

PUBLIC ACCOUNTS
OF THE
GOVERNMENT OF NUNAVUT
FOR THE YEAR ENDED MARCH 31, 2020

HONOURABLE GEORGE HICKES

Minister of Finance



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**THE HONOURABLE REBEKAH WILLIAMS
DEPUTY COMMISSIONER OF NUNAVUT**

I have the honour to present the Public Accounts of Nunavut for the fiscal year ended March 31, 2020. I would ask that these accounts be laid before the Legislative Assembly in accordance with the *Financial Administration Act*, R.S.N.W.T. 1988, c.F-4, S. 74 as amended, and duplicated for Nunavut, and the *Nunavut Act*, S.C. 1993, C.28, s.44.



The Honourable George Hickes
Minister of Finance

Government of Nunavut
Iqaluit, Nunavut

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GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS
March 31, 2020

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GOVERNMENT OF NUNAVUT**PUBLIC ACCOUNTS****Introduction to the Public Accounts of Nunavut****March 31, 2020**

These consolidated financial statements, presented through the publication of the Public Accounts, are prepared to meet the financial reporting requirements in Canada's *Nunavut Act* and Nunavut's *Financial Administration Act*. The consolidated financial statements present summary information and serve as a means for the Government of Nunavut (the Government) to show its accountability for the resources, obligations and financial affairs for which it is responsible. The Government has an elected Legislative Assembly which authorizes disbursements, advances, loans and investments, except those specifically authorized by statute.

These consolidated financial statements are prepared by the Department of Finance in accordance with Canadian public sector accounting standards (PSAS) as issued by the Public Sector Accounting Board of Canada. Please refer to the Notes to Consolidated Financial Statements for details of the significant accounting policies that have been adopted by the Government.

The reporting entity of the Government of Nunavut includes all departments, agencies, corporations, organizations, and funds, which are controlled by the Government. For financial reporting purposes, control is defined as the power to govern the financial and operating policies of an organization with benefits from the organization's activities being expected, or the risk of loss being assumed by the Government. All organizations that meet the definitions in the *Financial Administration Act* for departments, revolving funds, territorial corporations or other public agencies are included in the reporting entity for these consolidated financial statements, except for the Workers' Safety and Compensation Commission (WSCC). All entities included in the reporting entity, except Nunavut Lottery, are fully consolidated on a line-by-line basis. Significant transactions and balances between fully consolidated entities are eliminated. Nunavut Lottery is accounted for as a government business partnership on a modified equity basis.

Canadian public sector accounting standards require a government to present in its consolidated financial statements a comparison of the results of operations and changes in net financial assets (debt) for the period with those originally planned. The Government's annual budget presented to the Legislative Assembly is not prepared on a consolidated basis. As a result, the budget figures included in these consolidated financial statements are based on the summary totals provided on pages x through xiii of the 2019-2020 Main Estimates and the approved annual budgets for the consolidated entities, adjusted to eliminate budgeted inter-entity revenues and expenses as well as significant accounting policy differences.

The Department of Finance publishes the Public Accounts, as well as the Main Estimates and Capital Estimates, for this year and those of past years, in PDF format at the following addresses:

<http://www.gov.nu.ca/finance/information/public-accounts>

<https://www.gov.nu.ca/finance/information/budget-2019-20>

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SECTION I
FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

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GOVERNMENT OF NUNAVUT
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Financial Statement Discussion and Analysis
for the year ended March 31, 2020
(in thousands of dollars)

Executive Summary

This financial statement discussion and analysis (FSDA) has been prepared by the Government of Nunavut (GN) to provide additional information related to its financial position, changes in its financial position and its performance. The FSDA should be read in conjunction with the GN's consolidated financial statements for the fiscal year ended March 31, 2020. Financial highlights are provided below.

Financial Highlights

Consolidated Statement of Financial Position

	2020	2019
Total Financial Assets	\$ 1,417,138	\$ 1,295,250
Less: Total Liabilities	1,168,340	1,055,868
Net Financial Assets	248,798	239,382
Tangible Capital Assets	2,586,215	2,513,892
Other Non-Financial Assets	49,794	49,956
Total Non-Financial Assets	2,636,009	2,563,848
Net Assets	\$ 2,884,807	\$ 2,803,230

Consolidated Statement of Operations and Net Assets

	2020 Budget	2020	2019
Revenue from the Government of Canada	\$ 1,973,600	\$ 1,978,952	\$ 1,941,635
Revenue generated by the Government of Nunavut	458,700	481,451	485,087
Total Revenues	2,432,300	2,460,403	2,426,722
Less: Total Expenses	2,427,500	2,378,826	2,331,798
Surplus for the Year	\$ 4,800	\$ 81,577	\$ 94,924

Consolidated Statement of Change in Net Financial Assets

	2020	2019
Net Financial Assets, Beginning of Year	\$ 239,382	\$ 251,415
Surplus for the Year	81,577	94,924
Change in Tangible Capital Assets	(72,323)	(104,369)
Change in Other Non-Financial Assets	162	(2,588)
Total Increase (Decrease) in Net Financial Assets	9,416	(12,033)
Net Financial Assets, End of Year	\$ 248,798	\$ 239,382

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The Government of Nunavut continues to maintain a strong net financial asset position. For the year ended March 31, 2020, the GN increased its net financial asset position by \$9.4M and reported a surplus of \$81.6M. The surplus was \$76.8M higher than the budgeted surplus of \$4.8M for the period. Increased revenues accounted for \$28.1M of the increased surplus while decreased departmental spending contributed \$48.7M to the surplus.

The increase in total revenue for the period compared to the budget was driven by an increase in GN revenues which accounted for \$22.8M of the \$28.1M increase over budget. Lower spending in Community and Government Services (\$30.2M), Finance (\$18.4M), Education (\$24.3M) and Economic Development and Transportation (\$12.0M) accounted for the majority of lower expenses compared to budget. These amounts were offset by \$37.2M in additional spending in Health and \$8.0M in Justice.

Total revenue for the year increased by \$33.7M over the prior period. Revenues from the Government of Canada increased by \$37.3M while GN revenues declined by \$3.6M compared to 2019. The change in revenues from the Government of Canada consisted of an increase in revenue from Territorial Formula Financing of \$62.9M (4%) over the prior period offset by a decrease in Other Transfers from the Government of Canada of \$25.6M (6.8%).

Total expenses grew by \$47.0M in 2020 over the prior period. Of this amount, \$40.3M is attributed to increases in expenses in three departments. Expenses increased by \$26.4M in Health, \$7.7M in Family Services, and \$6.2M in Justice. Health increased spending was driven by increased costs related to patient care and operating costs, while cost increases in Family Services were due to new and enhanced programs and initiatives. Increased policing costs were the primary cause of higher expenses in Justice.

The GN faces many challenges such as changes in global commodity prices, the global pandemic, an aging population and aging tangible capital assets. The GN continues to take action to address these challenges including efforts to grow its tax base, providing support to residents and businesses and investing in tangible capital assets. In 2020, the GN invested \$207.5M in tangible capital asset additions during the year.

In November 2019, a malware incident affected the computer system of the Government. No data was lost and it has since recovered from the incident.

Although the global pandemic has negatively impacted commodity prices and the global economy, the impact has been less significant on GN revenue due to the large percentage of revenues from the Government of Canada. The Conference Board of Canada expects Nunavut's economy to grow by 6.4% in 2020 and 13.2% in 2021. Unemployment rate is expected to rise to 18.9% in 2020 due to impacts from the pandemic and the completion of major construction projects at Agnico Eagle's Meliadine and Amaruq mining sites. Then in 2021, the unemployment rate is expected to fall to 15.0% as the labour market partly recovers. Nunavut's population is expected to continue to grow which will increase the demand for programs and services resulting in continued upward pressure on program spending. The GN has responded to and will continue to respond to mitigate the impacts of the pandemic on its residents and businesses.

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Revenues and Expenses - Variances

Revenue Variance Analysis

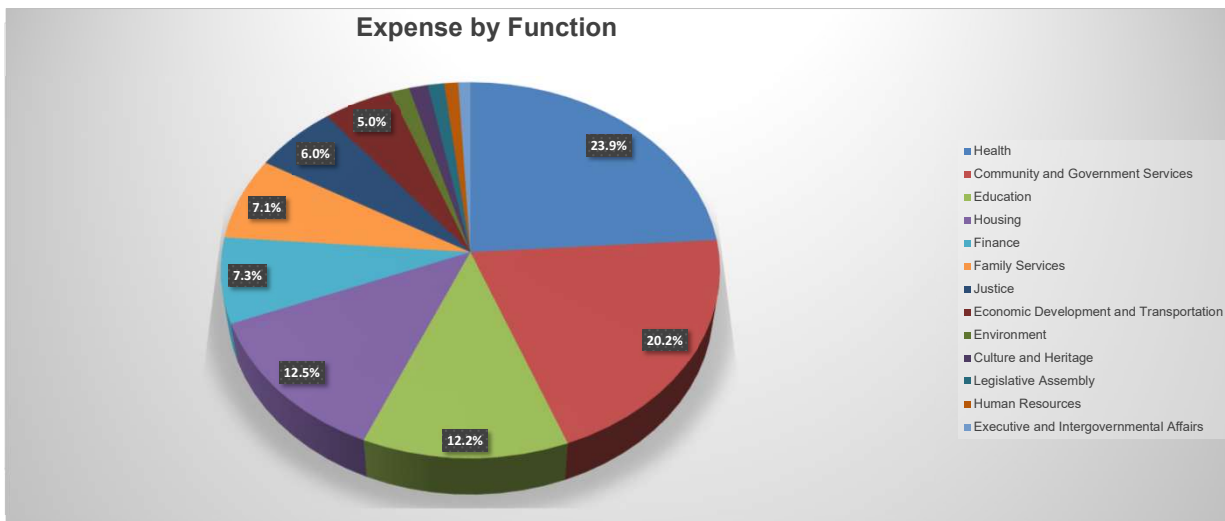
	2020	2020	2019	Budget to Actual		Actual to Actual	
	Budget	Actual	Actual	\$ Variance	% Variance	\$ Variance	% Variance
Territorial Formula Financing	\$1,641,700	\$ 1,641,713	\$ 1,578,812	13	0.0%	\$ 62,901	4.0%
Other Transfers from the Government of Canada	331,900	337,239	362,823	5,339	1.6%	(25,584)	-7.1%
Revenues Generated by the Government of Nunavut	458,700	481,451	485,087	22,751	5.0%	(3,636)	-0.7%
Total Revenue	\$ 2,432,300	\$ 2,460,403	\$ 2,426,722	\$ 28,103		\$ 33,681	

Budget to Actual

For the year ended March 31, 2020, actual revenues were \$28.1M higher than total budgeted revenue. The increase in GN revenues accounted for \$22.8M of the \$28.1M change. Increases in fuel tax of \$8.6M and \$13.2M in other revenues accounted for the majority of the increase in GN actual revenues over budgeted revenues.

Actual to Actual

Total revenue for the year increased by \$33.7M over the prior period. Revenues from the Government of Canada increased by \$37.3M while GN revenues declined by \$3.6M compared to the prior year. The increase in revenues from the Government of Canada consisted of an increase in revenue from Territorial Formula Financing of \$62.9M (4%) over the prior period which was offset by a decrease in Other Transfers from the Government of Canada of \$25.6M (7.1%). CMHC transfers for repairs and maintenance and other costs accounted for \$15.2M of the \$25.6M decrease. The GN's revenues decreased by \$3.6M due to lower personal and corporate income taxes of \$6.4M and \$4.4M respectively and a decline in recoveries of \$3.1M. These decreases were offset by an increase in fuel taxes of \$5.6M, \$2.9M in payroll taxes and \$3.0M in QEC power sales.



Expense Variance Analysis

	2020	2020	2020	2019	Budget to Actual		Actual to Actual	
	Budget	Actual	Percent of Total		Actual	\$ Variance	% Variance	\$ Variance
Health	\$ 532,400	\$ 569,594	23.9%	\$ 543,183	\$ 37,194	6.5%	\$ 26,411	4.6%
Community and Government Services	511,900	481,628	20.2%	479,399	(30,272)	-6.3%	2,229	0.5%
Education	314,800	290,479	12.2%	291,049	(24,321)	-8.4%	(570)	-0.2%
Housing	299,800	298,372	12.5%	291,080	(1,428)	-0.5%	7,292	2.4%
Finance	192,600	174,220	7.3%	191,793	(18,380)	-10.5%	(17,573)	-10.1%
Family Services	164,900	169,470	7.1%	161,728	4,570	2.7%	7,742	4.6%
Justice	133,600	141,563	6.0%	135,316	7,963	5.6%	6,247	4.4%
Economic Development and Transportation	129,800	117,832	5.0%	121,359	(11,968)	-10.2%	(3,527)	-3.0%
Environment	31,700	32,119	1.4%	34,232	419	1.3%	(2,113)	-6.6%
Culture and Heritage	34,700	31,889	1.3%	33,083	(2,811)	-8.8%	(1,194)	-3.7%
Legislative Assembly	28,100	27,666	1.2%	23,720	(434)	-1.6%	3,946	14.3%
Human Resources	26,700	23,654	1.0%	-	(3,046)	-12.9%	23,654	100.0%
Executive and Intergovernmental Affairs	26,500	20,340	0.9%	25,856	(6,160)	-30.3%	(5,516)	-27.1%
Total Expenses	\$ 2,427,500	\$ 2,378,826	100%	\$ 2,331,798	\$ (48,674)	-2.01%	\$ 47,028	2.02%

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Budget to Actual

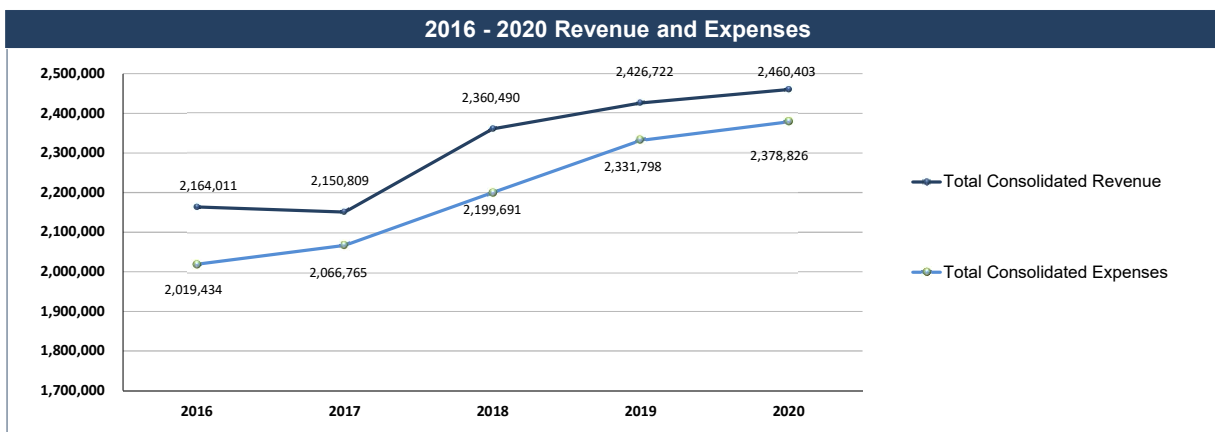
Total expenses were \$48.7M lower than the budget. Reduced spending in Community and Government Services (\$30.3M), Finance (\$18.4M), Education (\$24.3M) and Economic Development and Transportation (\$12.0M) accounted for the majority of the decrease in expenses. These amounts were offset by \$37.2M in additional spending in Health and \$8.0M in Justice. Compensation costs in Health accounted for \$13.3M of increased costs while other Health costs exceeded budget by \$34.0M due to increase costs for patient care and other operating costs. Consolidation budget adjustments for Qulliq Energy Corporation and the inclusion of the supplementary funding budget amount of \$30M accounted for the favorable budget to actual variance in Finance.

Actual to Actual

Total expenses grew by \$47.0M in 2020 over the prior period. Health accounted for \$26.4M of the increase. There was also an increase of \$7.7M in Family Services and \$6.2M in Justice. The total increase in expenses in these three departments accounted for \$40.3M out of the total of \$47.0M. Increased spending in Health was attributed to increased costs related medical travel, medevac, health care upgrades, clinic costs, out-of-town patient care and hospital costs, physician contracts. Family Services had an increase in costs due to increased funding for social assistance and funding for new and enhanced family violence support and homelessness initiatives. Increased policing costs contributed to the increased expenses at Justice.

Revenues and Expenses - Trends

The following chart represents the GN's total consolidated revenue and expenses for the last five years.

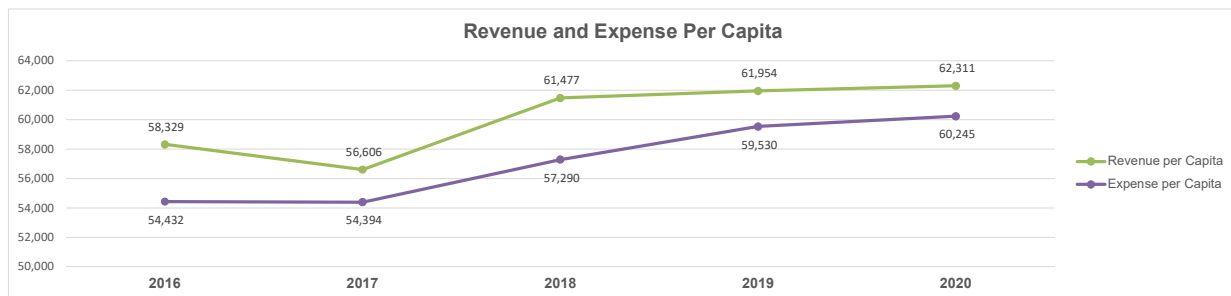


Results of Operations

	2016	2017	2018	2019	2020	5 Yr Avg
Revenue	\$ 2,164,011	\$ 2,150,809	\$ 2,360,490	\$ 2,426,722	\$ 2,460,403	
Expenses	2,019,434	2,066,765	2,199,691	2,331,798	2,378,826	
Surplus for the Year	\$ 144,577	\$ 84,044	\$ 160,799	\$ 94,924	\$ 81,577	
Annual Revenue Growth	2.6%	-0.6%	9.7%	2.8%	1.4%	3.2%
Annual Expense Growth	4.7%	2.3%	6.4%	6.0%	2.0%	4.3%

The GN continues its trend of annual surpluses. Annual revenue growth has averaged 3.2% over the last five years while growth in expenses has averaged 4.3%. The GN has an aging population which will continue to put upward pressure on expenses and present a challenge in future periods.

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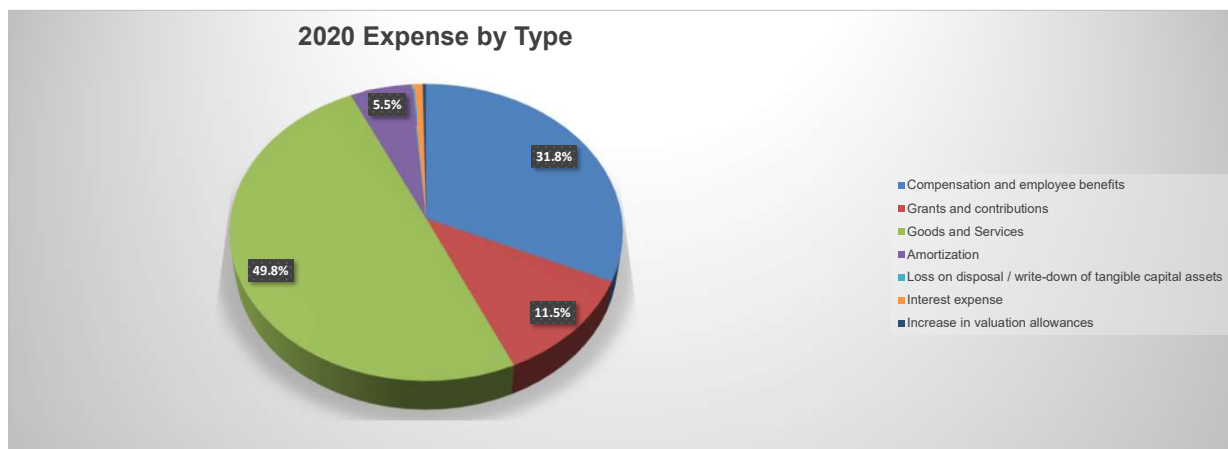


Revenue and Expenses per Capita	2016	2017	2018	2019	2020	5 Yr Average
Population	37,100	37,996	38,396	39,170	39,486	
Revenue per Capita	58,329	56,606	61,477	61,954	62,311	
Expense per Capita	54,432	54,394	57,290	59,530	60,245	
Population Growth	1.4%	2.4%	1.1%	2.0%	0.8%	1.5%
Per Capita Revenue growth	1.2%	-3.0%	8.6%	0.8%	0.6%	1.6%
Per Capita Expense growth	3.3%	-0.1%	5.3%	3.9%	1.2%	2.7%

On average, revenue and expenses have grown faster than the population over the past five years. The average annual growth in revenue and expenses has been 3.2% and 4.3% respectively over the past five years. The population has grown by an average of 1.5% over the past five years while per capita revenue and expenses has increased by an average of 1.6% and 2.7% respectively. The GN continues to spend more each year in total and on a per capita basis on its programs and services.

Expense by Type

Spending on compensation and benefits and goods and services account for the approximately 81.6% of GN's expenditures. The majority of the annual growth in GN's expenses is also attributed to these accounts and this trend is expected to continue.



Expense by Type	2016	2017	2018	2019	2020	2020 Percent of Total
Compensation and employee benefits	\$ 619,135	\$ 649,904	\$ 694,359	\$ 724,258	\$ 755,759	31.8%
Grants and contributions	185,740	200,619	196,339	270,184	273,826	11.5%
Goods and Services	1,057,850	1,080,640	1,121,455	1,171,479	1,185,721	49.8%
Amortization	115,474	109,163	152,687	136,228	131,653	5.5%
Loss on disposal / write-down of tangible capital assets	24,933	9,087	8,870	1,220	3,572	0.2%
Interest expense	9,353	8,777	11,664	21,134	20,883	0.9%
Increase in valuation allowances	6,949	8,575	14,317	7,295	7,412	0.3%
	\$ 2,019,434	\$ 2,066,765	\$ 2,199,691	\$ 2,331,798	\$ 2,378,826	100%
Top two expense categories as a percentage of total expenses	83.0%	83.7%	82.5%	81.3%	81.6%	

Summary of Significant Risks and Uncertainties

The Government of Nunavut is exposed to risks and uncertainties that can affect its financial position, changes in its financial position and future operations. The GN is responsible for setting and applying risk management policies and procedures to manage significant risks and uncertainties and is fully accountable for outcomes. The following risks and uncertainties are considered significant:

- » High reliance on funding from the Government of Canada
- » Impacts of the global pandemic on the economy, access to resources, the population, and the resulting uncertainty to the measurement and valuation of its financial assets and liabilities
- » Unknown effects of climate change (ex. infrastructure damage, natural resource development, water shortages, etc.)
- » Impairment of and timely replacement of significant infrastructure such as roads, airfields, power plants, water systems and petroleum storage facilities
- » Volatility as it relates to portfolio investments and long-term debt including interest rate and market risk
- » Exposure to credit risk
- » Impact due to the future accounting standard for asset retirement obligations
- » Liabilities related to contaminated sites and the use of estimates to determine potential remediation costs

The Government of Nunavut actively monitors and manages risks and uncertainties in order to make informed decisions, make effective use of available resources and to enhance strategic and contingency planning. The GN tailors its risk management policies and practices to take into account the scope, size and nature of risk exposures. The GN is currently monitoring these risks and uncertainties and to the extent possible, developing and implementing plans to mitigate the exposure and/or impact.

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Indicators of Financial Condition

Changes in a government's financial position and its results of operations are important in assessing financial performance during the reporting period, however, it is not the only measure of a government's overall financial condition and performance. Sustainability, flexibility and vulnerability are also important indicators of fiscal health and changes to it. While these measures are important, they must be considered in light of the many risks and exposures over which a government has no control. These would include items such as changing global economic and financial conditions, changes in federal transfer programs, and emergencies such as natural disasters and pandemics.

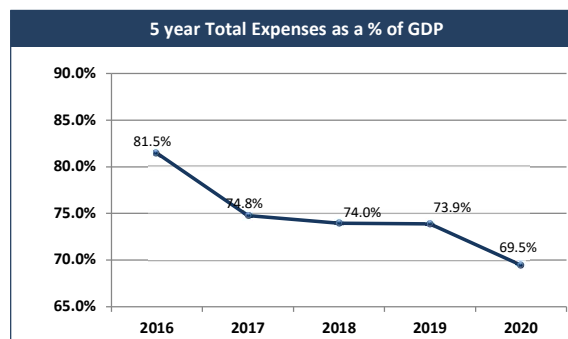
Although many indicators are available, the following sections discuss the more relevant measures and are intended to improve transparency and provide a clearer understanding of the GN's financial condition.

Sustainability

Sustainability indicates a government's ability to maintain its existing services and meet its financial obligations without the need to increase revenues or debt. These indicators provide insight into the sustainability of government practices of generating revenues and incurring expenses and the potential impact of debt levels on program and services.

- **Total Expenses as a Percentage of GDP**. This indicator compares the growth rate of the GN's spending to the rate of growth in the economy (GDP) in which it operates. The GN's ratio for 2020 is 69.5%, which means GN spending in 2020 was less than real GDP for the period. The ratio has declined significantly since 2016 due to growth in the economy driven largely by resource development. This decline over the past five years indicates the economy is growing faster than GN spending. The growth in the economy provides the GN with an opportunity to increase its revenues and thereby lower its reliance on Federal Transfers.

March 31	Growth in Expenses	Total Expenses	Nunavut Real GDP	Total Expenses to GDP
2016	4.7%	2,019,434	2,479,200	81.5%
2017	2.3%	2,066,765	2,764,500	74.8%
2018	6.4%	2,199,691	2,974,100	74.0%
2019	6.0%	2,331,798	3,156,400	73.9%
2020	2.0%	2,378,826	3,425,000	69.5%
\$ change, year-to-year		47,028	268,600	
% change, year-to-year		2.0%	8.5%	
\$ change, 5 year trend		359,392	945,800	
% change, 5 year trend		17.8%	38.1%	



Source: Statistics Canada, System of National Accounts, Table # 36-10-0402-01. "Nunavut Real Gross Domestic Product by Industry" Forecasted Real GDP for 2020 was based on the projection of the Conference Board of Canada.

The Conference Board of Canada (CBOC) expects Nunavut's economy to continue to grow, even though there will be negative effects due to the current pandemic. Expected growth for 2020 is 6.4% and 13.2% in 2021. The CBOC expects the effects of the pandemic on the mining sector to be temporary. The mining sector accounts for approximately one third of Nunavut's real GDP. The CBOC expects employment to fall to 9.1% in 2020 and improve 4.1% in 2021. Unemployment rates are expected to rise to 18.9% in 2020 and fall to 15.0% in 2021.

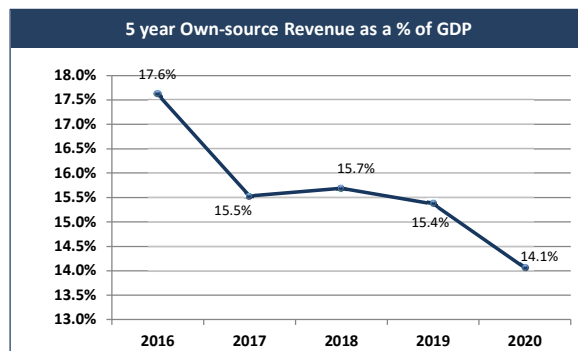
Flexibility

Flexibility indicates a government's ability to either expand its revenues or increase debt to meet existing financial obligations and to provide services. Flexibility provides insight into how a government manages its finances.

- **Own-Source Revenue as a Percentage of GDP**. Own-source revenue as a percentage of GDP indicates the extent to which the government is generating funds through taxation, user fees and other charges. A declining ratio indicates a government is taking less out of the economy relative to the growth in the economy leaving a government with a greater degree of flexibility to respond to changing circumstances.

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March 31	Own-source revenue	Nunavut Real GDP	Own-source revenue to GDP
2016	436,718	2,479,200	17.6%
2017	429,378	2,764,500	15.5%
2018	466,714	2,974,100	15.7%
2019	485,087	3,156,400	15.4%
2020	481,451	3,425,000	14.1%
\$ change, year-to-year	(3,636)	268,600	
% change, year-to-year	-0.7%	8.5%	
\$ change, 5 year trend	44,733	945,800	
% change, 5 year trend	10.2%	38.1%	

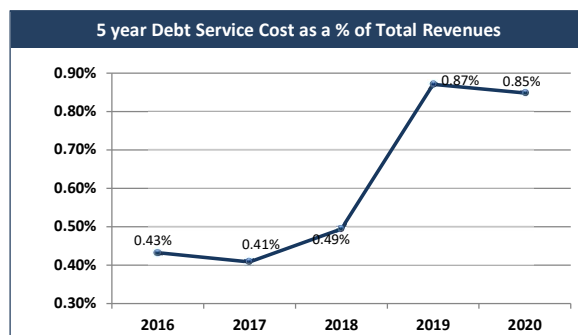


Source: Statistics Canada, System of National Accounts, Table # 36-10-0402-01. "Nunavut Real Gross Domestic Product by Industry"
 Forecasted Real GDP for 2020 was based on the projection of the Conference Board of Canada.

The GN's own-source revenue compared to the size of the Nunavut economy has declined steadily over the last five years, ranging from 17.6% in 2016 to 14.1% in 2020. GN's own-source revenues in 2020 were primarily generated through taxation and sales which accounted for 30.6% and 46.6% of GN revenue. Most Canadian jurisdictions generate their revenue primarily through taxation. In Nunavut, personal, corporate and other taxes accounted for only 30.6% (\$147.1M) of total consolidated own-source revenue in 2020 (2019 - 30.7%, \$148.8M). The GN continues to work to increase its own source revenues by working to expand its tax base rather than raising tax rates.

- **Debt Service Cost as a Percentage of Total Revenues**. This ratio indicates how much of a government's current revenues will be needed to finance past borrowing decisions. If current revenues are needed to fund past borrowing, they are not available to fund current and future programs and services to residents.

March 31	Debt Service Costs	Total Revenue	Debt cost to revenue
2016	9,353	2,164,011	0.43%
2017	8,777	2,150,809	0.41%
2018	11,664	2,360,490	0.49%
2019	21,134	2,426,722	0.87%
2020	20,883	2,460,403	0.85%
\$ change, year-to-year	(251)	33,681	
% change, year-to-year	-1.2%	1.4%	
\$ change, 5 year trend	11,530	296,392	
% change, 5 year trend	123.3%	13.7%	

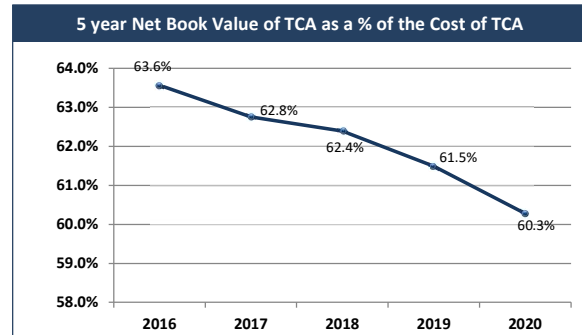


The ratio of debt service cost-to-revenues ranged from 0.43% to 0.85% in the last 5 years. The ratio increased significantly in 2019 due to the long-term debt acquired to finance the Iqaluit International Airport. The ratio improved in 2020 and is currently relatively low which indicates that interest costs are not a strain on the GN's resources leaving significant flexibility. At March 31, 2020, the GN had an authorized borrowing limited of \$650.0M of which \$201.4M remained available.

GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS
Financial Statement Discussion and Analysis
for the year ended March 31, 2020
(in thousands of dollars)

- **Net Book Value of Capital Assets as a Percentage of the Cost of Tangible Capital Assets.** This ratio measures the estimated useful life of a government’s tangible capital assets. A decreasing ratio indicates that tangible capital assets are aging and not being replaced as fast as they are being used. An aging pool of tangible capital assets indicates a potential for increased repairs and maintenance costs in the future as well as the potential need to replace a significant amount of tangible capital assets.

March 31	Total net book value of TCA	Total Cost of TCA	NBV to cost of TCA
2016	2,140,087	3,366,792	63.6%
2017	2,230,729	3,554,679	62.8%
2018	2,409,523	3,861,690	62.4%
2019	2,513,892	4,088,134	61.5%
2020	2,586,215	4,290,675	60.3%
\$ change, year-to-year	72,323	202,541	
% change, year-to-year	2.9%	5.0%	
\$ change, 5 year trend	446,128	923,883	
% change, 5 year trend	20.8%	27.4%	



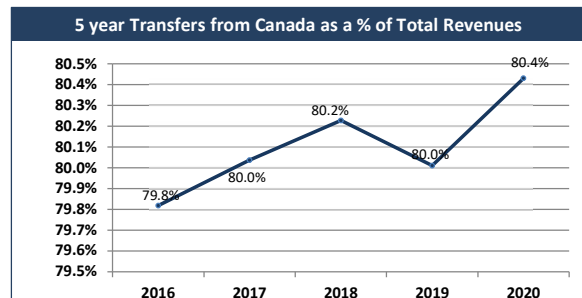
The GN ratio of net book value to total cost of tangible capital assets continues to decline indicating assets are getting older. As assets get older, repairs and maintenance costs increase which results in less funds available for other programs and services. The aging tangible capital asset base also presents a risk to future programs and service delivery as assets become less reliable and the potential for failure increases. The GN is aware of the challenges presented by an aging asset base and continues to actively monitor asset conditions and invest in its tangible capital assets.

Vulnerability

Vulnerability indicates the degree to which a government is dependent on, and therefore vulnerable to, sources of funding outside of its control or influence. This indicator shows the risk that a government is exposed to that could affect its ability to provide programs and services and meet existing commitments. The higher the ratio, the less control a government has over its financial condition.

- **Transfers from Canada as a Percentage of Total Revenue.** This ratio measures the degree of dependence a government has on the Government of Canada. An increasing ratio indicates a greater degree of reliance on the Federal Government.

March 31	Total Transfers from Canada	Total GN Revenues	Transfers from Canada to GN revenue
2016	1,727,293	2,164,011	79.8%
2017	1,721,431	2,150,809	80.0%
2018	1,893,776	2,360,490	80.2%
2019	1,941,635	2,426,722	80.0%
2020	1,978,952	2,460,403	80.4%
\$ change, year-to-year	37,317	33,681	
% change, year-to-year	1.9%	1.4%	



The ratio of transfers from the Government of Canada to total revenue has remained relatively stable over the past five years. Transfers from the Government of Canada account for approximately 80.0% of the GN's total revenue. The GN remains highly dependent on federal sources of funding and is vulnerable to changes in the level of funding. The GN recognizes this high degree of reliance and is actively pursuing ways to increase its own source revenues without raising tax rates and thereby reduce its dependence on the Federal Government.

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SECTION II
CONSOLIDATED FINANCIAL STATEMENTS

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MANAGEMENT RESPONSIBILITY FOR FINANCIAL REPORTING

The Government, through the Department of Finance, is responsible for the preparation of these consolidated financial statements for the Government of Nunavut, and related information contained in the Public Accounts.

The Government, through the Department of Finance, is responsible to prepare the consolidated financial statements in accordance with Canadian public sector accounting standards (PSAS), which represent generally accepted accounting principles for governments as recommended by the Public Sector Accounting Board of Canada and to ensure compliance with applicable authorities. Where Canadian PSAS permits alternative accounting methods, management has chosen those it believes are most appropriate. Where required, management's best estimates and judgments have been applied in the preparation of these consolidated financial statements.

The Government, through the Department of Finance, is responsible for maintaining systems of financial management, while all departments are responsible for implementing and maintaining the internal control. Where necessary, these systems are enhanced and modified to support the provision of accurate information, safeguarding and control of the Government's assets, and ensuring all transactions are in accordance with Nunavut's *Financial Administration Act*.

The Legislative Assembly, through its Standing Committee on Oversight of Government Operations and Public Accounts, is responsible to review the tabled Public Accounts and make recommendations where appropriate, to improve financial management, financial reporting practices and the systems of internal control. Management is responsible to review these recommendations and take action where appropriate.

The Government's independent external auditor, the Auditor General of Canada, is responsible to conduct an annual audit of the consolidated financial statements and to examine transactions that have come to its notice to ensure that they are, in all significant respects, within the statutory powers of the Government and those organizations included in the consolidation. The Auditor General's opinion is accompanying the consolidated financial statements.



Jeff Chown, CPA, CA
Deputy Minister of Finance



Susan Nichols, CPA, CGA
Comptroller General

October 22, 2020

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Office of the
Auditor General
of Canada

Bureau du
vérificateur général
du Canada

INDEPENDENT AUDITOR'S REPORT

To the Legislative Assembly of Nunavut

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of the Government of Nunavut and its controlled entities (the Group), which comprise the consolidated statement of financial position as at 31 March 2020, and the consolidated statement of operations and net assets, consolidated statement of change in net financial assets and consolidated statement of cash flow for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 March 2020, and the consolidated results of its operations, consolidated changes in its net financial assets, and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the information included in Sections I and II of the 2019–20 Public Accounts of the Government of Nunavut, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless an intention exists to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Compliance with Specified Authorities

Opinion

In conjunction with the audit of the consolidated financial statements, we have audited transactions of the Government of Nunavut and its controlled entities coming to our notice for compliance with specified authorities. The specified authorities against which compliance was audited are the *Nunavut Act*, the *Financial Administration Act* of Nunavut and regulations, and the specific operating authorities disclosed in Note 1 to the consolidated financial statements.

In our opinion, the transactions of the Government of Nunavut and its controlled entities that came to our notice during the audit of the consolidated financial statements have complied, in all material respects, with the specified authorities referred to above.

Responsibilities of Management for Compliance with Specified Authorities

Management is responsible for the Government of Nunavut and its controlled entities' compliance with the specified authorities named above, and for such internal control as management determines is necessary to enable the Government of Nunavut and its controlled entities to comply with the specified authorities.

Auditor's Responsibilities for the Audit of Compliance with Specified Authorities

Our audit responsibilities include planning and performing procedures to provide an audit opinion and reporting on whether the transactions coming to our notice during the audit of the consolidated financial statements are in compliance with the specified authorities referred to above.

A handwritten signature in black ink, appearing to read "Karen Hogan". The signature is written in a cursive style with a large initial "K" and "H".

Karen Hogan, CPA, CA
Auditor General of Canada

Ottawa, Canada
22 October 2020

GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS
Consolidated Statement of Financial Position
as at March 31, 2020
(in thousands of dollars)

	Note	2020	2019
Financial assets			
Cash and cash equivalents	3	711,607	683,762
Portfolio and other investments	4	195,831	205,869
Accounts receivable	5	248,443	219,202
Inventories for resale	6(a)	240,541	160,785
Condominiums held for resale	7	4,726	5,431
Loans receivable	8	15,990	20,201
Total financial assets		1,417,138	1,295,250
Liabilities			
Bank indebtedness	9	15,992	9,867
Accounts payable and accrued liabilities	10	457,023	387,007
Deferred revenues	11	159,130	132,777
Liability for contaminated sites	12	8,981	9,087
Liabilities for pension and other employee benefits	13	94,586	81,842
Long term debt	14	199,914	197,035
Liability for Iqaluit International Airport	15	153,467	155,138
Capital lease obligations	16	64,243	77,242
Liability for Nunavut Energy Management Program	17	15,004	5,873
Total liabilities		1,168,340	1,055,868
Net financial assets		248,798	239,382
Non-financial assets			
Tangible capital assets (Schedule B)		2,586,215	2,513,892
Condominiums held for resale	7	7,308	8,018
Inventories for use	6(b)	36,236	35,674
Prepaid expenses		6,250	6,264
Total non-financial assets		2,636,009	2,563,848
Net assets		2,884,807	2,803,230
Contractual obligations (Note 19)			
Contractual rights (Note 20)			
Contingencies (Note 21)			

The accompanying notes and schedules are an integral part of these consolidated financial statements.

GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS
Consolidated Statement of Operations and Net Assets
for the year ended March 31, 2020
(in thousands of dollars)

	2020 Budget (Note 23)	2020 Actual	2019 Actual
Revenues (Schedule A)			
From the Government of Canada	1,973,600	1,978,952	1,941,635
Revenues generated by the Government of Nunavut	458,700	481,451	485,087
Total revenues	2,432,300	2,460,403	2,426,722
Expenses (Note 18)			
Health	532,400	569,594	543,183
Community and Government Services	511,900	481,628	479,399
Housing	299,800	298,372	291,080
Education	314,800	290,479	291,049
Finance	192,600	174,220	191,793
Family Services	164,900	169,470	161,728
Justice	133,600	141,563	135,316
Economic Development and Transportation	129,800	117,832	121,359
Environment	31,700	32,119	34,232
Culture and Heritage	34,700	31,889	33,083
Legislative Assembly	28,100	27,666	23,720
Human Resources	26,700	23,654	-
Executive and Intergovernmental Affairs	26,500	20,340	25,856
Total expenses	2,427,500	2,378,826	2,331,798
Surplus for year	4,800	81,577	94,924
Net assets, beginning of year	2,803,230	2,803,230	2,708,306
Net assets, end of year	2,808,030	2,884,807	2,803,230

The accompanying notes and schedules are an integral part of these consolidated financial statements.

GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS
Consolidated Statement of Change in Net Financial Assets
for the year ended March 31, 2020
(in thousands of dollars)

	2020 Budget	2020 Actual	2019 Actual
Surplus for year	4,800	81,577	94,924
Tangible capital assets (Schedule B)			
Additions	(198,100)	(207,548)	(241,817)
Disposals	-	564	48
Write-downs	-	3,008	1,172
Amortization	137,200	131,653	136,228
	(60,900)	(72,323)	(104,369)
Additions to inventories for use	(5,500)	(59,546)	(65,333)
Consumption of inventories for use	5,500	58,984	63,312
Reclassification of condominiums for resale	-	(705)	-
Purchases of condominiums for resale	-	(848)	-
Disposals of condominiums for resale	-	2,263	-
Net use (additions) of prepaid expenses	-	14	(567)
	-	162	(2,588)
Increase (decrease) in net financial assets	(56,100)	9,416	(12,033)
Net financial assets, beginning of year	239,382	239,382	251,415
Net financial assets, end of year	183,282	248,798	239,382

The accompanying notes and schedules are an integral part of these consolidated financial statements.

GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS
Consolidated Statement of Cash Flow
for the year ended March 31, 2020
(in thousands of dollars)

	2020	2019
Cash provided by (used for) operating activities:		
Cash received from:		
Transfers from the Government of Canada	1,975,608	1,958,186
Taxation	146,160	146,332
Insurance proceeds	16,649	14,774
Other generated revenues	307,345	327,533
Interest on loans receivable and portfolio investments	2,966	3,544
Cash paid for:		
Interest payments on long term debt	(17,038)	(17,915)
Interest payments on capital leases	(2,052)	(2,802)
To and on behalf of employees	(727,127)	(707,533)
Recipients	(274,526)	(270,184)
Suppliers	(1,213,690)	(1,224,609)
	<u>214,295</u>	<u>227,326</u>
Cash provided by (used for) capital activities:		
Purchases of tangible capital assets	(196,088)	(236,765)
Proceeds from sale of tangible capital assets	-	7
	<u>(196,088)</u>	<u>(236,758)</u>
Cash provided by (used for) investing activities:		
Loans issued to municipalities, businesses and individuals	(2,253)	(2,690)
Loan repayments by municipalities, businesses and individuals	7,083	5,457
Investments in condominiums held for resale	(848)	-
Proceeds from the sale of condominiums held for resale	2,499	-
Investments in portfolio and other investments	(96,014)	(167,137)
Proceeds from sale of portfolio and other investments	105,258	105,839
	<u>15,725</u>	<u>(58,531)</u>
Cash provided by (used for) financing activities:		
Proceeds from long term debt issuance	20,690	37,066
Principal payments on long term debt	(20,541)	(18,076)
Principal payments on capital leases	(12,361)	(16,100)
	<u>(12,212)</u>	<u>2,890</u>
Increase (decrease) in cash and cash equivalents	21,720	(65,073)
Net cash and cash equivalents, beginning of year	673,895	738,968
Net cash and cash equivalents, end of year	695,615	673,895
Represented by:		
Cash and cash equivalents	711,607	683,762
Bank indebtedness	(15,992)	(9,867)
	<u>695,615</u>	<u>673,895</u>

The accompanying notes and schedules are an integral part of these consolidated financial statements.

GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS
Notes to Consolidated Financial Statements

March 31, 2020

(in thousands of dollars)

1 AUTHORITY AND OPERATIONS

(a) Authority

The Government of Nunavut (the Government) operates under the authority of Canada's *Nunavut Act*. The Government has an elected Legislative Assembly which authorizes disbursements, advances, loans and investments, except those specifically authorized by statute.

These consolidated financial statements are prepared to meet the financial reporting requirements in Canada's *Nunavut Act* and Nunavut's *Financial Administration Act*. The consolidated financial statements present summary information and serve as a means for the Government to show its accountability for the resources, obligations and financial affairs for which it is responsible.

(b) Reporting entity

The reporting entity of the Government of Nunavut includes all departments, agencies, corporations, organizations and funds, which are controlled by the Government. For financial reporting purposes, control is defined as the power to govern the financial and operating policies of an organization with benefits from the organization's activities being expected, or the risk of loss being assumed by the Government. All organizations that meet the definitions in the *Financial Administration Act* for departments, revolving funds, territorial corporations or other public agencies are included in the reporting entity for these consolidated financial statements, except for the Workers' Safety and Compensation Commission (WSCC).

The WSCC, which is responsible for the administration of related employer insurance premiums and employee benefit programs within Nunavut, is not accounted for in these consolidated financial statements. Since the Government does not control or have access to the WSCC's assets or responsibility for its obligations, it is excluded from the Government's financial reporting entity.

The following organizations comprise the reporting entity of the Government for these consolidated financial statements, and unless indicated otherwise, they have March 31 year ends.

Consolidated Revenue Fund, including those departments and public agencies set out in the Government's Main Estimates

Revolving Funds

Liquor Revolving Fund

Petroleum Products Revolving Fund

Public Stores Revolving Fund

Student Loan Fund

Territorial Corporations

Nunavut Arctic College (NAC) (*June 30*)

Nunavut Business Credit Corporation (NBCC)

Nunavut Development Corporation (including subsidiaries) (NDC)

Nunavut Housing Corporation (including subsidiaries) (NHC)

Nunavut Lottery

Qulliq Energy Corporation (QEC)

District Education Authorities (*June 30*)

Authority for Operations

Financial Administration Act

Revolving Funds Act

Nunavut Arctic College Act

Nunavut Business Credit Corporation Act

Nunavut Development Corporation Act

Nunavut Housing Corporation Act

Partnership agreement

Qulliq Energy Corporation Act

Education Act

All entities included in the reporting entity, except Nunavut Lottery, are fully consolidated on a line-by-line basis. Significant transactions and balances between fully consolidated entities are eliminated. Nunavut Lottery is accounted for as a government business partnership on a modified equity basis.

For segmented disclosure reporting purposes (disclosed in Schedule C), summary information has been provided based on the accountability and control relationships between the Government and the various organizations within the reporting entity using categorization or groupings of organizations noted above.

(c) Budget

Canadian public sector accounting standards require a government to present in its consolidated financial statements a comparison of the results of operations and changes in net financial assets (debt) for the period with those originally planned.

The Government's annual budget presented to the Legislative Assembly is not prepared on a consolidated basis. As a result, the budget figures included in these consolidated financial statements are based on the summary totals provided on pages x through xiii of the 2019-20 Main Estimates and the approved annual budgets for the consolidated entities, adjusted to eliminate budgeted inter-entity revenues and expenses as well as significant accounting policy differences. Where necessary, assumptions were used to estimate the inter-entity eliminations and accounting policy adjustments required. There was a \$30,000 provision for centrally estimated 'Supplementary requirements' included in the 2019-20 Main Estimates, which was designated for 'extraordinary/unforeseen events'. For purposes of consolidated budget disclosure in these consolidated financial statements that part of the provision has been included in the Finance expense budget.

2 SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of accounting

These consolidated financial statements are prepared in accordance with Canadian public sector accounting standards (PSAS) as issued by the Public Sector Accounting Board of Canada.

(b) Use of estimates and measurement uncertainty

The preparation of consolidated financial statements in accordance with Canadian PSAS requires government management to make estimates and assumptions that affect the amounts of assets, liabilities, revenues and expenses reported in the consolidated financial statements. By their nature, these estimates and assumptions are subject to measurement uncertainty. The effect on the consolidated financial statements of changes to such estimates and assumptions in future periods could be significant, although, at the time of preparation of these consolidated financial statements, management believes the estimates and assumptions to be reasonable.

The more significant management estimates relate to other employee benefit liabilities, liability for contaminated sites, contingencies, revenue accruals, useful life of tangible capital assets, valuation of portfolio and other investments, valuation of inventories for resale and use as well as valuation allowances on loans and other receivables.

(c) Cash and cash equivalents

Cash and cash equivalents are comprised of bank account balances, net of outstanding cheques, and short term highly liquid investments that are readily convertible to cash with a maturity term of 3 months or less from the time of their acquisition. Cash equivalents are recorded at cost.

(d) Portfolio and other investments

Portfolio and other investments are long term investments in organizations that do not form part of the government reporting entity and are accounted for at cost. Where there has been a loss in value of a portfolio investment that is other than a temporary decline, the investment is written down to recognize the loss, which is included as a component of investment income, which is part of other revenues within revenues generated by the Government of Nunavut. Interest income is recorded on an accrual basis, dividend income is recognized as it is declared, and capital gains and losses are recognized when realized.

(e) Inventories

Inventories for resale include bulk fuels, liquor products, finished goods and packaging materials and supplies. Bulk fuels, finished goods and packaging materials and supplies are valued at the lower of weighted average cost or net realizable value. Liquor products are valued at the lower of cost or net realizable value on a first-in, first-out basis. Impairments, when recognized, result in a write-down to replacement cost and are recorded as an expense within the consolidated statement of operations and net assets.

Inventories for use include fuel, supplies and lubricants, health and medical supplies, and raw materials and work in progress. Fuel inventory is valued at the lower of cost or replacement cost, with the cost being determined on a weighted average basis. Supplies and lubricants, health and medical supplies, as well as raw materials and work in progress inventory items are valued at the lower of cost or replacement costs, with the cost being determined on a first-in, first-out basis. Impairments, when recognized, result in a write-down to replacement cost and are recorded as an expense within the consolidated statement of operations and net assets.

(f) Condominiums held for resale

Condominiums held for resale are recognized as a financial asset when all of the following criteria are met: (i) prior to the date of the consolidated financial statements the Government commits to selling the asset; (ii) the asset is publicly seen to be for sale; (iii) there is an active market for the asset; (iv) there is a plan in place for selling the asset; and (v) the Government reasonably anticipates sale of the asset to an external purchaser within one year of the consolidated financial statement date.

When condominiums intended for resale are being developed for sale they are classified as a non-financial asset. Condominiums held for resale are valued at cost less any valuation allowance to reflect its net recoverable value and not amortized. Cost includes amounts for improvements to prepare the condominiums for sale.

(g) Loans receivable

Loans receivable are valued at the lower of cost or net recoverable value. Based on the circumstances known at the date the consolidated financial statements are prepared, including past events and current conditions, valuation allowances are recorded when collection is considered doubtful or when the value of a loan receivable is impaired. Interest revenue is recorded on an accrual basis when the collectability of both principal and interest are reasonably assured. An uncollectable or impaired loan receivable balance can be written off only upon receipt of required statutory approvals.

GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS
Notes to Consolidated Financial Statements

March 31, 2020

(in thousands of dollars)

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Tangible capital and leased assets

Tangible capital assets are non-financial assets whose useful life exceeds one fiscal year and are intended to be used on an ongoing basis for delivering government services. They may include such diverse items as buildings, vehicles, equipment, aircraft and computer hardware and software systems.

Tangible capital assets are recorded at cost or, where actual cost is not available, estimated current replacement cost is used. Costs include contracted services, materials and supplies, direct labour, attributable overhead costs and directly attributable interest. Capitalization of interest ceases when a tangible capital asset is ready for use in producing goods or delivering services. Gifted or contributed tangible capital assets are recorded at fair market value upon receipt, or a nominal value if fair value is not available.

Leased buildings that meet the definition of a tangible capital asset, except that they are held under lease by the Government, are capitalized and reported as such if, in substance, their terms and conditions transfer substantially all of the benefits and risks of ownership to the Government. Legal ownership may not necessarily have been transferred. The lease liability and corresponding asset are recorded based on the present value of payments due over the course of the lease. The present value is based on the lower of the rate implicit in the lease or the Government's incremental borrowing rate at the time the obligation is incurred.

Tangible capital assets, when placed into service, are amortized over their useful lives using the straight line method. When assets are leased, the amortization rate will be based on the lesser of the lease terms or the useful lives of the leased assets. The following amortization rates are being used:

Asset Category	Amortization Period
Buildings	20-35 years
Leased Buildings	20-30 years
Storage Facilities	20-30 years
Tank Farms	30 years
Equipment	5-30 years
Warehouse and Equipment (QEC)	1-45 years
Electric Power Plants	20-40 years
Transmission Distribution Systems	15-45 years
Infrastructure	30 years
Land	Not amortized

When conditions indicate that a tangible capital asset no longer contributes to the Government's ability to provide goods and services, or that the value of future economic benefits associated with the tangible capital asset is less than its net book value, the cost of the tangible capital asset is reduced to reflect the decline in the asset's value.

In the year a tangible capital asset is acquired or put into service, amortization is taken for the full year. Tangible capital assets under construction or development are recorded as work in progress with no amortization taken until the year the asset is placed into service.

Assets acquired by right, such as Crown lands, water and mineral resources, are not recorded in the consolidated financial statements. The cost of works of art and museum collections consisting mainly of paintings, sculptures, drawings, prints and photographs are charged to expense in the year they are acquired.

(i) Pension and other employee benefits

Pension benefits

Substantially all of the employees of the Government of Nunavut are covered by the public service pension plan (the "Plan"), a defined benefit plan established through legislation and sponsored by the Government of Canada. Contributions are required by both the employees and the Government of Nunavut to cover current service costs. Pursuant to legislation currently in place, the Government of Nunavut has no legal or constructive obligation to pay further contributions with respect to any past service or funding deficiencies of the Plan. Consequently, the Government of Nunavut's contributions are recognized as an expense in the year when employees have rendered service and represent the total pension obligation of the Government of Nunavut.

In addition, the Government provides two different pension benefits to Members of the Legislative Assembly. The costs and obligations of the Government for these pension plan benefits are estimated on an actuarial basis. When actual experience varies from estimates, or when actuarial assumptions change, actuarial gains or losses arise. These gains and losses are not recognized immediately but rather over the estimated average remaining service lives of the contributors. Recognition of actuarial gains and losses commences in the year following the effective date of the related actuarial valuations. In addition, upon a plan amendment, curtailment or settlement, previously unrecognized net actuarial gain or loss balances and are recognized immediately within the consolidated statement of operations and net assets.

GOVERNMENT OF NUNAVUT
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2 SIGNIFICANT ACCOUNTING POLICIES (continued)

Other employee benefits

Under the terms and conditions of employment, Government employees may earn severance and removal benefits based on years of service. These benefits are paid upon resignation, retirement or death of the employee. Further, employees, upon retirement, are entitled to enroll in health and dental benefit programs, the cost of which are cost-shared by government. The estimated liability and related expenses for these benefit programs are recorded as employees earn them. Actuarial valuation estimates of the government's obligations and related costs for each of these benefit programs have been prepared using data provided by management and assumptions based on management's best estimates. Termination benefits are recorded when employees are identified for lay-off.

The Government's employees are entitled to sick leave under their terms of employment. Included in other employee benefits is an amount for employees who are permitted to accumulate unused sick leave. However, such entitlements do not vest and can be used only in the event of illness. The amount of accumulated sick leave entitlements which are expected to be used in future years is determined by an actuarial valuation and has been recorded in these consolidated financial statements.

(j) Revenues

Unless otherwise stated, all revenues are recognized and reported on an accrual basis in the period in which transactions or events give rise to the revenues. Specific revenue accounting policies are as follows:

Transfers from the Government of Canada

Transfers from the Government of Canada are recognized as revenue when the funding is authorized and any eligibility criteria are met, except to the extent that funding stipulations give rise to an obligation that meets the definition of a liability, in which case the transfers are recorded as deferred revenue.

Taxes

Tax revenues are recognized in the period in which the taxable event occurs and when they are authorized by legislation or the ability to assess and collect the tax has been provided through legislative convention. Income tax is calculated net of tax deductions and credits allowed under the *Income Tax Act*. If an expense provides a financial benefit other than a relief of taxes, it is classified as a transfer made through the tax system. If an expense provides tax relief to a taxpayer and relates to revenue, this expense is considered a tax concession and is netted against tax revenues. Tax concessions transferred to taxpayers include the Nunavut child benefit, the cost of living tax credit and the business training tax credit. Taxes, under the *Income Tax Act*, are administered by the Government of Canada on behalf of the Government of Nunavut under a tax collection agreement and are remitted to the Government. The remittances are based on the Government of Canada's estimates for the taxation year, which are periodically adjusted until the income tax assessments for the year are finalized. These income tax adjustments are accounted for in the year known.

Fuel, tobacco and payroll taxes are levied under the authority of the *Petroleum Products Tax Act*, the *Tobacco Tax Act* and the *Payroll Tax Act*, respectively. Revenues are recognized on an accrual basis based on the statements received from collectors or employers. Adjustments from reassessments are recorded in revenue in the year they are identified. Tobacco tax commissions on tobacco tax revenue provides a financial benefit other than a relief of taxes and is recorded as an expense.

Property taxes are assessed on a calendar year basis and are recorded on an accrual basis in the fiscal year.

Other taxes are accrued based on information provided by those parties which collect tax on the Government's behalf.

Recoveries of prior years expenditures

Recoveries of prior years expenditures through the Consolidated Revenue Fund, including reversals of prior years expenditure over-accruals, are reported as revenues in the consolidated financial statements. Pursuant to the *Financial Administration Act*, these recoveries cannot be used to increase the amount appropriated for current year expenditures through the Consolidated Revenue Fund.

(k) Expenses

Expenses are recorded on an accrual basis when goods are received or services are rendered.

Grants and contributions are recognized as expenses provided that the transfer is authorized and all eligibility criteria have been met by the recipient. Grants and contributions include transfer payments to individuals, municipalities and other organizations under government funding arrangements. Payments to individuals include payments for children's benefits, income support or income supplement. These payments are based on age, family status, income and employment criteria. Other grants and contributions are provided to conduct research, to establish new jobs through support for training and to promote educational, health and cultural activities.

GOVERNMENT OF NUNAVUT
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March 31, 2020

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2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Contingencies

The contingencies of the Government are potential liabilities which may become actual liabilities when one or more future events occur or fail to occur. If the future event is likely to occur or fail to occur and is quantifiable, an estimated liability is accrued as part of accounts payable and accrued liabilities. If the likelihood is not determinable or the amount cannot be reasonably estimated, the contingency is disclosed in the notes to the consolidated financial statements and no liability is accrued. Contingent liabilities result from potential environmental contingencies or pending litigation and like items.

(m) Contaminated sites

Contaminated sites are the result of contamination being introduced into air, soil, water or sediment in concentrations that exceeds the maximum acceptable amounts under an environmental standard.

A liability for remediation of a contaminated site is recognized when all of the following criteria are met:

- an environmental standard exists;
- contamination exceeds the environmental standard;
- the Government is directly responsible or accepts responsibility;
- it is expected that future economic benefits will be given up; and
- a reasonable estimate of the amount can be made.

The liability for contaminated sites reflects the government management's best estimate of the amount required to remediate sites to the current minimum standard for its use prior to the contamination.

The liability is recognized net of any expected recoveries and includes all costs directly attributable to remediation activities including post remediation operations, maintenance and monitoring.

The liability is adjusted each year for the passage of time, new obligations, changes in management estimates and actual costs incurred.

If the likelihood of a future event that would confirm the Government's responsibility is not determinable, a contingent liability is disclosed in the notes to the consolidated financial statements.

(n) Related party transactions

Related parties include key management personnel having authority and responsibility for planning, directing and controlling the activities of the Government, as well as close family members of key management personnel, defined as Members of the Legislative Assembly, Board Members, Ministers and Deputy Ministers, and entities that are controlled or significantly influenced by key management personnel or their close family.

Related party transactions are recorded at the exchange amount and are in the normal course of business completed under normal trade terms.

(o) Services provided without charge

The Government of Nunavut receives audit services at no charge from the Office of the Auditor General of Canada. That Office's costs for these services have not been recorded in these consolidated financial statements given that they are not significant.

GOVERNMENT OF NUNAVUT
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2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(p) Future changes in accounting standards

A number of new and amended standards issued by the Public Sector Accounting Board of Canada are not yet effective and have not been applied in preparing these consolidated financial statements. The Government plans to adopt these new and amended standards on their effective dates and is currently assessing the impact they will have on its consolidated financial statements. The following standards for governments will become effective as follows:

PS 2601 Foreign Currency Translation (effective April 1, 2022), replaces PS 2600 with revised guidance on the recognition, presentation and disclosure of transactions and balances that are denominated in a foreign currency.

PS 3450 Financial Instruments (effective April 1, 2022), a new standard establishing guidance on the recognition, measurement, presentation and disclosure of financial instruments, including derivatives.

PS 1201 Financial Statement Presentation (effective April 1, 2022), replaces PS 1200 with revised general reporting principles and standards of presentation and disclosure for government financial statements.

PS 3041 Portfolio Investments (effective in the period PS 3450, PS 2601 and PS 1201 are adopted), replaces PS 3040 with revised guidance on accounting for, and presentation and disclosure of, portfolio investments.

PS 3280 Asset Retirement Obligations (effective April 1, 2022), replaces PS 3270, with revised guidance on accounting for, and presentation and disclosure of, asset retirement obligations.

PS 3400 Revenue (effective April 1, 2023), a new section establishing standards on how to account for and report on revenue, differentiating between revenue arising from transactions that include performance obligations and transactions that do not have performance obligations.

3 CASH AND CASH EQUIVALENTS

	2020	2019
Cash	706,964	679,419
Designated cash	4,643	4,343
	<u>711,607</u>	<u>683,762</u>

Designated cash represents funds reserved for further investments or financing for subsidiary business enterprises and venture investments.

The cash and cash equivalents yield for the year ended March 31, 2020 varied from 0.8% to 5.00% (2019 - 1.25% to 2.30%).

4 PORTFOLIO AND OTHER INVESTMENTS

	2020	2020	2020	2019
	Effective	Term to	Carrying	Carrying
	Rate of Return	Maturity	Value	Value
Portfolio investments				
Provincial Governments	2.27% - 2.38%	82 days - 161 days	8,094	11,377
Various Bankers' Acceptance	0.2% - 2.95%	30 days - 349 days	165,335	173,238
			<u>173,429</u>	<u>184,615</u>
Other investments				
SRAF designated investments			21,032	19,677
Venture investments			1,370	1,577
			<u>195,831</u>	<u>205,869</u>

The market value of the portfolio investments at March 31, 2020 was \$173,505 (2019 - \$184,088).

The Supplementary Retiring Allowances Fund of the Legislative Assembly (SRAF) designated investments represent funds set aside within the Consolidated Revenue Fund for use in meeting SRAF benefit obligations. The investments are managed by a third party. The Statement of Investment Policy establishes the eligible classes of securities, categories of issuers, limits and terms. The market value of SRAF investments at March 31, 2020 was \$20,548 (2019 - \$21,719) with a negative return of 6.00% (2019 - positive 4.52%).

GOVERNMENT OF NUNAVUT
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5 ACCOUNTS RECEIVABLE	2020	2019
Due from Government of Canada	157,919	130,657
Other revenues receivable:		
- Of the Territorial Corporations	68,918	68,505
- Of the Petroleum Products Division	54,302	38,724
- Of the Departments of Government	44,891	53,174
	168,111	160,403
Less: Allowance for doubtful accounts:		
- Territorial Corporations	(45,168)	(41,523)
- Petroleum Products Division	(14,686)	(13,923)
- Departments of the Government	(17,733)	(16,412)
	90,524	88,545
	248,443	219,202

6 INVENTORIES	2020	2019
(a) For resale		
Bulk fuels	235,762	154,895
Liquor products	2,510	3,149
Finished goods	2,119	2,643
Packaging materials and supplies	150	98
	240,541	160,785
(b) For use		
Supplies and lubricants	25,116	23,318
Fuel	6,477	7,998
Health and medical supplies	3,680	3,503
Raw materials and work in progress	963	855
	36,236	35,674

7 CONDOMINIUMS HELD FOR RESALE

In 2016-17, the Nunavut Housing Corporation acquired 62 residential units in Iqaluit with the intention of selling the units to the Government of Nunavut staff through the Staff Condominium program. In 2017-18, two of the units were added to the Staff Housing portfolio and work was undertaken to make the remaining 60 units available for sale as condominiums. The Nunavut Housing Corporation advertised its intent to sell the condominiums to Government of Nunavut staff, held an information session and sought applications from prospective buyers. Expected sales were delayed due to obstacles in establishing a condominium corporation. Prior to the end of the year, 10 of the units were sold and 19 of the units were occupied by prospective purchasers with sales pending. Pending sales are expected to be completed during 2020-21 and the related value is classified as a financial asset. The remaining 31 units have been classified as non-financial assets as their sale may not be completed prior to the end of 2021-22.

8 LOANS RECEIVABLE	2020	2019
Loans from Nunavut Business Credit Corporation to businesses with a maximum maturity of 25 years, bearing interest between 5.32% and 6.96% (2019 - 5.32% and 8.50%), net of valuation allowance of \$3,177 (2019 - \$4,056). The principal collaterals held as security and other credit enhancements for loans include: (i) various securities on assets; and (ii) corporate and personal guarantees.	11,899	15,961
Mortgage loans from Nunavut Housing Corporation to individuals with a maximum maturity of 25 years, bearing interest between 2.0% and 11.25% (2019 - 2.0% and 11.25%), net of valuation allowance of \$3,128 (2019 - \$3,263) and subsidy to mortgage holders of \$4,255 (2019 - \$4,373).	2,027	2,241
Student Loan Fund loans, bearing interest between 0.0% and 12.5% (2019 - 0.0% and 12.5%), net of doubtful accounts and valuation allowances of \$5,513 (2019 - \$5,319).	1,838	1,773
Other, net of valuation allowance of \$64 (2019 - \$64).	226	226
	15,990	20,201

GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS
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9 BANK INDEBTEDNESS	2020	2019
Bankers' Acceptances	10,000	10,000
Overdraft/(cash)	5,926	(133)
Line of credit	66	-
	<u>15,992</u>	<u>9,867</u>

The Bankers' Acceptances (BAs) have a stamping fee of 50 basis points per annum and the interest rate is approximately prime minus 2.05, subject to market, with terms not less than 7 days and not more than 365 days and issued and reissued in minimum aggregate amounts of Canadian \$1,000 and multiples thereof.

Included in the overdraft balance is \$5,874 (2019 - cash of \$133) of Qulliq Energy Corporation credit facility with a limit of \$30,000 (2019 - \$20,000). Interest charged on the credit facility is at prime minus 0.5% (2020 - 1.95%; 2019 - 3.45%). The facility allows for the use of BAs for borrowing.

Uqqurmiut Arts and Craft Ltd., a subsidiary of Nunavut Development Corporation, has a non-interest bearing, revolving demand operating line of credit for \$100, secured by a guarantee signed by the parent company, for financing the day-to-day operations of the RBC Agency in Pangnirtung.

10 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES	2020	2019
Due to the Government of Canada	31,483	32,984
Trade and other account payables:		
- Of the Departments of Government	125,618	124,045
- Of the Territorial Corporations	52,485	49,906
- Of the Petroleum Products Division	2,063	5,582
	<u>180,166</u>	<u>179,533</u>
Accrued liabilities, payroll deductions and contractor holdbacks		
- Of the Departments of Government	132,610	98,097
- Of the Petroleum Products Division	68,670	35,165
	<u>201,280</u>	<u>133,262</u>
Vacation pay and lieu time		
- Of the Departments of Government	36,811	34,653
- Of the Territorial Corporations	7,153	6,445
- Of the Petroleum Products Division	130	130
	<u>44,094</u>	<u>41,228</u>
	<u>457,023</u>	<u>387,007</u>

All amounts above are non-interest bearing and are due on demand.

11 DEFERRED REVENUES	Balance April 1, 2019	Receipts during the year	Interest earned	Transfer to revenue	Balance March 31, 2020
Gas Tax Agreement	47,710	33,018	1,440	(14,452)	67,716
Nunavut Land Claim Agreement	32,756	10,625	-	(7,610)	35,771
Canada Mortgage and Housing Corporation (CMHC)	35,063	26,374	-	(30,414)	31,023
Other deferred revenue	13,036	24,327	-	(16,139)	21,224
Provincial-Territorial Base Funding (Building Canada Fund)	4,212	-	83	(899)	3,396
	<u>132,777</u>	<u>94,344</u>	<u>1,523</u>	<u>(69,514)</u>	<u>159,130</u>

The deferred revenue balance at March 31 includes mostly funding for eligible capital infrastructure projects and specific programs received from the Government of Canada under formal contribution or other agreements. In 2020-21 and beyond, as the Government fulfills its obligations for purpose or other stipulations on the use of these funds the associated revenue will be recognized in its consolidated financial statements.

GOVERNMENT OF NUNAVUT
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12 LIABILITY FOR CONTAMINATED SITES	2020	2019
Liabilities for remediation of contaminated sites (undiscounted)	8,981	9,087
	8,981	9,087

The Government's activities are subject to various federal and territorial laws and regulations, such as the *Environmental Protection Act* of Nunavut and the Environmental Guideline for Contaminated Site Remediation - 2010, governing the protection of the environment or to minimize any adverse impact thereon. The Government conducts its operations so as to protect public health and the environment and believes its operations are in compliance with applicable laws and regulations.

The Government recognizes that there are costs related to the remediation of environmentally contaminated sites for which it is responsible. As of March 31, 2020, there were 6 sites (2019 - 6), 2 storage tank farms (2019 - 2) and 4 waste sites (2019 - 4) identified as requiring environmental remediation. In addition to the number of sites disclosed above, Nunavut Housing Corporation has also recognized costs related to the remediation of 1 sites (2019 - 9 sites) contaminated as a result of oil spills. Qulliq Energy Corporation has recognized costs related to 4 sites (2019 - 3) resulting from oil spills at the Corporation's power plants. For those sites where the Government of Nunavut expects to give up future economic benefits due to a legal order or plans to remediate contamination (e.g., due to the risk to human health), and is responsible or has accepted responsibility for remediation, and a reasonable estimate can be determined for remediation costs, a liability has been recorded in these consolidated financial statements. Where remediation costs have been estimated and a liability has been recorded the methodology used to estimate the liability is either based on third party analyses or extrapolated from costs previously incurred to remediate, monitor, or manage sites of similar size and contamination.

The Government has identified an additional 71 (2019 - 71) sites on Commissioner's land for which liabilities for contamination may exist for assessment, remediation and monitoring. The activities associated with these sites are classified as follows:

	2020	2019
Storage tank farms	25	25
Power plants	27	27
Town and waste sites	11	11
Garages and other public works	5	5
Airports	2	2
Quarries	1	1
	71	71

The Government acquired ownership of sites and activities associated with airports, tank farms and power plants on creation of the Territory on April 1, 1999. The contamination of certain sites occurred when other parties were responsible for the use of and/or held tenure to the sites. The Government has estimated that remediation of contamination at 14 storage tank farm sites and 27 power plant sites (2019 - 14 and 27) would cost approximately \$9,700 and \$40,000 (2019 - \$9,700 and \$40,000), respectively. In addition, the Government has estimated that remediation at the other sites could cost between \$65,000 - \$136,000 (2019 - \$65,000 - \$136,000) depending on the approach taken. No liability for remediation of these 71 sites (2019 - 71) has been recognized in these consolidated financial statements as the Government does not expect to give up any future economic benefits (i.e. no legal requirement to remediate). Going forward, a liability for remediation of these or other identified sites will be recognized if future economic benefits will be given up (i.e. public health risk or legal requirement).

Most storage tank farms and power plants are monitored on a regular basis to ensure the containment of the identified contaminants. For the other Government of Nunavut's operations and/or sites, there is no ongoing monitoring program in place, but plans for one are to be developed in the future.

In addition, the Government has identified 145 (2019 - 144) sites where garages, public works facilities, quarries, sewage disposal/treatment and solid waste sites and activities are generally located and conducted within municipal boundaries and governed by municipal legislation. Contamination at these sites and activities within municipal boundaries and jurisdiction are the responsibility of municipalities to monitor and remediate if necessary.

GOVERNMENT OF NUNAVUT
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13 LIABILITIES FOR PENSION AND OTHER EMPLOYEE BENEFITS

There are separate pension arrangements in place to provide retirement benefits to government employees and to Members of the Legislative Assembly (MLAs). In addition to pension benefits, the government provides severance, removal and sick leave benefits to employees as well as retirement health benefits. These non-pension benefit arrangements are not prefunded and thus have no assets set aside to fund them, resulting in deficiencies for the arrangements equal to the accrued benefit liabilities which are estimated actuarially using information and assumptions approved by management. As of March 31, the liabilities for pensions and other employee benefit arrangements were as follows:

	2020	2019
Pension Benefits		
Pension plans for MLAs	18,350	16,687
Total pension benefits	18,350	16,687
Other Employee Benefits		
Retirement health benefits	31,801	26,007
Severance and removal	31,695	26,386
Sick leave	12,740	12,762
Total other employee benefits	76,236	65,155
Total pension and other employee benefits	94,586	81,842

Public Service Pension Plan

Substantially all of the employees of the Government are covered by the public service pension plan (the "Plan"), a defined benefit plan established through legislation and sponsored by the Government of Canada. The Government of Canada holds a statutory obligation for the payment of benefits relating to the Plan. Pension benefits generally accrue up to a maximum period of 35 years at an annual rate of 2 percent of pensionable service times the average of the best five consecutive years of earnings. The benefits are coordinated with Canada/Québec Pension Plan benefits and they are indexed to inflation. Contributions are required by both the employees and the Government of Nunavut. The President of the Treasury Board of Canada sets the required employer contributions based on a multiple of the employees' required contribution. The contribution rate effective at March 31, 2020 was 1.01 times (2019 - 1.01 times) for members enrolled before January 1, 2013, and 1.0 times (2019 - 1.0 times) for members enrolled beginning January 1, 2013. Total employer contributions of \$38,730 (2019 - \$38,741) were recognized as expense in the current year. Total employee contributions were \$38,493 (2019 - \$38,577).

Legislative Assembly Retiring Allowances Plans

The Government sponsors two defined benefit pension plans for MLAs. Both plans are administered by the Management and Services Board of the Legislative Assembly. The plans provide pensions based on length of service and final average earnings. They provide inflation protection based on increases in the Consumer Price Index.

The first plan is the Legislative Assembly Retiring Allowances Fund (LARAF), a registered and contributory defined benefit pension plan established under the *Legislative Assembly Retiring Allowances Act*. The Office of the Legislative Assembly operates a separate pension fund in trust to administer LARAF contributions and allowances. The fund came into effect on April 1, 1999.

The second plan is the Supplementary Retiring Allowances Fund (SRAF), a voluntary non-registered, non-contributory defined benefit pension plan established under the *Supplementary Retiring Allowances Act* for MLAs who elect to participate. Payments and expenses related to the SRAF are paid from the Government's Consolidated Revenue Fund. This plan came into effect during the 2001-02 year, and provides for benefits retroactive to April 1, 1999.

Retirement benefits are payable to a MLA based on a percentage of the average best earnings over four consecutive years as a MLA and as a Minister, Speaker or Chairperson (if applicable) multiplied by credited service as a MLA and for each of the three positions (if applicable). A position must be held for a least one year, and the pension for each position is calculated separately. The percentages used to calculate retirement benefits are 2% for the LARAF and 3% for the SRAF.

The normal retirement age under both of these plans is the earliest of (a) age 60, (b) 30 years of service, or (c) age plus service equals 80. A MLA may retire at any time upon ceasing to be a MLA. Early retirement results in a pension reduction of 0.25% for each month a MLA retires before the normal retirement age. The late retirement age for MLAs is up to age 69.

There have been no plan amendments, plan settlements and curtailments or temporary deviations from these plans in 2020 (no changes in 2019).

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13 LIABILITIES FOR PENSION AND OTHER EMPLOYEE BENEFITS (continued)

Actuarial valuations were completed for these plans as of April 1, 2018. The valuations were performed using the projected unit credit actuarial cost method. The valuations were based on a number of assumptions as approved by the Management and Services Board of the Legislative Assembly and represents the best estimates of expected long-term experience and short-term forecast, as well as the demographic assumptions underlying the most recent actuarial valuations for funding purposes. The main assumptions include inflation rate of 2.0% (2019 - 2.0%), expected discount rate of 3.75% (2019 - 3.3%), return on assets of 5.3% (2019 - 4.8%), increases in remuneration of 3.0% (2019 - 3.0%), and mortality.

The asset valuation method, market-related value, for the LARAF plan is equal to a smoothed market value which spreads the difference between the actual and expected investment income over a four year period. The effective date of the next actuarial valuations for these plans is April 1, 2021.

The pension liabilities represent the excess of the actuarial present value of accrued pension benefits over the actuarial value of net assets available for benefits.

Based on information provided for the year by the plans' actuary, the MLA pension liabilities as of March 31 are as follows:

	LARAF	SRAF	2020	2019
Accrued benefit obligation	13,552	19,696	33,248	30,397
Deduct:				
Pension fund assets	15,200	-	15,200	14,332
Unamortized actuarial gain	(68)	(234)	(302)	(622)
	<u>15,132</u>	<u>(234)</u>	<u>14,898</u>	<u>13,710</u>
Pension (asset) liability	<u>(1,580)</u>	<u>19,930</u>	<u>18,350</u>	<u>16,687</u>

As at March 31, 2020, LARAF pension fund assets had a market value of \$13,818 (2019 - \$16,227). The actual rate of return was negative 7.13% (2019 - positive 5.19%). The SRAF has no pension fund assets; however, the pension liability is funded all or in part by designated investments (Note 4).

LARAF and SRAF actuarial gains/losses are both amortized over 5.0 years (2019 - 6.0 years) which is the estimated average remaining service lives for contributors to these plans.

The total expenses related to MLA pensions include the following components:

	LARAF	SRAF	2020	2019
Current period benefit cost	1,218	1,885	3,103	3,167
Amortization of actuarial gains	(40)	(64)	(104)	(991)
	<u>1,178</u>	<u>1,821</u>	<u>2,999</u>	<u>2,176</u>
MLAs contributions	(277)	-	(277)	(248)
Pension expense	<u>901</u>	<u>1,821</u>	<u>2,722</u>	<u>1,928</u>
Interest cost on the average accrued benefit obligation	444	641	1,085	1,067
Expected return on the average pension plan assets	(779)	-	(779)	(646)
Pension interest expense	<u>(335)</u>	<u>641</u>	<u>306</u>	<u>421</u>
Total expenses related to pensions	<u>566</u>	<u>2,462</u>	<u>3,028</u>	<u>2,349</u>

Pension benefits paid for the LARAF and SRAF were \$356 and \$908, respectively (2019 - \$329 and \$1,065, respectively).

The Government's contributions related to the LARAF and SRAF during the year were \$457 and \$1,081, respectively (2019 - \$924 and \$1,739, respectively).

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13 LIABILITIES FOR PENSION AND OTHER EMPLOYEE BENEFITS (continued)

Other Employee Benefits

Actuarial valuations for severance, removal and sick leave benefits were completed as of March 31, 2020. An actuarial valuation for retirement health benefits was completed as of April 1, 2017. The principal actuarial assumptions used in measuring the accrued benefit obligation of other employee benefits as at March 31, 2020, based on management's best estimate included increases in remuneration of 3.0% (2019 - 3.0%) and an average discount rate of 3.4% (2019 - 2.9%).

The changes in the other employee benefits liabilities during the year were as follows:

	Severance and removal	Sick leave	Retirement health benefits	2020	2019
Accrued benefit obligations at beginning of the year	26,386	12,762	41,767	80,915	77,900
Benefits earned	2,171	2,005	1,797	5,973	5,690
Interest cost on the average accrued benefit	674	361	1,378	2,413	2,521
Benefits paid	(3,763)	(1,071)	(1,046)	(5,880)	(5,745)
Actuarial loss (gain)	6,227	(1,317)	3,700	8,610	549
Accrued benefit obligations at end of year	31,695	12,740	47,596	92,031	80,915
Unamortized net actuarial gain	-	-	(15,795)	(15,795)	(15,760)
Other employee benefits liabilities, end of the year	31,695	12,740	31,801	76,236	65,155
Benefit Expenses¹					
Benefit earned for the period	2,171	2,005	1,797	5,973	5,690
Amortization of net actuarial losses/(gains) recognized during the year	6,227	(1,317)	3,665	8,575	3,075
Other employee benefits expense	8,398	688	5,462	14,548	8,765
Interest cost on the average accrued benefit	674	361	1,378	2,413	2,521
Total expense related to other employee benefits	9,072	1,049	6,840	16,961	11,286

¹The components are other employee benefits expenses included in the compensation and employee benefits category in Note 18.

GOVERNMENT OF NUNAVUT
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March 31, 2020

(in thousands of dollars)

14 LONG TERM DEBT AND BORROWING AUTHORITY LIMIT

Loans and mortgages payable	2020	2019
Loans payable to Canada Mortgage and Housing Corporation (CMHC), repayable in annual installments until the year 2032, bearing interest at a rate of 6.97% (2019 - 6.97%).	7,394	8,164
Loans payable to CMHC, assumed from Inuit Non-Profit Housing Corporation in 2017, repayable in monthly installments, maturing from 2021 to 2028 at interest rates from 2.12% to 10.375% (2019 - 2.04% - 10.375%).	174	206
Mortgage payable in annual installments of \$554 to the year 2020, bearing interest at a rate of 6.9% (2019 - 6.9%) compounded semi-annually. The mortgage is secured by a building. The carrying value of the security is \$3,910 (2019 - \$4,221).	-	830
Redeemable 20 year amortizing debenture, bearing interest at a rate of 6.809% (2019 - 6.809%) due September 27, 2021. Repayable in blended semi-annual payments of \$2,848 with a balloon payment of \$17,502 at the end of the term.	21,787	25,795
Non-revolving fixed rate term loan facility with payments of \$42 due monthly with the final payment due on May 1, 2021. Interest at 4.24%.	561	1,029
Non-revolving fixed rate term loan facility with payments of \$53 due monthly with the final payment due on May 1, 2021. Interest at 4.24%.	726	1,320
Non-revolving fixed rate term loan facility with payments of \$74 due monthly with the final payment due on June 1, 2021. Interest at 4.24%.	1,053	1,882
Non-revolving fixed rate term loan facility with payments of \$30 due monthly with the final payment due on February 1, 2022. Interest at 4.24%.	3,312	3,523
Non-revolving fixed rate term loan facility with payments of \$133 due monthly with the final payment due on July 1, 2021. Interest at 4.24%.	2,055	3,531
Non-revolving committed loan facility, payments on the first tranche of \$100 plus interest due monthly, beginning April 1, 2015 with the final payment due April 1, 2025; on the second tranche of \$58 beginning April 1, 2016, due April 1, 2026; on the third tranche of \$82 beginning April 1, 2017, due April 1, 2027; on the fourth tranche of \$166 beginning April 30, 2018, due April 30, 2028; and on the fifth tranche of \$160 beginning April 30, 2019, with the final payment due April 30, 2029. Interest at prime minus 0.5%.	137,566	123,670
Non-revolving committed loan facility, payments of \$83 plus interest due monthly, beginning on December 1, 2012 with the final payment due November 30, 2022. Interest at prime minus 0.5%.	12,667	13,666
Non-revolving committed loan facility, payments of \$67 plus interest due monthly, beginning on May 1, 2014 with the final payment due April 30, 2024. Interest at prime minus 0.5%.	11,267	12,067
Project financing payable, ecoENERGY Innovation Initiative program, interest free payments due annually with final payment due March 31, 2021. The payments are based on annual net profit arising from the project. Annual net profit arising from the project in 2020 was \$nil (2019 - \$nil). No repayments have been made to date.	1,352	1,352
	199,914	197,035

GOVERNMENT OF NUNAVUT
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14 LONG TERM DEBT AND BORROWING AUTHORITY LIMIT (continued)

Principal and interest amounts due in each of the next five fiscal years and thereafter on the loans and mortgages payable are as follows:

	Principal	Interest	Total
2021	19,607	4,204	23,811
2022	31,746	3,821	35,567
2023	19,985	3,381	23,366
2024	9,373	2,961	12,334
2025	16,698	2,648	19,346
2026 and beyond	102,505	6,979	109,484
	199,914	23,994	223,908

Interest expense on long term debt was \$5,545 for the year (2019 - \$5,288). During the year, interest costs of \$133 (2019 - \$627) were capitalized as part of additions to tangible capital assets. The interest paid on long term debt during the year was \$5,696 (2019 - \$5,924).

Borrowing Authority

As of March 31, 2020, the Governor General in Council of Canada, pursuant to subsection 27(4) of the *Nunavut Act*, had approved the Government of Nunavut borrowing up to \$650 million (i.e., authorized borrowing limit).

	2020	2019
Qulliq Energy Corporation, long term debt	190,994	186,483
Nunavut Housing Corporation, long term debt	7,568	8,370
Qulliq Energy Corporation, repayable contribution agreement	1,352	1,352
Consolidated Revenue Fund, mortgage payable	-	830
	199,914	197,035
Consolidated Revenue Fund, Iqaluit International Airport (Note 15)	153,467	155,138
Capital lease obligations (Note 16)	64,243	77,242
Consolidated Revenue Fund, Liability for Nunavut Energy Management Project (Note 17)	15,004	5,873
	432,628	435,288
Bank indebtedness	15,992	9,867
Total debt	448,620	445,155
Authorized borrowing limit	650,000	650,000
Available borrowing capacity	201,380	204,845

The Government of Nunavut guarantees the long term debt of Qulliq Energy Corporation and Nunavut Housing Corporation as well as any outstanding bank overdrafts of Qulliq Energy Corporation and Nunavut Development Corporation. As part of their financing, Nunavut Development Corporation subsidiaries have arranged various credit facilities at different terms and interest rates. Nunavut Development Corporation has provided a guarantee for these credit facilities.

Under the terms of the 1999 Social Housing Agreement (SHA), the Government of Canada originally provided funding to the Nunavut Housing Corporation (NHC) to build social housing assets in the form of long-term mortgages payable to CMHC (referred to as section 79 debt under the SHA) and loans payable to CMHC (referred to as section 82 debt under the SHA). Under the SHA, the funding provided to NHC was used to reduce 100% of the section 79 debt and reduce by 5/9th of the section 82 debt, and to fund the related interest payments that NHC would make each year to CMHC. This funding receivable from CMHC and the related payments due by NHC each year on the long term debt payable to CMHC are offset, resulting in no exchange of cash between NHC and CMHC. The funding receivable from CMHC is recorded as a reduction of the corresponding long-term debt payable. As the funding from CMHC and the corresponding repayments of long term debt are non-cash transactions, they have not been recorded in the consolidated statement of cash flow.

GOVERNMENT OF NUNAVUT
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(in thousands of dollars)

15 LIABILITY FOR IQALUIT INTERNATIONAL AIRPORT

In September 2013, the Government signed agreements as part of a public-private partnership (P3) arrangement to design, build, finance, operate and maintain new and updated infrastructure at the Iqaluit International Airport. The airport officially opened and began operations on August 9, 2017. The estimated cost of the project was \$305,376. The actual cost incurred by the private partnership was \$298,430. The capital costs of the arrangement was partially funded by the Government of Canada. The Government of Nunavut received \$74,160 from the Government of Canada during 2017-18.

	2020	2019
Loan payable in monthly instalments of \$1,069 to December 2047, bearing interest at a rate of 7.23%.	153,467	155,138

Interest expense on long term debt relating to the Iqaluit International Airport was \$11,159 for the year (2019 - \$11,275). Interest paid during the year was \$11,159 (2019 - \$11,275).

Minimum debt payments, including principal and interest, for each of the next 5 years and thereafter are as follows:

	Principal	Interest	Total
2021	1,795	11,035	12,830
2022	1,929	10,900	12,829
2023	2,074	10,756	12,830
2024	2,229	10,601	12,830
2025	2,395	10,435	12,830
2026 and beyond	143,045	148,832	291,877
	153,467	202,559	356,026

16 CAPITAL LEASE OBLIGATIONS

Capital lease obligations are based upon contractual minimum lease payments for leases in effect as of March 31.

	2020	2019
Total minimum lease payments	71,979	87,118
Less: imputed interest	(7,699)	(9,827)
Less: executory costs	(37)	(49)
Present value of minimum lease payments	64,243	77,242

Minimum lease payments, including principal, interest and executory costs, for each of the next 5 years and thereafter are as follows:

	Principal	Interest	Executory	Total
2021	6,892	1,640	12	8,544
2022	7,106	1,426	12	8,544
2023	7,139	1,202	12	8,353
2024	6,487	1,002	1	7,490
2025	6,661	824	-	7,485
2026 and beyond	29,958	1,605	-	31,563
	64,243	7,699	37	71,979

Lease payments are allocated between repayments of the liability, interest expense and any related executory costs. The total minimum lease payments less the initial liability and executory costs represents the total interest cost of the lease. The interest expense is calculated using the same discount rate used in computing the present value of the minimum lease payments applied to the outstanding lease liability at the beginning of the lease payment period.

Interest expense related to capital lease obligations for the year was \$2,052 (2019 - \$2,802) at an implied average interest rate of 3.2% (2019 - 3.6%). The capital lease obligations expire between 2023 and 2030.

GOVERNMENT OF NUNAVUT
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(in thousands of dollars)

17 LIABILITY FOR NUNAVUT ENERGY MANAGEMENT PROGRAM

	2020	2019
Project financing payable - Baffin	2,635	3,695
Project financing payable - Kivalliq	12,369	2,178
	15,004	5,873

Under the Nunavut Energy Management Program Project - Baffin region, the Government has entered into an energy savings contract arrangement that included an ongoing responsibility for making all principal and interest payments associated with the third-party financing of costs of improvements under the project. Payments are due monthly at \$139 to 2019, \$95 to 2022 and \$21 to July 2023 at an average interest rate of 5.13%. Interest expense on the project for the year was \$183 (2019 - \$266). Interest paid during the year was \$183 (2019 - \$266).

Future payments for the Nunavut Energy Management Program Baffin Project, for each of the next 5 years and thereafter are as follows:

	Principal	Interest	Total
2021	1,059	123	1,182
2022	1,079	62	1,141
2023	402	13	415
2024	95	1	96
	2,635	199	2,834

The Nunavut Energy Management Program Project - Kivalliq region, is in the implementation phase and therefore, the future payments schedule is not determinable at this time. The Government has entered into a contract for \$24,258 that includes all principal and interest payments associated with the third-party financing of costs of improvements under the project. The project is expected to be completed by October 2020, at which time estimated monthly payments of \$124 will commence, at an average interest rate of 9.4%. Interest expense on the project for the year was \$228 (2019 - \$36). Interest paid during the year was \$nil (2019 - \$nil).

18 EXPENSES BY TYPE

	2020	2019
Goods and services	1,185,721	1,171,479
Compensation and employee benefits	755,759	724,258
Grants and contributions	273,826	270,184
Amortization of tangible capital assets	131,653	136,228
Interest expense	20,883	21,134
Increase in valuation allowances	7,412	7,295
Loss on disposal / write-down of tangible capital assets	3,572	1,220
	2,378,826	2,331,798

GOVERNMENT OF NUNAVUT
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(in thousands of dollars)

19 CONTRACTUAL OBLIGATIONS

The Government has entered into agreements for, or is contractually obligated for, the following payments subsequent to March 31, 2020:

	Total
Commitments under operating leases	148,185
Capital commitments	147,151
Policing agreement	550,128
Iqaluit International Airport commitments	655,013
Other commitments	601,074
	2,101,551

Contractual obligations by fiscal year are as follows:

2021	421,961
2022	261,718
2023	222,574
2024	147,553
2025	76,791
2026 and beyond	970,954
	2,101,551

In addition to the Capital commitments disclosed above, the Government is also contractually obligated for the Nunavut Energy Management Program - Kivalliq (Note 17). At March 31, 2020, \$12,369 is recorded as a liability of the total estimated contract costs of \$24,258. Payments will commence when the project is completed, estimated by October 2020.

20 CONTRACTUAL RIGHTS

The Government enters into agreements to provide goods and services with various businesses and government agencies. These agreements will result in revenue and assets in the future. The following table summarizes the contractual rights of the Government when the terms of those agreements are met.

	Total
Canada Infrastructure Plan	566,762
New Building Canada Fund	224,150
Canada Mortgage and Housing Corporation	466,575
Health Canada Agreements	170,267
Others / Third party agreements	103,630
	1,531,384

Contractual rights by fiscal year are as follows:

2021	255,290
2022	243,589
2023	283,199
2024	201,427
2025	157,353
2026 and beyond	390,526
	1,531,384

GOVERNMENT OF NUNAVUT
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(in thousands of dollars)

21 CONTINGENCIES

(a) Post-division adjustments

The agreement governing the division of assets and liabilities between the Government of Nunavut and the Government of the Northwest Territories as at April 1, 1999 sets out a mechanism which provides for post-division adjustments.

The period for such adjustments is unlimited; and such adjustments could be made in a variety of specified circumstances such as the settlement of litigation related to events prior to the date of division. In such an event, there is an opportunity for one of the governments to file a claim against the other government to share in costs. Post-division adjustments will be recognized in the year the liability can be reasonably estimated. As at March 31, 2020, no new post-division adjustments were recorded (2019 - nil).

(b) Litigation

A number of cases of alleged sexual abuse by former employees or contractors in Nunavut when it was part of the Northwest Territories have been filed or are pending. The Nunavut and the Northwest Territories governments will jointly defend any such proceedings and the cost of defending the actions and any damages that may eventually be awarded will be shared by the two governments 44.34% and 55.66%, respectively. Where it is likely that there will be a future payment and a reasonable estimate of the amount can be made, the Government has recorded a liability. For those pending cases, where the outcome is not determinable as at March 31 and a reasonable estimate of the amount can be made, the total amount of those claims is estimated at \$1,545 (2019 - \$1,545). No liability has been recorded for these claims as the outcome of these cases is not determinable.

There are a number of claims and threatened litigation cases outstanding against the Government for which the outcomes are not determinable, including a number of cases where an amount is not specified. The nature of these claims include wrongful dismissal, discrimination, breach of policy, personal injury, sexual abuse, negligence, wrongful arrest and assault. Where it is likely that there will be a future payment and a reasonable estimate of the amount can be made, the Government has recorded a liability. For those pending cases, where the outcome is not determinable as at March 31 and a reasonable estimate of the amount can be made, the total amount of those claims is estimated at \$17,168 (2019 - \$17,168). No liability has been recorded for these claims as the outcome of these cases is not determinable.

(c) Other

Under the terms of the Social Housing Agreement with Canadian Mortgage and Housing Corporation (CMHC), Nunavut Housing Corporation (NHC) is responsible for the administration of a number of loans to third parties, where CMHC is the lender or insurer of these loans. The agreement provides that NHC shall indemnify and reimburse CMHC for, and save it harmless from, all losses, costs and expenses related to these loans. The carrying value of these third party loans is approximately \$430 as at March 31, 2020 (2019 - \$ 572).

22 TRUSTS UNDER ADMINISTRATION

The Government administers trust accounts on behalf of third parties, which are not included in the reported Government assets and liabilities.

	2020	2019
Public Trustee	6,897	5,366
Natural Resources Conservation Trust	1,307	1,055
Territorial Court Trust	742	737
	8,946	7,158

GOVERNMENT OF NUNAVUT
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Notes to Consolidated Financial Statements

March 31, 2020

(in thousands of dollars)

23 CONSOLIDATED BUDGET

The schedule below reconciles the Government's budget presented to the Legislative Assembly to the consolidated budget totals for 2019-20 reported in the Consolidated Statement of Operations and Net Assets.

	Budget Per Main Estimates (1)	Budgets of Territorial Corporations (2)	Budgeted Consolidation Adjustments (3)	Consolidated Budget
Revenues				
From the Government of Canada	1,929,300	44,300	-	1,973,600
From the Government of Nunavut	-	317,200	(317,200)	-
Revenues generated by the Government of Nunavut	409,200	193,600	(144,100)	458,700
Total revenues	2,338,500	555,100	(461,300)	2,432,300
Expenses				
Health	533,000	-	(600)	532,400
Community and Government Services	575,100	-	(63,200)	511,900
Education	298,100	71,400	(54,700)	314,800
Housing	258,400	301,700	(260,300)	299,800
Finance	132,100	134,400	(73,900)	192,600
Family Services	166,300	-	(1,400)	164,900
Justice	133,600	-	-	133,600
Economic Development and Transportation	126,100	8,700	(5,000)	129,800
Environment	31,700	-	-	31,700
Culture and Heritage	36,800	-	(2,100)	34,700
Legislative Assembly	28,100	-	-	28,100
Human Resources	26,700	-	-	26,700
Executive and Intergovernmental Affairs	26,500	-	-	26,500
Total expenses	2,372,500	516,200	(461,200)	2,427,500
(Deficit) surplus for year	(34,000)	38,900	(100)	4,800

(1) Budgeted revenues generated by the Government of Nunavut shown on a net basis in the Main Estimates have been increased by \$183,720 to reclassify cost of goods sold (COGS) of revolving funds to expenses. Budgeted expenses of Finance and Community and Government Services have been increased by \$6,637 and \$177,083 respectively to reflect the COGS of the revolving funds. Third party funded Infrastructure Projects under the New Building Canada Fund are included in Community and Government Services.

(2) The budgets of the territorial corporations have been allocated to the government's expense lines based on their ministerial and/or economic reporting relationship.

(3) The budgeted consolidation adjustments are based on amounts budgeted by the territorial corporations and government departments or where necessary estimated based on historical experience.

24 COMPARATIVE INFORMATION

Certain comparative figures have been reclassified to conform to the current year's presentation.

25 COVID-19

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a global pandemic, which continues to spread in Canada and around the world. The Government is not aware of significant changes in its operations as a result of the COVID-19 crisis.

Subsequent to year end, the Government received an amount of \$36,000 from the Government of Canada to support it during the pandemic.

Due to the unpredictable nature and length of time of the spread of the disease, the Government is unable to estimate the potential impact of the pandemic on the Government's future operations and the measurement/valuation of assets and liabilities.

**GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS****SCHEDULE A****Consolidated Schedule of Revenues by Source**

for the year ended March 31, 2020

(in thousands of dollars)

	2020	2019
	Actual	Actual
From the Government of Canada		
Territorial Formula Financing	1,641,713	1,578,812
Transfers under third-party funding agreements	190,491	202,933
Other transfer payments	146,748	159,890
	1,978,952	1,941,635
Revenues generated by the Government of Nunavut		
Personal income tax	31,397	37,773
Corporate income tax	23,616	27,978
Payroll tax	35,272	32,314
Tobacco tax	22,581	22,599
Fuel tax	23,532	17,964
Property tax	8,384	7,768
Insurance tax	2,320	2,422
Sales		
Petroleum Products Revolving Fund - before cost of goods sold of \$110,977 (2019 - \$106,718)	130,946	133,026
Liquor Revolving Fund - before cost of goods sold of \$7,648 (2019 - \$7,175)	16,002	16,146
Nunavut Development Corporation - before cost of goods sold of \$4,395 (2019 - \$3,539)	3,652	3,593
Qulliq Energy Corporation - power sales	73,739	70,766
Staff housing recoveries	21,310	20,427
Transfers under third-party funding agreements	1,077	1,544
Recoveries of prior years expenditures	8,586	12,606
Investment income	8,991	8,290
Insurance proceeds	-	15
Other revenues	70,046	69,856
	481,451	485,087
Total revenues	2,460,403	2,426,722

**GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS**

SCHEDULE B

Consolidated Schedule of Tangible Capital Assets

for the year ended March 31, 2020

(in thousands of dollars)

	Buildings	Leased Buildings	Storage Facilities	Tank Farms	Equip-ment	Warehouse / Equipment (QEC)	Electric Power Plants	Transmission Distribution Systems	Infra-structure	Land	2020	2019
Cost of tangible capital assets												
Opening balance	2,499,026	194,077	41,733	206,990	139,797	56,361	326,582	76,600	357,811	327	3,899,304	3,671,824
Additions	24,074	-	50	752	5,374	-	-	-	134	-	30,384	36,277
Transferred from work in progress	88,446	-	8,765	103	3,010	1,762	15,984	755	-	-	118,825	206,576
Disposals	(1,960)	-	-	-	-	(39)	-	-	-	-	(1,999)	(12,503)
Write-downs	-	(639)	-	-	(2,369)	-	-	-	-	-	(3,008)	(2,870)
Closing balance	2,609,586	193,438	50,548	207,845	145,812	58,084	342,566	77,355	357,945	327	4,043,506	3,899,304
Accumulated amortization												
Opening balance	(977,980)	(117,208)	(23,370)	(92,553)	(114,659)	(24,007)	(113,814)	(24,401)	(86,250)	-	(1,574,242)	(1,452,167)
Amortization	(82,247)	(7,409)	(1,700)	(7,092)	(7,867)	(2,062)	(9,716)	(1,550)	(12,010)	-	(131,653)	(136,228)
Disposals	1,396	-	-	-	-	39	-	-	-	-	1,435	12,455
Write-downs	-	-	-	-	-	-	-	-	-	-	-	1,698
Closing balance	(1,058,831)	(124,617)	(25,070)	(99,645)	(122,526)	(26,030)	(123,530)	(25,951)	(98,260)	-	(1,704,460)	(1,574,242)
Work in progress												
Opening balance	88,347	-	7,734	3,842	2,717	458	9,694	2,299	73,739	-	188,830	189,866
Additions	111,769	-	1,391	4,562	342	2,915	15,069	1,522	39,594	-	177,164	205,540
Transferred to cost of tangible capital assets	(88,446)	-	(8,765)	(103)	(3,010)	(1,762)	(15,984)	(755)	-	-	(118,825)	(206,576)
Closing balance	111,670	-	360	8,301	49	1,611	8,779	3,066	113,333	-	247,169	188,830
Net book value	1,662,425	68,821	25,838	116,501	23,335	33,665	227,815	54,470	373,018	327	2,586,215	2,513,892
Estimated useful life	20-35 years	20-30 years	20-30 years	30 years	5-30 years	1-45 years	20-40 years	15-45 years	30 years			

During the year, interest of \$ 133 was capitalized (2019 - \$627) as part of the cost of additions.

The purchases of tangible capital assets presented in the Consolidated Statement of Cash Flow excludes an amount of \$9,993 (2019 - \$4,977) in relation to acquisition and construction of assets that remain unpaid as of March 31, 2020 as well as an amount of \$680 (2019 - \$77) for non-monetary transactions incurred during the year.

Included in tangible capital asset additions are \$707 (2019 - \$2,949) of corporate overhead costs of the Qulliq Energy Corporation.

**GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS**

SCHEDULE C

Consolidated Schedule of Segmented Information

for the year ended March 31, 2020

(in thousands of dollars)

	Consolidated Revenue Fund	Revolving Funds	Territorial Corporations	Total for All Segments	Consolidation Adjustments (1)	2020	2019
Revenues							
From the Government of Canada							
Territorial Formula Financing Agreement	1,641,713	-	-	1,641,713	-	1,641,713	1,578,812
Transfers under third-party funding agreements	190,582	-	928	191,510	(1,019)	190,491	202,933
Other transfer payments	99,627	-	47,121	146,748	-	146,748	159,890
	1,931,922	-	48,049	1,979,971	(1,019)	1,978,952	1,941,635
Generated by the Government of Nunavut							
Corporate and personal income taxes	55,013	-	-	55,013	-	55,013	65,751
Other taxes	92,089	-	-	92,089	-	92,089	83,067
Sales	-	216,144	136,358	352,502	(128,163)	224,339	223,531
Transfers under third-party funding agreements	1,077	-	-	1,077	-	1,077	1,544
General	59,476	-	386,668	446,144	(345,797)	100,347	98,588
	207,655	216,144	523,026	946,825	(473,960)	472,865	472,481
Recoveries of prior years expenditures	8,586	-	-	8,586	-	8,586	12,606
Total revenues	2,148,163	216,144	571,075	2,935,382	(474,979)	2,460,403	2,426,722
Expenses							
Goods and services	786,210	215,270	335,825	1,337,305	(151,584)	1,185,721	1,171,479
Compensation and employee benefits	611,389	7,647	130,390	749,426	6,333	755,759	724,258
Grants and contributions	603,948	-	-	603,948	(330,122)	273,826	270,184
Amortization of tangible capital assets	80,838	-	51,226	132,064	(411)	131,653	136,228
Interest expense	13,564	18	7,521	21,103	(220)	20,883	21,134
Increase in valuation allowances	2,051	763	3,562	6,376	1,036	7,412	7,295
Loss on disposal / write down of tangible capital assets	3,008	-	564	3,572	-	3,572	1,220
Total expenses	2,101,008	223,698	529,088	2,853,794	(474,968)	2,378,826	2,331,798
Surplus (deficit) for year	47,155	(7,554)	41,987	81,588	(11)	81,577	94,924

(1) - Includes adjustments to eliminate inter-entity balances to comply with Canadian public sector accounting standards. For example, contributions by departments to revolving funds, territorial corporations and other agencies (i.e., consolidated entities) are shown in grants and contributions expense under the "Consolidated Revenue Fund" column, while the amounts received by the applicable consolidated entity group are shown as revenues in their respective columns. These amounts are eliminated upon consolidation to avoid double-counting and results in significant amounts shown in the 'Consolidation Adjustments' column.

SECTION III
NON-CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

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**GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS**

Non-Consolidated Statement of Financial Position (unaudited)

as at March 31, 2020

(in thousands of dollars)

	Note	2020	2019
Financial assets			
Cash and cash equivalents	3	604,270	609,575
Due from the Government of Canada	4	127,268	98,582
Accounts receivable	5	119,067	105,065
Inventories for resale	6(a)	238,272	158,044
Loans receivable	7	16,060	20,165
Portfolio and other investments	8	71,032	69,677
Total financial assets		1,175,969	1,061,108
Liabilities			
Accounts payable and accrued liabilities	9	416,789	338,878
Deferred revenues	10	125,333	95,053
Liability for contaminated sites	11	8,154	8,154
Liabilities for pension and other employee benefits	12	86,858	74,682
Mortgage payable	13	-	830
Liability for Iqaluit International Airport	14	153,467	155,138
Capital lease obligations	15	62,268	74,710
Liability for Nunavut Energy Management Program	16	15,004	5,873
Total liabilities		867,873	753,318
Net financial assets		308,096	307,790
Non-financial assets			
Tangible capital assets (Schedule C)		1,521,145	1,481,997
Inventories for use	6(b)	3,680	3,503
Prepaid expenses		4,423	4,453
Total non-financial assets		1,529,248	1,489,953
Net assets		1,837,344	1,797,743
Contractual obligations (Note 18)			
Contractual rights (Note 19)			
Contingencies (Note 20)			

The accompanying notes and schedules are an integral part of these non-consolidated financial statements.

**GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS**

Non-Consolidated Statement of Operations and Net Assets (unaudited)

for the year ended March 31, 2020

(in thousands of dollars)

	2020 Budget <small>(Note 23)</small>	2020 Actual	2019 Actual
Revenues (Schedule A)			
From the Government of Canada	1,930,883	1,931,922	1,878,513
Tax revenues generated by the Government of Nunavut	135,900	147,102	148,818
Other revenues generated by the Government of Nunavut	75,057	88,876	94,024
Recoveries of prior years expenditures	13,000	8,586	12,606
Total revenues	2,154,840	2,176,486	2,133,961
Expenses (Schedule B)			
Operations and maintenance expenses before amortization and write down of tangible capital assets	1,915,028	1,927,543	1,855,003
<i>Plus:</i> Amortization expenses on tangible capital assets	84,566	80,838	87,180
<i>Plus:</i> Write-down of tangible capital assets	-	3,008	170
Total operations and maintenance expenses	1,999,594	2,011,389	1,942,353
Capital expenditures	301,643	248,492	264,716
<i>Less:</i> Transfers to tangible capital assets	112,397	122,996	127,995
Total capital expenses	189,246	125,496	136,721
Total expenses	2,188,840	2,136,885	2,079,074
(Deficit) surplus for year	(34,000)	39,601	54,887
Net assets, beginning of year	1,797,743	1,797,743	1,742,856
Net assets, end of year	1,763,743	1,837,344	1,797,743

The accompanying notes and schedules are an integral part of these non-consolidated financial statements.

**GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS**

Non-Consolidated Statement of Change in Net Financial Assets (unaudited)

for the year ended March 31, 2020

(in thousands of dollars)

	2020 Budget	2020 Actual	2019 Actual
(Deficit) surplus for year	(34,000)	39,601	54,887
Tangible capital assets (Schedule C)			
Additions	(112,397)	(122,995)	(127,995)
Disposals	-	-	48
Additions in Kind	-	-	(47)
Write-downs	-	3,008	170
Amortization	84,566	80,838	87,180
	(27,831)	(39,149)	(40,644)
Additions to inventories for use	(196)	(4,496)	(5,765)
Consumption of inventories for use	-	4,320	5,377
Net additions of prepaid expenses	(327)	30	(237)
	(523)	(146)	(625)
(Decrease) increase in net financial assets	(62,354)	306	13,618
Net financial assets, beginning of year	307,790	307,790	294,172
Net financial assets, end of year	245,436	308,096	307,790

The accompanying notes and schedules are an integral part of these non-consolidated financial statements.

GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS
Non-Consolidated Statement of Cash Flow (unaudited)
for the year ended March 31, 2020
(in thousands of dollars)

	2020	2019
Cash provided by (used for) operating activities:		
Cash received from:		
Transfers from the Government of Canada	1,933,176	1,891,319
Taxation	146,160	146,332
Insurance proceeds	16,649	14,759
Other generated revenues	253,908	288,157
Interest on loans receivable and portfolio investments	1,490	1,986
Cash paid for:		
Interest payments on capital leases, mortgage and project financing	(13,324)	(14,724)
To and on behalf of employees	(588,935)	(584,099)
Recipients	(553,790)	(521,568)
Suppliers	(1,075,742)	(1,082,197)
	<u>119,592</u>	<u>139,965</u>
Cash provided by (used for) capital activities:		
Purchases of tangible capital assets	(112,252)	(128,892)
	<u>(112,252)</u>	<u>(128,892)</u>
Cash provided by (used for) investing activities:		
Loans issued to municipalities, businesses and individuals	(474)	(742)
Loan repayments by municipalities, businesses and individuals	4,548	7,685
Investments in portfolio and other investments	(1,355)	(52,146)
	<u>2,719</u>	<u>(45,203)</u>
Cash provided by (used for) financing activities:		
Principal payments on Iqaluit International Airport	(1,670)	(1,554)
Principal payments on capital leases	(11,804)	(15,630)
Principal payments on Nunavut Energy Savings Program Project	(1,060)	(1,400)
Principal payments on mortgage payable	(830)	(479)
	<u>(15,364)</u>	<u>(19,063)</u>
(Decrease) increase in cash and cash equivalents	(5,305)	(53,193)
Cash and cash equivalents, beginning of year	609,575	662,768
Cash and cash equivalents, end of year (Note 3)	604,270	609,575

The accompanying notes and schedules are an integral part of these non-consolidated financial statements.

**GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS****Notes to Non-Consolidated Financial Statements (unaudited)****March 31, 2020***(in thousands of dollars)*

1 AUTHORITY AND OPERATIONS**(a) Government of Nunavut**

The Government of Nunavut (the Government) operates under the authority of Canada's *Nunavut Act*. The Government has an elected Legislative Assembly which authorizes disbursements, advances, loans and investments, except those specifically authorized by statute.

(b) Main Estimates

The 2019-2020 Main Estimates were tabled in the Legislative Assembly in May 2019 and represent the Government's fiscal plan for the year (i.e., original budget). Summary information and totals for government's original budget for the year are provided on pages x through xiii of the 2019-2020 Main Estimates. Planned Vote 5 revenues and Vote 4 expenses represent the share of eligible costs to be funded under agreements with the Government of Canada or others, and while not part of the annual Appropriations (Operations and Maintenance) Act approved by the Legislative Assembly in May 2019, they are, along with those of revolving funds, included in the original budget totals disclosed in these financial statements.

2 SIGNIFICANT ACCOUNTING POLICIES**(a) Basis of accounting**

These non-consolidated financial statements are prepared in accordance with Canadian public sector accounting standards (PSAS), as issued by the Public Sector Accounting Board of Canada, with the exception that they are not consolidated and certain revenues are reported net of expenses (i.e., The petroleum products division and liquor revenues are reported net of their cost of goods sold).

Pursuant to Section 74 of the *Financial Administration Act*, the Government also prepares consolidated financial statements, which provide an accounting of the full nature and extent of the financial affairs and resources for which the Government is responsible. The consolidated reporting entity is defined in those statements.

(b) Reporting entity

These financial statements include the assets, liabilities and operating results of the Government's Consolidated Revenue Fund, including departments included in the Main Estimates, as well as the following revolving funds:

- Liquor Revolving Fund
- Petroleum Products Revolving Fund
- Public Stores Revolving Fund
- Student Loan Fund

Revolving funds are established by the Government to provide the required working capital to deliver goods and services to the general public and to Government departments.

The following public agencies are included in these non-consolidated financial statements only to the extent of the Government's contributions to and services received from or provided to them during the year:

- Territorial corporations
 - Nunavut Arctic College (NAC)
 - Nunavut Business Credit Corporation (NBCC)
 - Nunavut Development Corporation (NDC)
 - Nunavut Housing Corporation (NHC)
 - Qulliq Energy Corporation (QEC)

- Other public agencies
 - District Education Authorities
 - Human Rights Tribunal
 - Inuit Uqausinginnik Taiguusiliuqtiit
 - Labour Standards Board
 - Legal Services Board
 - Liquor Commission
 - Nunavut Liquor Licensing Board
 - Office of the Public Trustee
 - Qullit Nunavut Status of Women Council

Nunavut Lottery, which operates as a government business partnership, is recorded in these non-consolidated financial statements based on the contributions received during the year from the net results of lottery sales and activities in Nunavut.

The Workers' Safety and Compensation Commission (WSCC), which is responsible for the administration of related employer insurance premiums and employee benefit programs within Nunavut is not accounted for in these financial statements. Since the Government does not control or have access to the WSCC's assets or responsibility for its obligations, it is excluded from the Government's financial reporting entity.

GOVERNMENT OF NUNAVUT**PUBLIC ACCOUNTS****Notes to Non-Consolidated Financial Statements (unaudited)****March 31, 2020***(in thousands of dollars)*

2 SIGNIFICANT ACCOUNTING POLICIES (continued)**(c) Use of estimates and measurement uncertainty**

The preparation of financial statements in accordance with Canadian PSAS requires government management to make estimates and assumptions that affect the amounts of assets, liabilities, revenues and expenses reported in the financial statements. By their nature, these estimates and assumptions are subject to measurement uncertainty. The effect on the financial statements of changes to such estimates and assumptions in future periods could be significant, although, at the time of preparation of these financial statements, management believes the estimates and assumptions to be reasonable. The more significant areas where estimates and assumptions have been used to prepare these financial statements include:

(i) Income tax revenues collected by the Government of Canada on the Government's behalf.

(ii) Allowance for doubtful accounts, loan valuation allowances, provision for losses on loan guarantees, valuation of inventories for resale and use, valuation of portfolio and other investments, useful life of tangible capital assets, liability for contaminated sites, contingencies and other employee benefit liabilities.

(d) Cash and cash equivalents

Cash and cash equivalents are comprised of bank account balances, net of outstanding cheques, and short term highly liquid investments that are readily convertible to cash with a maturity term of 3 months or less from the time of their acquisition. Cash equivalents are recorded at cost.

(e) Inventories

Inventories for resale include bulk fuel and liquor products. Bulk fuel is valued at the lower of weighted average cost or net realizable value. Liquor products are valued at the lower of cost or net realizable value on a first-in, first-out basis. Inventory for use includes health and medical supplies valued at the lower of cost or replacement cost, with the cost being determined on a first-in, first-out basis.

(f) Loans receivable

Loans receivable are valued at the lower of cost or net recoverable value. Based on the circumstances known at the date the financial statements are prepared, including past events and current conditions, valuation allowances are recorded when collection is considered doubtful or when the value of a loan receivable is impaired. Interest revenue is recorded on an accrual basis when the collectability of both principal and interest are reasonably assured. An uncollectible or impaired loan receivable balance can be written off only upon receipt of required statutory approvals.

(g) Tangible capital and leased assets

Tangible capital assets are non-financial assets whose useful life exceeds one fiscal year and are intended to be used on an ongoing basis for delivering government services. They may include such diverse items as buildings, vehicles, equipment, aircraft and computer hardware and software systems.

Tangible capital assets are recorded at cost or, where actual cost is not available, estimated current replacement cost is used. Costs include contracted services, materials and supplies, direct labour, attributable overhead costs and directly attributable interest. Capitalization of interest ceases when a tangible capital asset is ready for use in producing goods or delivering services. Gifted or contributed tangible capital assets are recorded at fair market value upon receipt, or a nominal value if fair value is not available.

Leased assets that meet the definition of a tangible capital asset, except that they are held under lease by the Government, are capitalized and reported as such if, in substance, their terms and conditions transfer substantially all of the benefits and risks of ownership to the Government. Legal ownership may not necessarily have been transferred. The lease liability and corresponding asset are recorded based on the present value of payments due over the course of the lease. The present value is based on the lower of the rate implicit in the lease or the Government's incremental borrowing rate at the time the obligation is incurred.

Tangible capital assets, when placed into service, are amortized over their useful lives using the straight line method. When assets are leased, the amortization rate will be based on the lesser of the lease terms or the useful lives of the leased assets. The following amortization rates are being used:

Asset Category	Amortization Period
Buildings	30 years
Leased Buildings	30 years
Infrastructure	30 years
Tank Farms	30 years
Storage Facilities	30 years
Equipment	5-30 years
Land	Not amortized

When conditions indicate that a tangible capital asset no longer contributes to the Government's ability to provide goods and services, or that the value of future economic benefits associated with the tangible capital asset is less than its net book value, the cost of the tangible capital asset is reduced to reflect the decline in the asset's value.

In the year a tangible capital asset is acquired or put into service, amortization is taken for the full year. Tangible capital assets under construction or development are recorded as work in progress with no amortization taken until the year the asset is placed into service.

Assets acquired by right, such as Crown lands, water and mineral resources, are not recorded in the financial statements. The cost of works of art and museum collections consisting mainly of paintings, sculptures, drawings, prints and photographs are charged to expense in the year they are acquired.

**GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS**

Notes to Non-Consolidated Financial Statements (unaudited)

March 31, 2020

(in thousands of dollars)

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Pension and other employee benefits

Pension benefits

Substantially all of the employees of the Government of Nunavut are covered by the public service pension plan (the "Plan"), a defined benefit plan established through legislation and sponsored by the Government of Canada. Contributions are required by both the employees and the Government of Nunavut to cover current service costs. Pursuant to legislation currently in place, the Government of Nunavut has no legal or constructive obligation to pay further contributions with respect to any past service or funding deficiencies of the Plan. Consequently, the Government of Nunavut's contributions are recognized as an expense in the year when employees have rendered service and represent the total pension obligation of the Government of Nunavut.

In addition, the Government provides two different pension benefits to Members of the Legislative Assembly. The costs and obligations of the Government for these pension plan benefits are estimated on an actuarial basis. When actual experience varies from estimates, or when actuarial assumptions change, actuarial gains or losses arise. These gains and losses are not recognized immediately but rather over the estimated average remaining service lives of the contributors. Recognition of actuarial gains and losses commences in the year following the effective date of the related actuarial valuations. In addition, upon a plan amendment, curtailment or settlement, previously unrecognized net actuarial gain or loss balances will require immediate recognition.

Other employee benefits

Under the terms and conditions of employment, Government employees may earn severance and removal benefits based on years of service. These benefits are paid upon resignation, retirement or death of the employee. Further, employees, upon retirement, are entitled to enroll in health and dental benefit programs, the cost of which are cost-shared by government. The estimated liability and related expenses for these benefit programs are recorded as employees earn them. Actuarial valuation estimates of the government's obligations and related costs for each of these benefit programs have been prepared using data provided by management and assumptions based on management's best estimates. Termination benefits are recorded when employees are identified for lay-off.

The Government's employees are entitled to sick leave under their terms of employment. Included in other employee benefits is an amount for employees who are permitted to accumulate unused sick leave. However, such entitlements do not vest and can be used only in the event of illness. The amount of accumulated sick leave entitlements which are expected to be used in future years is determined by an actuarial valuation and has been recorded in these financial statements.

(i) Revenues

Unless otherwise stated, all revenues are recognized and reported on an accrual basis in the period in which transactions or events give rise to the revenues. Specific revenue accounting policies are as follows:

Transfers from the Government of Canada

Transfers from the Government of Canada are recognized as revenue when the funding is authorized and any eligibility criteria are met, except to the extent that funding stipulations give rise to an obligation that meets the definition of a liability and is recorded as deferred revenue.

Taxes

Tax revenues are recognized in the period in which the taxable event occurs and when they are authorized by legislation or the ability to assess and collect the tax has been provided through legislative convention. Income tax is calculated net of tax deductions and credits allowed under the *Income Tax Act*. If an expense provides a financial benefit other than a relief of taxes, it is classified as a transfer made through the tax system. If an expense provides tax relief to a taxpayer and relates to revenue, this expense is considered a tax concession and is netted against tax revenues. Tax concessions transferred to taxpayers include the Nunavut child benefit, the cost of living tax credit and the business training tax credit. Taxes, under the *Income Tax Act*, are administered by the Government of Canada on behalf of the Government of Nunavut under a tax collection agreement and are remitted to the Government. The remittances are based on the Government of Canada's estimates for the taxation year, which are periodically adjusted until the income tax assessments for the year are finalized. These income tax adjustments are accounted for in the year known.

Fuel, tobacco, and payroll taxes are levied under the authority of the *Petroleum Products Tax Act*, the *Tobacco Tax Act* and the *Payroll Tax Act*, respectively. Revenues are recognized on an accrual basis based on the statements received from collectors or employers. Adjustments from reassessments are recorded in revenue in the year they are identified. Tobacco tax commission on tobacco tax revenue provides a financial benefit other than relief of taxes and is recorded as an expense.

Property taxes are assessed on a calendar year basis and are recorded on an accrual basis in the fiscal year.

Other taxes are accrued based on information provided by those parties which collect tax on the Government's behalf.

Recoveries of prior years expenditures

Recoveries of prior years expenditures, including reversals of prior years expenditure over-accruals, are reported separately from other revenues on the statement of operations. Pursuant to the subsection 36(9) of the *Financial Administration Act*, these recoveries cannot be used to increase the amount appropriated for current year expenditures.

(j) Expenses

Expenses are recorded on an accrual basis when goods are received or services are rendered.

Grants and contributions are recognized as expenses provided that the transfer is authorized and all eligibility criteria have been met by the recipient. Grants and contributions include transfer payments to individuals, municipalities and other organizations under government funding arrangements. Payments to individuals include payments for children's benefits, income support or income supplement. These payments are based on age, family status, income, and employment criteria. Other grants and contributions are provided to conduct research, to establish new jobs through support for training and to promote educational, health and cultural activities.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Contingencies

The contingencies of the Government are potential liabilities which may become actual liabilities when one or more future events occur or fail to occur. If the future event is likely to occur or fail to occur and is quantifiable, an estimated liability is accrued as part of accounts payable and accrued liabilities. If the likelihood is not determinable or the amount cannot be reasonably estimated, the contingency is disclosed in the notes to the financial statements and no liability is accrued. Contingent liabilities result from potential environmental contingencies or pending litigation and like items.

(l) Contaminated sites

Contaminated sites are the result of contamination being introduced into air, soil, water or sediment in concentrations that exceeds the maximum acceptable amounts under an environmental standard.

A liability for remediation of a contaminated site is recognized when all of the following criteria are met:

- an environmental standard exists;
- contamination exceeds the environmental standard;
- the Government is directly responsible or accepts responsibility;
- it is expected that future economic benefits will be given up; and
- a reasonable estimate of the amount can be made.

The liability for contaminated sites reflects government management's best estimate of the amount required to remediate sites to the current minimum standard for its use prior to the contamination.

The liability is recognized net of any expected recoveries and includes all costs directly attributable to remediation activities including post remediation operations, maintenance and monitoring.

The liability is adjusted each year for the passage of time, new obligations, changes in management estimates and actual costs incurred.

If the likelihood of a future event that would confirm the Government's responsibility is not determinable, a contingent liability is disclosed in the notes to the financial statements.

(m) Related party transactions

Inter-entity transactions

Inter-entity transactions are transactions between commonly controlled entities. Inter-entity transactions, other than restructuring transactions, are recorded on a gross basis and are measured at the carrying amount, except the following:

- i) Inter-entity transactions are measured at the exchange amount when undertaken on similar terms and conditions to those adopted if the entities were dealing at arm's length, or where cost provided are recovered.
- ii) Goods or services received without charge between commonly controlled entities, when used in the normal course of the Government's operations and would otherwise have been purchased, are recorded as revenues and expenses at their carrying amount.

Related party transactions

Related parties include key management personnel having authority and responsibility for planning, directing and controlling the activities of the Government, as well as close family members of key management personnel, defined as Members of the Legislative Assembly, Board Members, Ministers and Deputy Ministers, and entities that are controlled or significantly influenced by key management personnel or their close family.

Related party transactions are recorded at the exchange amount and are in the normal course of business completed under normal trade terms.

(n) Services provided without charge

The Government of Nunavut receives audit services at no charge from the Office of the Auditor General of Canada. That Office's costs for these services have not been recorded in these financial statements.

**GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS**

Notes to Non-Consolidated Financial Statements (unaudited)

March 31, 2020

(in thousands of dollars)

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(o) Future changes in accounting standards

A number of new and amended standards issued by the Public Sector Accounting Board of Canada are not yet effective and have not been applied in preparing these financial statements. The Government plans to adopt these new and amended standards on their effective dates and is currently assessing the impact they will have on its financial statements. The following standards for governments will become effective as follows:

PS 2601 Foreign Currency Translation (effective April 1, 2022), replaces PS 2600 with revised guidance on the recognition, presentation and disclosure of transactions and balances that are denominated in a foreign currency.

PS 3450 Financial Instruments (effective April 1, 2022), a new standard establishing guidance on the recognition, measurement, presentation and disclosure of financial instruments, including derivatives.

PS 1201 Financial Statement Presentation (effective in the period PS 3450 and PS 2601 are adopted), replaces PS 1200 with revised general reporting principles and standards of presentation and disclosure for government financial statements.

PS 3041 Portfolio Investments (effective in the period PS 3450, PS 2601 and PS 1201 are adopted), replaces PS 3040 with revised guidance on accounting for, and presentation and disclosure of, portfolio investments.

PS 3280 Asset Retirement Obligations (effective April 1, 2022), replaces PS 3270, with revised guidance on accounting for, and presentation and disclosure of, asset retirement obligations.

PS 3400 Revenue (effective April 1, 2023), a new section establishing standards on how to account for and report on revenue, differentiating between revenue arising from transactions that include performance obligations and transactions that do not have performance obligations.

3 CASH AND CASH EQUIVALENTS

	2020	2019
Cash	604,270	609,575

During the year, government earned interest of prime less 1.65% on its net bank balances (2019 - prime less 1.65%).

4 DUE FROM THE GOVERNMENT OF CANADA

	2020	2019
Grant receivable:		
From the Government of Canada (Schedule A)	1,641,713	1,578,812
Less: Payments received	(1,641,713)	(1,578,812)
	-	-
Balance of grant receivable, beginning of the year	-	-
Balance of grant receivable, end of the year	-	-
Other receivables:		
Other receivables from the Government of Canada	127,268	98,582
	127,268	98,582

The amounts due from the Government of Canada are non-interest bearing. The carrying amounts approximate fair market value because of the short term to maturity.

5 ACCOUNTS RECEIVABLE

	2020	2019
Receivable by funds		
Consolidated Revenue Fund	59,495	66,456
Petroleum Products Revolving Fund	91,678	68,861
Public Stores Revolving Fund	236	61
Liquor Revolving Fund	77	22
	151,486	135,400
Less: Allowance for doubtful accounts	(32,419)	(30,335)
	119,067	105,065
Receivable by relation with the creditors		
Nunavut Arctic College	7,460	5,742
District Education Authorities	2,375	2,365
Nunavut Business Credit Corporation	240	163
Nunavut Development Corporation	5	9
Nunavut Housing Corporation	19,449	18,907
Qulliq Energy Corporation	22,764	16,316
Receivable from related parties	52,293	43,502
	99,193	91,898
Other accounts receivable	151,486	135,400
Less: Allowance for doubtful accounts	(32,419)	(30,335)
	119,067	105,065

**GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS**

Notes to Non-Consolidated Financial Statements (unaudited)

March 31, 2020

(in thousands of dollars)

6 INVENTORIES	2020	2019
(a) For resale		
Bulk fuels	235,762	154,895
Liquor products	2,510	3,149
	<u>238,272</u>	<u>158,044</u>

The recovery for bulk fuels inventory for 2020 was \$821 (2019 - \$699 write-down).

(b) For use		
Health and medical supplies	3,680	3,503

7 LOANS RECEIVABLE	2020	2019
Working Capital advances to the Nunavut Business Credit Corporation. The term is indeterminate with the option to repay any portion of the principal on any interest payment date. Interest is calculated at selected Government of Canada three year benchmark bond yields ranging between .50% and 1.72% (2019 - 1.54% and 2.34%) at the end of the month, compounded annually.		
	14,222	18,392
Student Loan Fund loans, bearing interest between 0.0% and 12.5% (2019 - 0.0% and 12.5%), net of doubtful accounts and valuation allowances of \$5,513 (2019 - \$5,319).		
	1,838	1,773
Other, net of valuation allowances of \$64 (2019 - \$64).		
	-	-
	<u>16,060</u>	<u>20,165</u>

8 PORTFOLIO AND OTHER INVESTMENTS			2020	2019
	Effective Rate of Return	Term to Maturity	Carrying Value	Carrying Value
Portfolio investments				
Guaranteed Investment Certificate	1.98%	60 days	50,000	50,000
			<u>50,000</u>	<u>50,000</u>
Other investments				
SRAF designated investments			21,032	19,677
			<u>71,032</u>	<u>69,677</u>

The market value of the portfolio investments at March 31, 2020 was \$50,000.

The Supplementary Retiring Allowances Fund of the Legislative Assembly (SRAF) designated investments represent funds set aside within the Consolidated Revenue Fund for use in meeting SRAF benefit obligations. The investments are managed by a third party. The Statement of Investment Policy establishes the eligible classes of securities, categories of issuers, limits and terms. The market value of SRAF investments at March 31, 2020 was \$20,548 (2019 - \$21,719) with a negative return of 6.00% (2019 - positive return of 4.52%).

9 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES	2020	2019
To related parties		
Nunavut Arctic College	1,979	1,266
District Education Authorities	1,837	903
Nunavut Business Credit Corporation	2	63
Nunavut Development Corporation	88	44
Nunavut Housing Corporation	1,142	422
Qulliq Energy Corporation	14,972	6,282
	<u>20,020</u>	<u>8,980</u>
To others		
Accounts payable	126,582	125,032
Accrued liabilities, payroll deductions, and contractor holdbacks	201,280	133,260
Vacation pay and lieu time	36,941	34,783
Due to the Government of Canada	30,867	32,226
Due to the Government of the Northwest Territories	1,099	4,597
	<u>396,769</u>	<u>329,898</u>
	<u>416,789</u>	<u>338,878</u>

All amounts above are non-interest bearing.

**GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS**

Notes to Non-Consolidated Financial Statements (unaudited)

March 31, 2020

(in thousands of dollars)

10 DEFERRED REVENUES

	Balance April 1, 2019	Receipts during the year	Interest earned	Transfer to revenue	Balance March 31, 2020
Provincial-Territorial Base Funding (Building Canada Fund)	4,212	-	83	(899)	3,396
Gas Tax Agreement	47,710	33,018	1,440	(14,452)	67,716
Nunavut Land Claim	32,756	10,625	-	(7,610)	35,771
Other deferred revenue	10,375	21,552	-	(13,477)	18,450
	<u>95,053</u>	<u>65,195</u>	<u>1,523</u>	<u>(36,438)</u>	<u>125,333</u>

The deferred revenue balance at March 31 includes mostly funding for eligible capital infrastructure projects and specific programs received from the Government of Canada under formal contribution or other agreements. In 2020-21 and beyond, as the government fulfills its obligations from purpose or other stipulations for the use of these funds the associated revenue will be recognized in its non-consolidated financial statements.

11 LIABILITY FOR CONTAMINATED SITES

	2020	2019
Liabilities for remediation of contaminated sites (undiscounted)	8,154	8,154

The Government's activities are subject to various federal and territorial laws and regulations, such as the Environmental Protection Act of Nunavut and the Environmental Guideline for Contaminated Site Remediation - 2010, governing the protection of the environment or to minimize any adverse impact thereon. The Government conducts its operations so as to protect public health and the environment and believes its operations are in compliance with all applicable laws and regulations.

The Government recognizes that there are costs related to the remediation of environmentally contaminated sites for which it is responsible. As of March 31, 2020, there were 6 sites (2019 - 6) - 2 storage tank farms (2019 - 2) and 4 waste sites - (2019 - 4), identified as requiring environmental remediation. For those sites where the Government of Nunavut expects to give up future economic benefits due to a legal order or plans to remediate contamination (e.g., due to the risk to human health), and is responsible or has accepted responsibility for remediation, and a reasonable estimate can be determined for remediation costs, a liability has been recorded in these financial statements. Where remediation costs have been estimated and a liability has been recorded the methodology used to estimate the liability is either based on third party analyses or extrapolated from costs previously incurred to remediate, monitor, or manage sites of similar size and contamination.

The Government has identified an additional 71 (2019 - 71) sites on Commissioner's land for which liabilities for contamination may exist for assessment, remediation and monitoring. The activities associated with these sites are classified as follows:

	2020	2019
Storage tank farms	25	25
Power plants	27	27
Town and waste sites	11	11
Garages and other public works	5	5
Airports	2	2
Quarries	1	1
	<u>71</u>	<u>71</u>

The Government acquired ownership of sites and activities associated with airports, tank farms and power plants on creation of the Territory on April 1, 1999. The contamination of certain sites occurred when other parties were responsible for the use of and/or held tenure to the sites. The Government has estimated that remediation of contamination at 14 storage tank farm sites and 27 power plant sites (2019 - 14 and 27) would cost approximately \$9,700 and \$40,000 (2019 - \$9,700 and \$40,000), respectively. In addition, the Government has estimated that remediation at the other sites could cost between \$65,000 - \$136,000 (2019 - \$65,000 - \$136,000) depending on the approach taken. No liability for remediation of these 71 (2019 - 71) sites has been recognized in these financial statements as the Government does not expect to give up any future economic benefits (i.e. no legal requirement to remediate). Going forward, a liability for remediation of these or other identified sites will be recognized if future economic benefits will be given up (i.e. public health risk or legal requirement).

Most storage tank farms and power plants are monitored on a regular basis to ensure the containment of the identified contaminants. For the other Government of Nunavut's operations and/or sites, there is no ongoing monitoring program in place, but plans for one are to be developed in the future.

In addition, the Government has identified 145 (2019 - 144) sites where garages, public works facilities, quarries, sewage disposal/treatment and solid waste sites and activities are generally located and conducted within municipal boundaries and governed by municipal legislation. Contamination at these sites and activities within municipal boundaries and jurisdiction are the responsibility of municipalities to monitor and remediate if necessary.

**GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS**

Notes to Non-Consolidated Financial Statements (unaudited)

March 31, 2020

(in thousands of dollars)

12 LIABILITIES FOR PENSION AND OTHER EMPLOYEE BENEFITS

There are separate pension arrangements in place to provide retirement benefits to government employees and to Members of the Legislative Assembly (MLAs). In addition to pension benefits, the government provides severance, removal and sick leave benefits to employees as well as retirement health benefits. These non-pension benefit arrangements are not prefunded and thus have no assets set aside to fund them, resulting in deficiencies for the arrangements equal to the accrued benefit liabilities, which are estimated actuarially using information and assumptions approved by management. As of March 31, the liabilities for pensions and other employee benefit arrangements were as follows:

	2020	2019
Pension Benefits		
Pension plans for MLAs	18,350	16,687
Total pension benefits	18,350	16,687
Other Employee Benefits		
Severance and removal	26,208	21,350
Retirement health benefits	31,801	26,007
Sick leave	10,499	10,638
Total other employee benefits	68,508	57,995
Total pension and other employee benefits	86,858	74,682

Public Service Pension Plan

Substantially all of the employees of the Government of Nunavut are covered by the public service pension plan (the "Plan"), a defined benefit plan established through legislation and sponsored by the Government of Canada. The Government of Canada holds a statutory obligation for the payment of benefits relating to the Plan. Pension benefits generally accrue up to a maximum period of 35 years at an annual rate of 2 percent of pensionable service times the average of the best five consecutive years of earnings. The benefits are coordinated with Canada/Québec Pension Plan benefits and they are indexed to inflation. Contributions are required by both the employees and the Government of Nunavut. The President of the Treasury Board of Canada sets the required employer contributions based on a multiple of the employees' required contribution. The contribution rate effective at March 31, 2020 was 1.01 times (2019 - 1.01 times) for members enrolled before January 1, 2013, and 1.0 times (2019 - 1.0 times) for members enrolled beginning January 1, 2013. Total employer contributions of \$33,814 (2019 - \$33,770) were recognized as expense in the current year. Total employee contributions were \$33,696 (2019 - \$33,649).

Legislative Assembly Retiring Allowances Plans

The Government sponsors two defined benefit pension plans for Members of the Legislative Assembly (MLAs). Both plans are administered by the Management and Services Board of the Legislative Assembly. The plans provide pensions based on length of service and final average earnings. They provide inflation protection based on increases in the Consumer Price Index.

The first plan is the Legislative Assembly Retiring Allowances Fund (LARAF), a registered and contributory defined benefit pension plan established under the *Legislative Assembly Retiring Allowances Act*. The Office of the Legislative Assembly operates a separate pension fund in trust to administer LARAF contributions and allowances. The fund came into effect on April 1, 1999.

The second plan is the Supplementary Retiring Allowances Fund (SRAF), a voluntary non-registered, non-contributory defined benefit pension plan established under the *Supplementary Retiring Allowances Act* for MLAs who elect to participate. Payments and expenses related to the SRAF are paid from the Government's Consolidated Revenue Fund. This plan came into effect during the 2001-02 fiscal year, and provides for benefits retroactive to April 1, 1999.

Retirement benefits are payable to a MLA based on a percentage of the average best earnings over four consecutive years as a MLA and as a Minister, Speaker or Chairperson (if applicable) multiplied by credited service as a MLA and for each of the three positions (if applicable). A position must be held for at least one year, and the pension for each position is calculated separately. The percentages used to calculate retirement benefits are 2% for the LARAF and 3% for the SRAF.

The normal retirement age under both of these plans is the earliest of: (a) age 60; (b) 30 years of service; or (c) age plus service equals 80. A MLA may retire at any time upon ceasing to be a MLA. Early retirement results in a pension reduction of 0.25% for each month a MLA retires before the normal retirement age. The late retirement age for MLAs is up to age 69.

There have been no plan amendments, plan settlements and curtailments or temporary deviations from these plans in 2020 (no changes in 2019).

Actuarial valuations were completed for these plans as of April 1, 2018. The valuations were performed using the projected unit credit actuarial cost method. The valuations were based on a number of assumptions as approved by the Management and Services Board of the Legislative Assembly and represents the best estimates of expected long-term experience and short-term forecast, as well as the demographic assumptions underlying the most recent actuarial valuations for funding purposes. The main assumptions include inflation rate of 2.0% (2019 - 2.0%), discount rate of 3.75% (2019 - 3.3%), return on assets of 5.3% (2019 - 4.8%), increases in remuneration of 3.0% (2019 - 3.0%), and mortality.

The asset valuation method, market-related value, for the LARAF plan is equal to a smoothed market value which spreads the difference between the actual and expected investment income over a four year period. The effective date of the next actuarial valuations for these plans is April 1, 2020.

The pension liabilities represent the excess of the actuarial present value of accrued pension benefits over the actuarial value of net assets available for benefits.

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12 LIABILITIES FOR PENSION AND OTHER EMPLOYEE BENEFITS (continued)

Based on information provided for the year by the plans' actuary, the MLA pension liabilities as of March 31 are as follows:

	LARAF	SRAF	2020	2019
Accrued benefit obligation	13,552	19,696	33,248	30,397
Deduct:				
Pension fund assets	15,200	-	15,200	14,332
Unamortized actuarial gains	(68)	(234)	(302)	(622)
	15,132	(234)	14,898	13,710
Pension (asset) liability	(1,580)	19,930	18,350	16,687

As at March 31, 2020, the LARAF pension fund assets had a market value of \$13,818 (2019 - \$16,227). The actual rate of return was negative 7.13% (2019 - positive 5.19%). The SRAF has no pension fund assets; however, the pension liability is funded all or in part by designated investments (Note 8).

LARAF and SRAF actuarial gains/losses are both amortized over 5 years (2019 - 6.0 for both) which is the estimated average remaining service lives for contributors to these plans.

The total expenses related to MLA pensions include the following components:

	LARAF	SRAF	2020	2019
Current period benefit cost	1,218	1,885	3,103	3,167
Amortization of actuarial gains	(40)	(64)	(104)	(991)
	1,178	1,821	2,999	2,176
MLAs contributions	(277)	-	(277)	(248)
Pension expense	901	1,821	2,722	1,928
Interest cost on the average accrued benefit obligation	444	641	1,085	1,067
Expected return on average pension plan assets	(779)	-	(779)	(646)
Pension interest expense	(335)	641	306	421
Total pension expenses	566	2,462	3,028	2,349

Pension benefits paid for the LARAF and SRAF were \$356 and \$908, respectively (2019 - \$329 and \$1,065, respectively).

The Government's contributions related to the LARAF and SRAF during the year were \$457 and \$1,081, respectively (2019 - \$924 and \$1,739, respectively).

The total expenses related to other employee benefits include the following components:

	Severance and removal	Sick leave	Retirement health benefits	2020	2019
Benefit earned for the period	1,905	1,868	1,797	5,570	5,348
Actuarial (gains) losses on benefit obligation	-	-	3,700	3,700	1,726
Amortization of net actuarial gains/(losses) recognized during the year	5,851	(1,137)	(35)	4,679	1,334
Other employee benefits expense	7,756	731	5,462	13,949	8,408
Interest cost on the average accrued benefit	611	(363)	1,378	1,626	2,341
Total expense related to other employee benefits	8,367	368	6,840	15,575	10,749

13 MORTGAGE PAYABLE

	2020	2019
Mortgage payable in annual instalments to the year 2020, bearing interest at a rate of 6.9% compounded semi-annually.	-	830

Interest expense on the mortgage payable was \$38 for the year (2019 - \$79). The interest paid on the mortgage payable during the year was \$42 (2019 - \$74).

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(in thousands of dollars)

14 LIABILITY FOR IQUALUIT INTERNATIONAL AIRPORT

In September 2013, the Government signed agreements as part of a public-private partnership (P3) arrangement to design, build, finance, operate and maintain new and updated infrastructure at the Iqaluit International Airport. The airport officially opened and began operations on August 9, 2017. The estimated cost of the project was \$305,376. The actual cost incurred by the private partnership was \$298,430. The capital costs of the arrangement was partially funded by the Government of Canada. The Government of Nunavut received \$74,160 from the Government of Canada during 2017-18.

	2020	2019
Loan payable in monthly instalments of \$1,069 to December 2047, bearing interest at a rate of 7.23%.	153,467	155,138

Interest expense on long term debt relating to the Iqaluit International Airport was \$11,159 for the year (2019 - \$11,275). The interest paid during the year was \$11,159 (2019 - \$11,275).

Principal and interest amounts due in each of the next five fiscal years and thereafter on the liability are as follows:

	Principal	Interest	Total
2021	1,795	11,035	12,830
2022	1,929	10,900	12,829
2023	2,074	10,756	12,830
2024	2,229	10,601	12,830
2025	2,395	10,435	12,830
2026 and beyond	143,045	148,832	291,877
	153,467	202,559	356,026

15 CAPITAL LEASE OBLIGATIONS

Capital lease obligations are based upon contractual minimum lease payments for leases in effect as of March 31. The original capital leases, with terms of 20 years, are due to expire between 2019 and 2020. On July 1, 2017, the Government entered into lease amending and extension agreements with the lessor that extended the original terms by another 10 years.

	2020	2019
Total minimum lease payments	69,783	84,241
Less: Imputed interest	(7,515)	(9,531)
Present value of minimum lease payments	62,268	74,710

Minimum lease payments, including principal and interest, for each of the next 5 years and thereafter are as follows:

	Principal	Interest	Total
2021	6,306	1,557	7,863
2022	6,493	1,370	7,863
2023	6,687	1,176	7,863
2024	6,332	990	7,322
2025	6,504	818	7,322
2026 and beyond	29,946	1,604	31,550
	62,268	7,515	69,783

Lease payments are allocated between repayment of the liability and interest expense. The total minimum lease payments less the initial liability represents the total interest cost of the lease. The interest expense is calculated using the same discount rate used in computing the present value of the minimum lease payments applied to the outstanding lease liability at the beginning of the lease payment period.

Interest expense related to capital lease obligations for the year was \$1,940 (2019 - \$2,659) at an implied average interest rate of 2.6% (2019 - 3.0%). Interest paid for the year was \$1,940 (2019 - \$2,659). The capital lease obligations expire between 2020 and 2030.

**GOVERNMENT OF NUNAVUT
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Notes to Non-Consolidated Financial Statements (unaudited)

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(in thousands of dollars)

16 LIABILITY FOR NUNAVUT ENERGY MANAGEMENT PROGRAM PROJECT

	2020	2019
Project financing payable - Baffin	2,635	3,695
Project financing payable - Kivalliq	12,369	2,178
	<u>15,004</u>	<u>5,873</u>

Under the Nunavut Energy Management Program Project - Baffin region, the Government has entered into an energy savings contract arrangement that included an ongoing responsibility for making all principal and interest payments associated with the third-party financing of costs of improvements under the project. Payments are due monthly at \$139 to 2019, \$95 to 2022 and \$21 to July 2023 at an average interest rate of 5.13%. Interest expense on the project for the year was \$183 (2019 - \$266). Interest paid during the year was \$183 (2019 - \$266).

Future payments for the Nunavut Energy Management Program Baffin Project, for each of the next 5 years and thereafter are as follows:

	Principal	Interest	Total
2021	1,059	123	1,182
2022	1,079	62	1,141
2023	402	13	415
2024	95	1	96
	<u>2,635</u>	<u>199</u>	<u>2,834</u>

The Nunavut Energy Management Program Project - Kivalliq region, is in the implementation phase and therefore, the future payments schedule is not determinable at this time. The Government has entered into a contract for \$24,258 that includes all principal and interest payments associated with the third-party financing of costs of improvements under the project. The project is expected to be completed by October 2020, at which time estimated monthly payments of \$124 will commence, at an average interest rate of 9.4%. Interest expense on the project for the year was \$228 (2019 - \$36). Interest paid during the year was \$nil (2019 - \$nil).

17 PETROLEUM PRODUCTS STABILIZATION FUND

The Petroleum Products Stabilization Fund was created under the authority of the *Revolving Funds Act*. The purpose of the Fund is to stabilize the prices of petroleum products purchased, sold, and distributed by the Government. The net profit (loss) of the Petroleum Products Revolving Fund is charged to the Petroleum Products Stabilization Fund. The surplus or deficit balance in the fund cannot exceed \$10,000.

	2020	2019
Surplus (deficit), beginning of year	6,573	8,796
Petroleum Products Revolving Fund net profit (loss) for the year	(11,680)	(2,223)
Minimum transfer required from (to) Consolidated Revenue Fund		
Surplus (deficit), end of year	<u>(5,107)</u>	<u>6,573</u>

18 CONTRACTUAL OBLIGATIONS

The Government has entered into agreements for, or is contractually obligated for, the following payments subsequent to March 31, 2020:

	Total
Operating leases (Schedule 5)	55,383
Capital commitments	119,192
Operational commitments	583,747
Policing agreement	550,128
Iqaluit International Airport Improvement commitments	655,013
	<u>1,963,463</u>

Contractual obligations by fiscal year are as follows:

2021	345,519
2022	233,316
2023	211,607
2024	143,521
2025	75,718
2026 and beyond	953,782
	<u>1,963,463</u>

In addition to the Capital commitments disclosed above, the Government is also contractually obligated for the Nunavut Energy Management Program - Kivalliq (Note 16). At March 31, 2020, \$12,369 is recorded as a liability of the total estimated contract costs of \$24,258. Payments will commence when the project is completed, estimated by October 2020.

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(in thousands of dollars)

19 CONTRACTUAL RIGHTS

The Government enters into various agreements to provide goods and services with various businesses and government agencies. These agreements will result in revenue and assets in the future. The following table summarizes the contractual rights of the Government where the terms of those agreements are met.

	Total
Canada Infrastructure Plan	566,762
Health Canada Agreements	170,267
New Building Canada Fund	224,150
Others / Third party agreements	101,133
	1,062,312
Contractual rights by fiscal year are as follows:	
2021	205,169
2022	192,518
2023	230,261
2024	149,815
2025	105,541
2026 and beyond	179,008
	1,062,312

20 CONTINGENCIES

(a) Post-division adjustments

The agreement governing the division of assets and liabilities between the Government of Nunavut and the Government of the Northwest Territories as at April 1, 1999 sets out a mechanism which provides for post-division adjustments.

The period for such adjustments is unlimited; and such adjustments could be made in a variety of specified circumstances such as the settlement of litigation related to events prior to the date of division. In such an event, there is an opportunity for one of the governments to file a claim against the other government to share in costs. Post-division adjustments will be recognized in the year the liability can reasonably be estimated. As at March 31, 2020, no new post-division adjustments were recorded.

(b) Litigation

A number of cases of alleged sexual abuse by former employees or contractors in Nunavut when it was part of the Northwest Territories have been filed or are pending. The Nunavut and the Northwest Territories governments will jointly defend any such proceedings and the cost of defending the actions and any damages that may eventually be awarded will be shared by the two governments 44.34% and 55.66%, respectively. Where it is likely that there will be a future payment and a reasonable estimate of the amount can be made, the Government has recorded a liability. For those pending cases, where the outcome is not determinable as at March 31 and a reasonable estimate of the amount can be made, the total amount of those claims is estimated at \$1,545 (2019 - \$1,545). No liability has been recorded for these claims as the outcome of these cases is not determinable.

There are a number of claims and threatened litigation cases outstanding against the Government for which the outcomes are not determinable, including a number of cases where an amount is not specified. The nature of these claims include wrongful dismissal, breach of policy, personal injury, sexual abuse, negligence, wrongful arrest and assault. Where it is likely that there will be a future payment and a reasonable estimate of the amount can be made, the Government has recorded a liability. For those pending cases, where the outcome is not determinable as at March 31 and a reasonable estimate of the amount can be made, the total amount of those claims is estimated at \$17,168 (2019 - \$17,168). No liability has been recorded for these claims as the outcome of these cases is not determinable.

(c) Loan guarantees

As part of its financing, the Qulliq Energy Corporation (QEC) has arranged various credit facilities at different terms and interest rates. The Government has guaranteed the following QEC credit facilities:

	2020	2019
Bank credit facility, interest at prime minus 0.50%	15,874	9,867
20 year redeemable amortizing debenture due September 2021, interest rate of 6.809%	21,787	25,795
Fixed rate capital loan facility due May 2021, interest rate of 4.24%	561	1,029
Fixed rate capital loan facility due May 2021, interest rate of 4.24%	726	1,320
Fixed rate capital loan facility due June 2021, interest rate of 4.24%	1,053	1,882
Fixed rate capital loan facility due February 2022, interest rate of 4.24%	3,312	3,523
Fixed rate capital loan facility due July 2021, interest rate of 4.24%	2,055	3,531
Variable rate capital loan facility due November 2022, interest at prime minus 0.50%	12,667	13,666
Variable rate capital loan facility due April 2024, interest at prime minus 0.50%	11,267	12,067
Variable rate capital loan facility due April 2030, interest at prime minus 0.50%	137,566	123,670
Total guarantees provided on balances outstanding	206,868	196,350

The QEC bank credit facility limit is \$30,000 (2019 - \$20,000). The non-revolving committed and bridge loan facilities above each has an option to utilize BAs with stamping fees calculated at 50 bps per annum with terms not less than 7 days and not more than 365 days and issued and reissued in minimum aggregate amounts of Canadian \$1,000 and multiples thereof.

Based on its operational needs, the Nunavut Development Corporation (NDC) may from time to time be in a bank overdraft position. The overdraft is guaranteed by the Government, and interest on the overdraft is charged based on a rate of prime plus 0.50% per annum. Interest is charged only when NDC's operating account is in an overdraft position and the pooled accounts of the Government are also in an overdraft position. As at March 31, 2020, NDC's bank overdraft position was \$ nil (2019 - \$nil).

**GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS****Notes to Non-Consolidated Financial Statements (unaudited)****March 31, 2020***(in thousands of dollars)*

21 RELATED PARTIES

Transactions with related parties and balances at year-end, not disclosed elsewhere in the financial statements, are disclosed in this note. During the year, the Government made grants and contributions to or funded other costs for the following related parties:

	2020	2019
Nunavut Arctic College	3,519	2,730
District Education Authorities	13,791	13,179
Nunavut Development Corporation	3,474	3,504
Nunavut Business Credit Corporation	700	700
	<hr/> 21,484	<hr/> 20,113

Under agreements with related boards and agencies, the Government provides services at cost or for a service fee where direct costs cannot be determined. The fees charged for indirect costs are not necessarily the cost of providing those services. Services provided include personnel, payroll, financial, procurement, accommodation, buildings and works, utilities, legal, and interpretation services. Direct costs of \$47,161 (2019 - \$47,018) were incurred and recovered from related parties. Grants and contributions from the Government of Nunavut to Nunavut Arctic College and Nunavut Housing Corporation are disclosed separately in the Schedule of Expenses Funded under Approved Appropriations (Schedule B.1).

22 TRUSTS UNDER ADMINISTRATION

The Government administers trust accounts on behalf of third parties, which are not included in the reported Government assets and liabilities.

	2020	2019
Public Trustee	6,897	5,366
Natural Resources Conservation Trust	1,307	1,055
Territorial Court Trust	742	737
	<hr/> 8,946	<hr/> 7,158

23 BUDGET ADJUSTMENTS

The 2020 total revenue budget on page xi of the 2019-20 Main Estimates is \$2,162,096. It includes \$1,961,457 of 'Revenues' and \$116,534 of 'Vote 5 Revenues' on page A-IV-4 of the 2019-20 Main Estimates, plus \$81,139 of funding under third-party agreements for specific capital projects included in Appendix IV of the 2019-2020 Capital Estimates. The planned expenses to be funded by these additional revenues have been added to the affected budget totals disclosed in these statements.

The 2020 budget total for capital expenditures on Schedule B.2 of \$76,849 excludes the \$4,290 of CMHC capital projects budgeted for Nunavut Housing Corporation as well as an unknown difference of \$2,966 included in the 2019-20 Main Estimates. As a result, the budget totals for expenses and transfers under third-party funding agreements included in these statements is \$193,383 versus \$200,639 on page x of the 2019-2020 Main Estimates. The third party funded Infrastructure Projects under the New Building Canada Fund are included in Community and Government Services.

24 COMPARATIVE INFORMATION

Certain comparative figures have been reclassified to conform to the current year's presentation.

25 COVID-19

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a global pandemic, which continues to spread in Canada and around the world. The Government is not aware of significant changes in its operations as a result of the COVID-19 crisis.

Subsequent to year end, the Government received an amount of \$36,000 from the Government of Canada to support it during the pandemic.

Due to the unpredictable nature and length of time of the spread of the disease, the Government is unable to estimate the potential impact of the pandemic on the Government's future operations and the measurement/valuation of assets and liabilities.

PUBLIC ACCOUNTS

Non-Consolidated Schedule of Revenues by Source (unaudited)

for the year ended March 31, 2020

(in thousands of dollars)

	2020 Budget	2020 Actual	2019 Actual
From the Government of Canada			
Territorial Formula Financing	1,641,700	1,641,713	1,578,812
Transfers under third-party funding agreements	193,383	190,582	202,080
Other transfer payments	95,800	99,627	97,621
	1,930,883	1,931,922	1,878,513
Revenues generated by the Government of Nunavut			
Taxation revenues			
Personal income tax	34,700	31,397	37,773
Corporate income tax	20,000	23,616	27,978
Payroll tax	31,800	35,272	32,314
Tobacco tax	25,300	22,581	22,599
Fuel tax	14,900	23,532	17,964
Property tax	7,000	8,384	7,768
Insurance tax	2,200	2,320	2,422
	135,900	147,102	148,818
Other revenues			
Petroleum Products Division revenue - net of cost of goods sold of \$170,555 (2019 - \$170,693)	22,551	19,969	26,308
Nunavut Liquor and Cannabis revenue - net of cost of goods sold of \$7,648 (2019 - \$7,175)	7,906	8,354	8,971
Staff housing recoveries	19,600	21,310	20,427
Transfers under third-party funding agreements	-	1,077	1,544
Other	25,000	38,166	36,774
	75,057	88,876	94,024
Recoveries of prior years expenditures (Schedule 1)	13,000	8,586	12,606
Total revenues (Note 23)	2,154,840	2,176,486	2,133,961

PUBLIC ACCOUNTS

Non-Consolidated Schedule of Expenses (unaudited)

for the year ended March 31, 2020

(in thousands of dollars)

TOTALS	Original Budget	Actual	(Over) Under Original Budget
FUNDED UNDER APPROVED APPROPRIATIONS (Schedule B.1)			
Operations and maintenance expenses before amortization	1,728,262	1,764,787	(36,525)
Plus: Amortization expenses on tangible capital assets	84,566	80,838	3,728
Plus: Write-down of tangible capital assets	-	3,008	(3,008)
Total operations and maintenance expenses	1,812,828	1,848,633	(35,805)
Capital expenditures	177,502	180,161	(2,659)
Less: Transfers to tangible capital assets	112,397	87,284	25,113
Total capital expenses	65,105	92,877	(27,772)
Total appropriation expenses	1,877,933	1,941,510	(63,577)
FUNDED UNDER THIRD-PARTY AGREEMENTS (Schedule B.2)			
Operations and maintenance expenses before amortization	116,534	123,481	(6,947)
Plus: Amortization expenses on tangible capital assets	-	-	-
Total operations and maintenance expenses	116,534	123,481	(6,947)
Capital expenditures	76,849	68,331	8,518
Less: Transfers to tangible capital assets	-	35,712	(35,712)
Total capital expenses	76,849	32,619	44,230
Total third-party agreement expenses	193,383	156,100	37,283
FUNDED BY REVOLVING FUNDS (Schedule B.3)			
Operations and maintenance expenses before amortization	40,232	39,275	957
Plus: Amortization expenses on tangible capital assets	-	-	-
Total operations and maintenance expenses	40,232	39,275	957
Capital expenditures	-	-	-
Less: Transfers to tangible capital assets	-	-	-
Total capital expenses	-	-	-
Total revolving fund expenses	40,232	39,275	957
NON-CONSOLIDATED STATEMENTS TOTALS			
Operations and maintenance expenses before amortization and write down of tangible capital assets	1,885,028	1,927,543	
Plus: Centrally estimated 'Supplementary requirements' per page x of 2019-20 Main Estimates	30,000	-	
Less: Capital portion of the estimated 'Supplementary requirements'	-	-	
Total operations and maintenance expenses before amortization and write down of tangible capital assets	1,915,028	1,927,543	(12,515)
Plus: Amortization expenses on tangible capital assets	84,566	80,838	3,728
Plus: Write-down of tangible capital assets	-	3,008	(3,008)
Total operations and maintenance expenses	1,999,594	2,011,389	(11,795)
Capital expenditures	254,351	248,492	
Plus: Centrally estimated capital carryovers from prior year included in 'Capital' on page x of 2019-20 Main Estimates	47,292	-	
Plus: Capital portion of the estimated 'Supplementary requirements'	-	-	
Total capital expenditures	301,643	248,492	53,151
Less: Transfers to tangible capital assets	112,397	122,996	(10,599)
Total capital expenses	189,246	125,496	63,750
Total expenses	2,188,840	2,136,885	51,955

Total expenses above includes, among other items, interest expense of \$13,582 (2019 - \$14,323) and a net increase in valuation allowances of \$2,814 (2019 - \$2,461).

Total capital expenditures above includes capital grants and contributions of \$97,297 (2019 - \$99,936).

PUBLIC ACCOUNTS

Non-Consolidated Schedule of Expenses Funded under Approved Appropriations (unaudited)

for the year ended March 31, 2020

(in thousands of dollars)

APPROPRIATIONS	Original Budget	Supplementary Appropriations	Transfers	Revised Budget	Actual	(Over) Under Revised Budget
LEGISLATIVE ASSEMBLY						
Operations and maintenance						
Compensation and benefits	13,239	-	-	13,239	13,662	(423)
Grants and contributions	-	-	-	-	-	-
Other	13,856	-	-	13,856	12,286	1,570
	27,095	-	-	27,095	25,948	1,147
Capital expenditures	1,380	-	-	1,380	1,357	23
Total spending under appropriations	28,475	-	-	28,475	27,305	1,170
EXECUTIVE AND INTERGOVERNMENTAL AFFAIRS						
Operations and maintenance						
Compensation and benefits	14,025	-	-	14,025	14,599	(574)
Grants and contributions	365	-	603	968	816	152
Other	4,674	-	(603)	4,071	3,592	479
	19,064	-	-	19,064	19,007	57
Capital expenditures	-	250	-	250	4	246
Total spending under appropriations	19,064	250	-	19,314	19,011	303
FINANCE						
Operations and maintenance						
Compensation and benefits	32,463	-	-	32,463	35,680	(3,217)
Grants and contributions	12,993	3,600	-	16,593	13,795	2,798
Other	40,907	-	-	40,907	40,379	528
	86,363	3,600	-	89,963	89,854	109
Capital expenditures	9,550	5,564	-	15,114	10,456	4,658
Total spending under appropriations	95,913	9,164	-	105,077	100,310	4,767
HUMAN RESOURCES						
Operations and maintenance						
Compensation and benefits	17,655	-	-	17,655	15,321	2,334
Grants and contributions	-	-	-	-	-	-
Other	9,044	-	-	9,044	6,701	2,343
	26,699	-	-	26,699	22,022	4,677
Capital expenditures	-	-	-	-	-	-
Total spending under appropriations	26,699	-	-	26,699	22,022	4,677
JUSTICE						
Operations and maintenance						
Compensation and benefits	48,858	3,250	(1,905)	50,203	52,052	(1,849)
Grants and contributions	14,149	-	-	14,149	14,091	58
Other	62,505	5,000	1,905	69,410	67,559	1,851
	125,512	8,250	-	133,762	133,702	60
Capital expenditures	3,900	7,892	-	11,792	9,321	2,471
Total spending under appropriations	129,412	16,142	-	145,554	143,023	2,531

PUBLIC ACCOUNTS

Non-Consolidated Schedule of Expenses Funded under Approved Appropriations (unaudited)

for the year ended March 31, 2020

(in thousands of dollars)

APPROPRIATIONS	Original Budget	Supple- mentary Appro- priations	Transfers	Revised Budget	Actual	(Over) Under Revised Budget
CULTURE AND HERITAGE						
Operations and maintenance						
Compensation and benefits	12,707	-	(305)	12,402	11,263	1,139
Grants and contributions	7,212	-	-	7,212	6,077	1,135
Other	6,886	-	305	7,191	7,022	169
	26,805	-	-	26,805	24,362	2,443
Capital expenditures	650	-	-	650	452	198
Total spending under appropriations	27,455	-	-	27,455	24,814	2,641
EDUCATION						
Operations and maintenance						
Compensation and benefits	167,482	-	-	167,482	171,331	(3,849)
Grants and contributions	25,957	-	175	26,132	25,133	999
Other	21,719	-	(175)	21,544	17,233	4,311
	215,158	-	-	215,158	213,697	1,461
Capital expenditures	20,080	17,647	-	37,727	24,615	13,112
Total spending under appropriations	235,238	17,647	-	252,885	238,312	14,573
HEALTH						
Operations and maintenance						
Compensation and benefits	144,084	18,000	-	162,084	157,386	4,698
Grants and contributions	8,250	-	-	8,250	6,858	1,392
Other	278,665	32,000	-	310,665	312,622	(1,957)
	430,999	50,000	-	480,999	476,866	4,133
Capital expenditures	35,650	8,735	-	44,385	31,040	13,345
Total spending under appropriations	466,649	58,735	-	525,384	507,906	17,478
ENVIRONMENT						
Operations and maintenance						
Compensation and benefits	16,525	-	(1,000)	15,525	15,661	(136)
Grants and contributions	2,078	-	625	2,703	2,470	233
Other	9,139	-	375	9,514	7,091	2,423
	27,742	-	-	27,742	25,222	2,520
Capital expenditures	2,250	2,039	-	4,289	2,021	2,268
Total spending under appropriations	29,992	2,039	-	32,031	27,243	4,788
COMMUNITY AND GOVERNMENT SERVICES						
Operations and maintenance						
Compensation and benefits	51,795	-	(1,140)	50,655	51,481	(826)
Grants and contributions	71,702	-	349	72,051	71,063	988
Other	132,150	544	791	133,485	131,589	1,896
	255,647	544	-	256,191	254,133	2,058
Capital expenditures	39,925	70,786	-	110,711	42,796	67,915
Total spending under appropriations	295,572	71,330	-	366,902	296,929	69,973

PUBLIC ACCOUNTS

Non-Consolidated Schedule of Expenses Funded under Approved Appropriations (unaudited)

for the year ended March 31, 2020

(in thousands of dollars)

APPROPRIATIONS	Original Budget	Supplementary Appropriations	Transfers	Revised Budget	Actual	(Over) Under Revised Budget
ECONOMIC DEVELOPMENT AND TRANSPORTATION						
Operations and maintenance						
Compensation and benefits	18,743	-	(3,785)	14,958	17,350	(2,392)
Grants and contributions	24,166	-	-	24,166	20,949	3,217
Other	44,190	-	3,785	47,975	47,328	647
	87,099	-	-	87,099	85,627	1,472
Capital expenditures	15,779	12,976	-	28,755	9,562	19,193
Total spending under appropriations	102,878	12,976	-	115,854	95,189	20,665
FAMILY SERVICES						
Operations and maintenance						
Compensation and benefits	30,785	-	-	30,785	32,477	(1,692)
Grants and contributions	72,788	1,835	1,435	76,058	71,199	4,859
Other	53,746	-	(1,435)	52,311	55,245	(2,934)
	157,319	1,835	-	159,154	158,921	233
Capital expenditures	1,200	3,329	-	4,529	1,399	3,130
Total spending under appropriations	158,519	5,164	-	163,683	160,320	3,363
NUNAVUT HOUSING CORPORATION						
Operations and maintenance						
Compensation and benefits	-	-	-	-	-	-
Grants and contributions	211,265	-	-	211,265	211,265	-
Other	-	-	-	-	-	-
	211,265	-	-	211,265	211,265	-
Capital expenditures	47,138	-	-	47,138	47,138	-
Total spending under appropriations	258,403	-	-	258,403	258,403	-
NUNAVUT ARCTIC COLLEGE						
Operations and maintenance						
Compensation and benefits	-	-	-	-	-	-
Grants and contributions	38,695	-	-	38,695	38,695	-
Other	-	-	-	-	-	-
	38,695	-	-	38,695	38,695	-
Capital expenditures	-	-	-	-	-	-
Total spending under appropriations	38,695	-	-	38,695	38,695	-
TOTALS						
Operations and maintenance						
Compensation and benefits	568,361	21,250	(8,135)	581,476	588,263	(6,787)
Grants and contributions	489,620	5,435	3,187	498,242	482,411	15,831
Other	677,481	37,544	4,948	719,973	708,647	11,326
	1,735,462	64,229	-	1,799,691	1,779,321	20,370
Less: Principal repayments on capital leases included in spending above	7,200	-	-	7,200	11,804	(4,604)
Less: Principal repayments on Nunavut Energy Management Program Project included in spending above	-	-	-	-	1,060	(1,060)
Less: Principal repayments on the Iqaluit International Airport included in spending above	-	-	-	-	1,670	(1,670)
Operations and maintenance expenses before amortization and write down of tangible capital assets	1,728,262	64,229	-	1,792,491	1,764,787	27,704
Plus: Amortization expenses on tangible capital assets	84,566	-	-	84,566	80,838	3,728
Plus: Write-down of tangible capital assets	-	-	-	-	3,008	(3,008)
Total operations and maintenance expenses	1,812,828	64,229	-	1,877,057	1,848,633	28,424
Capital expenditures	177,502	129,218	-	306,720	180,161	126,559
Less: Transfers to tangible capital assets	112,397	-	-	112,397	87,284	25,113
Total capital expenses	65,105	129,218	-	194,323	92,877	101,446
Total appropriation expenses	1,877,933	193,447	-	2,071,380	1,941,510	129,870

Total capital expenditures above includes capital grants and contributions of \$67,302 (2019 - \$71,918).

PUBLIC ACCOUNTS

Non-Consolidated Schedule of Expenses Funded under Third-Party Agreements (unaudited)

for the year ended March 31, 2020

(in thousands of dollars)

By Department	Original Budget	Actual	(Over) Under Original Budget
Legislative Assembly	-	-	-
Executive and Intergovernmental Affairs	7,272	1,136	6,136
Finance	-	562	(562)
Human Resources	-	1,618	(1,618)
Justice	3,729	4,432	(703)
Culture and Heritage	9,658	6,956	2,702
Education	6,751	4,378	2,373
Health	76,339	78,072	(1,733)
Environment	1,755	5,114	(3,359)
Community and Government Services	74,180	41,924	32,256
Economic Development and Transportation	6,911	5,652	1,259
Family Services	6,788	6,256	532
	193,383	156,100	37,283

By Category	Original Budget	Actual	(Over) Under Original Budget
Operations and maintenance			
Compensation and benefits	-	23,127	(23,127)
Grants and contributions	-	24,241	(24,241)
Other	116,534	76,113	40,421
Operations and maintenance expenses before amortization	116,534	123,481	(6,947)
<i>Plus: Amortization expenses on tangible capital assets</i>	-	-	-
Total operations and maintenance expenses	116,534	123,481	(6,947)
Capital expenditures	76,849	68,331	8,518
<i>Less: Transfers to tangible capital assets</i>	-	35,712	(35,712)
Total capital expenses	76,849	32,619	44,230
Total third-party agreement expenses	193,383	156,100	37,283

Total capital expenditures above includes capital grants and contributions of \$29,994 (2019 - \$28,019).

PUBLIC ACCOUNTS

Non-Consolidated Schedule of Expenses Funded by Revolving Funds (unaudited)

for the year ended March 31, 2020

(in thousands of dollars)

By Revolving Fund	Original Budget	Actual	(Over) Under Original Budget
Liquor	7,043	5,450	1,593
Petroleum Products	31,863	30,427	1,436
Public Stores	1,100	3,198	(2,098)
Student Loan	226	200	26
	40,232	39,275	957

By Category	Original Budget	Actual	(Over) Under Original Budget
Operations and maintenance			
Compensation and benefits	7,280	7,646	(366)
Grants and contributions	-	-	-
Other expenses	32,952	31,629	1,323
Operations and maintenance expenses before amortization	40,232	39,275	957
Plus: Amortization expenses on tangible capital assets (1)	-	-	-
Total operations and maintenance expenses	40,232	39,275	957
Capital expenditures	-	-	-
Less: Transfers to tangible capital assets	-	-	-
Total capital expenses	-	-	-
Total revolving fund expenses	40,232	39,275	957

(1) Petroleum Products amortization of \$1,222 (2019 - \$831) is included in the budget and actuals totals for Department of Community and Government Services on Sch. B.1.

PUBLIC ACCOUNTS

Non-Consolidated Schedule of Tangible Capital Assets (unaudited)

for the year ended March 31, 2020

(in thousands of dollars)

	Buildings	Leased Buildings	Infra- structure	Tank Farms	Storage Facilities	Equipment	2020	2019
Cost of tangible capital assets								
Opening balance	1,303,418	188,238	357,811	206,990	19,346	132,670	2,208,473	2,084,067
Additions	20,045	-	134	752	50	5,308	26,289	35,756
Additions In Kind	-	-	-	-	-	-	-	47
Transferred from work in progress	27,408	-	-	103	549	2,369	30,429	98,316
Reclassification	-	-	-	-	-	-	-	-
Disposals	(348)	-	-	-	-	-	(348)	(9,249)
Write-downs	-	(639)	-	-	-	(2,369)	(3,008)	(464)
Closing balance	1,350,523	187,599	357,945	207,845	19,945	137,978	2,261,835	2,208,473
Accumulated amortization								
Opening balance	(442,185)	(112,606)	(86,250)	(92,553)	(11,641)	(108,710)	(853,945)	(776,260)
Amortization	(46,250)	(7,108)	(12,010)	(7,092)	(756)	(7,622)	(80,838)	(87,180)
Reclassification	-	-	-	-	-	-	-	-
Disposals	348	-	-	-	-	-	348	9,201
Write-downs	-	-	-	-	-	-	-	294
Closing balance	(488,087)	(119,714)	(98,260)	(99,645)	(12,397)	(116,332)	(934,435)	(853,945)
Work in progress								
Opening balance	47,247	-	73,739	3,841	561	2,080	127,468	133,546
Additions	52,123	-	39,594	4,562	89	338	96,706	92,239
Transferred to cost of tangible capital assets	(27,408)	-	-	(103)	(549)	(2,369)	(30,429)	(98,316)
Closing balance	71,962	-	113,333	8,300	101	49	193,745	127,469
Net book value	934,398	67,885	373,018	116,500	7,649	21,695	1,521,145	1,481,997
Estimated useful life	30 Years	30 Years	30 Years	30 Years	30 Years	5-30 Years		

The tangible capital asset acquisitions presented in the Non-Consolidated Statement of Cash Flow includes an amount of \$10,743 (2019 - excludes an amount of \$898) in relation to the net change in accounts payable for the acquisition and construction of tangible capital assets that remain unpaid as of March 31, 2020 as well as an amount of \$0 (\$47 in 2019) for non-monetary transactions incurred during the year.

**GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS**

Schedule 1

Non-Consolidated Schedule of Recoveries of Prior Years Expenditures (unaudited)

for the year ended March 31, 2020

(in thousands of dollars)

Department	Over Accruals	Other Recoveries	Total
Legislative Assembly	-	-	-
Executive and Intergovernmental Affairs	179	70	249
Finance	-	258	258
Human Resources	-	-	-
Justice	-	92	92
Culture and Heritage	42	320	362
Education	1	1,932	1,933
Health	58	511	569
Environment	589	1	590
Community and Government Services	231	1,027	1,258
Economic Development and Transportation	1,262	582	1,844
Family Services	-	1,431	1,431
	2,362	6,224	8,586

GOVERNMENT OF NUNAVUT

Schedule 2

PUBLIC ACCOUNTS**Non-Consolidated Schedule of Special Warrants (unaudited)**

for the year ended March 31, 2020

(in thousands of dollars)

	Date of FMB Approval	Amount Authorized
OPERATIONS AND MAINTENANCE		

There were no Special Warrants during the year.

Total operations and maintenance		-
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	Date of FMB Approval	Amount Authorized
CAPITAL		

There were no Special Warrants during the year.

Total capital		-
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PUBLIC ACCOUNTS

Non-Consolidated Schedule of Inter-Activity Transfers Over \$250,000 (unaudited)

for the year ended March 31, 2020

(in thousands of dollars)

	<u>Transfers to (from)</u>	
OPERATIONS AND MAINTENANCE		
Health		
Health Care Service Delivery	(278)	
Directorate	278	Reallocation of funds
Community and Government Services		
Infrastructure	(3,400)	
Information Management / Information Technology	3,400	Reallocation of funds
Economic Development and Transportation		
Economic Development	(1,000)	
Transportation	1,000	Reallocation of funds
Corporate Management	(230)	
Economic Development	(500)	Reallocation of funds
Transportation	730	
Transportation	(100)	
Economic Development	(650)	Reallocation of funds
Corporate Management	750	
Corporate Management	(350)	
Economic Development	(350)	Reallocation of funds
Transportation	700	
Family Services		
Adult Learning & Training	(400)	
Children & Family Services	400	Reallocation of funds
Income Assistance	(5,000)	
Children & Family Services	5,000	Reallocation of funds
CAPITAL		
Community and Government Services		
Capital	(400)	
Petroleum Products Division	400	Reallocation of funds
Capital	(400)	
Petroleum Products Division	400	Reallocation of funds

**GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS**

Schedule 4

**Non-Consolidated Schedule of Write-offs and Student Loan Remissions (unaudited)
for the year ended March 31, 2020**

Under subsection 26(1) of the *Financial Administration Act* any remissions or write-offs over \$500 must be disclosed in the Public Accounts.

WRITE-OFFS

No amounts were written off during the year.

STUDENT LOAN REMISSIONS

Under the *Student Financial Assistance Regulations*, the Government may forego collection of students' loans, provided certain criteria are met. The students listed below, having met the academic and the employment or residency criteria, have qualified and been granted remission of their loans.

Zoha Rana	2,754
Sarah Ali	1,332
Vicki Sahanatian	1,282
Jeannie Bishop	980
	<hr/>
	6,348

**GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS****Schedule 5****Non-Consolidated Schedule of Contractual Obligations under Operating Leases (unaudited)****for the year ended March 31, 2020***(in thousands of dollars)*

	2021	2022	2023	2024	2025	>2025	Total
Headquarters	9,184	8,128	6,239	2,566	1,163	2,325	29,605
Qikiqtaaluk	796	454	403	340	340	963	3,296
Kivalliq	3,195	2,141	1,763	716	645	1,948	10,408
Kitikmeot	2,384	2,127	2,087	2,049	1,369	2,058	12,074
	15,559	12,850	10,492	5,671	3,517	7,294	55,383
