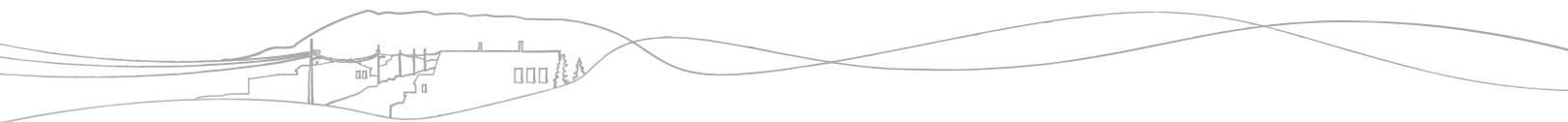




2021-2022 PUBLIC ACCOUNTS

FINANCIAL HIGHLIGHTS

Government of
Northwest Territories



What are the Public Accounts?

The Public Accounts refer to the annual financial statements of the Government of the Northwest Territories (Government or GNWT) for a fiscal year which are guided by Public Sector Accounting Standards. The fiscal year for the GNWT is the 12-month period between April 1st to March 31st.

As at March 31st each year, the financial statements for the GNWT include the following disclosures:

- the **financial position** which provides information on the assets, liabilities, net debt, and accumulated surplus (deficit) at a point in time
- the **results of operations** of the for the fiscal year
- any necessary **notes** to provide further details of certain items in the annual financial statements

The Public Accounts are made up of four 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 which collectively are referred to as the Government Reporting Entity (GRE). The statements and description found in **Section I** are listed below:

- *The Consolidated Statement of Financial Position* discloses the financial position of the Government including assets, liabilities, accumulated surplus or deficit, and the net debt position of the Government and is measured at March 31st.
- *The Consolidated Statement of Operations* discloses financial information relating to revenues and expenses encompassing the results for a fiscal year.
- *The Consolidated Statement of Change in Net Debt* explains the change in net debt. It tracks the extent to which expenditures of the accounting period are met by the revenues recognized in operations for the period; and what the Government has spent to acquire tangible capital assets, inventories, and prepaid expenses.
- *The Consolidated Statement of Cash Flow* discloses cash and cash equivalents balances at the beginning and end of the fiscal year as well as the sources and uses of cash and cash equivalents in operating, investing, financing and capital transactions during the fiscal year.

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 individual financial position and results of operations for all Education boards, Health Boards, Public Agencies, territorial corporations, and other related entities that are included in the GRE.

Background on GNWT Financial Reporting

Annual financial planning, management, and accountability within the GNWT involves the following two main processes:

- The government prepares the Capital Estimates and Main Estimates before the start of each fiscal 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.
- The Consolidated Financial Statements (**Section I**) are audited by the Office of the Auditor General of Canada for each fiscal year and their Audit report is included at the beginning of **Section I** of the Public Accounts.
- The Non-consolidated Financial Statements (**Section II**) are unaudited and are prepared primarily for comparison to the Main Estimates.

To learn more

To learn more about the public accounts, or to access the full Financial Statements, visit the [Department of Finance Website](#).

The information provided in the following sections is intended to assist readers of the Public Accounts in their assessment of the Government's financial health.

Annual Surplus

The 2021-22 consolidated financial statements report an actual annual surplus of \$62.0 million, which is \$31.2 million or 33.4% lower than budgeted. The annual surplus is \$28.2 million or 31.3% lower than the prior year. The change in the surplus is based on changes in revenue and expenses which is explained in the next two points.

Total consolidated revenue in 2021-22 is \$2.6 billion, which is \$63.5 million or 2.5% higher than the original budget. The total consolidated revenue is \$135.3 million or 5.4% higher than the prior year. The increase in actual revenues is mainly due to a higher grant from Canada because of the Gross Expenditure Base increase; increased corporate and personal income taxes and increased general revenue.

A surplus means that revenues were higher than expenses in the year

Total consolidated expenses in 2021-22 are \$2.6 billion, which is \$94.7 million or 3.8% higher than the original budget. The total consolidated expenses are \$163.5 million or 6.8% higher than the prior year. The increase in actual expenses is mainly due to the impact of COVID-19 expenditures, 2021 flood recovery assistance, collective agreement increases, and projects previously classified as projects on behalf of others.

The Government spent approximately

- 54.8% of its budget on social programs: education, health, justice, and housing
- 19.0% of its budget on General government activities, including financial support provided to community governments and the Legislative Assembly
- 18.8% of its budget on infrastructure programs, not including capital infrastructure
- 7.4% of its budget on natural resources and economic development programs

Below are two key indicators during the 2021-22 fiscal year that have an impact on the Government spending and revenue earnings:

**NORTHWEST TERRITORIES
POPULATION**

45,629

April 1, 2021
Source: <https://www.statsnwt.ca>

**2021 GROSS DOMESTIC
PRODUCT**

\$4,291 6.3% 

Millions of Chained (2012) Dollars
Source: <https://www.statsnwt.ca>

The Government’s budget

During the fiscal year, approved budget adjustments are completed through supplementary appropriations. The 2021-22 Consolidated Financial Statements report an actual annual surplus of \$62.0 million which is \$146.0 million higher than the revised budget of (\$83.9) million. The change is detailed below (noted*):

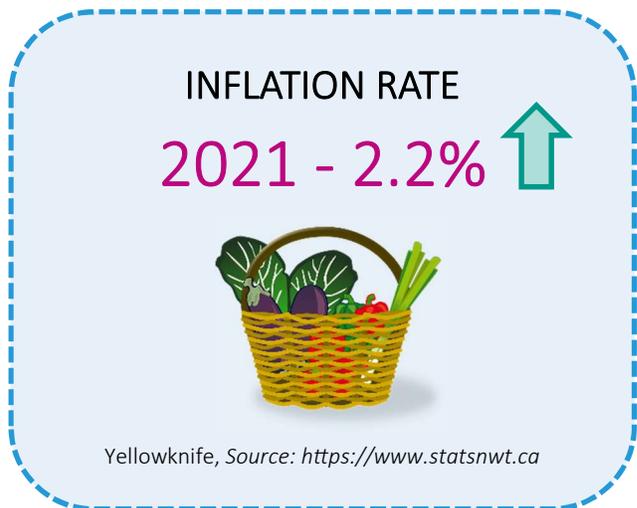
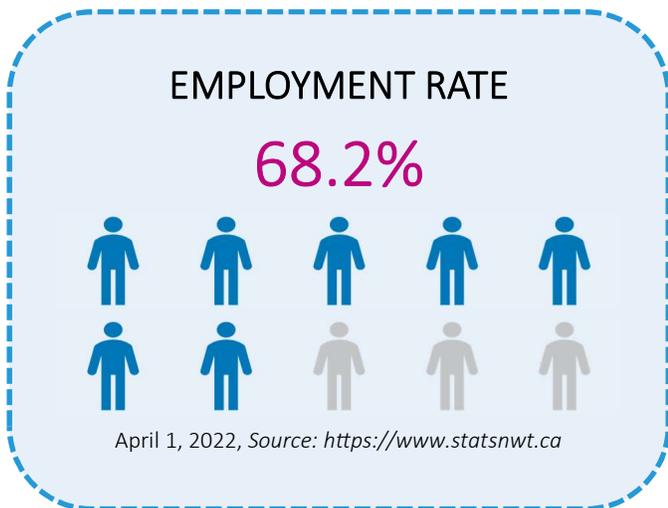
	Original Budget 2022	Supplemental Appropriations	Revised Budget 2022	Actual 2022	Actual 2021
Total Revenue	\$2,571,187	\$0	\$2,571,187	\$2,634,712	\$2,499,462
Total Expenses	\$2,478,008	\$177,168	\$2,655,176	\$2,572,688	\$2,409,222
Annual Surplus	\$93,179	\$177,168	(\$83,989)	\$62,024	\$90,240

*Total consolidated revenue in 2021-22 is \$2.6 billion, which is \$63.5 million higher than the revised budget. There were no changes to the revenue budget through the supplementary appropriation process.

*Total consolidated expenses in 2021-22 are \$2.6 billion. This is \$82.5 million lower than the revised budget. The revised budget was increased to address the impact of COVID-19 expenditures related to financial support programs for economic relief and the financial impact from collective agreements increases for the periods of 2020-21 to 2021-22.

note*If the public agencies that form part of the GRE had a revised budget that did not require tabling in the Legislative Assembly, it is not included in these notes.

Below are two additional key indicators during the 2021-22 fiscal year that have an impact on the Government spending and revenue earnings:



Financial Assets and Liabilities

In 2021-22, Financial Assets increased by \$17.2 million to \$691.4 million, mainly due to receiving early transfers of funds for the next fiscal year which increased cash and cash equivalents, offset by a payment from the sinking fund required for the Tłjchq All Season Road.

Liabilities increased by \$51.2 million to \$2.1 billion. The most notable changes were an increase in deferred revenue related to agreements with the Government of Canada offset by a decrease in liabilities under public private partnerships (P3) for work completed and paid for the Tłjchq All Season Road.

Non-Financial Assets

Non-financial Assets are primarily made up of tangible capital assets, such as, schools, hospitals, roads, of which \$3.8 billion are used to provide services to the public. Schedule A of the Public Accounts, **Section I** provides a summary of consolidated tangible capital assets by major category.

In 2021-22, the Government acquired \$260.7 million in tangible capital assets: \$41.2 million was added to the work in progress on the Tłjchq All Season Road, \$27.6 million was added as refurbishment of Stanton Legacy Building, \$30.3 million was added consisting of NTHC public, homeownership rental and market rental units and \$46.7 million was added consisting of NTPC electric power plants, equipment, and computers. The remaining spend was for various roads and bridges, community health centers and equipment.

Financial Assets include things like cash and cash equivalents, investments, and receivables. They are the most liquid, meaning they are easier to sue or convert into cash.

Financial Assets are used to pay for expenses.

Non-financial Assets are primarily made up of buildings, roads, bridges, equipment, etc. Non-financial Assets are more difficult to sell or convert to cash.

Liabilities are amounts we owe to others, like short-term loans, accounts payable and long-term debt.

Net Debt

Net debt increased by \$34.0 million during the 2021-22 fiscal year which was attributable to the continued investment in infrastructure and higher operating costs.

The Government is in a net debt position of \$1.4 billion.

***Net debt** means that the government's **liabilities** are greater than its **financial assets** at the end of the year*

Change Over the Past Ten Years (in \$Millions)

Below are key financial indicators for the Government for the past ten (10) fiscal years.

Key Financial Indicators (\$M)	2012-13*	2013-14	2014-15*	2015-16	2016-17	2017-18*	2018-19	2019-20	2020-21*	2021-22
Revenue	\$1,792	\$1,776	\$2,032	\$2,029	\$2,076	\$2,093	\$2,038	\$2,124	\$2,499	\$2,635
Operating Expenses	\$1,624	\$1,697	\$1,928	\$1,901	\$1,901	\$1,932	\$2,033	\$2,201	\$2,409	\$2,573
Annual Operating Surplus(Deficit)	\$168	\$79	\$104	\$128	\$175	\$161	\$4	(\$77)	\$90	\$62
Acquisition of Tangible Capital Assets	\$469	\$168	\$443	\$360	\$368	\$314	\$280	\$270	\$270	\$261
Financial Assets	\$430	\$458	\$490	\$505	\$496	\$525	\$487	\$540	\$674	\$691
Liabilities	\$768	\$822	\$1,268	\$1,389	\$1,443	\$1,520	\$1,612	\$1,851	\$2,012	\$2,063
Net Debt	(\$338)	(\$364)	(\$777)	(\$883)	(\$948)	(\$995)	(\$1,125)	(\$1,311)	(\$1,338)	(\$1,372)
Accumulated Surplus	\$1,701	\$1,786	\$1,890	\$2,018	\$2,193	\$2,354	\$2,358	\$2,281	\$2,371	\$2,343
Tangible Capital Assets	\$2,027	\$2,139	\$2,646	\$2,878	\$3,118	\$3,320	\$3,453	\$3,565	\$3,673	\$3,764

*Years have information updated from subsequently issued Public Accounts