



# 2016-17 Financial Highlights

*These Financial Highlights should be read in conjunction with the Public Accounts Section I and The Public Accounts: An Overview brochure.*

## Annual Surplus:

- The 2016-17 consolidated financial statements report an annual budgeted surplus of \$140 million and an actual annual surplus of \$175 million, \$35 million or 24.7 per cent more than expected. The annual surplus of \$175 million is \$47 million or 36.4 per cent more than the prior year.
- Total consolidated revenue in 2016-17 is \$2.08 billion, an increase of \$28 million or 1.3 per cent from the original budget. The total consolidated revenue of \$2.08 billion is \$46 million or 2.3 per cent higher than the prior year. The increase in both budget and actuals is related to the increase in personal and corporate income taxes and sales.
- Total consolidated expenses in 2016-17 are \$1.9 billion, a decrease of \$7 million or 0.4 per cent from the original budget. The total consolidated expenses of \$1.9 billion are comparable to prior year.
- 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.

## Financial Assets and Liabilities:

- Financial Assets decreased to \$496 million from \$505 million. There were decreases as well as increases to some components that make up Financial Assets. The most significant change was a decrease in Accounts Receivable and Due from the Government of Canada.
- Liabilities increased to \$1.44 billion from \$1.39 billion. The most notable change was an increase in long term debt for work done to date on the Mackenzie Valley Fibre Link and Stanton Territorial Hospital renewal projects.

## Non-Financial Assets:

- Non-Financial Assets are primarily made up of Tangible Capital Assets of \$3.1 billion that are used to provide services to the public. Schedule A of the Consolidated Public Accounts provides a summary of tangible capital assets.



### Net Debt:

- The Government is in a net debt position of \$948 million.
- Net debt increased by \$65 million during the 2016-17 fiscal year primarily due to the increase of public private partnerships under long term debt for work done to date on the Mackenzie Valley Fibre Link and Stanton Territorial Hospital renewal projects.

### Fiscal Responsibility:

- The Government met all aspects of its fiscal responsibility in 2017. Refer to FSDA in Section 1 of the Public Accounts for the detailed information

### GDP:

- The territorial economy shrank by 0.1% as measured by real GDP in 2016. This is lower than the national average rate increase of 1.3% for the same period.

### Summary

- Given the continuing modest expansion in economic activity, the Territory continues to manage growth in spending, while making targeted investments to encourage economic growth and address the infrastructure deficit. The Government continues to rely on federal transfers for the majority of its revenues and consequently the linkage between the economy and the Government's revenues does not appear strong. However, own source revenues are directly linked to the NWT economy; for example, the Government relies on a small number of resource based companies for the majority of its corporate tax revenue, whose incomes fluctuate significantly with economic event.