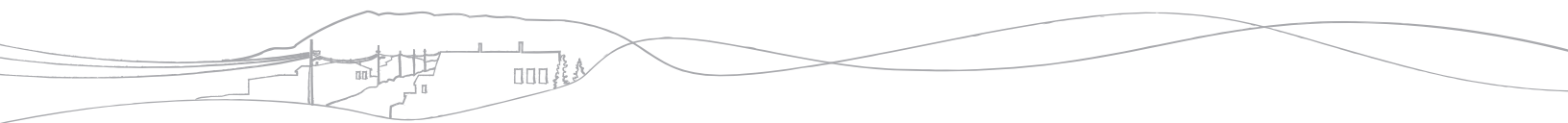


2023-2024 PUBLIC ACCOUNTS

FINANCIAL HIGHLIGHTS

Government of
Northwest Territories



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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, remeasurement gains and losses**, and **cash flows** for the fiscal year

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:

- *The Consolidated Statement of Financial Position* discloses the financial position of the Government including assets, liabilities, net debt, and the accumulated surplus or deficit of the Government and is measured as at March 31st.
- *The Consolidated Statement of Operations and Accumulated Operating Surplus* 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 annual operating surplus (deficit) for the period; and what the Government has spent to acquire tangible capital assets, inventories, and prepaid expenses.
- *The Consolidated Statement of Remeasurement Gains and Losses* discloses the unrealized gains and losses due to the change in fair value of financial instruments.
- *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, by department, are disclosed in the supplementary schedules of these financial statements.

Other Entities and Boards (Section III and Section IV): Comprises the financial position and results of operations, by entity, 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 Government prepares a consolidated budget which includes the Estimates and approved budgets of the components of the GRE less any inter-entity eliminations.
- 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 position and operations.

Annual Operating Surplus

(in \$000s)	Budget 2024	Actual 2024	Actual 2023
Total Revenues	\$2,853,782	\$2,999,957	\$2,804,470
Total Expenses	\$2,731,279	\$3,016,787	\$2,698,396
Annual Operating Surplus (Deficit)	\$122,503	(\$16,830)	\$106,074

The change in the annual operating surplus (deficit) is based on changes in revenue and expenses.

The increase in total revenues is mainly due to a higher grant from Canada because of the Gross Expenditure Base increase; increased transfer payment revenue and increased corporate income taxes.

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

The increase in actual expenses is mainly due to the 2023 wildfire costs and increased operational costs.

The Government allocated approximately

- 53.5% of its budget on social programs: education, health, justice, and housing
- 19.8% of its budget on General government activities, including financial support provided to community governments and the Legislative Assembly
- 19.0% of its budget on infrastructure programs, not including capital infrastructure
- 7.7% of its budget on natural resources and economic development programs

Below are two key indicators during the 2023-24 fiscal year that have an impact on the Government spending and revenue earnings:

NORTHWEST TERRITORIES POPULATION

44,499

March 31, 2024

Source: <https://www.statsnwt.ca>

2023 GROSS DOMESTIC PRODUCT

\$4,251 (0.1)% ↓

Millions of Chained (2017) Dollars

Source: <https://www.statsnwt.ca>

The Government’s budget

During the fiscal year, approved budget adjustments are completed through supplementary appropriations. The 2023-24 Consolidated Financial Statements report an actual annual operating deficit of \$16.8 million which is \$300.5 million better than the revised budget deficit of \$317.4 million. The change is detailed below:

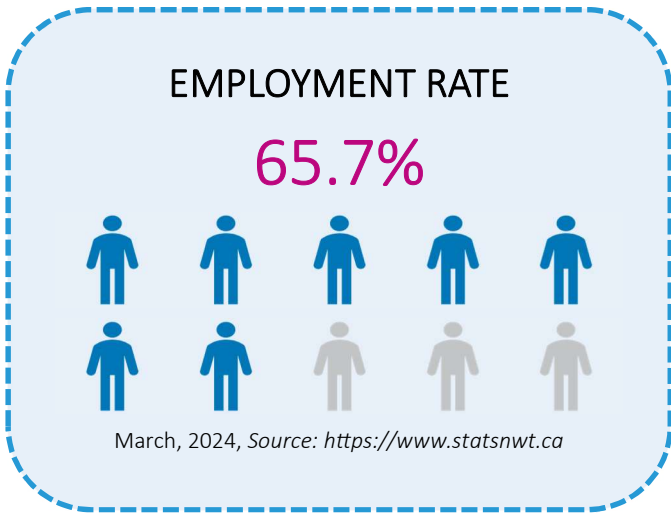
(in \$000s)	Budget 2024			Actual 2024	Actual 2023
	Original Budget	Supplemental Appropriations	Revised Budget		
Total Revenues	\$2,853,782	\$0	\$2,853,782	\$2,999,957	\$2,804,470
Total Expenses	\$2,731,279	\$439,865	\$3,171,144	\$3,016,787	\$2,698,396
Annual Operating Surplus (Deficit)	\$122,503	(\$439,865)	(\$317,362)	(\$16,830)	\$106,074

There were no changes to the total revenues budget through the supplementary appropriation process.

The consolidated expense budget was revised to address the impact of the 2023 wildfire costs, the recovery activities costs related to the 2022 flood; increased cost of borrowing on short-term debt held by the government; and increased cost of the Investing in Canada Infrastructure Plan.

If the public agencies that form part of the GRE had a revised budget that was not tabled in the Legislative Assembly, then it is not included in the revised consolidated budget.

Below are two additional key indicators during the 2023-24 fiscal year that have an impact on the Government’s spending and revenue earnings:



Financial Assets and Liabilities

(in \$000s)	Actual 2024	Actual to Prior Year		Actual 2023
		Amount	%	
Financial Assets	\$835,700	+ \$82,292	+ 10.9%	\$753,408
Liabilities	\$2,578,162	+ \$225,571	+ 9.6%	\$2,352,591

In 2023-24, Financial Assets increased mainly due to increased cash and cash equivalents from the proceeds of short-term loans and the acquisition of long-term debt to finance working capital and infrastructure projects.

Liabilities increased due to an increase in short-term borrowing to support operations, an increase in long-term debt to fund infrastructure projects, an increase in environmental liabilities and an increase in accounts payable and accrued liabilities for overall increased costs and natural disaster costs related to the 2023 wildfire and continued recovery activities related to the 2022 flood.

Non-Financial Assets

Non-financial Assets are primarily made up of tangible capital assets, such as, schools, hospitals, roads, of which \$4.1 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 2023-24, the Government acquired \$303.2 million in tangible capital assets, which includes: \$73.0 million was added to the Inuvik Runway project; \$69.9 million consisted of NT Hydro Corporation's power generating and distribution assets and equipment; \$48.4 million consisted of Housing NWT's public, homeownership rental and market rental units; \$45.2 million on various road and bridges; \$20.9 million on various community health centres, schools, campground shelter & equipment and information systems & equipment; and \$5.8 million on Aurora College's computers, equipment and buildings. The remaining spend of \$40.0 million related to various smaller capital projects.

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

Financial assets are used to pay for expenses.

Liabilities are amounts the Government owes to others, like short-term loans, accounts payable and long-term debt.

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.

Net Debt

Net debt increased by \$143.3 million during the 2023-24 fiscal year which was attributable to the continued investment in infrastructure and higher operating costs.

The Government is in a net debt position of \$1.7 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.

	Fiscal Year Ended									
Key Financial Indicators (\$M)	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenue	\$2,032	\$2,029	\$2,076	\$2,093	\$2,038	\$2,124	\$2,499	\$2,635	\$2,804	\$3,000
Operating Expenses	\$1,928	\$1,901	\$1,901	\$1,932	\$2,033	\$2,201	\$2,409	\$2,576	\$2,698	\$3,017
Annual Operating Surplus (Deficit)	\$104	\$128	\$175	\$161	\$4	(\$77)	\$90	\$59	\$106	(\$17)
Acquisition of Tangible Capital Assets	\$443	\$360	\$368	\$314	\$280	\$270	\$270	\$261	\$366	\$303
Financial Assets	\$490	\$505	\$496	\$525	\$487	\$540	\$674	\$691	\$753	\$836
Liabilities	\$1,268	\$1,389	\$1,443	\$1,520	\$1,612	\$1,851	\$2,012	\$2,202	\$2,353	\$2,578
Net Debt	(\$777)	(\$883)	(\$948)	(\$995)	(\$1,125)	(\$1,311)	(\$1,338)	(\$1,510)	(\$1,599)	(\$1,742)
Tangible Capital Assets	\$2,646	\$2,878	\$3,118	\$3,320	\$3,453	\$3,565	\$3,673	\$3,772	\$3,962	\$4,088
Accumulated Surplus	\$1,890	\$2,018	\$2,193	\$2,354	\$2,358	\$2,281	\$2,371	\$2,302	\$2,409	\$2,395

The information presented in the table includes all revisions to the amounts as reported in subsequent financial statements.