities

Environmental liabilities are the result of contaminated sites, defined as a site where 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 obligation 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.

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## Government of the Northwest Territories

### Notes to Consolidated Financial Statements

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March 31, 2015

(All figures in thousands of dollars)

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#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

##### (q) Asset retirement obligations

The legal obligations associated with the retirement of NT Hydro's tangible capital assets are management's best estimate of the future cash flows required to settle its asset retirement obligations to the extent that a reasonable estimate can be determined. The estimated asset retirement obligation of NT Hydro is recorded as a liability and a corresponding increase to tangible capital assets. The liability is increased annually for the passage of time by calculating accretion (interest) 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 carrying amount of the related tangible capital asset.

NT Hydro has identified asset retirement obligations for certain hydro, thermal, transmission and distribution assets where NT Hydro expects to maintain and operate these assets indefinitely and therefore no related liability 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) 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.

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## Government of the Northwest Territories

### Notes to Consolidated Financial Statements

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March 31, 2015

(All figures in thousands of dollars)

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## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### (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, 2019. 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*

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, 2012, however there was no significant impact on their consolidated financial statements as a result of its application.

PSAB issued new standards in March 2015 on Related Party Transactions (PS 2200 Related Party Disclosures and PS 3420 Inter-Entity Transactions) and four new standards related to Assets (PS 3210), Contingent Assets (PS 3320), Contractual Rights (PS 3380) and Restructuring Transactions (PS 3430) in June 2015. All these new standards have an effective date of April 1, 2017, except for PS 3430 that has an effective date of April 1, 2018.

The Government will analyze the impact of these new standards on its consolidated financial statements.

## 3. ACCOUNTING CHANGES

### (a) Classification of NT Hydro

The Government is the sole shareholder of NT Hydro, a territorial corporation providing utility services to the Northwest Territories. In recent years the Government has provided significant subsidies to NT Hydro to offset rate increases. It is expected that additional subsidies may be required in the future, creating an economic dependence on the Government which has required a change in the corporation's classification from a government business enterprise (GBE) to that of an other government organization (OGO) within the Government's consolidated financial statements. In 2014 and prior years, NT Hydro, as a GBE, was accounted for using the modified equity method. Under this method, the Government reported only its investment in the corporation, reduced by any dividends received and adjusted for the annual profit or loss of the corporation, after elimination of any unrealized inter-entity gains or losses. As a GBE NT Hydro followed Canadian generally accepted accounting principles (GAAP) and the corporation's accounts were not adjusted to conform with the Government's basis of accounting. During the 2015 fiscal year, it was determined that NT Hydro no longer met all the criteria of a GBE and as a result effective April 1, 2014 the operations of the corporation are consolidated on a line-by-line basis as part of the government reporting entity, on a prospective basis. As a result of this change the Government's annual surplus and Other General Revenues reported as at March 31, 2015 is \$4,181 higher than it would have otherwise been and there were adjustments to the net debt and cash opening balances of \$343,864 and \$1,157, respectively.

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## Government of the Northwest Territories

### Notes to Consolidated Financial Statements

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March 31, 2015

(All figures in thousands of dollars)

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#### 3. ACCOUNTING CHANGES (continued)

##### (b) Liability for contaminated sites

Effective April 1, 2014, the Government adopted the PSA Handbook Section PS 3260 - Liability for Contaminated Sites. This new section establishes recognition, measurement, presentation and disclosure standards related to environmental liabilities. This Standard requires the Government to change its policy for recording the liability associated with environmental liabilities. Previously, environmental liabilities consisted of the estimated costs for further evaluation or remediation depending on the stage of the investigation. As a result of this policy change, the Government is required to recognize a liability related to the remediation of contaminated sites subject to certain recognition criteria. The change in accounting policy is being applied prospectively and the impact of its adoption was an increase of both the disclosure within note 12 Accounts Payable and Accrued Liabilities and an increase to the total recognized liability for contaminated sites of \$6,969.

#### 4. CASH AND CASH EQUIVALENTS

	2015	2014
	\$	\$
Cash	77,835	56,723
Short-term investments	-	6,201
	<b>77,835</b>	<b>62,924</b>

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Cash and cash equivalents include investments in a diversified portfolio of high grade, short-term income producing assets. There is no portfolio yield on short-term investments as at March 31, 2015, (2014 - 1.08%). The eligible classes of securities, categories of issuers, limits and terms are approved under the Government's investment guidelines. All instruments, depending on the investment class, are rated R-2 High or better from DBRS. Investments are diversified by limiting them, depending on the type of investment, to a maximum of 10% to 50% of the total portfolio. There is no significant concentration in any one investment. There is no average term to maturity as at March 31, 2015, (2014 - 30 days).

#### 5. PORTFOLIO INVESTMENTS

	2015	2014
	\$	\$
Marketable securities (market value \$111,694; 2014 - \$92,183)	107,491	89,108
Miscellaneous investments	674	66
	<b>108,165</b>	<b>89,174</b>

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## Government of the Northwest Territories

### Notes to Consolidated Financial Statements

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March 31, 2015

(All figures in thousands of dollars)

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#### 6. DESIGNATED ASSETS

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

##### *Designated assets*

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 *Waste Reduction and Recovery Act*, the assets of the Environment Fund are to be used for specified purposes as follows:

- (a) the establishment, operation and evaluation of programs in respect of the reduction or recovery of waste;
- (b) education programs related to the reduction or recovery of waste;
- (c) research and development activities related to the reduction or recovery of waste;
- (d) the appropriate disposal of a designated or prohibited material as waste;
- (e) expenses associated with the work of the advisory committee; or
- (f) other costs associated with programs, initiatives or activities in respect of the reduction or 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 17*). 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).

Pursuant to section 27 of 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. Subsection 4(2) of the Program, Projects and Services Continuation Regulations (the Regulations) specifies that a Loans and Bonds Fund will be used to record the lending operations. Subsection 19(2) requires that a Venture Investment Fund be used to record the venture investment operations. Furthermore, under subsection 18(2), the BDIC is obligated to maintain a Capital Fund and Subsidy Fund.

In addition to these funds, the BDIC is required, under subsections 18(6) and 19(5) of the Regulations, 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.

Sinking fund investments of NT Hydro 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.

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## Government of the Northwest Territories

### Notes to Consolidated Financial Statements

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**March 31, 2015**

(All figures in thousands of dollars)

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#### 6. DESIGNATED ASSETS (continued)

	<b>2015</b>	<b>2014</b>
	\$	\$
Student Loan Fund:		
Authorized limit for loans receivable*	45,000	40,000
Less: Loans receivable balance ( <i>note 9</i> )	(40,632)	(39,502)
Funds designated for new loans	<b>4,368</b>	<b>498</b>
Environment Fund:		
Beverage Container Program net assets	<b>2,526</b>	<b>1,971</b>
Portfolio Investments for the Legislative Assembly Supplementary Retiring Allowance:		
Marketable securities (market value \$31,842; 2014 - \$28,676)	26,484	25,227
Money market (market value approximates cost)	1,267	604
Cash and other assets (market value approximates cost)	302	301
	<b>28,053</b>	<b>26,132</b>
Northwest Territories Business Development and Investment Corporation:		
Venture Investment Fund	4,170	4,065
Subsidy Fund	462	462
Capital Fund	873	873
Venture Reserve Fund	485	485
Capital Reserve Fund	147	147
Loans and Bonds Fund	3,104	1,192
	<b>9,241</b>	<b>7,224</b>
NT Hydro		
Sinking Funds (market value approximates cost)	7,194	-
	<b>51,382</b>	<b>35,825</b>

\* The Legislative Assembly approved an increase of \$5,000 to the Student Loan Fund's authorized limit bringing the authorized limit to \$45,000 for the March 31, 2015 fiscal year and beyond.

# Government of the Northwest Territories

## Notes to Consolidated Financial Statements

March 31, 2015

(All figures in thousands of dollars)

### 7. ACCOUNTS RECEIVABLE

	Accounts Receivable \$	Allowance for Doubtful Accounts \$	Net 2015 \$	Net 2014 \$
General	150,960	(26,195)	124,765	45,770
Utilities	10,289	(444)	9,845	-
Government of Nunavut	8,299	(158)	8,141	8,682
Hospital related costs due from third parties	6,875	(2,833)	4,042	4,969
Revolving fund sales	3,268	-	3,268	8,220
Accrued interest	-	-	-	25
	<b>179,691</b>	<b>(29,630)</b>	<b>150,061</b>	<b>67,666</b>
Receivables from related parties:				
NT Hydro	-	-	-	135
Workers' Safety and Compensation Commission	744	(50)	694	503
	<b>180,435</b>	<b>(29,680)</b>	<b>150,755</b>	<b>68,304</b>

### 8. INVENTORIES

	2015 \$	2014 \$
<b>Inventories for resale:</b>		
Bulk fuels	26,453	29,318
Liquor products	2,496	2,720
Arts and crafts	525	510
	<b>29,474</b>	<b>32,548</b>
<b>Inventories held for use:</b>		
Materials and supplies:		
Housing	2,992	2,441
NT Hydro	9,142	-
Hospital supplies	2,833	2,879
Public Stores	150	143
	<b>15,117</b>	<b>5,463</b>
	<b>44,591</b>	<b>38,011</b>

Bulk fuel inventory write-down for 2015 was \$90 (2014- nil).

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## Government of the Northwest Territories

### Notes to Consolidated Financial Statements

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March 31, 2015

(All figures in thousands of dollars)

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#### 9. LOANS RECEIVABLE

	2015 \$	2014 \$
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 5.18% and 5.78%, (2014 between 5.09% and 5.73%) before valuation allowance of \$5,778 (2014 - \$6,399).	42,622	42,615
Arslanian Cutting Works Inc. promissory note receivable secured by equipment, building and personal guarantees. Due on demand, including accrued interest at a rate of 5.06% per annum, before valuation allowance of nil (2014 - \$4,135). The promissory note was settled during the year for \$1,836.	-	5,060
Northwest Territories Energy Corporation Ltd loan to the Dogrib Power Corporation due July 2026, bearing interest at an annual rate of 9.6%, repayable in equal monthly payments of \$195, secured by a \$4,000 guarantee and a restricted bank account.	16,134	-
Students Loan Fund loans due in installments to 2028, bearing fixed interest between 1.25% and 11.75%, (2014 - 1.25% and 6.88%) unsecured, before valuation allowance and loan remissions of \$17,998 (2014 - \$19,091).	40,632	39,502
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 3.00% and 12.00%, (2014 - 3.00% and 12.00%) before valuation allowance of \$10,422 (2014 - \$11,499).	14,655	15,088
	<b>114,043</b>	<b>102,265</b>
Valuation allowances	(34,198)	(41,124)
	<b>79,845</b>	<b>61,141</b>

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Interest earned on loans receivable during the year was \$4,258 (2014 - \$2,700).

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 \$5,595 (2014 - \$5,231).

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## Government of the Northwest Territories

### Notes to Consolidated Financial Statements

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**March 31, 2015**

(All figures in thousands of dollars)

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#### 10. INVESTMENT IN NORTHWEST TERRITORIES HYDRO CORPORATION

For the year ended March 31, 2015, NT Hydro has been accounted as an OGO and fully consolidated on a line-by-line basis in the Government's consolidated financial statements whereas in prior years, it was accounted for as a GBE and accounted on a modified equity basis (*note 3(a)*). The following is summarized consolidated financial information for the corporation as at March 31, 2014.

	<b>2014</b>
	\$
Investment in NT Hydro	
Shareholder's Equity	<b>115,790</b>

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Shareholder's Equity is represented by:

Assets:

Cash	1,315
Accounts receivable	13,347
Inventories	6,051
Prepaid expenses	1,052
Other long-term assets	29,741
Property, plant and equipment	344,983

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Total assets	<b>396,489</b>
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Liabilities:

Short-term debt	17,888
Accounts payable and accrued liabilities	18,113
Long-term debt	186,181
Other long-term liabilities	55,508
Employee future benefits	3,009

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Total liabilities	<b>280,699</b>
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	<b>115,790</b>
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#### Statement of Operations and Surplus - Retained Earnings

For the year ended March 31

Revenue	103,969
Expenses	(98,736)

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Net income	<b>5,233</b>
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Surplus - Retained Earnings at beginning of the year	67,428
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Surplus - Retained Earnings at end of the year	<b>72,661</b>
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Included in the above are revenues from, and expenses to, entities in the Government reporting entity of \$34,819 and \$25,659 respectively.

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## Government of the Northwest Territories

### Notes to Consolidated Financial Statements

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March 31, 2015

(All figures in thousands of dollars)

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#### 11. SHORT TERM LOANS

Based upon operational needs, the Government may enter into short term borrowing arrangements with its banks. Short-term loans of \$252,974 (2014 - \$144,909) incurred interest at a weighted average year-end rate of 0.93% (2014 - 1.13%). Interest expense on short term loans included in operations and maintenance expenses was \$1,893 (2014 - \$737).

The borrowing limit under the *Borrowing Authorization Act* is \$300,000.

#### 12. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2015 \$	2014 \$
Trade	212,976	163,889
Other liabilities	8,544	8,630
Employee and payroll-related liabilities	68,216	64,952
Environmental liabilities and asset retirement obligations	68,895	27,327
Accrued interest	676	651
	<b>359,307</b>	<b>265,449</b>
Payable to related parties:		
NT Hydro	-	1,831
Workers' Safety and Compensation Commission	157	2
	<b>359,464</b>	<b>267,282</b>

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#### 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 216 (2014 - 129) sites as potentially requiring environmental remediation at March 31, 2015. Where remediation costs have been estimated and a liability has been recorded the methodology used to estimate the liability was either based on third party analyses or extrapolated from costs previously incurred to remediate, monitor, or manage sites of similar size and contamination.

## Government of the Northwest Territories

### Notes to Consolidated Financial Statements

March 31, 2015

(All figures in thousands of dollars)

#### 12. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES (continued)

##### Environmental liabilities and asset retirement obligations (continued)

Type of Site	2014 Liability	Remediation Expenditures	New Sites in 2015	Increase (Decrease) in Estimate	2015 Liability	Number of Sites
	\$	\$	\$	\$	\$	
Abandoned mines <sup>(1)</sup>	3,636	(72)	6,236	3,568	13,368	7
Landfills <sup>(2)</sup>	1,374	(71)	1,875	10,099	13,277	41
Abandoned infrastructure and schools <sup>(3)</sup>	8,400	(275)	1,960	2,488	12,573	69
Airports, airport strips or reserves <sup>(4)</sup>	5,827	(1,808)	-	(1,829)	2,190	24
Sewage lagoons <sup>(5)</sup>	355	-	896	1,590	2,841	28
Fuel tanks and resupply lines <sup>(2)</sup>	5,492	(129)	-	(2,705)	2,658	15
Abandoned lots and maintenance facilities <sup>(3)</sup>	2,243	(268)	-	1,460	3,435	8
Environmental liabilities before NT Hydro	<b>27,327</b>	<b>(2,623)</b>	<b>10,967</b>	<b>14,671</b>	<b>50,342</b>	<b>192</b>
NT Hydro environmental liabilities	9,473	(125)	-	2,120	11,468	24
Total environmental liabilities	<b>36,800</b>	<b>(2,748)</b>	<b>10,967</b>	<b>16,791</b>	<b>61,810</b>	<b>216</b>
NT Hydro asset retirement obligations					<b>7,085</b>	
Total					<b>68,895</b>	

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.

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, 2015 is \$2,994 (2014 - \$3,052). 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. There are 28 sewage lagoons and 41 landfills sites that are outside incorporated communities and being remediated or monitored as appropriate.

There were no (2014 - 6) sites that were closed during the fiscal year.

Included in the 216 sites, there are 71 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.

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## Government of the Northwest Territories

### Notes to Consolidated Financial Statements

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March 31, 2015

(All figures in thousands of dollars)

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#### 12. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES (continued)

##### Environmental liabilities and asset retirement obligations (continued)

The asset retirement obligation of \$7,085 relates to the disposal of NT Hydro's 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 2030), and the weighted average discount rate of 2.33% for obligations to be settled in 10 years or less and 3.17% for obligations to be settled in 10 years or more.

#### 13. DEFERRED REVENUE

	2015	2014
	\$	\$
Government of Canada		
Ministry of Finance	4,253	5,802
Building Canada Plan	9,461	18,870
Wood Buffalo National Park	15	-
Inuvialuit Implementation Fund	-	100
Other	9,698	5,138
	<b>23,427</b>	<b>29,910</b>

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Deferred revenue consists mainly of funds received from the Government of Canada for the Government to establish new airports, construct bridges and reconstruct highways. The Government is expected to complete these projects by March 31, 2016.



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## Government of the Northwest Territories

### Notes to Consolidated Financial Statements

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**March 31, 2015**

(All figures in thousands of dollars)

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#### 14. DUE FROM AND TO THE GOVERNMENT OF CANADA

	<b>2015</b>	<b>2014</b>
	\$	\$
Receivables		
Projects on behalf of the Government of Canada	(11,190)	(9,311)
Miscellaneous receivables	(33,089)	(18,843)
	<b>(44,279)</b>	<b>(28,154)</b>
Payables		
Excess income tax advanced	54,890	58,833
Advances for projects on behalf of the Government of Canada	17,420	5,383
Miscellaneous payables	46,159	36,616
	<b>118,469</b>	<b>100,832</b>
	<b>74,190</b>	<b>72,678</b>

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

	\$
2016	12,290
2017	8,402
2018	33,940
2019	258
	<b>54,890</b>

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## Government of the Northwest Territories

### Notes to Consolidated Financial Statements

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**March 31, 2015**

(All figures in thousands of dollars)

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#### 15. CAPITAL LEASE OBLIGATIONS

	<b>2015</b>	<b>2014</b>
	\$	\$
Buildings	1,844	3,031
Equipment	20,735	150
	<b>22,579</b>	<b>3,181</b>

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Interest expense related to capital lease obligations for the year was \$2,151 (2014 - \$301), at an implicit average interest rate of 8.94% (2014 - 8.03%). Capital lease obligations (expiring between 2015 and 2061) are based upon contractual minimum lease obligations for the leases in effect as of March 31, 2015.

		\$
	2016	3,474
	2017	3,177
	2018	3,090
	2019	2,727
	2020	2,050
	2021 and beyond	48,419
Total minimum lease payments		62,937
Less: imputed interest		40,358
Present value of minimum lease payments		<b>22,579</b>

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## Government of the Northwest Territories

### Notes to Consolidated Financial Statements

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March 31, 2015

(All figures in thousands of dollars)

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#### 16. LONG-TERM DEBT

	2015 \$	2014 \$
Loans due to Canada Mortgage and Housing Corporation, repayable in annual installments until the year 2033, bearing interest at a rate of 6.97% (2014 - 6.97%), unsecured.	7,576	8,110
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 2.78% and 3.68% (2014- 2.78% and 3.68%), unsecured.	3,143	3,369
Mortgage payable to Canada Mortgage and Housing Corporation, repayable in monthly installments of \$7 (2014 - \$7) maturing June 2024, bearing interest at 3.30% (2014 - 3.30%), secured with real property.	735	802
Yellowknife Catholic Schools debentures, repayable in monthly installments of \$68, including fixed interest at 5.73%, final installment due in 2018, unsecured.	2,803	3,439
Debentures, due 2025 to 2052, bearing interest between 3.82% and 6.00%, unsecured.	90,000	-
Sinking Fund debentures, due 2018 to 2026, bearing interest between 6.33% and 8.41%, secured by sinking funds earning a weighted average effective rate of return of 0.87%.	18,700	-
Amortizing Debentures, due 2032 to 2040, bearing interest between 5.16% and 6.42%, unsecured.	59,476	-
Series 1, 2 and 3 Debentures, repayable in monthly installments between \$69 and \$73, maturing 2025 to 2026, bearing interest between 9.11% and 10%, unsecured.	16,923	-
Real return senior bonds with accrued inflation adjustment, maturing June 1, 2046, redeemable at the option of the issuer, bearing interest at 3.17% payable semi-annually, unsecured.	178,176	179,264
	<b>377,532</b>	<b>194,984</b>
Unamortized premium, discount and issuance costs	(773)	-
	<b>376,759</b>	<b>194,984</b>

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## Government of the Northwest Territories

### Notes to Consolidated Financial Statements

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March 31, 2015

(All figures in thousands of dollars)

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#### 16. LONG-TERM DEBT (continued)

Long-term debt principal repayments and investment in sinking funds (*note 6*) due in each fiscal year for the next five years:

	Long-term Principal \$	Sinking Fund Investment \$
2016	6,966	760
2017	7,384	760
2018	7,748	760
2019	17,983	290
2020	7,720	290
2021 and beyond	329,732	1,740
	<b>377,533</b>	<b>4,600</b>

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Interest expense on long-term debt, included in operations and maintenance expenses, was \$19,022 (2014 - \$10,572).

#### Debt Authority

The Government has the authority to borrow \$800 million, pursuant to subsection 20(2) of the *Northwest Territories Act (Canada)*, as authorized by the Government of Canada (*note 25*).

	2015 \$	2014 \$
Short term borrowing	234,859	144,909
Government of the Northwest Territories Long-term Debt:		
Mortgage payable to Canada Mortgage and Housing Corporation	735	802
Real Return Bonds payable	178,176	179,264
Capital lease obligations	22,579	24,223
NWT Housing Corporation, mortgages and loans payable	10,719	11,479
Guarantees ( <i>note 21(a)</i> )	24,142	26,421
NT Hydro, long-term debt (net of sinking fund)	177,132	177,247
NT Hydro, operational debt	18,115	20,309
Yellowknife Catholic Schools District Education Authority	2,803	3,439
	<b>669,260</b>	<b>588,093</b>
Authorized borrowing limit	800,000	800,000
<b>Available borrowing capacity</b>	<b>130,740</b>	<b>211,907</b>

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## Government of the Northwest Territories

### Notes to Consolidated Financial Statements

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March 31, 2015

(All figures in thousands of dollars)

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#### 17. PENSIONS

##### a) Plans' description

The Government administers the following 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 and Superintendent and Assistant Superintendents of the Yellowknife Catholic Schools. The Government is liable for all benefits. Benefits provided under all seven plans are based on years of service and pensionable earnings.

Plan recipient	Name of plan	Funded status
MLAs	Legislative Assembly Retiring Allowance Plan (MLAs Regular)	Funded
MLAs	Legislative Assembly Supplemental Retiring Allowance Plan (MLAs Supplemental)	Non Funded
Judges	Judges Registered Plan (Judges Regular)	Funded
Judges	Judges Supplemental Pension Plan (Judges Supplemental)	Non Funded
Employees	Retirement Plan for Employees of the Hay River Health and Social Services Authority	Funded
Employees	Retirement Plan for Employees of the Yellowknife Catholic Schools	Funded
Superintendent and Assistant Superintendents	Retirement Plan for Superintendent and Assistant Superintendents of the Yellowknife Catholic Schools (Supplemental)	Non Funded

The Regular Plans for both the MLAs and Judges are contributory defined benefit registered pension plans and are pre-funded. The funds related to these plans are administered by independent trust companies.

The Supplemental plans for both the MLAs and Judges are non-contributory defined benefit pension plans and are unfunded; however, the Government has designated assets for the purposes of meeting the obligations of the MLA Supplemental plan (*note 6*).

The average age of the 19 active members of the MLAs plans is 52. The basic benefit formula of the MLAs plans is 2 percent per year of pensionable service multiplied by the average of the best four consecutive years of earnings. Plan assets consist of Canadian and foreign equities, and Canadian fixed income securities and bonds.

The average age of the 4 active members of the Judges' plans is 57. The basic benefit formula of the Judges' plans is 2 percent per year of pensionable service multiplied by the average of the best six consecutive years of earnings, reducing at age 65 by an amount equal to 0.7% of the average Year's Maximum Pensionable Earnings (YMPE) (as defined in the Canada Pension Plan) determined over 3 years at the time of retirement. Plan assets consist of a diversified portfolio of Canadian and foreign equities and bonds.

The Hay River Health and Social Services Authority has a defined benefit pension plan for its employees. The average age of the 137 plan members is 47 years. The basic benefit formula is 1.5 percent of the member's best average pensionable earnings up to the average YMPE plus 2 percent of the member's best average pensionable earnings in excess of the average YMPE, multiplied by years of the pensionable service. Plan assets consist primarily of Canadian and U.S. equities, bonds and mortgages.

Yellowknife Catholic Schools has a defined benefit pension plan for its employees. The average age of the 169 plan members is 43 years. The basic benefit formula is 1.3 percent of the member's best average pensionable earnings up to the average YMPE plus 2 percent of the member's best average pensionable earnings in excess of the average YMPE, multiplied by years of the pensionable service. Earnings and YMPE are averaged over the best 10 years prior to termination, death or retirement. Plan assets consist primarily of fixed income and equity securities. The Supplemental plan for Superintendent and Assistant Superintendents is a non-contributory defined benefit pension plan and not funded until the employee terminates their employment from Yellowknife Catholic Schools.

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## Government of the Northwest Territories

### Notes to Consolidated Financial Statements

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March 31, 2015

(All figures in thousands of dollars)

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#### 17. PENSIONS (continued)

##### a) Plans' description (continued)

All plans provide death benefits to spouses and eligible dependents. All plans are indexed.

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 existing members, the normal retirement age remains age 60. Furthermore, contribution rates for current service for all members of the public service will increase gradually to an employer: employee cost sharing ratio of 50:50 by 2017.

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

##### b) Pension liability

	<b>2015</b>	<b>2015</b>	<b>2015</b>
	<b>Regular</b>	<b>Supplemental</b>	<b>Total</b>
	<b>Funded</b>	<b>Unfunded</b>	
	\$	\$	\$
Accrued benefit obligation	63,057	32,874	95,931
Pension fund assets - market-related value	(69,903)	-	(69,903)
Unamortized actuarial gains (losses)	2,230	(1,938)	292
<b>Pension liability (asset)</b>	<b>(4,616)</b>	<b>30,936</b>	<b>26,320</b>

	<b>2014</b>	<b>2014</b>	<b>2014</b>
	<b>Regular</b>	<b>Supplemental</b>	<b>Total</b>
	<b>Funded</b>	<b>Unfunded</b>	
	\$	\$	\$
Accrued benefit obligation	55,809	31,379	87,188
Pension fund assets - market-related value	(57,854)	-	(57,854)
Unamortized actuarial losses	(1,357)	(2,325)	(3,682)
<b>Pension liability (asset)</b>	<b>(3,402)</b>	<b>29,054</b>	<b>25,652</b>

Included in the pension asset of \$4,616 (2014 - \$3,402) is a deficit for accounting purposes of the Judge's plan in the amount of \$806 (2014 - nil).

# Government of the Northwest Territories

## Notes to Consolidated Financial Statements

March 31, 2015

(All figures in thousands of dollars)

### 17. PENSIONS (continued)

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

	2015 Regular Funded \$	2015 Supplemental Unfunded \$	2015 Total \$
<b>Opening balance</b>	<b>(3,402)</b>	<b>29,054</b>	<b>25,652</b>
Change to pension liability (asset) from cash items:			
Contributions from plan members	(2,647)	-	(2,647)
Contributions from Government	(5,362)	-	(5,362)
Benefit payment to plan members	(2,433)	(1,247)	(3,680)
Drawdown from plan assets	2,433	-	2,433
<b>Change in pension liability (asset) from cash items</b>	<b>(8,009)</b>	<b>(1,247)</b>	<b>(9,256)</b>
Change to pension liability (asset) from accrual items:			
Current period benefit cost	5,925	1,215	7,140
Amortization of actuarial losses	776	388	1,164
Change in valuation allowance	183	-	183
Interest on average accrued benefit obligation	3,137	1,525	4,662
Expected return on average plan assets	(3,226)	-	(3,226)
<b>Change in pension liability (asset) from accrual items</b>	<b>6,795</b>	<b>3,128</b>	<b>9,923</b>
<b>Ending balance</b>	<b>(4,616)</b>	<b>30,935</b>	<b>26,319</b>
	2014 Regular Funded \$	2014 Supplemental Unfunded \$	2014 Total \$
<b>Opening balance</b>	<b>(2,319)</b>	<b>27,847</b>	<b>25,528</b>
Change to pension liability (asset) from cash items:			
Contributions from plan members	(1,084)	-	(1,084)
Contributions from Government	(3,838)	-	(3,838)
Benefit payment to plan members	(3,534)	(1,229)	(4,763)
Drawdown from plan assets	3,534	-	3,534
<b>Change to pension liability (asset) from cash items</b>	<b>(4,922)</b>	<b>(1,229)</b>	<b>(6,151)</b>
Change to pension liability (asset) from accrual items:			
Current period benefit cost	3,294	1,098	4,392
Amortization of actuarial (gains) losses	570	(29)	541
Interest on average accrued benefit obligation	2,653	1,367	4,020
Expected return on average plan assets	(2,678)	-	(2,678)
<b>Change in pension liability (asset) from accrual items</b>	<b>3,839</b>	<b>2,436</b>	<b>6,275</b>
<b>Ending balance</b>	<b>(3,402)</b>	<b>29,054</b>	<b>25,652</b>

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## Government of the Northwest Territories

### Notes to Consolidated Financial Statements

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March 31, 2015

(All figures in thousands of dollars)

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#### 17. 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 \$7,276 (2014 - \$5,191). The interest cost on the accrued benefit obligation was 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 was 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 was a gain of \$6,169 (2014 - \$2,151).

In addition to the above, the Government contributed \$55,019 (2014 - \$53,866) to the Public Service Pension Plan. The employees' contributions to this plan were \$36,793 (2014 - \$30,541).

##### e) Changes to pension plans in the year

###### *Hay River Health and Social Services Authority*

As at the valuation date, the Authority has decided to revise the pension plan provisions as follows:

- a) To increase required employee contributions - Effective April 1, 2015, the member required contributions will be increased to 8.15% (previously 7.5%) of earnings up to the yearly maximum pensionable earnings (YMPE) plus 10.4% (previously 9.8%) of earnings above the YMPE.
- b) To cease offering portability at certain ages - The plan was amended, with an effective date of January 1, 2018, to cease offering portability for members who are eligible for immediate pension.

##### 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, 2012 and the results were extrapolated to January 31, 2015. The effective date of the next actuarial valuation is April 1, 2016. The actuarial valuation for the Judge's plan was completed as of April 1, 2013 and the results were extrapolated to March 31, 2015. The effective date of the next actuarial valuation is April 1, 2016. The actuarial valuation for the Retirement Plan for Employees of the Hay River Health and Social Services Authority was completed as at January 1, 2015. The effective date of the next actuarial valuation is January 1, 2016. The actuarial valuation for the Retirement Plan for Employees of the Yellowknife Catholic Schools was completed as at June 30, 2013 and the results were extrapolated to June 30, 2014. The effective date of the next actuarial valuation for the Yellowknife Catholic Schools plan is June 30, 2015.

###### *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.



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## Government of the Northwest Territories

### Notes to Consolidated Financial Statements

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March 31, 2015

(All figures in thousands of dollars)

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#### 17. PENSIONS (continued)

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

###### *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 \$25,775 (2014 - \$22,490). The asset valuation method for the Judges' plans is market value. The market value of the regular Judges' plan is \$5,530 (2014 - \$5,082). The asset valuation method for the Retirement Plans for Employees of the Hay River Health and Social Services Authority and of the Yellowknife Catholic Schools are market-related value. The fair market value of its pension plan assets is \$38,531 (2014 - \$31,901) and \$3,451 (2014 - \$379) respectively.

###### *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 4.0 years (2014 - 5.0 years) for the MLA's plans, 3.0 years (2014 - 4.0 years) for the Judges' plans, 7.5 years (2014 - 7.7 years) for the Hay River Health and Social Services Authority plan and 14.7 years (2014 - 14.7 years) for the Yellowknife Catholic Schools plan.

<i>Actuarial assumptions</i>	<b>Yellowknife Catholic Schools' plans</b>	<b>Hay River H&amp;SS Authority plan</b>	<b>MLA's plans</b>	<b>Judges' plans</b>
Expected rate of return on plan assets	4.5%	5.7%	4.8%	4.8%
Rate of compensation increase	2.0%	2.5%	2.3%	2.3%
Annual inflation rate	2.0%	2.0%	2.3%	2.3%
Discount rate	4.5%	5.6%	4.8%	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.
- Employees of the Hay River H&SS Authority may retire early at age 50. Normal retirement is at age 65.
- Employees of the Yellowknife Catholic Schools may retire at the earlier of age 65 or when age plus service equals 90.

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## Government of the Northwest Territories

### Notes to Consolidated Financial Statements

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March 31, 2015

(All figures in thousands of dollars)

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#### 18. 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.

##### Change in estimate

During the year ended 31 March 2015, the method for calculating other employee future benefits and compensated absences was refined to better reflect the probability that these benefits would be used in the future based on past experience. This change in accounting estimate is being accounted for on a prospective basis starting 1 April 2014, which increases the compensation and benefits expense and increases the other employee future benefits and compensated absences liability by \$24,600.

##### Valuation results

The actuarial valuation includes the liabilities as at March 31, 2015. The liabilities are actuarially determined as the present value of the accrued benefits at March 31, 2015. The values presented below are for all of the benefits under the Compensated Absences and Termination Benefits for the consolidated Government.

	2015	2014
	\$	\$
Resignation, retirement, and compensated absences	66,640	37,239
Removal	21,180	17,926
	<b>87,820</b>	<b>55,165</b>

The discount rate used to determine the accrued benefit obligation was an average of 2.5%. The expected payments during the next fiscal year are \$13,040.

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## Government of the Northwest Territories

### Notes to Consolidated Financial Statements

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March 31, 2015

(All figures in thousands of dollars)

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#### 19. 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, term deposits, investments, real estate, and other sundry assets.

	2015	2014
	\$	\$
Bequest - South Slave Divisional Education Council	80	80
Correctional institutions and other	435	407
Government of New Brunswick	760	5,132
Natural Resources - capital	238	235
Patient funds - Beaufort Delta Health and Social Services Authority	206	164
Patient funds - Deh Cho Health and Social Services Authority	1	5
Patient funds - Fort Smith Health and Social Services Authority	22	31
Patient funds - Hay River Health and Social Services Authority	60	53
Patient funds - Stanton Territorial Health Authority	14	12
Public Trustee	6,134	6,280
Scholarship bequest - Beaufort Delta Divisional Education Council	257	256
School functions - Sahtu Divisional Education Council	428	277
Securities - land use permits, water licences and oil and gas deposits	3,730	-
Territorial and Supreme Courts	1,019	795
	<b>13,384</b>	<b>13,727</b>

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#### 20. CONTRACTUAL OBLIGATIONS

The Government has entered into agreements for, or is contractually committed to, the following payments subsequent to March 31, 2015:

	Expiry Date	2016	2017-2048	Total
		\$	\$	\$
Block Funding Agreements with Municipalities	2016	5,194	-	5,194
Operational commitments	2048	89,803	194,277	284,080
RCMP Policing Agreement	2020	44,573	713,168	757,741
Commercial and residential leases	2028	44,224	106,809	151,033
Equipment leases	2020	3,136	1,069	4,205
Tangible capital asset projects in progress at year-end	2019	161,131	50,053	211,184
		<b>348,061</b>	<b>1,065,376</b>	<b>1,413,437</b>

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The Government also has a contractual obligation for the transport of liquified natural gas to its facility in Inuvik. The cost of fuel under this agreement includes variable and fixed costs. The fixed cost component is captured within the capital lease disclosure, note 15. This agreement is in effect until October 31, 2018.

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## Government of the Northwest Territories

### Notes to Consolidated Financial Statements

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March 31, 2015

(All figures in thousands of dollars)

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#### 21. CONTINGENCIES

##### (a) Guarantees

The Government has guaranteed residential housing loans to banks totaling \$3,592 (2014 - \$3,945) and indemnified Canada Mortgage and Housing for third party loans totaling \$20,550 (2014 - \$22,476). 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.

##### (b) Loans

The Northwest Territories Business Development and Investment Corporation (BDIC) has four outstanding loans to three Northern Community Futures organizations totaling \$1,161 (2014 - \$1,125). 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 2015 one loan account of \$84 was assigned to the BDIC (2014 - nil).

The BDIC has five (2014 - six) outstanding irrevocable standby letters of credit totaling \$2,385 (2014 - \$2,485) that will expire in 2016. 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 (2014 - nil).

##### (c) 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 \$8,191 (2014 - \$1,225). 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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## Government of the Northwest Territories

### Notes to Consolidated Financial Statements

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March 31, 2015

(All figures in thousands of dollars)

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#### 22. TRANSFER PAYMENTS, TAXATION AND GENERAL REVENUE

	2015 \$	2014 \$
Transfer payments:		
Capital transfers	98,285	18,513
Canada Health and Social Transfer Reform Fund	62,618	37,069
Federal cost shared	49,889	76,148
Other	22,811	22,690
	233,603	154,420
Taxation:		
Corporate Income Tax	31,272	81,256
Personal Income Tax	110,811	89,450
	142,083	170,706
Other taxes:		
Fuel	19,260	18,514
Tobacco	16,053	15,683
Payroll	40,250	41,245
Property and school levies	37,728	37,190
Insurance	4,676	4,645
	117,967	117,277
General:		
Resource revenues	63,744	-
Interest	5,332	2,417
Other	72,539	65,070
	141,615	67,487
	635,268	509,890

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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.

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## Government of the Northwest Territories

### Notes to Consolidated Financial Statements

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March 31, 2015

(All figures in thousands of dollars)

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#### 23. 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 Public Works and Services Department of Municipal and Community Affairs Department of Transportation Department of Lands Northwest Territories Hydro Corporation
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) NWT Sport and Recreation Council
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) NWT Housing Corporation
Justice	Department of Justice
General government	Department of Aboriginal Affairs and Intergovernmental Relations Department of Executive Department of Finance Department of Human Resources
Legislative Assembly and statutory offices	Legislative Assembly NWT Human Rights Commission NWT Status of Women Council

#### 24. OVEREXPENDITURE

During the year, 2 departments (2014 - 0) exceeded their vote for a total of \$3,505 (2014 - nil).

Overexpenditure of a vote contravenes subsection 32 of the *Financial Administration Act* which states that "No person shall incur an expenditure that causes the amount of the item set out in the Estimates on which the appropriation is based to be exceeded".

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

Department of Education, Culture & Employment	\$3,208
Legislative Assembly	\$297

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## Government of the Northwest Territories

### Notes to Consolidated Financial Statements

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March 31, 2015

(All figures in thousands of dollars)

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#### 25. SUBSEQUENT EVENTS

##### *Increase to borrowing limit*

The Government of Canada approves the Government's borrowing limit pursuant to subsection 20(2) of the *Northwest Territories Act (Canada)*. Effective May 28, 2015 the Government's borrowing limit was increased to \$1,300,000 by Order in Council P.C. 2015-644, dated May 28, 2015.

##### *New hospital construction*

The Government has entered into a partnership agreement dated September 22, 2015, valued at \$350 million, to design, build and maintain a new hospital. The hospital is expected to go into service in 2018, after which time the GNWT has committed to pay \$18 million per year for 30 years to maintain the building.

##### *Creditor protection*

On June 9, 2015, North American Tungsten Corporation Ltd, a firm which holds land permits and a water use license in the NWT and wholly owns Cantung Mine, filed for creditor protection in the Supreme Court of British Columbia. As a result the company's continued ability to meet its environmental/site restoration obligations under the associated land and water permits is uncertain. If the Corporation is unable to meet its obligations the Government will negotiate subsequent responsibility with Canada under the terms of the Northwest Territories Lands and Resources Devolution Agreement, including access to \$11,720 security posted in relation to the water permit license.

##### *Statement of claim*

A Statement of Claim naming the NT Hydro as a Defendant along with two former employees was received June 11, 2015 in connection with an event that occurred in 2013 while clearing a transmission line near Fort Smith. It is too early to assess any potential liability resulting from this claim.

#### 26. 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**

**Schedule A**

**Consolidated Schedule of Tangible Capital Assets**

**for the year ended March 31,**

(All figures in thousands of dollars)

	Land	Buildings <sup>1</sup>	Infrastructure <sup>1,2</sup>	Leasehold Improvements	Equipment <sup>1,3</sup>	Computers	2015	2014
	\$	\$	\$	\$	\$	\$	\$	\$
Cost of tangible capital assets, opening	11,647	1,441,538	1,445,868	40,397	200,103	107,698	3,247,251	3,091,770
Adjustment for NT Hydro, opening balance	5,892	18,639	410,772	-	17,476	8,644	461,423	-
Acquisitions	1,991	65,772	163,445	1,976	17,774	5,515	256,473	168,310
Disposals	(91)	(10,184)	(2,768)	(460)	(545)	(7,329)	(21,377)	(12,829)
Cost of tangible capital assets, closing	19,439	1,515,765	2,017,317	41,913	234,808	114,528	3,943,770	3,247,251
Accumulated amortization, opening	-	(564,857)	(476,778)	(30,956)	(110,628)	(63,120)	(1,246,339)	(1,164,539)
Adjustment for NT Hydro, opening balance	-	(9,444)	(124,310)	-	(8,293)	(4,689)	(146,736)	-
Amortization expense	-	(43,792)	(47,108)	(1,485)	(10,280)	(7,521)	(110,186)	(92,151)
Disposals	-	7,903	2,798	460	522	7,059	18,742	10,351
Accumulated amortization, closing	-	(610,190)	(645,398)	(31,981)	(128,679)	(68,271)	(1,484,519)	(1,246,339)
<b>Net book value</b>	<b>19,439</b>	<b>905,575</b>	<b>1,371,919</b>	<b>9,932</b>	<b>106,129</b>	<b>46,257</b>	<b>2,459,251</b>	<b>2,000,912</b>
Work in Progress							186,277	137,702
							<b>2,645,528</b>	<b>2,138,614</b>

<sup>1</sup> Included in buildings, infrastructure and equipment are assets under capital lease (cost \$36,185 (2014 - \$11,504); accumulated amortization, \$12,357 (2014 - \$7,941); net book value, \$23,828 (2014 - \$3,563)).

<sup>2</sup> Includes roads, bridges, airstrips, aprons, fuel distribution systems, aircraft, water/sewer works, power transmission and distribution systems and power plants.

<sup>3</sup> Includes ferries, mobile and heavy equipment, medical and major equipment.



Government of the Northwest Territories

Schedule B

Consolidated Schedule of Segmented Information

for the year ended March 31,

(All figures in thousands of dollars)

	Departments <sup>1</sup>	Other Public Agencies <sup>2</sup>	Total for All Segments	Adjustments <sup>3</sup>	2015	2014
	\$	\$	\$	\$	\$	\$
<b>Revenues</b>						
Grant from the Government of Canada	1,208,840	-	1,208,840	-	1,208,840	1,121,244
Transfer payments	210,837	22,766	233,603	-	233,603	154,420
	<b>1,419,677</b>	<b>22,766</b>	<b>1,442,443</b>	<b>-</b>	<b>1,442,443</b>	<b>1,275,664</b>
Taxation and general revenues						
Corporate and personal income taxes	142,626	-	142,626	(543)	142,083	170,707
Other taxes	108,500	9,467	117,967	-	117,967	117,277
General	95,372	680,729	776,101	(634,486)	141,615	67,486
Income from portfolio investments	3,199	1,317	4,516	-	4,516	3,471
Sales <sup>4</sup>	130,173	75,314	205,487	(64,163)	141,324	93,153
Recoveries	30,191	15,084	45,275	(9,790)	35,485	41,151
	<b>510,061</b>	<b>781,911</b>	<b>1,291,972</b>	<b>(708,982)</b>	<b>582,990</b>	<b>493,245</b>
Recoveries of prior years' expenses	8,028	-	8,028	(1,213)	6,815	7,156
	<b>1,937,766</b>	<b>804,677</b>	<b>2,742,443</b>	<b>(710,195)</b>	<b>2,032,248</b>	<b>1,776,065</b>
<b>Expenses</b>						
Grants and contributions	782,578	5,009	787,587	(586,484)	201,103	194,590
Operations and maintenance	572,465	305,903	878,368	(100,812)	777,556	663,595
Compensation and benefits	378,435	451,132	829,567	5,819	835,386	743,581
Change in valuation allowances	3,585	-	3,585	-	3,585	2,815
Amortization of tangible capital assets	79,051	31,120	110,171	15	110,186	92,151
	<b>1,816,114</b>	<b>793,164</b>	<b>2,609,278</b>	<b>(681,462)</b>	<b>1,927,816</b>	<b>1,696,732</b>
<b>Annual operating surplus (deficit)</b>	<b>121,652</b>	<b>11,513</b>	<b>133,165</b>	<b>(28,733)</b>	<b>104,432</b>	<b>79,333</b>
Net income from investment in Government Business Enterprise - NT Hydro (notes 3(a) and 10)					-	5,233
Projects on behalf of third parties						
Expenses	(69,661)	-	(69,661)		(69,661)	(60,439)
Recoveries	69,661	-	69,661	-	69,661	60,439
<b>Annual surplus (deficit)</b>	<b>121,652</b>	<b>11,513</b>	<b>133,165</b>	<b>(28,733)</b>	<b>104,432</b>	<b>84,566</b>

<sup>1</sup> Departments consist of all those listed in Note 23 that begin with the word "Department" and the Legislative Assembly.

<sup>2</sup> Public agencies consist of those listed in Note 23 other than Departments and the Legislative Assembly.

<sup>3</sup> 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.

<sup>4</sup> To conform with the appropriation process, departments' sales are shown as net of cost of sales and are converted to gross sales for consolidation purposes (via adjustments).

**GOVERNMENT OF THE NORTHWEST TERRITORIES  
FINANCIAL STATEMENT DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED MARCH 31, 2015  
(Unaudited)**

**HONOURABLE J. MICHAEL MILTENBERGER  
Minister of Finance**

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## Table of Contents

	Page
EXECUTIVE SUMMARY- FINANCIAL HIGHLIGHTS	5
ANNUAL AND ACCUMULATED SURPLUS (DEFICIT) AND NET FINANCIAL RESOURCES (DEBT)	8
REVENUES AND EXPENSES	9
REVENUES BY SOURCE	10
EXPENSES BY OBJECT	14
EXPENSES BY PROGRAM	15
GROSS DOMESTIC PRODUCT	17
FINANCIAL POSITION- FINANCIAL ASSETS	19
FINANCIAL POSITION- FINANCIAL LIABILITIES	20
NON- FINANCIAL ASSETS	21
CASH FLOWS	22
LONG-TERM DEBT BORROWING LIMITS	23
INDICATORS OF FINANCIAL CONDITION	24
NORTHWEST TERRITORIES LANDS AND RESOURCES DEVOLUTION AGREEMENT	29
RISKS AND UNCERTAINTIES	30

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## EXECUTIVE SUMMARY- FINANCIAL HIGHLIGHTS

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. Collectively this is referred to as the Government Reporting Entity. Organizations included in the Government Reporting Entity are listed in Note 1 to the Consolidated Financial Statements.

The executive summary provides a summary of key events affecting results within the Public Accounts and discussion on results in comparison to the original budgets of the government. Subsequent adjustments throughout the year are not reflected. High level results of operations and the March 31, 2015 ending financial position are summarized below:

(thousands of dollars)

	<b>Budget 2015</b>	<b>Actual 2015</b>	<b>Actual 2014</b>
Total Revenue	2,059,592	2,032,248	1,781,298
Total Expense	1,853,802	1,927,816	1,696,732
<b>Annual Surplus</b>	<b>205,790</b>	<b>104,432</b>	<b>84,566</b>
Financial assets		490,353	458,035
Less: Total liabilities		1,267,812	821,915
<b>Net debt</b>		<b>(777,459)</b>	<b>(363,880)</b>
Non-financial assets		2,667,429	2,149,418

The 2014-15 financial statements report a surplus of \$104 million, \$101 million less than was originally budgeted. These results are largely attributable to the increase in employee future benefits and compensated absences payable as a result of the government having an actuarial evaluation performed as at March 31, 2015 to quantify the liability for sick and special leave benefits, the adoption of new environmental liabilities standards and other various contributing factors as detailed on page 15. The large increase over prior years is attributable to current year line by line consolidation of the Northwest Hydro Corporation, whereas in previous years only its net income was reflected within the Consolidated Public Accounts. Continued government contributions to support its operations resulted in the need to change to its classification from that of a Government Business Entity to that of an Other Government Organization.

Total net debt increased by \$414 million in 2014-15 to finance capital infrastructure and support working capital requirements for programs and initiatives. The borrowings of the Northwest Territories Hydro Corporations were always included within the determination of the Government's borrowing limit however this is the first year the related assets and liabilities are captured on the Statement of Financial Position, accounting for a significant amount of the change over the prior year.

The territorial economy grew by 5.8% as measured by real GDP. This is higher than the national average rate of 2.5%

Given the continuing modest expansion in economic activity, the Territory continues to manage growth in spending, while making targeted investments to encourage economic growth and address the infrastructure deficit. The Government continues to rely on federal transfers for the majority of its revenues and consequently the linkage between the economy and the GNWT's revenues does not appear strong. However, own source revenues are directly linked to the 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.

Infrastructure investments of \$2.7 billion focusing on health care, education and transportation have made the Northwest Territories 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 illustrate how the GNWT's fiscal health measures up from this standpoint. This suggests the following conclusions:

- ***Sustainability*** – at the end of the 2014-15 fiscal year the GNWT had a net debt of \$777 million compared to net debt of \$364 million at the end of the prior fiscal year. The net debt represents 38% of revenue. At March 31, 2015, the GNWT's long-term debt was \$377 million or 19% of the GNWT's revenues for the year and less than 5% of GDP. Future investments in infrastructure and operations cannot be sustained at the present level without incurring more debt.
- ***Flexibility*** – pertains to the GNWT's ability to increase its financial resources. The majority of revenue comes from the Grant from the Government of Canada (Formula Financing arrangement). The GNWT's own-source revenues, net of \$63 million in resource revenues, decreased from 28% of total revenue in 2014 to 26% in 2015; income

tax revenue is the major source of any fluctuation. The GNWT's flexibility to increase taxes and still remain competitive with the other provinces and territories, combined with small tax bases makes a significant increase in other own source revenues unlikely in the short term. While the Government began sharing in resource revenues in 2014-2015, these funds are not significant.

At March 31, 2015, the GNWT has a federally imposed limit on its borrowing of \$800 million. Although the GNWT is currently well under its debt authority limit, \$800 million represents only 41% of 2014-2015 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 GNWT'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 from Canada. The formula determining the Territorial Formula Financing Grant is established in federal legislation and will remain in effect until March 31, 2019.

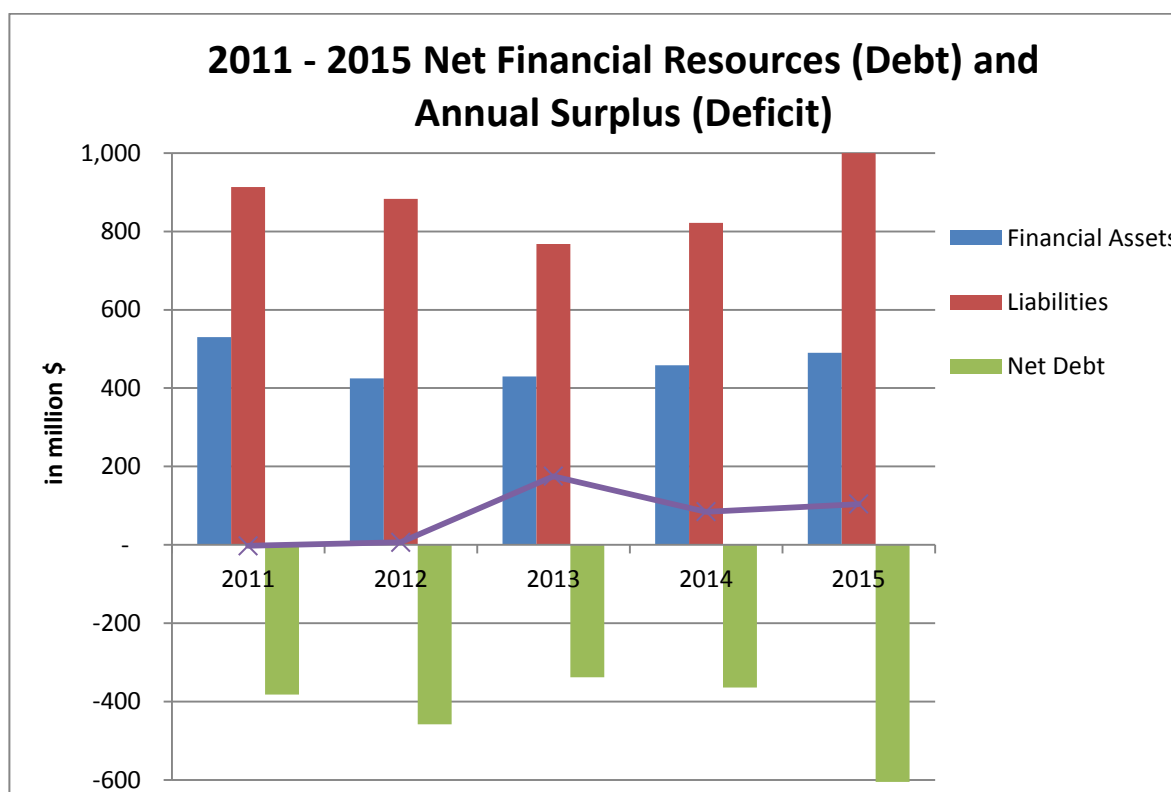
In summary, the GNWT continues to be financially stable, but it has limited flexibility to raise new revenues. The GNWT continues to be vulnerable to federal control over changes to its future revenues.



## ANNUAL AND ACCUMULATED SURPLUS (DEFICIT) AND NET FINANCIAL RESOURCES (DEBT)

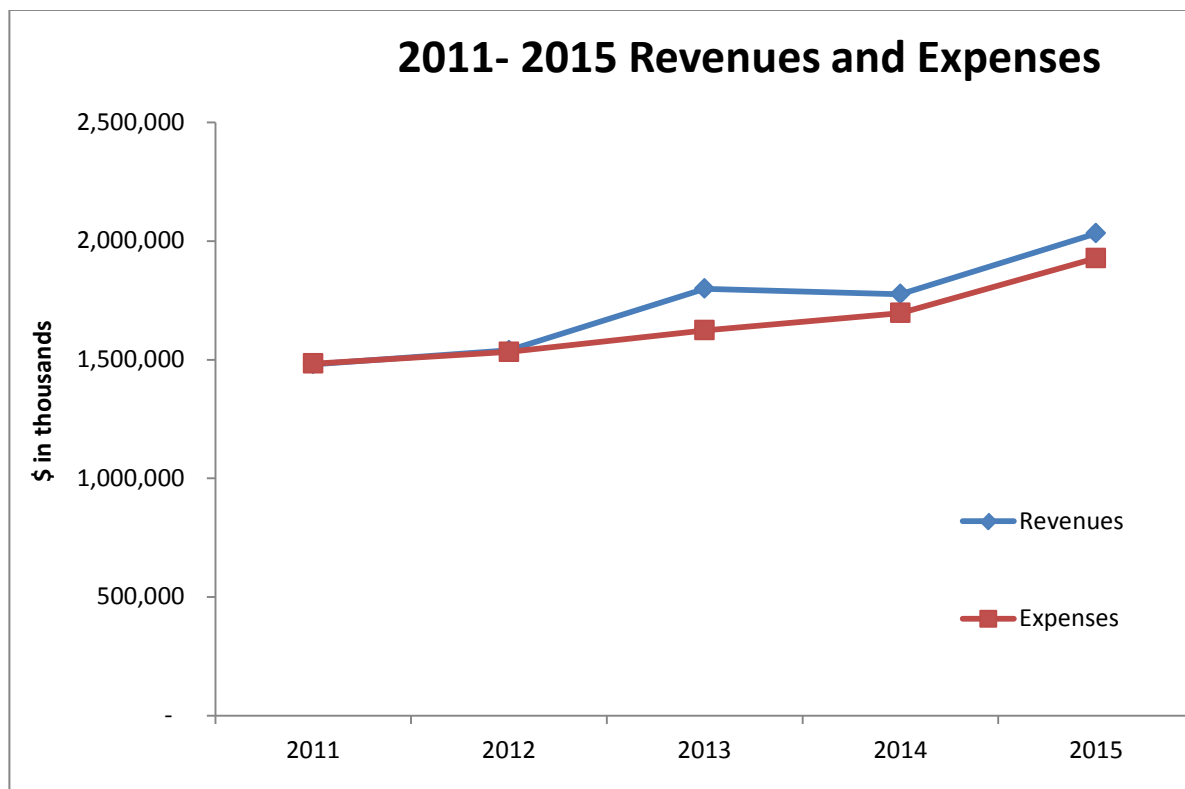
Net financial resources result when there are financial resources remaining after being reduced by all liabilities of the Government. Net debt results when there is an excess of liabilities over financial assets. The Government is in a net debt position; liabilities exceeded financial assets at the end of the fiscal year. Over the years, the Government's net debt has fluctuated, but not always with the annual surplus as depicted in the graph below. Other contributing factors must be considered as 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 financial resources (debt) position and annual surplus (deficit) at the end of each of the last five fiscal years.



The Government is in a net debt position. Net debt increased during the 2015 fiscal year primarily due to the GNWT short term borrowing and inclusion of debt associated with the Northwest Territories Hydro Corporation. 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 flexibility to absorb any budgeted annual deficit.

## REVENUES AND EXPENSES



*\* Revenues depicted above include recoveries of prior year expenditures*

Revenues and expenses have both steadily increased over the last few fiscal years, further exasperated by the inclusion of the Northwest Territories Hydro Corporation, and are described in more detail below.

## **REVENUES BY SOURCE**

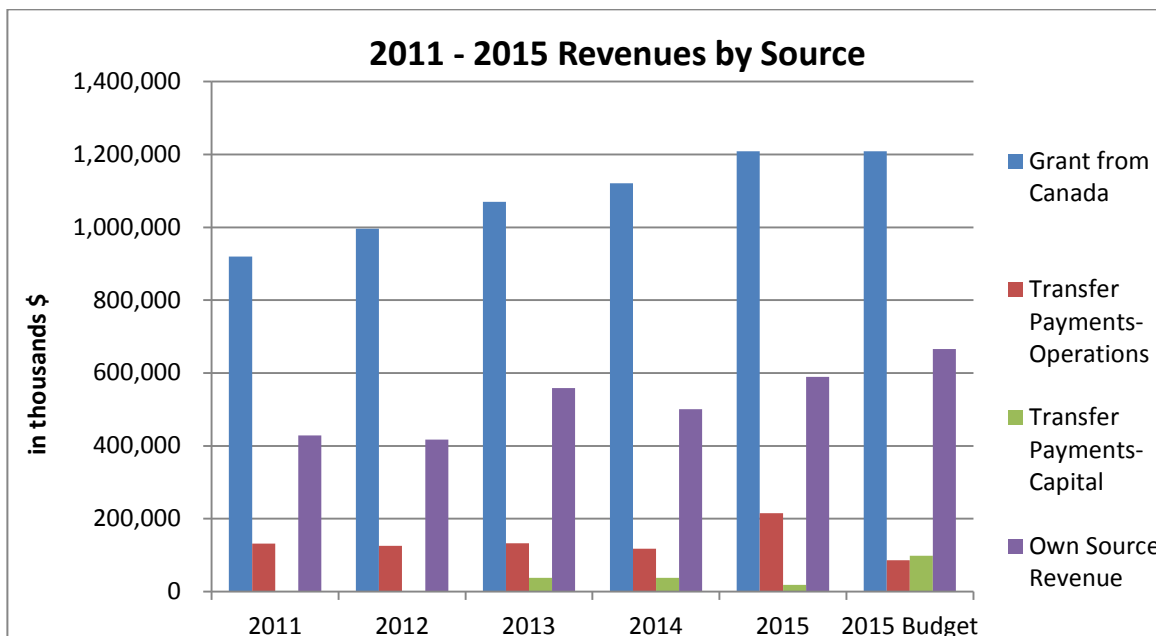
The GNWT funds government programs and services through a combination of transfers from the federal government and own-source revenues. In order to assess the long-term sustainability of the present level of services, various key indicators are monitored on an ongoing basis, including the following:

- 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 the volatility in corporate income tax. NWT corporate income tax revenues are volatile for a number of reasons but mainly because the majority of corporate income tax revenues are generated by a small number of tax payers in the resource sector, whose incomes fluctuate dramatically depending on production and global commodity prices. Since April 1, 2007, the Grant from Canada has been calculated based on an equally-weighted three-year moving average of data that is lagged two years. 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 input 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.

The formula that Finance Canada uses to allocate income among provinces and territories can result in amounts being allocated to the NWT that bear little relationship to NWT economic activity. Investment income and capital gains (losses) are a significant part of income allocated to the NWT and in some years a majority.

Transfer revenue related to the purchase or construction of a tangible capital asset is recognized in accordance with the GNWT policy and is accounted for when completed assets are pushed into service. This is another significant factor that contributes to revenues being unpredictable. The Inuvik-Tuk Highway is a large project that is cost shared, with annual recognition of completed portions of the highway; causing revenue to be higher than operations would normally be recognizing.



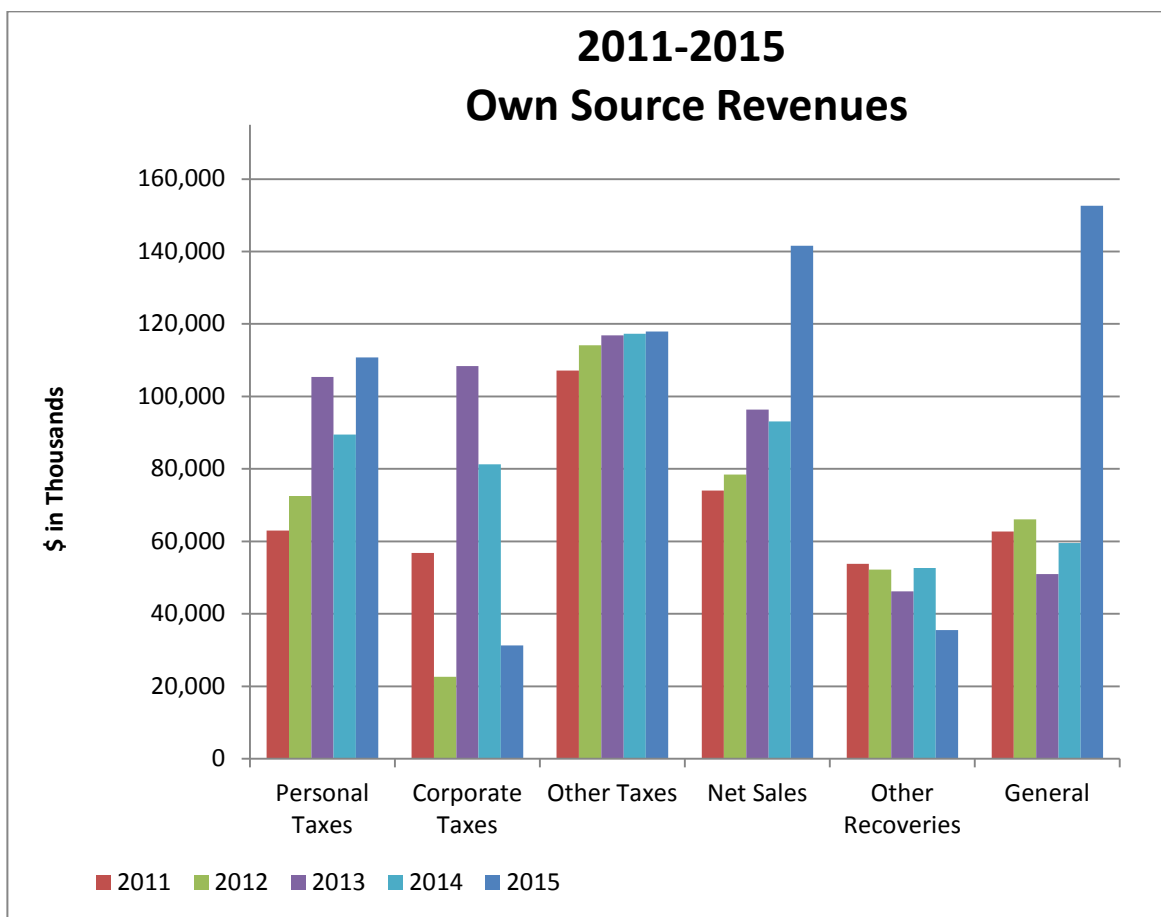
\* Own source revenues include recoveries of prior year expenditures

Total revenue in 2014-15 was \$2.032 billion, an increase of \$27 million or 2 per cent of the original budget. This increase is due to the inclusion of resource revenue and an increase in the grant from Canada.

#### *Grant from Canada*

The Grant from Canada was \$1.2 billion in 2014-15, an increase of \$88 million over 2013-14. The increase in the Grant from Canada is mainly due to the addition in 2014-15 of \$67.3 million to the Grant's Gross Expenditure Base related to the transfer of responsibility for management of lands, waters and non-renewable resources under the Devolution Agreement.

The Grant from Canada is an annual formula-based calculation whereby the NWT's Grant equals the difference between its Gross Expenditure Base (proxy for expenditure requirements) and a measure of revenue capacity known as Eligible Revenues.



#### *Own Source Revenue*

The Government's major own-source revenues, such as corporate and personal income tax, tobacco tax, fuel tax, and payroll tax, have averaged approximately 29% of total revenues indicating a reliance on the Grant from Canada. Other transfer payments from Canada vary, approximately 11% of total revenues for the current year. Included for the first time in the current year results are the revenues generated by the Northwest Territories Hydro Corporation of \$81 million and resource revenue of \$63 million.

With the exception of corporate and personal income tax, Northwest Territories Hydro Corporation, and resource revenue (first year of addition), other own-source revenues have proven to be fairly consistent over the years. Corporate income tax revenue is dependent upon a small base of significant taxpayers that accounts for the volatile nature of this tax revenue. The effects of the Hydro Corporation and resource revenue trends will be evident over time.

#### *Resource Revenue*

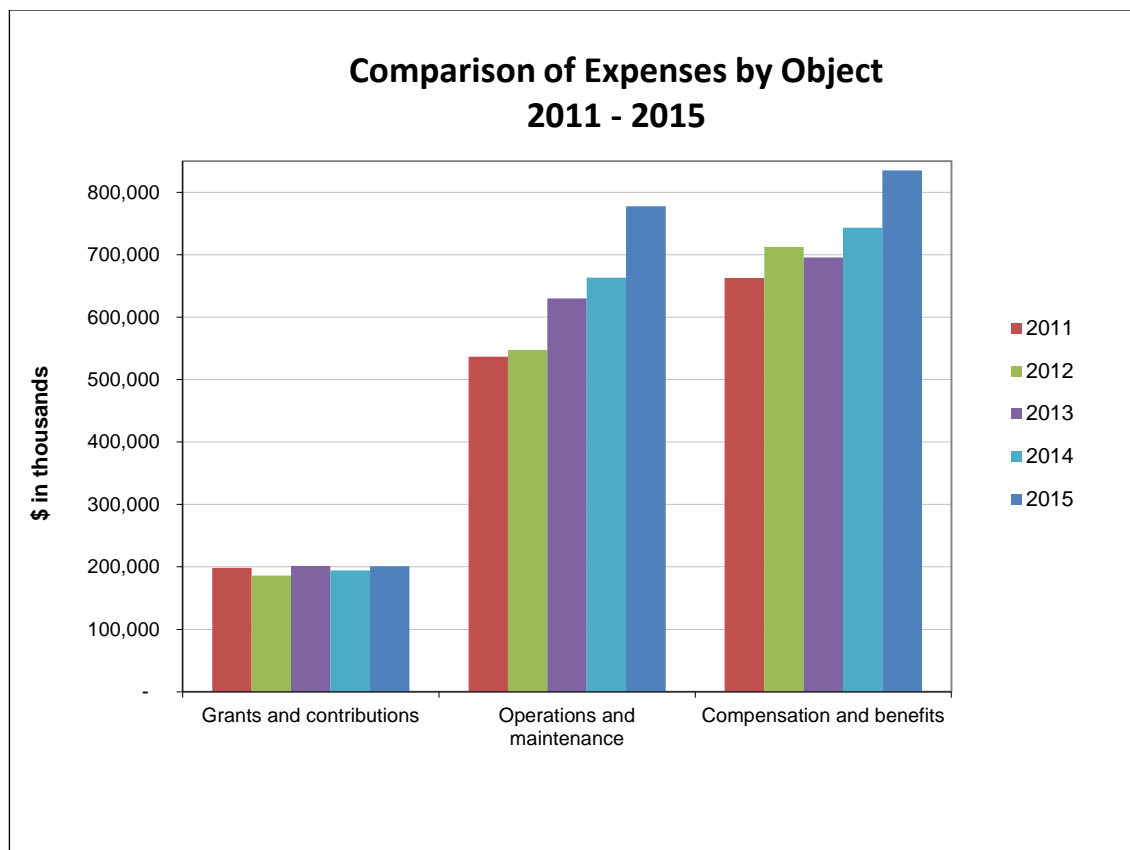
Historically, the GNWT has not shared in resource revenues generated in the NWT however effective April 1, 2014 Canada has devolved the administration and control of public lands, non-renewable resources, and rights in respect of waters in the Northwest Territories to the Commissioner of the Northwest Territories. The Northwest Territories Lands and Resources Devolution Agreement establishes a framework for a cooperative and coordinated management regime for lands, resources and rights in respect of waters in the Northwest Territories in which the Government of the Northwest Territories and Aboriginal peoples of the Northwest Territories will participate, providing access to resource revenues.

Resource revenues are subject to volatility and the expected revenue stream could fluctuate significantly from the annual average. In addition, non-renewable resource revenues are generated as the resources are extracted and are therefore finite. For these reasons, non-renewable resource revenues have not been included in the 2014-2015 operating budget; rather, resource revenues will be used to fund infrastructure, pay down debt and invest in the NWT Heritage Fund.

*Consolidation of Northwest Territories Hydro Corporation*

The Government is the sole shareholder of the Northwest Territories Hydro Corporation. In recent years the Government has provided significant subsidies to the Corporation to offset rate increases. It is expected that additional subsidies may be required in the future, creating an economic dependence on the Government which has required a change in the Corporation's classification from a government business enterprise (GBE) to that of another government organization within the Government's consolidated Public Accounts. In prior years, the Corporation was accounted for using the modified equity method; the Government reported only its investment in the Corporation, reduced by any dividends received and adjusted for the annual profit or loss of the Corporation, after elimination of any unrealized inter-entity gains or losses. During the 2015 fiscal year, it was determined that the Corporation no longer met all the criteria of a GBE and as a result effective April 1, 2014 the operations of the Corporation are consolidated on a line-by-line basis as part of the government reporting entity, on a prospective basis. The inclusion of these results within not only revenues, but expenses, assets and liabilities makes a comparison with prior years something that should be done with care to ensure that a true comparison is achieved.

## EXPENSES BY OBJECT



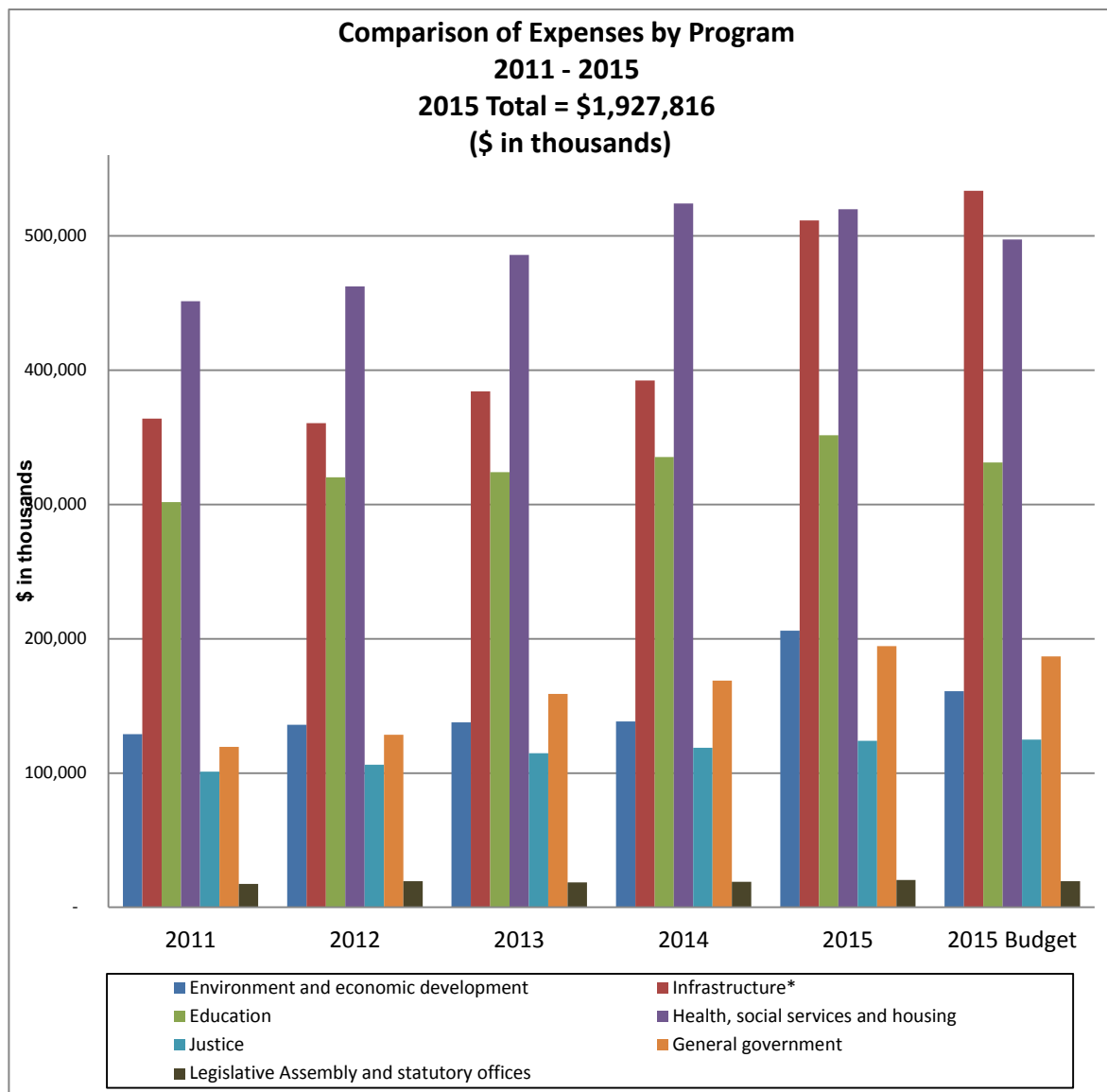
The above graph provides information on the consolidated government operations. Total expenses in 2014-15 are \$1.9 billion, an increase of \$231 million from 2013-14.

Grants and contributions from the GNWT to boards and agencies consolidated in Section I of the Public Accounts are reported under the operations and maintenance and compensation and benefits categories to better reflect the nature of the final expense types that will result. 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 GNWT. Many components of these funding agreements with boards and agencies are really 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 no discretion to be exercised in the short-term.

The Government is also vulnerable to inflation both for operational expenses and as an important factor when negotiating compensation and benefits. Not only are the direct wages of the Government 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



\*Infrastructure now includes the Northwest Territories Hydro Corporation

The Government spends the majority of its budget on social programs (education, health, support to community Governments, justice and housing), with the remaining budget allocated to infrastructure, 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.

An actuarial valuation was conducted in 2014-15 for employee future benefits. This was the first time that sick and special leave were included in the liability and this is a significant contributing factor to the program notes below.



Environment and economic development expense was \$206 million in 2014-15. This was \$68 million or 49 per cent higher than reported in the prior year due to the transfer of responsibilities with devolution. 2014-15 figures were also \$45 million less than budgeted due to vacant positions and decline in price of oil and gas leading to less exploratory activity offset by the increase in employee future benefits.

Infrastructure expense was \$511 million in 2014-15. This was \$119 million or 30 per cent higher than reported in the prior year due to the consolidation of the Northwest Territories Hydro Corporation. 2014-15 figures were \$22 million less than budgeted due to vacant positions and amortization recognition on Inuvik-Tuk highway (end of construction vs. during).

Education expense was \$352 million in 2014-15. This was \$16 million or 5 per cent higher than reported in the prior year. 2014-15 figures were \$20 million greater than budgeted due in part to unexpected litigation expenses and increase in employee future benefits.

Health, social services, and housing expense was \$520 million in 2014-15. This was \$4 million or 0.8 per cent lower than reported in the prior year. 2014-15 figures were \$22 million more than budgeted due to delayed TSC migration and health response systems promotion, and the increase in employee future benefits.

Justice expense was \$124 million in 2014-15. This was \$5 million or 4.3 per cent higher than reported in the prior year. 2014-15 figures were close to budgeted amounts.

General government expense was \$194 million in 2014-15. This was \$25 million or 15 per cent higher than reported in the prior year. 2014-15 figures were \$8 million more than budgeted due to the adoption of PSAS for environmental liabilities, the increase in employee future benefits, and unbudgeted revenue sharing with aboriginal groups related to resources.

Legislative Assembly and statutory offices expense was \$20 million in 2014-15. This was \$1.3 million or 6.7 per cent higher than reported in the prior year. 2014-15 figures were \$971 thousand more than budgeted due to the increase in employee future benefits.

## 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. The GDP estimates shown below are in chained 2007 dollars at market prices.

For the Northwest Territories (NWT), Statistics Canada estimated GDP was \$3.8 billion for 2014, which represents a 5.8% increase relative to the 2013 estimate of \$3.6 billion. This rise is a result of an increase in both the mining, oil and gas sector and capital investment (construction) in the 2014 calendar year.

Gross Domestic Product at Market Prices, calendar years 2013 and 2014  
Canada, Provinces and Territories  
Chained (2007) Dollars (\$ in millions)

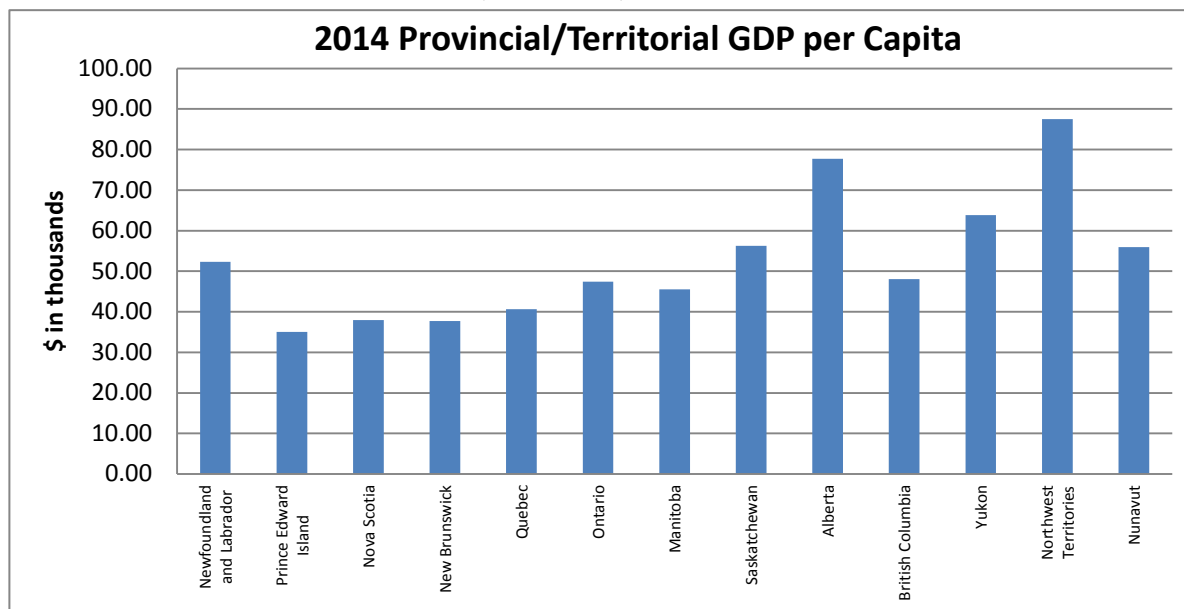
	2014	2013	Percent Change
Canada	1,747,709	1,705,553	2.5
Northwest Territories	3,849	3,639	5.8
Nunavut	2,018	1,953	3.3
Yukon	2,362	2,379	-0.7
British Columbia	222,868	215,901	3.2
Alberta	320,113	305,353	4.8
Saskatchewan	63,127	61,929	1.9
Manitoba	58,301	57,005	2.3
Ontario	648,352	631,068	2.7
Quebec	334,103	329,038	1.5
New Brunswick	28,436	28,530	-0.3
Nova Scotia	35,758	35,562	0.6
Prince Edward Island	5,126	5,051	1.5
Newfoundland and Labrador	27,695	28,272	-2.0

Source: Statistics Canada

Note:

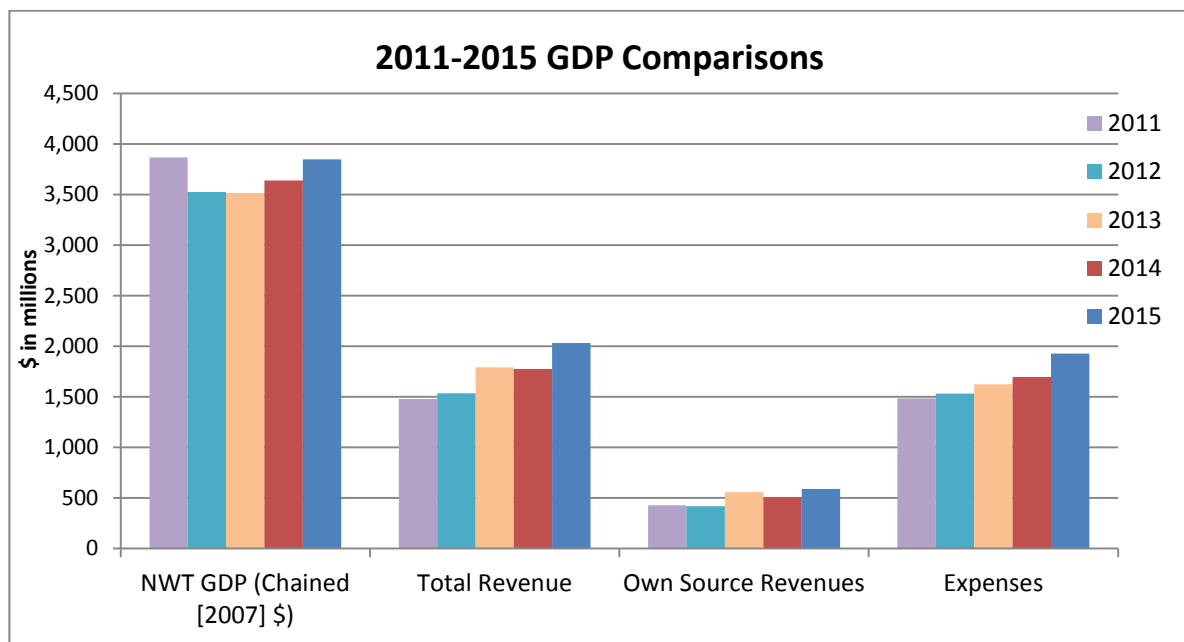
Data will not sum to totals since chained dollars are not additive.

## GROSS DOMESTIC PRODUCT (continued)



Based on September 26, 2014 population estimates of Statistics Canada

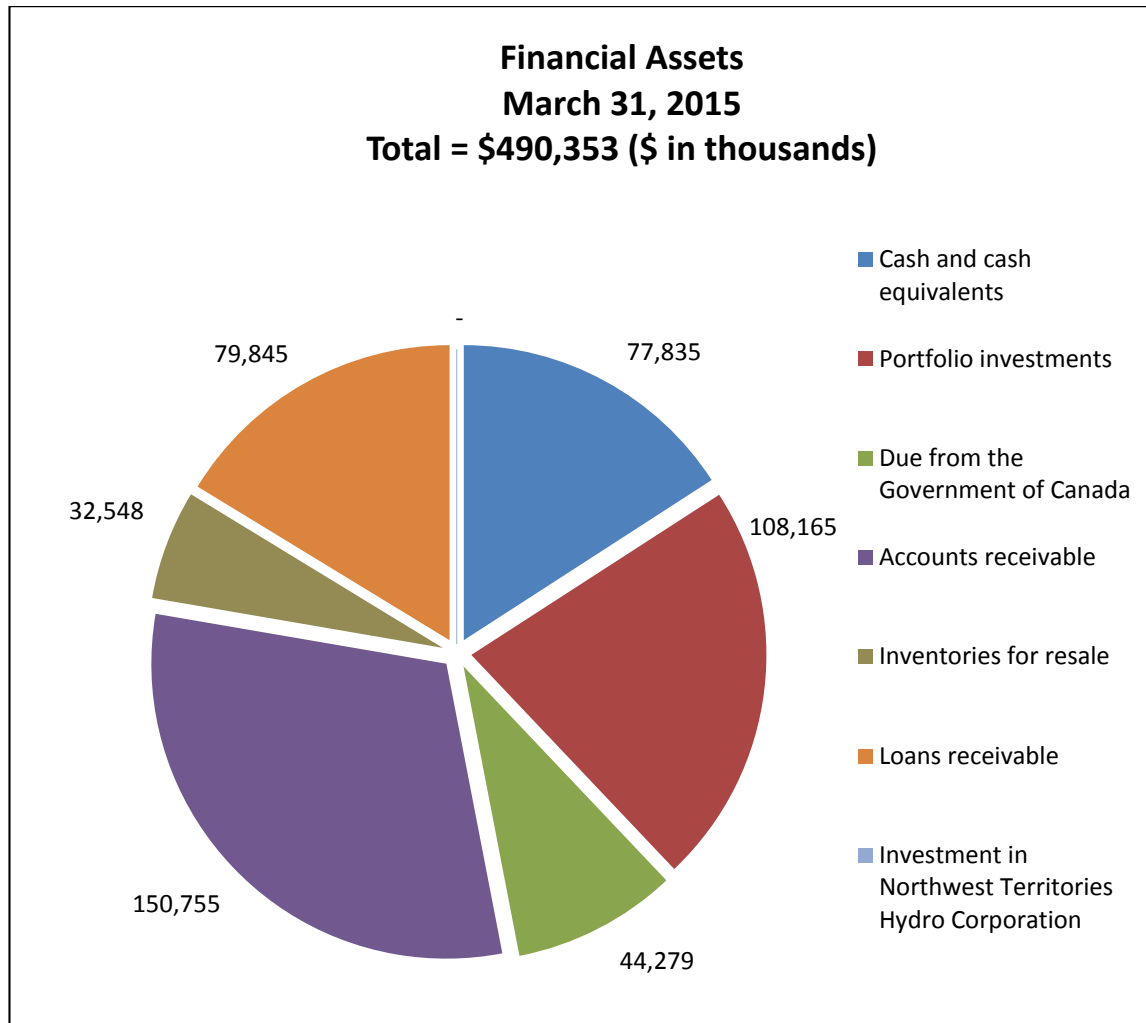
The NWT currently has the highest GDP per capita in Canada. This is an important indicator to note when considering GDP statistics as it shows that while the NWT has a relatively small population our economy is large by comparison.



\* 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). The 2014 figure for NWT GDP has been used for 2015 illustration purposes. Net income from the recoveries are included in GNWT own source revenues.

## 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.

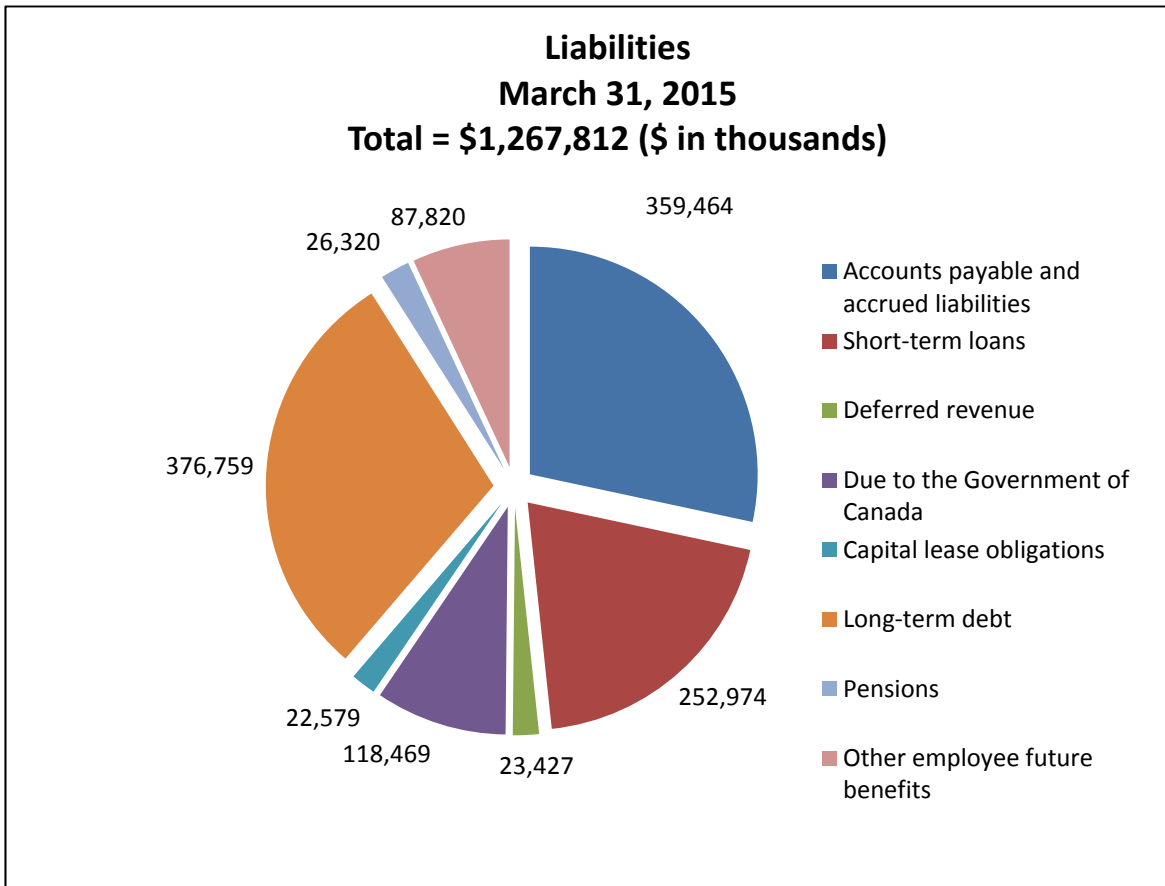


The above graph illustrates the composition of the Government's financial assets.

Approximately 16% of the GNWT's financial assets are cash. The balance 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 GNWT'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 GNWT presently has approximately \$490 million in financial assets available to discharge its liabilities of approximately \$1.268 billion. Many of the liabilities are not due in the short-term and will be discharged at a later date with a combination of longer term financial assets that provide cash at a later date and cash/accounts receivable that will be generated over future years through normal government operations and future generation of revenues.

The significant gap between the financial assets of the GNWT and its liabilities indicate that some of its future revenues will be required to meet its current obligations.

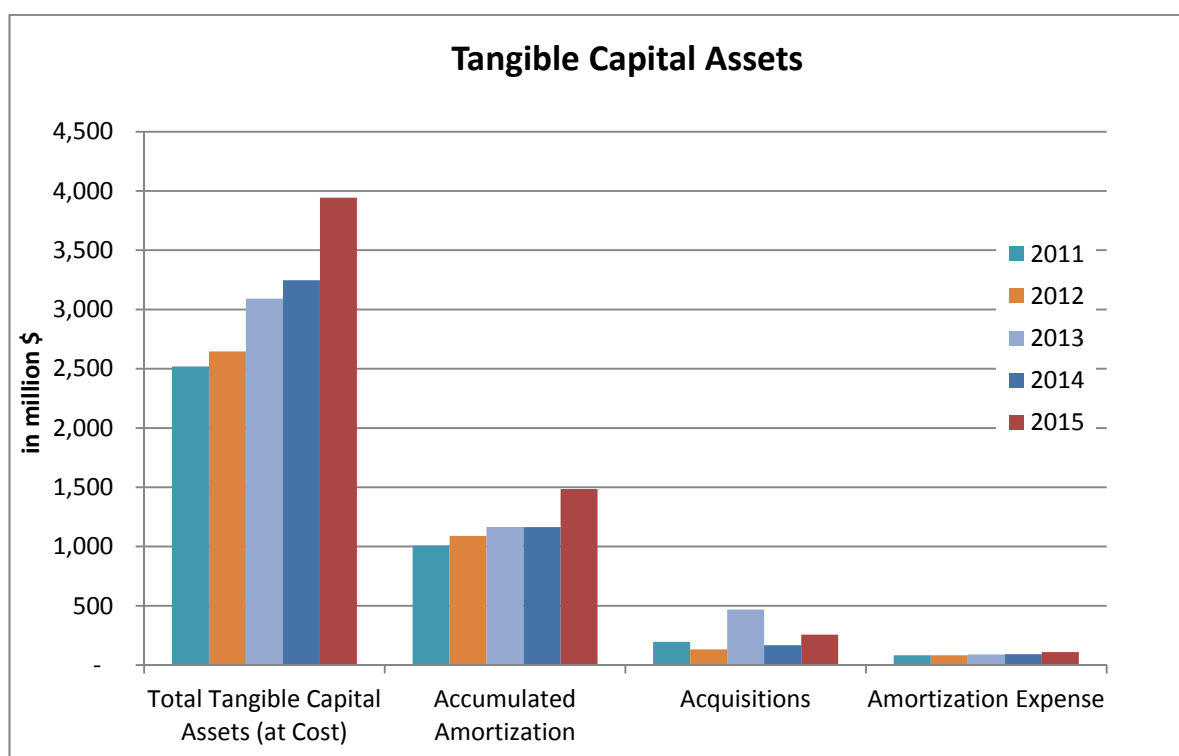
## NON- FINANCIAL ASSETS

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

### Tangible Capital Assets

Tangible capital assets include assets purchased or constructed by the Government and assets that were fully or partially contributed to the GNWT by Canada or other parties.

Under the policy, assets valued at \$50,000 or more are capitalized and then expensed 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 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. Tangible capital asset investments are focused on addressing the continued health and safety of NWT residents, the extension of the useful life of existing assets, and providing for program growth.

The government invests in infrastructure in two ways:

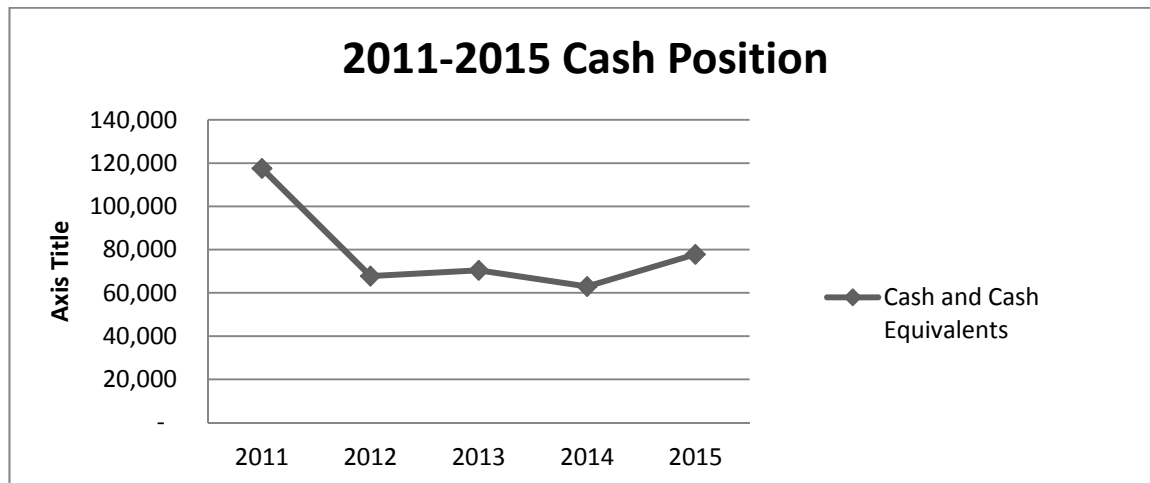
- By investing in government-owned capital; and
- By providing transfers to third parties, including municipalities, for capital purposes.

Breakdown of infrastructure investment type is located in Schedule A of the consolidated financial statements.

The GNWT is currently investing in tangible capital assets at a level that represents between 50% and 60% of the estimated investment needed for replacement and growth. In the 2015 fiscal year, the Government placed \$256 million worth of new assets into service (2014 - \$168 million). The most significant being the completed sections of the Inuvik-Tuk highway; this is in keeping with the Government's policy of recognizing highway construction as it is built. No amortization will be taken on this highway until such time as it is available for use.

## CASH FLOWS

The statement of cash flow reports on the sources and uses of cash and temporary investments during the year. During the year, the Government's overall cash position increased by \$29 million; from \$63 million in 2013-14 to \$78 million in 2014-15. The consolidation with the Northwest Territories Hydro Corporation accounted for \$2.3 million of the increase in cash.



The primary source of cash was operations. Other sources of cash included disposition of portfolio investments and proceeds from short-term loans. Cash was mainly used for a \$256 million investment in tangible capital assets, representing the Government's continued commitment to investment in the Territories' infrastructure, as well as in education and health care facilities. More detail is available on the Statement of Cash Flows within the Section I of the Public Accounts.

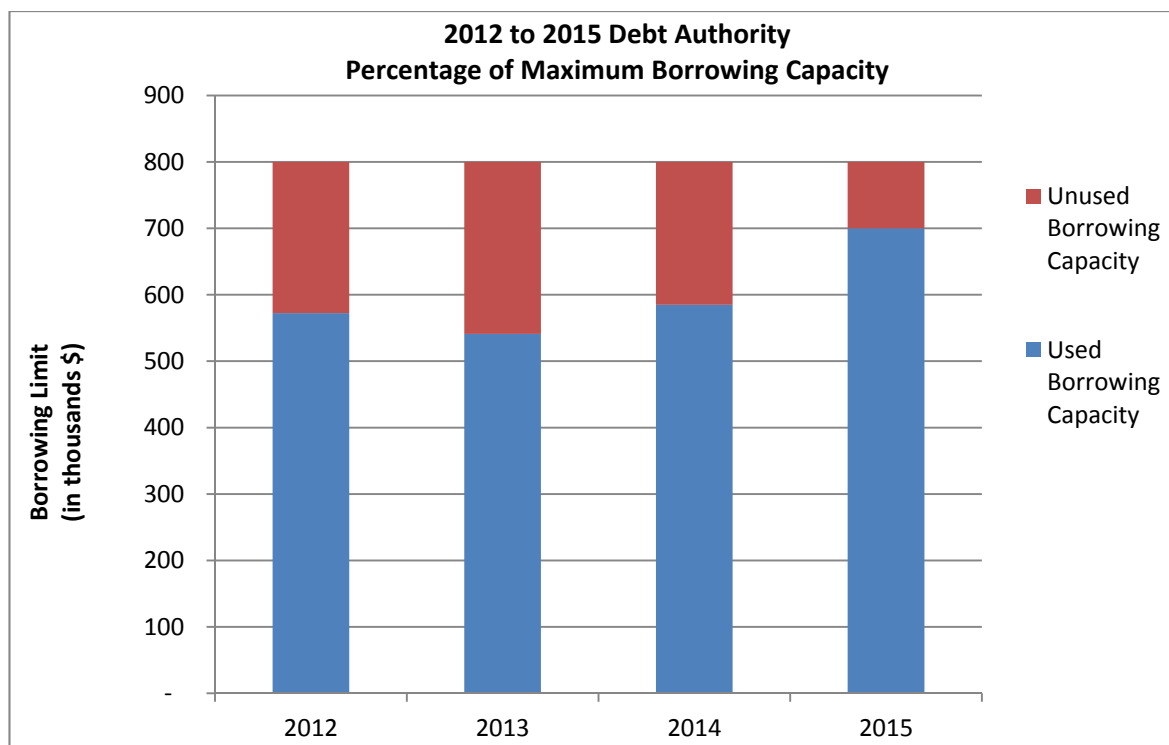
## LONG-TERM DEBT BORROWING LIMITS

Since 2011-12, the borrowing limit of the GNWT has been established at \$800 million pursuant to subsection 20(2) of the *Northwest Territories Act*.

Pressures experienced due to the general state of the economy and the Government's desire to address infrastructure deficits within the Northwest Territories have resulted in the Government's continued negotiation for a further increase to the Territorial Borrowing Limit to support long term planning for the Northwest Territories. In May 2015 the Government was successful in negotiating an increase of a further \$500 million to the borrowing limit; the new limit is \$1.3 billion for the 2015-16 fiscal year and beyond.

Recognizing that debt would be needed at some future date if the Government was to address its infrastructure deficit the Government implemented a *Fiscal Responsibility Policy* in 2005 to guide borrowing decisions and allow flexibility in planning 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. The current Capital Plan includes projects under the GNWT's P3 policy or that will be fully funded by the Government's revenues.

Consolidated debt, for purposes of the TBL, includes the debts of all Government organizations that are included within the Consolidated Public Accounts. Additional details are reflected in note 16 of the consolidated financial statements.



The NWT requires a significant investment in infrastructure. To ensure ongoing fiscal sustainability, but still allow for necessary investments required to address high priority infrastructure needs, the *Fiscal Responsibility Policy* establishes an ongoing approach to finance



the Government's infrastructure investments and requires that at least 50% of the Government's annual infrastructure investment be financed by cash generated from operations. A maximum of 50% of the annual infrastructure investment may be financed by debt and annual debt servicing payments (principal and interest) cannot exceed 5% of total revenues. This requires the Government to plan for and realize sufficient operating surpluses on an ongoing basis to finance 50% of capital investments as well as meet debt servicing payments on the amounts borrowed.

Recent changes in the recognition criteria for transfers from Canada that are provided for the acquisition or construction of a tangible capital asset have added complexity and volatility in the determination of revenues. Previously these transfers were deferred and amortized over the life of the asset, smoothing the effect of the third parties contribution. Current standards require that the full amount of the contribution be recognized as the asset is constructed or completed. The GNWT recognizes this revenue upon completion criteria. This results in revenues recognized that in fact have already been fully disbursed during the acquisition or construction of a tangible capital assets. The effects of these funds must be adjusted for when determining the amount of cash generated by operations that is available to use for infrastructure investments.

The *Fiscal Responsibility Policy* makes the Government accountable for its level of borrowing with the establishment of performance criteria 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 GNWT policy on borrowing and performance measurement criteria, for management of debt, is to be reviewed and updated annually.

The debt management criteria, as specified in the policy, form part of the indicators of financial condition in the following section.

## INDICATORS OF FINANCIAL CONDITION

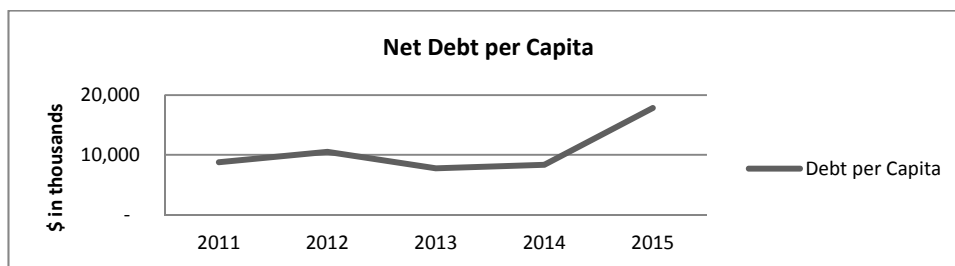
Financial condition describes a government's financial health or its ability to meet its existing financial obligations, both with respect to its service commitments to the public and its financial commitments to creditors, employees and others. The following assessment of the Government's financial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

The Northwest Territories Hydro Corporation, a significant government entity, has been consolidated for the first time and therefore, results are skewed for the current year. The trend will be comparable over time.

- **Sustainability:** the degree to which a Government can maintain existing programs and meet existing creditor requirements without increasing the debt burden on the economy.

### Net Debt per Capita

- 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.

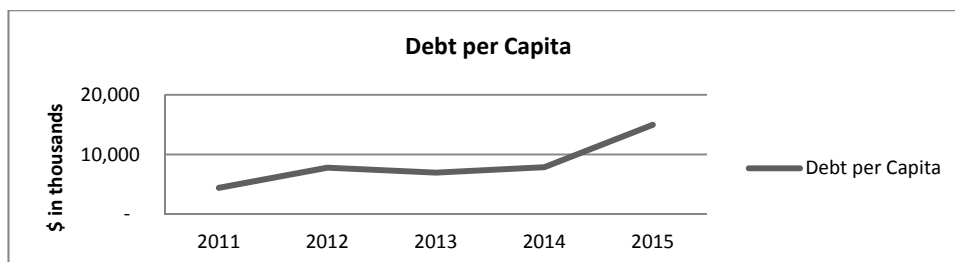


During 2014-15, net debt for the Northwest Territories increased by 113%, from \$8,347 per capita to \$17,834 per capita.

The current year results are impacted by increased net debt as the result of consolidation of the Northwest Territories Hydro Corporation (see note 3 in the Consolidated Public Accounts).

### Debt per Capita

- ii) 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.

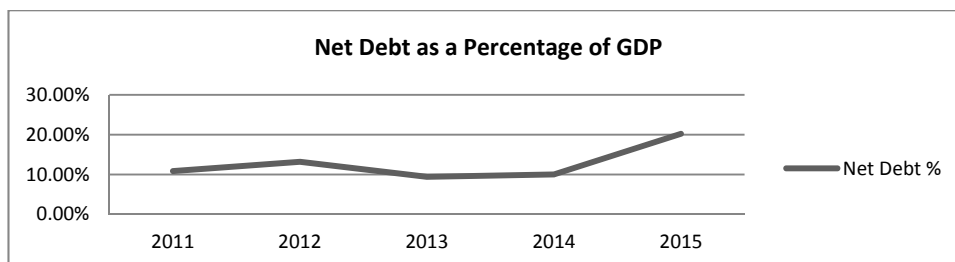


During 2014-15, debt for the Northwest Territories increased by 89%, from \$7,894 per capita to \$14,981 per capita.

In the past years the Consolidated Public Accounts did not include the debt of the Northwest Territories Hydro Corporation. The Northwest Territories Hydro Corporation has been fully consolidated as at March 31, 2015 contributing the increase in debt per capital.

### Net Debt to the Territories' Gross Domestic Product

- iii) 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.

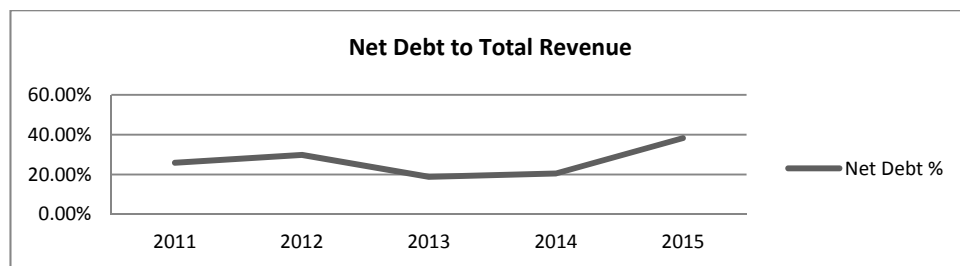


During 2014-15, net debt for the Northwest Territories increased from 9.50% as a percentage of GDP to 20.30% as a percentage of GDP.

As disclosed on the previous page, consolidation of the Northwest Territories Hydro Corporation has impacted the current year's results; ignoring the impact of this change the territorial economy remained relatively stable over the past five years.

#### Net Debt to Total Revenue

- iv) 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.

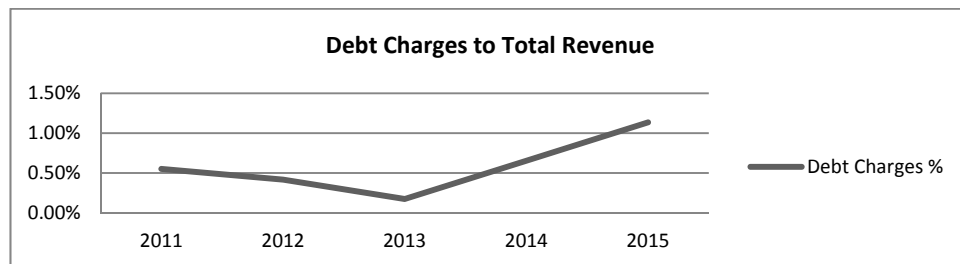


The Government's net debt has increased from 25.87% in 2011 to 38.26% in 2015. An increase in this ratio indicates the Government's annual revenue has not been sufficient to pay for current transactions or a portion of past debts; however, any analysis would also need to consider the impact of the consolidation of the Northwest Territories Hydro Corporation in the current year.

- **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.

#### Debt Servicing Costs (interest) to Total Revenue

- v) Debt charges as a percentage of total revenue ratio 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 denotes that there is more money available to provide government services.



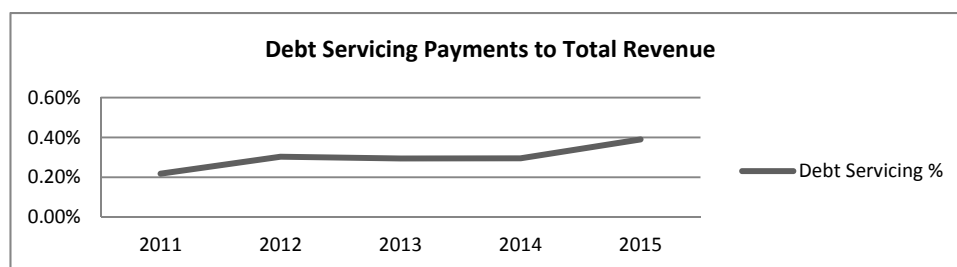
Prior to 2014-15, the GNWT was in the enviable position of having to expend less than 1% of its total revenues to service its debt load. In 2014-15, the Government consolidated the Northwest Territories Hydro Corporation and increased spending to approximately 1.13 cents of each dollar of revenue on debt charges, compared to 0.65 cents in 2013-14. This increase

shows that fewer resources are available to the Government to provide services without increasing its revenue.

The Government's *Fiscal Responsibility Policy* requires the ratio cited above to be one of the parameters reported on to ensure that any new debt we assume does not affect our long-term sustainability. Under the *Fiscal Responsibility Policy*, payments on Government debt must not exceed 5% of revenues.

#### Debt Servicing Payments to Total Revenue

- vi) Debt payments, on a year by year basis, 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 payments ratio denotes that there is more money available to provide government services. Per the *Fiscal Responsibility Policy*, this ratio shall not exceed 5%.

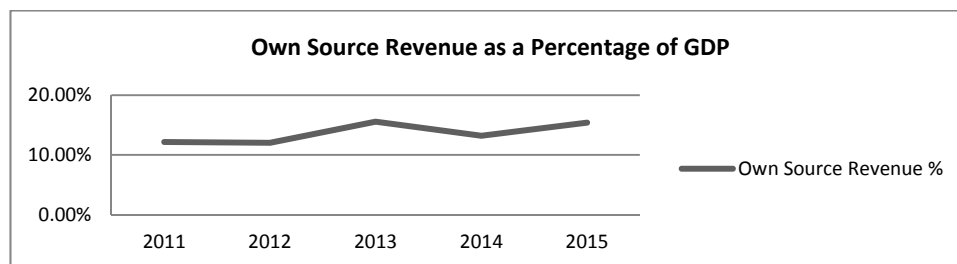


Short term debt servicing payments for the year are not included in the chart above as payments are made as funds are borrowed, and do not represent annual debt repayments. Total amount paid in 2015 was \$1,761 million (2014 - \$1,026 million) and total amount borrowed in 2015 was \$1,986 million (2014 - \$1,172 million). Amount paid in 2015 includes the change in the Northwest Territories Hydro Corporation line of credit.

Long term debt servicing payments as a percentage of total revenue has remained relatively stable.

#### Own Source Revenue to GDP

- vii) Own source revenue to GDP measures the extent to which the Government is taking income out of the economy, through own source revenue. 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.

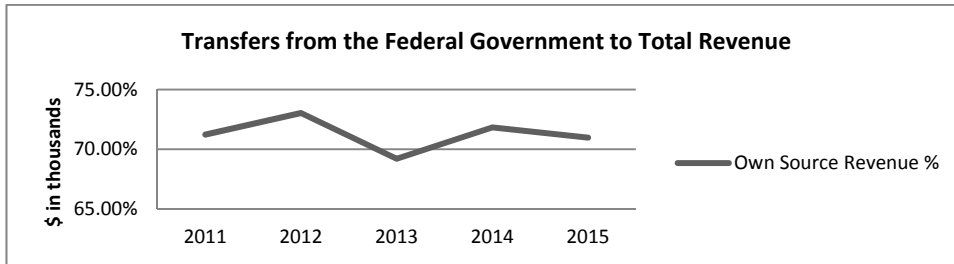


As indicated in the graph above, own source revenue as a percentage of GDP has remained relatively stable over the last five years indicating that the Government has not significantly changed its demands on the economy.

- **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.

Transfers from the Federal Government to Total Revenue

- viii) Transfers, including grants, 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 transfer to fund its programs, making it less vulnerable.



In 2014-15, 71% of total revenue came from federal government transfers. The Government's ability to fund essential programs and services from own source revenue has remained fairly stable over the past several years.

## **NORTHWEST TERRITORIES LANDS AND RESOURCES DEVOLUTION AGREEMENT**

Effective April 1<sup>st</sup>, 2014 Canada has devolved the administration and control of public lands, resources, and rights in respect of waters in the Northwest Territories to the Commissioner of the Northwest Territories. The Northwest Territories Lands and Resources Devolution Agreement establishes a framework for a cooperative and coordinated management regime for lands, resources and rights in respect of waters in the Northwest Territories in which the Government of the Northwest Territories and Aboriginal peoples of the Northwest Territories will participate in providing access to resource revenues. This Agreement was signed on June 25<sup>th</sup>, 2013.

The major highlights to government operations as a result of its implementation are:

- The Department of Lands was formed on April 1<sup>st</sup>, 2014 to administer and manage public lands.
- There were no environmental liabilities or debt obligations transferred to the GNWT through the devolution process.
- 135 positions were transferred to the territorial government under devolution.
- The Grant from Canada increased to fund additional responsibilities.
- The Government now shares in the royalty revenues (net of land claim amounts to the Tlicho, Gwich'in, and Sahtu) generated from the resources located on territorial lands.

Resource Revenue Sharing and Land Claim Agreements royalty administration were transferred to the GNWT as a result of devolution. Resource revenue sharing is detailed below.

Resource revenue sharing is the distribution of royalties received for quarrying, mining, and oil and gas activities in the Northwest Territories. Payments are made to Aboriginal Groups on a quarterly basis, based on the calendar year.

Under the *Devolution Agreement*, Canada and the GNWT share in resource revenues. An internal decision was made regarding resource revenue sharing;

- 25% of GNWT entitlements will be shared with aboriginal groups who have finalized land claim agreements; and
- The remainder will be used for the Heritage Fund, paying down long term debt, and infrastructure.

## **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 note 2 of the financial statements; 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.

Risk management specific to public debt is discussed in the notes to the financial statements.

**PUBLIC ACCOUNTS**  
**OF THE**  
**GOVERNMENT OF THE NORTHWEST TERRITORIES**  
**FOR THE YEAR ENDED MARCH 31, 2015**

**SECTION II**  
**NON-CONSOLIDATED FINANCIAL STATEMENTS**

**HONOURABLE J. MICHAEL MILTENBERGER**

**Minister of Finance**



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**Table of Contents**

**Page**

**NON-CONSOLIDATED FINANCIAL STATEMENTS (unaudited)**

Statement of Financial Position	5
Statement of Change in Net Debt	6
Statement of Operations and Accumulated Surplus	7
Statement of Cash Flow	8
Notes to Financial Statements	9
Schedule A - Schedule of Revenues by Source	34
Schedule B - Schedule of Expenses	35
Schedule C - Schedule of Tangible Capital Assets	36

**Supplementary Schedules (unaudited)**

Schedule 1 - Schedule of Revenues by Department	37
Schedule 2 - Schedule of Expenses by Department	41
Schedule 3 - Schedule of Recoveries of Prior Years Expenses	44
Schedule 4 - Schedule of Summary of Capital Acquisitions	44
Schedule 5 - Schedule of Grants	45
Schedule 6 - Schedule of Contributions	47
Schedule 7 - Schedule of Special Warrants	53
Schedule 8 - Schedule of Inter-activity Transfers exceeding \$250,000	54
Schedule 9 - Schedule of Bad Debt Write-offs, Forgiveness and Student Loan Remissions	56
Schedule 10 - Schedule of Recoveries of Debts and Student Loans Previously Written Off	62
Schedule 11 - Schedule of Projects for the Government of Canada, Nunavut and Others - Expenditures Recovered	63



# Government of the Northwest Territories

## Non-Consolidated Statement of Financial Position (unaudited)

as at March 31, 2015

(thousands of dollars)

	2015 Actual \$	2014 Actual \$
<b>Financial assets</b>		
Portfolio investments (note 4)	28,053	26,132
Accounts receivable (note 5)	201,509	108,662
Due from the Government of Canada (note 9)	40,092	28,154
Inventories (note 6)	28,949	32,039
Loans receivable (note 7)	49,994	50,546
Investment in Northwest Territories Hydro Corporation, at nominal value	-	-
	<b>348,597</b>	<b>245,533</b>
<b>Liabilities</b>		
Bank overdraft (note 4)	6,714	13,389
Short-term loans (note 8)	234,859	144,909
Due to the Government of Canada (note 9)	117,895	100,832
Deferred revenue (note 10)	20,630	27,031
Accounts payable and accrued liabilities (note 11)	284,967	231,229
Capital lease obligations (note 12)	1,628	1,965
Long-term debt (note 13)	178,911	180,066
Pensions (note 14)	29,943	26,654
Other employee future benefits and compensated absences (note 15)	45,873	31,444
	<b>921,420</b>	<b>757,519</b>
<b>Net Debt</b>	<b>(572,823)</b>	<b>(511,986)</b>
<b>Non-financial assets</b>		
Tangible capital assets (schedule C)	1,991,185	1,834,746
Inventory held for use (note 6)	150	143
Prepaid expenses	3,384	3,536
	<b>1,994,719</b>	<b>1,838,425</b>
<b>Accumulated surplus</b>	<b>1,421,896</b>	<b>1,326,439</b>

Contractual obligations and contingencies (notes 18 and 19)

Approved:



J. Michael Miltenberger  
Minister of Finance



Bill Merklinger CPA, CMA  
Comptroller General

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

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

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**for the year ended March 31, 2015**(thousands of dollars)

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	<b>2015 Main Estimates (note 1b) \$</b>	<b>2015 Actual \$</b>	<b>2014 Actual \$</b>
<b>Net debt at beginning of year</b>	<b>(511,986)</b>	<b>(511,986)</b>	<b>(491,373)</b>
Items affecting net financial resources:			
Annual surplus for the year	200,094	95,457	94,012
Increase in tangible capital assets, net book value ( <i>schedule C</i> )	(99,607)	(156,439)	(115,345)
Increase in inventory held for use	-	(7)	(143)
Decrease in prepaid expenses	-	152	863
<b>Net debt at end of year</b>	<b>(411,499)</b>	<b>(572,823)</b>	<b>(511,986)</b>

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

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## Government of the Northwest Territories

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

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for the year ended March 31, 2015

(thousands of dollars)

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	<b>2015 Main Estimates (note 1b) \$</b>	<b>2015 Actual \$</b>	<b>2014 Actual \$</b>
<b>Revenues</b>			
Revenues by source ( <i>schedule A</i> )	1,842,501	1,818,888	1,624,624
Recoveries of prior years expenses ( <i>schedule 3</i> )	3,000	8,028	7,155
	<b>1,845,501</b>	<b>1,826,916</b>	<b>1,631,779</b>
<b>Expenses (<i>schedule B</i>)</b>			
Environment and economic development	155,069	202,605	131,875
Infrastructure	391,359	386,149	353,437
Education	306,860	310,095	296,752
Health, social services and housing	478,320	510,243	469,944
Justice	124,955	124,168	118,928
General government	170,033	179,205	147,891
Legislative Assembly and statutory offices	18,989	19,887	18,656
	<b>1,645,585</b>	<b>1,732,352</b>	<b>1,537,483</b>
<b>Annual operating surplus</b>	<b>199,916</b>	<b>94,564</b>	<b>94,296</b>
Petroleum Products Stabilization Fund Net loss for the year ( <i>note 16</i> )	178	893	(284)
Projects on behalf of the Government of Canada, Nunavut and Others ( <i>schedule 11</i> )			
Expenses	(50,654)	(69,661)	(60,439)
Recoveries	50,654	69,661	60,439
<b>Annual surplus</b>	<b>200,094</b>	<b>95,457</b>	<b>94,012</b>
Accumulated surplus at beginning of year	1,326,439	1,326,439	1,232,427
<b>Accumulated surplus at end of year</b>	<b>1,526,533</b>	<b>1,421,896</b>	<b>1,326,439</b>

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

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# Government of the Northwest Territories

## Non-Consolidated Statement of Cash Flow (unaudited)

for the year ended March 31, (thousands of dollars)	2015 \$	2014 \$
<b>Cash provided by (used in)</b>		
<b>Operating transactions</b>		
Annual surplus for the year	95,457	94,012
Items not affecting cash:		
Provision for bad debts and forgivable loans	1,433	2,565
Amortization of tangible capital assets	79,050	77,021
	175,940	173,598
Changes in non-cash assets and liabilities:		
Due to (from) Canada	5,125	(22,243)
Increase in other financial assets	(96,266)	(17,229)
Increase in other financial liabilities	65,055	22,011
Decrease in prepaid expenses	152	863
Decrease (increase) in inventories held for use	(7)	11
Decrease (increase) in inventories for resale	3,090	(581)
<b>Cash provided by operating transactions</b>	<b>153,089</b>	<b>156,430</b>
<b>Investing transactions</b>		
Designated cash and investments purchased	(7,107)	(1,426)
Designated cash and investments sold	5,186	-
Loans receivable receipts	8,575	6,120
Loans receivable advanced	(6,036)	(6,408)
<b>Cash provided by (used for) investing transactions</b>	<b>618</b>	<b>(1,714)</b>
<b>Capital transactions</b>		
Acquisition of tangible capital assets	(236,108)	(192,629)
Disposal of tangible capital assets (net)	618	263
<b>Cash used for capital transactions</b>	<b>(235,490)</b>	<b>(192,366)</b>
<b>Financing transactions</b>		
Short-term financing proceeds	89,950	39,947
Repayment of capital lease obligations	(337)	(303)
Receipt (repayment) of long-term financing	(1,155)	1,272
<b>Cash provided by financing activities</b>	<b>88,458</b>	<b>40,916</b>
<b>Increase in cash and cash equivalents</b>	<b>242,165</b>	<b>195,632</b>
Cash and cash equivalents at beginning of year	(13,389)	(16,655)
<b>Cash and cash equivalents at end of year*</b>	<b>(6,714)</b>	<b>(13,389)</b>

\* Cash and cash equivalents are represented by cash and short-term investments.

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

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## Government of the Northwest Territories

### Notes to Non-Consolidated Financial Statements (unaudited)

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March 31, 2015

(All figures in thousands of dollars)

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#### 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
- Hospitals and Regional Health Boards
- 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
- 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.



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## Government of the Northwest Territories

### Notes to Non-Consolidated Financial Statements (unaudited)

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March 31, 2015

(All figures in thousands of dollars)

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#### 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 employee future benefits, 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 and cash equivalents

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

##### (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 method. Such investments are normally in shares and bonds of the invested. 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 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.

##### (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.

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## Government of the Northwest Territories

### Notes to Non-Consolidated Financial Statements (unaudited)

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March 31, 2015

(All figures in thousands of dollars)

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#### 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

##### (f) Non-financial assets

Tangible capital and other non-financial assets are accounted for as assets by the Government as they can be used to provide government services in future periods. These assets do not normally provide resources to discharge the liabilities of the Government unless they are sold.

##### (g) 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 (including qualifying interest expense), or where actual cost was not available, estimated current replacement cost discounted back to the acquisition date. 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
Roads and bridges	75 years or less
Airstrips and aprons	40 years or less
Buildings	40 years or less
Ferries	25 years or less
Water/sewer works	15 - 25 years
Mainframe and software systems	5 - 10 years
Mobile and heavy equipment	7 - 15 years
Major equipment	5 - 15 years
Medical equipment	5 - 15 years
Leasehold improvements	Lesser of useful life or lease term plus renewal option

Estimates of the useful life of tangible capital assets are 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 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 Commissioner/Territorial lands are not recorded.

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## Government of the Northwest Territories

### Notes to Non-Consolidated Financial Statements (unaudited)

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March 31, 2015

(All figures in thousands of dollars)

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#### 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

##### (h) 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 has been prepared using data provided by management and assumptions based on management's best estimates.

##### (i) Contractual obligations and contingencies

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 contingencies of the Government are potential liabilities, which may become actual liabilities when one or more future events occur or fail to occur. If the future event is 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, the contingency is disclosed. If the occurrence of the confirming future event is not determinable, the contingency 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 possible the Government receives accountable advances and any unexpended balances remaining at year-end are recorded as current liabilities. Recoveries are accrued when expenses, as allowed under the project contract, exceed advances.

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## Government of the Northwest Territories

### Notes to Non-Consolidated Financial Statements (unaudited)

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March 31, 2015

(All figures in thousands of dollars)

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#### 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

##### (l) Grant from the Government of Canada

The Grant from the Government of Canada is 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.

Effective April 1, 2014 Canada devolved the administration and control of public lands, resources, and rights in respect of waters in the Northwest Territories to the Commissioner of the Northwest Territories. The Northwest Territories Lands and Resources Devolution Agreement establishes a framework for a cooperative and coordinated management regime for lands, resources and rights in respect of waters in the Northwest Territories in which the Government of the Northwest Territories and Aboriginal peoples of the Northwest Territories participate. Effective April 1, 2014, Canada made an adjustment to the Gross Expenditure Base of the Grant to fund the ongoing delivery of the transferred programs and responsibilities in the amount of \$67,300 as specified under the *Federal-Provincial Fiscal Arrangements Act* (Canada). Thereafter the \$67,300 transfer is part of the Gross Expenditure Base and grows at the same rate. The Department of Lands was created April 1, 2014 to administer and control public lands in the Northwest Territories.

##### (m) Transfer payments

Government transfers are recognized as revenue in the period in which the events giving rise to the transfer occurred, as long as the transfer is authorized, eligibility criteria have been met, stipulations that give rise to a liability have been satisfied and a reasonable estimate of the amount can be made. Transfers received before these criteria are fully met are recorded as deferred revenue. Transfers received for tangible capital assets are recorded when the tangible capital asset is put into service.

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## Government of the Northwest Territories

### Notes to Non-Consolidated Financial Statements (unaudited)

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March 31, 2015

(All figures in thousands of dollars)

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#### 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

##### (n) Taxes, 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*. 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*, 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.

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 allowed 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. The Government of Canada will deduct its share of the resource revenues collected by the Government (the remaining amount) from the Grant (note 2(l)) payable to the Government two years hence. The Government has also committed to sharing 25 percent of the net fiscal benefit with Aboriginal governments that have signed the Devolution Agreement.

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 Agreement 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.

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## Government of the Northwest Territories

### Notes to Non-Consolidated Financial Statements (unaudited)

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March 31, 2015

(All figures in thousands of dollars)

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## 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

### (p) Environmental liabilities

Environmental liabilities are the result of contaminated sites, defined as a site where 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 obligation 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) Future accounting changes

#### *Financial instruments*

The Public Sector Accounting Board issued PS 3450 Financial Instruments effective for fiscal years beginning on or after April 1, 2019. 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*

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, 2012, however there was no significant impact on their financial statements as a result of its application.

PSAB issued a new standard in March 2015 on Related Party Transactions (PS 2200) and four new standards related to Assets (PS 3210), Contingent Assets (PS 3320), Contractual Rights (PS 3380) and Restructuring Transactions (PS 3430) in June 2015. All these new standards have an effective date of April 1, 2017.

The Government will analyze the impact of these standards on its consolidated financial statements.

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## Government of the Northwest Territories

### Notes to Non-Consolidated Financial Statements (unaudited)

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March 31, 2015

(All figures in thousands of dollars)

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#### 3. ACCOUNTING CHANGES

Effective April 1, 2014, the Government adopted the PSA Handbook Section PS 3260 - Liability for Contaminated Sites. This new section establishes recognition, measurement, presentation and disclosure standards related to environmental liabilities. This Standard requires the Government to change its policy for recording the liability associated with environmental liabilities. Previously, the Government recognized estimates for further evaluation or remediation depending on the stage of the investigation. As a result of this policy change, the Government is required to recognize a liability related to the remediation of contaminated sites subject to certain recognition criteria. The total financial impact of this change is an increase in environmental liabilities of \$6.9 million and the change in accounting policy is being applied prospectively.

#### 4. CASH AND CASH EQUIVALENTS

##### (a) Investment pool

The Government has a line of credit provided by a chartered bank, 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, 2015 the investment pool had no net overdraft balance (2014 - 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, 2015, on a cash basis, the Government's share in the investment pool was a deficit of \$5,669 (2014 - \$8,777). When taking into account \$997 classified as in-trust and \$48 of outstanding items, the bank overdraft, on an accounting basis, becomes \$6,714 (2014 - \$13,389).

The Government's cash deficit related to the investment pool carried interest at a rate of 1.16% and \$179 was paid to it.

The average portfolio yield range for the year was 1.16% - 1.28% (2014 - 1.20%). In 2015, the Government earned interest on short-term investments of \$42 (2014 - \$114).

##### (b) Designated Assets

Designated assets are included in cash and cash equivalents 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 specified purposes as follows:

- (a) the establishment, operation and evaluation of programs in respect of the reduction or recovery of waste;
- (b) education programs related to the reduction or recovery of waste;
- (c) research and development activities related to the reduction or recovery of waste;
- (d) the appropriate disposal of a designated or prohibited material as waste;
- (e) expenses associated with the work of the advisory committee; or
- (f) other costs associated with programs, initiatives or activities in respect of the reduction or recovery of waste.

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## Government of the Northwest Territories

### Notes to Non-Consolidated Financial Statements (unaudited)

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March 31, 2015

(All figures in thousands of dollars)

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#### 4. CASH AND CASH EQUIVALENTS (continued)

##### (b) Designated Assets (continued)

Portfolio investments, while forming part of the Consolidated Revenue Fund, are designated for the purpose of meeting the obligations of the Legislative Assembly Supplementary Retiring Allowance Pension Plan (*note 14*). Supplementary Retiring Allowance Regulations restrict the investments to those permitted under the *Pension Benefits Standards Act*.

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

	2015 %	2014 %
Canadian stocks	18.42	18.62
Cash and other assets	5.59	3.46
Fixed income mutual funds	26.31	28.13
Federal bonds	17.08	15.90
Foreign stocks	<u>32.60</u>	<u>33.89</u>
	<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:

	2015 \$	2014 \$
Student Loan Fund:		
Authorized limit for loans receivable*	45,000	40,000
Less: Loans receivable balance	(40,632)	(39,502)
Funds designated for new loans	<u>4,368</u>	<u>498</u>

Environment Fund:

Beverage Container Program net assets	<u>2,526</u>	<u>1,971</u>
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Portfolio Investments for the Legislative Assembly Supplementary Retiring Allowance Pension Plan:

Marketable securities (market value \$31,842; 2014 - \$26,088)	26,484	25,227
Money Market (market value approximates cost)	1,267	604
Cash and other assets (market value approximates cost)	302	301
	<u>28,053</u>	<u>26,132</u>
	<u>34,947</u>	<u>28,601</u>

\* The Legislative Assembly approved an increase of \$5,000 to the Student Loan Fund's authorized limit bringing the authorized limit to \$45,000 for the March 31, 2015 fiscal year and beyond.



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## Government of the Northwest Territories

### Notes to Non-Consolidated Financial Statements (unaudited)

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March 31, 2015

(All figures in thousands of dollars)

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#### 5. ACCOUNTS RECEIVABLE

	Accounts Receivable	Allowance for Doubtful Accounts	Net 2015	Net 2014
General	124,334	(11,788)	112,546	31,986
Government of Nunavut	5,842	-	5,842	7,736
Revolving fund sales	12,668	(214)	12,454	8,594
Accrued interest	-	-	-	25
	142,844	(12,002)	130,842	48,341
Receivables from related parties:				
Divisional Education Councils and District Education Authorities	7,213	-	7,213	5,322
Health and Social Services Authorities	56,882	-	56,882	50,117
Northwest Territories Business Development and Investment Corporation	153	-	153	255
Northwest Territories Housing Corporation	3,087	-	3,087	2,170
Tlicho Community Services Agency	829	-	829	1,237
Workers' Safety Compensation Commission (Northwest Territories and Nunavut)	75	-	75	26
Northwest Territories Hydro Corporation	59	-	59	135
Aurora College	2,328	-	2,328	1,059
Inuvialuit Water Board	41	-	41	-
	70,667	-	70,667	60,321
	213,511	(12,002)	201,509	108,662

During the year, no accounts receivable (2014 - \$ nil) were written off and \$115 (2014 - \$55) was forgiven.

#### 6. INVENTORIES

	2015 \$	2014 \$
<b>Inventories for resale:</b>		
Bulk fuels	26,454	29,319
Liquor products	2,495	2,720
	<b>28,949</b>	<b>32,039</b>
<b>Inventories held for use:</b>		
Public stores	<b>150</b>	<b>143</b>
	<b>29,099</b>	<b>32,182</b>

Bulk fuel inventory write-down for 2015 was \$90 (2014 - nil).

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## Government of the Northwest Territories

### Notes to Non-Consolidated Financial Statements (unaudited)

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March 31, 2015

(All figures in thousands of dollars)

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#### 7. LOANS RECEIVABLE

	2015 \$	2014 \$
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.	26,274	28,015
Arslanian Cutting Works Inc. promissory note receivable secured by equipment, building and personal guarantees. Due on demand, including accrued interest at a rate of 5.06% per annum. The promissory note was settled during the year for \$1,836.	-	5,060
Student Loan Fund loans due in installments to 2028, bearing fixed interest between 1.25% and 11.75%, unsecured.	40,632	39,502
Yellowknife Catholic School Board Advance, unsecured, repayable in monthly installments of \$10. Interest is calculated monthly based upon the Government's current borrowing rate.	1,086	1,193
Other	-	3
	<b>67,992</b>	<b>73,772</b>
Valuation allowance - Student Loan Fund	(17,998)	(19,091)
Valuation allowance - Arslanian Cutting Works	-	(4,135)
	<b>49,994</b>	<b>50,546</b>

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During the year, \$1,437 in student loans (2014 - \$1,497) was remised with proper authority.

Interest earned on loans receivable during the year was \$679 (2014 - \$836).

#### 8. SHORT-TERM LOANS

Based upon operational needs, the Government may enter into short term borrowing arrangements with its bank. Short term loans of \$234,859 (2014 - \$144,909) incurred interest at the year end rate of 0.78% (2014 - 0.92%). Interest paid in 2015 was \$1,348 (2014 - \$737).

The short-term borrowing limit under the *Borrowing Authorization Act* is \$300,000.

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## Government of the Northwest Territories

### Notes to Non-Consolidated Financial Statements (unaudited)

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March 31, 2015

(All figures in thousands of dollars)

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#### 9. DUE TO (FROM) THE GOVERNMENT OF CANADA

	2015 \$	2014 \$
Other receivables:		
Projects on behalf of the Government of Canada	(11,190)	(9,311)
Miscellaneous receivables	(28,902)	(18,843)
	<b>(40,092)</b>	<b>(28,154)</b>
Other payables:		
Advances for projects on behalf of the Government of Canada	17,421	5,383
Excess income tax advanced	54,890	58,833
Miscellaneous payables	45,584	36,616
	<b>117,895</b>	<b>100,832</b>
	<b>77,803</b>	<b>72,678</b>

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

	\$
2016	12,290
2017	8,402
2018	33,940
2019	258
	<b>54,890</b>

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#### 10. DEFERRED REVENUE

	2015 \$	2014 \$
Government of Canada		
Ministry of Finance	4,253	5,802
Building Canada Plan	9,461	18,870
Wood Buffalo National Park	15	-
Inuvialuit Implementation	-	100
NPR Limited Partnership	2,285	-
Canada Health Infoway	1,732	508
Mining Recorders	1,580	-
Other	1,304	1,751
	<b>20,630</b>	<b>27,031</b>

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Deferred revenue mainly consists of funds received from the Government of Canada for the Government to establish new airports, construct bridges and reconstruct highways. The Government is expected to complete these projects by March 31, 2016.

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## Government of the Northwest Territories

### Notes to Non-Consolidated Financial Statements (unaudited)

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March 31, 2015

(All figures in thousands of dollars)

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#### 11. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2015 \$	2014 \$
Trade	178,625	145,412
Employee and payroll-related liabilities	41,959	38,596
Environmental liabilities	50,041	27,327
Other liabilities	5,418	4,627
	<b>276,043</b>	<b>215,962</b>
Payables to related parties:		
Arctic Energy Alliance	107	100
Aurora College	104	576
Divisional Education Councils and District Education Authorities	409	1,673
Health and Social Services Authorities	7,111	10,674
Northwest Territories Business Development and Investment Corporation	24	8
Status of Women Council of the Northwest Territories	75	-
Northwest Territories Housing Corporation	158	20
Northwest Territories Hydro Corporation	805	1,831
Tlicho Community Services Agency	72	364
Northwest Territories Human Rights Commission	6	19
Workers' Safety and Compensation Commission (Northwest Territories and Nunavut)	53	2
	<b>8,924</b>	<b>15,267</b>
	<b>284,967</b>	<b>231,229</b>

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#### 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 186 (2014 - 126) sites as potentially requiring environmental remediation at March 31, 2015. Where remediation costs have been estimated and a liability has been recorded the methodology used to estimate the liability was either based on third party analyses or extrapolated from costs previously incurred to remediate, monitor, or manage sites of similar size and contamination.

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## Government of the Northwest Territories

### Notes to Non-Consolidated Financial Statements (unaudited)

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March 31, 2015

(All figures in thousands of dollars)

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#### 11. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES (continued)

##### Environmental liabilities (continued)

Type of Site	2014 Liability	Remediation Costs	New Sites in 2015	Increase in estimate	2015 Liability	Number of Sites
	\$	\$	\$	\$	\$	
Abandoned mines <sup>(1)</sup>	3,636	(72)	6,236	3,568	13,368	7
Landfills <sup>(2)</sup>	1,374	(71)	1,875	10,099	13,277	41
Abandoned infrastructure and schools <sup>(3)</sup>	8,400	(275)	1,960	2,187	12,272	63
Airports, airport strips or reserves <sup>(4)</sup>	5,827	(1,808)	-	(1,829)	2,190	24
Sewage lagoons <sup>(5)</sup>	355	-	896	1,590	2,841	28
Fuel tanks and resupply lines <sup>(3)</sup>	5,492	(129)	-	(2,705)	2,658	15
Abandoned lots and maintenance facilities <sup>(3)</sup>	2,243	(268)	-	1,460	3,435	8
<b>Total environmental liabilities</b>	<b>27,327</b>	<b>(2,623)</b>	<b>10,967</b>	<b>14,370</b>	<b>50,041</b>	<b>186</b>

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;

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, 2015 is \$2,994 (2014 - \$3,052). 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.

There were no (2014 - 6) sites closed during the fiscal year.

Included in the 186 sites, the Government has identified 71 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.

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## Government of the Northwest Territories

### Notes to Non-Consolidated Financial Statements (unaudited)

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March 31, 2015

(All figures in thousands of dollars)

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#### 12. CAPITAL LEASE OBLIGATIONS

	2015 \$	2014 \$
Buildings	1,563	1,815
Equipment	65	150
	<b>1,628</b>	<b>1,965</b>

---

Interest expense related to capital lease obligations for the year was \$142 (2014 - \$163), at an implicit average interest rate of 7.9% (2014 - 7.8%). Capital lease obligations (expiring between 2015 and 2023) are based upon contractual minimum lease obligations for the leases in effect as of March 31, 2015.

	\$
2016	455
2017	382
2018	382
2019	382
2020	350
Total minimum lease payments	1,951
Less: imputed interest 7.9%	323
Present value of minimum lease payments	<b>1,628</b>

---

#### 13. LONG-TERM DEBT

	2015 \$	2014 \$
Mortgage payable to Canada Mortgage and Housing Corporation, repayable in monthly installments of \$7 (2014 - \$7), maturing June 2024, bearing interest at 3.30% (2014 - 3.30%), secured with real property.	735	802
Real return senior bonds with accrued inflation adjustment, maturing June 1, 2046, redeemable at the option of the issuer, bearing interest at 3.17%, payable semi-annually, unsecured.	178,176	179,264
	<b>178,911</b>	<b>180,066</b>

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Long-term debt principal repayments due in each fiscal year for the next five years:

	\$
2016	2,935
2017	3,127
2018	3,331
2019	3,548
2020	3,775
Beyond 2020	162,195
	<b>178,911</b>

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Interest expense on long-term debt, included in operations and maintenance expenses, was \$7,270 (2014 - \$7,504).

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## Government of the Northwest Territories

### Notes to Non-Consolidated Financial Statements (unaudited)

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March 31, 2015

(All figures in thousands of dollars)

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#### 14. PENSIONS

##### (a) Plans description

The Government administers the following pension plans for Members of the Legislative Assembly (MLAs) and Territorial Court Judges. The Government is liable for all benefits. Benefits provided under all four plans are based on years of service and pensionable earnings.

Plan recipient	Name of plan	Funded status
MLAs	Legislative Assembly Retiring Allowance Plan (MLAs Regular)	Funded
MLAs	Legislative Assembly Supplemental Retiring Allowance Plan (MLAs Supplemental)	Non Funded
Judges	Judges Registered Plan (Judges Regular)	Funded
Judges	Judges Supplemental Pension Plan (Judges Supplemental)	Non Funded

The Regular Plans for both the MLAs and Judges are contributory defined benefit registered pension plans and are pre-funded. The funds related to these plans are administered by independent trust companies.

The Supplemental plans for both the MLAs and Judges are non-contributory defined benefit pension plans and are unfunded; however, the Government has designated assets for the purposes of meeting the obligations of the MLA Supplemental plan (*note 4 (b)*)

The average age of the 19 active members of the MLAs plans is 52. The basic formula of the MLAs plans is 2 percent per year of pensionable service multiplied by the average of the best four consecutive years of earnings. Plan assets consist of Canadian and foreign equities, and Canadian fixed income securities and bonds.

The average age of the 4 active members of the Judges' plans is 57. The basic benefit formula of the Judges' plans is 2 percent per year of pensionable service multiplied by the average of the best six consecutive years of earnings, reducing at age 65 by an amount equal to 0.7% of the average Year's Maximum Pensionable Earnings (YMPE) (as defined in the Canada Pension Plan) determined over 3 years at the time of retirement. Plan assets consist of a diversified portfolio of Canadian and foreign equities and bonds.

All plans provide death benefits to spouses and eligible dependants. All plans are indexed.

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 existing members, the normal retirement age remains age 60. Furthermore, contribution rates for current service for all members of the public service will increase gradually to an employer: employee cost sharing ratio of 50:50 by 2017.

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

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## Government of the Northwest Territories

### Notes to Non-Consolidated Financial Statements (unaudited)

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March 31, 2015

(All figures in thousands of dollars)

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#### 14. PENSIONS (continued)

##### (b) Pension liability

	Regular Funded \$	2015 Supplemental Unfunded \$	Total \$
Accrued benefit obligation	26,582	32,860	59,442
Pension fund assets - market related value	(28,104)	-	(28,104)
Unamortized actuarial gains (losses)	543	(1,938)	(1,395)
<b>Pension liability (asset)</b>	<b>(979)</b>	<b>30,922</b>	<b>29,943</b>

	Regular Funded \$	2014 Supplemental Unfunded \$	Total \$
Accrued benefit obligation	25,405	31,379	56,784
Pension fund assets - market related value	(26,126)	-	(26,126)
Unamortized actuarial losses	(1,679)	(2,325)	(4,004)
<b>Pension liability (asset)</b>	<b>(2,400)</b>	<b>29,054</b>	<b>26,654</b>

Included in the pension asset of \$979 (2014 - \$2,400) is a deficit for accounting purposes of the Judge's plan in the amount of \$806 (2014 - nil).



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## Government of the Northwest Territories

### Notes to Non-Consolidated Financial Statements (unaudited)

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March 31, 2015

(All figures in thousands of dollars)

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#### 14. PENSIONS (continued)

(c) Change in pension liability (asset)

	Regular Funded \$	2015 Supplemental Unfunded \$	Total \$
<b>Opening balance</b>	<b>(2,400)</b>	<b>29,054</b>	<b>26,654</b>
Change to pension liability (asset) from cash items:			
Contributions from plan members	(271)	-	(271)
Contributions from Government	(77)	-	(77)
Benefit payment to plan members	(1,055)	(1,247)	(2,302)
Drawdown from plan assets	1,055	-	1,055
<b>Net change to pension liability (asset) from cash items</b>	<b>(348)</b>	<b>(1,247)</b>	<b>(1,595)</b>
Change to pension liability (asset) from accrual items:			
Current period benefit cost	995	1,203	2,198
Amortization of actuarial losses	773	388	1,161
Interest on average accrued benefit obligation	1,237	1,525	2,762
Expected return on average plan assets	(1,237)	-	(1,237)
<b>Net change to pension liability (asset) from accrual items</b>	<b>1,768</b>	<b>3,116</b>	<b>4,884</b>
<b>Ending balance</b>	<b>(980)</b>	<b>30,923</b>	<b>29,943</b>

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## Government of the Northwest Territories

### Notes to Non-Consolidated Financial Statements (unaudited)

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March 31, 2015

(All figures in thousands of dollars)

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#### 14. PENSIONS (continued)

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

	Regular Funded \$	2014 Supplemental Unfunded \$	Total \$
<b>Opening balance</b>	<b>(3,215)</b>	<b>27,847</b>	<b>24,632</b>
Change to pension liability (asset) from cash items:			
Contributions from plan members	(271)	-	(271)
Contributions from Government	(144)	-	(144)
Benefit payment to plan members	(1,023)	(1,229)	(2,252)
Drawdown from plan assets	1,023	-	1,023
<b>Net change to pension liability (asset) from cash items</b>	<b>(415)</b>	<b>(1,229)</b>	<b>(1,644)</b>
Change to pension liability(asset) from accrual items:			
Current period benefit cost	909	1,098	2,007
Amortization of actuarial (gains) losses	397	(29)	368
Interest on average accrued benefit obligation	1,108	1,367	2,475
Expected return on plan assets	(1,184)	-	(1,184)
<b>Net change to pension liability (assets) from accrual items</b>	<b>1,230</b>	<b>2,436</b>	<b>3,666</b>
<b>Ending balance</b>	<b>(2,400)</b>	<b>29,054</b>	<b>26,654</b>

##### (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 \$4,613 (2014 - \$3,395). The interest cost on the accrued benefit obligation was 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 was 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 was a gain of \$4,649 (2014 - \$2,030).

In addition to the above, the Government contributed \$32,792 (2014 - \$31,136) to the Public Service Superannuation Plan. The employees' contributions to this plan were \$21,434 (2014 - \$17,176).

##### (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 2015 (no changes in 2014).

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## Government of the Northwest Territories

### Notes to Non-Consolidated Financial Statements (unaudited)

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March 31, 2015

(All figures in thousands of dollars)

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#### 14. 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, 2012 and the results were extrapolated to January 31, 2015. The effective date of the next actuarial valuation is April 1, 2016. The actuarial valuation for the Judge's plan was completed as of April 1, 2013 and the results were extrapolated to March 31, 2015. The effective date of the next actuarial valuation is April 1, 2016.

###### *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 \$25,775 (2014 - \$22,490). The asset valuation method for the Judges' plans is market value. The market value of the Judges' regular plan is \$5,530 (2014 - \$5,082).

###### *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 4 years (2014 - 5 years) for the MLA's plans and 3 years (2014 - 4 years) for the Judges' plans.

###### *Actuarial assumptions*

	<b>Legislative Assembly plans</b>	<b>Judges' plans</b>
Expected rate of return on plan assets	4.8%	4.8%
Rate of compensation increase	2.3%	2.3%
Annual inflation rate	2.3%	2.3%
Annual interest rate	4.8%	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.

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## Government of the Northwest Territories

### Notes to Non-Consolidated Financial Statements (unaudited)

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March 31, 2015

(All figures in thousands of dollars)

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#### 15. 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, 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 actuarial valuation includes the liabilities as at March 31, 2015. The liabilities are actuarially determined as the present value of the accrued benefits at March 31, 2015. The values presented below are for all of the benefits under the Compensated Absences and Termination Benefits for the consolidated Government.

	2015 \$
Obligation, beginning of period	36,233
Service costs	5,827
Interest	893
Benefit payments	(6,866)
Obligation, ending of period	<b>36,087</b>
Other employee future benefits	9,204
Other compensated absences	582
Total employee future benefits and other compensated absences	<b>45,873</b>

The discount rate used to determine the accrued benefit obligation was an average of 2.5%.  
The expected payments during the next fiscal year are \$6,582.

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## Government of the Northwest Territories

### Notes to Non-Consolidated Financial Statements (unaudited)

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March 31, 2015

(All figures in thousands of dollars)

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#### 16. 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.

	2015 \$	2014 \$
Surplus (deficit) at beginning of the year	(102)	182
Add: Petroleum Products Stabilization Fund		
Net income (loss) for the year	893	(284)
<b>Surplus (deficit) at end of the year</b>	<b>791</b>	<b>(102)</b>

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#### 17. 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, term deposits, investments, real estate, and other sundry assets.

	2015 \$	2014 \$
Correctional Institutions	429	340
Government of New Brunswick - Deh Cho Bridge	760	5,132
Natural Resources	238	235
Others	6	72
Public Trustee	6,134	6,280
Securities - land use permits, water licences and oil and gas deposits	3,730	-
Supreme and Territorial Courts	1,019	795
	<b>12,316</b>	<b>12,854</b>

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## Government of the Northwest Territories

### Notes to Non-Consolidated Financial Statements (unaudited)

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March 31, 2015

(All figures in thousands of dollars)

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#### 18. CONTRACTUAL OBLIGATIONS

The Government has entered into agreements for, or is contractually committed for the following expenses that will be incurred subsequent to March 31, 2015:

	Expiry Date	2016 \$	2017- 2048 \$	Total \$
Operational commitments	2048	60,885	51,523	112,408
RCMP policing agreement	2032	44,573	713,168	757,741
Commercial leases	2028	17,269	69,797	87,066
Equipment leases	2020	580	494	1,074
Tangible capital asset projects in progress at year end	2019	141,778	50,053	191,831
Block Funding Agreements with Municipalities	2016	5,194	-	5,194
		<b>270,279</b>	<b>885,035</b>	<b>1,155,314</b>

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#### 19. CONTINGENCIES

##### (a) Contractual obligations

The Government is contingently liable for the following guarantees:

	2015 \$
Debentures issued by the Northwest Territories Power Corporation:	
Sinking fund debentures issued by the Northwest Territories Power Corporation	
maturing October 27, 2018	10,000
maturing February 27, 2026	8,700
Debenture series issued by the Northwest Territories Power Corporation	
maturing December 18, 2032	12,000
maturing September 13, 2040	47,476
maturing May 1, 2025	5,323
maturing July 11, 2025	15,000
maturing October 1, 2025	5,394
maturing September 1, 2026	6,206
maturing August 1, 2028	25,000
maturing December 15, 2034	25,000
maturing November 25, 2052	25,000
Loans payable by the Northwest Territories Housing Corporation to Canada Mortgage and Housing Corporation *	7,576
Guaranteed residential housing loans	3,592
<b>Total Guarantees</b>	<b>196,267</b>

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## Government of the Northwest Territories

### Notes to Non-Consolidated Financial Statements (unaudited)

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March 31, 2015

(All figures in thousands of dollars)

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#### 19. CONTINGENCIES (continued)

##### (a) Contractual obligations (continued)

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 \$8,185. 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.

#### 20. 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.

	2015	2014
	\$	\$
Arctic Energy Alliance	2,484	-
Aurora College	35,513	34,823
Inuvialuit Water Board	900	-
Divisional Education Councils and District Education Authorities	138,297	162,746
Health and Social Services Authorities	291,072	252,170
Northwest Territories Power Corporation	28,492	14,303
Northwest Territories Energy Corporation	1,260	1,550
Northwest Territories Business Development and Investment Corporation	3,707	3,754
Northwest Territories Heritage Fund	250	-
Northwest Territories Housing Corporation	89,153	69,332
Northwest Territories Human Rights Commission	306	229
Northwest Territories Sport and Recreation Council	650	650
Status of Women Council of the Northwest Territories	553	424
	<b>592,387</b>	<b>539,981</b>

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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 included personnel, payroll, financial, procurement, accommodation, buildings and works, utilities, legal and interpretation services.

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## Government of the Northwest Territories

### Notes to Non-Consolidated Financial Statements (unaudited)

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March 31, 2015

(All figures in thousands of dollars)

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#### 21. OVEREXPENDITURE

During the year 2 departments (2014 - 0) exceeded their vote by \$3,505 (2014 - \$ nil).

Overexpenditure of a vote contravenes subsection 32 of the *Financial Administration Act* which states that "No person shall incur an expenditure that causes the amount of the item set out in the Estimates on which the appropriation is based to be exceeded".

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

Department of Education, Culture & Employment	\$3,208
Legislative Assembly	\$297

#### 22. SUBSEQUENT EVENTS

##### *Increase to borrowing limit*

The Government of Canada approves the Government's borrowing limit pursuant to subsection 20(2) of the *Northwest Territories Act*. Effective May 28, 2015 the Government's borrowing limit was increased to \$1,300,000 by Order in Council P.C. 2015-644, dated May 28, 2015.

##### *New hospital construction*

The Government has entered into a partnership agreement, valued at \$350 million, to design, build and maintain a new hospital. The hospital is expected to go into service in 2018, after which time the GNWT has committed to pay \$18 million per year for 30 years to maintain the building.

##### *Creditor protection*

On June 9, 2015, North American Tungsten Corporation Ltd, a firm which holds land permits and a water use license in the NWT and wholly owns Cantung Mine, filed for creditor protection in the Supreme Court of British Columbia. As a result the company's continued ability to meet its environmental/site restoration obligations under the associated land and water permits is uncertain. If the Corporation is unable to meet its obligations the Government will negotiate subsequent responsibility with Canada under the terms of the Northwest Territories Lands and Resources Devolution Agreement, including access to \$11,720 security posted in relation to the water permit license.

#### 23. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the financial statement presentation adopted for the current year, including reallocation between departments to provide more meaningful comparisons.



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**Government of the Northwest Territories****Non-Consolidated Schedule of Revenues by Source (unaudited)****Schedule A****for the year ended March 31, 2015**

(thousands of dollars)

	<b>2015 Main Estimates (note 1b) \$</b>	<b>2015 Actual \$</b>	<b>2014 Actual \$</b>
<b>Revenue from the Government of Canada</b>			
Grant	1,208,840	1,208,840	1,121,244
Transfer payments	164,902	210,835	131,729
	<b>1,373,742</b>	<b>1,419,675</b>	<b>1,252,973</b>

**Taxation**

Corporate Income Tax	53,119	31,815	81,256
Personal Income Tax	104,862	110,810	89,451
Fuel	18,890	19,260	18,514
Tobacco	15,826	16,053	15,683
Payroll	45,206	40,250	41,245
Property and school levies	27,885	28,261	27,866
Insurance	4,960	4,676	4,645
	<b>270,748</b>	<b>251,125</b>	<b>278,660</b>

**General**

Program	21,790	19,762	28,112
Service and miscellaneous	712	2,710	10,676
Lease	5,368	9,230	4,766
Revolving Funds net revenue	25,372	25,303	24,383
Regulatory revenues	143,046	86,791	21,812
Investment income	1,130	3,156	2,649
Grants in Kind	593	1,136	593
	<b>198,011</b>	<b>148,088</b>	<b>92,991</b>

<b>Total Revenues</b>	<b>1,842,501</b>	<b>1,818,888</b>	<b>1,624,624</b>
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# Government of the Northwest Territories

## Non-Consolidated Schedule of Expenses (unaudited)

## Schedule B

for the year ended March 31, 2015

(thousands of dollars)

	Main Estimates (note 1b) \$	Compensation and Benefits \$	Grants and Contributions \$	Valuation Allowances \$	Other \$	Amortization \$	2015 Total Expenses \$	2014 Total Expenses \$
Legislative Assembly	18,989	12,687	350	-	5,986	864	19,887	18,656
Executive	11,563	9,158	549	-	3,845	7	13,559	27,434
Aboriginal Affairs and Intergovernmental Relations	9,195	5,892	1,559	-	1,483	-	8,934	6,898
Human Resources	23,636	17,265	-	-	4,223	129	21,617	42,713
Finance	210,630	44,298	145,526	2,814	48,322	2,177	243,137	149,812
Municipal and Community Affairs	127,453	14,283	110,812	1	4,839	10	129,945	127,456
Public Works and Services	110,915	28,887	-	2	76,782	5,275	110,946	105,861
Health and Social Services	393,329	23,215	272,684	-	96,732	9,571	402,202	390,978
Justice	124,955	59,269	2,504	40	60,197	2,158	124,168	118,928
Education, Culture and Employment	306,860	33,229	212,972	423	47,912	15,559	310,095	296,752
Transportation	126,161	38,603	1,090	30	41,468	39,537	120,728	120,121
Environment and Natural Resources	87,528	43,416	11,730	-	78,709	2,240	136,095	83,140
Industry Tourism and Investment	67,541	27,625	21,530	108	15,904	1,343	66,510	48,734
Lands	26,830	17,100	1,013	167	6,069	180	24,529	-
	<b>1,645,585</b>	<b>374,927</b>	<b>782,319</b>	<b>3,585</b>	<b>492,471</b>	<b>79,050</b>	<b>1,732,352</b>	
<b>Prior Year Totals</b>	<b>1,496,755</b>	<b>321,002</b>	<b>722,301</b>	<b>2,815</b>	<b>414,344</b>	<b>77,021</b>		<b>1,537,483</b>

# Government of the Northwest Territories

## Non-Consolidated Schedule of Tangible Capital Assets (unaudited)

## Schedule C

As at March 31, 2015

(thousands of dollars)

	Land \$	Buildings* \$	Other** \$	Leasehold Improvements \$	Equipment* \$	Computers \$	2015 \$	2014 \$
Cost, beginning of year	2,046	953,705	1,445,868	37,127	174,891	107,552	2,721,189	2,579,905
Acquisitions	1,600	51,727	139,972	1,751	15,886	5,028	215,964	147,158
Disposals	-	(1,639)	-	(460)	(198)	(6,544)	(8,841)	(5,874)
Cost, end of year	3,646	1,003,793	1,585,840	38,418	190,579	106,036	2,928,312	2,721,189
Accumulated amortization, beginning of year	-	(357,119)	(476,780)	(28,416)	(92,689)	(63,088)	(1,018,092)	(946,682)
Amortization expense	-	(28,800)	(34,443)	(1,332)	(7,826)	(6,651)	(79,052)	(77,021)
Disposals	-	1,021	-	460	198	6,544	8,223	5,611
Accumulated amortization, end of year	-	(384,898)	(511,223)	(29,288)	(100,317)	(63,195)	(1,088,921)	(1,018,092)
<b>Net book value</b>	<b>3,646</b>	<b>618,895</b>	<b>1,074,617</b>	<b>9,130</b>	<b>90,262</b>	<b>42,841</b>	<b>1,839,391</b>	<b>1,703,097</b>
<b>Work in progress</b>							<b>151,794</b>	<b>131,649</b>
							<b>1,991,185</b>	<b>1,834,746</b>

\* Included in buildings and equipment are assets under capital leases: cost, \$4,284 (2014 - \$4,284); accumulated amortization, \$1,607 (2014 - \$1,483); carrying value, \$2,677 (2014 - \$2,801).

\*\* includes roads, bridges, airstrips, aprons and water/sewer works

Change in net book value of tangible capital assets	2015 \$	2014 \$
Acquisitions	215,963	147,158
Disposals/write-downs/adjustments	(618)	(263)
Amortization	(79,051)	(77,021)
Increase in work in progress	20,145	45,471
<b>Increase</b>	<b>156,439</b>	<b>115,345</b>

# Government of the Northwest Territories

## Non-Consolidated Schedule of Revenues by Department (unaudited)

## Schedule 1

March 31, 2015

(thousands of dollars)

	Main Estimates \$	Increases (Decreases) \$	Revised Estimates \$	Actual Revenues \$	Over(Under) Estimates \$
<b>Legislative Assembly</b>					
General Revenues					
Service and miscellaneous	10	-	10	6	(4)
Regulatory revenue	3	-	3	-	(3)
Investment income	-	-	-	3,156	3,156
	<b>13</b>	<b>-</b>	<b>13</b>	<b>3,162</b>	<b>3,149</b>
<b>Executive</b>					
Grants in kind	<b>150</b>	<b>-</b>	<b>150</b>	<b>150</b>	<b>-</b>
<b>Industry, Tourism and Investment</b>					
Transfer Payments					
Capital transfers	2,673	(34)	2,639	2,639	-
Federal cost shared	-	-	-	(214)	(214)
	<b>2,673</b>	<b>(34)</b>	<b>2,639</b>	<b>2,425</b>	<b>(214)</b>
General Revenues					
Lease	-	-	-	3,011	3,011
Regulatory revenues	121,711	(41,394)	80,317	63,007	(17,310)
Service and miscellaneous	10	(5)	5	2	(3)
	<b>121,721</b>	<b>(41,399)</b>	<b>80,322</b>	<b>66,020</b>	<b>(14,302)</b>
	<b>124,394</b>	<b>(41,433)</b>	<b>82,961</b>	<b>68,445</b>	<b>(14,516)</b>
<b>Environment and Natural Resources</b>					
Transfer Payments					
Federal cost shared	-	-	-	4,150	4,150
Capital transfers	2,856	-	2,856	2,856	-
	<b>2,856</b>	<b>-</b>	<b>2,856</b>	<b>7,006</b>	<b>4,150</b>
General Revenues					
Program	32	-	32	210	178
Regulatory revenues	1,309	171	1,480	1,399	(81)
Service and Miscellaneous	-	-	-	46	46
Revolving funds net revenue	-	-	-	555	555
	<b>1,341</b>	<b>171</b>	<b>1,512</b>	<b>2,210</b>	<b>698</b>
	<b>4,197</b>	<b>171</b>	<b>4,368</b>	<b>9,216</b>	<b>4,848</b>

# Government of the Northwest Territories

## Non-Consolidated Schedule of Revenues by Department (unaudited)

## Schedule 1 (continued)

March 31, 2015

(thousands of dollars)

	Main Estimates \$	Increases (Decreases) \$	Revised Estimates \$	Actual Revenues \$	Over(Under) Estimates \$
<b>Finance</b>					
Grant from Government of Canada	1,208,840	-	1,208,840	1,208,840	-
Transfer Payments					
Federal cost shared	-	-	-	45	45
Canada Health Transfer and Reform Fund	39,180	7,905	47,085	47,085	-
Canada Social Transfer	15,357	176	15,533	15,533	-
	1,263,377	8,081	1,271,458	1,271,503	45
<b>Taxation</b>					
Corporate	53,119	(24,099)	29,020	31,815	2,795
Personal	104,862	3,011	107,873	110,810	2,937
Fuel	18,890	(232)	18,658	19,260	602
Tobacco	15,826	126	15,952	16,053	101
Payroll	45,206	(3,219)	41,987	40,250	(1,737)
Property and school levies	27,885	895	28,780	28,261	(519)
Insurance	4,960	-	4,960	4,676	(284)
	270,748	(23,518)	247,230	251,125	3,895
<b>General Revenues</b>					
Service and miscellaneous	750	-	750	350	(400)
Program	60	-	60	-	(60)
Revolving funds net revenue	25,372	(652)	24,720	24,748	28
Investment income	680	-	680	781	101
Regulatory revenue	463	-	463	549	86
	27,325	(652)	26,673	26,428	(245)
	<b>1,561,450</b>	<b>(16,089)</b>	<b>1,545,361</b>	<b>1,549,056</b>	<b>3,695</b>
<b>Municipal and Community Affairs</b>					
Transfer Payments					
Federal cost shared	2,374	-	2,374	1,764	(610)
<b>General Revenues</b>					
Regulatory revenue	187	-	187	194	7
	<b>2,561</b>	<b>-</b>	<b>2,561</b>	<b>1,958</b>	<b>(603)</b>
<b>Justice</b>					
Transfer payments					
Federal cost shared	4,719	316	5,035	4,266	(769)
<b>General Revenues</b>					
Lease	7	-	7	10	3
Service and miscellaneous	180	-	180	4	(176)
Program	4,375	80	4,455	4,048	(407)
Regulatory revenue	5,013	-	5,013	5,321	308
	9,575	80	9,655	9,383	308
	<b>14,294</b>	<b>396</b>	<b>14,690</b>	<b>13,649</b>	<b>(1,041)</b>

# Government of the Northwest Territories

## Non-Consolidated Schedule of Revenues by Department (unaudited)

## Schedule 1 (continued)

March 31, 2015

(thousands of dollars)

	Main Estimates \$	Increases (Decreases) \$	Revised Estimates \$	Actual Revenues \$	Over(Under) Estimates \$
<b>Public Works and Services</b>					
Transfer Payments					
Federal Cost Shared	42	-	42	-	(42)
Capital Transfer	1,395	-	1,395	1,395	-
	1,437	-	1,437	1,395	(42)
General Revenues					
Service and miscellaneous	343	-	343	506	163
Lease	248	-	248	229	(19)
Program	-	-	-	55	55
Regulatory revenue	985	-	985	1,223	238
	1,576	-	1,576	2,013	437
	<b>3,013</b>	<b>-</b>	<b>3,013</b>	<b>3,408</b>	<b>395</b>
<b>Health and Social Services</b>					
Transfer Payments					
Federal cost shared	29,416	-	29,416	29,420	4
Capital transfers	381	-	381	2,728	2,347
	29,797	-	29,797	32,148	2,351
General Revenues					
Program	14,500	-	14,500	13,332	(1,168)
Regulatory revenue	315	-	315	360	45
Grants in Kind	443	-	443	443	-
	15,258	-	15,258	14,135	(1,123)
	<b>45,055</b>	<b>-</b>	<b>45,055</b>	<b>46,283</b>	<b>1,228</b>
<b>Education, Culture and Employment</b>					
Transfer Payments					
Federal cost shared	8,348	600	8,948	10,358	1,410
Capital transfers	-	-	-	600	600
	8,348	600	8,948	10,958	2,010
General Revenues					
Service and miscellaneous	50	-	50	19	(31)
Lease	10	-	10	40	30
Program	1,040	-	1,040	1,043	3
Investment income	450	-	450	407	(43)
Regulatory revenue	15	-	15	32	17
	1,565	-	1,565	1,541	(24)
	<b>9,913</b>	<b>600</b>	<b>10,513</b>	<b>12,499</b>	<b>1,986</b>

# Government of the Northwest Territories

## Non-Consolidated Schedule of Revenues by Department (unaudited)

## Schedule 1 (continued)

March 31, 2015

(thousands of dollars)

	Main Estimates \$	Increases (Decreases) \$	Revised Estimates \$	Actual Revenues \$	Over(Under) Estimates \$
<b>Transportation</b>					
Transfer Payments					
Federal cost shared	-	-	-	144	144
Capital transfers	57,700	47,000	104,700	88,066	(16,634)
	57,700	47,000	104,700	88,210	(16,490)
 General Revenues					
Lease	2,680	-	2,680	3,280	600
Program	864	35	899	1,074	175
Service and miscellaneous	288	-	288	586	298
Regulatory revenue	12,978	-	12,978	13,765	787
Investment income	-	-	-	3	3
	16,810	-	16,845	18,708	1,863
	<b>74,510</b>	<b>47,035</b>	<b>121,545</b>	<b>106,918</b>	<b>(14,627)</b>
 <b>Lands</b>					
Transfer Payments					
Capital transfers	461	(461)	-	-	-
 General Revenues					
Regulatory revenue	67	-	67	941	(874)
Grants in kind	-	-	-	543	(543)
Lease	2,423	-	2,423	2,660	(237)
	<b>2,951</b>	<b>(461)</b>	<b>2,490</b>	<b>4,144</b>	<b>(1,654)</b>
	<b>1,842,501</b>	<b>(9,781)</b>	<b>1,832,720</b>	<b>1,818,888</b>	<b>(17,140)</b>

# Government of the Northwest Territories

## Non-Consolidated Schedule of Expenses by Department (unaudited)

## Schedule 2

March 31, 2015

(thousands of dollars)

	Main Estimates \$	Supplementary Estimates \$	Transfers \$	Total Appropriation \$	Actual Expenditures \$	(Over)Under Appropriation \$
<b>Legislative Assembly</b>						
Office of the Clerk	7,929	24	-	7,953	8,538	(585)
Expenditures on Behalf of Members	8,031	577	-	8,608	8,414	194
Office, Chief Electoral Officer	768	-	-	768	777	(9)
Statutory Offices	1,909	-	-	1,909	1,839	70
Office of the Speaker	352	-	-	352	319	33
	<b>18,989</b>	<b>601</b>	<b>-</b>	<b>19,590</b>	<b>19,887</b>	<b>(297)</b>
<b>Executive</b>						
Directorate	5,396	6,751	-	12,147	7,721	4,426
Ministers' Offices	3,896	-	-	3,896	3,867	29
Cabinet Support	2,271	-	-	2,271	1,971	300
	<b>11,563</b>	<b>6,751</b>	<b>-</b>	<b>18,314</b>	<b>13,559</b>	<b>4,755</b>
<b>Human Resources</b>						
Directorate	3,817	23	8	3,848	5,307	(1,459)
Management and Recruitment	4,337	130	303	4,770	4,499	271
Strategic Human Resources	9,943	-	(776)	9,167	6,136	3,031
Region Operations	2,721	-	465	3,186	3,067	119
Labour Relations	2,818	-	-	2,818	2,608	210
	<b>23,636</b>	<b>153</b>	<b>-</b>	<b>23,789</b>	<b>21,617</b>	<b>2,172</b>
<b>Aboriginal Affairs and Intergovernmental Relations</b>						
Corporate Management	4,142	6	-	4,148	4,763	(615)
Implementation Division	706	-	-	706	540	166
Negotiations Division	2,640	-	-	2,640	1,998	642
Intergovernmental Relations	1,707	-	-	1,707	1,633	74
	<b>9,195</b>	<b>6</b>	<b>-</b>	<b>9,201</b>	<b>8,934</b>	<b>267</b>
<b>Industry, Tourism and Investment</b>						
Economic Diversification & Business Support	22,970	-	-	22,970	22,518	452
Corporate Management	8,451	120	34	8,605	10,969	(2,364)
Tourism and Parks	13,783	-	21	13,804	13,466	338
Energy	2,988	(800)	-	2,188	2,162	26
Minerals and Petroleum Resources	19,349	430	(2,000)	17,779	16,206	1,573
Office of Regulator Oil & Gas	-	220	1,966	2,186	1,189	997
	<b>67,541</b>	<b>(30)</b>	<b>21 *</b>	<b>67,532</b>	<b>66,510</b>	<b>1,022</b>

\* 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)

March 31, 2015

(thousands of dollars)

	Main Estimates \$	Supplementary Estimates \$	Transfers \$	Total Appropriation \$	Actual Expenditures \$	(Over)Under Appropriation \$
<b>Environment and Natural Resources</b>						
Wildlife	16,118	(43)	92	16,167	15,913	254
Forest Management	32,684	49,354	60	82,098	80,424	1,674
Corporate Management	11,369	91	4	11,464	12,622	(1,158)
Water Resources	10,737	346	56	11,139	10,649	490
Conservation, Assessment & Monitoring	8,423	7	(212)	8,218	7,540	678
Environment	8,197	500	-	8,697	8,947	(250)
	<b>87,528</b>	<b>50,255</b>	<b>-</b>	<b>137,783</b>	<b>136,095</b>	<b>1,688</b>
<b>Finance</b>						
Deputy Minister's Office	89,632	21,516	-	111,148	112,848	(1,700)
Budget, Treasury and Debt Management	27,800	-	-	27,800	24,706	3,094
Comptroller General	49,567	25,162	-	74,729	69,542	5,187
Chief Information Officer	2,460	-	-	2,460	2,364	96
Fiscal Policy	40,129	-	-	40,129	32,610	7,519
Bureau of Statistics	1,042	-	-	1,042	1,005	37
	210,630	46,678	-	257,308	243,075	14,233
Amortization of tangible capital assets of the NWT Liquor Commission	-	-	-	-	62	(62)
	<b>210,630</b>	<b>46,678</b>	<b>-</b>	<b>257,308</b>	<b>243,137</b>	<b>14,171</b>
<b>Municipal and Community Affairs</b>						
Regional Operations	108,982	-	-	108,982	108,616	366
Community Operations	2,627	4,374	-	7,001	5,224	1,777
Directorate	5,455	28	-	5,483	5,967	(484)
School of Community Government	3,252	-	-	3,252	3,029	223
Sport, Recreation and Youth	5,420	-	-	5,420	5,401	19
Public Safety	1,717	-	-	1,717	1,708	9
	<b>127,453</b>	<b>4,402</b>	<b>-</b>	<b>131,855</b>	<b>129,945</b>	<b>1,910</b>
<b>Justice</b>						
Corrections	38,928	-	-	38,928	36,686	2,242
Policing Services	44,906	-	-	44,906	44,877	29
Court Services	12,415	-	-	12,415	13,284	(869)
Services to Government	12,471	731	-	13,202	14,819	(1,617)
Legal Aid Services	6,224	-	-	6,224	5,413	811
Services to Public	5,111	-	-	5,111	5,139	(28)
Community Justice and Policing	4,900	316	-	5,216	3,950	1,266
	<b>124,955</b>	<b>1,047</b>	<b>-</b>	<b>126,002</b>	<b>124,168</b>	<b>1,834</b>

# Government of the Northwest Territories

## Non-Consolidated Schedule of Expenses by Department (unaudited)

## Schedule 2 (continued)

March 31, 2015

(thousands of dollars)

	Main Estimates \$	Supplementary Estimates \$	Transfers \$	Total Appropriation \$	Actual Expenditures \$	(Over)Under Appropriation \$
<b>Health and Social Services</b>						
Directorate	10,016	906	-	10,922	10,332	590
Health Services Programs	210,407	1,545	1,061	213,013	213,888	(875)
Community Programs	99,116	7,716	(1,890)	104,942	100,531	4,411
Program Delivery Support	46,490	1,473	2,787	50,750	47,530	3,220
Supplementary Health Programs	27,300	-	(863)	26,437	29,921	(3,484)
	<b>393,329</b>	<b>11,640</b>	<b>1,095 *</b>	<b>406,064</b>	<b>402,202</b>	<b>3,862</b>
<b>Education, Culture and Employment</b>						
Corporate Management	11,544	1,378	(1,383)	11,539	15,303	(3,764)
Education and Culture	242,474	(1,416)	1,443	242,501	243,819	(1,318)
Labour Development and Standards	10,727	-	5	10,732	10,029	703
Income Security	42,115	-	-	42,115	40,944	1,171
	<b>306,860</b>	<b>(38)</b>	<b>65 *</b>	<b>306,887</b>	<b>310,095</b>	<b>(3,208)</b>
<b>Transportation</b>						
Corporate Services	11,017	349	75	11,441	12,295	(854)
Airports	32,190	(624)	(11)	31,555	26,240	5,315
Highways	68,961	140	(61)	69,040	67,725	1,315
Marine	7,233	-	-	7,233	7,810	(577)
Road Licensing and Safety	5,752	-	(3)	5,749	5,812	(63)
Community Access Program	1,008	-	-	1,008	846	162
	<b>126,161</b>	<b>(135)</b>	<b>-</b>	<b>126,026</b>	<b>120,728</b>	<b>5,298</b>
<b>Public Works and Services</b>						
Asset Management	95,903	2,128	2,592	100,623	94,944	5,679
Directorate	11,836	177	(535)	11,478	12,624	(1,146)
Technology Services Centre	1,282	-	-	1,282	1,216	66
Petroleum Products	1,894	-	-	1,894	2,162	(268)
	<b>110,915</b>	<b>2,305</b>	<b>2,057 *</b>	<b>115,277</b>	<b>110,946</b>	<b>4,331</b>
<b>Lands</b>						
Directorate	4,160	38	1,016	5,214	5,618	(404)
Planning and Coordination	5,850	1,059	(1,009)	5,900	4,653	1,247
Operations	10,486	(8)	(7)	10,471	8,749	1,722
Informatics	6,334	-	-	6,334	5,509	825
	<b>26,830</b>	<b>1,089</b>	<b>-</b>	<b>27,919</b>	<b>24,529</b>	<b>3,390</b>
	<b>1,645,585</b>	<b>124,724</b>	<b>3,238 *</b>	<b>1,773,547</b>	<b>1,732,352</b>	<b>41,195</b>

\* 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

March 31, 2015

(thousands of dollars)

DEPARTMENT	Over-Accruals \$	Other Recoveries \$	Total \$
Legislative Assembly	-	6	6
Executive	-	35	35
Aboriginal Affairs and Intergovernmental Relations	1	1	2
Human Resources	-	78	78
Finance	184	1,182	1,366
Municipal and Community Affairs	60	41	101
Public Works and Services	413	136	549
Health and Social Services	1,191	478	1,669
Justice	177	35	212
Education, Culture and Employment	468	1,830	2,298
Transportation	130	83	213
Environment and Natural Resources	27	210	237
Industry, Tourism and Investment	544	718	1,262
	<b>3,195</b>	<b>4,833</b>	<b>8,028</b>

## Non-Consolidated Schedule of Summary of Capital Acquisitions (unaudited)

## Schedule 4

March 31, 2015

(thousands of dollars)

DEPARTMENT	Main Estimates \$	Supplementary Estimates \$	Total Appropriation \$	Actual Expenditure \$
Legislative Assembly	329	328	657	245
Lands	-	165	165	165
Human Resources	441	-	441	305
Finance	450	706	1,156	564
Public Works and Services	21,678	4,610	26,288	18,659
Health and Social Services	59,698	30,111	89,809	58,568
Justice	4,204	751	4,955	963
Education, Culture and Employment	4,360	4,333	8,693	6,257
Transportation	90,454	58,380	148,834	139,542
Environment and Natural Resources	2,235	4,043	6,278	2,376
Industry, Tourism and Investment	2,968	5,364	8,332	2,428
	<b>186,817</b>	<b>108,791</b>	<b>295,608 *</b>	<b>230,072</b>

\$3,238 of 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. Projects completed by Public Works and Services on behalf of other Departments are reported as expenditures under the owner Department when completed to better reflect investments in Departmental Programs.

# Government of the Northwest Territories

## Non-Consolidated Schedule of Grants (unaudited)

## Schedule 5

for the year ended March 31, 2015

(thousands of dollars)

	Main Estimates \$	Supplementary Estimates \$	Transfers \$	Total Appropriation \$	Actual Expenditures \$	(Over)Under Appropriation \$
<b>Executive</b>						
Band Council Leases (in kind)	150	-	-	150	150	-
Governor General's Canadian Leadership	-	-	-	-	5	(5)
Indspire Awards	35	-	-	35	35	-
Non - Government Organization Stabilization Fund	350	-	-	350	350	-
	<b>535</b>	<b>-</b>	<b>-</b>	<b>535</b>	<b>540</b>	<b>(5)</b>
<b>Transportation</b>						
Highways - Deh Cho Bridge	<b>200</b>	<b>-</b>	<b>-</b>	<b>200</b>	<b>200</b>	<b>-</b>
<b>Aboriginal Affairs and Intergovernmental Relations</b>						
Core Funding to Metis Locals	225	-	-	225	225	-
Special Events - Aboriginal Organizations	75	-	-	75	139	(64)
Aboriginal Intergovernmental Meetings Fund	350	-	-	350	350	-
Women's Initiatives Grants	50	-	-	50	50	-
	<b>700</b>	<b>-</b>	<b>-</b>	<b>700</b>	<b>764</b>	<b>(64)</b>
<b>Finance</b>						
Resouce Revenues Transfer	15,000	-	-	15,000	7,968	7,032
Cost of Living Tax Credit	22,400	-	-	22,400	22,313	87
NWT Child Benefit	1,200	-	-	1,200	1,051	149
	<b>38,600</b>	<b>-</b>	<b>-</b>	<b>38,600</b>	<b>31,332</b>	<b>7,268</b>
<b>Municipal and Community Affairs</b>						
Community Government Funding	168	-	-	168	-	168
New Deal Taxation Revenue Program	475	-	-	475	511	(36)
High Performance Athlete Grant Program	100	-	-	100	68	32
Community Government Funding	47,684	-	-	47,684	47,684	-
Grant in Lieu of Taxes	6,962	-	-	6,962	6,603	359
Senior and Disabled Persons Tax Relief	438	-	-	438	558	(120)
Funding for Regional Operations						
Mobile Equipment and Utilities	1,440	-	-	1,440	1,424	16
	<b>57,267</b>	<b>-</b>	<b>-</b>	<b>57,267</b>	<b>56,848</b>	<b>419</b>

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**Government of the Northwest Territories****Non-Consolidated Schedule of Grants (unaudited)****Schedule 5 (continued)****for the year ended March 31, 2015**

(thousands of dollars)

	Main Estimates \$	Supplementary Estimates \$	Transfers \$	Total Appropriation \$	Actual Expenditures \$	(Over)Under Appropriation \$
<b>Environment and Natural Resources</b>						
Disaster Compensation	100	400	-	500	227	273
Biomass Energy	-	-	-	-	25	(25)
	<b>100</b>	<b>400</b>	<b>-</b>	<b>500</b>	<b>252</b>	<b>248</b>
<b>Health and Social Services</b>						
Medical Professional Development	40	-	-	40	40	-
Lease Extension - YWCA	443	-	-	443	443	-
	<b>483</b>	<b>-</b>	<b>-</b>	<b>483</b>	<b>483</b>	<b>-</b>
<b>Justice</b>						
National Justice Issues	<b>9</b>	<b>-</b>	<b>-</b>	<b>9</b>	<b>6</b>	<b>3</b>
<b>Education, Culture and Employment</b>						
Student Grants	11,136	-	-	11,136	9,488	1,648
Community Broadcasting Grants	52	-	-	52	30	22
Early Childhood Worker Grants	-	-	511	511	584	(73)
	<b>11,188</b>	<b>-</b>	<b>511</b>	<b>11,699</b>	<b>10,102</b>	<b>1,597</b>
<b>Industry, Tourism and Investment</b>						
Fur Price Program	610	-	-	610	663	(53)
Disaster Compensation Program	15	-	-	15	28	(13)
	<b>625</b>	<b>-</b>	<b>-</b>	<b>625</b>	<b>691</b>	<b>(66)</b>
<b>Lands</b>						
Land Sales (in kind)	-	-	-	-	<b>543</b>	<b>-</b>
<b>Total</b>	<b>109,707</b>	<b>400</b>	<b>511</b>	<b>110,618</b>	<b>101,761</b>	<b>8,857</b>

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**Government of the Northwest Territories****Non-Consolidated Schedule of Contributions (unaudited)****Schedule 6****for the year ended March 31, 2015**

(thousands of dollars)

	<b>Main Estimates \$</b>	<b>Supplementary Estimates \$</b>	<b>Transfers \$</b>	<b>Total Appropriation \$</b>	<b>Actual Expenditures \$</b>	<b>(Over) Under Appropriation \$</b>
<b>Legislative Assembly</b>						
Human Rights Commission	<b>350</b>	-	-	350	350	-
<b>Executive</b>						
NWT Literacy Council	-	-	-	-	<b>9</b>	<b>(9)</b>
<b>Aboriginal Affairs and Intergovernmental Relations</b>						
Native Women's Association	416	-	-	416	416	
Status of Women Council	379	-	-	379	379	-
	<b>795</b>	-	-	<b>795</b>	<b>795</b>	-
<b>Finance</b>						
Northwest Territories Power Corporation						
Snare Hydro System	-	20,000	-	20,000	20,000	-
General Rate Application Support	2,800	-	-	2,800	2,800	-
Territorial Power Subsidy Program	11,085	-	-	11,085	6,078	5,007
Northwest Territories Heritage Fund	250	-	-	250	250	-
Northwest Territories Housing Corporation - Operations	83,482	1,509	-	84,991	84,991	-
Falcon Communications	50	-	-	50	75	(25)
	<b>97,667</b>	<b>21,509</b>	-	<b>119,176</b>	<b>114,194</b>	<b>4,982</b>

# Government of the Northwest Territories

## Non-Consolidated Schedule of Contributions (unaudited)

## Schedule 6 (continued)

for the year ended March 31, 2015

(thousands of dollars)

	Main Estimates \$	Supplementary Estimates \$	Transfers \$	Total Appropriation \$	Actual Expenditures \$	(Over) Under Appropriation \$
<b>Municipal and Community Affairs</b>						
Contribution Funding	470	-	-	470	630	(160)
Management of Drinking Water	50	-	-	50	50	-
Ground Ambulance	400	-	-	400	400	-
Recreation Contributions	450	-	-	450	523	(73)
Volunteer Contributions	70	-	-	70	52	18
Youth Centers	500	-	-	500	514	(14)
Pan Territorial Sport Program	272	-	-	272	272	-
Youth Corps-Regional Operations	500	-	-	500	461	39
Water Sewer Services Funding	15,937	-	-	15,937	15,934	3
Youth Contributions-Regional Operations	225	-	-	225	232	(7)
A Brilliant North	680	-	-	680	382	298
Multi Sport Games	650	-	-	650	650	-
Healthy Choices	765	-	-	765	763	2
Children and Youth Resiliency	450	-	-	450	300	150
<b>Community Governments</b>						
Financial Services	135	-	-	135	114	21
Special Assistance	-	-	-	-	133	(133)
Capital Formula Financing	28,002	-	-	28,002	28,002	-
Recreation Funding	825	-	-	825	829	(4)
Get Active	100	-	-	100	100	-
Regional Youth Sport Events	400	-	-	400	366	34
Youth Contributions - Sport, Recreation and Youth	25	-	-	25	5	20
Building Canada Plan	-	4,374	-	4,374	2,612	1,762
Youth Corps- Sport, Recreation and Youth	675	-	-	675	630	45
Volunteer Recognition	-	-	-	-	10	(10)
	<b>51,581</b>	<b>4,374</b>	<b>-</b>	<b>55,955</b>	<b>53,964</b>	<b>1,991</b>
<b>Transportation</b>						
Airport Career Development Program	30	-	-	30	45	(15)
Community Access Program	980	-	-	980	835	145
Students Against Drinking and Driving (SADD)	12	-	-	12	10	2
	<b>1,022</b>	<b>-</b>	<b>-</b>	<b>1,022</b>	<b>890</b>	<b>132</b>
<b>Lands</b>						
Consultation for Land Use Decisions	100	-	-	100	62	38
Land Use Planning Processes	400	-	-	400	369	31
Sustainable Land Use Management	180	-	-	180	39	141
	<b>680</b>	<b>-</b>	<b>-</b>	<b>680</b>	<b>470</b>	<b>210</b>

**Government of the Northwest Territories**

**Non-Consolidated Schedule of Contributions (unaudited)**

**Schedule 6 (continued)**

**for the year ended March 31, 2015**

(thousands of dollars)

	<b>Main Estimates \$</b>	<b>Supplementary Estimates \$</b>	<b>Transfers \$</b>	<b>Total Appropriation \$</b>	<b>Actual Expenditures \$</b>	<b>(Over) Under Appropriation \$</b>
<b>Health and Social Services</b>						
Health and Social Services Authorities						
Operating	19,780	1,323	829	21,932	19,829	2,103
Health Centres	30,283	-	-	30,283	30,919	(636)
Equipment Evergreening	700	-	-	700	250	450
Professional Development Recruitment	2,701	-	-	2,701	661	2,040
System Navigation	-	-	-	-	115	(115)
Hospital Services	87,752	-	(14)	87,738	87,306	432
Anti-Poverty Strategy and Framework	650	-	-	650	650	-
Territorial Health Services	761	-	-	761	809	(48)
Office of the Chief Public Health Officer	11	-	-	11	461	(450)
Aboriginal Health and Community						
Wellness	1,163	150	1,555	2,868	2,558	310
Medical Travel Benefits for Residents	16,829	-	-	16,829	17,499	(670)
Mental Health and Addictions	2,313	-	(150)	2,163	1,532	631
Residential Care - Elderly and Persons with						
Disabilities	23,929	-	-	23,929	22,828	1,101
French Language Services	-	747	-	747	215	532
Health Awareness, Activities and Education	2,319	-	(1,205)	1,114	1,158	(44)
Children's Services	12,326	-	-	12,326	12,349	(23)
Physician Services	39,586	(326)	(20)	39,240	40,460	(1,220)
Community Services	32,374	-	-	32,374	32,580	(206)
Tlicho Cultural Coordinator	35	-	-	35	22	13
	<b>273,512</b>	<b>1,894</b>	<b>995</b>	<b>276,401</b>	<b>272,201</b>	<b>4,200</b>



# Government of the Northwest Territories

## Non-Consolidated Schedule of Contributions (unaudited)

## Schedule 6 (continued)

for the year ended March 31, 2015

(thousands of dollars)

	Main Estimates \$	Supplementary Estimates \$	Transfers \$	Total Appropriation \$	Actual Expenditures \$	(Over) Under Appropriation \$
<b>Environment and Natural Resources</b>						
Mackenzie River Basin Board	40	-	-	40	40	-
Energy Guides for Houses	150	-	-	150	150	-
Public Education	-	-	-	-	2	(2)
Adaptation Plan	51	-	-	51	43	8
Traditional Knowledge Contributions	65	-	-	65	68	(3)
Interim Resource Management Agreement	1,655	-	-	1,655	1,605	50
Energy Conservation Contributions	200	-	-	200	172	28
Energy Initiatives	-	300	-	300	300	-
Alternative Energy Program Contributions	300	-	-	300	611	(311)
Biomass Energy	450	50	-	500	432	68
Stewardship Program	500	-	-	500	518	(18)
Arctic Energy Alliance	1,413	-	-	1,413	1,417	(4)
Wind Energy	100	-	-	100	100	-
Wildfire Risk Management Plans	50	-	-	50	-	50
Wildlife Research Support	50	-	-	50	-	50
Business Support Program	200	-	-	200	200	-
Energy Efficiency Incentive Program	300	100	-	400	400	-
Solar Energy	625	50	-	675	566	109
Aquatic Ecosystems Research Partnership Program	200	-	-	200	-	200
Environmental Baseline Studies	100	-	-	100	-	100
Northwest Territories Water Strategy	250	-	-	250	629	(379)
Community Protection Research	10	-	-	10	25	(15)
Northwest Territories Water Board	900	-	-	900	900	-
Caribou Strategy	275	-	15	290	626	(336)
Biomass Supply	-	-	-	-	80	(80)
Wildlife Management Boards	178	-	-	178	223	(45)
Contributions Various-Related to Bison	-	-	-	-	55	(55)
Disaster Compensation	-	-	-	-	22	(22)
Cumulative Impact Monitoring Program	1,540	-	-	1,540	1,596	(56)
Conservation Planning	140	-	-	140	98	42
Environment Canada	600	-	-	600	600	-
Disease Contaminants	16	-	-	16	-	16
	<b>10,358</b>	<b>500</b>	<b>15</b>	<b>10,873</b>	<b>11,478</b>	<b>(605)</b>

# Government of the Northwest Territories

## Non-Consolidated Schedule of Contributions (unaudited)

## Schedule 6 (continued)

for the year ended March 31, 2015

(thousands of dollars)

	Main Estimates \$	Supplementary Estimates \$	Transfers \$	Total Appropriation \$	Actual Expenditures \$	(Over) Under Appropriation \$
<b>Industry, Tourism and Investment</b>						
Business Development and Investment Corporation Core Funding	3,807	-	-	3,807	3,707	100
Community Futures	1,272	-	-	1,272	986	286
Community Transfers Initiative	1,582	-	-	1,582	1,484	98
Business Internship	50	-	-	50	-	50
Support for Entrepreneur and Economic Development	3,866	-	-	3,866	4,148	(282)
Film Industry Pilot Project	100	-	-	100	60	40
Mackenzie Valley Development	715	-	-	715	600	115
Contributions - Various (Economic Diversification and Business Support)	-	-	-	-	14	(14)
NT Energy Core Funding	700	-	-	700	797	(97)
Medium/Long-term Energy Options for Inuvik	150	-	-	150	315	(165)
Tourism 2015	400	-	-	400	531	(131)
Water Monitoring	50	-	-	50	50	-
Energy Contributions	1,600	(800)	-	800	424	376
Tourism Diversification Program	1,086	-	-	1,086	1,019	67
Northwest Territories Chamber of Mines	30	-	-	30	50	(20)
Tourism and Parks Contribution - Various	-	-	-	-	143	(143)
Sport Hunt Outfitter Marketing Support	300	-	-	300	100	200
Take A Kid Trapping	125	-	-	125	6	119
Community Harvester Assistance	1,074	-	-	1,074	1,162	(88)
Commercial Fisheries	225	-	-	225	166	59
Aboriginal Mineral Development Support	100	-	-	100	101	(1)
Local Wildlife Committees	257	-	-	257	138	119
Northern Food Development Program	550	-	-	550	418	132
Mining Incentive Program	400	-	-	400	375	25
Diavik Socioeconomic Agreement	180	-	-	180	-	180
CanZinc Socioeconomic Agreement	30	-	-	30	-	30
Great Northern Arts Festival	25	-	-	25	25	-
Contributions - Various (Mineral and Petroleum Resources)	-	-	-	-	245	(245)
Community Tourism Infrastructure	100	-	-	100	-	100
Tourism Industry Contribution	3,336	-	-	3,336	3,366	(30)
Tourism Skills Development	75	-	-	75	27	48
Convention Bureau	100	-	-	100	100	-
Northern Frontier Visitors Centre	161	-	-	161	161	-
Growing Forward II	300	-	-	300	121	179
	<b>22,746</b>	<b>(800)</b>	<b>-</b>	<b>21,946</b>	<b>20,839</b>	<b>1,107</b>
<b>Justice</b>						
YWCA of Yellowknife	105	-	-	105	105	-
Victims Assistance Support Projects	615	-	-	615	591	24
Community Justice Committees and Projects	1,611	316	-	1,927	1,781	146
Wilderness Camps	149	-	-	149	-	149
Elder's Program	30	-	-	30	-	30
Directorate	-	-	-	-	21	(21)
	<b>2,510</b>	<b>316</b>	<b>-</b>	<b>2,826</b>	<b>2,498</b>	<b>328</b>

**Government of the Northwest Territories**

**Non-Consolidated Schedule of Contributions (unaudited)**

**Schedule 6 (continued)**

**for the year ended March 31, 2015**

(thousands of dollars)

	<b>Main Estimates \$</b>	<b>Supplementary Estimates \$</b>	<b>Transfers \$</b>	<b>Total Appropriation \$</b>	<b>Actual Expenditures \$</b>	<b>(Over) Under Appropriation \$</b>
<b>Education, Culture and Employment</b>						
Education Authority Contributions	152,033	-	(1,562)	150,471	147,665	2,806
Aurora College Contributions	33,541	-	(120)	33,421	32,401	1,020
Healthy Food for Children and Youth	650	-	-	650	650	-
Literacy	2,356	-	-	2,356	2,782	(426)
Teachers Professional Improvement Fund	1,967	-	-	1,967	1,743	224
Healthy Children Initiative	2,110	-	-	2,110	1,880	230
Early Childhood Program	4,457	375	(1,276)	3,556	3,918	(362)
Minority Language Education and Second Language Instruction	2,401	-	-	2,401	2,650	(249)
Official Languages:						
Aboriginal Languages Broadcasting	370	-	-	370	375	(5)
Francophone Affairs	350	(329)	-	21	44	(23)
Aboriginal Languages	4,816	-	-	4,816	4,817	(1)
Community Library Services	763	-	-	763	765	(2)
Cultural Organizations	554	-	-	554	539	15
Cultural Projects	36	-	-	36	24	12
Heritage Centres	491	-	-	491	439	52
Arts Council	500	-	-	500	438	62
Support to Northern Performers	181	-	-	181	156	25
Mineral Development Strategy	-	-	-	-	12	(12)
Skills Canada	70	-	-	70	120	(50)
Small Community Employment	339	-	-	339	382	(43)
New Northern Arts Program	250	-	-	250	238	12
Cultural Component of Sports Events	50	-	-	50	40	10
Infrastructure Contributions for Education and Culture	1,261	-	269	1,530	632	898
Infrastructure Contributions for Advanced Education	-	269	(669)	(400)	160	(560)
	<b>209,546</b>	<b>315</b>	<b>(3,358)</b>	<b>206,503</b>	<b>202,870</b>	<b>3,633</b>
<b>Total</b>	<b>670,767</b>	<b>28,108</b>	<b>(2,348)</b>	<b>696,527</b>	<b>680,558</b>	<b>15,969</b>

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**Government of the Northwest Territories****Non-Consolidated Schedule of Special Warrants (unaudited)****Schedule 7****for the year ended March 31, 2015**

(thousands of dollars)

	<b>Date of FMB Approval</b>	<b>Amount Authorized \$</b>
<b>OPERATIONS AND MAINTENANCE</b>		
A special warrant was approved to fund the projected shortfall in the forest fire suppression budget due to extreme fire conditions in 2014.	15-Jul-2014	17,698
A special warrant was approved to fund the shortfall in the forest fire suppression budget due to extreme fire conditions in 2014.	21-Aug-2014	<u>29,713</u>
<b>Total Special Warrants</b>		<b><u>47,411</u></b>

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**Government of the Northwest Territories****Non-Consolidated Schedule of Inter-activity Transfers Exceeding \$250,000 (unaudited)****Schedule 8****for the year ended March 31, 2015****(thousands of dollars)**

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	<b>Transfer to (from) \$</b>	<b>Explanation</b>
<b>OPERATIONS AND MAINTENANCE</b>		
<b>Health and Social Services</b>		
Program Delivery Support	1,603	Reallocation of resources resulting from re-organization and the movement of Healthy Families and Anti-Poverty funding to Aboriginal Health and Community Wellness Division.
Community Programs	(1,603)	Reallocation of resources resulting from re-organization and the movement of Healthy Families and Anti-Poverty funding to Aboriginal Health and Community Wellness Division.
Program Delivery Support	855	Reallocation of resources resulting from re-organization and the movement of Anti-Poverty funding to Aboriginal Health and Community Wellness Division.
Directorate	(855)	Reallocation of resources resulting from re-organization and the movement of Anti-Poverty funding to Aboriginal Health and Community Wellness Division.
Infrastructure Project Classification	1,095	The infrastructure budget associated with project costs that are not classified as capital expenditures has been transferred to the operations and maintenance budget.
<b>Education, Culture and Employment</b>		
Corporate Management	1,378	Reallocation for French language operating plans.
Education and Culture	(1,378)	Reallocation for French language operating plans.
Infrastructure Project Classification	65	The infrastructure budget associated with project costs that are not classified as capital expenditures has been transferred to the operations and maintenance budget.
<b>Public Works and Services</b>		
Directorate	(250)	Reallocation to cover shortfall for the one-time data conversion costs to transfer Aboriginal Affairs and Northern Development Canada (AANDC) electronic records to the Government.
Asset Management	250	Reallocation to cover shortfall for the one-time data conversion costs to transfer AANDC electronic records to the Government.
Directorate	(285)	Reallocate devolution funding for two property management positions
Asset Management	285	Reallocate devolution funding for two property management positions
Infrastructure Project Classification	2,057	The infrastructure budget associated with project costs that are not classified as capital expenditures has been transferred to the operations and maintenance budget.

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**Government of the Northwest Territories**

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**Non-Consolidated Schedule of Inter-activity Transfers Exceeding \$250,000 (unaudited)      Schedule 8 (continued)**

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**for the year ended March 31, 2015** (thousands of dollars)

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	Transfer to (from) \$	Explanation
<b>Human Resources</b>		
Management and Recruitment	303	Salaries moved between program areas to facilitate core business.
Strategic Human Resources	(303)	Salaries moved between program areas to facilitate core business.
Regional Operations	465	Regional Recruitment Strategy Program and funding moved from Headquarters (HQ) to Southern Region
Strategic Human Resources	(465)	Regional Recruitment Strategy Program and funding moved from HQ to Southern Region
<b>Industry, Tourism, and Investment</b>		
Mineral and Petroleum Resources	(2,000)	Establishment of the office of the Regulator of Oil and Gas Operations
Office of Regulator Oil and Gas	2,000	Establishment of the office of the Regulator of Oil and Gas Operations
Infrastructure Project Classification	21	The infrastructure budget associated with project costs that are not classified as capital expenditures has been transferred to the operations and maintenance budget.
<b>Lands</b>		
Directorate	1,009	Liabilities and Financial Assurances unit reprofiled from Planning and Coordination Activity.
Planning and Coordination	(1,009)	Liabilities and Financial Assurances unit reprofiled to Directorate Activity.
<b>CAPITAL INVESTMENT</b>		
<b>Transportation</b>		
Highways	(593)	Transfer as a result of increased project costs from weather delays and unforeseen site conditions in Trout Lake Airport Relocation
Airport	593	Transfer as a result of increased project costs from weather delays and unforeseen site conditions in Trout Lake Airport Relocation.
<b>Justice</b>		
Court Services	(559)	Transfer completed to fund the integrated Case Management Unit and Specialized Wellness Court office space tenant improvements.
Corrections	559	Transfer completed to fund the integrated Case Management Unit and Specialized Wellness Court office space tenant improvements.

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**Government of the Northwest Territories**

**Non-Consolidated Schedule of Bad Debt Write-offs, Forgiveness  
and Student Loan Remissions (unaudited)**

**Schedule 9**

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**for the year ended March 31, 2015**

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**ACCOUNTS RECEIVABLE WRITTEN OFF**

No amounts were written off during the  
fiscal year ended March 31, 2015.

**FORGIVENESS OF DEBT**

The total debts forgiven during the fiscal  
year ended March 31, 2015 was \$115,266.

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

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**for the year ended March 31, 2015**

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**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 and the employment or residency criteria, have qualified and been granted remission of their loans.

<b>Name</b>	<b>\$</b>	<b>Name</b>	<b>\$</b>
Adam, Shariff	4,000	Bowen, Michael	5,600
Adams, Jhillian	6,324	Boyd, Jayson	1,258
Aitken, Christopher Michael	1,301	Bradbury, Amanda	4,000
Aitken, Jennifer Laura	2,598	Bradbury, Chelsea	4,000
Alty, Rebecca	489	Bradford, Adam	318
Anavilok, Judy	3,253	Brasseur, Kali	4,000
Anderson, Neil	718	Brenton, Sarah	1,984
Anderson, Fraser	1,984	Brenton, Victoria Samantha	2,850
Anderson, Kari	6,017	Brewster, Jasmine Dawn	1,228
Anderson, Wesley Brian	6,664	Bromley, Kelty	4,000
Andre, Deiter	2,269	Bromley, Tara	1,984
Arberry, Saundra	1,984	Brown, Robyn	1,348
Ashby, Kaleigh	492	Bruser, Benjamin	4,000
Ashcroft, Sunny	4,004	Bruser, Rebecca	4,000
Babiuk, Michelle	4,779	Buchanan, Christopher	4,000
Bachand, Brendan	1,984	Buchanan, David	6,017
Balasanyan, Roza	2,685	Buckley, Tayler	3,146
Bauhaus, Stephanie	12,122	Budgell, Alexandra	2,663
Beemer, Levi	2,674	Budgell, Victoria	2,181
Bell, Adrian	1,758	Bullock, Corrine Eden	6,587
Bell, Jason	1,984	Callahan, Mitchell	9,261
Bell, Karlee Dawn	6,729	Callas, Brendan	4,143
Bell, Margaret Jean	4,000	Callas, Michael	4,000
Bell, Tyler	756	Campbell, Alexis	2,466
Bengts, Lauren	5,239	Campbell, Donald	1,984
Bengts, Stacie	4,000	Campbell, Donald	2,017
Benoit, Shelby-Lynn	4,669	Campbell, Gordon	1,140
Bent, Celeste	2,970	Campbell, Lana	3,989
Bentley-Little, McKenzie	4,702	Campbell, Terrence	4,000
Besarra, Renfred	1,253	Canam, Rebecca	2,915
Bevan, Kyle	4,000	Canning, Sara	3,409
Biggar, Kyle Anthony	1,151	Canuel-Kirkwood, Shoshanna	3,288
Blesse, Lida	2,507	Carey, Katie	4,000
Boggis, Cristina	1,315	Carrillo, Karen	4,000
Bokovay, David	4,000	Carter, Angela	7,201
Bolstad, Joshua	4,000	Cartwright, Aidan	1,984
Bolstad, Mandi	4,000	Castro, Paula Melissa	274
Bonnell, Nicole	4,000	Chambers, Mary	4,844
Booth, Miranda	3,102	Charpentier, Hope	2,345
Borden, Jessie	4,000	Chenkie, Ryan	4,000
Borkovic, Joey	4,000	Cherwaty, Kyla	712
Borschneck, Thomas	3,365	Chetwynd, Jamie	6,628
Bothamley, Kelly	4,000	Choquette, Bradley	6,017
Bourassa, Darcy	4,000	Christensen, Marc	2,269
Bowden, Rachel	4,000	Christensen, Michael	4,000

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**Government of the Northwest Territories**

**Non-Consolidated Schedule of Bad Debt Write-offs, Forgiveness  
and Student Loan Remissions (unaudited)**

**Schedule 9  
(continued)**

**for the year ended March 31, 2015**

Chung, Carissa	4,000	Grayston, Jodi	4,000
Coleman, Melanie	3,978	Green, Ashley	964
Collier, Ryan	1,984	Greening, Cassandra	1,151
Cooper, Merrill	2,718	Grinsted, Roya Jean	2,641
Corey, Jeffery	1,973	Groenheyde, Cali	2,356
Corey, Laura	3,957	Guthrie, Lydia	1,984
Cote, Lee Ann	493	Gzowski, Angela	6,017
Couturier, Donald	4,000	Hall, Heather	3,387
Creed, Leslie	798	Hamilton, Shelby	6,017
Crews, Angela	1,622	Hand, Michael	2,203
Cumming, Kelly	291	Harding, Jonathan	4,000
Curtis, Dustan	6,346	Harman, Megan Kathleen	5,634
Dahl, Diana	1,688	Harris, Brooke	4,000
Dam, Thomas	3,343	Hernandez, Anneluzelia	6,017
Dang, Debbie	1,984	Hernandez, Moses	1,543
Dautel, Janell	1,984	Herriot, Brittany	4,000
De Bastiani, Thomas	4,000	Heslep, Alison	1,984
Debassige, Lindsay Elizabeth	4,000	Hess, Samera	1,984
Debogorski, Dominic	1,140	Hewitt, Kevin Samuel	2,828
Debogorski, Juliane Louise	3,080	Hiebert, Talia	1,984
Del Valle, Tirzah	3,400	Hinchey, Alexandra Paige	2,455
Desilets, Angela	4,000	Hnatiw, Keegan	1,481
Devitt, Allison Christina	4,110	Hoefer, Dietrich	2,060
Digness, Samantha	4,000	Holden, Alberta	2,861
Dillon, Kathleen	448	Hubert, Storm	2,900
Elford, Rebecca	2,806	Hurley, Tara	4,000
Elkin, Katherine	1,337	Hussey, Steven	1,984
Enerio, Marry	2,082	Hysert, Gwen	4,000
Enns, Monica	1,984	Irvine, Taylor	4,000
Escalante, Lucy	5,479	Jacobs, Taylor	5,820
Fabien, Brandon	2,641	Jaffray, Caitlin	1,984
Fabien, Katelyn	723	Jameson, Brette	918
Faulkner, Morgan Kathleen	2,800	Jason, Whitney	2,800
Fisher, Whitney	4,658	Jefferson, Kate	4,000
Forget-Manson, Avivah	1,984	Jeffery, Julia	4,088
Forget-Manson, Elijah	3,014	Johansen, Nichol	1,984
Foster, Brianne	1,984	Johnson, Jessi	4,000
Fournier, Tristen	4,000	Johnson, Michaela	3,978
Freund, Charlene	1,976	Johnston, Andrew	4,000
Fryer, Janine	4,000	Jonasson, Jessica	4,000
Fuentes, Max	4,186	Jones, Brittany	4,000
Gard, Tehnille	1,984	Jones, Quintin	4,000
Gardiner, Corin	4,000	Jung, Courtney	4,000
Gebauer, Morgan	877	Kaeser, Courtney	6,499
Gibbons, Katelyn	1,984	Kalnay, William	1,707
Gibbons, Rebecca	2,707	Kamitomo, Travis	4,220
Gilbert, Stephanie	5,984	Kanwal, Inderjit	1,984
Gilday, Jillian Marguerite Dunbar	4,866	Kefalas, Kyle	4,000
Gill, Carolyn Mary Elizabeth	4,340	Kelly, Erica	435
Gillander, Amanda	4,000	Kimble, Jessica	5,984
Gillard, Danielle Alexandra	4,110	King, Emily	2,093
Glowach, Christine	4,000	Kipling, Keisha	1,984
Grabke, Dwight	4,000	Kocik, Kirsten	4,000
Graf, Derek	4,000	Komi, Arisa	4,000

# Government of the Northwest Territories

## Non-Consolidated Schedule of Bad Debt Write-offs, Forgiveness and Student Loan Remissions (unaudited)

## Schedule 9 (continued)

for the year ended March 31, 2015

Kornichuk, Rebecca	9,985	McCreadie, Allister	4,000
Koswan, Bradley	4,000	McDonald, Mande	4,000
Krivda, Carlie Anne	4,209	McGreish, Kendra	4,000
Kronstal, Alana	1,984	McIntyre-Smith, Julia	3,452
Kronstal, Karin	4,998	McKay, James	3,117
Lafferty, Jessica	354	McKee, Janel	3,616
Laity, Erin	4,000	McKiel, Courtney	1,984
Lakhani, Sabrina	2,444	McLeod, Laura	4,000
Lakusta, Matthew	2,324	McMullen, Andrea	2,740
Lalonde, Keshki	2,313	Menard, Alanna	5,568
Lambert, Richard	2,192	Merrithew, Leslie	4,000
Laratta, Elisabeth	997	Meulenbroek, Mark	2,729
Lavoie-Stobbs, Arlene	4,000	Meulenbroek, Yvonne	3,613
Lee, Kaylan	700	Michel, Gina	3,573
Lemieux, Tanya	1,440	Miklosovic, Stefanie	4,899
LePrieur, Joanna	5,206	Milne, Christopher	2,970
Letourneau-Paci, Chloe	2,696	Miyok, Valerie	1,298
Letourneau-Paci, Sebastien	2,619	Moffitt, Morgan	1,984
Lindsay, Michel	625	Moore, Kelly	4,000
Lippert, Joshua	4,000	Moran, Colton	4,000
Lodge, Emily	4,000	Morgan, Bibi Nawsheen	4,000
Long, Jenna	4,000	Morrison, Amanda	5,513
Look, Raynor	4,000	Morse, Julian	2,017
MacDonald, Amy	581	Morse, Melanie	4,000
MacDonald, David	4,000	Morton, Fallon	4,000
MacDougall, Kelsey	4,296	Moss, Chase	2,817
MacKay-Johnson, Brenna	2,247	Moss, Tessa	1,110
Mackenzie, James	1,000	Mulders, Tamika	2,148
MacLellan, Joseph	4,000	Muller, Mikaela	2,137
MacNeill, Laura	4,000	Munroe-Rosen, Soura	4,000
MacNeill, Nancy	6,138	Murphy, Christine	4,000
Maddeaux-Young, Hayley	1,984	Murray, Daniel	619
Madsen, Devin	4,000	Murray, Janet	5,601
Magtibay, Angeline	2,137	Myrick, Andrea	6,017
Maguire, David	6,170	Nendsa, Troy	877
Mahler, Kirstin	1,984	Nguyen, Phi	2,800
Mahler, Rebecca	1,359	Nilson, Andrea	2,367
Mailloux-Tennant, Justin	1,271	Noel, Jeremy	4,000
Mair, Colin	2,269	Nojeda, Jovi-Lynn	4,000
Mair, Dylan	6,017	Nolting, Michael	2,430
Maisonneuve, Shayla	4,000	Norbert, Nigit'stil	4,000
Makletzoff, Tonya	2,017	Normandin, Chelsey	2,100
Malakoe, Alexandria	4,000	Oake, Meha	4,176
Malakoe, Michael	2,291	O'Connell, Kevin	2,334
Mandeville, Curtis	4,000	O'Connor, Elise	1,052
Maracle, Alisen	1,815	Offredi, Stephen	2,803
Marriott, Jessica	4,000	O'Keefe, Harry	4,000
Marsh, Tegan	3,825	Ollerhead, Diana	4,406
Marshall, Jasmin	680	Orbell, Mark	1,666
Marshman, Michelle	4,669	Pagonis, Shayla	4,000
Marta, Ashley	1,984	Paivalainen, Braeden	2,828
Martin-Elson, Sonja	2,608	Paquin, Jahliele	4,340
McArthur, Allison	6,170	Paquin, Myriam	2,343
McCabe, Stephanie	6,017	Parker, Melody	4,000

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

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**for the year ended March 31, 2015**

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Parrell, Cassandra	567	Skinner, Shelby	1,348
Paul, Lyndsay	2,356	Skolny, Joel	3,858
Pearl, Sheldon	4,340	Smith, Angus	2,674
Phillips, Trenton	4,088	Smith, Jodi	6,017
Pidborochynski, Dezeræ	2,006	Smith, Maggie	2,740
Pilling, Tyler	2,400	Snyder, Cody	20
Plouffe, Michael	5,272	Sosiak, Kevin	4,000
Poitrass, Austen	4,400	St. Arnaud, Jessica	4,000
Pond, Ryan	4,000	St. Croix, Aleta	3,803
Porter, Raylene	4,000	Starling, Brent	6,017
Pound, Shawna	1,984	Steen, Rebecca	4,000
Power, Sarah	1,633	Stevens, Megan	2,685
Purchase, Elizabeth	4,000	Stinson (Scott), Cleo	2,257
Radicchi, Laura	4,000	Stipdonk, Chris	4,000
Raffai, Roland	4,000	Stirling, Aislinn	3,998
Rattray, Kevin	4,000	Stock, Edeil	2,652
Redshaw, Braden	1,469	Straker, Devon	3,002
Reid, Taylor	2,685	Strand, Christina	2,587
Remtmeister, Taylor	3,913	Styan, Bryce	6,477
Rivera, Jill	4,000	Sullivan, Joshua	1,572
Roberts, Brittany	4,000	Sumcad, Jasmin	1,984
Robertson, Drew	4,000	Sveinsson, Chelsea	1,984
Robinson, Erica	4,000	Swanson, Laura	1,984
Rodrigues-Masongsong, Rebecca	4,000	Swihart, Kristi	4,088
Roebuck, Daniel	1,700	Taggart, Craig	1,984
Roesch, Kendra	1,723	Tam, Alexander	337
Ross, Jamie	4,000	Tam, Jared	4,000
Ross, Lee	4,000	Taylor, Brooke	2,800
Ross, Sasha	2,641	Taylor, Pamela	6,729
Roy, Vanessa	2,674	Telbis, Dessislava	2,367
Rozestraten, Katherine	4,000	Tilden, Emma	2,897
Rozestraten, Scott	4,000	Tram, John	4,000
Ruptash, Kenneth	2,097	Tremblay, Brad	4,000
Russell, Brittany	783	Tremblay, Dawn	42
Sartor-Pielak, Carina	4,000	Triffo, Daniel	4,000
Sasseville, Jamie-Lee	1,984	Tucker, Carly	9,130
Savage, Genevieve	4,000	Tulugarjuk, Lucy	4,500
Savage, Jean-Frederic	3,500	Tuma, Michelle	2,247
Schaap, Jamie	4,000	Turner-Davis, Alexandra	2,389
Scheper, Phyllip	2,619	Tymchatyn, Shantel	4,000
Schmalz, Alexandra	2,630	Vallillee, Erin	2,017
Scott, Danika Paige	2,477	Van Dyke, Christian	4,000
Seeton, Matthew	2,114	Van Metre, Stacey	899
Shannon, Samuel	4,000	Vandenberg, Conrad	5,348
Shouhda, Lyle	2,146	Velez, Victoria	1,578
Shouhda, Meagan	4,000	Vendiola, Arnel	1,692
Shuparski, Meagan	4,121	Vician, Kaitlyn	2,729
Sidhu, Harjot	4,000	Vician, Kristin	2,729
Silke, Andrew	6,017	Vivian, Adam	6,017
Silke, David	1,984	Vornbrock, Jarrett	3,858
Silveira Da Graca Costa, Nihal	2,488	Ward, Emma	4,000
Silverio, Sandra	4,000	Watton, Brenda	2,800
Simpson, Tanis	5,425	Waugh, Jennifer	2,685
Singer, Claire	1,022	Webber, Paul	4,000

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

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**for the year ended March 31, 2015**

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Weitzel, Caitlin	1,984
Westergreen, Anneka	1,984
Westergreen, Jena	2,696
Wheaton, Dylan	4,033
White, Amanda	4,000
White, Rebecca	3,726
Whitehead, Kevin	3,661
Wick, Malek	2,587
Wickens, Kim	3,488
Williams, Heather	5,480
Wilson, Elizabeth	2,806
Wilson, Joseph	4,000
Wiseman, Amelia	2,696
Wong, Daniel	1,984
Wong, Helen	2,707
Wong, Janet	4,000
Wood, Shantana	7,014
Wray, Kirsty	850
Wrigglesworth, Patrick	6,017
Wright, Briony	4,000
Wright, Kimberly	4,000
Wright, Kyla	4,000
Yee, Colton	2,159
Zenko, Benjamin	822

<b>Total Remissions</b>	<b><u>1,436,779</u></b>
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**Government of the Northwest Territories****Non-Consolidated Schedule of Recoveries of Debts and Student Loans Previously Written Off  
(unaudited)****Schedule 10**

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**for the year ended March 31, 2015**

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<b>Name</b>	<b>\$</b>
<b>Finance</b>	
Arslanian Cutting Works NWT	895,000
<b>Justice</b>	
Peffer, Dolly Mae	7,514
<b>Individual amounts under \$500</b>	<u>305</u>
	<u><u>802,819</u></u>

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## Government of the Northwest Territories

### Non-Consolidated Schedule of Projects for the Government of Canada, Nunavut and Others - Expenditures Recovered (unaudited)

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Schedule 11

for the year ended March 31, 2015

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\$

#### Lands

Inuvialuit Implementation	200,000
Northwest Territories Discovery Portal	13,870
	<b>213,870</b>

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#### Aboriginal Affairs and Intergovernmental Relations

Inuvialuit Implementation	146,043
Gwich'in Land Claim Implementation	155,919
Sahtu Land Claim Implementation	142,079
Tlicho Agreement Implementation	219,511
	<b>663,552</b>

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#### Finance

Public Policy Forum on Northern Connectivity	25,000
Northwest Territories Mining Survey	30,000
Gwich'in Tribal Council - Senior Policy Analyst Position	135,000
	<b>190,000</b>

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#### Municipal and Community Affairs

Gas Tax	12,762,775
Search and Rescue	136,873
Pan Territorial Sport Strategy	331,206
	<b>13,230,854</b>

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#### Transportation

National Safety Code Monitoring and Enforcement	153,371
Airline Glycol Recovery	51,478
Wood Buffalo National Park Highway Maintenance	1,244,390
Hold Baggage System at the Yellowknife Airport	96,336
Alberta Road Maintenance	436,989
Hay River Access Corridor Maintenance	48,953
	<b>2,031,517</b>

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**Government of the Northwest Territories****Non-Consolidated Schedule of Projects for the Government of Canada, Nunavut and Others  
- Expenditures Recovered (unaudited)****Schedule 11  
(continued)**

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**for the year ended March 31, 2015**

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\$

**Public Works and Services**

Sahtu Implementation	4,538
Gwich'in Implementation	4,538
Tlicho Implementation	15,444
Leased Office Space- Beaufort Delta Education Authority	141,627
Royal Canadian Mounted Police Facility Maintenance	4,006,504
Royal Canadian Mounted Police Minor Capital Facilities Maintenance	1,455,970
	<b>5,628,621</b>

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**Justice**

Sahtu Implementation	22,514
Gwich'in Implementation	25,467
Tlicho Implementation	45,412
Native Estates	171,835
Framework for Enhancing Victim Services	500,000
Aboriginal Courtwork Program	77,400
Library Materials and Supplies	28,000
Northwest Territories Law Foundation Library Project	50,000
Supporting Families Fund	200,562
Northwest Territories Courtworker Training	30,028
Building a Northern Evidence-Based Approach to Crime	100,618
	<b>1,251,836</b>

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## Government of the Northwest Territories

### Non-Consolidated Schedule of Projects for the Government of Canada, Nunavut and Others - Expenditures Recovered (unaudited)

### Schedule 11 (continued)

for the year ended March 31, 2015

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\$

#### Health and Social Services

Home and Community Care Enhancement	4,751,851
Development of Autism Spectrum	24,949
Working on Wellness in Strategic Populations	103,220
Collaborative Action on Childhood Obesity	10,333
Congenital Anomalies Surveillance	75,622
Dialogue and Storybook in Support of First Nations, Inuit and Metis Cancer Patients	417,558
Non-Insured Health Benefits	12,104,897
Continuity of Care	134,696
Pan - Territorial Fetal Alcohol Syndrome Disorder	577
Diabetes Validation Study	661
Pan - Canadian Public Health Network	8,875
Electronic Immunization Registry	38,102
Toll Free Tobacco Quitline Services	25,131
Canadian Chronic Disease Surveillance System	129,929
Building on Existing Tools to Improve Chronic Disease Prevention	231,237
Helicobacter Pylori Infection	26,250
Territorial Health Investment Fund	3,421,985
Power Up	18,871
Pan -Territorial Healthy Eating	15,217
Health Portfolio Funding	8,830,584

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**30,370,545**

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#### Education, Culture and Employment

Sahtu Implementation	35,524
Gwich'in Implementation	22,250
Tlicho Implementation	136,203
Canada - Northwest Territories Job Fund	919,715
Canada - Northwest Territories Agreement on Labour Market Development	4,447,789
Targeted Initiative for Older Workers	239,988
Territorial Gathering of Arts and Cultural Organizations	16,000
Early Childhood Education - Chevron Canada Resources	129,051

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**5,946,520**

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**Government of the Northwest Territories****Non-Consolidated Schedule of Projects for the Government of Canada, Nunavut and Others  
- Expenditures Recovered (unaudited)****Schedule 11  
(continued)**

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**for the year ended March 31, 2015**

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\$

**Environment and Natural Resources**

Inuvialuit Implementation	4,074,029
Gwich'in Implementation	219,073
Tlicho Implementation	184,820
Dall's Sheep Survey	18,000
Water Knowledge Application Network	75,000
Forest Industry Biomass Initiative	1,505,661
Canadian Wildlife Services Project	25,322
Northern Biodiversity Information	20,094
Climate Change Adaptation	500,107
Parks Canada	3,000
Lichen Suitability Collection	2,000
Habitat Stewardship Contribution Program	20,000
Bison Control	49,826
Barren Ground Caribou Monitoring	9,000
Peary Sound Caribou	99,997
Sahtu Implementation	145,760
Viscount Melville Sound Polar Bear Assessment	15,000
Sahtu Duck Banding	13,251
Community Based Monitoring	26,920
Geomatics Information System	4,380
Canadian High Arctic Research Station	50,000
Mutual Aid Research Sharing	367,314
Bluenose West Caribou Monitoring	50,000
Barren Ground Caribou Collaring	18,000

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**7,496,554**

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**Industry, Tourism and Investment**

Strategic Investments in Northern Economic Development	1,486,123
Growing Forward II	693,562
Gwich'in Implementation	13,473
Sahtu Implementation	70,000
Tourism Research and Product Development	323,500
Canadian High Arctic Research Station	50,000

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**2,636,658**

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**Total**

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**69,660,527**

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