



Annual GNWT Financial Highlights

Background

Annual financial planning, management, and accountability within the Government of the Northwest Territories (GNWT) involves the following two main processes:

- The government prepares the Main Estimates and Capital Estimates before the start of each year which forms the basis for annual operating and infrastructure spending including expected revenues. Other public agencies and corporations are required to prepare annual operating plans that are tabled in the Legislative Assembly.
- After the end of each fiscal year, the Public Accounts, which are the financial statements that report on actual expenditures and revenues, are audited by the Office of the Auditor General of Canada.

The Public Accounts are the annual financial statements of the GNWT and are guided by accounting standards for the public sector. These financial statements disclose the financial position of the GNWT as at March 31st each year as well as the results of operations for the fiscal year. Notes to the financial statements provide further details of certain items. The financial position provides information on the assets, liabilities, net debt and accumulated surplus (deficit) at a point in time.

The Public Accounts are published in a number of sections:

Consolidated Financial Statements (Section I): Comprises the financial position and results of operations for all GNWT departments, revolving funds, public agencies, territorial corporations and other related entities. The Office of the Auditor General of Canada audits the consolidated financial statements annually.

Non-consolidated Financial Statements (Section II): Comprises the financial position and results of operations for GNWT departments and revolving funds only. More detailed results of operations are disclosed in the supplementary schedules of these financial statements. These schedules disclose further details regarding the nature of revenues and expenses by department.

Other Entities and Boards (Section III and Section IV): Comprises the financial position and results of operations for all Education boards, Health Boards, public agencies, territorial corporations and other related entities.



Highlights

The financial highlights presented below should be read in conjunction with the Public Accounts Section I and The Public Accounts: An Overview brochure.

Annual Operating Surplus

- The 2018-19 consolidated financial statements report an actual annual operating surplus of \$4.13 million, which is \$15.47 million higher than budgeted. The annual operating surplus is \$156.81 million lower than the prior year.
- Total consolidated revenue in 2018-19 is \$2.04 billion, which is \$47.75 million or 2.4% higher than the original budget. The total consolidated revenue is \$55.28 million or 2.6% less than the prior year. The increase from budget is primarily due to higher transfer payments and more sales. The decrease in actuals is mainly due to the decrease in corporate income taxes and non-renewable resources revenues.
- Total consolidated expenses in 2018-19 are \$2.03 billion, an increase of \$32.29 million or 1.6% from the original budget. The total consolidated expenses are \$101.53 million or 5.3% higher than the prior year.
- The Government spends approximately 54% of its budget on social programs (education, health, justice and housing), with another 21% allocated to infrastructure programs, and 8% to natural resources and economic development programs. General government activities, including financial support provided to community governments and the Legislative Assembly account for 17% of spending.
- Operating expenditures exclude spending on infrastructure.

Financial Assets and Liabilities

- Financial assets decreased to \$487.34 million from \$525.00 million the previous year. Decreased cash and accounts receivable at year-end accounted for most of the overall decrease.
- Liabilities increased to \$1.61 billion from \$1.52 billion. The most notable changes were an increase in liabilities under public private partnerships for work done on the Stanton Territorial Hospital renewal project and Tłı̄ch̄o All Season Road and an increase in short term borrowing.



- The most significant GNWT liabilities are for long-term debt (\$395.64 million), short-term loans (\$333.52 million), liabilities under public private partnerships (\$235.72 million), and accounts payable and accrued liabilities (\$312.57 million).

Non-Financial Assets

- Non-financial assets are primarily made up of tangible capital assets of \$3.45 billion that are used to provide services to the public. Schedule A of the Public Accounts Section I provides a summary of tangible capital assets.
- A total of \$280.37 million was spent on the acquisition of tangible capital assets during 2018-19.

Net Debt

- The Government is in a net debt position of \$1.12 billion.
- Net debt increased by \$129.20 million during the 2018-19 fiscal year primarily due to debt that was incurred to finance public private partnerships liabilities (P3s) and an increase in short term borrowing.

Change Over the Past Five Years

- Comparing key financial indicators for the GNWT from five years ago show increased investment in capital assets which include the Inuvik-Tuktoyaktuk Highway, Stanton Territorial Hospital, Mackenzie Valley Fibre Line, and the Tłıchǫ All Season Road during this period. Debt has also increased.

Key Financial Indicators (\$000)

	2013-14	2018-19
Revenue	\$1,776,065	\$2,037,595
Operating Expenses	\$1,696,732	\$2,033,465
Acquisition of Tangible Capital Assets	\$168,310	\$280,365
Financial Assets	\$458,035	\$487,341
Liabilities	\$821,915	\$1,611,923
Net Debt	(\$363,880)	(\$1,124,582)
Tangible Capital Assets	\$2,138,614	\$3,452,889