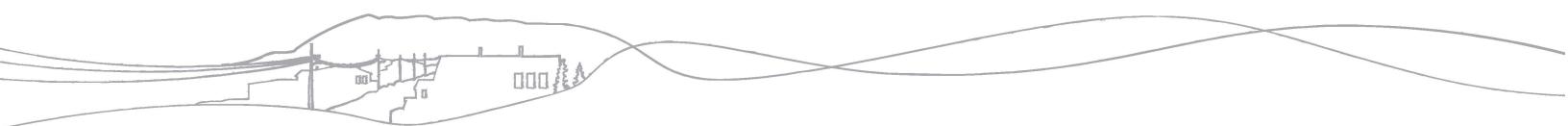


# 2024-2025

## 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 1<sup>st</sup> to March 31<sup>st</sup>.

As at March 31<sup>st</sup> 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
- 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:

- *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 31<sup>st</sup>.
- *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 2024-25, the GNWT had an operating surplus of \$46 million.

(in \$000s)	Budget 2025	Actual 2025	Actual 2024
Total Revenues	\$3,007,887	\$3,083,560	\$2,999,957
Total Expenses	\$2,752,697	\$3,037,269	\$3,016,787
Annual Operating Surplus (Deficit)	\$255,190	\$46,291	(\$16,830)

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

The increase from the prior year in total revenues is mainly due to a higher grant from Canada because of the Gross Expenditure Base increase; an increase in general revenue for tobacco litigation settlement; an increase in personal tax revenue; and recoveries of prior years' expenses.

The increase in expenses from the prior year is mainly due to increased compensation and benefit costs due to collective bargaining agreement increases, increased health care and operational costs; partly offset by lower natural disaster costs.

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

## The Government spent approximately

- 54.2% on social programs: education, health, justice, and housing
- 19.0% on General government activities, including financial support provided to community governments and the Legislative Assembly
- 18.3% on infrastructure programs, not including capital infrastructure
- 8.5% of its budget on natural resources and economic development programs

## The Government's budget

During the fiscal year, approved budget adjustments are completed through supplementary appropriations. The 2024-25 Consolidated Financial Statements report an actual annual operating surplus of \$46.3 million which is \$172.4 million better than the revised budget deficit of \$126.1 million. The change is detailed below:

(in \$000s)	Budget 2025			Actual 2025	Actual 2024
	Original Budget	Supplemental Appropriations	Revised Budget		
<b>Total Revenues</b>	\$3,007,887	\$0	\$3,007,887	\$3,083,560	\$2,999,957
<b>Total Expenses</b>	\$2,752,697	\$381,305	\$3,134,002	\$3,037,269	\$3,016,787
<b>Annual Operating Surplus (Deficit)</b>	\$255,190	(\$381,305)	(\$126,115)	\$46,291	(\$16,830)

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

The budget increases during the year were largely to address the impacts of collective bargaining increased health care costs, supplemental funding for fire suppression activities, increased funding for community government infrastructure projects under the Investing in Canada Infrastructure Plan, and funding agreements from the Government of Canada that were signed after the main estimates process.

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.

## Financial Assets and Liabilities

**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.

(in \$000s)	Actual 2025	Actual to Prior Year		Actual 2024
		Amount	%	
Financial Assets	\$883,204	+ \$47,504	+ 5.7%	\$835,700
Liabilities	\$2,719,201	+ \$141,039	+ 5.5%	\$2,578,162

In 2024-25, Financial Assets increased mainly due to higher accounts receivable relating to the Government's share of a multi-jurisdictional tobacco settlement approved by the Ontario Superior Court. Amounts that have not been received yet by the Government are recorded as accounts receivable.

Liabilities increased mainly due to an increase in short-term borrowing to support operations and an increase in accounts payable and accrued liabilities for overall increased costs.

## Non-Financial Assets

Non-financial Assets are primarily made up of capital assets, such as, schools, hospitals, roads, that 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 that amounts to \$4.2 billion.

In 2024-25, the Government acquired \$309.2 million in tangible capital assets, which includes: \$79.5 million for various community health centres, schools, campground shelter and equipment, firefighting aircraft, vehicles and information systems and equipment; \$71.9 million for NT Hydro Corporation's power generating and distribution assets and equipment; \$51.4 million on various road and bridges; \$34.3 million for Housing NWT's public, homeownership rental and market rental units and \$33.5 million on Inuvik Runway Project. The remaining amount of \$38.6 million related to various smaller capital projects.

## Net Debt

Net debt increased by \$93.5 million during the 2024-25 fiscal year because of continued investment in infrastructure and higher operating costs. At the end of the year, the GNWT was in a net debt position of \$1.8 billion.

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

*This is important because a net debt position means the Government will need to generate future sources of revenue to pay back its existing liabilities.*

## 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)	Fiscal Year Ended									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	\$2,029	\$2,076	\$2,093	\$2,038	\$2,124	\$2,499	\$2,635	\$2,804	\$3,000	\$3,084
Operating Expenses	\$1,901	\$1,901	\$1,932	\$2,033	\$2,201	\$2,409	\$2,576	\$2,698	\$3,017	\$3,037
Annual Operating Surplus (Deficit)	\$128	\$175	\$161	\$4	(\$77)	\$90	\$59	\$106	(\$17)	\$46
Acquisition of Tangible Capital Assets	\$360	\$368	\$314	\$280	\$270	\$270	\$261	\$366	\$303	\$309
Financial Assets	\$505	\$496	\$525	\$487	\$540	\$674	\$691	\$753	\$836	\$883
Liabilities	\$1,389	\$1,443	\$1,520	\$1,612	\$1,851	\$2,012	\$2,202	\$2,353	\$2,578	\$2,719
Net Debt	(\$883)	(\$948)	(\$995)	(\$1,125)	(\$1,311)	(\$1,338)	(\$1,510)	(\$1,599)	(\$1,742)	(\$1,836)
Non-Financial Assets	\$2,878	\$3,118	\$3,320	\$3,453	\$3,565	\$3,673	\$3,772	\$3,962	\$4,088	\$4,279
Accumulated Surplus	\$2,018	\$2,193	\$2,354	\$2,358	\$2,281	\$2,371	\$2,302	\$2,409	\$2,395	\$2,443

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