

# **PUBLIC ACCOUNTS 2012-2013**

## **Section I**

### **CONSOLIDATED FINANCIAL STATEMENTS and GOVERNMENT INDICATORS**



**Northwest  
Territories**

**PUBLIC ACCOUNTS  
OF THE  
GOVERNMENT OF THE NORTHWEST TERRITORIES  
FOR THE YEAR ENDED MARCH 31, 2013**

**SECTION I  
CONSOLIDATED FINANCIAL STATEMENTS**

**Honourable J. Michael Miltenberger**

**Minister of Finance**

This page intentionally left blank.

---



**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, 2013

A handwritten signature in black ink that reads "J.M. Miltenberger".

Honourable J. Michael Miltenberger  
Minister of Finance

October 30, 2013



This page intentionally left blank.

---

---

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

---

<b>Table of Contents</b>	<b>Page</b>
<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	43
Schedule B - Consolidated Schedule of Segmented Information	44

This page intentionally left blank.

---

## 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 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. 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 consolidation.



Warren St. Germaine, CA  
Comptroller General

October 30, 2013



This page intentionally left blank.

---



## 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 2013, 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 2013, 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**

As required by the *Northwest Territories Act*, I report that, in my opinion, the accounting principles in Canadian public sector accounting standards have been applied, except for the change in the methods of accounting for tax revenues and government transfers as explained in note 3 to the consolidated financial statements, on a basis consistent with that of the preceding year.

Further, in my opinion, proper books of account have been kept by the Government of the Northwest Territories and the consolidated financial statements are in agreement therewith. In addition, 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.



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

30 October 2013  
Edmonton, Canada

## Government of the Northwest Territories

### Consolidated Statement of Financial Position

as at March 31, 2013

(thousands of dollars)

	2013 Actual \$	2012 Actual \$
<b>Financial assets</b>		
Cash and cash equivalents (note 4)	70,461	67,775
Portfolio investments (note 5)	72,515	54,725
Due from the Government of Canada (note 14)	21,996	28,850
Accounts receivable (note 7)	62,183	75,075
Inventories for resale (note 8)	32,112	31,490
Loans receivable (note 9)	60,264	62,689
Investment in Northwest Territories Hydro Corporation (note 10)	110,557	104,067
	<b>430,088</b>	<b>424,671</b>
<b>Liabilities</b>		
Short term loans (note 11)	104,962	134,941
Accounts payable and accrued liabilities (note 12)	224,165	257,711
Deferred revenue (note 13)	43,323	76,762
Due to the Government of Canada (note 14)	116,917	131,917
Capital lease obligations (note 15)	4,331	7,482
Long-term debt (note 16)	195,030	198,123
Pensions (note 17)	25,528	24,127
Other employee future benefits (note 18)	53,744	51,480
	<b>768,000</b>	<b>882,543</b>
<b>Net debt</b>	<b>(337,912)</b>	<b>(457,872)</b>
<b>Non-financial assets</b>		
Tangible capital assets (schedule A)	2,027,351	1,600,389
Inventories held for use (note 8)	5,196	3,040
Prepaid expenses	6,337	6,079
	<b>2,038,884</b>	<b>1,609,508</b>
<b>Accumulated surplus</b>	<b>1,700,972</b>	<b>1,151,636</b>

Contractual obligations and contingencies (notes 21 and 22)

Approved:



J. Michael Miltenberger  
Minister of Finance



Warren St. Germaine, CA  
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, 2013**

(thousands of dollars)

	<b>2013</b>	<b>2013</b>	<b>2012</b>
	<b>Budget</b> \$	<b>Actual</b> \$	<b>Actual</b> \$
<b>Net debt at beginning of year</b>	(457,872)	(457,872)	(382,422)
<b>Items affecting net debt:</b>			
Annual surplus	69,227	174,987	6,382
Acquisition of tangible capital assets	(120,365)	(149,745)	(185,162)
Disposal of tangible capital assets	-	8,016	3,418
Amortization of tangible capital assets	72,676	89,116	83,215
Deferred capital contributions received (note 3)	-	-	33,063
Amortization of deferred capital contributions (note 3)	(15,559)	-	(20,202)
Decrease (increase) in inventories held for use	-	(2,156)	(831)
Decrease (increase) in prepaid expenses	-	(258)	4,667
<b>Decrease (increase) in net debt</b>	<b>5,979</b>	<b>119,960</b>	<b>(75,450)</b>
<b>Net debt at end of year</b>	<b>(451,893)</b>	<b>(337,912)</b>	<b>(457,872)</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, 2013

(thousands of dollars)

	2013 Budget \$	2013 Actual \$	2012 Actual \$
<b>Revenues</b>			
Grant from the Government of Canada	1,070,023	1,070,023	996,143
Transfer payments	119,891	170,570	125,958
	<b>1,189,914</b>	<b>1,240,593</b>	<b>1,122,101</b>
Taxation and general revenues			
Corporate and personal income taxes	165,417	213,782	95,166
Other taxes	114,868	116,825	114,150
General	42,718	48,243	59,782
Income from portfolio investments	619	2,735	2,079
Sales	91,226	96,354	78,468
Recoveries and amortization of capital contributions	61,637	46,215	56,378
	<b>476,485</b>	<b>524,154</b>	<b>406,023</b>
Recoveries of prior years' expenses	3,000	27,688	8,127
	<b>1,669,399</b>	<b>1,792,435</b>	<b>1,536,251</b>
<b>Expenses (note 23)</b>			
Environment and economic development	117,942	137,631	135,879
Infrastructure	392,527	384,231	360,398
Education	319,900	324,057	320,178
Health, social services and housing	487,042	485,806	462,392
Justice	113,674	114,736	106,171
General government	156,810	158,846	128,608
Legislative Assembly and statutory offices	18,508	18,631	19,474
	<b>1,606,403</b>	<b>1,623,938</b>	<b>1,533,100</b>
<b>Annual operating surplus</b>	62,996	168,497	3,151
Net income from investment in Northwest Territories Hydro Corporation (note 10)	6,231	6,490	3,231
Projects on behalf of third parties			
Expenses	(58,839)	(62,892)	(67,825)
Recoveries	58,839	62,892	67,825
	<b>69,227</b>	<b>174,987</b>	<b>6,382</b>
Accumulated surplus at beginning of year	1,151,636	1,151,636	1,145,254
Adjustments to accumulated surplus (note 3)	-	374,349	-
Restated - Accumulated surplus at beginning of year	-	1,525,985	-
<b>Accumulated surplus at end of year</b>	<b>1,220,863</b>	<b>1,700,972</b>	<b>1,151,636</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, 2013

(thousands of dollars)

	2013 Actual \$	2012 Actual \$
<b>Cash provided by (used in)</b>		
<b>Operating transactions</b>		
Annual surplus	174,987	6,382
Items not affecting cash:		
Valuation allowance	3,708	2,473
Amortization	89,116	83,215
Net income from investment in NWT Hydro Corporation	(6,490)	(3,231)
	261,321	88,839
Changes in non-cash assets and liabilities:		
Due to the Government of Canada	(8,146)	(8,115)
Decrease (increase) in accounts receivable	12,572	(15,952)
Increase in inventories for sale	(622)	(3,921)
Decrease in accounts payable	(33,546)	(188)
Decrease in deferred revenue	(33,439)	(10,791)
Increase in pensions	1,401	2,432
Increase in employee future benefits	2,264	2,840
Decrease in inventories held for use	(2,156)	(831)
Decrease (increase) in prepaid expenses	(258)	4,667
<b>Cash provided by operating transactions</b>	<b>199,391</b>	<b>58,980</b>
<b>Investing transactions</b>		
Disposition of portfolio investments	71,781	96,625
Acquisition of portfolio investments	(89,444)	(76,947)
Loans receivable receipts	9,504	43,342
Loans receivable advanced	(10,593)	(9,265)
<b>Cash provided by (used for) investing transactions</b>	<b>(18,752)</b>	<b>53,755</b>
<b>Capital transactions</b>		
Acquisition of tangible capital assets	(149,745)	(185,162)
Increase in deferred capital contributions	-	33,063
Amortization of capital contributions	-	(20,202)
Proceeds of disposition of tangible capital assets	8,016	3,418
<b>Cash used for capital transactions</b>	<b>(141,729)</b>	<b>(168,883)</b>
<b>Financing transactions</b>		
Short term financing proceeds	-	134,941
Repayment of short term financing	(29,979)	-
Repayment of capital lease obligations	(3,151)	(2,003)
Long-term financing proceeds	-	5,676
Repayment of long-term financing	(3,094)	(132,224)
<b>Cash provided by (used for) financing activities</b>	<b>(36,224)</b>	<b>6,390</b>
<b>Decrease in cash and cash equivalents</b>	<b>2,686</b>	<b>(49,758)</b>
Cash and cash equivalents at beginning of year	67,775	117,533
<b>Cash and cash equivalents at end of year*</b>	<b>70,461</b>	<b>67,775</b>

\* 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.*

---

## Government of the Northwest Territories

### Notes to Consolidated Financial Statements

---

March 31, 2013

(All figures in thousands of dollars)

---

#### 1. AUTHORITY AND OPERATIONS

##### (a) Authority and reporting entity

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

The consolidated financial statements have been prepared in accordance with the *Northwest Territories Act* (Canada) and the *Financial Administration Act* of the Northwest Territories. The consolidated financial statements present summary information and serve as a means for the Government to show its accountability for the resources, obligations and financial affairs for which it is responsible. The following 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
- 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 Opportunities Fund
- Northwest Territories Sport and Recreation Council

###### *Status of Women Council Act*

- Status of Women Council of the Northwest Territories

###### *Northwest Territories Heritage Fund Act*

- Northwest Territories Heritage Fund

##### **Government Business Enterprise consolidated on the modified equity basis:**

###### *Northwest Territories Hydro Corporation Act*

- Northwest Territories Hydro Corporation

---

## Government of the Northwest Territories

### Notes to Consolidated Financial Statements

---

March 31, 2013

(All figures in thousands of dollars)

---

#### 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, 2013 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 20*) 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.

##### (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, valuation allowances for accounts receivable and loans receivable, and amortization expense. Other estimates, such as the Canada Health Transfer, Canada Social Transfer payments, Corporate and Personal Income Tax revenue 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 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.

---

## Government of the Northwest Territories

### Notes to Consolidated Financial Statements

---

March 31, 2013

(All figures in thousands of dollars)

---

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

### (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. Other inventories, including housing materials and supplies, are valued at the lower of cost, determined on a first in, first out basis, and net replacement 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. Interest revenue is recorded on an accrual basis. Interest revenue is not accrued when the collectibility of either principal or interest is not reasonably assured.

### (f) Investment in Northwest Territories Hydro Corporation

The Northwest Territories Hydro Corporation ("the Corporation") and its subsidiaries are accounted for in these financial statements using the modified equity method. The Government reports only its investment in, and the consolidated net income of, the Corporation. Amounts receivable or payable from the Corporation are disclosed in the notes to these financial statements.

### (g) 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.

### (h) 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 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
Leasehold improvements	Lesser of useful life or lease term plus renewal option

---

## Government of the Northwest Territories

### Notes to Consolidated Financial Statements

---

March 31, 2013

(All figures in thousands of dollars)

---

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

### (h) Tangible capital assets and leases (continued)

The estimate of the useful life of tangible capital assets is reviewed on a regular basis and revised where appropriate. 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.

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 payments due. The present value is based on the specified rate or 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 lands are not recorded.

### (i) Pensions and other employee future benefits

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, the adjustments are amortized on a straight-line basis over the estimated average remaining service lives of the contributors.

Under the terms and conditions of employment, government employees may earn non-pension benefits for resignation, retirement and removal costs based on years of service. The benefits 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. The cost of the benefits has been determined based on management's best estimates using expected compensation levels and employee leave credits.

### (j) 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.

### (k) 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.

---

## Government of the Northwest Territories

### Notes to Consolidated Financial Statements

---

March 31, 2013

(All figures in thousands of dollars)

---

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

### (l) 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.

### (m) 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 a three-year moving average, lagged two years, of personal and corporate income taxes, fuel taxes, tobacco tax, payroll tax, and alcoholic beverage revenues at national average tax rates, and a revenue block of other own-source revenues. Population growth rates and growth in provincial/local government spending are variables used to determine 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.

### (n) 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.

### (o) Taxes 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 these taxes monthly 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.

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 revenue 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.

### (p) Expenses

Grants and contributions are recognized as long as the grant or contribution is authorized and eligibility criteria have been met. All other expenses are recognized on an accrual basis.

---

## Government of the Northwest Territories

### Notes to Consolidated Financial Statements

---

March 31, 2013

(All figures in thousands of dollars)

---

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

### (q) Environmental liabilities

Environmental liabilities consist of the estimated costs related to the management and remediation of environmentally contaminated sites. For contaminated sites, a liability is accrued and an expense recorded based on management's best estimates when the contamination occurs or when the Government becomes aware of the contamination and is obligated, or is likely obligated, to incur such costs. If the likelihood of the Government's obligation to incur these costs is either not determinable, or if an amount cannot be reasonably estimated, the contingency is disclosed in the notes to the financial statements.

### (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.

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. There are no significant allocations of revenues or expenses between segments.

Entities considered Government Business Enterprises for financial reporting purposes are identified as another segment since the nature of their operations is substantially different from the Government and the other entities within the Government Reporting Entity.

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. The agencies in this segment operate on a not-for-profit basis and assist the Government in delivering its programs and services and in achieving its priorities.

### (t) Future accounting changes

The Public Sector Accounting Board issued PS 3260 Liability for Contaminated Sites effective for fiscal years beginning on or after April 1, 2014. Contaminated sites are 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. The Government will be required to recognize a liability related to the remediation of such contaminated sites subject to certain recognition criteria. The Government currently recognizes an estimate for further evaluation or remediation depending on the stage of the investigation. The Government is analyzing the impact of this standard on its financial statements.

---

## Government of the Northwest Territories

### Notes to Consolidated Financial Statements

---

March 31, 2013

(All figures in thousands of dollars)

---

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

### (t) Future accounting changes (continued)

The Public Sector Accounting Board issued PS 3450 Financial Instruments effective for fiscal years beginning on or after April 1, 2015. 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.

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 in the current year, however there was no significant impact on their financial statements as a result of its application. The Government is currently analyzing any possible future impact of these standards on its financial statements

## 3. CHANGES IN ACCOUNTING POLICY

### (a) Tax revenues

Effective April 1, 2012, the Government adopted the PSA Handbook Section PS 3510 – Tax revenues. This new section establishes recognition, measurement, presentation and disclosure standards related to tax concessions and transfers made through the tax system. Transfers made through the tax system are now recognized as expenses rather than a reduction of revenues. On a prospective basis, the Government now records the following on a gross basis: the Cost of Living Tax Credit, the Child Benefit, the Child Benefit administration fees and the Tax Collection Agreement administration fees from personal income tax. The impact of this change in accounting policy increases total revenue and expense by \$23,000 with no impact on net operating results.

### (b) Government transfers

Effective April 1, 2012, the Government adopted the PSA Handbook Section PS 3410 – Government Transfers. This new section establishes recognition, measurement, presentation and disclosure standards related to government transfers reported in financial statements. This new section requires the Government to change its policy for recording transfers from the Government of Canada for capital and donated assets. Previously, these transfers and donations were recorded as Deferred Capital Contributions (DCC) and recognized as revenue on the same basis as the amortization of the related capital asset. As a result of this policy change, these transfers and donations are now recognized as revenue when the related tangible capital asset is purchased or in the case of constructed assets, when the asset is complete. A transfer may only be deferred if stipulations within the transfer agreement, taken together with the actions and communications of the Government allow for the recognition of a liability that will be discharged over a period of more than one fiscal year. This policy has been applied retroactively without restatement of comparatives. An adjustment of \$374,349 has been made to the opening balance of accumulated surplus of the current period to reflect the cumulative effect of the change on prior periods.

---

## Government of the Northwest Territories

### Notes to Consolidated Financial Statements

---

**March 31, 2013**

(All figures in thousands of dollars)

---

#### **4. CASH AND CASH EQUIVALENTS**

	<b>2013</b>	<b>2012</b>
	\$	\$
Cash	63,092	44,359
Short-term investments	7,369	23,416
	<b>70,461</b>	<b>67,775</b>

---

Cash and cash equivalents include investments in a diversified portfolio of high grade, short-term income producing assets. The portfolio yield for the year-ended March 31, 2013 varied from 0.0025% to 1.660% (2012 - 0.001% to 1.60%). 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 the Dominion Bond Rating Service. 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. The average term to maturity, as at March 31, 2013, is 65 days (2012 - 53 days).

#### **5. PORTFOLIO INVESTMENTS**

	<b>2013</b>	<b>2012</b>
	\$	\$
Marketable securities (market value \$75,576; 2012 - \$55,790)	72,437	54,606
Miscellaneous investments	78	119
	<b>72,515</b>	<b>54,725</b>

---

---

## Government of the Northwest Territories

### Notes to Consolidated Financial Statements

---

March 31, 2013

(All figures in thousands of dollars)

---

#### 6. DESIGNATED AND RESTRICTED ASSETS

Designated and restricted 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 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 purposes of meeting the obligations of the Legislative Assembly Supplemental Retiring Allowance and Judges Supplemental Pension Plans (*note 17*). Supplementary Retiring Allowance Regulations restrict the investments to those permitted under the *Pension Benefits Standards Act*. The remainder consists of investments from 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.

---

## Government of the Northwest Territories

### Notes to Consolidated Financial Statements

---

March 31, 2013

(All figures in thousands of dollars)

---

#### 6. DESIGNATED AND RESTRICTED ASSETS (continued)

	2013	2012
	\$	\$
<b>Designated assets</b>		
Student Loan Fund:		
Authorized limit for loans receivable *	40,000	36,000
Less: Loans receivable balance	(37,712)	(36,115)
Funds designated for new loans	<b>2,288</b>	<b>(115)</b>
Environment Fund:		
Beverage Container Program net assets	<b>1,743</b>	<b>1,624</b>
Portfolio Investments for the Legislative Assembly Supplementary Retiring Allowance and Judges Supplemental Pension Plans:		
Marketable securities (market value \$26,088; 2012 - \$24,896)	23,435	23,121
Money market (market value approximates cost)	879	390
Cash and other assets (market value approximates cost)	393	744
	<b>24,707</b>	<b>24,255</b>
Northwest Territories Business Development and Investment Corporation:		
Venture Investment Fund	4,045	3,911
Subsidy Fund	518	460
Capital Fund	873	873
Venture Reserve Fund	485	485
Capital Reserve Fund	147	147
Loans and Bonds Fund	484	220
	<b>6,552</b>	<b>6,096</b>
	<b>35,290</b>	<b>31,860</b>

\* As at March 31, 2012 the authorized limit for student loans was exceeded by \$115. Subsequent to March 31 the Legislative Assembly approved an increase of \$4,000 to the authorized limit bringing the authorized limit to \$40,000 for the March 31, 2013 fiscal year and beyond.

---

## Government of the Northwest Territories

### Notes to Consolidated Financial Statements

---

March 31, 2013

(All figures in thousands of dollars)

---

#### 7. ACCOUNTS RECEIVABLE

	2013	2012
	\$	\$
General	59,616	67,499
Government of Nunavut	7,788	9,742
Hospital related costs due from third parties	11,564	12,820
Revolving fund sales	8,666	10,463
Accrued interest	26	27
	<b>87,660</b>	<b>100,551</b>
Less: allowance for doubtful accounts	(25,870)	(25,550)
	<b>61,790</b>	<b>75,001</b>
Receivables from related parties:		
Northwest Territories Hydro Corporation	184	54
Workers' Safety and Compensation Commission	209	20
	<b>62,183</b>	<b>75,075</b>

---

#### 8. INVENTORIES

	2013	2012
	\$	\$
<b>Inventories for resale:</b>		
Bulk fuels	28,517	26,851
Liquor products	2,940	3,865
Public Stores	155	149
Other	500	625
	<b>32,112</b>	<b>31,490</b>
<b>Inventories held for use:</b>		
Housing materials and supplies	<b>5,196</b>	<b>3,040</b>
	<b>37,308</b>	<b>34,530</b>

---

## Government of the Northwest Territories

### Notes to Consolidated Financial Statements

March 31, 2013

(All figures in thousands of dollars)

#### 9. LOANS RECEIVABLE

	2013	2012
	\$	\$
Northwest Territories Business Development and Investment Corporation loans to businesses receivable over a maximum of 25 years, secured by real property, aircraft, heavy equipment and general security agreements; bearing fixed interest between 5.11% and 6.50% , before allowance for doubtful accounts of \$6,429 (2012 - \$6,432).	43,940	44,173
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 allowance for doubtful accounts of \$4,135 (2012 - \$2,900). The debtor has initiated legal proceedings for receivership.	5,635	5,885
Deton'Cho Corporation (DCC) non-interest bearing promissory note, repayable in 20 equal installments, fully repaid during the year. This note arose from the sale of shares held as security on a \$2,600 loan guarantee by the Government for DCC, that was called by the Bank of Montreal. Foregone interest revenue, recorded as a Grant in Kind, is calculated at the Government's long-term borrowing rate and amounted to \$5 in the year (2012 - \$19).	-	260
Students Loan Fund loans due in installments to 2028, bearing fixed interest between 1.25% and 11.75%, unsecured, before allowance for doubtful accounts and loan remissions of \$18,070 (2012 - \$16,977)	37,712	36,115
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%, before allowance for doubtful accounts of \$13,912 (2012 - \$12,849).	15,509	15,396
Other	14	18
Allowance for doubtful accounts	<b>102,810</b> (42,546)	<b>101,847</b> (39,158)
	<b>60,264</b>	<b>62,689</b>

Interest earned on loans receivable during the year was \$2,697 (2012 - \$3,126).

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 \$7,096 (2012 - \$7,928).

---

## Government of the Northwest Territories

### Notes to Consolidated Financial Statements

---

March 31, 2013

(All figures in thousands of dollars)

---

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

The following is summarized consolidated financial information for the Northwest Territories Hydro Corporation ("the Corporation") as at March 31, 2013.

	2013	2012
	\$	\$
Investment in Northwest Territories Hydro Corporation		
Shareholder's Equity	<b>110,557</b>	<b>104,067</b>
Shareholder's Equity is represented by:		
Assets:		
Cash	2,015	1,368
Accounts receivable	14,904	18,834
Inventories	5,511	4,162
Prepaid expenses	590	661
Other long-term assets	25,170	43,480
Property, plant and equipment	326,513	313,037
Total assets	<b>374,703</b>	<b>381,542</b>
Liabilities:		
Short-term debt	5,979	16,351
Accounts payable and accrued liabilities	15,071	21,766
Long-term debt	182,702	187,643
Other long-term liabilities	59,037	49,777
Employee future benefits	1,357	1,938
Total liabilities	<b>264,146</b>	<b>277,475</b>
	<b>110,557</b>	<b>104,067</b>

#### Statement of Operations and Surplus - Retained Earnings For the year ended March 31

Revenue	101,392	84,742
Expenses	(94,902)	(81,511)
Net income	<b>6,490</b>	<b>3,231</b>
Surplus - Retained Earnings at beginning of the year	60,938	57,707
Surplus - Retained Earnings at end of the year	<b>67,428</b>	<b>60,938</b>

Included in the above are revenues from, and expenses to, entities in the Government reporting entity of \$40,126 (2012 - \$43,339) and \$27,288 (2012 - \$18,097), respectively.

---

## Government of the Northwest Territories

### Notes to Consolidated Financial Statements

---

March 31, 2013

(All figures in thousands of dollars)

---

#### 10. INVESTMENT IN NORTHWEST TERRITORIES HYDRO CORPORATION (continued)

##### Contractual obligations and contingencies

The Corporation's approved capital plan, including estimated costs to complete capital projects in progress, as at March 31, 2013, was \$28,384 (2012 - \$22,860).

The Corporation has an agreement to purchase natural gas to produce electricity in Inuvik. In September 2011 the Corporation was notified by the supplier, that the gas supply in the Inuvik Gas Reservoir was limited and unlikely to last to the end of the contract period. The Corporation reduced its consumption of natural gas in a good faith attempt to extend the supply of gas to the residents of Inuvik so that alternative gas supplies could be pursued.

The Corporation agreed to forgo its legal remedies for the supplier's inability to supply its full obligations as outlined in the agreement on the basis that the supplier agreed to not enforce the minimum purchase clause within that agreement or any damages against NT Hydro for not consuming gas.

Since January 2012, gas generation has been significantly curtailed and the remainder of the generation is produced by the diesel plant. In fiscal 2013, gas represented 9% of the fuel used for power generation in Inuvik.

The Corporation has a fuel management services agreement with the Petroleum Products Division (PPD) of the GNWT. This agreement transferred the fuel inventory and maintenance of fuel tank farms of 20 communities served by the Corporation to PPD, consistent with the Corporation's operational requirements. The price of fuel under this agreement changes with the change in market price, the cost of freight, the Government's fuel tax rate and the amount of fuel purchased by the Corporation from PPD in a given year.

#### 11. SHORT TERM LOANS

Short-term loans of \$104,962 (2012 - \$134,941) incurred interest at an average rate of 1.11% (2012 - 1.07%). Interest paid in 2013 was \$723 (2012 - nil).

#### 12. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2013	2012
	\$	\$
Trade	131,327	146,037
Other liabilities	8,864	11,180
Employee and payroll-related liabilities	55,164	53,491
Environmental liabilities ( <i>note 22(a)</i> )	26,345	44,188
Accrued interest	686	736
	<hr/> 222,386	<hr/> 255,632
Payable to related parties:		
Northwest Territories Hydro Corporation	1,075	1,280
Workers' Safety and Compensation Commission	704	799
	<hr/> 224,165	<hr/> 257,711

---

---

## Government of the Northwest Territories

### Notes to Consolidated Financial Statements

---

March 31, 2013

(All figures in thousands of dollars)

---

#### 13. DEFERRED REVENUE

	2013	2012
	\$	\$
Government of Canada		
Government of Canada		
Ministry of Finance	6,658	-
Building Canada Plan	35,196	59,249
Infrastructure Stimulus Fund	-	610
Canadian Strategic Infrastructure Fund	-	2,774
Patient Wait Times Trust 2008	-	21
Other	1,469	14,108
	<b>43,323</b>	<b>76,762</b>

---

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

	2013	2012
	\$	\$
Receivables		
Projects on behalf of the Government of Canada	(9,436)	(10,526)
Miscellaneous receivables	(12,560)	(18,324)
	<b>(21,996)</b>	<b>(28,850)</b>
Payables		
Excess income tax advanced	80,776	97,630
Advances for projects on behalf of the Government of Canada	8,141	8,687
Miscellaneous payables	28,000	25,600
	<b>116,917</b>	<b>131,917</b>
	<b>94,921</b>	<b>103,067</b>

---

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

	\$
2014	36,730
2015	42,986
2016	860
2017	200
	<b>80,776</b>

---

## Government of the Northwest Territories

### Notes to Consolidated Financial Statements

March 31, 2013

(All figures in thousands of dollars)

#### 15. CAPITAL LEASE OBLIGATIONS

	2013	2012
	\$	\$
Buildings	4,111	7,203
Equipment	220	279
	<b>4,331</b>	<b>7,482</b>

Interest expense related to capital lease obligations for the year was \$540 (2012 - \$784), at an implicit average interest rate of 9.08% (2012 - 8.98%). Capital lease obligations (expiring between 2014 and 2023) are based upon contractual minimum lease obligations for the leases in effect as of March 31, 2013.

	\$
2014	1,459
2015	1,157
2016	793
2017	532
2018	479
2019 and beyond	805
Total minimum lease payments	5,225
Less: imputed interest	894
Present value of minimum lease payments	<b>4,331</b>

#### 16. LONG-TERM DEBT

	2013	2012
	\$	\$
Loans due to Canada Mortgage and Housing Corporation, repayable in annual installments until the year 2033, bearing interest at a rate of 6.97% (2012 - 6.97%), unsecured.	8,609	9,075
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% (2012 - 2.78% and 3.68%), unsecured.	3,588	3,800
Mortgage payable to Canada Mortgage and Housing Corporation, repayable in monthly installments of \$7 (2012 - \$7) maturing June 2024, bearing interest at 3.30% (2012 - 3.30%), secured with real property.	867	930
Yellowknife Catholic Schools debentures, repayable in monthly installments of \$9, including fixed interest at 6.85%, repaid in full during the year.	-	99
Yellowknife Catholic Schools debentures, repayable in monthly installments of \$68, including fixed interest at 5.80%, final installment due in 2018, unsecured.	4,039	4,606
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.	177,927	179,613
	<b>195,030</b>	<b>198,123</b>

---

## Government of the Northwest Territories

### Notes to Consolidated Financial Statements

---

March 31, 2013

(All figures in thousands of dollars)

---

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

Principal amounts due in each fiscal year for the next five years:

	<b>Principal</b>
	\$
2014	3,791
2015	3,980
2016	4,177
2017	4,373
2018	4,498
2019 and beyond	174,211
	<b>195,030</b>

---

Interest expense on long-term debt, included in operations and maintenance expenses, was \$1,719 (2012 - \$12,032). Real return bonds for the Deh Cho Bridge includes financing costs of \$3,751 (2012 - \$10,161) that were capitalized after a reduction for interest earned of \$45 (2012 - \$259). The financing costs are comprised of interest of \$1,857 (2012 - \$5,627) and CPI adjustment of \$1,894 (2012 - \$4,793).

#### Debt Authority

The Government has the authority to borrow, pursuant to subsection 20(2) of the *Northwest Territories Act*, within a borrowing limit authorized by the Government of Canada. The Government's borrowing limit was increased to \$800 million by Order in Council P.C. 2012-279, dated March 8, 2012.

	<b>2013</b>	<b>2012</b>
	\$	\$
Short term borrowing	104,962	134,941
Government of the Northwest Territories Long-term Debt		
Mortgage payable to Canada Mortgage and Housing Corporation	867	930
Real Return Bonds payable	177,927	179,613
Capital lease obligations	23,929	27,485
NWT Housing Corporation, mortgages and loans payable	12,197	12,875
Guarantees (note 22(b))	28,891	31,105
NWT Hydro Corporation, long-term debt (net of sinking fund)	180,404	164,253
NWT Hydro Corporation, operational debt	8,277	16,351
Yellowknife Catholic Schools - District Education Authority	4,039	4,230
	<b>541,493</b>	<b>571,783</b>
Authorized borrowing limit	800,000	800,000
 <b>Available borrowing capacity</b>	 <b>258,507</b>	 <b>228,217</b>

---

---

## Government of the Northwest Territories

### Notes to Consolidated Financial Statements

---

March 31, 2013

(All figures in thousands of dollars)

---

#### 17. PENSIONS

##### a) Plans' descriptions

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 five 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

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 made a voluntary restriction on assets for the purposes of meeting the obligations of the Supplemental plans (*note 6*). The average age of the 4 active members of the Judges' plans is 55. The assets of the Judges' plans consist of a diversified portfolio of Canadian and foreign equities and bonds. The average age of the 19 active members of the MLAs plans is 49. The assets of the MLAs plans consist of Canadian and foreign equities, and Canadian fixed income securities and bonds.

The Hay River Health and Social Services Authority has a defined benefit pension plan for its employees. Retirement occurs when the aggregate of a member's age plus years of service total 87, but not before age 56 or after age 61. The average age of the 163 plan members is 45 years. Plan assets consist primarily of Canadian and U.S. equities, bonds and mortgages.

The remaining government employees participate in Canada's Public Service Superannuation Plan (PSSP). Pension benefits within this plan accrue up to a maximum period of 35 years at a rate of two percent per year of pensionable service multiplied by the average of the best five consecutive years of earnings. PSSP benefits are coordinated with Canada/Quebec Pension Plan benefits and are indexed to inflation.

---

## Government of the Northwest Territories

### Notes to Consolidated Financial Statements

---

March 31, 2013

(All figures in thousands of dollars)

---

#### 17. PENSIONS (continued)

##### b) Pension liability

	2013 Regular Funded	2013 Supplemental Unfunded	2013 Total
Accrued benefit obligation	\$ 52,368	\$ 27,080	\$ 79,448
Pension fund assets - market-related value	(53,339)	-	(53,339)
Unamortized actuarial net gains (losses)	(1,348)	767	(581)
<b>Pension liability (asset)</b>	<b>(2,319)</b>	<b>27,847</b>	<b>25,528</b>
	2012 Regular Funded	2012 Supplemental Unfunded	2012 Total
Accrued benefit obligation	\$ 53,128	\$ 26,461	\$ 79,589
Pension fund assets - market-related value	(48,929)	-	(48,929)
Unamortized actuarial net gains (losses)	(7,077)	544	(6,533)
<b>Pension liability (asset)</b>	<b>(2,878)</b>	<b>27,005</b>	<b>24,127</b>

Included in the pension asset of \$2,319 (2012 - \$2,878) is a deficit for accounting purposes of the Hay River Health and Social Services Authority pension plan in the amount of \$896 (2012 - \$950). The Superintendent of Financial Institutions requires that all plans with a solvency ratio less than 100% file an actuarial valuation annually. The solvency shortfall for this plan is \$1,865 (2012 - \$6,215) and is required to be eliminated within 5 years under the *Pension Benefits Standards Act, 1985*. The values of the plan's assets and liabilities on a solvency basis are calculated as though the plan were wound up and settled on the valuation date of January 1, 2013.

## Government of the Northwest Territories

### Notes to Consolidated Financial Statements

March 31, 2013

(All figures in thousands of dollars)

#### 17. PENSIONS (continued)

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

	2013 Regular Funded \$	2013 Supplemental Unfunded \$	2013 Total \$
<b>Opening balance</b>	<b>(2,878)</b>	<b>27,005</b>	<b>24,127</b>
Change to pension liability (asset) from cash items:			
Contributions from plan members	(923)	-	(923)
Contributions from Government	(3,234)	-	(3,234)
Benefit payment to plan members	(3,086)	(1,190)	(4,276)
Drawdown from plan assets	3,086	-	3,086
<b>Change in pension liability (asset) from cash items</b>	<b>(4,157)</b>	<b>(1,190)</b>	<b>(5,347)</b>
Change to pension liability (asset) from accrual items:			
Current period benefit cost	3,448	969	4,417
Amortization of actuarial net (gains) losses	2,559	(253)	2,306
Prior period cost of plan amendment	(1,477)	-	(1,477)
Interest on average accrued benefit obligation	2,625	1,316	3,941
Return on plan assets	(2,439)	-	(2,439)
<b>Change in pension liability (asset) from accrual items</b>	<b>4,716</b>	<b>2,032</b>	<b>6,748</b>
<b>Ending balance</b>	<b>(2,319)</b>	<b>27,847</b>	<b>25,528</b>
	2012 Regular Funded \$	2012 Supplemental Unfunded \$	2012 Total \$
<b>Opening balance</b>	<b>(4,243)</b>	<b>25,938</b>	<b>21,695</b>
Change to pension liability (asset) from cash items:			
Contributions from plan members	(934)	-	(934)
Contributions from Government	(2,365)	-	(2,365)
Benefit payment to plan members	(2,728)	(1,112)	(3,840)
Drawdown from plan assets	2,728	-	2,728
<b>Change to pension liability (asset) from cash items</b>	<b>(3,299)</b>	<b>(1,112)</b>	<b>(4,411)</b>
Change to pension liability (asset) from accrual items:			
Current period benefit cost	3,104	963	4,067
Amortization of actuarial net (gains) losses	1,078	(314)	764
Prior period cost of plan amendment	393	-	393
Interest on average accrued benefit obligation	2,598	1,530	4,128
Return on plan assets	(2,509)	-	(2,509)
<b>Change in pension liability (asset) from accrual items</b>	<b>4,664</b>	<b>2,179</b>	<b>6,843</b>
<b>Ending balance</b>	<b>(2,878)</b>	<b>27,005</b>	<b>24,127</b>

---

## Government of the Northwest Territories

### Notes to Consolidated Financial Statements

---

March 31, 2013

(All figures in thousands of dollars)

---

#### 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 return on plan assets and contributions from plan members. The total expense is \$5,825 (2012 - \$5,909). 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 loss of \$947 (2012 - \$105).

In addition to the above, the Government contributed \$52,972 (2012 - \$54,767) to the Public Service Superannuation Plan. The employees' contributions to this plan were \$28,841 (2012 - \$28,122).

##### 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, 2013, the member required contributions will be increased to 6.85% (previously 5.5%) of earnings up to the yearly maximum pensionable earnings (YMPE) plus 9.2% (previously 7.5%) of earnings above the YMPE. The member required contribution rates will also increase effective April 1, 2014 and April 1, 2015.
- b) To cease offering portability at certain ages - The plan will be amended with effect from January 1, 2018 to cease offering portability for members who are eligible for immediate pension.
- c) To increase the eligibility period - Effective April 1, 2013, the eligibility waiting period will be changed to two years from six months. This change does not affect any current plan members or employees hired prior to April 1, 2013.

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

###### *Valuation date*

Actuarial valuations were last completed for the Legislative Assembly and Judges' plans as of April 1, 2012 and April 1, 2010, respectively. As the actuarial valuations were not valued as at the year-end, the Legislative Assembly plans were extrapolated to January 31, 2013 and the Judges' plans were extrapolated to March 31, 2013. The effective date of the next actuarial valuation for the Legislative Assembly and Judges' plans are April 1, 2016 and April 1, 2013, respectively. The actuarial valuation for the Retirement Plan for Employees of the Hay River Health and Social Services Authority was completed as at January 1, 2013, and the results were extrapolated to March 31, 2013.

###### *Liability valuation method*

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

---

## Government of the Northwest Territories

### Notes to Consolidated Financial Statements

---

March 31, 2013

(All figures in thousands of dollars)

---

#### 17. PENSIONS (continued)

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

###### *Asset valuation method*

The asset valuation method, market-related value, 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 \$20,617 (2012 - \$20,010). The asset valuation method for the Judges' plans is market value. The market value of the regular Judges' plan is \$4,543 (2012 - \$4,082). The asset valuation method for the Retirement Plan for Employees of the Hay River Health and Social Services Authority is market-related value. The fair market value of its pension plan assets is \$28,227 (2012 - \$24,427).

###### *Actuarial gains and losses*

Actuarial gains and losses occur when actual experience varies from estimates. 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 6.0 years (2012 - 3.0 years) for the MLA's plans, 4.9 years (2012 - 5.9 years) for the Judges' plans, and 7.7 years (2012 - 8.0 years) for the Hay River Health and Social Services Authority plan.

<i>Actuarial assumptions</i>	<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	4.8%	4.8%	4.0%
Rate of compensation increase	2.5%	2.3%	4.0%
Annual inflation rate	2.0%	2.3%	3.0%
Discount rate	5.1%	4.8%	6.0%

###### *Retirement assumptions*

- Members of Legislative Assembly at the later of age 50, 4 years of service, and end of current session.
- Judges 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.

#### 18. OTHER EMPLOYEE FUTURE BENEFITS

In addition to pension benefits, the Government of the Northwest Territories provides termination and removal benefits to its employees. The cost of these benefits accrues either as employees render service or upon the occurrence of an event resulting in eligibility for benefits under the terms of the plan. This benefit plan is not pre-funded and thus has no assets, resulting in a plan deficit equal to the accrued benefit obligation.

	<b>2013</b>	<b>2012</b>
	\$	\$
Resignation and retirement	36,279	35,235
Removal	17,465	16,245
	<b>53,744</b>	<b>51,480</b>

---

## Government of the Northwest Territories

### Notes to Consolidated Financial Statements

---

March 31, 2013

(All figures in thousands of dollars)

---

#### 19. DEFERRED CAPITAL CONTRIBUTIONS

As indicated in note 3 - Changes in Accounting Policy, the Government has adopted PS 3410 for the current year. The impact of this change results in the elimination of deferred capital contributions (DCC). Prior to March 31, 2013, DCC related to the portion of a tangible capital asset that was gifted from or cost-shared. The capital contributions were deferred and recognized into revenue at the completion of the purchase or the construction. DCC were reported as a reduction in arriving at net tangible capital assets (*Schedule A*). PS 3410 was adopted retroactively without restatement and as a result, the 2012 comparatives are being shown as originally reported in the prior year.

	2013	2012
	\$	\$
Deferred capital contributions at beginning of year	-	361,488
Add: Assets gifted or cost-shared during the year	-	33,063
Less: Amortization of capital contributions	-	(20,202)
<b>Deferred capital contributions at end of year</b>	<b>-</b>	<b>374,349</b>

---

#### 20. 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.

	2013	2012
	\$	\$
Correctional institutions and other	389	406
Natural Resources - capital	244	304
Public Trustee	6,414	6,277
Territorial and Supreme Courts	1,138	656
Government of New Brunswick	6,944	6,793
Scholarship bequest - Beaufort Delta Divisional Education Council	253	252
Bequest - South Slave Divisional Education Council	79	79
Sahtu Divisional Education Council	430	252
Stanton Territorial Health Authority	10	-
Fort Smith Health and Social Services Authority	18	-
Beaufort Delta Health and Social Services Authority	211	301
	<b>16,130</b>	<b>15,320</b>

---

---

## Government of the Northwest Territories

### Notes to Consolidated Financial Statements

---

March 31, 2013

(All figures in thousands of dollars)

---

## 21. CONTRACTUAL OBLIGATIONS

The Government has entered into agreements for, or is contractually committed to, the following payments subsequent to March 31, 2013:

	Expiry Date	2014	2015-2022	Total
		\$	\$	\$
Operational commitments	2048	85,151	102,078	187,229
RCMP Policing Agreement	2032	40,380	726,840	767,220
Commercial and residential leases	2022	23,967	56,505	80,472
Equipment leases	2019	1,568	2,357	3,925
Tangible capital asset projects in progress at year-end	2015	134,761	42,295	177,056
		<b>285,827</b>	<b>930,075</b>	<b>1,215,902</b>

---

## 22. CONTINGENCIES

### (a) Environmental liabilities

The Government recognizes that there are costs related to the remediation of environmentally contaminated sites for which the Government is responsible. The Government has identified 122 (2012 - 139) sites as potentially requiring environmental remediation at March 31, 2013. Where an estimate could be determined for remediation costs, a liability has been recorded and included as a component of accounts payable and accrued liabilities.

One of the 122 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 balance of the Government's share of the Giant Mine remediation liability at March 31, 2013 is \$3,162 (2012 - \$20,207), after transferring \$17,000 to the Highway 4 Realignment Project to bypass Giant Mine, per the amendment to Section 17.3 of the Cooperation Agreement. Canada will now assume responsibility for the remediation activities that were associated with the funds.

There are 23 active or decommissioned landfill sites that are outside incorporated communities, and therefore are the responsibility of the Government. As at March 31, 2013, a liability in the amount of \$895 (2012 - \$1,102) has been recorded for these sites.

Of the remaining 98 sites, the majority of which have been investigated but are still awaiting full environmental assessments, 14 are airports or airport strips or reserves, 18 are sewage lagoons, 14 are fuel tanks and 8 are highways. Remediation costs for the sites that are known to be contaminated and the Government is obligated to remediate are currently estimated at \$22,288 (2012 - \$22,879).

The Government's ongoing efforts to assess the remaining sites may result in additional environmental liabilities. These liabilities will be recorded in the year in which they become known.

### (b) Guarantees

The Government has guaranteed residential housing loans to banks totaling \$4,609 (2012 - \$5,199) and indemnified Canada Mortgage and Housing for third party loans totaling \$24,282 (2012 - \$25,906). 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.

---

## Government of the Northwest Territories

### Notes to Consolidated Financial Statements

---

March 31, 2013

(All figures in thousands of dollars)

---

#### 22. CONTINGENCIES (continued)

##### (b) Guarantees (continued)

The Northwest Territories Business Development and Investment Corporation (BDIC) has six outstanding loans to three Northern Community Futures organizations totaling \$1,000 (2012 - \$913). 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 2013 no accounts were assigned to the BDIC (2012 - nil).

The BDIC has five outstanding irrevocable standby letters of credit. The amounts of these letters of credit totaled \$2,450 and expire in 2013. 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 (2012 - 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 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. The allowance 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 \$49 (2012 - \$2,520). 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.

#### 23. EXPENSES

	2013	2012
	\$	\$
Expenses by Object:		
Grants and contributions	201,274	186,297
Operations and maintenance	630,323	557,712
Compensation and benefits	695,830	702,549
Valuation allowances	7,395	3,327
Amortization of tangible capital assets ( <i>schedule A</i> )	89,116	83,215
	<b>1,623,938</b>	<b>1,533,100</b>

---

## Government of the Northwest Territories

### Notes to Consolidated Financial Statements

---

March 31, 2013

(All figures in thousands of dollars)

---

#### 23. EXPENSES (continued)

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 Opportunities Fund Northwest Territories Heritage Fund
Infrastructure	Department of Public Works and Services Department of Municipal and Community Affairs Department of Transportation
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. RELATED PARTIES

Significant transactions with related parties and balances at year-end are disclosed separately in the financial statements and notes thereto.

---

## Government of the Northwest Territories

### Notes to Consolidated Financial Statements

---

March 31, 2013

(All figures in thousands of dollars)

---

#### 25. FAIR VALUE

The fair value of short-term financial instruments, including cash, short-term investments, accounts receivable, short term loans, and accounts payable and accrued liabilities approximate the carrying amounts due to their short terms to maturity.

The carrying value, at the lower of cost or net recoverable value, is estimated to be the fair value of loans receivable where there is an allowance associated with a loan. The carrying value of the loans receivable should not be seen as the realizable value on immediate settlement of these loans due to the uncertainty associated with such a settlement.

The fair value, and the methods of calculation and assumptions used, for the Government's other long-term financial instruments are as detailed below:

	2013		2012	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	\$	\$	\$	\$
Portfolio investments	72,515	75,654	54,725	57,044
Loans receivable	60,264	60,264	62,689	62,689
Due to the Government of Canada	116,917	114,094	131,917	126,700
Capital lease obligations	4,331	4,557	7,482	7,562
Long-term debt	195,030	197,490	198,123	200,794

The fair value of publicly traded investments is based on quoted market prices. The estimated fair value for due to the Government of Canada, capital lease obligations and long-term debt is calculated by discounting the expected future cash flows at year-end using market interest rates for equivalent terms to maturity.

#### 26. OVEREXPENDITURE

During the year, 1 department (2012 - 2) exceeded their vote for a total of \$3,794 (2012 - \$592). 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 item that was over expended in the current year is as follows:

Department of Health and Social Services	\$3,794
--	---------

---

## Government of the Northwest Territories

### **Notes to Consolidated Financial Statements**

---

**March 31, 2013**

(All figures in thousands of dollars)

---

#### **27. SUBSEQUENT EVENTS**

##### Devolution of Federal Responsibilities

Effective April 1, 2014 Canada will devolve 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. From and after the transfer date, Canada shall provide to the GNWT additional funding of \$67,300 by making an adjustment with an effective date of April 1, 2014 to the current gross expenditure based grant from Canada as determined under the *Federal-Provincial Fiscal Arrangements Act* (Canada) and *Federal-Provincial Fiscal Arrangements Regulations, 2007* (Canada) or any successor program governing the financial arrangements between Canada and the GNWT.

##### Community Government Funding

Subsequent to year-end, the Government entered into annual Water and Sewer Funding and Community Government Funding contribution agreements totaling \$63,109 with community governments to assist them with provision of water and sewer services and municipal services.

#### **28. 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)**

	<b>Land</b>	<b>Buildings<sup>1</sup></b>	<b>Other<sup>2</sup></b>	<b>Leasehold Improvements</b>	<b>Equipment<sup>1,3</sup></b>	<b>Computers</b>	<b>2013</b>	<b>2012</b>
	\$	\$	\$	\$	\$	\$	\$	\$
Cost of tangible capital assets, opening	9,018	1,286,468	1,043,942	37,680	183,602	84,914	2,645,624	2,519,449
Acquisitions	2,143	155,338	275,461	219	16,381	19,212	468,754	131,685
Disposals	-	(20,026)	(2,079)	(76)	(427)	-	(22,608)	(5,510)
Cost of tangible capital assets, closing	11,161	1,421,780	1,317,324	37,823	199,556	104,126	3,091,770	2,645,624
Accumulated amortization, opening	-	(504,177)	(412,948)	(25,439)	(96,098)	(51,353)	(1,090,015)	(1,008,892)
Amortization expense	-	(39,412)	(31,829)	(1,997)	(10,020)	(5,858)	(89,116)	(83,215)
Disposals	-	12,267	1,835	74	416	-	14,592	2,092
Accumulated amortization, closing	-	(531,322)	(442,942)	(27,362)	(105,702)	(57,211)	(1,164,539)	(1,090,015)
<b>Net book value</b>	<b>11,161</b>	<b>890,458</b>	<b>874,382</b>	<b>10,461</b>	<b>93,854</b>	<b>46,915</b>	<b>1,927,231</b>	<b>1,555,609</b>
Work in Progress							100,120	419,129
Deferred capital contributions ( <i>note 3 and note 19</i> )							-	(374,349)
							<b>2,027,351</b>	<b>1,600,389</b>

<sup>1</sup> Included in buildings and equipment are assets under capital lease cost, \$12,764 (2012 - \$40,156); accumulated amortization, \$8,520 (2012 - \$20,070); net book value, \$4,244 (2012 - \$20,086).

<sup>2</sup> Includes roads, bridges, airstrips, aprons, and water/sewer works

<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	Government Business Enterprises <sup>1</sup>	Other Public Agencies	Total for All Segments	Adjustments <sup>2</sup>	2013	2012
	\$	\$	\$	\$	\$	\$	\$
<b>Revenues</b>							
Grant from the Government of Canada	1,070,023	-	-	1,070,023	-	1,070,023	996,143
Transfer payments	145,723	-	23,785	169,508	1,062	170,570	125,958
	<b>1,215,746</b>	<b>-</b>	<b>23,785</b>	<b>1,239,531</b>	<b>1,062</b>	<b>1,240,593</b>	<b>1,122,101</b>
Taxation and general revenues							
Corporate and personal income taxes	213,782	-	-	213,782	-	213,782	95,166
Other taxes	107,633	-	9,191	116,824	1	116,825	114,150
General	22,819	221	579,486	602,526	(554,283)	48,243	59,782
Income from portfolio investments	1,633	-	841	2,474	261	2,735	2,079
Sales <sup>3</sup>	25,069	101,171	11,585	137,825	(41,471)	96,354	78,468
Recoveries and amortization of capital contributions	30,788	-	14,649	45,437	778	46,215	56,378
	<b>401,724</b>	<b>101,392</b>	<b>615,752</b>	<b>1,118,868</b>	<b>(594,714)</b>	<b>524,154</b>	<b>406,023</b>
Recoveries of prior years' expenses	27,688	-	-	27,688	-	27,688	8,127
	<b>1,645,158</b>	<b>101,392</b>	<b>639,537</b>	<b>2,386,087</b>	<b>(593,652)</b>	<b>1,792,435</b>	<b>1,536,251</b>
<b>Expenses</b>							
Grants and contributions	714,035	-	3,596	717,631	(516,357)	201,274	186,297
Operations and maintenance	388,221	53,978	222,482	664,681	(34,358)	630,323	557,712
Compensation and benefits	302,337	22,438	391,704	716,479	(20,649)	695,830	702,549
Valuation allowances	4,457	-	2,938	7,395	-	7,395	3,327
Amortization of tangible capital assets	73,139	18,486	15,889	107,514	(18,398)	89,116	83,215
	<b>1,482,189</b>	<b>94,902</b>	<b>636,609</b>	<b>2,213,700</b>	<b>(589,762)</b>	<b>1,623,938</b>	<b>1,533,100</b>
<b>Annual operating surplus (deficit)</b>	<b>162,969</b>	<b>6,490</b>	<b>2,928</b>	<b>172,387</b>	<b>(3,890)</b>	<b>168,497</b>	<b>3,151</b>
Net income from investment in Government Business Enterprise - Northwest Territories Hydro Corporation					6,490	6,490	3,231
Projects on behalf of third parties							
Expenses	(64,787)	-	-	(64,787)	1,895	(62,892)	(67,825)
Recoveries	64,787	-	-	64,787	(1,895)	62,892	67,825
<b>Annual surplus (deficit)</b>	<b>162,969</b>	<b>6,490</b>	<b>2,928</b>	<b>172,387</b>	<b>2,600</b>	<b>174,987</b>	<b>6,382</b>

<sup>1</sup> The Northwest Territories Hydro Corporation is the only Government Business Enterprise for financial reporting purposes.

<sup>2</sup> Includes adjustments to remove the effect of Government Business Enterprises accounted on the modified equity basis and entries to eliminate inter-entity balances to comply with generally accepted accounting principles 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>3</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**  
**GOVERNMENT INDICATORS**  
**FOR THE YEAR ENDED MARCH 31, 2013**  
**(Unaudited)**

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

*This page intentionally left blank*

---

Table of Contents

	Page
INTRODUCTION	5
GROSS DOMESTIC PRODUCT	6
LONG-TERM DEBT BORROWING LIMITS	8
DEBT PER CAPITA	11
FINANCIAL POSITION	12
TANGIBLE CAPITAL ASSETS	15
ANNUAL SURPLUS (DEFICIT) AND NET FINANCIAL RESOURCES (DEBT)	17
REVENUES AND EXPENSES	18
REVENUES BY SOURCE	19
EXPENSES BY OBJECT	21
EXPENSES BY PROGRAM	22
DEBT SERVICING COSTS	23
CONCLUSION	24

*This page intentionally left blank*

---

## INTRODUCTION

The Public Accounts report the financial position and results of operations of the Government for a fiscal year. The Statement of Financial Position discloses the assets, liabilities, accumulated surplus or deficit, as well as the net debt or net financial resource position of the Government. The Statement of Changes 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 Statement of Operations. It is important to note that the financial position of a Government is often quite different from the financial condition of the economy.

A research study conducted by the Canadian Institute of Chartered Accountants states:

*The financial health of a Government is its financial health as measured by sustainability, vulnerability and flexibility, 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. Organizations included in the Government Reporting Entity are listed in Note 1 to the Consolidated Financial Statements.

## 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 \$3,520 million for 2012, which represents a 1.9% increase relative to the 2011 estimate of \$3,454 million. This rise is a result of an increase in both the oil and gas sector and capital investment (construction) in the 2012 calendar year.

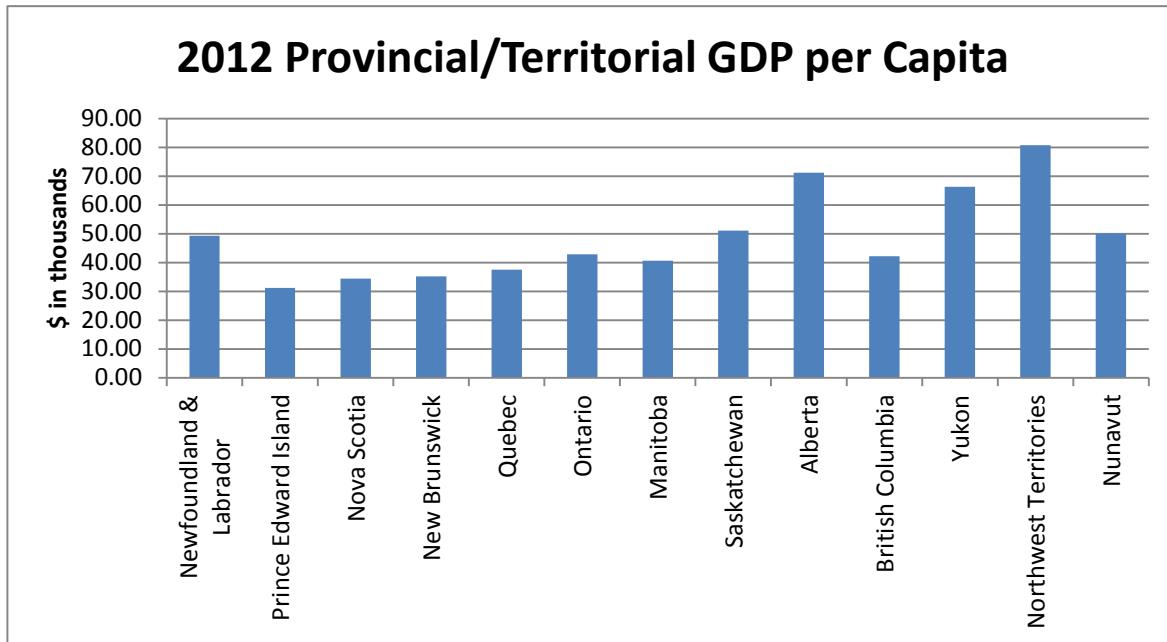
Gross Domestic Product at Market Prices, calendar years 2011 and 2012  
 Canada, Provinces and Territories  
 Chained (2007) Dollars (\$ in millions)

	2012	2011	Percent Change
Canada	1,552,161	1,525,279	1.8
Newfoundland and Labrador	25,973	27,271	-4.8
Prince Edward Island	4,523	4,468	1.2
Nova Scotia	32,505	32,456	0.2
New Brunswick	26,659	26,826	-0.6
Quebec	303,322	300,275	1.0
Ontario	574,469	566,741	1.4
Manitoba	50,857	49,542	2.7
Saskatchewan	55,509	54,320	2.2
Alberta	276,908	266,389	3.9
British Columbia	191,749	188,475	1.7
Yukon	2,404	2,324	3.4
Northwest Territories	3,520	3,454	1.9
Nunavut	1,738	1,666	4.3

Source: Statistics Canada  
 Prepared by NWT Bureau of Statistics  
 Note:

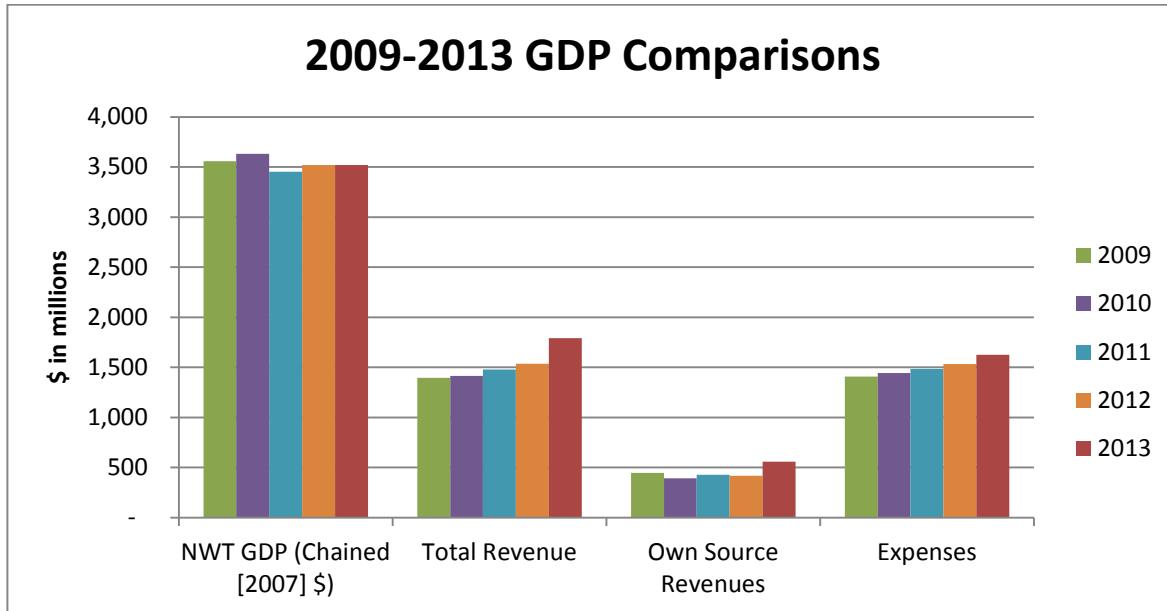
1. Data will not sum to totals since chained dollars are not additive.

## GROSS DOMESTIC PRODUCT (continued)



Based on July 1, 2012 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 2012 figure for NWT GDP has been used for 2013 illustration purposes. Net income from the NWT Hydro Corporation and recoveries are included in GNWT own source revenues.

When comparing the GDP with the Government's revenues and expenses one can see that a detailed analysis would be required to capture any relational data.

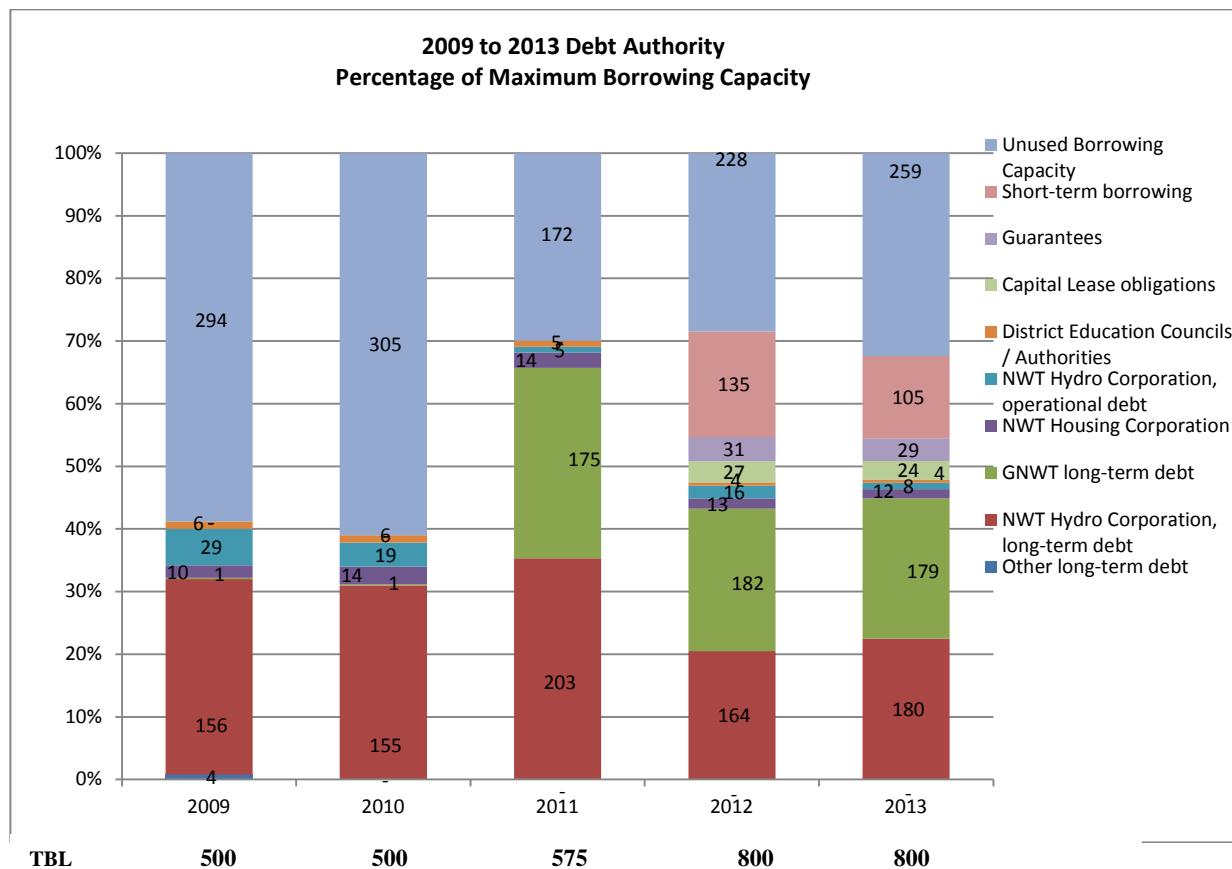
## LONG-TERM DEBT BORROWING LIMITS

In April 2010 the Government of Canada, pursuant to subsection 20(2) of the *Northwest Territories Act*, temporarily increased the GNWT's Territorial Borrowing Limit (TBL) to \$575 million from the \$500 million approved limit. On March 8, 2012, the Government of Canada increased the TBL to \$800 million. A portion of the \$225 million increase was to offset items that were previously excluded from the definition of borrowing for the purposes of the TBL (for example obligations under capital leases must now be included).

Pressures experienced due to the general state of the economy and the Government's desire to address infrastructure deficits within the Northwest Territories accelerated the Government's negotiation of an increase to the TBL. The revised amount referenced in the paragraph above was required to support long term planning for the Northwest Territories.

Consolidated debt, for purposes of the TBL, includes the debts of all Government entities that are consolidated in the Public Accounts. The borrowings of the Northwest Territories Hydro Corporation (NWT Hydro Corporation), while included in the calculation, are serviced through revenues generated by the NWT Hydro Corporation, and therefore do not require the Government to fund the related interest expense or principal repayment.

In 2011 the debt associated with the Deh Cho Bridge was assumed by the GNWT and required to be included within the GNWT's debt calculation.



The Government implemented a *Fiscal Responsibility Policy* in 2005 to guide borrowing decisions and allow flexibility in planning for its future infrastructure needs. Currently there are no plans to increase the debt level as the current Capital Plan only includes projects that will be fully funded by the Government's revenues; however 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 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.

The 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 debt management criteria include the following:

**Ratio: Government Debt to Revenue**

i) From year to year, the ratio of total Government debt, excluding guaranteed debt, compared to non-consolidated revenue, in relation to provinces shall be in the lowest 4.

This ratio is an indicator of the increase in debt in proportion to the increase 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.

**Ratio: Debt per Capita**

ii) From year to year, the total debt per capita ratio, compared to provinces shall be in the lowest 5.

This ratio is a measure of the debt burden, on a per person basis, where a decreasing ratio is a positive indicator of a decreasing debt burden.

**Debt Servicing Costs (interest), as a Percentage of Revenue**

iii) From year to year, debt servicing costs on Government debt, excluding amounts paid by Public Agencies, as a percentage of non-consolidated revenue, compared to other provinces and territories shall be in the lowest 4.

This 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.

**Debt Servicing Payments, as a Percentage of Revenue**

iv) From year to year, payments on Government debt, excluding Public Agency debt service payments, as a percentage of non-consolidated revenue shall not exceed 5 percent of revenue.

This is a measure of the extent that Government revenues are being applied to debt charges and debt repayment, rather than on programs and services or to reducing taxes.

### **Debt Servicing Payments as a Percentage of 3-year moving GDP average**

v) Given the volatility of GDP in the NWT, a 3-year moving average GDP shall be used.

From year to year, debt-servicing payments, excluding Public Agency debt, as a percentage of the 3-year moving GDP average, compared to debt servicing payments of provinces shall be in the lowest 4.

This ratio is a measure of debt growth in relation to economic growth, where ideally, economic growth exceeds the growth rate of public debt. A decreasing ratio reflects a consistent improvement in financial position.

### **Net Debt per Capita**

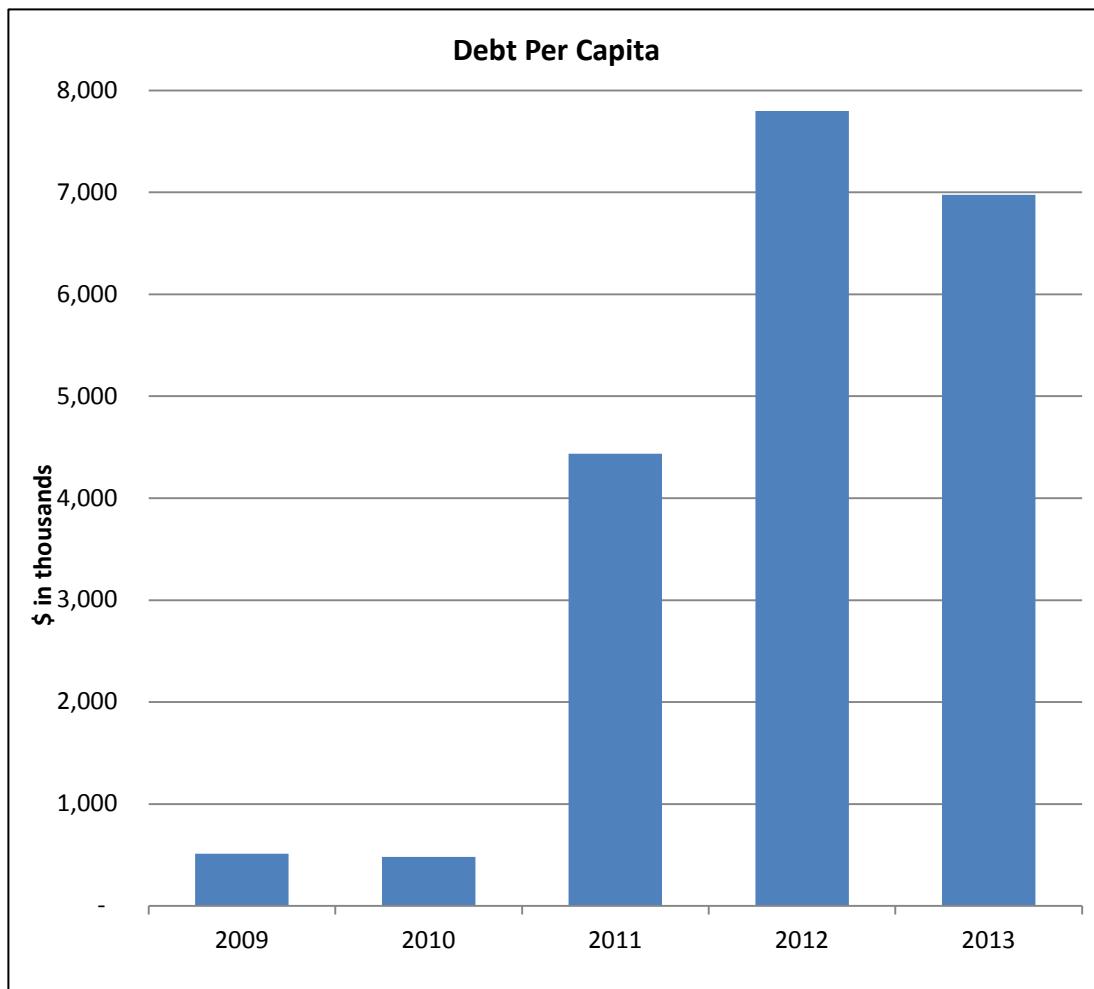
vi) From year to year, non-consolidated net debt per capita, compared to provinces shall be in the lowest 5.

This ratio is a measure of the excess of liabilities over financial assets.

The GNWT policy on borrowing and performance measurement criteria, for management of debt, is to be reviewed and updated annually.

## DEBT PER CAPITA

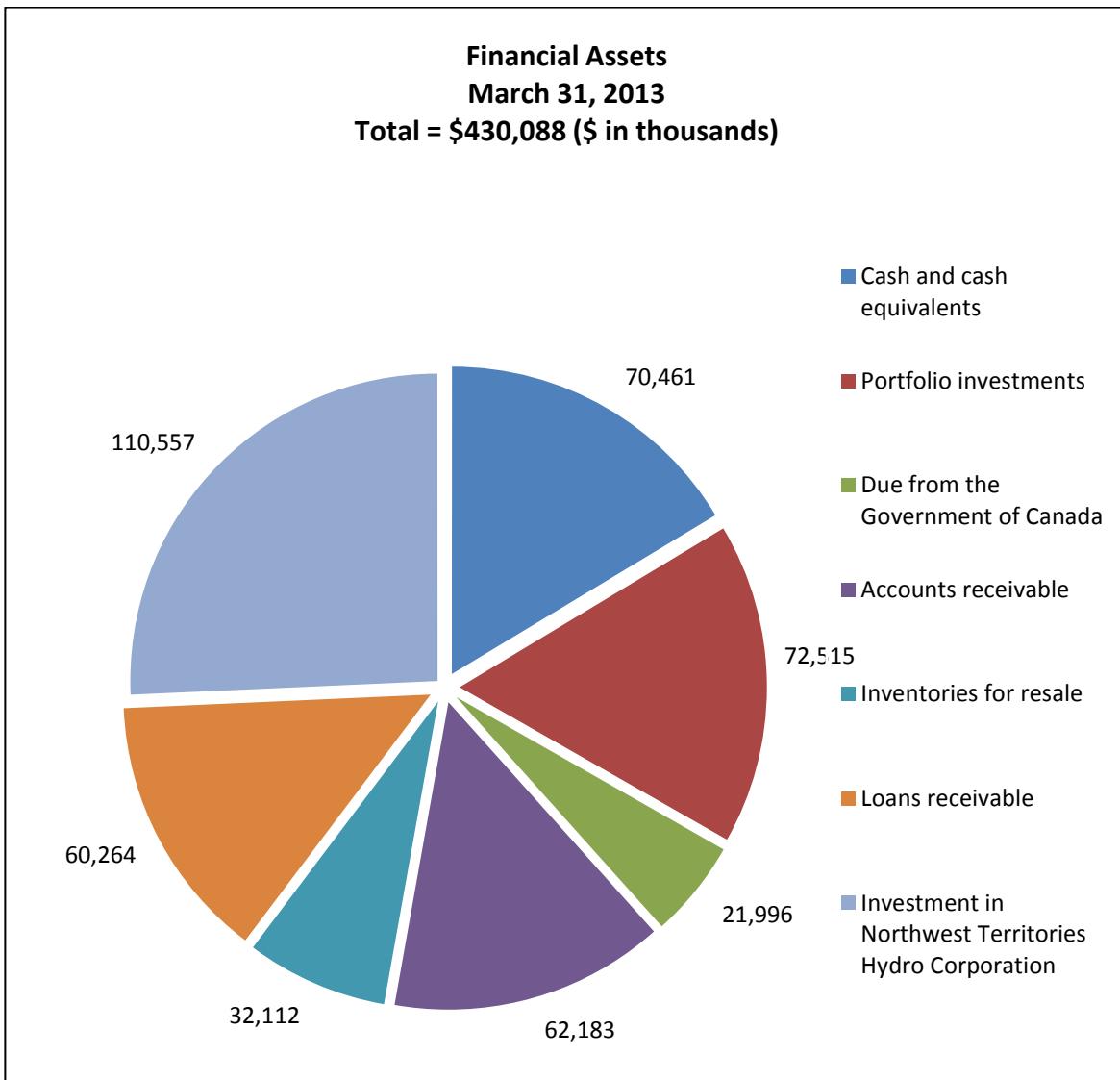
The following chart depicts the debt per capita with respect to the entire debt load that the GNWT is directly responsible for. This debt is comprised of short and long-term borrowing, but excludes the borrowings of the NWT Opportunity Fund and the NWT Hydro Corporation as they are not funded through general revenues. At March 31, 2013, long-term debt was \$195 million (2012 - \$198.1 million), with short-term borrowings of \$105 million (2012 - \$134 million).



2013 and 2012 amounts are based on 2012 population estimates of Statistics Canada as at July 1, 2013

As disclosed on page 8, the GNWT assumed the debt associated with the Deh Cho Bridge on April 1, 2010, significantly increasing the debt load for 2011 and subsequent fiscal years. In addition the GNWT required significant short term borrowing in 2012 and 2013 of \$134 and \$105 million dollars respectively; its existence at year end causes a significant spike in debt per capita.

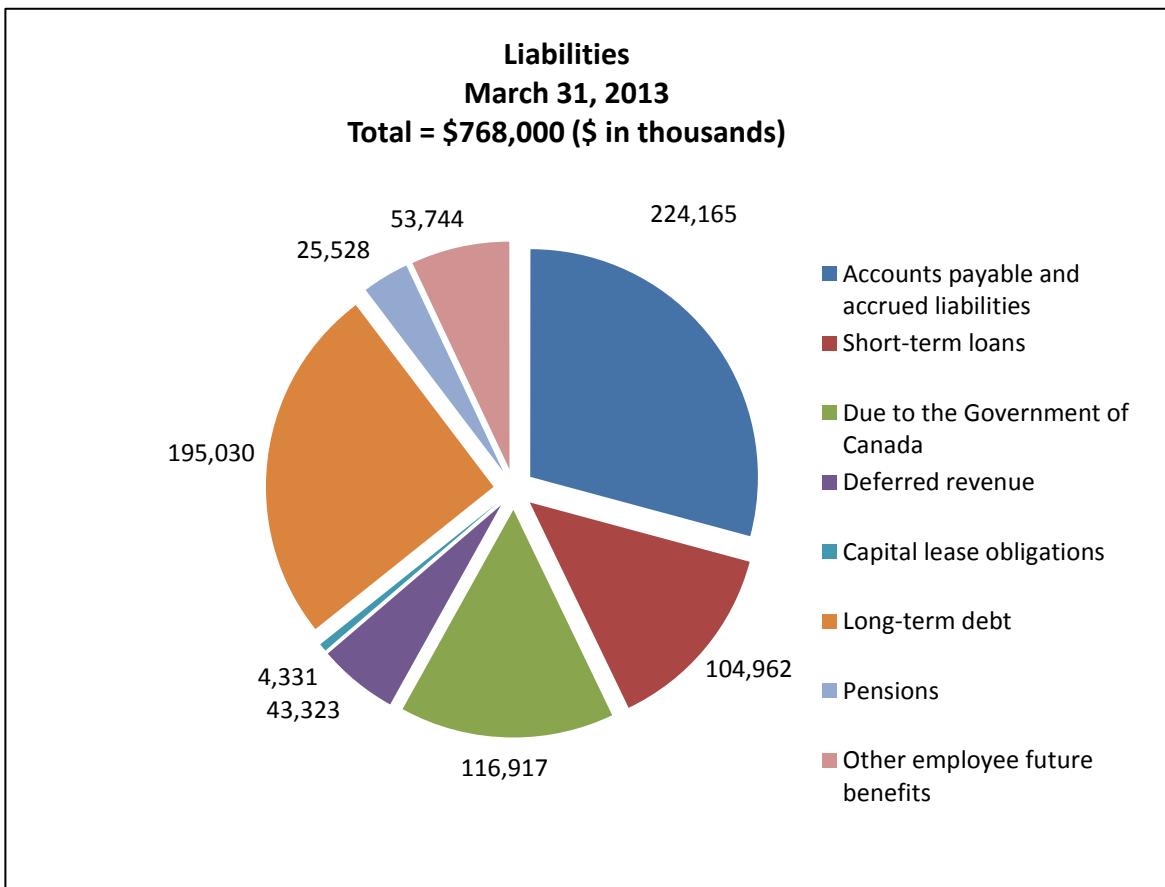
## FINANCIAL POSITION



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 longer term loans receivable. The value of the investment in the Northwest Territories Hydro Corporation is not available "for sale" and as such is not available to discharge the GNWT's liabilities at any point in the foreseeable future. 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. 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.

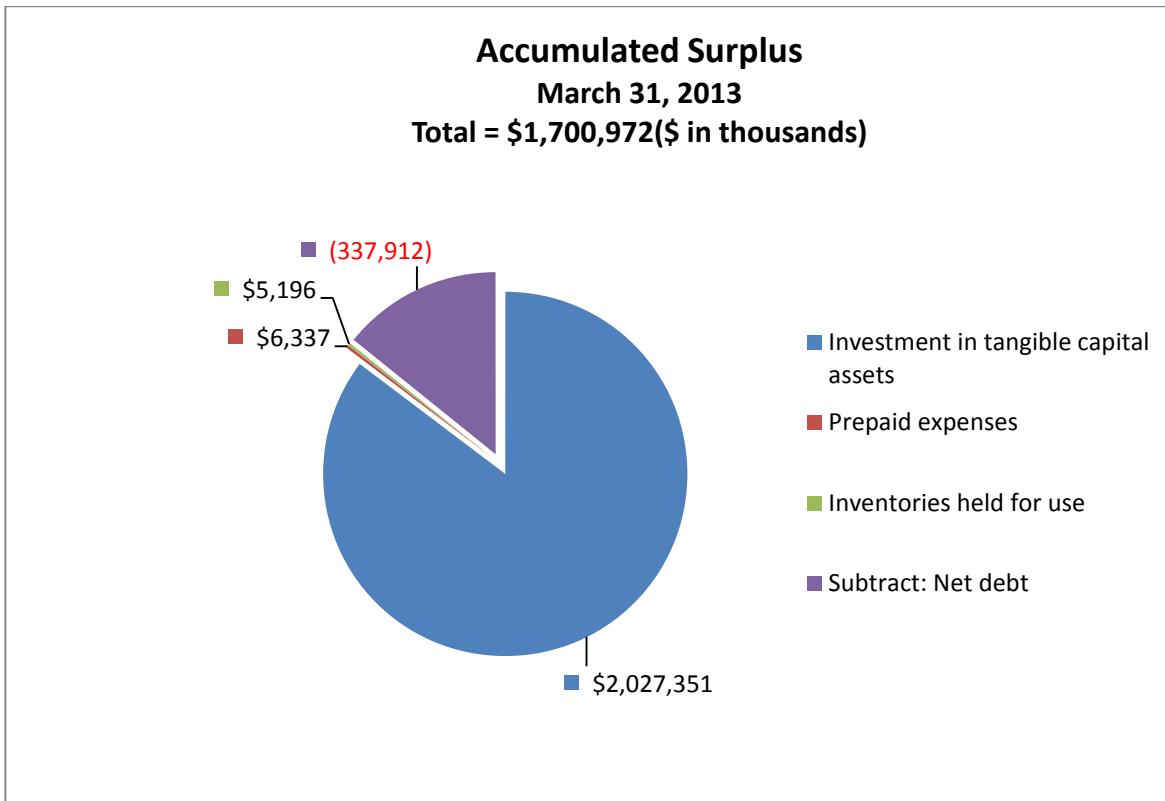
## FINANCIAL POSITION (Continued)



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

The GNWT presently has approximately \$430 million in financial assets available to discharge its liabilities of approximately \$768 million. 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.

## FINANCIAL POSITION (continued)



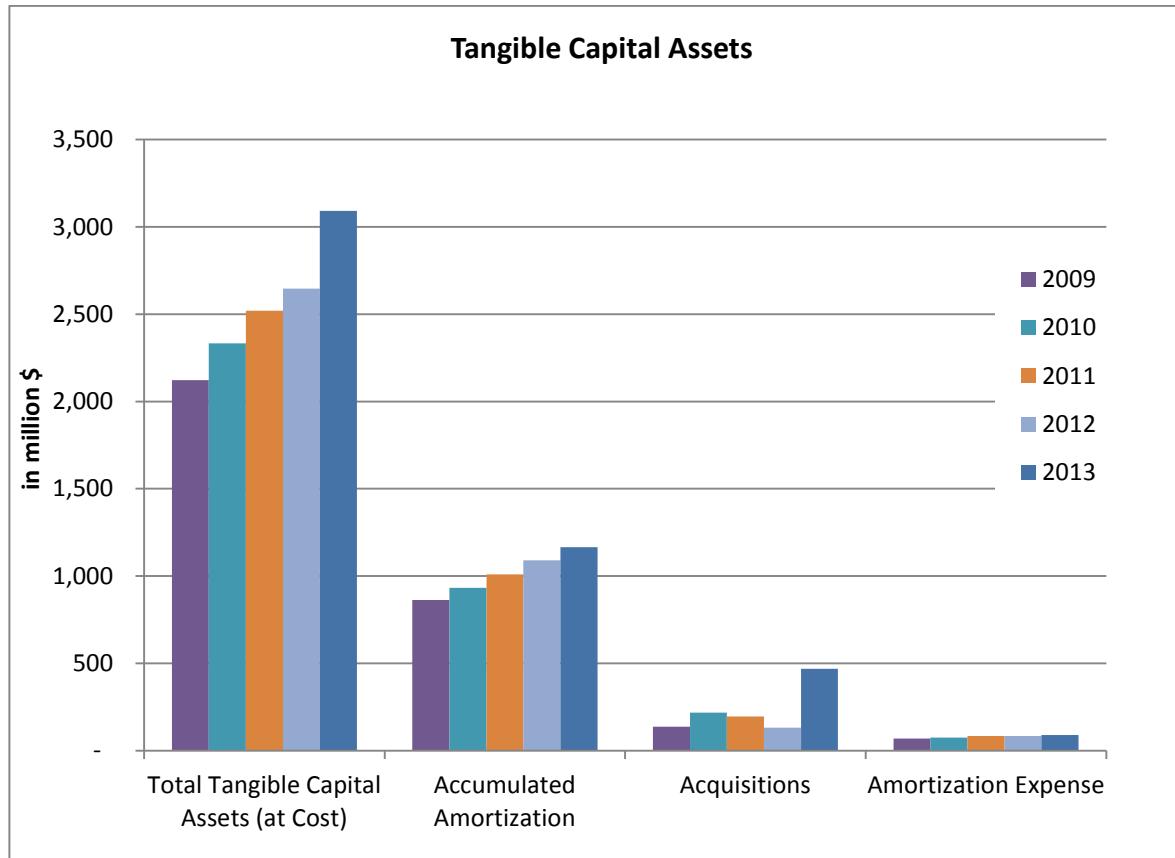
The Government is in a net debt position (depicted above as a negative). This negative amount is subtracted from the Government's accumulated investment in Non-financial Assets (tangible capital assets/prepaid expenses/inventories held for use) to produce the accumulated surplus balance at the end of the year. 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 without moving to an accumulated deficit position.

A net debt, or net financial resource, position is not a direct reflection of cash available, but rather an indication of sources where cash will or will not become available to meet current and future obligations.

## 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.

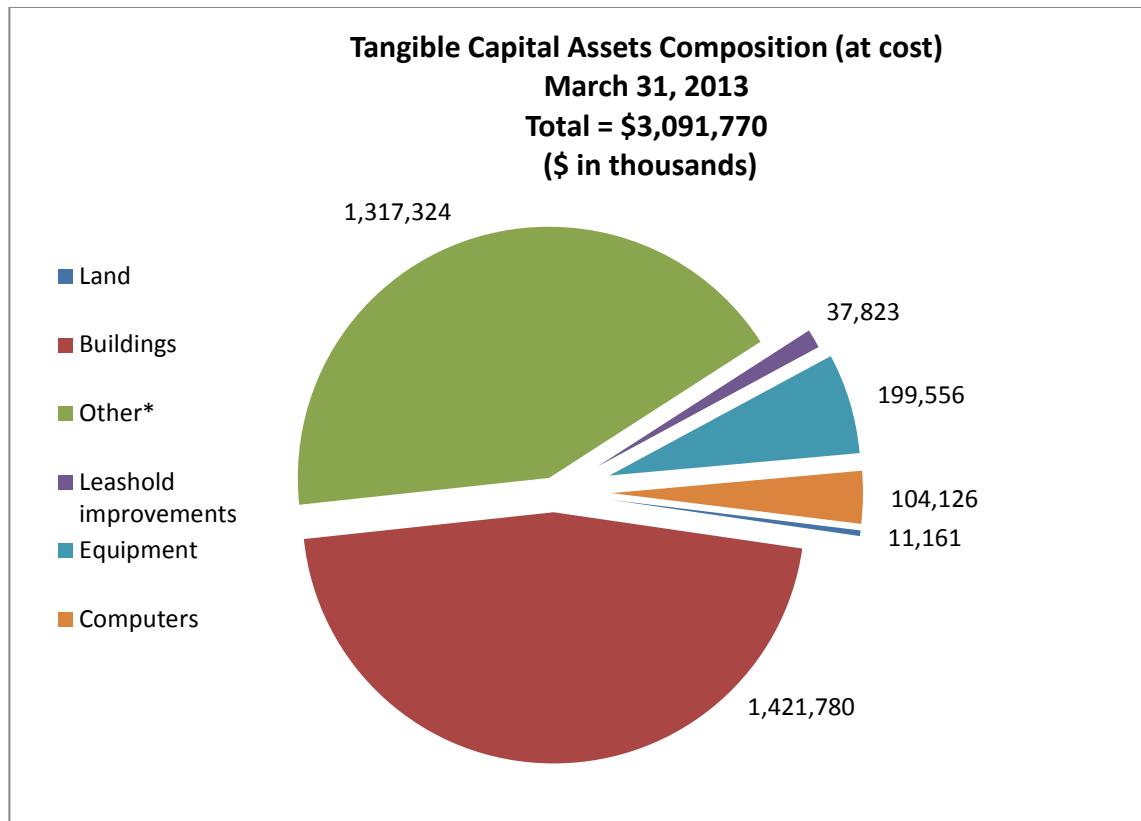
The GNWT records tangible capital assets as non-financial assets on its Statement of Financial Position within the Consolidated Public Accounts. Under this policy, assets valued at \$50,000 or more are capitalized and then expensed as amortization in the Statement of Operations based on their average 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 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.

## TANGIBLE CAPITAL ASSETS (continued)



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

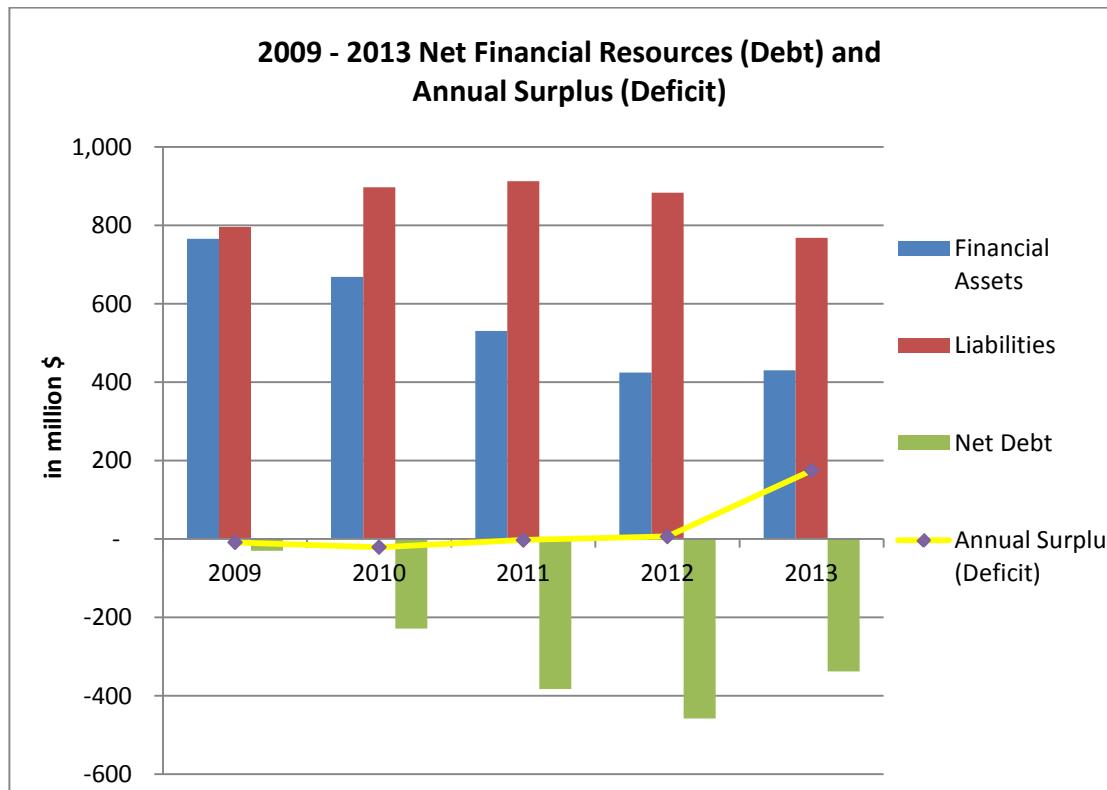
The GNWT is currently investing in tangible capital assets at a level that represents between 50% and 60% of the estimated investment needed for replacement and growth. In the 2013 fiscal year, the Government placed new assets valued at \$469 million into service (2012 - \$132 million).

## ANNUAL 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 Statement of Changes in Net Debt within Section 1 of the Public Accounts.

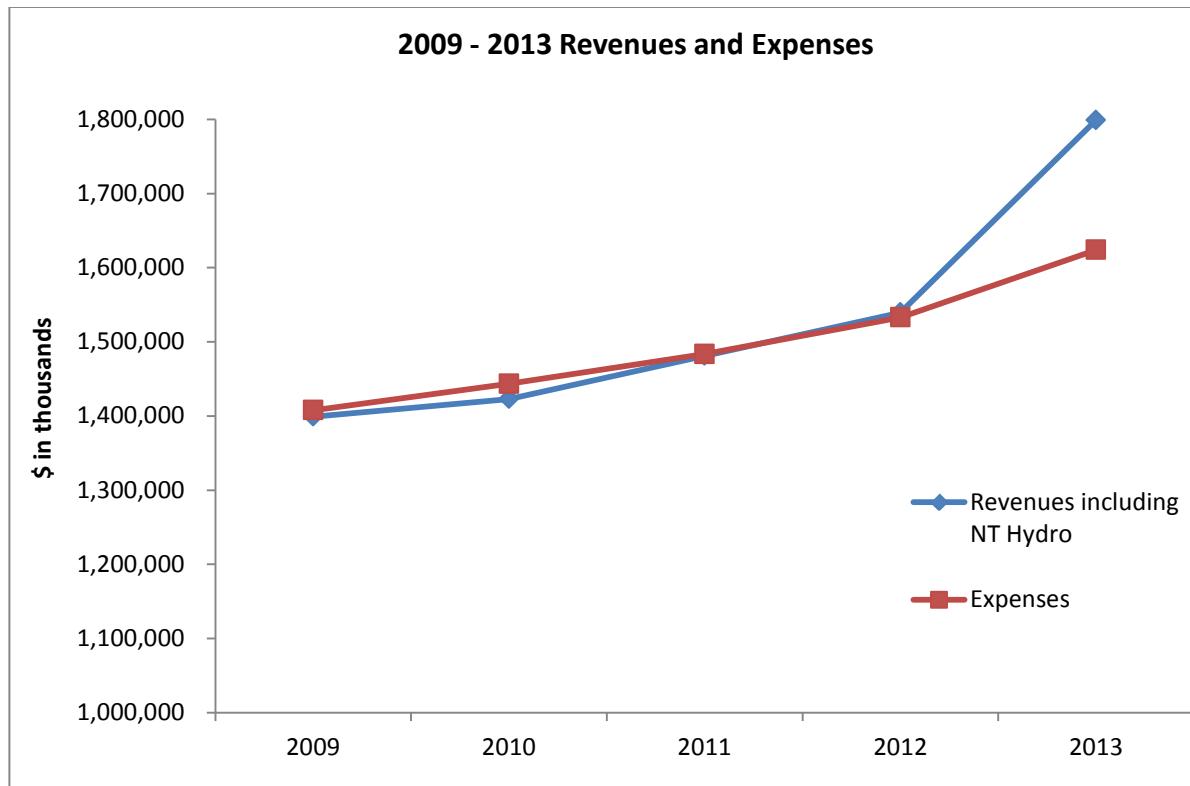
Net debt decreased during the 2013 fiscal year. A significant contributor to this decrease was the recognition of government transfers—a new accounting standard that took effect in the current year. This new standard required recognition of transfers from the Government of Canada that were previously being recorded as deferred capital contributions.

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 net debt position of a government is a good indicator of a government's ability to meet existing financial obligations. In the near term, the Government may have to fund tangible capital assets with debt and this will further impact our net debt position. With so many variables in the calculation of our net debt position, a prediction of an increase or decrease cannot be made without an in-depth analysis. However the Government's net debt position will increase if revenues do not keep pace with, or exceed, the cost of Government operations.

## REVENUES AND EXPENSES



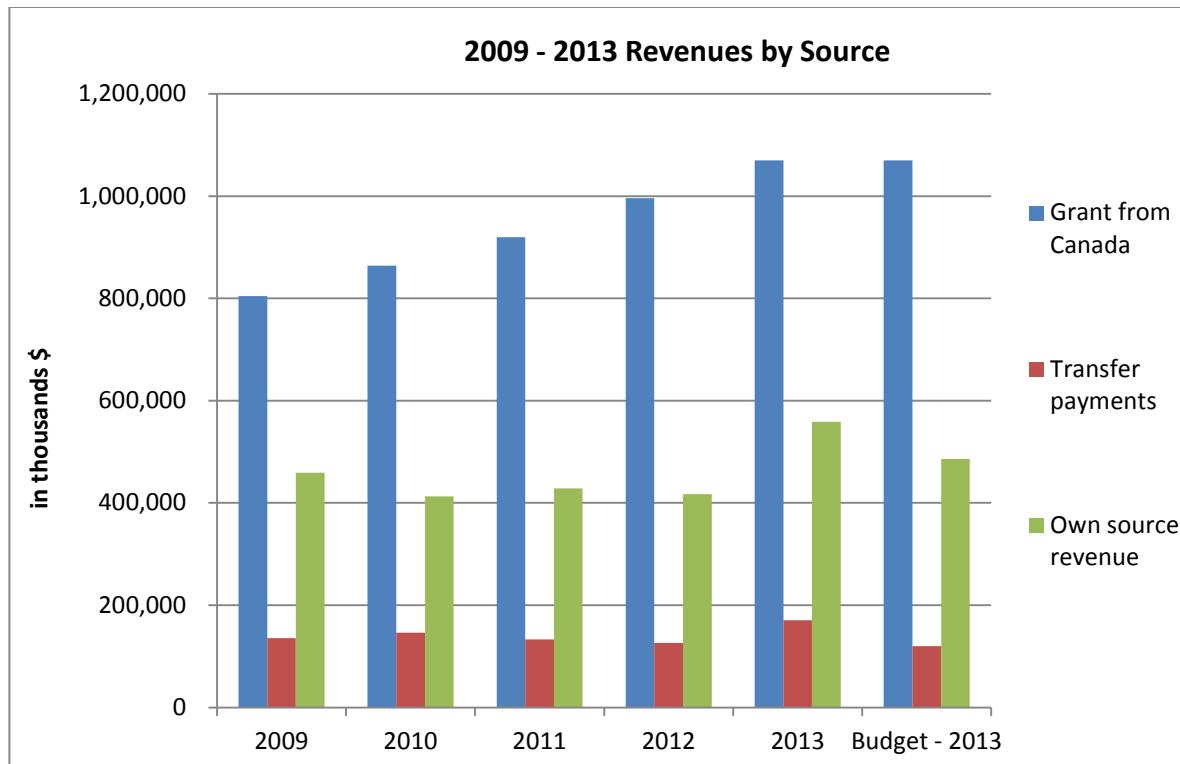
\* Revenues depicted above include recoveries of prior year expenditures and net income of the NWT Hydro Corporation.

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. 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.

## REVENUES BY SOURCE



\* Own source revenues include both recoveries of prior year expenditures and the net income of NWT Hydro Corp.

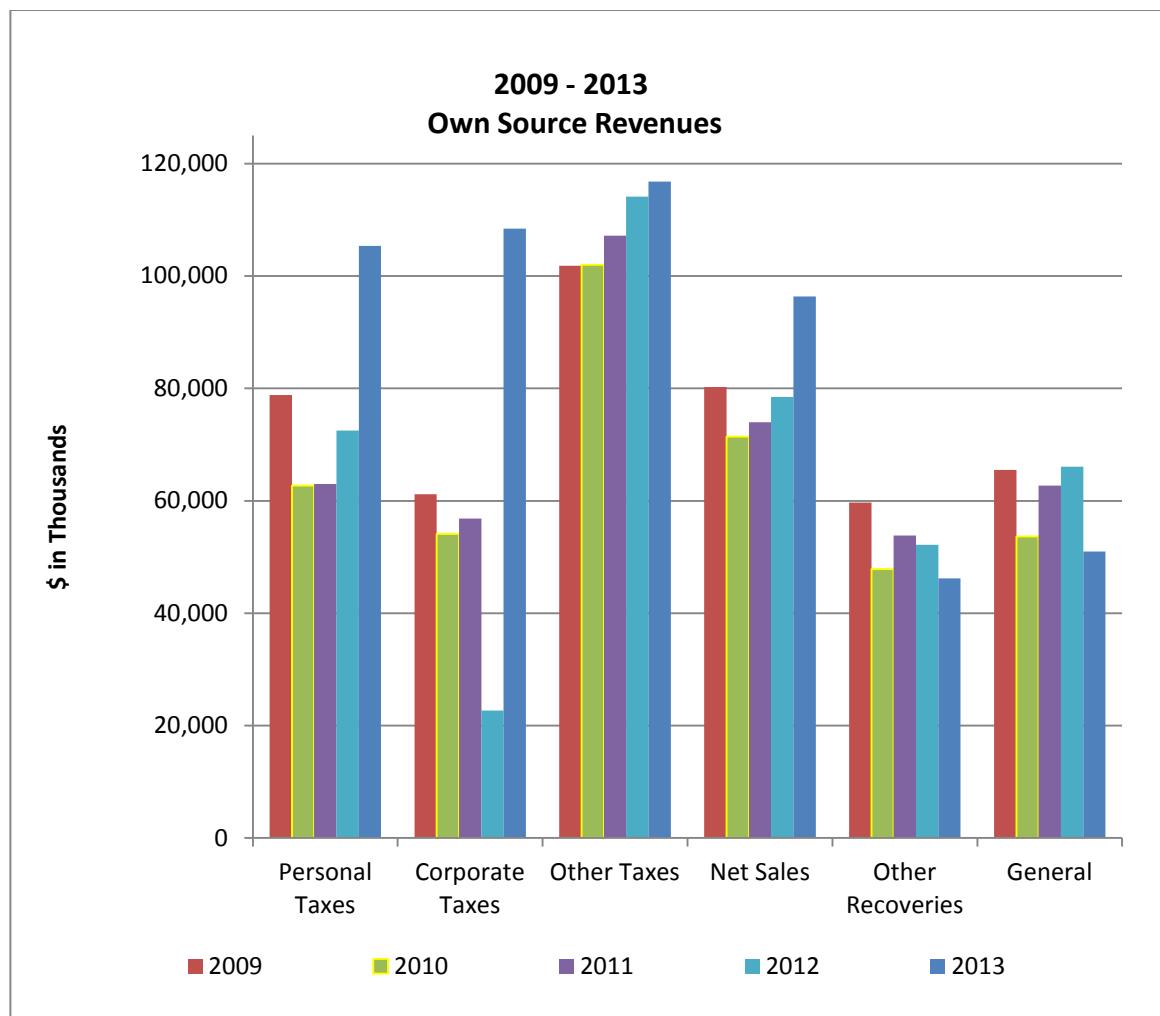
Since 2007 when the current funding structure was implemented the GNWT's revenues from the Formula Financing Grant from Canada increased slightly from 59% to 62% of total revenues. The Grant from Canada is an annual formula-based calculation whereby the NWT's Grant equals the difference between its Gross Expenditure Base (proxy for expenditure requirements) and a measure of revenue capacity known as Eligible Revenues.

Major own-source revenues, such as corporate and personal income tax, tobacco tax, fuel tax, and payroll tax, have averaged approximately 30% of total revenues. Other transfer payments revenues are approximately 9% of total revenues. Although the NWT has a vast reserve of non-renewable resources, it does not currently share in the revenue produced by those resources (royalties, etc).

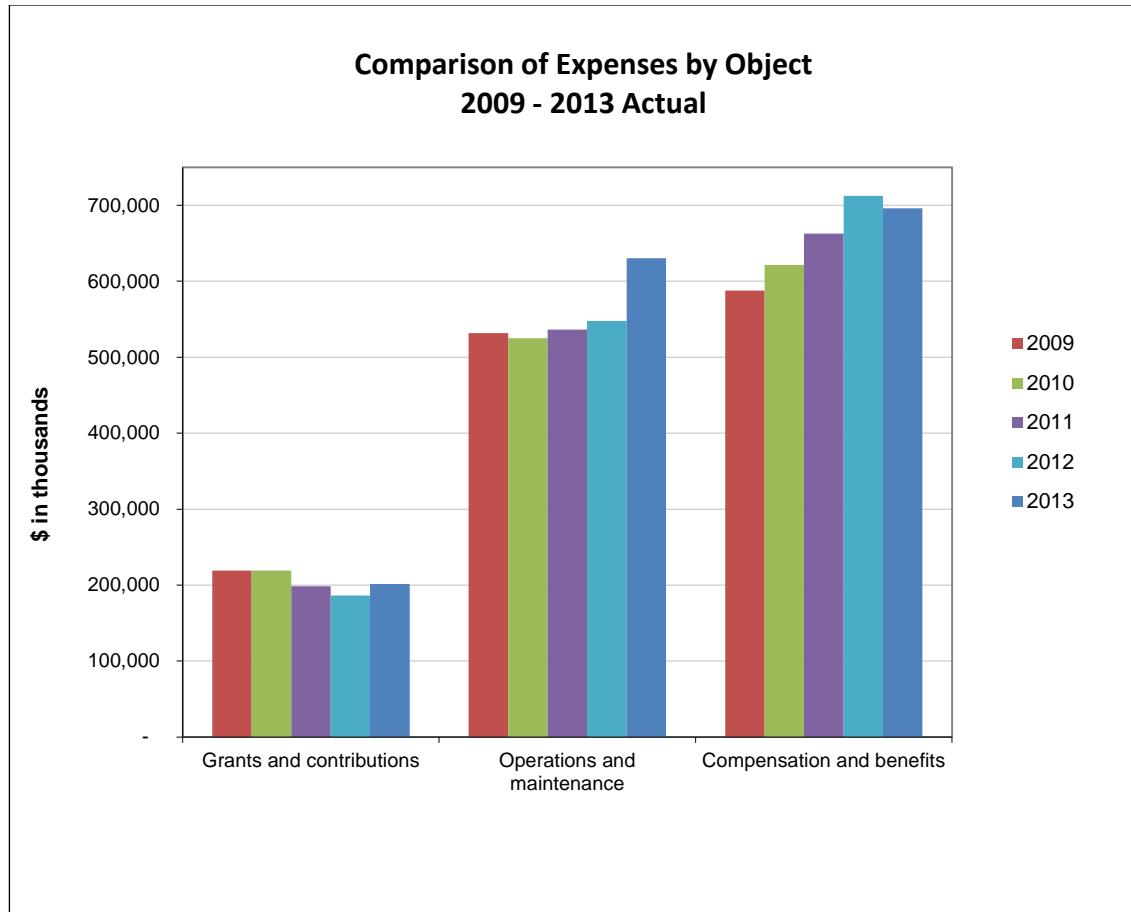
Effective April 1, 2014 Canada will devolve the administration and control of public lands, resources, and rights in respect of waters in the Northwest Territories to the Commissioner of the Northwest Territories. The Northwest Territories Lands and Resources Devolution Agreement establishes a framework 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. From and after the transfer date, Canada shall provide to the GNWT additional funding of \$67.3 million by making an adjustment with an effective date of April 1, 2014 to the current gross expenditure based grant from Canada as determined under the *Federal-Provincial Fiscal Arrangements Act* (Canada) and *Federal-Provincial Fiscal Arrangements Regulations, 2007* (Canada) or any successor program governing the financial arrangements between Canada and the GNWT. The effects of these changes to the Government's operations will not be captured until the March 31, 2015 Public Accounts.

## REVENUES BY SOURCE (continued)

With the exception of corporate and personal income tax, 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. Canada bases estimates of corporate income tax on the latest actual prior year tax revenue information available; for example; 2012 estimates were based on 2010 actual collections.



## EXPENSES BY OBJECT

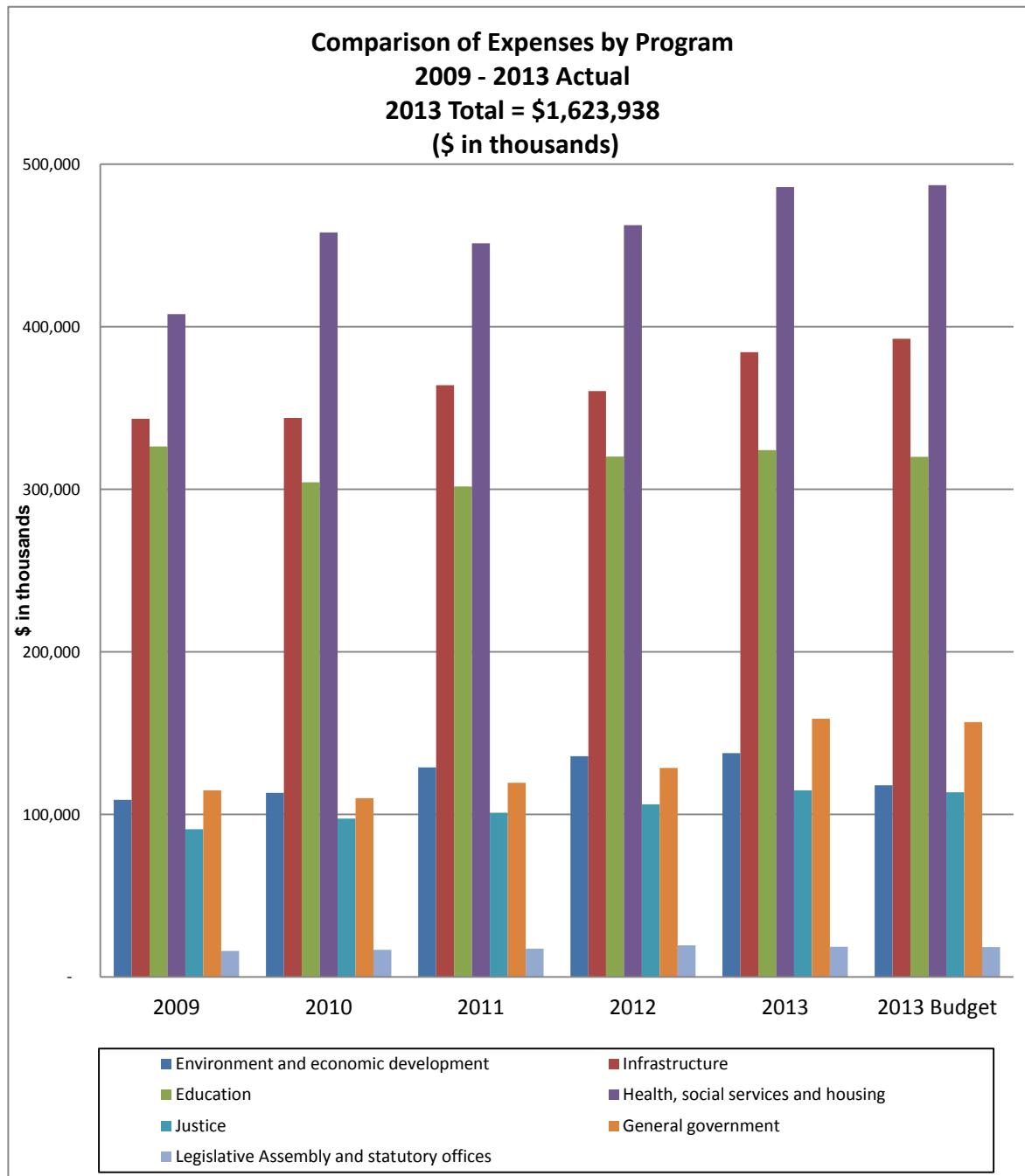


The above graph provides information on the consolidated government operations. Grants and contributions from the GNWT to boards and agencies consolidated in Section I of the Public Accounts are reported under the operations and maintenance and compensation and benefits categories to better reflect the 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 Section II of the Public Accounts, one can see that approximately 48% of the Government's total expenses flow as Grants and Contributions to third parties, including boards and agencies.

In addition, lease and other commitments, which are disclosed in the notes to the consolidated financial statements (Public Accounts – Section I), 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 as it is an important factor when negotiating compensation and benefits. Not only are the direct wages of the Government vulnerable to this, but wage costs comprise a significant factor in determining the amount of grants and contributions given out to third parties, whether they are consolidated within the Public Accounts or not.

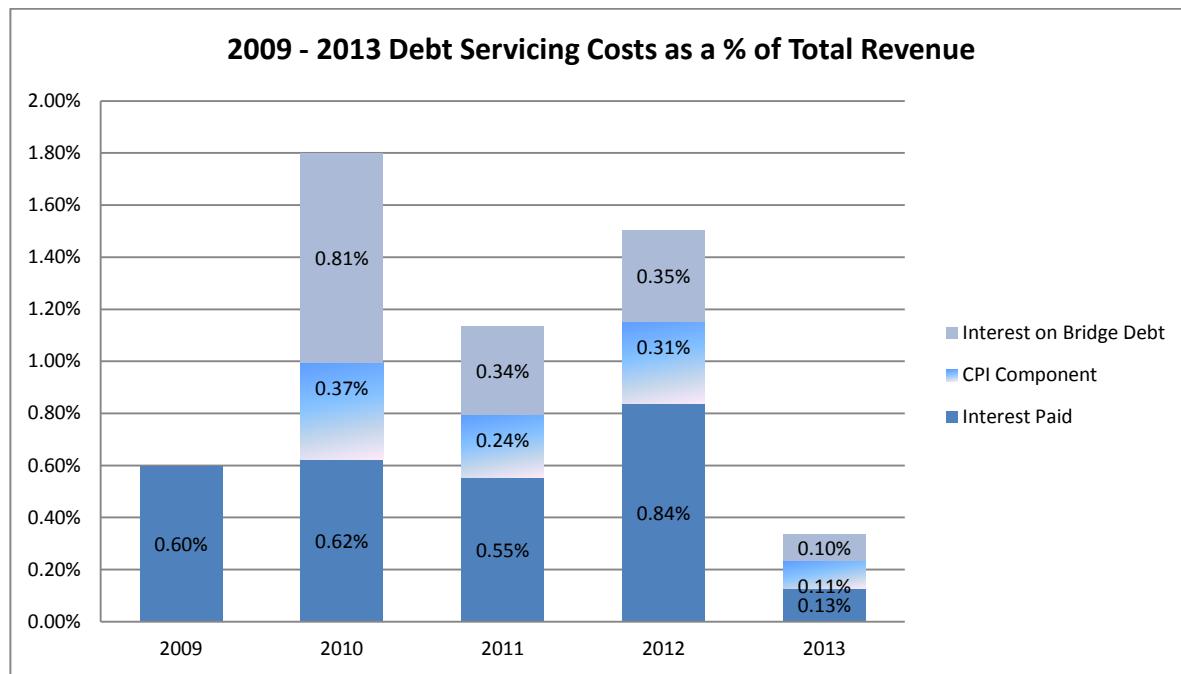
## EXPENSES BY PROGRAM



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.

## DEBT SERVICING COSTS

As shown on the graph below, the GNWT is in the enviable position of having to expend less than 2% of its total revenues to service its debt load, including financing costs paid to service the Deh Cho Bridge debt. The financing costs are comprised of interest expense and an adjustment for inflation based on the consumer price index (CPI). The various components related to the Deh Cho Bridge are disclosed within the graph.



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.

## CONCLUSION

As described in the Introduction, the Canadian Institute of Chartered Accountants has suggested that 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:

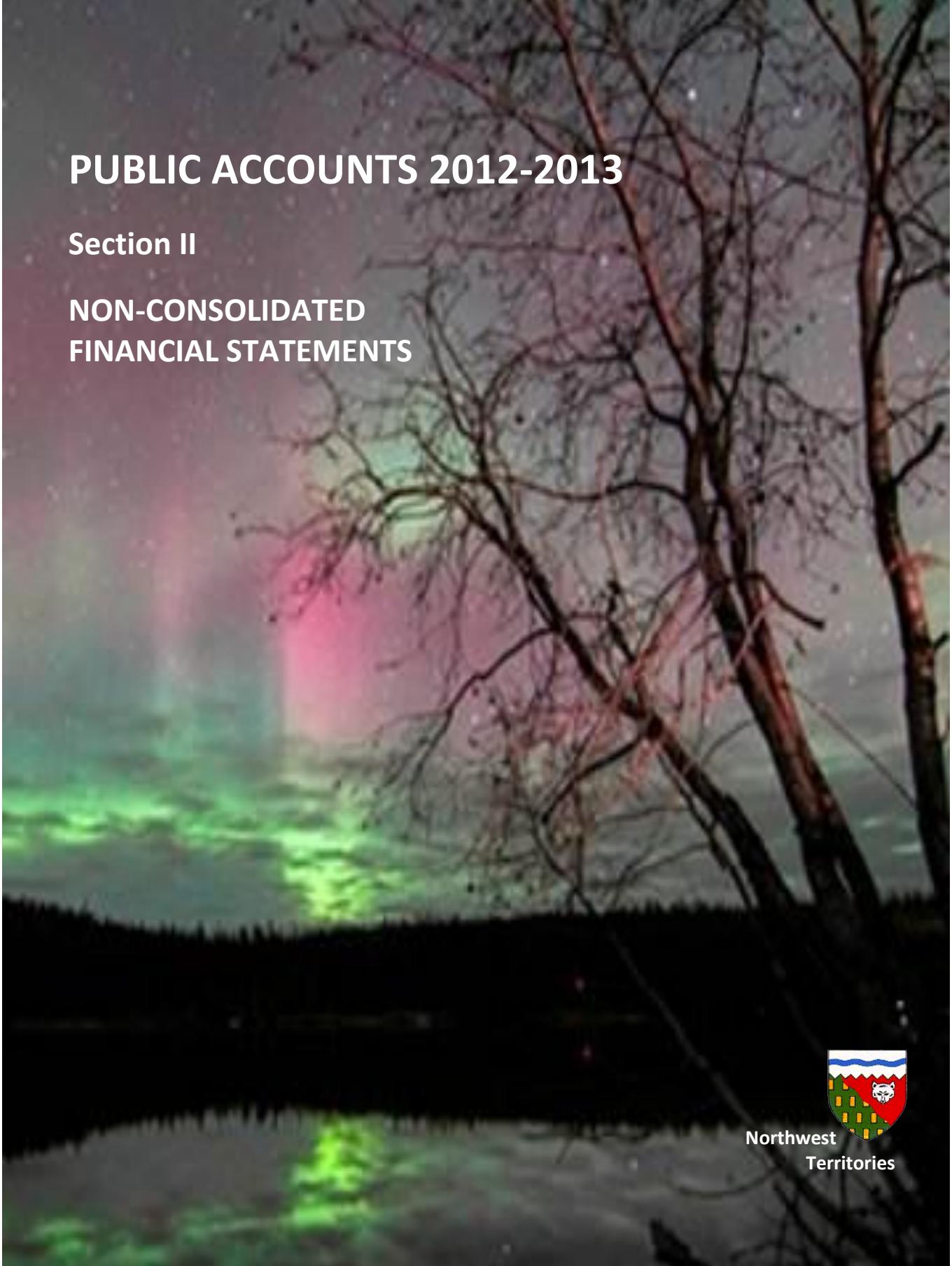
**Sustainability** – at the end of the 2012-2013 fiscal year the GNWT had a net debt of \$338 million compared to net debt of \$458 million at the end of the prior year. This improvement in our financial position is encouraging; however, it must be remembered that it is in part the result of recognizing revenue previously deferred, not from an event that generated new revenues nor is it repeatable. As stated previously in this document a full analysis is required before conclusions are drawn. The net debt represents 18.8%, or approximately 10 weeks of revenue. At March 31, 2013, the GNWT's long-term debt was \$195 million (excluding the debt of the NWT Hydro Corporation) or 10.8% of the GNWT's revenues for the year and less than 6% of GDP.

**Flexibility** – pertains to the GNWT's ability to increase its financial resources. The GNWT's own-source revenues increased from 27.1% of total revenue in 2012 to 30.7% in 2013; income tax revenue is the major source of any fluctuation. The majority of revenue comes from the Grant from the Government of Canada (Formula Financing arrangement). The GNWT currently does not have access to resource royalty revenues as the Government of Canada continues to control all NWT subsurface resources. As previously noted, the GNWT will have access to these revenues beginning April 1, 2014, at which time any increased flexibility will begin to be realized. The GNWT's flexibility to increase taxes and still remain competitive with the other provinces and territories makes a significant increase in other own source revenues unlikely in the short term.

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 49.3% of 2012-2013 expenses, or 26 weeks of operations. 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** – this is a measure of how dependent a Government is on sources of funding outside its control or influence. 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 formula determining the Territorial Formula Financing Grant is established in federal legislation and will remain in effect until March 31, 2014. The *Federal-Provincial Fiscal Arrangements Act* was amended through a federal budget bill in April 2013 to extend the authority to make Territorial Formula Financing payments to territories to 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.



# **PUBLIC ACCOUNTS 2012-2013**

## **Section II**

### **NON-CONSOLIDATED FINANCIAL STATEMENTS**



**Northwest  
Territories**

**PUBLIC ACCOUNTS  
OF THE  
GOVERNMENT OF THE NORTHWEST TERRITORIES  
FOR THE YEAR ENDED MARCH 31, 2013**

**SECTION II**

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

**HONOURABLE J. MICHAEL MILTENBERGER**

**Minister of Finance**



This page intentionally left blank for Legislative Assembly Transmittal Letter.

---

This page intentionally left blank.

---

**Table of Contents**

**Page**

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

Statement of Financial Position	7
Statement of Change in Net Debt	8
Statement of Operations and Accumulated Surplus	9
Statement of Cash Flow	10
Notes to Financial Statements	11
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	42
Schedule 3 - Schedule of Recoveries of Prior Years Expenses	45
Schedule 4 - Schedule of Summary of Capital Acquisitions	45
Schedule 5 - Schedule of Grants	46
Schedule 6 - Schedule of Contributions	48
Schedule 7 - Schedule of Special Warrants	53
Schedule 8 - Schedule of Inter-activity Transfers over \$250,000 and Reclassification of Capital Costs	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 Overdue Travel Advances	63
Schedule 12 - Schedule of Overdue Accountable Advances Related to Previous Fiscal Years	64
Schedule 13 - Schedule of Projects for the Government of Canada, Nunavut and Others - Expenditures Recovered	65

This page intentionally left blank.

---

## Government of the Northwest Territories

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

as at March 31, 2013

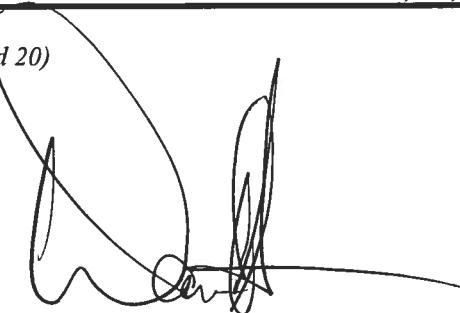
(thousands of dollars)

	2013 Actual \$	2012 Actual \$
<b>Financial assets</b>		
Portfolio investments (note 4)	24,706	24,255
Accounts receivable (note 5)	91,433	85,317
Due from the Government of Canada (note 9)	21,996	28,850
Inventories (note 6)	31,612	30,865
Loans receivable (note 7)	52,823	56,006
Investment in Northwest Territories Hydro Corporation, at nominal value	-	-
	<b>222,570</b>	<b>225,293</b>
<b>Liabilities</b>		
Bank overdraft (note 4)	16,655	29,394
Short-term loans (note 8)	104,962	134,941
Due to the Government of Canada (note 9)	116,917	131,918
Deferred revenue (note 10)	43,970	73,930
Accounts payable and accrued liabilities (note 11)	195,680	217,469
Capital lease obligations (note 12)	2,268	2,815
Long-term debt (note 13)	178,794	180,543
Pensions (note 14)	24,632	23,177
Other employee future benefits (note 15)	30,065	29,405
	<b>713,943</b>	<b>823,592</b>
<b>Net Debt</b>	<b>(491,373)</b>	<b>(598,299)</b>
<b>Non-financial assets</b>		
Tangible capital assets (schedule C)	1,719,401	1,663,221
less: deferred capital contributions (note 3(b)) (note 16)	-	(291,174)
Prepaid expenses	4,399	4,534
	<b>1,723,800</b>	<b>1,376,581</b>
<b>Accumulated surplus</b>	<b>1,232,427</b>	<b>778,282</b>
Contractual obligations and contingencies (notes 19 and 20)		

Approved:

  
J. Michael Miltenberger

Minister of Finance



Warren St. Germaine, CA  
Comptroller General

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

---

## Government of the Northwest Territories

### **Non-Consolidated Statement of Change in Net Debt (unaudited)**

---

**for the year ended March 31, 2013**

(thousands of dollars)

---

	<b>2013</b> <b>Main</b> <b>Estimates</b> <i>(note 1c)</i>	<b>2013</b> <b>Actual</b> \$	<b>2012</b> <b>Actual</b> \$
<b>Net debt at beginning of year</b>	<b>(598,299)</b>	<b>(598,299)</b>	<b>(503,582)</b>
<b>Items affecting net financial resources:</b>			
Annual surplus for the year	84,025	162,971	1,318
Increase in tangible capital assets, net book value ( <i>schedule C</i> )	(47,689)	(56,179)	(98,284)
Increase (decrease) in deferred capital contributions ( <i>note 3(b)</i> ) ( <i>note 16</i> )	(15,559)	-	2,347
Decrease (increase) in prepaid expenses	-	134	(98)
<b>Net debt at end of year</b>	<b>(577,522)</b>	<b>(491,373)</b>	<b>(598,299)</b>

---

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

---

# Government of the Northwest Territories

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

for the year ended March 31, 2013

(thousands of dollars)

	2013 Main Estimates (note 1c) \$	2013 Actual \$	2012 Actual \$
<b>Revenues</b>			
Revenues by source ( <i>schedule A</i> )	1,521,114	1,617,661	1,393,533
Recoveries of prior years expenses ( <i>schedule 3</i> )	3,000	27,688	7,483
	<b>1,524,114</b>	<b>1,645,349</b>	<b>1,401,016</b>
<b>Expenses (<i>schedule B</i>)</b>			
Environment and economic development	115,253	131,084	122,450
Infrastructure	337,632	346,951	330,952
Education	289,957	292,674	289,121
Health, social services and housing	415,384	455,654	423,463
Justice	113,674	114,810	106,335
General government	149,625	122,923	108,177
Legislative Assembly and statutory offices	18,508	18,096	18,919
	<b>1,440,033</b>	<b>1,482,192</b>	<b>1,399,417</b>
<b>Annual operating surplus (deficit)</b>	<b>84,081</b>	<b>163,157</b>	<b>1,599</b>
Petroleum Products Stabilization Fund Net profit (loss) for the year ( <i>note 17</i> )	(56)	(186)	(281)
Projects on behalf of the Government of Canada, Nunavut and Others ( <i>schedule 13</i> )			
Expenses	(58,839)	(62,892)	(67,825)
Recoveries	58,839	62,892	67,825
<b>Annual surplus (deficit)</b>	<b>84,025</b>	<b>162,971</b>	<b>1,318</b>
Accumulated surplus at beginning of year	778,282	778,282	776,964
Change in accounting policy ( <i>note 3(b)</i> )	-	291,174	-
<b>Accumulated surplus, at beginning of year, as restated</b>	<b>-</b>	<b>1,069,456</b>	<b>776,964</b>
<b>Accumulated surplus at end of year</b>	<b>862,307</b>	<b>1,232,427</b>	<b>778,282</b>

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

## Government of the Northwest Territories

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

for the year ended March 31, (thousands of dollars)	2013 \$	2012 \$
<b>Cash provided by (used in)</b>		
<b>Operating transactions</b>		
Net revenue (expense) for the year	162,971	1,318
Items not affecting cash:		
Provision for bad debts and forgivable loans	3,729	5,273
Amortization of tangible capital assets	73,139	66,977
Capital contributions amortized as revenue	-	(14,968)
	239,839	58,600
Changes in non-cash assets and liabilities:		
Due from (to) Canada	(8,147)	(7,986)
Other financial assets	(6,863)	(6,968)
Other financial liabilities	(49,634)	6,986
Prepaid Expenses	135	(99)
<b>Cash provided by operating transactions</b>	<b>175,330</b>	<b>50,533</b>
<b>Investing transactions</b>		
Acquisition of tangible capital assets	(129,722)	(165,584)
Disposal of tangible capital assets (net)	403	323
Capital contributions received and deferred ( <i>note 3(b)</i> ) ( <i>note 16</i> )	-	17,316
Designated cash and investments purchased	(451)	(231)
Loans receivable receipts	6,182	6,023
Loans receivable advanced	(6,728)	(6,298)
<b>Cash used for investing transactions</b>	<b>(130,316)</b>	<b>(148,451)</b>
<b>Financing transactions</b>		
Short-term financing proceeds (repayment)	(29,979)	134,941
Repayment of capital lease obligations	(547)	(1,131)
Receipt (repayment) of long-term financing	(1,749)	1,194
<b>Cash used for financing activities</b>	<b>(32,275)</b>	<b>135,004</b>
<b>Increase in cash and cash equivalents</b>	<b>12,739</b>	<b>37,086</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>(29,394)</b>	<b>(66,480)</b>
<b>Cash and cash equivalents at end of year*</b>	<b>(16,655)</b>	<b>(29,394)</b>

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

---

## **Government of the Northwest Territories**

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

---

**March 31, 2013**

**(All figures in thousands of dollars)**

---

#### **1. AUTHORITY, OPERATIONS AND REPORTING ENTITY**

##### **(a) Authority and operations**

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.

##### **(b) Reporting entity**

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:

Aurora College  
Divisional Educational Councils and District Education Authorities  
Hospitals and Regional Health Boards  
Northwest Territories Business Development and Investment Corporation  
Northwest Territories Housing Corporation  
Northwest Territories Human Rights Commission  
Northwest Territories Hydro Corporation  
Northwest Territories Opportunities Fund  
Status of Women Council of the Northwest Territories  
Tlicho Communities Services Agency

##### **(c) 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.

The estimated supplementary requirements and the estimated appropriation authority lapse are included in the Main Estimates on the statement of operations and accumulated surplus. They are included for the purpose of comparing the actual operating surplus (deficit) to the estimated operating surplus (deficit).

---

## **Government of the Northwest Territories**

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

---

**March 31, 2013**

**(All figures in thousands of dollars)**

---

## **2. SIGNIFICANT ACCOUNTING POLICIES**

### **(a) Measurement Uncertainty**

The preparation of financial statements in accordance with Canadian generally accepted accounting principles 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, valuation allowances for accounts receivable and loans receivable, and amortization expense. Other estimates, such as the Canada Health Transfer and Canada Social Transfer payments and Corporate and Personal Income Tax revenue are based on estimates made by 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 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 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. Other inventories are valued at the lower of cost, determined on a first in, first out basis and net replacement value.

### **(e) Prepaid expenses**

Prepaid expenses are advance payments made prior to year end to meet April 1 deadlines or a portion of a payment, such as insurance or licensing fees, related to future years.

### **(f) Loans receivable**

Loans receivable and advances are stated at the lower of cost and net recoverable value. Valuation allowances, which are recorded to reduce loans receivable, are based on past events, current conditions and all circumstances known at the date of the preparation of the financial statements. Valuation allowances are determined on an individual basis. Interest revenue is recorded on an accrual basis. Interest revenue is not accrued when the collectibility of either principal or interest is not reasonably assured.

---

## Government of the Northwest Territories

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

---

March 31, 2013

(All figures in thousands of dollars)

---

## 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

### (g) Investment in the Northwest Territories Hydro Corporation

The Northwest Territories Hydro Corporation and its subsidiaries are wholly owned and accountable to the Government, and provide utility services in the Northwest Territories. The net assets of the Corporations have been recorded at nominal value.

### (h) 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.

#### (i) Tangible capital assets and leases

Tangible capital assets are buildings, roads, equipment, etc. whose life extends beyond the fiscal year, original cost exceeds \$50 and are intended to be used on an ongoing basis for delivering programs and services. Individual assets less than \$50 are expensed when purchased. Tangible capital assets are recorded at cost, or where actual cost was not available, estimated current replacement cost converted back to the date of purchase by discounting current year dollars for inflation. Tangible capital 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
Airstrips and aprons	40 years
Buildings	40 years
Ferries	25 years
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 lives of tangible capital assets are reviewed on a regular basis and revised where appropriate. 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.

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 any payments due. The present value is based on the specified rate or the government's borrowing rate at the time the obligation is incurred. Operating leases are charged to expenses. Works of art, historical treasures and crown lands are not recorded.

---

## **Government of the Northwest Territories**

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

---

**March 31, 2013**

**(All figures in thousands of dollars)**

---

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

### **(j) Pensions and other employee future benefits**

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, the adjustments needed are amortized on a straight line basis over the estimated average remaining service lives of the contributors.

Under the terms and conditions of employment, government employees may earn non-pension benefits for resignation, severance and removal costs based on years of service. The benefits 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. The cost of the benefits has been determined based on management's best estimates using expected compensation levels and employee leave credits.

### **(k) 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.

### **(l) 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.

### **(m) 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.

### **(n) Grant from the Government of Canada**

The grant from the Government of Canada is calculated using a three-year moving average of personal and corporate income taxes (with a two year delay), fuel taxes, tobacco tax and alcoholic beverage revenues. In addition, changes in national average tax rates, population and growth in provincial, territorial and local government spending are considered in the funding calculation. The grant is estimated once for each fiscal year and is not revised.

---

## Government of the Northwest Territories

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

---

March 31, 2013

(All figures in thousands of dollars)

---

## 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

### (o) Transfer payments

Government transfers for non-specified purposes 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 and a reasonable estimate of the amount can be made. Transfers received before these criteria are fully met are recorded as deferred revenue. The Canada Health Transfer is determined by a formula that includes population and personal and corporate income taxes. Revisions to these variables result in prior year adjustments being included in current year revenues.

### (p) Taxes 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 these taxes monthly 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.

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 revenue 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.

### (q) Expenses

Grants and contributions are recognized as long as the grant or contribution is authorized and eligibility criteria have been met. All other expenses are recognized on an accrual basis.

### (r) Environmental liabilities

Environmental liabilities consist of the estimated costs related to the management and remediation of environmentally contaminated sites. For contaminated sites, a liability is accrued and an expense recorded based on management's best estimates when the contamination occurs or when the Government becomes aware of the contamination and is obligated, or is likely obligated, to incur such costs. If the likelihood of the Government's obligation to incur these costs is either not determinable, or if an amount cannot be reasonably estimated, the contingency is disclosed in the notes to the financial statements.

### (s) Recoveries of prior years' expenses

Recoveries of prior years' expenses and reversals of prior years' expense accruals 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.

---

## Government of the Northwest Territories

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

---

March 31, 2013

(All figures in thousands of dollars)

---

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

### (t) Future accounting changes

The Public Sector Accounting Board issued PS 3260 Liability for Contaminated Sites effective for fiscal years beginning on or after April 1, 2014. Contaminated sites are 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. The Government will be required to recognize a liability related to the remediation of such contaminated sites subject to certain recognition criteria. The Government currently recognizes an estimate for further evaluation or remediation depending on the stage of the investigation. The Government is analyzing the impact of this standard on its financial statements.

The Public Sector Accounting Board issued PS 3450 Financial Instruments effective for fiscal years beginning on or after April 1, 2015. 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.

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. The Government is currently analyzing any possible future impact of these standards on its financial statements

## 3. CHANGES IN ACCOUNTING POLICY

### (a) Tax revenues

Effective April 1, 2012, the Government adopted the PSA Handbook Section PS 3510 –Tax revenues. This new section establishes recognition, measurement, presentation and disclosure standards related to tax concessions and transfers made through the tax system. Transfers made through the tax system are now recognized as expenses rather than a reduction of revenues. On a prospective basis, the Government now records the following on a gross basis: the Cost of Living Tax Credit, the Child Benefit, the Child Benefit administration fees and the Tax Collection Agreement administration fees from personal income tax. The impact of this change in accounting policy increases total revenue and expense by \$23,000 million with no impact on net operating results.

### (b) Government transfers

Effective April 1, 2012, the Government adopted the PSA Handbook Section PS 3410 – Government Transfers. This new section establishes recognition, measurement, presentation and disclosure standards related to Government Transfers reported in financial statements. This new section requires the Government to change its policy for recording transfers from the Government of Canada for capital and donated assets. Previously, these transfers and donations were recorded as Deferred Capital Contributions (DCC) and recognized as revenue on the same basis as the amortization of the related capital asset. As a result of this policy change, these transfers and donations are now recognized as revenue when the related tangible capital asset is purchased or in the case of constructed assets, when the asset is complete. A transfer may only be deferred if stipulations within the transfer agreement, taken together with the actions and communications of the Government allow for the recognition of a liability that will be discharged over a period of more than one fiscal year. This policy has been applied retroactively without restatement of comparatives. An adjustment of \$291,174 has been made to the opening balance of accumulated surplus of the current period to reflect the cumulative effect of the change on prior periods.

---

## Government of the Northwest Territories

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

---

March 31, 2013

(All figures in thousands of dollars)

---

#### 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. The overdraft interest rate is based on prime and fluctuates during the year. Interest paid in 2013 by the investment pool was \$ nil (2012 - nil). The average borrowing rate during the year would have been 3.000% (2012 - 3.250%). As at March 31, 2013 the investment pool had no net overdraft balance (2012 - nil).

As of March 31, 2013, on a cash basis, the Government's share in the investment pool was a deficit of \$4,409 (2012 - \$22,008). When taking into account \$7,237 classified as in-trust and \$5,009 of outstanding items, the bank overdraft, on an accounting basis, becomes \$16,655. The Government's cash deficit related to the investment pool carried interest at a rate of 1.10% and \$328 was paid to it.

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.

Excluding designated investments, at March 31, 2013 the investment pool had total investments of nil (2012 - \$115). The eligible classes of securities, categories of issuers, limits and terms are approved under the Government's investment guidelines, *Financial Administration Act* and Investment Regulations. All short-term instruments, depending on the investment class, are rated R-1 Low or better from the Dominion Bond Rating Service Ltd. Investments are diversified, limiting them to a maximum of 10% to 50% of the total portfolio depending on the type of investment. There is no significant concentration in any one investment.

At March 31, 2013 the average term to maturity was 0 days (2012 - 0 days). The portfolio yield for the year remained steady at 1.20% (2012 - 1.20%). In 2013, the Government earned interest on short-term investments of \$5 (2012 - \$172).

---

## Government of the Northwest Territories

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

---

March 31, 2013

(All figures in thousands of dollars)

---

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

##### (b) Designated Assets

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

	2013	2012
	\$	\$
Student Loan Fund:		
Authorized limit for loans receivable*	40,000	36,000
Less: Loans receivable balance	(37,712)	(36,115)
Funds designated for new loans	<u>2,288</u>	<u>(115)</u>
Environment Fund:		
Beverage Container Program net assets	<u>1,743</u>	<u>1,624</u>

Portfolio Investments for the Legislative Assembly Supplementary Retiring Allowance and Judges Supplemental Pension Plans:

Marketable securities (market value \$26,088; 2012 - \$24,896)	23,434	23,121
Money Market (market value approximates cost)	879	390
Cash and other assets (market value approximates cost)	393	744
	<u>24,706</u>	<u>24,255</u>
	<u>28,737</u>	<u>25,764</u>

\* As at March 31, 2012 the authorized limit for student loans was exceeded by \$115. Subsequent to March 31 the Legislative Assembly approved an increase of \$4,000 to the authorized limit bringing the authorized limit to \$40,000 for the March 31, 2013 fiscal year and beyond.

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 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.

The investment portfolio, while forming part of the Consolidated Revenue Fund, is designated for the purpose of meeting the obligations of the Legislative Assembly Supplementary Retiring Allowance and Judges Supplemental Pension Plans (*note 13*). Supplementary Retiring Allowance Regulations restrict the investments to those permitted under the *Pension Benefits Standards Act*.

---

---

## Government of the Northwest Territories

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

---

March 31, 2013

(All figures in thousands of dollars)

---

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

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

	2013 %	2012 %
Canadian stocks	20.50	21.20
Cash and other assets	5.15	4.68
Fixed income mutual funds	23.85	21.63
Federal bonds	16.82	15.50
Foreign stocks	33.66	36.91
Provincial bonds	0.02	0.08
	<u>100.00</u>	<u>100.00</u>

#### 5. ACCOUNTS RECEIVABLE

	2013 \$	2012 \$
General	35,912	33,861
Government of Nunavut	5,008	7,069
Revolving funds sales	8,666	10,463
Accrued interest	25	25
	49,611	51,418
Less: allowance for doubtful accounts	8,233	8,166
	<b>41,378</b>	<b>43,252</b>

Receivables from related parties:

Aurora College	892	204
Divisional Education Councils and District Education Authorities	4,559	3,673
Health and Social Services Authorities	42,412	36,025
Northwest Territories Business Development and Investment Corporation	241	-
Northwest Territories Housing Corporation	1,001	1,571
Northwest Territories Hydro Corporation	184	54
Tlicho Community Services Agency	557	518
Workers' Safety and Compensation Commission (Northwest Territories and Nunavut)	209	20
	<b>50,055</b>	<b>42,065</b>
	<b>91,433</b>	<b>85,317</b>

During the year, no accounts receivable (2012 - \$ nil) were written off and no accounts receivable (2012 - \$ nil) were forgiven.

## Government of the Northwest Territories

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

March 31, 2013 (All figures in thousands of dollars)

#### 6. INVENTORIES

	2013 \$	2012 \$
Bulk fuels	28,517	26,851
Liquor products	2,940	3,865
Public stores	155	149
	<b>31,612</b>	<b>30,865</b>

Bulk fuel inventory write-down for 2013 was nil (2012 - nil).

#### 7. LOANS RECEIVABLE

	2013 \$	2012 \$
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.	30,369	32,203
Arslanian Cutting Works Inc. promissory note receivable. The debtor has initiated legal proceedings for receivership.	5,635	5,885
Deton' Cho Corporation (DCC) non-interest bearing promissory note, repayable in 20 equal installments, fully repaid during the year. This note arose from the sale of shares held as security on a \$2,600 loan guarantee by the Government for DCC, that was called by the Bank of Montreal. Foregone interest revenue, recorded as a Grant in Kind, is calculated at the Government's long term borrowing rate and amounted to \$5 in the year (2012 - \$19)	-	260
Student Loan Fund loans due in installments to 2028, bearing fixed interest between 1.25% and 11.75%, unsecured.	37,712	36,115
Yellowknife Catholic School Board Advance, unsecured, repayable in monthly installments of \$10. Interest is calculated monthly based upon the Government's current borrowing rate.	1,298	1,401
Other	14	19
Valuation allowance - Student Loan Fund	<b>75,028</b>	<b>75,883</b>
Valuation allowance - Arslanian Cutting Works	(18,070)	(16,977)
	<b>(4,135)</b>	<b>(2,900)</b>
	<b>52,823</b>	<b>56,006</b>

During the year, \$1,400 in student loans (2012 - \$1,841) was remised with proper authority.

Interest earned on loans receivable during the year was \$846 (2012 - \$949).

---

## Government of the Northwest Territories

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

---

March 31, 2013

(All figures in thousands of dollars)

---

#### 8. SHORT-TERM LOANS

Short-term loans of \$104,962 (2012 - \$134,941) incur interest at an average rate of 1.11% (2012 - 1.07%). Short-term loans were repaid by May 1, 2013. Interest paid in 2013 was \$723 (2012 - nil). The borrowing limit under the *Borrowing Authorization Act* is \$275,000.

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

	2013	2012
	\$	\$
<b>Other receivables:</b>		
Projects on behalf of the Government of Canada	(9,436)	(10,526)
Miscellaneous receivables	(12,560)	(18,324)
	<b>(21,996)</b>	<b>(28,850)</b>
 <b>Other payables:</b>		
Advances for projects on behalf of the Government of Canada	8,141	8,687
Excess income tax advanced	80,776	97,630
Miscellaneous payables	28,000	25,601
	<b>116,917</b>	<b>131,918</b>
	<b>94,921</b>	<b>103,068</b>

---

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

	\$
2014	36,730
2015	42,986
2016	860
2017	200
	<b>80,776</b>

---

## Government of the Northwest Territories

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

March 31, 2013

(All figures in thousands of dollars)

#### 10. DEFERRED REVENUE

	2013	2012
	\$	\$
Government of Canada		
Government of Canada		
Ministry of Finance	6,658	-
Building Canada Plan	35,195	59,249
Infrastructure Stimulus Fund	-	610
Canadian Strategic Infrastructure Fund	-	2,774
Patient Wait Times Trust 2008	-	21
Federal Infrastructure Stimulus Funding	1,327	-
Other	790	11,276
	<b>43,970</b>	<b>73,930</b>

#### 11. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2013	2012
	\$	\$
Trade	117,874	127,028
Other liabilities	4,493	5,338
Employee and payroll-related liabilities	33,325	30,925
Environmental liabilities	26,345	44,188
	<b>182,037</b>	<b>207,479</b>

##### Payables to related parties:

Aurora College	1,888	560
Divisional Education Councils and District Education Authorities	337	192
Health and Social Services Authorities	9,040	6,744
Northwest Territories Business Development and Investment Corporation	15	8
Northwest Territories Housing Corporation	360	153
Northwest Territories Hydro Corporation	1,075	1,280
Tlicho Community Services Agency	224	254
Workers' Safety and Compensation Commission (Northwest Territories and Nunavut)	704	799
	<b>13,643</b>	<b>9,990</b>
	<b>195,680</b>	<b>217,469</b>

## Government of the Northwest Territories

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

March 31, 2013 (All figures in thousands of dollars)

#### 12. CAPITAL LEASE OBLIGATIONS

	2013	2012
	\$	\$
Buildings	2,048	2,536
Equipment	220	279
	<b>2,268</b>	<b>2,815</b>
		\$
	2014	474
	2015	476
	2016	455
	2017	382
	2018	382
	Beyond 2018	733
Total minimum lease payments		2,902
Less: imputed interest 7.8%		634
		<b>2,268</b>

#### 13. LONG-TERM DEBT

	2013	2012
	\$	\$
Mortgage payable to Canada Mortgage and Housing Corporation, repayable in monthly installments of \$7 (2012 - \$7) maturing June 2024, bearing interest at 3.30% (2012 - 3.30%), secured with real property.	867	930
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.	177,927	179,613
	<b>178,794</b>	<b>180,543</b>
Annual principal repayments are due as follows:		\$
	2014	2,368
	2015	2,478
	2016	2,592
	2017	2,709
	2018	2,830
	Beyond 2018	165,817
		<b>178,794</b>

Interest expense on long term debt for the year was \$4,479 (2012 - \$10,452). In the year, \$3,751 (2012 - \$10,161) of financing charges (net of interest earned \$45 (2012 - 259)) was capitalized, consisting of interest of \$1,857 (2012 - \$5,627) and CPI adjustment of \$1,894 (2012 - \$4,793).

---

## Government of the Northwest Territories

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

---

March 31, 2013

(All figures in thousands of dollars)

---

#### 14. PENSIONS

##### (a) Plans description

The Government administers the following pension plans for Members of the Legislative Assembly (MLAs) and Territorial Court Judges.

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 made a voluntary restriction on assets for the purposes of meeting the obligations of the Supplemental plans.

The Government is liable for all benefits. Benefits provided under all four plans are based on years of service and pensionable earnings.

##### (b) Pension liability

	Regular Funded \$	Supplemental Unfunded \$	2013 Total \$
Accrued benefit obligation	22,017	27,080	49,097
Pension fund assets - market related value	(25,047)	-	(25,047)
Unamortized actuarial gains (losses)	(185)	767	582
<b>Pension liability (asset)</b>	<b>(3,215)</b>	<b>27,847</b>	<b>24,632</b>

	Regular Funded \$	Supplemental Unfunded \$	2012 Total \$
Accrued benefit obligation	21,741	26,461	48,202
Pension fund assets - market related value	(23,936)	-	(23,936)
Unamortized actuarial gains (losses)	(1,633)	544	(1,089)
<b>Pension liability (asset)</b>	<b>(3,828)</b>	<b>27,005</b>	<b>23,177</b>

---

## Government of the Northwest Territories

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

---

March 31, 2013

(All figures in thousands of dollars)

---

#### 14. PENSIONS (continued)

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

	Regular Funded \$	Supplemental Unfunded \$	2013 Total \$
<b>Opening balance</b>	<b>(3,828)</b>	<b>27,005</b>	<b>23,177</b>
<hr/>			
Change to pension liability from cash items:			
Contributions from plan members	(256)	-	(256)
Contributions from Government	(211)	-	(211)
Benefit payment to plan members	(1,284)	(1,190)	(2,474)
Drawdown from plan assets	1,284	-	1,284
<b>Net change to pension liability from cash items</b>	<b>(467)</b>	<b>(1,190)</b>	<b>(1,657)</b>
<hr/>			
Change to pension liability from accrual items:			
Current period benefit cost	833	969	1,802
Amortization of actuarial (gains) losses	342	(253)	89
<b>Prior period cost of plan amendment</b>	<b>-</b>	<b>-</b>	<b>-</b>
Interest on average accrued benefit obligation	1,099	1,316	2,415
Return on plan assets	(1,194)	-	(1,194)
<b>Net change to pension liability from accrual items</b>	<b>1,080</b>	<b>2,032</b>	<b>3,112</b>
<b>Ending balance</b>	<b>(3,215)</b>	<b>27,847</b>	<b>24,632</b>

## Government of the Northwest Territories

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

March 31, 2013

(All figures in thousands of dollars)

#### 14. PENSIONS (continued)

	Regular Funded \$	2012 Supplemental Unfunded \$	Total \$
<b>Opening balance</b>	<b>(5,000)</b>	<b>25,938</b>	<b>20,938</b>
Change to pension liability from cash items:			
Contributions from plan members	(246)	-	(246)
Contributions from Government	(203)	-	(203)
Benefit payment to plan members	(1,929)	(1,112)	(3,041)
Drawdown from plan assets	1,929	-	1,929
<b>Net change to pension liability from cash items</b>	<b>(449)</b>	<b>(1,112)</b>	<b>(1,561)</b>
Change to pension liability from accrual items:			
Current period benefit cost	831	963	1,794
Amortization of actuarial (gains) losses	540	(314)	226
	393		393
Interest on average accrued benefit obligation	1,292	1,530	2,822
Return on plan assets	(1,435)	-	(1,435)
<b>Net change to pension liability from accrual items</b>	<b>1,621</b>	<b>2,179</b>	<b>3,800</b>
<b>Ending balance</b>	<b>(3,828)</b>	<b>27,005</b>	<b>23,177</b>

#### (d) Pension expense

The components of pension expense include current period benefit cost, amortization of actuarial gains/losses and interest on average accrued benefit obligation net of the return on plan assets and contributions from plan members. The total pension expense is \$2,856 (2012 - \$3,554). 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 return on plan assets and the actual return on plan assets was a gain of \$846 (2012 - \$155). In addition to the above, the Government contributed \$29,789 (2012 - \$30,599) to the Public Service Superannuation Plan. The employees' contributions to this plan were \$15,985 (2012 - \$15,345).

#### (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 2013 (legislative amendment in 2012).

---

## Government of the Northwest Territories

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

---

March 31, 2013

(All figures in thousands of dollars)

---

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

##### *Valuation date*

Actuarial valuations were last completed for the Legislative Assembly and Judges plans as of April 1, 2012 and April 1, 2010, respectively. As the actuarial valuations for the plans were not valued as at the year-end, the MLA's plans were extrapolated to January 31, 2013 and the Judges' plans were extrapolated to March 31, 2013.

##### *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, market-related value, 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 \$20,617 (2012 - \$20,010). The asset valuation method for the Judges' plans is market value. The market value of the Judges' regular plan is \$4,543 (2012 - \$4,082).

##### *Actuarial gains and losses*

Actuarial gains and losses occur when actual experience varies from estimates. The adjustments needed are amortized on a straight line basis over the estimated average remaining service lives of the contributors. The expected average remaining service lives of the contributors is 6 years for the MLA's plans and 4.9 years for the Judges' plans.

##### *Actuarial assumptions*

	Legislative Assembly plans	Judges' plans
Expected rate of return on plan assets	4.8%	4.0%
Rate of compensation increase	2.3%	4.0%
Annual inflation rate	2.3%	3.0%
Annual interest rate	4.8%	6.0%

##### *Retirement assumptions*

- Members of Legislative Assembly at later of age 50, 4 years of service, and end of current session.
- Judges at the earlier of age 60 or when age plus service equals 80.

---

## Government of the Northwest Territories

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

---

March 31, 2013

(All figures in thousands of dollars)

---

#### 15. OTHER EMPLOYEE FUTURE BENEFITS

In addition to pension benefits, the Government provides termination and removal benefits to its employees. This benefit plan is not pre-funded and thus has no assets, resulting in a plan deficit equal to the accrued benefit obligation. The expected payments during the next fiscal year are \$3,277 (2012 - \$3,411).

	2013	2012
	\$	\$
Resignation and retirement	22,314	21,866
Removal	7,751	7,539
	<b>30,065</b>	<b>29,405</b>

---

#### 16. DEFERRED CAPITAL CONTRIBUTIONS

As indicated in note 3 - Changes in Accounting Policy, the Government has adopted PS 3410 for the current year. The impact of this change results in the elimination of deferred capital contributions (DCC). Prior to March 31, 2013, DCC related to the portion of a tangible capital asset that was gifted from or cost-shared. The capital contributions were deferred and recognized into revenue at the completion of the purchase or the construction. PS 3410 was adopted retroactively without restatement and as a result, the 2012 comparatives are being shown as originally reported in the prior year.

	2013	2012
	\$	\$
Deferred capital contributions at beginning of year	-	288,826
Add: Assets gifted or cost shared during the year	-	17,316
Less: Amortization of capital contributions	-	(14,968)
<b>Deferred capital contributions at end of year</b>	<b>-</b>	<b>291,174</b>

---

#### 17. 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.

	2013	2012
	\$	\$
Surplus at beginning of the year	368	649
Add: Petroleum Products Stabilization Fund		
Net loss for the year	(186)	(281)
<b>Surplus at end of the year</b>	<b>182</b>	<b>368</b>

---

---

## Government of the Northwest Territories

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

---

March 31, 2013

(All figures in thousands of dollars)

---

#### 18. 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.

	2013 \$	2012 \$
Correctional Institutions	312	274
Public Trustee	6,414	6,277
Natural Resources	244	304
Supreme and Territorial Courts	1,138	656
Others	77	132
Government of New Brunswick - Deh Cho Bridge	6,944	6,793
	<b>15,129</b>	<b>14,436</b>

---

#### 19. 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, 2013:

	Expiry Date	2014 \$	2015- 2048 \$	Total \$
Operational commitments	2048	53,592	88,118	141,710
RCMP policing agreement	2032	40,380	726,840	767,220
Commercial leases	2022	11,239	27,702	38,941
Equipment leases	2019	700	862	1,562
Tangible capital asset projects in progress at year end	2015	129,342	42,295	171,637
		<b>235,253</b>	<b>885,817</b>	<b>1,121,070</b>

---

#### Chargeback of Services

The Government has 1 (2012 - 3) cost recovery service agreement with the Government of Nunavut for the provision of various corporate and program delivery services. The expenses on and costs recovered from these projects on behalf of the Government of Nunavut are estimated at \$3,353 for the fiscal year ended 2013 (2012 - \$3,313).

---

## Government of the Northwest Territories

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

---

March 31, 2013

(All figures in thousands of dollars)

---

#### 20. CONTINGENCIES

##### (a) Contractual obligations

The Government is contingently liable for the following guarantees:

	2013
	\$
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
maturing December 1, 2032	13,333
maturing September 13, 2040	49,201
Debenture series issued by the Northwest Territories Power Corporation	
maturing May 1, 2025	5,879
maturing July 11, 2025	15,000
maturing October 1, 2025	5,932
maturing September 1, 2026	6,774
maturing August 1, 2028	25,000
maturing December 15, 2034	25,000
Loans payable by the Northwest Territories Housing Corporation to	
Canada Mortgage and Housing Corporation *	8,762
Guaranteed residential housing loans	4,609
<b>Total Guarantees</b>	<b>178,190</b>

---

\* In addition to this amount, the Northwest Territories Housing Corporation (NWTHC) has mortgages payable to the Canada Mortgage and Housing Corporation (CMHC) under the Social Housing Agreement. The mortgages mature between the years 2026 and 2027, bearing interest ranging from 2.78% to 3.68% (2012 2.78% to 3.68%). These mortgages relate to assets held by NWTHC in trust for CMHC; therefore, these liabilities are not included in the above listing.

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.

---

## Government of the Northwest Territories

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

---

March 31, 2013

(All figures in thousands of dollars)

---

#### 20. CONTINGENCIES (continued)

##### (b) Environmental liabilities

The Government recognizes that there are costs related to the remediation of environmentally contaminated sites for which the Government is responsible. The Government has identified 122 (2012 - 139) sites as potentially requiring environmental remediation at March 31, 2013. Where an estimate could be determined for remediation costs a liability has been recorded and included as a component of accounts payable and accrued liabilities.

One of the 122 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 balance of the Government's share of the Giant Mine remediation liability at March 31, 2013 is \$3,162 (2012 - \$20,207), after transferring \$17,000 to the Highway 4 Realignment Project to bypass Giant Mine, per the amendment to Section 17.3 of the Cooperation Agreement. Canada will now assume responsibility for the remediation activities that were associated with the funds.

There are 23 active or decommissioned landfill sites that are outside incorporated communities, and therefore are the responsibility of the Government. As at March 31, 2013, a liability in the amount of \$895 (2012 - \$1,102) has been recorded for these sites using the method required by the Public Sector Accounting Standards.

Of the remaining 98 sites, the majority of which have been investigated but are still awaiting full environmental assessments, 14 are airports or airport strips or reserves, 18 are sewage lagoons, 14 are fuel tanks and 8 are highways. Remediation costs for the sites that are known to be contaminated and the Government is obligated to remediate are currently estimated at \$22,288 (2012 - \$22,879).

The Government's ongoing efforts to assess the remaining sites may result in additional environmental liabilities. These liabilities will be recorded in the year in which they become known.

##### (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 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. The Government's maximum exposure for those claims and litigation for which the outcome is not determinable has been estimated at \$49. No provision for such claims has been made in these financial statements as it is not determinable that any future event will confirm that a liability has been incurred as at March 31.

## Government of the Northwest Territories

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

**March 31, 2013**

**(All figures in thousands of dollars)**

## 21. RELATED PARTIES

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

	2013	2012
	\$	\$
Aurora College	33,119	33,024
Divisional Education Councils and District Education Authorities	161,300	162,326
Health and Social Services Authorities	230,168	240,734
Northwest Territories Hydro Corporation	-	1,895
Northwest Territories Power Corporation	20,054	14,247
Northwest Territories Energy Corporation	1,330	250
Northwest Territories Business Development and Investment Corporation	3,742	3,704
Northwest Territories Housing Corporation	66,961	63,307
Northwest Territories Human Rights Commission	250	237
<u>Status of Women Council of the Northwest Territories</u>	<u>396</u>	<u>526</u>
	<b>517,320</b>	<b>520,250</b>

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.

The Government receives dividend revenue in return for its investment in the Northwest Territories Power Corporation. Dividend revenue for the current year is \$ nil (2012 - \$ nil).

## 22. OVEREXPENDITURE

During the year 1 department (2012 - 2) exceeded their vote by \$3,794 (2012 - \$592).

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 item that was over expended in the current year is as follows:

Department of Health and Social Services \$3,794

---

## **Government of the Northwest Territories**

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

---

**March 31, 2013**

**(All figures in thousands of dollars)**

---

#### **23. SUBSEQUENT EVENTS**

##### **Devolution of Federal Responsibilities**

Effective April 1, 2014 Canada will devolve 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. From and after the transfer date, Canada shall provide to the GNWT additional funding of \$67,300 by making an adjustment with an effective date of April 1, 2014 to the current gross expenditure based grant from Canada as determined under the *Federal-Provincial Fiscal Arrangements Act (Canada)* and *Federal-Provincial Fiscal Arrangements Regulations, 2007 (Canada)* or any successor program governing the financial arrangements between Canada and the GNWT.

##### **Community Government Funding**

Subsequent to year-end, the Government entered into annual Water and Sewer Funding and Community Government Funding contribution agreements totaling \$63,109 with community governments to assist them with provision of water and sewer services and municipal services.

#### **24. COMPARATIVE FIGURES**

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

## Government of the Northwest Territories

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

Schedule A

for the year ended March 31, 2013

(thousands of dollars)

	2013 Main Estimates (note 1c)	2013 Actual	2012 Actual
	\$	\$	\$
<b>Revenue from the Government of Canada</b>			
Grant	1,070,023	1,070,023	996,143
Transfer payments (note 3(b))	100,897	145,723	102,943
	<b>1,170,920</b>	<b>1,215,746</b>	<b>1,099,086</b>
<b>Taxation</b>			
Corporate Income Tax	74,976	108,422	22,660
Personal Income Tax	90,441	105,360	72,505
Fuel	16,586	18,608	18,851
Tobacco	17,326	15,587	17,108
Payroll	41,488	41,619	39,662
Property and school levies	25,440	27,058	24,883
Insurance	4,400	4,763	4,505
	<b>270,657</b>	<b>321,417</b>	<b>200,174</b>
<b>Recoveries</b>			
Program	15,737	21,709	19,776
Service	640	486	592
Lease, accommodations and transportation	3,714	5,394	4,750
Commodity, asset sales and other	357	468	1,419
Insurance proceeds	60	2,731	58
Amortization of capital contributions (note 3(b)) (note 16)	15,581	-	14,968
	<b>36,089</b>	<b>30,788</b>	<b>41,563</b>
<b>General</b>			
Revolving Funds net revenue	24,628	25,255	24,626
Regulatory revenues	15,930	18,316	16,387
Other general revenues	115	1,578	8,552
Investment income	2,140	3,926	2,384
	<b>42,813</b>	<b>49,075</b>	<b>51,949</b>
<b>Grants in Kind</b>	<b>635</b>	<b>635</b>	<b>762</b>
<b>Total Revenues</b>	<b>1,521,114</b>	<b>1,617,661</b>	<b>1,393,534</b>

## Government of the Northwest Territories

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

### Schedule B

for the year ended March 31, 2013

(thousands of dollars)

	Main Estimates (note 1c)	Compensation and Benefits	Grants and Contributions	Valuation Allowances	Other	Amortization	2013 Total Expenses	2012 Total Expenses
	\$	\$	\$	\$	\$	\$	\$	\$
Legislative Assembly	18,508	10,963	250	-	6,018	865	18,096	18,920
Executive	22,862	11,455	2,089	-	3,134	7	16,685	14,786
Aboriginal Affairs and Intergovernmental Relations	7,304	4,481	659	-	1,274	14	6,428	7,395
Human Resources	42,796	34,977	115	-	7,662	471	43,225	42,123
Finance	142,121	13,853	111,266	1,622	10,467	2,044	139,252	107,118
Municipal and Community Affairs	123,535	14,108	105,141	-	6,348	160	125,757	125,500
Public Works and Services	93,682	23,823	-	-	69,200	5,142	98,165	93,531
Health and Social Services	349,926	18,963	259,472	-	85,301	9,251	372,987	360,216
Justice	113,674	53,721	2,178	-	56,657	2,254	114,810	106,334
Education, Culture and Employment	289,957	28,403	207,029	2,646	41,276	13,320	292,674	289,121
Transportation	120,415	35,278	792	13	50,318	36,628	123,029	111,922
Environment and Natural Resources	65,693	33,012	5,472	20	41,411	2,118	82,033	72,042
Industry Tourism and Investment	49,560	19,302	19,572	155	9,156	866	49,051	50,408
	<b>1,440,033</b>	<b>302,339</b>	<b>714,035</b>	<b>4,456</b>	<b>388,222</b>	<b>73,140</b>	<b>1,482,192</b>	
<b>Prior Year Totals</b>	<b>1,368,078</b>	<b>295,301</b>	<b>674,479</b>	<b>3,327</b>	<b>359,333</b>	<b>66,977</b>		<b>1,399,417</b>

## Government of the Northwest Territories

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

Schedule C

As at March 31, 2013

(thousands of dollars)

	Land \$	Buildings* \$	Other** \$	Leasehold Improvements \$	Equipment* \$	Computers \$	2013 \$	2012 \$
Cost, beginning of year	2,046	816,869	1,043,941	34,250	163,211	84,886	2,145,203	2,036,190
Acquisitions	-	143,191	275,461	87	11,269	19,212	449,220	110,567
Write-downs/adjust.	-	-	-	-	-	-	-	(248)
Disposals	-	(11,989)	(2,079)	(75)	(375)	-	(14,518)	(1,306)
Cost, end of year	2,046	948,071	1,317,323	34,262	174,105	104,098	2,579,905	2,145,203
Accumulated amortization, beginning of year	-	(319,305)	(412,948)	(22,881)	(81,200)	(51,324)	(887,658)	(821,912)
Amortization expense	-	(25,077)	(31,829)	(1,749)	(8,626)	(5,858)	(73,139)	(66,976)
Disposals	-	11,885	1,835	75	321	-	14,115	1,230
Accumulated amortization, end of year	-	(332,497)	(442,942)	(24,555)	(89,505)	(57,182)	(946,682)	(887,658)
<b>Net book value</b>	<b>2,046</b>	<b>615,574</b>	<b>874,381</b>	<b>9,707</b>	<b>84,600</b>	<b>46,916</b>	<b>1,633,223</b>	<b>1,257,545</b>
<b>Work in progress</b>							<b>86,178</b>	<b>405,676</b>
							<b>1,719,401</b>	<b>1,663,221</b>

\* Included in buildings and equipment are assets under capital lease cost, \$4,284 (2012 - \$29,152); accumulated amortization, \$1,349 (2012 - \$12,743); carrying value, \$2,935 (2012 - \$16,409). During the current year, the capital lease held for the Legislative Assembly building was paid off in full.

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

Change in net book value of tangible capital assets	2013 \$	2012 \$
Acquisitions	449,220	110,567
Disposals/write-downs/adjustments	(403)	(324)
Amortization	(73,139)	(66,976)
Increase in work in progress	(319,498)	55,017
<b>Increase</b>	<b>56,180</b>	<b>98,284</b>

## Government of the Northwest Territories

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

Schedule 1

March 31, 2013

(thousands of dollars)

	Main Estimates \$	Increases (Decreases) \$	Revised Main Estimates \$	Actual Revenues \$	Over(Under) Estimates \$
<b>Legislative Assembly</b>					
Recoveries					
Commodity, asset sales and other	21	-	21	10	(11)
General revenue					
Regulatory revenue	3	-	3	16	13
Investment income	-	-	-	1,641	1,641
	3	-	3	1,657	1,654
	<b>24</b>	-	<b>24</b>	<b>1,667</b>	<b>1,643</b>
<b>Executive</b>					
Other Grants					
Grants in kind	192	-	192	192	-
Transfer Payments					
Federal cost shared	2,000	-	2,000	2,000	-
	<b>2,192</b>	-	<b>2,192</b>	<b>2,192</b>	<b>-</b>
<b>Industry, Tourism and Investment</b>					
General Revenue					
Investment income	1,040	-	1,040	1,040	-
Regulatory revenues	60	-	60	54	(6)
	1,100	-	1,100	1,094	(6)
Recoveries					
Commodity, asset sales and other	15	-	15	7	(8)
Amortization of capital contributions	22	-	22	-	(22)
	37	-	37	7	(30)
	<b>1,137</b>	-	<b>1,137</b>	<b>1,101</b>	<b>(36)</b>
<b>Environment and Natural Resources</b>					
Transfer payments					
Capital transfers (note 3(b))	-	-	-	59	59
Recoveries					
Lease, accommodations and transportation	-	-	-	15	15
Amortization of capital contributions	1,015	-	1,015	-	(1,015)
	1,015	-	1,015	15	(1,000)
General Revenue					
Regulatory revenues	555	-	555	646	91
Beverage Container Program, Others, Net	-	-	-	119	119
	555	-	555	765	210
	<b>1,570</b>	-	<b>1,570</b>	<b>839</b>	<b>(731)</b>

## Government of the Northwest Territories

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

### Schedule 1 (continued)

March 31, 2013

(thousands of dollars)

	Main Estimates \$	Increases (Decreases) \$	Revised Main Estimates \$	Actual Revenues \$	Over(Under) Estimates \$
<b>Finance</b>					
Revenue from the Government of Canada					
Grant	1,070,023	-	1,070,023	1,070,023	-
Transfer Payments					
Canada Health Transfer and Reform Fund	29,552	-	29,552	27,103	(2,449)
Canada Social Transfer	15,003	-	15,003	14,907	(96)
	1,114,578	-	1,114,578	1,112,033	(2,545)
Taxation					
Corporate	74,976	-	74,976	108,422	33,446
Personal	90,441	-	90,441	105,360	14,919
Fuel	16,586	-	16,586	18,608	2,022
Tobacco	17,326	-	17,326	15,587	(1,739)
Payroll	41,488	-	41,488	41,619	131
Property and school levies	25,440	-	25,440	27,058	1,618
Insurance	4,400	-	4,400	4,763	363
	270,657	-	270,657	321,417	50,760
Recoveries					
Service	80	-	80	77	(3)
Insurance proceeds	60	-	60	2,731	2,671
Program	13	-	13	76	63
	153	-	153	2,884	2,731
General revenue					
Revolving funds net revenue	24,628	-	24,628	25,136	508
Investment income	620	-	620	736	116
Regulatory revenue	424	-	424	408	(16)
Other general revenues	-	-	-	934	934
	25,672	-	25,672	27,214	1,542
	<b>1,411,060</b>	-	<b>1,411,060</b>	<b>1,463,548</b>	<b>52,488</b>
<b>Municipal and Community Affairs</b>					
Transfer Payments					
Federal cost shared - Building Canada Plan	-	-	-	2,119	2,119
	-	-	-	2,119	2,119
Recoveries					
Lease, accommodations and transportation	700	-	700	991	291
Program	-	-	-	1,787	1,787
	700	-	700	2,778	2,078
General revenue					
Regulatory revenue	260	-	260	255	(5)
Other general revenues	90	-	90	1	(89)
	350	-	350	256	(94)
	<b>1,050</b>	-	<b>1,050</b>	<b>5,153</b>	<b>4,103</b>

## Government of the Northwest Territories

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

### Schedule 1 (continued)

March 31, 2013

(thousands of dollars)

	Main Estimates \$	Increases (Decreases) \$	Revised Main Estimates \$	Actual Revenues \$	Over(Under) Estimates \$
<b>Justice</b>					
Transfer payments					
Federal cost shared	9,364	(3,726)	5,638	5,637	(1)
Recoveries					
Amortization of capital contributions	10	-	10	-	(10)
Lease, accommodations and transportation	102	-	102	182	80
Commodity, asset sales and other	17	-	17	18	1
Program	60	4,108	4,168	3,818	(350)
	189	4,108	4,297	4,018	(279)
General revenue					
Regulatory revenue	4,979	25	5,004	5,426	422
Other general revenues	25	-	25	-	(25)
	14,557	407	14,964	15,081	117
<b>Public Works and Services</b>					
Transfer payments					
Federal programs	42	-	42	-	(42)
Recoveries					
Service	430	-	430	265	(165)
Lease, accommodations and transportation	247	-	247	249	2
Commodity, asset sales and other	100	-	100	71	(29)
	777	-	777	585	(192)
General revenue					
Regulatory revenue	985	-	985	1,002	17
	1,804	-	1,804	1,587	(217)

## Government of the Northwest Territories

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

### Schedule 1 (continued)

March 31, 2013

(thousands of dollars)

	Main Estimates \$	Increases (Decreases) \$	Revised Main Estimates \$	Actual Revenues \$	Over(Under) Estimates \$
<b>Health and Social Services</b>					
Transfer payments					
Federal cost shared	35,806	-	35,806	35,811	5
Canadian Health and Social Transfer	315	-	315	332	17
Capital transfers (note 3(b))	-	-	-	9,067	9,067
	36,121	-	36,121	45,210	9,089
Recoveries					
Program	14,500	-	14,500	13,043	(1,457)
Amortization of capital contributions	1,200	-	1,200	-	(1,200)
	15,700	-	15,700	13,043	(2,657)
General revenue					
Regulatory revenue	260	-	260	338	78
Other Grants					
Grants in Kind	443	-	443	443	-
	52,524	-	52,524	59,034	6,510
<b>Education, Culture and Employment</b>					
Transfer payments					
Federal cost shared	6,388	-	6,388	6,336	(52)
Federal programs	2,021	-	2,021	1,881	(140)
Capital transfers (note 3(b))	-	-	-	756	756
	8,409	-	8,409	8,973	564
Recoveries					
Commodity, asset sales and other	-	-	-	17	17
Lease, accommodations and transportation	-	-	-	9	9
Amortization of capital contributions	634	27	661	-	(661)
Program	50	1,000	1,050	1,000	(50)
	684	1,027	1,711	1,026	(685)
General revenue					
Investment income	480	(20)	460	457	(3)
Regulatory revenue	25	-	25	16	(9)
Other general revenues	-	-	-	643	643
	505	(20)	485	1,116	631
	9,598	1,007	10,605	11,115	510
<b>Human Resources</b>					
Recoveries					
Program	250	-	250	-	(250)
Lease, accommodations and transportation	-	-	-	1,023	1,023
	250	-	250	1,023	773

## Government of the Northwest Territories

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

### Schedule 1 (continued)

March 31, 2013

(thousands of dollars)

	Main Estimates \$	Increases (Decreases) \$	Revised Main Estimates \$	Actual Revenues \$	Over(Under) Estimates \$
<b>Transportation</b>					
Transfer payments					
Federal cost shared - Building Canada Plan	406	50	456	2,736	2,280
Capital transfers ( <i>note 3(b)</i> )	-	-	-	36,979	36,979
	406	50	456	39,715	39,259
 Recoveries					
Lease, accommodations and transportation	2,665	-	2,665	2,925	260
Program	864	1,200	2,064	1,985	(79)
Commodity, asset sales and other	204	-	204	345	141
Service	130	-	130	144	14
Amortization of capital contributions	12,700	-	12,700	-	(12,700)
	16,563	1,200	17,763	5,399	(12,364)
 General revenue					
Regulatory revenue	8,379	1,300	9,679	10,155	476
Investment income	-	-	-	52	52
	8,379	1,300	9,679	10,207	528
	<b>25,348</b>	<b>2,550</b>	<b>27,898</b>	<b>55,321</b>	<b>27,423</b>
	<b>1,521,114</b>	<b>3,964</b>	<b>1,525,078</b>	<b>1,617,661</b>	<b>91,560</b>

## Government of the Northwest Territories

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

### Schedule 2

March 31, 2013

(thousands of dollars)

	Main Estimates \$	Supplementary Estimates \$	Transfers \$	Total Appropriation \$	Actual Expenditures \$	(Over)Under Appropriation \$
<b>Legislative Assembly</b>						
Office of the Clerk	7,902	32	-	7,934	7,815	119
Expenditures on Behalf of Members	7,808	-	-	7,808	7,402	406
Office of the Chief Electoral Officer	838	3	-	841	838	3
Statutory Offices	1,635	5	-	1,640	1,635	5
Office of the Speaker	325	1	-	326	406	(80)
	<b>18,508</b>	<b>41</b>	<b>-</b>	<b>18,549</b>	<b>18,096</b>	<b>453</b>
<b>Executive</b>						
Direktorate	9,980	21	-	10,001	4,547	5,454
Ministers' Offices	2,970	22	(2)	2,990	3,204	(214)
Executive Operations	6,756	37	2	6,795	6,041	754
Cabinet Support	3,156	19	-	3,175	2,893	282
	<b>22,862</b>	<b>99</b>	<b>-</b>	<b>22,961</b>	<b>16,685</b>	<b>6,276</b>
<b>Human Resources</b>						
Direktorate	607	7	-	614	1,016	(402)
Human Resource Strategy and Policy	7,134	35	1,671	8,840	7,915	925
Management and Recruitment Services	3,970	32	-	4,002	4,491	(489)
Corporate Human Resources	12,371	42	(1,589)	10,824	8,877	1,947
Employee Services	14,080	962	-	15,042	16,187	(1,145)
Region Operations	4,634	41	(82)	4,593	4,739	(146)
	<b>42,796</b>	<b>1,119</b>	<b>-</b>	<b>43,915</b>	<b>43,225</b>	<b>690</b>
<b>Aboriginal Affairs and Intergovernmental Relations</b>						
Direktorate	2,456	15	-	2,471	2,233	238
Implementation	696	5	-	701	507	194
Negotiations	2,442	24	-	2,466	2,088	378
Intergovernmental Relations	1,710	8	-	1,718	1,600	118
	<b>7,304</b>	<b>52</b>	<b>-</b>	<b>7,356</b>	<b>6,428</b>	<b>928</b>
<b>Industry, Tourism and Investment</b>						
Economic Diversification & Business Support	22,222	72	-	22,294	22,045	249
Direktorate	7,745	1	-	7,746	8,081	(335)
Tourism and parks	11,172	26	246	11,444	11,160	284
Energy	1,619	439	-	2,058	1,923	135
Minerals and Petroleum Resources	6,802	36	-	6,838	5,842	996
	<b>49,560</b>	<b>574</b>	<b>246 *</b>	<b>50,380</b>	<b>49,051</b>	<b>1,329</b>

\* Infrastructure investments that were not classified as capital have been transferred to operations.

## Government of the Northwest Territories

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

### Schedule 2 (continued)

March 31, 2013

(thousands of dollars)

	Main Estimates \$	Supplementary Estimates \$	Transfers \$	Total Appropriation \$	Actual Expenditures \$	(Over)Under Appropriation \$
<b>Environment and Natural Resources</b>						
Wildlife Management	15,125	4,623	(28)	19,720	18,886	834
Forest Management	28,634	13,840	25	42,499	39,914	2,585
Directorate	11,171	304	3	11,478	11,467	11
Land and Water	4,827	21	113	4,961	5,501	(540)
Environmental Protection	5,936	909	(113)	6,732	6,265	467
	<b>65,693</b>	<b>19,697</b>	-	<b>85,390</b>	<b>82,033</b>	<b>3,357</b>
<b>Finance</b>						
Directorate	85,991	2,337	-	88,328	87,742	586
Budget, Treasury and Debt Management	11,567	34	(74)	11,527	10,118	1,409
Office of the Comptroller General	18,633	43	-	18,676	15,912	2,764
Office of the Chief Information Officer	2,436	10	74	2,520	1,316	1,204
Fiscal Policy	23,494	711	-	24,205	24,094	111
	<b>142,121</b>	<b>3,135</b>	-	<b>145,256</b>	<b>139,182</b>	<b>6,074</b>
Amortization of tangible capital assets of the NWT Liquor Commission	-	-	-	-	70	(70)
	<b>142,121</b>	<b>3,135</b>	-	<b>145,256</b>	<b>139,252</b>	<b>6,004</b>
<b>Municipal and Community Affairs</b>						
Regional Operations	103,669	7	-	103,676	106,959	(3,283)
Community Operations	2,437	9,885	-	12,322	2,039	10,283
Directorate	4,358	22	-	4,380	4,081	299
School of Community Government	3,051	10	-	3,061	2,935	126
Lands Administration	3,433	20	-	3,453	2,959	494
Sport, Recreation and Youth	5,180	8	-	5,188	5,018	170
Public Safety	1,407	557	-	1,964	1,766	198
	<b>123,535</b>	<b>10,509</b>	-	<b>134,044</b>	<b>125,757</b>	<b>8,287</b>
<b>Justice</b>						
Community Justice and Corrections	40,616	920	(6)	41,530	40,142	1,388
Law Enforcement	39,469	-	-	39,469	41,441	(1,972)
Court Services	11,446	50	409	11,905	11,627	278
Services to Government	10,866	91	8	10,965	10,785	180
Legal Aid Services	5,905	81	(2)	5,984	5,312	672
Services to the Public	5,372	34	-	5,406	5,503	(97)
	<b>113,674</b>	<b>1,176</b>	<b>409 *</b>	<b>115,259</b>	<b>114,810</b>	<b>449</b>

\* Infrastructure investments that were not classified as capital have been transferred to operations.

## Government of the Northwest Territories

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

### Schedule 2 (continued)

March 31, 2013

(thousands of dollars)

	Main Estimates \$	Supplementary Estimates \$	Transfers \$	Total Appropriation \$	Actual Expenditures \$	(Over)Under Appropriation \$
<b>Health and Social Services</b>						
Directorate	7,924	63	(121)	7,866	7,990	(124)
Health Services Programs	192,989	6,773	332	200,094	202,717	(2,623)
Community Health Programs	87,998	8,552	(3,529)	93,021	93,514	(493)
Program Delivery Support	34,772	1,571	3,318	39,661	40,053	(392)
Supplementary Health Programs	26,243	2,308	-	28,551	28,713	(162)
	<b>349,926</b>	<b>19,267</b>	<b>-</b>	<b>369,193</b>	<b>372,987</b>	<b>(3,794)</b>
<b>Education, Culture and Employment</b>						
Directorate	10,296	52	637	10,985	12,492	(1,507)
Primary and Secondary School Education	193,025	2,421	(637)	194,809	187,884	6,925
Advanced Education and Careers	46,968	6	-	46,974	51,481	(4,507)
Income Security	39,668	1,003	-	40,671	40,817	(146)
	<b>289,957</b>	<b>3,482</b>	<b>-</b>	<b>293,439</b>	<b>292,674</b>	<b>765</b>
<b>Transportation</b>						
Directorate	10,228	(52)	88	10,264	9,818	446
Airports	28,677	146	(5)	28,818	28,013	805
Highways	67,844	(3,730)	8,241	72,355	72,216	139
Marine	8,042	(397)	175	7,820	7,399	421
Road Licensing and Safety	4,616	25	-	4,641	4,880	(239)
Community Local Access Roads	1,008	-	53	1,061	703	358
	<b>120,415</b>	<b>(4,008)</b>	<b>8,552 *</b>	<b>124,959</b>	<b>123,029</b>	<b>1,930</b>
<b>Public Works and Services</b>						
Asset Management	82,229	4,820	1,082	88,131	87,364	767
Directorate	7,958	(3)	-	7,955	7,544	411
Technology Services Centre	1,361	-	-	1,361	1,138	223
Petroleum Products	2,134	-	-	2,134	2,119	15
	<b>93,682</b>	<b>4,817</b>	<b>1,082 *</b>	<b>99,581</b>	<b>98,165</b>	<b>1,416</b>
	<b>1,440,033</b>	<b>59,960</b>	<b>10,289</b>	<b>1,510,282</b>	<b>1,482,192</b>	<b>28,090</b>

\* Infrastructure investments that were not classified as capital have been transferred to operations.

## Government of the Northwest Territories

### Non-Consolidated Schedule of Recoveries of Prior Years Expenses (unaudited)

### Schedule 3

March 31, 2013

(thousands of dollars)

DEPARTMENT	Over-Accruals \$	Other Recoveries \$	Total \$
Legislative Assembly	9	2	11
Executive	-	2	2
Aboriginal Affairs and Intergovernmental Relations	-	1	1
Human Resources	909	9	918
Finance	17	19,692 *	19,709
Municipal and Community Affairs	250	497	747
Public Works and Services	318	521	839
Health and Social Services	1,462	798	2,260
Justice	6	38	44
Education, Culture and Employment	530	1,405	1,935
Transportation	168	9	177
Environment and Natural Resources	47	175	222
Industry, Tourism and Investment	632	192	824
	4,348	23,341	27,689

\*This recovery is related to the Giant Mine Bypass Road which required that operational funds be redirected to capital.

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

### Schedule 4

March 31, 2013

(thousands of dollars)

DEPARTMENT	Main Estimates \$	Supplementary Estimates \$	Total Appropriation \$	Actual Expenditure \$
Legislative Assembly	640	88	728	725
Human Resources	300	-	300	183
Finance	1,008	666	1,674	1,073
Public Works and Services	6,663	6,929	13,592	9,878
Health and Social Services	36,943	12,124	49,067	30,000
Justice	379	1,352	1,731	880
Education, Culture and Employment	15,126	7,920	23,046	18,388
Transportation	29,681	85,431	115,112	75,102
Environment and Natural Resources	1,596	1,301	2,897	2,140
Industry, Tourism and Investment	1,292	64	1,356	610
	93,628	115,875	209,503 *	138,979

\$10,289 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 PWS on behalf of other Departments are reported as expenditures under the owner Department when completed.

## Government of the Northwest Territories

### Non-Consolidated Schedule of Grants (unaudited)

### Schedule 5

for the year ended March 31, 2013

(thousands of dollars)

	Main Estimates \$	Supplementary Estimates \$	Transfers \$	Total Appropriation \$	Actual Expenditures \$	(Over)Under Appropriation \$
<b>Executive</b>						
Native Women's Association (in kind)	42	-	-	42	42	-
Band Council Subsidized Leases (in kind)	150	-	-	150	150	-
Women's Initiatives	50	-	-	50	50	-
Institute for Circumpolar Health Research	-	-	-	-	40	(40)
Indspire 2013 Awards	35	-	-	35	35	-
United Way of Yellowknife	-	-	-	-	12	(12)
Native Women's Association Relocation Assistance	-	-	-	-	69	(69)
Non-Government Organization Stabilization Fund	350	-	-	350	350	-
Devolution Negotiations, Aboriginal Government Participation and Engagement	1,266	-	-	1,266	588	678
	<b>1,893</b>	-	-	<b>1,893</b>	<b>1,336</b>	<b>557</b>
<b>Aboriginal Affairs and Intergovernmental Relations</b>						
Core Funding to Metis Locals	225	-	-	225	225	-
Special Events - Aboriginal Organizations	75	-	-	75	84	(9)
Aboriginal Intergovernmental Meetings Fund	350	-	-	350	350	-
	<b>650</b>	-	-	<b>650</b>	<b>659</b>	<b>(9)</b>
<b>Finance</b>						
Deton'Cho Diamonds Inc-Foregone Interest	6	-	-	6	5	1
Cost of Living Tax Credit	21,000	700	-	21,700	21,550	150
NWT Child Benefit	1,200	-	-	1,200	1,156	44
	<b>22,206</b>	<b>700</b>	-	<b>22,906</b>	<b>22,711</b>	<b>195</b>
<b>Municipal and Community Affairs</b>						
Community Government Funding	168	-	-	168	-	168
New Deal Taxation Revenue Program	475	-	-	475	457	18
High Performance Athlete Grant Program	100	-	-	100	106	(6)
Community Government Funding	45,660	-	-	45,660	45,659	1
Grant in Lieu of Taxes	6,148	-	-	6,148	6,194	(46)
Senior Citizens and Disabled Persons						
Tax Relief	366	-	-	366	525	(159)
Community Government Funding - Mobile Equipment and Utilities	1,440	-	-	1,440	1,410	30
	<b>54,357</b>	-	-	<b>54,357</b>	<b>54,351</b>	<b>6</b>

**Government of the Northwest Territories**

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

**Schedule 5 (continued)**

**for the year ended March 31, 2013**

(thousands of dollars)

	Main Estimates \$	Supplementary Estimates \$	Transfers \$	Total Appropriation \$	Actual Expenditures \$	(Over)Under Appropriation \$
<b>Environment and Natural Resources</b>						
Disaster Compensation	100	-	-	100	36	64
<b>Health and Social Services</b>						
Medical Professional Development	40	-	-	40	40	-
Lease Extension - Rockhill Apartments	443	-	-	443	443	-
	<b>483</b>	-	-	<b>483</b>	<b>483</b>	-
<b>Justice</b>						
National Justice Issues	9	-	-	9	11	(2)
Aboriginal Court Challenges	40	-	-	40	5	35
	<b>49</b>	-	-	<b>49</b>	<b>16</b>	<b>33</b>
<b>Education, Culture and Employment</b>						
Student Grants	9,240	956	-	10,196	10,131	65
Community Broadcasting Grants	52	-	-	52	42	10
	<b>9,292</b>	<b>956</b>	-	<b>10,248</b>	<b>10,173</b>	<b>75</b>
<b>Industry, Tourism and Investment</b>						
Fur Price Program	610	-	-	610	516	94
Disaster Compensation Program	15	-	-	15	3	12
	<b>625</b>	-	-	<b>625</b>	<b>519</b>	<b>106</b>
<b>Total</b>	<b>89,655</b>	<b>1,656</b>	-	<b>91,311</b>	<b>90,284</b>	<b>1,027</b>

**Government of the Northwest Territories**

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

**Schedule 6**

**for the year ended March 31, 2013**

(thousands of dollars)

	Main Estimates	Supplementary Estimates	Total Transfers	Total Appropriation	Actual Expenditures	(Over) Under Appropriation
	\$	\$	\$	\$	\$	\$
<b>Legislative Assembly</b>						
Human Rights Commission	250	-	-	250	250	-
<b>Executive</b>						
Status of Women Council	368	-	-	368	368	-
Native Women's Association	363	-	-	363	363	-
Devolution Negotiations	-	-	-	-	10	(10)
Devolution Implementation	-	-	-	-	12	(12)
	731	-	-	731	753	(22)
<b>Human Resources</b>						
Hay River H&SS Authority - Mentor/Educator Nurse Program	115	-	-	115	115	-
<b>Finance</b>						
Northwest Territories Power Corporation Contribution - General Rate Application Support	15,600	-	-	15,600	15,457	143
Territorial Power Subsidy Program	11,085	-	-	11,085	5,812	5,273
Northwest Territories Heritage Fund	-	250	-	250	250	-
Northwest Territories Housing Corporation - Operations	65,458	1,503	-	66,961	66,961	-
Falcon Communications	100	-	-	100	75	25
	92,243	1,753	-	93,996	88,555	5,441

## Government of the Northwest Territories

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

### Schedule 6 (continued)

for the year ended March 31, 2013

(thousands of dollars)

	Main Estimates	Supplementary Estimates	Total Transfers	Total Appropriation	Actual Expenditures	(Over) Under Appropriation
	\$	\$	\$	\$	\$	\$
<b>Municipal and Community Affairs</b>						
Assistance to Community Governments	470	-	-	470	470	-
Management of Drinking Water in NWT	50	-	-	50	25	25
Ground Ambulance and Highway Rescue	-	200	-	200	120	80
Recreation Contributions	1,275	-	-	1,275	1,297	(22)
Volunteer Contributions	70	-	-	70	55	15
Training Services Community Governments	-	-	-	-	5	(5)
Youth Centers	500	-	-	500	500	-
Pan Territorial Sports Program	272	-	-	272	277	(5)
Youth Corps	1,175	-	-	1,175	1,077	98
Water and Sewer Services Funding	13,013	-	-	13,013	13,095	(82)
Youth Contributions	250	-	-	250	247	3
A Brilliant North	680	-	-	680	434	246
Multi Sport Games	650	-	-	650	650	-
Healthy Choices	615	-	-	615	611	4
Capital Formula Funding Community Governments	28,002	-	-	28,002	28,002	-
Financial Services - Various	135	-	-	135	48	87
Get Active	100	-	-	100	100	-
Regional Youth Sports Events	400	-	-	400	364	36
Building Canada Plan/ Municipal Rural Infrastructure Fund	-	9,867	-	9,867	3,413	6,454
	<b>47,657</b>	<b>10,067</b>	<b>-</b>	<b>57,724</b>	<b>50,790</b>	<b>6,934</b>
<b>Transportation</b>						
Airport Career Development Program	30	-	-	30	18	12
Community Access Program	980	-	-	980	686	294
Deh'Cho Bridge Involvement Grants	96	-	-	96	88	8
	<b>1,106</b>	<b>-</b>	<b>-</b>	<b>1,106</b>	<b>792</b>	<b>314</b>
<b>Health and Social Services</b>						
Health & Social Services Authorities	245,580	6,863	581	253,024	257,079	(4,055)
Health & Social Services Recruitment and Retention Program	2,901	-	-	2,901	687	2,214
Primary Care (Health Systems Planning)	473	-	266	739	832	(93)
Health Awareness, Activities and Education	1,344	300	600	2,244	160	2,084
Preventions and Promotion	2,588	535	(1,960)	1,163	-	1,163
Population Health	-	62	170	232	195	37
Tlicho Cultural Coordinator	35	-	-	35	36	(1)
	<b>252,921</b>	<b>7,760</b>	<b>(343)</b>	<b>260,338</b>	<b>258,989</b>	<b>1,349</b>

**Government of the Northwest Territories**

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

**Schedule 6 (continued)**

**for the year ended March 31, 2013**

**(thousands of dollars)**

	Main Estimates	Supplementary Estimates	Total Transfers	Total Appropriation	Actual Expenditures	(Over) Under Appropriation
	\$	\$	\$	\$	\$	\$
<b>Environment and Natural Resources</b>						
Mackenzie River Basin Board	40	-	-	40	50	(10)
Public Education	-	-	-	-	14	(14)
Energy Management	1,998	-	-	1,998	1,404	594
Climate Change Adaptation Plan	51	-	-	51	34	17
Traditional Knowledge Contributions	65	-	-	65	6	59
Interim Resource Management Agreement	-	305	-	305	305	-
Energy Conservation Contributions	200	-	-	200	208	(8)
Energy Information and Awareness	-	-	-	-	10	(10)
Alternative Energy Program Contributions	200	880	-	1,080	626	454
Biomass Supply/Energy	100	-	-	100	139	(39)
Stewardship Program	500	-	-	500	644	(144)
Wildlife Contribution	-	-	-	-	23	(23)
Caribou Management	-	-	-	-	78	(78)
Wildfire Risk Management Plans	-	-	-	-	59	(59)
Wildlife Research Support	25	-	-	25	-	25
Barren Ground Caribou Monitoring	178	-	-	178	145	33
Community Transfer Fort Good Hope	120	-	(120)	-	-	-
Environmental Stewardship Program	-	-	-	-	90	(90)
Aquatic Ecosystems Research Partnership	-	-	-	-	200	(200)
Program						
Environment Protection Contributions	-	-	-	-	7	(7)
Northwest Territories Water Strategy	-	-	-	-	531	(531)
Protected Areas Contribution - Various	-	-	-	-	124	(124)
Energy Management Contribution -	-	-	-	-	526	(526)
Various						
Caribou Strategy	275	-	-	275	197	78
Disease Contaminants	20	-	-	20	16	4
	<b>3,772</b>	<b>1,185</b>	<b>(120)</b>	<b>4,837</b>	<b>5,436</b>	<b>(599)</b>

**Government of the Northwest Territories**

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

**Schedule 6 (continued)**

**for the year ended March 31, 2013**

(thousands of dollars)

	Main Estimates	Supplementary Estimates	Total Transfers	Total Appropriation	Actual Expenditures	(Over) Under Appropriation
	\$	\$	\$	\$	\$	\$
<b>Industry, Tourism and Investment</b>						
Business Development and Investment Corporation	3,704	20	-	3,724	3,724	-
Community Futures	1,272	-	-	1,272	1,024	248
Community Transfers	1,582	-	-	1,582	1,391	191
Entrepreneur and Economic Development	3,866	-	125	3,991	4,162	(171)
Investment and Economic Analysis	-	-	-	-	220	(220)
Mackenzie Valley Contributions	715	-	-	715	700	15
Promote Commercial Harvesting Meat and Fish	550	-	-	550	331	219
Energy Contributions	1,000	435	-	1,435	638	797
Hydro Strategy	-	-	-	-	700	(700)
Agriculture Development Infrastructure	300	-	-	300	326	(26)
Directorate Contribution Various-Protected Area Strategy	-	-	-	-	18	(18)
Tourism Diversification Program	900	-	-	900	874	26
Tourism Industry Contributions	2,647	-	100	2,747	2,782	(35)
Sport Hunt Outfitter Marketing Support	300	-	-	300	185	115
Community Harvester Assistance	1,074	-	-	1,074	1,042	32
Fisheries	225	-	-	225	227	(2)
Western Harvester Assistance Program	63	-	-	63	-	63
Local Wildlife Committees	257	-	-	257	229	28
SocioEconomic Agreement	180	-	-	180	180	-
Trade and Investment	25	-	-	25	25	-
Minerals Oil and Gas Contributions	30	-	-	30	30	-
Growing Forward	125	-	-	125	245	(120)
	<b>18,815</b>	<b>455</b>	<b>225</b>	<b>19,495</b>	<b>19,053</b>	<b>442</b>
<b>Justice</b>						
YWCA of Yellowknife	105	-	-	105	105	-
Victims Assistance	525	-	-	525	525	-
Community Justice	1,371	365	(49)	1,687	1,532	155
Wilderness Camp Contributions	149	-	-	149	-	149
Elder Program	30	-	-	30	-	30
	<b>2,180</b>	<b>365</b>	<b>(49)</b>	<b>2,496</b>	<b>2,162</b>	<b>334</b>

**Government of the Northwest Territories**

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

**Schedule 6 (continued)**

**for the year ended March 31, 2013**

**(thousands of dollars)**

	Main Estimates	Supplementary Estimates	Total Transfers	Total Appropriation	Actual Expenditures	(Over) Under Appropriation
	\$	\$	\$	\$	\$	\$
<b>Education, Culture and Employment</b>						
Education Authority Contributions	150,333	782	(1,863)	149,252	146,238	3,014
Aurora College Contributions	31,148	192	-	31,340	30,741	599
Community Skills for Work	650	-	-	650	95	555
Literacy	1,996	-	-	1,996	1,882	114
NWTTA Professional Improvement Fund	1,620	-	-	1,620	1,700	(80)
Healthy Children Initiative	2,110	-	-	2,110	1,775	335
Early Childhood Program	4,040	-	5	4,045	4,642	(597)
Minority Language Education and Second-Language Instruction	2,401	-	-	2,401	2,545	(144)
Official Languages:						
Aboriginal Languages Broadcasting	170	-	-	170	170	-
French	350	-	100	450	271	179
Aboriginal	2,996	-	-	2,996	2,997	(1)
Community Library Services	763	-	-	763	763	-
Cultural Organizations	554	-	-	554	544	10
Cultural Projects	176	-	-	176	194	(18)
Heritage Centres	491	-	-	491	491	-
NWT Arts Council	500	-	-	500	480	20
Support to Northern Performers	181	-	-	181	179	2
Tlicho Coordinator	-	-	-	-	36	(36)
Skills Canada	-	-	70	70	35	35
Small Community Employment	339	-	-	339	246	93
New Northern Arts Program	250	-	-	250	254	(4)
Cultural Component of Sports Events	50	-	-	50	-	50
Infrastructure Contributions:						
High School Career & Technology	200	62	-	262	42	220
School Playground Equipment	50	-	-	50	50	-
Community Libraries	100	-	-	100	100	-
Community Museum	100	85	-	185	94	91
Minor Capital	400	-	-	400	292	108
	<b>201,968</b>	<b>1,121</b>	<b>(1,688)</b>	<b>201,401</b>	<b>196,856</b>	<b>4,545</b>
<b>Total</b>	<b>621,758</b>	<b>22,706</b>	<b>(1,975)</b>	<b>642,489</b>	<b>623,751</b>	<b>18,738</b>

---

**Government of the Northwest Territories****Non-Consolidated Schedule of Special Warrants (unaudited)****Schedule 7****for the year ended March 31, 2013**

(thousands of dollars)

	Date of FMB Approval	Amount Authorized \$
<b>OPERATIONS AND MAINTENANCE</b>		
<b>Environment and Natural Resources</b>		
A special warrant was approved on August 17, 2012 to fund the projected costs of identifying and disposing of diseased bison in the Mackenzie Bison Sanctuary.	17-Aug-2012	4,451
A special warrant was approved on July 31, 2012 to fund the projected shortfall in the forest fire suppression budget due to a severe forest fire season in 2012.	31-Jul-2012	6,591
A special warrant was approved on August 17, 2012 to fund the projected shortfall in the forest fire suppression budget due to a severe forest fire season in 2012.	17-Aug-12	7,200
<b>Transportation</b>		
A special warrant was approved on December 14, 2012 to fund incremental work for the Mackenzie Valley winter roads.	14-Dec-12	<u>1,200</u>
<b>Total operations and maintenance special warrants</b>		<b><u>19,442</u></b>

**Transportation**

A special warrant was approved on December 14, 2012 to fund the construction of the Nahanni Butte access road damaged during a flood in June 2012. The costs will partially be recovered through the Government of Canada's Disaster Financial Assistance Arrangements, administered by Public Safety Canada.

<b>Total capital investment special warrants</b>	<b><u>1,028</u></b>
<b>Total</b>	<b><u>20,470</u></b>

---

## Government of the Northwest Territories

### Non-Consolidated Schedule of Inter-activity Transfers over \$250,000 and Reclassification of Capital Costs (unaudited)

**Schedule 8**

**for the year ended March 31, 2013**

**(thousands of dollars)**

Transfer to (from) \$	Explanation
-----------------------------	-------------

#### OPERATIONS AND MAINTENANCE

##### Health and Social Services

Directorate	(121)	
Program Delivery Support	3,318	The Department reorganized specific areas within its activities to reflect the split of one division Population Health into two divisions - Population Health and Territorial Health Services. There was then some realignment of program area responsibilities between those two divisions and the Community Wellness and Social Services divisions. This resulted in movement between the two Activities - Program Delivery Support and Community Wellness and Social Services.
Community Health Programs	(3,529)	
Health Services Programs	332	Transfer required to address the reprofiling of the budget for staff at the Joe Greenland Building. Budget has been divided between two areas on the Inuvik Regional Hospital - long term care unit and to the Homecare Budget.

##### Industry, Tourism and Investment

Infrastructure Project Reclassification	246	The infrastructure budget associated with project costs that are not classified as capital expenditures has been transferred to the operations and maintenance budget.
---	-----	--

##### Justice

Infrastructure Project Reclassification	409	The infrastructure budget associated with project costs that are not classified as capital expenditures has been transferred to the operations and maintenance budget.
---	-----	--

##### Public Works and Services

Infrastructure Project Reclassification	1,082	The infrastructure budget associated with project costs that are not classified as capital expenditures has been transferred to the operations and maintenance budget.
---	-------	--

##### Education, Culture and Employment

Directorate and Administration	637	Transfer from Schools to Directorate for TSC Chargebacks.
Education and Culture	(637)	Transfer from Schools to Directorate for TSC Chargebacks.

---

## Government of the Northwest Territories

### Non-Consolidated Schedule of Inter-activity Transfers over \$250,000 and Transfers for Non-qualifying Capital Costs (unaudited)

### Schedule 8 (continued)

for the year ended March 31, 2013

(thousands of dollars)

	Transfer to (from) \$	Explanation
<b>Human Resources</b>		
Corporate Human Resources	(1,589)	Transfer to HRSP Systems for PeopleSoft Upgrade
Human Resources Strategy & Policy	1,671	Transfer from Corporate Human Resources 20/20 budget for PeopleSoft Upgrade
Regional Operations	(82)	

### CAPITAL INVESTMENT

#### Transportation

Highways	320	Reprofiling funding in 2011/2012 to Motor Vehicle Information System enhancement work previously planned for 2012/2013.
Road Licensing and Safety	(320)	Funding returned back to Highways in 2012/2013.

---

**Government of the Northwest Territories**

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

---

**Schedule 9**

---

**for the year ended March 31, 2013**

---

**ACCOUNTS RECEIVABLE WRITTEN OFF**

No amounts were written off during the  
fiscal year ended March 31, 2013.

**FORGIVENESS OF DEBT**

No amounts were forgiven during the  
fiscal year ended March 31, 2013

---

## 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, 2013**

---

#### 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, Zahrah	2,247	Bradbury, Amanda	3,003
Adams, Jhillian	5,546	Braden, Carmen	3,924
Alain, Tess	2,028	Brandford, Adam	2,137
Allison, Stephen	607	Branton, Kimberly	43
Alty, Rebecca	1,611	Brasseur, Kali	2,773
Anavilok, Judy	4,000	Brebner, Ashley	3,825
Andersen, Kari	2,017	Broddy, Meghan	3,573
Arberry, Saundra	3,891	Bromley, Kelty	997
Ashcroft, Sunny	2,017	Bruser, Rebecca	3,891
Ashlby, Kaleigh	3,924	Bryan, Jordan	4,965
Bachand, Brendan	3,934	Bui, Trung	2,800
Baillargeon, Charles	885	Byatt, Gabriel	8,012
Ballantyne, Alexandra	4,526	Bye, Miranda	4,011
Bannon, Joseph	2,028	Callahan, Mitchell	6,390
Bannon, Sarah	3,989	Callas, Brendan	2,192
Barbier, Lindsay	1,370	Callas, Michael	3,365
Baron, Vanessa	8,593	Campbell, Donald	2,554
Barrera, Julie	3,628	Campbell, Jill	3,989
Bastedo, Jaya	1,458	Campbell, Terrence	7,102
Bauhaus, Stephanie	2,455	Carr, Georgina	3,957
Bell, Andrian	1,512	Carrillo, Karen Anne	3,683
Bell, Jason	3,474	Cartwright, Aiden	3,935
Bell, Margaret Jean	4,066	Casebeer, Jessi	2,148
Bengts, Amanda	3,957	Castro, Paula Melissa	1,271
Bengts, Stacie	3,288	Chamberlin, Jarred	2,842
Bennett, Shane	2,729	Chenkie, Jessica	3,211
Besarra, Renfred Vendiola	2,060	Chenkie, Ryan	3,573
Blandford, James	2,935	Cherwaty, Kyla	3,858
Bloomstrand, Candace	2,674	Chetwynd, Courtney	3,913
Boden, Mary	861	Chetwynd, Jamie	2,104
Boden, Rebecca	1,551	Christensen, Julia	5,239
Bokovay, David	4,472	Christensen, Marc	3,935
Bolivar, Kate	1,140	Christensen, Michael	2,356
Bolstad, Josh	3,957	Chung, Carissa	3,058
Bolstad, Mandi	3,957	Coakwell, Heather	3,135
Bolt, Kyla	6,291	Coedy, Luke	3,880
Booth, Miranda	4,910	Coleman, Amanda	2,290
Borden, Robert	4,132	Constantino, Rhea	2,543
Borkovic, Joey	6,455	Constantino, Roselle	252
Borschneck, Thomas	2,554	Coolen, Catherine	1,819
Bourassa, Darcy	4,022	Cooper, Hawna	6,960
Bourgois, Michele	1,896	Cooper, Kayla	4,000
Bowden, Rachel	1,008	Costello, Kari	1,907
Boyd, Abbey	3,156	Cote, Lee Ann	4,011
Boyd, Jayson	4,033	Cracknell, Alexandra	3,968

---

## 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, 2013**

---

Cracknell, James	4,143	Goldney, Jeanette	1,452
Crews, Angela	2,685	Grabke, Dwight	3,792
Crews, Gregory	4,209	Graf, Derek	3,978
Crump, Ashley	1,408	Green, Ashley	3,957
Cruzpe, Rhon	3,189	Groenheyde, Amy	2,839
Curtis, Dustan	1,776	Groenheyde, Cali	4,340
Dang, Debbie	3,233	Gzowski, Angela	2,674
Dautel, Janell	4,274	Hall, Devon	1,491
D'Avignon, Emilie	2,100	Hall, Heather	3,989
de Bassige, Brennan	2,100	Hall, Mira	2,987
De Bastiani, Thomas	1,041	Hamilton, Shelby	6,116
Debogorski, Amelia	3,430	Hand, Michael	3,047
Debogorski, Andrew	4,011	Haogak, Maja	2,773
Debogorski, Dominic	3,014	Harker, Jordan	2,970
Dechief, Samantha	2,202	Healy, Lynda	2,218
Deleff, Jeremy	2,784	Hefford, Samantha	2,800
Desilets, Angela	3,869	Heide, Hannah	3,025
Desrosiers, Veronica	5,710	Heine, Kathryn	3,003
Devitt, Matthew	2,861	Hernandez, Anneluzelia	2,093
Dewar, David	978	Herriot, Brittany	2,356
Dewar, Dustin	5,173	Heslep, Alison	3,814
Dickson, Cole	806	Hess, Samera	3,759
Digness, Samantha	4,011	Hicks, Kathleen	232
Dillon, Kathleen	4,016	Hinchey, Sheldon	2,800
Doyle, Patrick	2,017	Hoefer, Dietrich	1,400
Dumas, Chris	1,701	Hoover, Robert	778
Dumbuya, Hawa	3,869	Hovhannisyan, Arpine	2,800
Dunbar, Stephen	4,005	Hoyles, Moriah	2,115
Dupuis, Rebecca	1,863	Hurst, Leila	1,677
Eggenberger, Christian	2,800	Hurst, Michaelis	2,872
Elanik, Shelley	4,746	Hysert, Gwen	3,978
Elliott, Kristen	3,365	Inglangasuk, Alexandra	4,110
Eluik, Aimee	1,973	Jarvis, Alicia	2,137
Emerson, Jeremy	322	Jasper, Brian	2,793
England, Maia	1,544	Jefferson, Kate	3,156
Escalante, Jean	4,000	Johnson, Kate	3,946
Fabien, Katelyn	2,762	Jones, Brittany	3,704
Fisher, Whitney	4,099	Jorge, Martin	2,800
Fitzgerald, Alanna	2,598	Jung, Courtney	2,313
Fitzgerald, Jane	650	Kailek, Shelley	1,769
Forget-Manson, Avivah	3,047	Kaip, Kirsten	2,137
Foster, Brianne	3,694	Kalnay, William	5,283
Fournier, Jamesie	137	Kanwal, Harinderpaul	1,804
Fournier, Jessica	2,598	Kanwal, Inderjit	4,044
Franklin, James	2,510	Kefalas, Kyle	2,269
Fryer, Janine	6,510	Kelly, Erica	3,946
Fyfe, Jolene	3,084	Kelly, Jessica	2,800
Gardiner, Corine	2,740	Kennedy, Samanth	4,833
Gardiner, Danielle	1,050	Kimble, Stephanie	3,310
Giesbrecht, Michael	2,450	King, Christine	2,663
Gilbert, Stephanie	5,579	King, Emily	3,715
Gillander, Amanda	1,797	King, Michael	9,209
Gillespie, Danielle	3,463	King, Sharla	2,893
Goldenberg, Alina	547	Kinney, Allan	1,907

---

---

## 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, 2013**

---

Klengenberg, Charlene	7,037	Mandeville, Leah	652
Klengenberg, Deborah	5,721	Maracle, Alisen	4,011
Kocik, Derrick	1,973	Marriott, Jessica	1,633
Komi, Arisa	3,190	Marshall, Jordan	1,180
Koswan, Bradley	4,022	Marshall, Kellan	3,847
Kronstal, Alana	1,861	Marshman, Michelle	3,989
Kruse, Sabine	3,836	Martin, Gabrielle	4,055
Krysko, Samuel	2,937	Matthews, Brendan	3,792
Kuptana, Terri-Lee	4,000	Matthews, Greg	2,543
Lafferty, Jessica	3,211	Matthews, Joanna	4,674
Laity, Daniel	3,354	McArthur, Allison	4,176
Laity, Erin	4,318	McBride, Alexandra	219
Langevin, Jennifer	1,665	McCabe, Stephanie	2,071
Lansdown, Doug	1,094	McCarthy, Patrick	3,373
Laratta, Elisabeth	1,447	McCreadie, Allister	8,384
Larocque, Chelsey	2,587	McIntyre-Smith, Julia	4,242
Laube, Kurt	2,574	McIvor, Lindsay	485
Lavoie, Robyn	3,299	McKay, James	2,115
Lavoie-Stobbs, Arlene	4,011	McKay, Lindsay	1,929
Leblanc, Gabrielle	4,200	Mckee, Janel	3,989
Leblanc-Lupton, Michelle	2,590	McMullen, Andrea	1,107
Ledrew, Mark	1,195	Meek, Alyssa	2,473
Legaree, Alexander	7,197	Menard, Jenna	4,077
Lemieux, Tanya	3,474	Menard, Zachary	1,030
Lennie, Fraser	2,872	Merrithew, Leslie	3,902
Lindsay, Michel	2,872	Metcalf, Scott	558
Linloff, Jenna	4,505	Michel, Gina	4,647
Long, Alexander	1,852	Michelin, Morgan	3,946
Long, Jenna	2,148	Miller, Shona	2,893
Look, Raynor	2,324	Miltenberger, Jacky	2,499
Lucas, Sandra	17,500	Mitev, Sierra	3,058
Lukaniuk, Crystal	3,113	Moir, Lauren	3,102
MacDonald, Amy	7,146	Moore, Kelly	4,252
MacDonald, Claire	384	Moore, Kristin	3,858
MacDonald, David	1,940	Moran, Alex	642
MacDonald, Laura	3,989	Moran, Colton	3,189
MacDougall, Ian	2,444	Morrison, Amanda	3,255
MacKenzie, James	4,099	Morrison, Donald	2,751
Mackenzie, Samantha	4,121	Morrison, John	2,800
Mackie, Kimberly	1,841	Morse, Julian	2,028
MacKinnon, Laura	1,140	Morton, Fallon	4,505
MacLellan, Joseph	3,989	Munroe, Sara	508
MacNeill, Laura	1,754	Munroe-Rosen, Soura	4,307
MacNeill, Nancy	16,953	Murphy, Brendan	2,432
MacNeill, Rachel	4,077	Murphy, Christine	5,677
Maddeaux-Young, Christopher	1,332	Murray, Janet	4,395
Maddeaux-Young, Hailey	3,978	Murray, John	3,014
Maguire, David	10,028	Myrick, Andrea	3,968
Mahler, Rebecca	1,940	Nadji, Negaar	3,880
Maisonneuve, Shayla	1,830	Ndlova, Princess	1,973
Makletzoff, Tonya	5,886	Nendsa, Troy	3,880
Maksymowich, Katie	3,500	Noel, Jeremy	4,066
Malakoe, Alexandra	3,836	Nojeda, Jovilynn	4,033
Mandeville, Curtis	2,937	Noland, Cory	3,150

---

---

## 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, 2013**

---

Nolting, Michael	4,000	Rozestraten, Scott	3,748
Normandin, Jessie	3,244	Ruptash, Kenneth	4,022
Normandin, Julie	3,716	Russell, Brittany	4,000
Normandin-Flesjer, Nicole	2,625	Ruttle, Pamela	1,502
O'Connor, Elise	2,148	Ryder, Graeme	2,499
Offredi, Stephen	3,989	Sartor-Pielak, Ariana	900
O'Hara, Linna	2,674	Saulis, Jared	2,804
O'Keefe, Harry	3,880	Schmalz, Alexandra	1,019
Oliver, Steven	1,940	Schnyder, Stephanie	394
O'Neill, Margaret	898	Schwartzzenberger, Jeffrey	1,907
Oteiza, Marissa	5,031	Scott, Danika	2,006
Pagonis, Shayla	2,949	Seeton, Matt	1,984
Paquin, Jahliele	4,088	Seinsson, Chelsea	2,214
Parker, Melody	3,935	Shaben, Krystal	1,929
Parrell, Cassandra	2,970	Shannon, Samuel	1,973
Parsons, Dustin	4,811	Short, Greg	2,017
Paul, Jonathan	1,034	Short, Tara	770
Peart, Sheldon	2,367	Shouhda, Lyle	1,951
Phillips, Taylor	2,800	Shouhda, Meagan	1,721
Phypers, Dave	1,171	Sibbald, Carey-Lynn	3,006
Plouffe, Nicholas	1,633	Silke, Andrew	1,556
Poitras, Kristina	5,666	Silke, Ryan	1,776
Posynick, Jon	4,000	Silverio, Sandra	1,962
Poulter, Brad	4,443	Sinclaire, Frances	2,291
Pound, Shawna	3,858	Singer, Claire	4,022
Power, Sarah Marie	3,935	Smith, Jodi	3,902
Purchase, Eli	4,066	Smith, Kathleen	2,800
Purchase, Elizabeth	3,146	Snodgrass, Jillian	2,356
Pyke, Caitlynd	1,633	Snyder, Cody	2,762
Pynten, Kirsten	1,469	Sosiak, Kevin	2,291
Radicchi, Laura	4,033	Spoelder, Kassandra	2,065
Radicchi, Lisa	3,989	St. Arnaud, Jessica	2,082
Ramm, Damien	557	St. Gerrmaine, Kevin	2,937
Randall, Amber	994	St. Arnaud, Jessica	1,600
Rattray, Heather	3,319	Starling, Brent	3,836
Rattray, Kevin	3,978	Stelmack, Dallas	1,556
Reid, Graeme	1,874	Stelmack, Danelle	2,773
Reid, Taylor	2,006	Stephenson, Gordon	4,011
Rieger, Heaven	2,800	Stewart, Sabrina	1,404
Rivera, Justin	117	Stinson, Cleo	3,759
Rivers, Ashley	232	Stinson, Ella	1,874
Rivers, Ceilito	166	Stipdonk, Chris	3,726
Roberts, Brittany	3,058	Stirling, Aislinn	4,055
Roberts, Natascha	2,964	Straker, Devon	2,800
Robertson, Drew	3,913	Strand, Jesslyn	3,222
Rocher, Jacqueline	3,748	Strus, Tynan	2,576
Rocher, Lorna	5,601	Sullivan, Joshua	1,128
Rodgers, Tylor	1,545	Sumcad, Jasmin	1,962
Rodriguez-Masongsong, Rebecca	3,968	Swanson, Laura	1,699
Romanko, Lee	1,436	Taggart, Craig	2,148
Ropson, Ashley	3,551	Tam, Alexander	3,989
Rousselle, Natacha	1,265	Tam, Andrea	1,995
Rowe, Curtis	431	Thomas, Willem	1,403
Rozestraten, Katie	4,318	Thompson, Kristan	4,055

---

---

**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, 2013**

---

Tolley, James	1,290
Tonge, Jeffrey	5,353
Tram, John	3,759
Tremblay, Brad	3,989
Tremblay, Dawn	4,000
Tremblay, Sheena	1,063
Tschirhart, Miranda	1,760
Turner, Christen	1,545
Tymchatyn, Shantel	1,611
Urschel, Skylar	2,674
Van Dyke, Christian	3,058
Van Metre, Stacey	4,220
Varrence, Shannon	3,880
Velez, Victoria	1,973
Vendiola, Arnel	2,861
Vician, Kristin	4,077
Vogt, Alanhea	3,573
Vuorela, Arleen	1,995
Walker, Ryan	1,400
Waugh, Jennifer	4,570
Webber, Jayson	3,978
Weitzel, Caitlin	4,472
Wells, Aaron	2,006
Welsh, Megan	3,124
Wesley, Vivian Krista	1,564
Westergreen, Anneka	4,537
White, Amanda	4,603
Williams , Danika	2,800
Williams, Heather	3,946
Wong, Daniel	1,929
Wong, Janet	2,324
Wood, Melissa	3,266
Wood, Shantana	2,469
Woodward, Devon	3,891
Wouters, Morgan	1,850
Woytuik, Ashley	1,315
Wrigglesworth, Patrick	2,367
Wright, Briony	4,066
Wright, Erika	3,858
Wright, Kyla	2,718
Yee, Colton	3,036
Young, Jenelle	1,885
Zenko, Benjamin	1,107

**Total Remissions** **1,400,267**

---

## Government of the Northwest Territories

### Non-Consolidated Schedule of Recoveries of Debts and Student Loans Previously Written Off (unaudited)

### Schedule 10 (continued)

**for the year ended March 31, 2013**

---

Name	Amount (\$)
------	-------------

#### **Education, Culture and Employment**

Beaulieu, Bernadette	1,933
Casaway, Raymond	594
Champagne, Ira Guy	1,129
Colbourne, Jennifer	1,771
Christie, Fred George	697
Cuerrier, Sheila	2,354
Dyke, Shara-Lee	1,478
Foltyn, Jiri	1,879
Leger, Candace Samatha	1,830
Mantla, Rita Mary	1,966
Nessel, Leon Ronald C.	1,563
Ricketts, Cassandra Lee	660
Tearle, Sandra	703
Ruben, Bill Steven	1,301
Blanchard, Constance	702
Guay, Dale Bryan	14,630
Holt, Kenneth Dean	2,094
MacQuarrie, Donald Hector	1,200
	<b><u>38,484</u></b>

#### **MACA**

Fort Liard Metis Development	4,115
Ruben, Peter and Molly, Illasiak	500
	<b><u>4,615</u></b>

#### **Transportation**

Krahn, John D	<b><u>982</u></b>
---------------	-------------------

#### **Environment and Natural Resources**

Gruben, Sammy and Etagiak, Annie	957
Neyelle, Michael Robert	1,759
	<b><u>2,716</u></b>

#### **Justice**

Peffer, Dolly	<b><u>1,128</u></b>
---------------	---------------------

<b>Individual amounts under \$500</b>	<b><u>2,407</u></b>
	<b><u>50.332</u></b>

---

**Government of the Northwest Territories**

**Non-Consolidated Schedule of Overdue Travel Advances (unaudited)**

**Schedule 11**

**for the year ended March 31, 2013**

---

Overdue travel advances represent travel advances which have not been accounted for by an expense claim within 10 working days of the return date given on the travel authorization.

\$

**Legislative Assembly**

Nadli, Michael 300

**Municipal and Community Affairs**

Villeneuve, Gloria 700

1,000

---

**Government of the Northwest Territories****Non-Consolidated Schedule of Overdue Accountable Advances Related to Previous Fiscal Years  
(unaudited)****Schedule 12****for the year ended March 31, 2013**

	<b>Date Issued</b>	<b>\$</b>
<b>Education, Culture and Employment</b>		
Deline First Nation	December 20, 2011	18,188
La Federation Franco Tenoise	June 29, 2011	10,310
Inuvik Community Corp	August 5, 2011	10,900
Aklavik DEA	December 9, 2011	15,000
Deline First Nation OW	December 12, 2011	2,799
Hay River Reserve DEA ss	November 21, 2011	7,500
Gwichya Gwich'in Band	November 3, 2011	15,000
Tl'oondih Healing Society	November 10, 2011	15,000
Hamlet of Fort Liard	August 31, 2011	8,100
Hay River Playschool	March 7, 2012	17,437
Deninu Kue First Nation	February 16, 2012	2,920
Norman Wells Land Corp	July 12, 2011	2,800
Sachs Harbour Comm	June 24, 2011	11,000
Incor Hamlet of Paulatuk	March 26, 2012	4,550
Hamlet of Ft McPherson	October 20, 2011	9,800
Hamlet of Tuktoyaktuk	December 7, 2011	2,000
Redshaw, Braden	July 7, 2011	1,000
Cox, Mary	July 7, 2011	5,000
Zoe, Joseph	June 29, 2011	10,000
Greeen, Jim	July 8, 2011	9,000
Lafferty, Richard	July 8, 2011	10,900
DeWolf, Chris	June 27, 2011	3,000
Tulita Learning Centre	July 8, 2011	644
Dry Cold Media	July 7, 2011	17,000
Hay River Music, Arts, Culture	July 15, 2011	10,000
YK Guild Arts and Crafts	July 15, 2011	9,800
Netesena, Jasmine	July 29, 2011	6,500
Nardone, Michael	August 5, 2011	3,000
Mercredi, Rosalind	June 27, 2011	7,000
Rogers, James	August 29, 2011	7,900
Deline Gospel Singers	July 8, 2011	15,000
Gillis, Tanya	October 20, 2011	4,000
Sipos, Dana	November 4, 2011	3,000
Midway Lake Festival	November 21, 2011	15,000
Open Sky Creative Society	August 24, 2011	13,000
Town of Fort Smith	August 10, 2011	3,775
		<b>307,823</b>
<b>Total</b>		<b>307,823</b>

---

## Government of the Northwest Territories

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

---

Schedule 13

for the year ended March 31, 2013

---

\$

#### Executive

Inuvialuit Regional Corporation	<b>124,000</b>
---------------------------------	----------------

---

#### Human Resources

Aboriginal Health	<b>3,512</b>
-------------------	--------------

---

#### Aboriginal Affairs and Intergovernmental Relations

Inuvialuit Implementation Funding	119,185
Gwich'in Land Claim Implementation	172,406
Sahtu Land Claim Implementation	112,463
Tlicho Implementation Funding	173,020
Secondment - Indian and Northern Affairs Canada	151,045
	<b>728,119</b>

---

#### Municipal and Community Affairs

Federal Gas Tax	14,084,733
Gwich'in Land Claim Implementation	1,360
Sahtu Land Claim Implementation	2,615
Pan Territorial Sport Strategy	252,070
Tlicho Implementation	74,002
	<b>14,414,780</b>

---

#### Transportation

National Safety Code	153,371
Airline Glycol Recovery	100,821
Wood Buffalo National Park	1,126,761
Prelude Lake Access Road	7,000
Hold Baggage System - Yellowknife Airport	131,544
Alberta Road Maintenance	532,589
Hay River Access Corridor	58,833
Federal Arctic Marine Maintenance Program	317,791
	<b>2,428,710</b>

---

---

**Government of the Northwest Territories****Non-Consolidated Schedule of Projects for the Government of Canada, Nunavut and Others  
- Expenditures Recovered (unaudited)****Schedule 13  
(continued)**

---

**for the year ended March 31, 2013**

\$

**Public Works and Services**

Sahtu Land Claim Implementation	4,400
Gwich'in Land Claim Implementation	4,400
Tlicho Implementation	14,973
Alex Moses Greenland Building - Beaufort Delta Health and Social Services Authority	80,274
Beaufort Delta Education Board	140,137
Behchoko Wood Pellet Boiler	100,000
Elizabeth MacKenzie - Minor Renovations	47,000
Heating Upgrade - Frame Lake Medical Clinic	67,676
	<b>458,860</b>

---

**Justice**

Sahtu Land Claims Implementation	21,825
Gwich'in Land Claims Implementation	21,825
Tlicho Implementation	47,169
Estates Clerk	187,575
Framework for Enhancing Victim Services in the NWT	477,116
Supporting Families Fund	200,562
Law Society of the NWT	20,000
NWT Law Foundation	50,000
	<b>1,026,072</b>

---

**Health and Social Services**

Pan-Territorial Oral Health Project	30,000
Pan-Territorial Social Marketing Program	5,236
Pan-Territorial Mental Health Program	1,415
Territorial/Federal ADM's Working Group - Yukon - NWT Contribution	174,993
Collaborative Action on Childhood Obesity	11,341
Drug Treatment Funding Program	283,762
Mental Health First Aid	7,084
Non-Insured Health Benefits Funding	12,527,330
NWT Cumulative Impact Monitoring Project	52,096
Pan-Territorial Fetal Alcohol Syndrome Disorder Project	30,000
Canadian Diabetes Association - Diabetes Validation Study	4,839
Pan-Canadian Public Health Network	57,304
Healthy Child Development/Mental Wellness/Healthy Living	9,275,098
Toll Free Tobacco Quitline ServicesCessation Project	24,938
Health Policy Contribution - Researching International Medical Graduates	85,937
Canadian Chronic Disease Surveillance System	62,943
Federal Wellness Funding Program	
Program Management	442,876
Home and Community Care	4,157,691
	<b>27,234,883</b>

---

---

**Government of the Northwest Territories****Non-Consolidated Schedule of Projects for the Government of Canada, Nunavut and Others  
- Expenditures Recovered (unaudited)****Schedule 13  
(continued)**

---

**for the year ended March 31, 2013**

\$

**Education, Culture and Employment**

Sahtu Land Claim Implementation	10,000
Gwich'in Land Claim Implementation	24,492
Tlicho Implementation	67,560
Labour Market	1,470,599
Labour Market Development	4,131,993
Older Workers	47,724
Immigration Portal	46,270
Gathering of NT Arts & Cultural Organizations	41,790
	<hr/>
	<b>5,840,428</b>

**Environment and Natural Resources**

Sahtu Land Claim Implementation	140,145
Gwich'in Implementation	235,562
Tlicho Implementation	66,884
Inuvialuit Implementation	4,143,542
Nature Serve Canada	27,397
Parks Canada	40,000
Sahtu Land Use Planning Board	11,742
Sahtu Renewable Resources Board	4,564
Climate Change Adaptation	497,500
US Fish and Wildlife	530
ConocoPhillips Canada	40,000
Reforestation	4,895
Indian and Northern Affairs Canada	673,049
Gwich'in Renewable Resource Board	20,000
World Wildlife Fund Canada	96,500
Environment Canada	190,000
Canadian Economic Development Agency (CanNor)	1,750,000
Mutual Aid Resource Sharing (MARS)	858,894
	<hr/>
	<b>8,801,204</b>

**Industry, Tourism and Investment**

Sahtu Land Claim Implementation	25,000
Gwich'in Implementation	17,500
Canadian Economic Development Agency (CanNor)	1,488,770
Agriculture and Agri-Foods Canada	300,109
	<hr/>
	<b>1,831,379</b>

---

**Total** **62,891,947**