

PUBLIC ACCOUNTS
OF THE
GOVERNMENT OF THE NORTHWEST TERRITORIES
FOR THE YEAR ENDED MARCH 31, 2012

SECTION II
NON-CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

HONOURABLE J. MICHAEL MILTENBERGER

Minister of Finance

This page intentionally left blank.

SECTION II

NON-CONSOLIDATED FINANCIAL STATEMENTS (unaudited)

Statement of Financial Position	4
Statement of Change in Net Debt	5
Statement of Operations and Accumulated Surplus	6
Statement of Cash Flow	7
Notes to Financial Statements	8
Schedule A - Schedule of Revenues by Source	30
Schedule B - Schedule of Expenses	31
Schedule C - Schedule of Tangible Capital Assets	32

Supplementary Schedules (unaudited)

Schedule 1 - Schedule of Revenues by Department	33
Schedule 2 - Schedule of Expenses by Department	38
Schedule 3 - Schedule of Recoveries of Prior Years Expenses	41
Schedule 4 - Schedule of Summary of Capital Acquisitions	41
Schedule 5 - Schedule of Grants	42
Schedule 6 - Schedule of Contributions	44
Schedule 7 - Schedule of Special Warrants	49
Schedule 8 - Schedule of Inter-activity Transfers over \$250,000 and Reclassification of Capital Costs	50
Schedule 9 - Schedule of Bad Debt Write-offs, Forgiveness and Student Loan Remissions	52
Schedule 10 - Schedule of Recoveries of Debts and Student Loans Previously Written Off	58
Schedule 11 - Schedule of Overdue Travel Advances	59
Schedule 12 - Schedule of Overdue Accountable Advances Related to Previous Fiscal Years	60
Schedule 13 - Schedule of Projects for the Government of Canada, Nunavut and Others - Expenditures Recovered	61

This page intentionally left blank.

Government of the Northwest Territories

Non-Consolidated Statement of Financial Position (unaudited)


as at March 31, 2012

(thousands of dollars)

	2012 Actual \$	2011 Actual \$
Financial assets		
Portfolio investments (note 3)	24,255	24,024
Accounts receivable (note 4)	85,317	82,298
Due from the Government of Canada (note 8)	28,850	51,753
Inventories (note 5)	30,865	26,916
Loans receivable (note 6)	56,006	56,584
Investment in Northwest Territories Hydro Corporation, at nominal value	-	-
	225,293	241,575
Liabilities		
Bank overdraft (note 3)	29,394	66,480
Short-term loans (note 7)	134,941	-
Due to the Government of Canada (note 8)	131,918	162,807
Deferred revenue (note 9)	73,930	69,099
Accounts payable and accrued liabilities (note 10)	217,469	219,644
Capital lease obligations (note 11)	2,815	3,946
Long-term debt (note 12)	180,543	174,929
Pensions (note 13)	23,177	20,938
Other employee future benefits (note 14)	29,405	27,314
	823,592	745,157
Net Debt	(598,299)	(503,582)
Non-financial assets		
Tangible capital assets (schedule C)	1,663,221	1,564,937
less: deferred capital contributions (note 15)	(291,174)	(288,826)
Prepaid expenses	4,534	4,435
	1,376,581	1,280,546
Accumulated surplus	778,282	776,964

Contractual obligations and contingencies (notes 18 and 19)

Approved:



J. Michael Miltenberger
Minister of Finance



Warren St. Germaine
Comptroller General

The accompanying notes and Schedules A, B and C are an integral part of these non-consolidated financial statements.

Government of the Northwest Territories**Non-Consolidated Statement of Change in Net Debt (unaudited)**

for the year ended March 31, 2012(thousands of dollars)

	2012 Main Estimates (note 1c) \$	2012 Actual \$	2011 Actual \$
Net debt at beginning of year	(503,582)	(503,582)	(240,382)
Items affecting net financial resources:			
Annual surplus (deficit) for the year	(9,373)	1,318	(23,187)
Increase in tangible capital assets, net book value (schedule C)	(107,603)	(98,284)	(272,707)
Increase (decrease) in deferred capital contributions (note 15)	(15,504)	2,347	33,899
Decrease (increase) in prepaid expenses	-	(98)	(1,205)
Net debt at end of year	(636,062)	(598,299)	(503,582)

The accompanying notes and Schedules A, B and C are an integral part of these non-consolidated financial statements.

Government of the Northwest Territories

Non-Consolidated Statement of Operations and Accumulated Surplus (unaudited)

for the year ended March 31, 2012

(thousands of dollars)

	2012 Main Estimates (note 1c) \$	2012 Actual \$	2011 Actual \$
Revenues			
Revenues by source (schedule A)	1,355,937	1,393,533	1,321,330
Recoveries of prior years expenses (schedule 3)	3,000	7,483	7,929
	1,358,937	1,401,016	1,329,259
Expenses (schedule B)			
Environment and economic development	147,016	122,450	119,465
Infrastructure	330,203	330,952	337,759
Education	309,038	289,121	282,965
Health, social services and housing	362,947	423,463	396,039
Justice	97,992	106,335	101,441
General government	101,965	108,177	98,028
Legislative Assembly and statutory offices	18,917	18,919	16,762
	1,368,078	1,399,417	1,352,459
Annual operating surplus (deficit)	(9,141)	1,599	(23,200)
Petroleum Products Stabilization Fund Net profit (loss) for the year (note 16)	(232)	(281)	13
Projects on behalf of the Government of Canada, Nunavut and Others (schedule 13)			
Expenses	(55,459)	(67,825)	(64,787)
Recoveries	55,459	67,825	64,787
Annual surplus (deficit)	(9,373)	1,318	(23,187)
Accumulated surplus at beginning of year		776,964	800,151
Accumulated surplus at end of year		778,282	776,964

The accompanying notes and Schedules A, B and C are an integral part of these non-consolidated financial statements.

Government of the Northwest Territories

Non-Consolidated Statement of Cash Flow (unaudited)

for the year ended March 31, (thousands of dollars)	2012 \$	2011 \$
Cash provided by (used in)		
Operating transactions		
Net revenue (expense) for the year	1,318	(23,187)
Items not affecting cash:		
Provision for bad debts and forgivable loans	5,273	5,344
Amortization of tangible capital assets	66,977	66,036
Capital contributions amortized as revenue	(14,968)	(13,266)
	58,600	34,927
Changes in non-cash assets and liabilities:		
Due from (to) Canada	(7,986)	36,470
Other financial assets	(6,968)	677
Other financial liabilities	6,986	13,153
Prepaid Expenses	(99)	1,205
Cash provided by (used for) operating transactions	50,533	86,432
Investing transactions		
Acquisition of tangible capital assets	(165,584)	(169,646)
Disposal of tangible capital assets (net)	323	(545)
Capital contributions received and deferred	17,316	47,165
Designated cash and investments redeemed (purchased)	(231)	162
Loans receivable receipts	6,023	23,677
Loans receivable advanced	(6,298)	(9,404)
Cash used for investing transactions	(148,451)	(108,591)
Financing transactions		
Short-term financing proceeds	134,941	-
Repayment of capital lease obligations	(1,131)	(1,890)
Receipt (repayment) of Long-term financing	1,194	(69)
Cash used for financing activities	135,004	(1,959)
Increase in cash and cash equivalents	37,086	(24,118)
Cash and cash equivalents at beginning of year	(66,480)	(42,362)
Cash and cash equivalents at end of year*	(29,394)	(66,480)

* Cash and cash equivalents are represented by cash and short-term investments.

The accompanying notes and Schedules A, B and C are an integral part of these non-consolidated financial statements.

Government of the Northwest Territories

Notes to Non-Consolidated Financial Statements (unaudited)

March 31, 2012

(All figures in thousands of dollars)

1. AUTHORITY, OPERATIONS AND REPORTING ENTITY

(a) Authority and operations

The Government of the Northwest Territories (the Government) operates under the authority of the *Northwest Territories Act* (Canada). The Government has an elected Legislative Assembly which authorizes all disbursements, advances, loans and investments unless specifically authorized by statute.

(b) Reporting entity

The Government prepares consolidated financial statements. They are presented in Section I of the Public Accounts and provide an accounting of the full nature and extent of the financial affairs and resources for which the Government is responsible. The reporting entity is defined in those statements. These financial statements have been prepared on a non-consolidated basis to show the operating results of the Government separate from the entities included in the consolidated financial statements.

These financial statements include the assets, liabilities and operating results of the Government and its revolving funds. 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 related Territorial Crown Corporations, boards and agencies are included in these statements only to the extent of the Government's contributions to, or revenues from, them:

- Aurora College
- Divisional Educational Councils and District Education Authorities
- Hospitals and Regional Health Boards
- Northwest Territories Business Development and Investment Corporation
- Northwest Territories Housing Corporation
- Northwest Territories Human Rights Commission
- Northwest Territories Hydro Corporation
- Northwest Territories Opportunities Fund
- Status of Women Council of the Northwest Territories
- Tlicho Communities Services Agency

(c) Main Estimates

The main estimates are the appropriations approved by the Legislative Assembly. They represent the Government's original fiscal plan for the year and do not reflect Supplementary Appropriations.

The estimated supplementary requirements and the estimated appropriation authority lapse are included in the Main Estimates on the statement of operations and accumulated surplus. They are included for the purpose of comparing the actual operating surplus (deficit) to the estimated operating surplus (deficit).

Government of the Northwest Territories

Notes to Non-Consolidated Financial Statements (unaudited)

March 31, 2012

(All figures in thousands of dollars)

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Measurement Uncertainty

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires the Government 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 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 statements, the Government believes the estimates and assumptions to be reasonable.

The more significant management estimates relate to employee future benefits, environmental liabilities, contingencies, revenue accruals, valuation allowances for accounts receivable and loans receivable, and amortization expense. Other estimates, such as the Canada Health Transfer and Canada Social Transfer payments and Corporate and Personal Income Tax revenue are based on estimates made by Canada's Department of Finance and are subject to adjustments in future years.

(b) 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 date of 90 days or less from the date of acquisition.

(c) Portfolio investments

Portfolio investments are long-term investments in organizations that do not form part of the government reporting entity and are accounted for by the cost method. Such investments are normally in shares and bonds of the investee. When 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 and is included as a component of investment income. Interest income is recorded on the accrual basis, dividend income is recognized as it is declared, and capital gains and losses are recognized when realized.

(d) Inventories

Inventories for resale consist of bulk fuels and liquor products. Bulk fuels are valued at the lower of weighted average cost and net realizable value. Liquor products are valued at the lower of cost and net realizable value. Other inventories are valued at the lower of cost, determined on a first in, first out basis and net replacement value.

(e) Prepaid expenses

Prepaid expenses are advance payments made prior to year end to meet April 1 deadlines or a portion of a payment, such as insurance or licensing fees, related to future years.

(f) Loans receivable

Loans receivable and advances are stated at the lower of cost and net recoverable value. Valuation allowances, which are recorded to reduce loans receivable, are based on past events, current conditions and all circumstances known at the date of the preparation of the financial statements. Valuation allowances are determined on an individual basis. Interest revenue is recorded on an accrual basis. Interest revenue is not accrued when the collectibility of either principal or interest is not reasonably assured.

Government of the Northwest Territories

Notes to Non-Consolidated Financial Statements (unaudited)

March 31, 2012

(All figures in thousands of dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Investment in the Northwest Territories Hydro Corporation

The Northwest Territories Hydro Corporation and its subsidiaries are wholly owned and accountable to the Government, and provide utility services in the Northwest Territories. The net assets of the Corporations have been recorded at nominal value.

(h) Non-financial assets

Tangible capital and other non-financial assets are accounted for as assets by the Government as they can be used to provide government services in future periods. These assets do not normally provide resources to discharge the liabilities of the Government unless they are sold.

(i) Tangible capital assets and leases

Tangible capital assets are buildings, roads, equipment, etc. whose life extends beyond the fiscal year, original cost exceeds \$50 and are intended to be used on an ongoing basis for delivering programs and services. Individual assets less than \$50 are expensed when purchased. Tangible capital assets are recorded at cost, or where actual cost was not available, estimated current replacement cost converted back to the date of purchase by discounting current year dollars for inflation. Gifted and cost shared tangible capital assets from the Government of Canada are recorded at fair market value upon receipt, with the gifted or cost shared portion shown as a deferred capital contribution. This deferred capital contribution is amortized as revenue on the same basis as the related asset is amortized. Tangible capital assets, when placed in service are amortized on a straight line basis over their estimated useful life as follows:

Asset category	Amortization period
Land	Not amortized
Roads and bridges	40 years
Airstrips and aprons	40 years
Buildings	40 years
Ferries	25 years
Water/sewer works	15 - 25 years
Mainframe and software systems	5 - 10 years
Mobile and heavy equipment	7 - 15 years
Major equipment	5 - 15 years
Medical equipment	5 - 15 years
Leasehold improvements	Lesser of useful life or lease term plus renewal option

Estimates of the useful lives of tangible capital assets are reviewed on a regular basis and revised where appropriate. The remaining unamortized portion of a tangible capital asset may be extended beyond its original estimated useful life when the appropriateness of a change can be clearly demonstrated.

Tangible capital assets under construction or development are recorded as work in progress with no amortization until the asset is placed in service. Capital lease agreements are recorded as a liability and a corresponding asset based on the present value of any payments due. The present value is based on the specified rate or the government's borrowing rate at the time the obligation is incurred. Operating leases are charged to expenses. Works of art, historical treasures and crown lands are not recorded.

Government of the Northwest Territories

Notes to Non-Consolidated Financial Statements (unaudited)

March 31, 2012

(All figures in thousands of dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Pensions and other employee future benefits

All eligible employees participate in the Public Service Pension Plan administered by the Government of Canada. The Government's contributions are charged as an expense on a current year basis and represent the total pension obligations. The Government is not required under present legislation to make contributions with respect to actuarial deficiencies of the Public Service Pension Plan.

Pension benefits to Members of the Legislative Assembly and judges are reported on an actuarial basis. This is done to determine the current value of future entitlement and uses various estimates. When actual experience varies from estimates, the adjustments needed are amortized on a straight line basis over the estimated average remaining service lives of the contributors.

Under the terms and conditions of employment, government employees may earn non-pension benefits for resignation, severance and removal costs based on years of service. The benefits are paid upon resignation, retirement or death of an employee. The expected cost of providing these benefits is recognized as employees render service. Termination benefits are also recorded when employees are identified for lay-off. The cost of the benefits has been determined based on management's best estimates using expected compensation levels and employee leave credits.

(k) Contractual obligations and contingencies

The nature of the Government's activities requires entry into contracts that are significant in relation to its current financial position or that will materially affect the level of future expenses. Contractual obligations pertain to funding commitments for operating, commercial and residential leases, and capital projects. Contractual obligations are obligations of a government to others that will become liabilities in the future when the terms of those contracts or agreements are met.

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 considered likely to occur and is quantifiable, an estimated liability is accrued. If the occurrence of the confirming future event is likely but the amount of the liability cannot be reasonably estimated, the contingency is disclosed. If the occurrence of the confirming future event is not determinable, the contingency is disclosed.

(l) Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into Canadian dollars using exchange rates at year-end. Foreign currency transactions are translated into Canadian dollars using rates in effect at the time the transactions were entered into. All exchange gains and losses are included in net income for the year according to the activities to which they relate.

(m) Projects on behalf of third parties

The Government undertakes projects for the Government of Canada, the Government of Nunavut and others. Where possible the Government receives accountable advances and any unexpended balances remaining at year end are recorded as current liabilities. Recoveries are accrued when expenses, as allowed under the project contract, exceed advances.

(n) Grant from the Government of Canada

The grant from the Government of Canada is calculated using a three-year moving average of personal and corporate income taxes (with a two year delay), fuel taxes, tobacco tax and alcoholic beverage revenues. In addition, changes in national average tax rates, population and growth in provincial, territorial and local government spending are considered in the funding calculation. The grant is estimated once for each fiscal year and is not revised.

Government of the Northwest Territories

Notes to Non-Consolidated Financial Statements (unaudited)

March 31, 2012

(All figures in thousands of dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(o) Transfer payments

Government transfers for non-specified purposes are recognized as revenue in the period in which the events giving rise to the transfer occurred, as long as the transfer is authorized, eligibility criteria have been met and a reasonable estimate of the amount can be made. Transfers received before these criteria are fully met are recorded as deferred revenue. The Canada Health Transfer is determined by a formula that includes population and personal and corporate income taxes. Revisions to these variables result in prior year adjustments being included in current year revenues.

(p) Taxes and general revenues

Corporate and personal income tax revenue is recognized on an accrual basis. Taxes, under the *Income Tax Act*, are collected by the Government of Canada on behalf of the Government under a tax collection agreement. The Government of Canada remits these taxes monthly based on Canada's Department of Finance's estimates for the taxation year, which are periodically adjusted until the income tax assessments for that year are final. Income tax estimates, determined by the Government of Canada, combine actual assessments with an estimate that assumes that previous years' income tax allocation will be sustained and are subject to revisions in future years. Differences between current estimates and future actual amounts can be significant. Any such differences are recognized when the actual tax assessments are finalized.

Fuel, tobacco, payroll and property taxes are levied under the authority of the *Petroleum Products Tax Act*, the *Tobacco Tax Act*, the *Payroll Tax Act*, and the *Property Assessment and Taxation Act*, respectively. Fuel and Tobacco Tax revenues are recognized on an accrual basis, based on statements received from collectors. Payroll Tax is recognized on an accrual basis, based on revenue of the prior year. Property tax and school levies are assessed on a calendar year basis and are recognized in the fiscal year in which the billing occurs. Adjustments arising from reassessments are recorded in revenue in the year they are identified. All other revenues are recognized on an accrual basis.

(q) Expenses

Grants and contributions are recognized as expenses in the period in which the events giving rise to the grant or contribution occurred, as long as the grant or contribution is authorized, eligibility criteria have been met and a reasonable estimate of the amount can be made. All other expenses are recognized on an accrual basis.

(r) Environmental liabilities

Environmental liabilities consist of the estimated costs related to the management and remediation of environmentally contaminated sites. For contaminated sites, a liability is accrued and an expense recorded based on management's best estimates when the contamination occurs or when the Government becomes aware of the contamination and is obligated, or is likely obligated, to incur such costs. If the likelihood of the Government's obligation to incur these costs is either not determinable, or if an amount cannot be reasonably estimated, the contingency is disclosed in the notes to the financial statements.

(s) Recoveries of prior years' expenses

Recoveries of prior years' expenses and reversals of prior years' expense accruals are reported separately from other revenues on the statement of operations and accumulated surplus. Pursuant to the *Financial Administration Act*, these recoveries cannot be used to increase the amount appropriated for current year expenses.

Government of the Northwest Territories

Notes to Non-Consolidated Financial Statements (unaudited)

March 31, 2012

(All figures in thousands of dollars)

3. CASH AND CASH EQUIVALENTS

(a) Investment Pool

The Government has a line of credit provided by a chartered bank, secured by the Consolidated Revenue Fund of the Government. There are no fixed repayment terms and the overdraft limits are negotiated over the year based on the forecasted cash flows and borrowing requirements of the Government. Interest is only charged when there is a net overdraft balance of the Government and its investment pool participants. The overdraft interest rate is based on prime and fluctuates during the year. Interest paid in 2012 by the investment pool was \$ nil (2011 - nil). The average borrowing rate during the year would have been 3.250% (2011 - 3.134%). As at March 31, 2012 the investment pool had no net overdraft balance (2011 - nil).

As of March 31, 2012, on a cash basis, the Government's share in the investment pool was a deficit of \$22,008 (2011 - \$47,954). When taking into account \$7,122 classified as in-trust and \$264 of outstanding items, the bank overdraft, on an accounting basis, becomes \$29,394. The Government's cash deficit related to the investment pool carried interest at a rate of 2.5% and \$561 was paid to it.

The surplus cash (deficit) of the Government is pooled with the surplus cash of certain Territorial Crown Corporations, and other public agencies. This investment pool is invested in a diversified portfolio of high grade, short and long term income producing assets.

Excluding designated investments, at March 31, 2012 the investment pool had total investments of \$115 (2011 - \$(1,372)). The eligible classes of securities, categories of issuers, limits and terms are approved under the Government's investment guidelines, *Financial Administration Act* and Investment Regulations. All short-term instruments, depending on the investment class, are rated R-1 Low or better from the Dominion Bond Rating Service Ltd. Investments are diversified, limiting them to a maximum of 10% to 50% of the total portfolio depending on the type of investment. There is no significant concentration in any one investment.

At March 31, 2012 the average term to maturity was 0 days (2011 - 0 days). The portfolio yield for the year remained steady at 1.20% (2011 - 0.46% to 1.20%). In 2012, the Government earned interest on short-term investments of \$172 (2011 - \$280).

Government of the Northwest Territories

Notes to Non-Consolidated Financial Statements (unaudited)

March 31, 2012

(All figures in thousands of dollars)

3. CASH AND CASH EQUIVALENTS (continued)

(b) Designated Assets

The Government has the following assets which are designated for specific purposes under legislation and regulations as follows:

	2012	2011
	\$	\$
Student Loan Fund:		
Authorized limit for loans receivable*	36,000	36,000
Less: Loans receivable balance	(36,115)	(34,628)
	<hr/>	<hr/>
Funds designated for new loans	(115)	1,372
	<hr/>	<hr/>
Environment Fund:		
Beverage Container Program net assets	1,624	1,181
	<hr/>	<hr/>
Portfolio Investments for the Legislative Assembly Supplementary Retiring Allowance and Judges Supplemental Pension Plans:		
Marketable securities (market value \$24,896; 2011 - \$24,891)	23,121	23,232
Money Market (market value approximates cost)	390	222
Cash and other assets (market value approximates cost)	744	570
	<hr/>	<hr/>
	24,255	24,024
	<hr/>	<hr/>
	25,764	26,577
	<hr/>	<hr/>

* As at March 31, 2012 the authorized limit for student loans was exceeded by \$115. Subsequent to March 31 the Legislative Assembly approved an increase of \$4,000 to the authorized limit bringing the authorized limit to \$40,000 for the March 31, 2013 fiscal year and beyond.

Pursuant to the *Student Financial Assistance Act*, the assets of the Student Loan Fund are to be used to provide financial assistance to post-secondary students that meet certain eligibility criteria as prescribed in Regulations.

Pursuant to the *Waste Reduction and Recovery Act*, the assets of the Environment Fund are to be used for specified purposes as follows:

- (a) the establishment, operation and evaluation of programs in respect of the reduction or recovery of waste;
- (b) education programs related to the reduction or recovery of waste;
- (c) research and development activities related to the reduction or recovery of waste;
- (d) the appropriate disposal of a designated or prohibited material as waste;
- (e) expenses associated with the work of the advisory committee; or
- (f) other costs associated with programs, initiatives or activities in respect of the reduction or recovery of waste.

The investment portfolio, while forming part of the Consolidated Revenue Fund, is designated for the purpose of meeting the obligations of the Legislative Assembly Supplementary Retiring Allowance and Judges Supplemental Pension Plans (*note 12*). Supplementary Retiring Allowance Regulations restrict the investments to those permitted under the *Pension Benefits Standards Act*.

Government of the Northwest Territories

Notes to Non-Consolidated Financial Statements (unaudited)

March 31, 2012

(All figures in thousands of dollars)

3. CASH AND CASH EQUIVALENTS (continued)

The proportionate asset mix in the investment portfolio is as follows as at March 31:

	2012	2011
	%	%
Canadian stocks	21.20	18.65
Cash and other assets	4.68	3.29
Fixed income mutual funds	21.63	23.96
Federal bonds	15.50	18.03
Foreign stocks	36.91	35.94
Provincial bonds	0.08	0.13
	<u>100.00</u>	<u>100.00</u>

4. ACCOUNTS RECEIVABLE

	2012	2011
	\$	\$
General	33,861	27,772
Government of Nunavut	7,069	4,262
Revolving funds sales	10,463	2,783
Accrued interest	25	25
	<u>51,418</u>	<u>34,842</u>
Less: allowance for doubtful accounts	8,166	5,133
	<u>43,252</u>	<u>29,709</u>

Receivables from related parties:

Aurora College	204	1,608
Divisional Education Councils and District Education Authorities	3,673	4,834
Health and Social Services Authorities	36,025	42,496
Northwest Territories Housing Corporation	1,571	809
Northwest Territories Hydro Corporation	54	2,799
Tlicho Community Services Agency	518	43
Workers' Safety and Compensation Commission (Northwest Territories and Nunavut)	20	-
	<u>42,065</u>	<u>52,589</u>
	<u>85,317</u>	<u>82,298</u>

During the year, no accounts receivable (2011 - \$ nil) were written off and no accounts receivable (2011 - \$ nil) were forgiven.

Government of the Northwest Territories

Notes to Non-Consolidated Financial Statements (unaudited)

March 31, 2012

(All figures in thousands of dollars)

5. INVENTORIES

	2012	2011
	\$	\$
Bulk fuels	26,851	23,202
Liquor products	3,865	3,555
Public stores	149	159
	30,865	26,916

Bulk fuel inventory write-down for 2012 was nil (2011 - nil).

6. LOANS RECEIVABLE

	2012	2011
	\$	\$
Working capital advances to the Northwest Territories Business Development and Investment Corporation. The term is indeterminate with the option to repay any portion of principal on any interest payment date. Interest is calculated at selected Government of Canada three-year bond rates at the end of each month.	32,203	34,756
Arslanian Cutting Works Inc. promissory note receivable. The debtor has initiated legal proceedings for receivership.	5,885	5,885
Deton' Cho Corporation (DCC) non-interest bearing promissory note, repayable in 20 equal installments, matures in 2013. This note arose from the sale of shares held as security on a \$2,600 loan guarantee by the Government for DCC, that was called by the Bank of Montreal. Foregone interest revenue, recorded as a Grant in Kind, is calculated at the Government's long term borrowing rate and amounted to \$19 in the year (2011 - \$34)	260	520
Student Loan Fund loans due in installments to 2025, bearing fixed interest between 1.25% and 12.50%, unsecured.	36,115	34,628
Yellowknife Catholic School Board Advance, unsecured, repayable in monthly installments of \$10. Interest is calculated monthly based upon the Government's current borrowing rate.	1,401	-
Other	19	18
	75,883	75,807
Valuation allowance - Student Loan Fund	(16,977)	(16,323)
Valuation allowance - Arslanian Cutting Works	(2,900)	(2,900)
	56,006	56,584

During the year, \$1,841 in student loans (2011 - \$1,535) was remised with proper authority.

Interest earned on loans receivable during the year was \$949 (2011 - \$1,335).

Government of the Northwest Territories

Notes to Non-Consolidated Financial Statements (unaudited)

March 31, 2012

(All figures in thousands of dollars)

7. SHORT-TERM LOANS

Short-term loans of \$134,941 (2011 - nil) incur interest at an average rate of 1.07% (2011 - nil). Short-term loans were repaid by May 1, 2012. Interest paid in 2012 was \$29 (2011 - nil). The borrowing limit under the *Borrowing Authorization Act* is \$275,000.

8. DUE TO (FROM) THE GOVERNMENT OF CANADA

	2012	2011
	\$	\$
Grant receivable:		
Grant per financing agreement	(996,143)	(919,872)
Less payments received	996,143	919,872
	-	-
Other receivables:		
Indian and Inuit hospital and medical care	-	(2,059)
Projects on behalf of the Government of Canada	(10,526)	(12,426)
Miscellaneous receivables	(18,324)	(37,268)
	(28,850)	(51,753)
Other payables:		
Advances for projects on behalf of the Government of Canada	8,687	13,101
Excess income tax advanced	97,630	128,631
Miscellaneous payables	25,601	21,075
	131,918	162,807
	103,068	111,054

The amounts due to the Government of Canada are non-interest bearing. The excess income tax advanced is repayable over the following years:

	\$
2013	23,937
2014	33,312
2015	40,218
2016	163
	97,630

Government of the Northwest Territories

Notes to Non-Consolidated Financial Statements (unaudited)

March 31, 2012

(All figures in thousands of dollars)

9. DEFERRED REVENUE

	2012	2011
Unspent transfer payments from Government of Canada	62,654	59,612
Other	11,276	9,487
	73,930	69,099

10. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2012	2011
	\$	\$
Trade	127,028	132,287
Other liabilities	5,338	6,857
Employee and payroll-related liabilities	30,925	26,020
Environmental liabilities	44,188	42,459
	207,479	207,623

Payables to related parties:

Aurora College	560	262
Divisional Education Councils and District Education Authorities	192	140
Health and Social Services Authorities	6,744	5,710
Northwest Territories Business Development and Investment Corporation	8	256
Status of Women Council of the Northwest Territories	-	1
Northwest Territories Housing Corporation	153	3,856
Northwest Territories Hydro Corporation	1,280	1,451
Tlicho Community Services Agency	254	343
Workers' Safety and Compensation Commission (Northwest Territories and Nunavut)	799	2
	9,990	12,021
	217,469	219,644

Government of the Northwest Territories

Notes to Non-Consolidated Financial Statements (unaudited)

March 31, 2012

(All figures in thousands of dollars)

11. CAPITAL LEASE OBLIGATIONS

	2012	2011
	\$	\$
Buildings	2,536	3,787
Equipment	279	159
	2,815	3,946

Interest expense related to capital lease obligations for the year was \$305 (2011 - \$441). Capital lease obligations are based upon the present value of the contractual minimum lease obligations for the leases in effect as of March 31, 2012.

		\$
	2013	749
	2014	472
	2015	455
	2016	410
	2017	382
	Beyond 2017	1,115
Total minimum lease payments		3,583
Less: imputed interest 8.3%		768
Present value of minimum lease payments		2,815

12. LONG-TERM DEBT

	2012	2011
	\$	\$
Mortgage payable to Canada Mortgage and Housing Corporation, repayable in monthly installments of \$7 (2011 - \$7) maturing June 2024, bearing interest at 3.30% (2011 - 3.30%), secured with real property.	930	990
Real return senior bonds with accrued inflation adjustment, maturing June 1, 2046, redeemable at the option of the issuer, bearing interest at 3.17%, payable semi-annually, with a capital repayment schedule beginning in 2012.	179,613	173,939
	180,543	174,929

Annual principal repayments are due as follows:

		\$
	2013	2,297
	2014	2,404
	2015	2,515
	2016	2,629
	2017	2,748
	Beyond 2017	167,950
		180,543

Interest expense on long term debt for the year was \$10,452 (2011 - \$13,524). In the year, \$10,161 (2011 - 13,035) of financing charges (net of interest earned \$259 (2011 - \$476)) was capitalized, consisting of interest of \$5,627 (2011 - \$4,769) and CPI adjustment of \$4,793 (2011 - \$8,742).

Government of the Northwest Territories

Notes to Non-Consolidated Financial Statements (unaudited)

March 31, 2012

(All figures in thousands of dollars)

13. PENSIONS

(a) Plans description

The Government administers the following pension plans for Members of the Legislative Assembly (MLAs) and Territorial Court Judges.

Plan recipient	Name of plan	Funded status
MLAs	Legislative Assembly Retiring Allowance Plan (MLAs Regular)	Funded
MLAs	Legislative Assembly Supplemental Retiring Allowance Plan (MLAs Supplemental)	Non Funded
Judges	Judges Registered Plan (Judges Regular)	Funded
Judges	Judges Supplemental Pension Plan (Judges Supplemental)	Non Funded

The Regular Plans for both the MLAs and Judges are contributory defined benefit registered pension plans and are pre-funded. The funds related to these plans are administered by independent trust companies.

The Supplemental plans for both the MLAs and Judges are non-contributory defined benefit pension plans and are unfunded; however, the Government has made a voluntary restriction on assets for the purposes of meeting the obligations of the Supplemental plans.

The Government is liable for all benefits. Benefits provided under all four plans are based on years of service and pensionable earnings.

(b) Pension liability

	Regular Funded \$	2012 Supplemental Unfunded \$	Total \$
Accrued benefit obligation	21,741	26,461	48,202
Pension fund assets - market related value	(23,936)	-	(23,936)
Unamortized actuarial gains (losses)	(1,633)	544	(1,089)
Pension liability (asset)	(3,828)	27,005	23,177

	Regular Funded \$	2011 Supplemental Unfunded \$	Total \$
Accrued benefit obligation	21,155	24,623	45,778
Pension fund assets - market related value	(24,483)	-	(24,483)
Unamortized actuarial gains (losses)	(1,672)	1,315	(357)
Pension liability (asset)	(5,000)	25,938	20,938

Government of the Northwest Territories**Notes to Non-Consolidated Financial Statements (unaudited)**

March 31, 2012**(All figures in thousands of dollars)**

13. PENSIONS (continued)**(c) Change in pension liability**

	Regular Funded \$	2012 Supplemental Unfunded \$	Total \$
Opening balance	(5,000)	25,938	20,938
Change to pension liability from cash items:			
Contributions from plan members	(246)	-	(246)
Contributions from Government	(203)	-	(203)
Benefit payment to plan members	(1,929)	(1,112)	(3,041)
Drawdown from plan assets	1,929	-	1,929
Net change to pension liability from cash items	(449)	(1,112)	(1,561)
Change to pension liability from accrual items:			
Current period benefit cost	831	963	1,794
Amortization of actuarial (gains) losses	540	(314)	226
Prior period cost of plan amendment	393	-	393
Interest on average accrued benefit obligation	1,292	1,530	2,822
Return on plan assets	(1,435)	-	(1,435)
Net change to pension liability from accrual items	1,621	2,179	3,800
Ending balance	(3,828)	27,005	23,177

Government of the Northwest Territories

Notes to Non-Consolidated Financial Statements (unaudited)

March 31, 2012

(All figures in thousands of dollars)

13. PENSIONS (continued)

	Regular Funded \$	2011 Supplemental Unfunded \$	Total \$
Opening balance	(5,856)	25,463	19,607
Change to pension liability from cash items:			
Contributions from plan members	(219)	-	(219)
Contributions from Government	(195)	-	(195)
Benefit payment to plan members	(894)	(1,084)	(1,978)
Drawdown from plan assets	894	-	894
Net change to pension liability from cash items	(414)	(1,084)	(1,498)
Change to pension liability from accrual items:			
Current period benefit cost	802	899	1,701
Amortization of actuarial (gains) losses	690	(784)	(94)
Interest on average accrued benefit obligation	1,236	1,444	2,680
Return on plan assets	(1,458)	-	(1,458)
Net change to pension liability from accrual items	1,270	1,559	2,829
Ending balance	(5,000)	25,938	20,938

(d) Pension expense

The components of pension expense include current period benefit cost, amortization of actuarial gains/losses and interest on average accrued benefit obligation net of the return on plan assets and contributions from plan members. The total pension expense is \$3,554 (2011 - \$2,610). The interest cost on the accrued benefit obligation was determined by applying the discount rate determined at the beginning of the period to the average value of the accrued benefit obligation for the period. The expected return on plan assets was determined by applying the assumed rate of return on plan assets to the average market-related value of assets for the period. The difference between the expected return on plan assets and the actual return on plan assets was a gain of \$155 (2011 - \$740). In addition to the above, the Government contributed \$30,599 (2011 - \$30,241) to the Public Service Superannuation Plan. The employees' contributions to this plan were \$15,345 (2011 - \$13,743).

(e) Changes to pension plans in the year

Legislative Amendments

Bill 2 came into effect on September 1, 2011. It amended both the Retiring Allowances Act and the Supplementary Retiring Allowances Act. The primary change contained in Bill 2 relates to the pension calculation by service. For Members that leave the Assembly after October 18, 2007, the method used to calculate pensions has changed. Previously, pensions were calculated separately for each position (e.g. MLA, Chairperson, Minister) that a Member held for at least one year. The amendments revise the calculation so there is just one calculation for all years of service, with earnings from each position combined for the purposes of the pension calculation by service.

Government of the Northwest Territories

Notes to Non-Consolidated Financial Statements (unaudited)

March 31, 2012

(All figures in thousands of dollars)

(f) Valuation methods and assumptions used in valuing pension liability

Valuation date

Actuarial valuations were last completed for the Legislative Assembly and Judges plans as of April 1, 2008 and April 1, 2010, respectively. As the actuarial valuations for the plans were not valued as at the year-end, the MLA's plans were extrapolated to January 31, 2012 and the Judges' plans were extrapolated to March 31, 2012. The effective date of the next actuarial valuation for the Legislative Assembly plans is April 1, 2012.

Liability valuation method

The actuarial valuations were performed using the projected accrued benefit method. The valuations are based on a number of actuarial assumptions about matters such as mortality, service, withdrawal, earnings and interest rates. The assumptions are based on the Government's best estimates of expected long-term rates and short-term forecasts.

Asset valuation method

The asset valuation method, market-related value, for the MLA's plans is equal to a smoothed market value which spreads the difference between the actual and expected investment income over a four year period and is then adjusted for payments due to, and payable from, the pension plan. The fair market value of the MLA's regular plan is \$20,010 (2011 - \$20,958). The asset valuation method for the Judges' plans is market value. The market value of the Judges' regular plan is \$4,082 (2011 - \$4,214).

Actuarial gains and losses

Actuarial gains and losses occur when actual experience varies from estimates. The adjustments needed are amortized on a straight line basis over the estimated average remaining service lives of the contributors. The expected average remaining service lives of the contributors is 3 years for the MLA's plans and 5.9 years for the Judges' plans.

Actuarial assumptions

	Legislative Assembly plans	Judges' plans
Expected rate of return on plan assets	6.0%	6.0%
Rate of compensation increase	3.0%	4.0%
Annual inflation rate	3.0%	3.0%
Annual interest rate	6.0%	4.0%

Retirement assumptions

- Members of Legislative Assembly at later of age 50, 4 years of service, and end of current session.
- Judges at the earlier of age 60 or when age plus service equals 80.

Government of the Northwest Territories

Notes to Non-Consolidated Financial Statements (unaudited)

March 31, 2012

(All figures in thousands of dollars)

14. OTHER EMPLOYEE FUTURE BENEFITS

In addition to pension benefits, the Government provides termination and removal benefits to its employees. This benefit plan is not pre-funded and thus has no assets, resulting in a plan deficit equal to the accrued benefit obligation. The expected payments during the next fiscal year are \$3,411 (2011 - \$2,950).

	2012	2011
	\$	\$
Resignation and retirement	21,866	19,969
Removal	7,539	7,345
	29,405	27,314

15. DEFERRED CAPITAL CONTRIBUTIONS

Deferred capital contributions relate to the portion of a tangible capital asset that was gifted from or cost-shared with the Government of Canada. The most significant of these assets are roads and airports. The capital contributions are deferred and amortized to revenue over the same life as the related asset.

	2012	2011
	\$	\$
Deferred capital contributions at beginning of year	288,826	254,927
Add: Assets gifted or cost shared during the year	17,316	47,165
Less: Amortization of capital contributions	(14,968)	(13,266)
Deferred capital contributions at end of year	291,174	288,826

16. PETROLEUM PRODUCTS STABILIZATION FUND

The Petroleum Products Stabilization Fund is included in the accumulated surplus. The purpose of the Fund is to stabilize the prices of petroleum products purchased, sold and distributed by the Government. The annual net profit or loss of the Petroleum Products Revolving Fund is charged to the Stabilization Fund. The accumulated surplus or deficit balance in the fund cannot exceed \$1,000.

	2012	2011
	\$	\$
Surplus at beginning of the year	649	636
Add: Petroleum Products Stabilization Fund		
Net profit (loss) for the year	(281)	13
Surplus at end of the year	368	649

Government of the Northwest Territories

Notes to Non-Consolidated Financial Statements (unaudited)

March 31, 2012

(All figures in thousands of dollars)

17. TRUST ASSETS UNDER ADMINISTRATION

The Government administers trust assets on behalf of third parties, which are not included in the reported Government assets and liabilities. These consist of cash, term deposits, investments, real estate, and other sundry assets.

	2012	2011
	\$	\$
Correctional Institutions	274	289
Public Trustee	6,277	6,367
Natural Resources	304	301
Supreme and Territorial Courts	656	1,790
Others	685	340
Government of New Brunswick - Deh Cho Bridge	6,793	8,417
Northwest Territories Power Corporation	-	2,043
	14,989	19,547

18. CONTRACTUAL OBLIGATIONS

The Government has entered into agreements for, or is contractually committed for the following expenses that will be incurred subsequent to March 31, 2012:

	Expiry Date	2013	2014-	Total
		\$	2019	\$
			\$	\$
Operational commitments	2019	45,201	81,697	126,898
Commercial leases	2019	11,463	33,453	44,916
RCMP policing agreement	2032	38,993	740,867	779,860
Tangible capital asset projects in progress at year end	2016	97,235	10,099	107,334
Equipment leases	2016	947	856	1,803
Western Harvesters' Assistance Program	2013	63	-	63
Block Funding Agreements with Municipalities	2013	3,371	-	3,371
		197,273	866,972	1,064,245

Chargeback of Services

The Government has 3 (2011 - 3) cost recovery service agreements with the Government of Nunavut for the provision of various corporate and program delivery services. The expenses on and costs recovered from these projects on behalf of the Government of Nunavut are estimated at \$3,313 for the fiscal year ended 2012 (2011 - \$2,826).

Government of the Northwest Territories

Notes to Non-Consolidated Financial Statements (unaudited)

March 31, 2012

(All figures in thousands of dollars)

19. CONTINGENCIES

(a) Contractual obligations

The Government is contingently liable for the following guarantees:

	2012
	\$
Debentures issued by the Northwest Territories Power Corporation:	
Sinking fund debentures issued by the Northwest Territories Power Corporation	
maturing May 28, 2012	20,000
maturing October 27, 2018	10,000
maturing February 27, 2026	8,700
maturing December 1, 2032	14,000
maturing September 13, 2040	50,000
Debenture series issued by the Northwest Territories Power Corporation	
maturing May 1, 2025	6,118
maturing July 11, 2025	15,000
maturing October 1, 2025	6,165
maturing September 1, 2026	7,021
maturing August 1, 2028	25,000
maturing December 15, 2034	25,000
Loans payable by the Northwest Territories Housing Corporation to Canada Mortgage and Housing Corporation *	9,075
Guaranteed residential housing loans	5,199
Total Guarantees	201,278
Uninsured loss	297
	201,575

* In addition to this amount, the Northwest Territories Housing Corporation (NWT HC) has mortgages payable to the Canada Mortgage and Housing Corporation (CMHC) under the Social Housing Agreement. The mortgages mature between the years 2026 and 2027, bearing interest ranging from 2.78% to 3.68% (2011 2.78% to 3.68%). These mortgages relate to assets held by NWT HC in trust for CMHC; therefore, these liabilities are not included in the above listing.

The Government has also provided a guarantee to the Canadian Blood Services and Canadian Blood Services Captive Insurance Company Ltd. to cover a share of potential claims made by users of the national blood supply. The Government's share is limited to the ratio of the Northwest Territories' population to the Canadian population.

Government of the Northwest Territories

Notes to Non-Consolidated Financial Statements (unaudited)

March 31, 2012

(All figures in thousands of dollars)

19. CONTINGENCIES (continued)

(b) Environmental liabilities

The Government recognizes that there are costs related to the remediation of environmentally contaminated sites for which the Government is responsible. The Government has identified 139 (2011 - 136) sites as potentially requiring environmental remediation at March 31, 2012. Where an estimate could be determined for remediation costs a liability has been recorded and included as a component of accounts payable and accrued liabilities.

One of the 139 sites, Giant Mine, has been formally designated as contaminated under the *Environmental Protection Act* (NWT). In 2005, the Government recorded a liability for its share of the above ground remediation. The balance of the Government's share of the Giant Mine remediation liability at March 31, 2012 is \$20,207 (2011 - \$20,321).

There are 26 active or decommissioned landfill sites that are outside incorporated communities, and therefore are the responsibility of the Government. As at March 31, 2012, a liability in the amount of \$1,102 (2011 - \$1,092) has been recorded for these sites using the method required by the Public Sector Accounting Standards.

Of the remaining 112 sites, 15 are airports or airport strips or reserves, 19 are sewage lagoons, 12 are fuel tanks and 6 are highways, the majority of which have been investigated but are still awaiting full environmental assessments. Remediation costs for the sites that are known to be contaminated and the Government is obligated to remediate are currently estimated at \$22,879 (2011 - \$21,046).

The Government's ongoing efforts to assess the remaining sites may result in additional environmental liabilities. These liabilities will be recorded in the year in which they become known.

(c) Claims and litigation

There are a number of claims and pending and threatened litigation cases outstanding against the Government. In certain of these cases, pursuant to agreements negotiated prior to the division of the territories, the Governments of the Northwest Territories and Nunavut will jointly defend the suits. The cost of defending these actions and any damages that may eventually be awarded will be shared by the two Governments 55.66% and 44.34%, respectively. The Government has recorded an allowance for any claim or litigation where it is likely that there will be a future payment and a reasonable estimate of the loss can be made. The Government's maximum exposure for those claims and litigation for which the outcome is not determinable has been estimated at \$2,520. No provision for such claims has been made in these financial statements as it is not determinable that any future event will confirm that a liability has been incurred as at March 31.

Government of the Northwest Territories

Notes to Non-Consolidated Financial Statements (unaudited)

March 31, 2012

(All figures in thousands of dollars)

20. 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 provided grants and contributions to the following related parties.

	2012	2011
	\$	\$
Aurora College	33,024	31,343
Divisional Education Councils and District Education Authorities	162,326	141,919
Health and Social Services Authorities	240,734	233,139
Northwest Territories Hydro Corporation	1,895	152
Northwest Territories Power Corporation	14,247	11,436
Northwest Territories Energy Corporation	250	2,100
Northwest Territories Business Development and Investment Corporation	3,704	3,042
Northwest Territories Housing Corporation	63,307	59,851
Northwest Territories Human Rights Commission	237	250
Status of Women Council of the Northwest Territories	526	408
	520,250	483,640

The Government funds communities, boards and agencies and other organizations offering services to the public. These organizations operate independently of normal Government operations. The Government may be held responsible for any liabilities or deficits on behalf of boards and agencies. An estimate of the potential liability, if any, cannot be determined.

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 included personnel, payroll, financial, procurement, accommodation, buildings and works, utilities, legal and interpretation services.

The Government receives dividend revenue in return for its investment in the Northwest Territories Power Corporation. Dividend revenue for the current year is \$ nil (2011 - \$nil).

21. OVEREXPENDITURE

During the year 2 departments (2011 - 2) exceeded their vote for a total of \$592 (2011 - \$5,754). Overexpenditure of a vote contravenes subsection 32 of the Financial Administration Act which states that "No person shall incur an expenditure that causes the amount of the item set out in the Estimates on which the appropriation is based to be exceeded".

The voted items that were over expended in the current year are as follows:

Department of Transportation	\$345
Department of Education, Culture & Employment	\$247

Government of the Northwest Territories

Notes to Non-Consolidated Financial Statements (unaudited)

March 31, 2012

(All figures in thousands of dollars)

22. SUBSEQUENT EVENT

Subsequent to the year end, the Government approved and guaranteed long term borrowing for the Northwest Territories Power Corporation related to their issuance of \$25,000 in new debentures.

The Government entered into annual Water and Sewer Funding and Community Government Funding contribution agreements totaling \$57 million with community governments to assist them with provision of water and sewer services and municipal services, respectively.

23. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the financial statement presentation adopted for the current year.

Government of the Northwest Territories

Non-Consolidated Schedule of Revenues by Source (unaudited)

Schedule A

for the year ended March 31, 2012

(thousands of dollars)

	2012 Main Estimates (note 1c) \$	2012 Actual \$	2011 Actual \$
Revenue from the Government of Canada			
Grant	996,143	996,143	919,872
Transfer payments	95,100	102,943	105,113
	1,091,243	1,099,086	1,024,985

Taxation

Corporate Income Tax	14,303	22,660	56,818
Personal Income Tax	73,168	72,505	62,967
Fuel	14,292	18,851	16,104
Tobacco	16,592	17,108	16,810
Payroll	37,992	39,662	36,960
Property and school levies	25,439	24,883	24,381
Insurance	4,580	4,505	4,283
	186,366	200,174	218,323

Recoveries

Program	16,887	19,776	16,522
Service	643	588	567
Lease, accommodations and transportation	2,792	758	104
Commodity, asset sales and other	569	1,215	69
Insurance proceeds	60	58	85
Amortization of capital contributions (note 15)	14,208	14,968	13,266
	35,159	37,363	30,613

General

Revolving Funds net revenue	24,388	24,626	24,385
Regulatory revenues	16,402	11,353	11,048
Other general revenues	30	17,785	8,839
Investment income	1,587	2,384	2,375
	42,407	56,148	46,647

Grants in Kind	762	762	762
-----------------------	------------	------------	------------

Total Revenues	1,355,937	1,393,533	1,321,330
-----------------------	------------------	------------------	------------------

Government of the Northwest Territories

Non-Consolidated Schedule of Expenses (unaudited)

Schedule B

for the year ended March 31, 2012

(thousands of dollars)

	Main Estimates (note 1c) \$	Compensation and Benefits \$	Grants and Contributions \$	Valuation Allowances \$	Other \$	Amortization \$	2012 Total Expenses \$	2011 Total Expenses \$
Legislative Assembly	18,917	11,711	237	-	6,754	218	18,920	16,762
Executive	15,070	10,532	1,848	-	2,399	7	14,786	14,343
Aboriginal Affairs and Intergovernmental Relations	7,619	5,257	703	-	1,414	21	7,395	7,474
Human Resources	42,421	33,200	131	34	7,764	994	42,123	38,823
Finance	100,784	14,460	78,362	450	11,877	1,969	107,118	97,176
Municipal and Community Affairs	121,227	14,423	101,300	2	9,615	160	125,500	141,915
Public Works and Services	92,988	23,911	-	12	66,324	3,284	93,531	92,195
Health and Social Services	344,505	15,992	254,393	-	81,589	8,243	360,217	336,252
Justice	106,206	52,318	2,124	-	49,611	2,281	106,334	101,441
Education, Culture and Employment	286,745	27,079	206,072	2,714	40,181	13,075	289,121	282,965
Transportation	110,777	36,059	947	22	40,975	33,919	111,922	103,649
Environment and Natural Resources	67,493	31,597	6,172	79	32,209	1,985	72,042	69,794
Industry Tourism and Investment	53,326	18,762	22,190	14	8,621	821	50,408	49,670
	1,368,078	295,301	674,479	3,327	359,333	66,977	1,399,417	
Prior Year Totals	1,248,177	279,301	669,137	3,809	334,176	66,036		1,352,459

Government of the Northwest Territories

Non-Consolidated Schedule of Tangible Capital Assets (unaudited)

Schedule C

As at March 31, 2012

(thousands of dollars)

	Land \$	Buildings* \$	Other** \$	Leasehold Improvements \$	Equipment* \$	Computers \$	2012 \$	2011 \$
Cost, beginning of year	1,206	776,199	998,205	27,352	154,282	78,946	2,036,190	1,888,097
Acquisitions	840	41,839	45,842	7,177	8,929	5,940	110,567	151,915
Write-downs/adjust.	-	(248)	-	-	-	-	(248)	-
Disposals	-	(921)	(106)	(279)	-	-	(1,306)	(3,822)
Cost, end of year	2,046	816,869	1,043,941	34,250	163,211	84,886	2,145,203	2,036,190
Accumulated amortization, beginning of year	-	(298,196)	(383,665)	(21,261)	(74,756)	(44,034)	(821,912)	(759,155)
Amortization expense	-	(22,029)	(29,389)	(1,824)	(6,444)	(7,290)	(66,976)	(66,034)
Disposals	-	921	106	204	-	-	1,230	3,277
Accumulated amortization, end of year	-	(319,304)	(412,948)	(22,881)	(81,200)	(51,324)	(887,658)	(821,912)
Net book value	2,046	497,565	630,993	11,369	82,011	33,562	1,257,545	1,214,278
Work in progress							405,676	350,659
							1,663,221	1,564,937

* Included in buildings and equipment are assets under capital lease cost, \$29,152 (2011 - \$28,898); accumulated amortization, \$12,743 (2011 - \$12,000); carrying value, \$16,409 (2011 - \$16,898).

** includes roads, bridges, airstrips, aprons and water/sewer works

Change in net book value of tangible capital assets	2012 \$	2011 \$
Acquisitions	110,566	151,915
Disposals/write-downs/adjustments	(323)	(545)
Amortization	(66,977)	(66,034)
Increase in work in progress	55,018	187,371
Increase	98,284	272,707

Government of the Northwest Territories

Non-Consolidated Schedule of Revenues by Department (unaudited)

Schedule 1

March 31, 2012

(thousands of dollars)

	Main Estimates \$	Increases (Decreases) \$	Revised Main Estimates \$	Actual Revenues \$	Over(Under) Estimates \$
Legislative Assembly					
Recoveries					
Merchandise and other	11	-	11	-	(11)
Concessions	8	-	8	6	(2)
Publications	2	-	2	1	(1)
Amortization of capital contributions	-	-	-	1	1
	21	-	21	8	(13)
General revenue					
Fees	3	-	3	3	-
Gain on investments	-	-	-	1,363	1,363
	3	-	3	1,366	1,363
	24	-	24	1,374	1,350
Executive					
Grants					
Grant in kind	319	-	319	319	-
Transfer Payments					
Federal cost shared	-	2,171	2,171	2,171	-
	319	2,171	2,490	2,490	-
Industry, Tourism and Investment					
General Revenue					
Investment interest	807	(807)	-	-	-
Licenses, fees and regulatory revenues	45	35	80	20	(60)
Other	-	-	-	32	32
	852	(772)	80	52	(28)
Recoveries					
Sales, concessions	20	-	20	9	(11)
Amortization of capital contributions	19	-	19	22	3
	39	-	39	31	(8)
	891	(772)	119	83	(36)
Environment and Natural Resources					
Recoveries					
Mutual Aid Resource Sharing Agreement	300	-	300	-	(300)
Amortization of capital contributions	1,015	-	1,015	1,015	-
	1,315	-	1,315	1,015	(300)
General Revenue					
Fees and other general revenues	-	-	-	35	35
Regulatory revenues, licenses	605	-	605	644	39
Beverage Container Program, Others, Net	-	-	-	443	443
	605	-	605	1,122	517
	1,920	-	1,920	2,137	217

Government of the Northwest Territories

Non-Consolidated Schedule of Revenues by Department (unaudited)

Schedule 1 (continued)

March 31, 2012

(thousands of dollars)

	Main Estimates \$	Increases (Decreases) \$	Revised Main Estimates \$	Actual Revenues \$	Over(Under) Estimates \$
Finance					
Operating Grant - Government of Canada	996,143	-	996,143	996,143	-
Transfer Payments					
Canada Health Transfer and Reform Fund	41,161	-	41,161	44,913	3,752
	1,037,304	-	1,037,304	1,041,056	3,752
Taxation					
Corporate	14,303	-	14,303	22,660	8,357
Personal	73,168	-	73,168	72,505	(663)
Fuel	14,292	-	14,292	18,851	4,559
Tobacco	16,592	-	16,592	17,108	516
Payroll	37,992	-	37,992	39,662	1,670
Property and school levies	25,439	-	25,439	24,883	(556)
Insurance	4,580	-	4,580	4,505	(75)
	186,366	-	186,366	200,174	13,808
Recoveries					
Investment pool costs	213	-	213	172	(41)
Insured and third party	60	-	60	61	1
	273	-	273	233	(40)
General revenue					
Liquor Commission	24,388	-	24,388	24,182	(206)
Investment interest	200	807	1,007	559	(448)
Fees and other regulatory revenue	754	-	754	646	(108)
	25,342	807	26,149	25,387	(762)
	1,249,285	807	1,250,092	1,266,850	16,758
Municipal and Community Affairs					
Transfer Payments					
Cost Sharing Agreement	-	-	-	1,040	1,040
Building Canada Plan	-	-	-	2,921	2,921
	-	-	-	3,961	3,961
Recoveries					
Other recoveries	90	-	90	1,050	960
General revenue					
Fees	960	-	960	185	(775)
Other	-	-	-	1,140	1,140
	960	-	960	1,325	365
	1,050	-	1,050	6,336	5,286

Government of the Northwest Territories

Non-Consolidated Schedule of Revenues by Department (unaudited)

Schedule 1 (continued)

March 31, 2012

(thousands of dollars)

	Main Estimates \$	Increases (Decreases) \$	Revised Main Estimates \$	Actual Revenues \$	Over(Under) Estimates \$
Justice					
Transfer payments					
Federal cost shared	5,547	100	5,647	5,647	-
Federal programs	4,793	-	4,793	991	(3,802)
	10,340	100	10,440	6,638	(3,802)
Recoveries					
Amortization of capital contributions	9	-	9	10	1
Air charter	88	-	88	133	45
Publications	18	-	18	14	(4)
Legal Aid	60	-	60	79	19
Room and board (inmate)	7	-	7	10	3
Nunavut recoveries	-	-	-	2,901	2,901
	182	-	182	3,147	2,965
General revenue					
Court fees and fines	540	-	540	529	(11)
Legal registries and other fees	4,355	-	4,355	4,738	383
	4,895	-	4,895	5,267	372
	15,417	100	15,517	15,052	(465)
Public Works and Services					
Transfer payments					
Federal programs	42	-	42	-	(42)
Recoveries					
Utilities sales and maintenance	430	-	430	283	(147)
Rentals and leases	247	-	247	235	(12)
Other recoveries	170	-	170	4	(166)
	847	-	847	522	(325)
General revenue					
Fees	990	-	990	1,000	10
Other general revenues	-	-	-	393	393
	990	-	990	1,393	403
	1,879	-	1,879	1,915	36
Aboriginal Affairs and Intergovernmental Relations					
Recoveries					
Commercial sponsorship	-	-	-	133	133

Government of the Northwest Territories

Non-Consolidated Schedule of Revenues by Department (unaudited)

Schedule 1 (continued)

March 31, 2012

(thousands of dollars)

	Main Estimates \$	Increases (Decreases) \$	Revised Main Estimates \$	Actual Revenues \$	Over(Under) Estimates \$
Health and Social Services					
Transfer payments					
Federal cost shared	35,676	-	35,676	35,256	(420)
Canadian Health and Social Transfer	329	-	329	317	(12)
	36,005	-	36,005	35,573	(432)
Recoveries					
Program recipient	14,500	-	14,500	14,326	(174)
Amortization of capital contributions	1,200	-	1,200	1,404	204
	15,700	-	15,700	15,730	30
General revenue					
Licenses and other	250	-	250	163	(87)
Fees	-	-	-	8,388	8,388
	250	-	250	8,551	8,301
Grants in Kind	443	-	443	443	-
	52,398	-	52,398	60,297	7,899
Education, Culture and Employment					
Transfer payments					
Federal cost shared	6,388	397	6,785	6,595	(190)
Federal programs	900	1,121	2,021	2,021	-
	7,288	1,518	8,806	8,616	(190)
Recoveries					
Leases	-	-	-	7	7
Other	50	-	50	-	(50)
Amortization of capital contributions	330	304	634	661	27
	380	304	684	668	(16)
General revenue					
Interest	580	(100)	480	462	(18)
Fees	15	-	15	24	9
Other	30	-	30	22	(8)
	625	(100)	525	508	(17)
	8,293	1,722	10,015	9,792	(223)
Human Resources					
Program recoveries	1,000	-	1,000	761	(239)

Government of the Northwest Territories

Non-Consolidated Schedule of Revenues by Department (unaudited)

Schedule 1 (continued)

March 31, 2012

(thousands of dollars)

	Main Estimates \$	Increases (Decreases) \$	Revised Main Estimates \$	Actual Revenues \$	Over(Under) Estimates \$
Transportation					
Transfer payments					
Federal cost shared - Building Canada Plan	264	280	544	1,071	527
Recoveries					
Third party	937	-	937	2,209	1,272
Amortization of capital contributions	11,635	-	11,635	11,856	221
	12,572	280	12,572	14,065	1,493
General revenue					
Registrations	3,675	-	3,675	3,957	282
Fees, fines and permits	3,780	-	3,780	3,799	19
Leases	2,450	-	2,450	2,727	277
Licenses	430	-	430	511	81
Concession	290	-	290	183	(107)
	10,625	-	10,625	11,177	552
	23,461	280	23,741	26,313	2,572
	1,355,937	4,308	1,360,564	1,393,533	33,288

Government of the Northwest Territories

Non-Consolidated Schedule of Expenses by Department (unaudited)

Schedule 2

March 31, 2012

(thousands of dollars)

	Main Estimates \$	Supplementary Estimates \$	Transfers \$	Total Appropriation \$	Actual Expenditures \$	(Over)Under Appropriation \$
Legislative Assembly						
Office of the Clerk	7,895	128	-	8,023	7,758	265
Expenditures on Behalf of Members	7,476	353	-	7,829	7,854	(25)
Office of the Chief Electoral Officer	1,595	-	-	1,595	1,420	175
Statutory Offices	1,626	-	-	1,626	1,610	16
Office of the Speaker	325	-	-	325	278	47
	18,917	481	-	19,398	18,920	478
Executive						
Directorate	876	-	-	876	835	41
Ministers' Offices	3,597	(257)	-	3,340	3,231	109
Executive Operations	7,003	4,844	-	11,847	7,355	4,492
Cabinet Support	3,156	283	-	3,439	2,962	477
Public Utilities Board	438	-	-	438	403	35
	15,070	4,870	-	19,940	14,786	5,154
Human Resources						
Directorate	607	49	-	656	1,448	(792)
Human Resource Strategy and Policy	6,830	123	(124)	6,829	8,440	(1,611)
Management and Recruitment Services	3,969	8	(7)	3,970	4,030	(60)
Corporate Human Resources	12,289	1	241	12,531	8,226	4,305
Employee Services	14,099	618	-	14,717	15,323	(606)
Region Operations	4,627	-	(110)	4,517	4,656	(139)
	42,421	799	-	43,220	42,123	1,097
Aboriginal Affairs and Intergovernmental Relations						
Directorate	2,411	-	75	2,486	2,511	(25)
Implementation	664	-	-	664	631	33
Negotiations	2,841	-	(200)	2,641	2,177	464
Intergovernmental Relations	1,703	269	125	2,097	2,076	21
	7,619	269	-	7,888	7,395	493
Industry, Tourism and Investment						
Economic Diversification & Business						
Support	22,214	71	(1)	22,284	21,410	874
Directorate	7,735	7	1	7,743	7,682	61
Tourism and parks	11,295	2	62	11,359	11,600	(241)
Energy	6,019	500	-	6,519	4,104	2,415
Minerals and Petroleum Resources	6,063	147	-	6,210	5,612	598
	53,326	727	62 *	54,115	50,408	3,707

* Infrastructure that were not classified as capital have been transferred to operations.

Government of the Northwest Territories

Non-Consolidated Schedule of Expenses by Department (unaudited)

Schedule 2 (continued)

March 31, 2012

(thousands of dollars)

	Main Estimates \$	Supplementary Estimates \$	Transfers \$	Total Appropriation \$	Actual Expenditures \$	(Over)Under Appropriation \$
Environment and Natural Resources						
Wildlife Management	15,274	24	-	15,298	15,030	268
Forest Management	28,439	5,101	222	33,762	32,021	1,741
Directorate	10,995	201	29	11,225	11,636	(411)
Land and Water	4,123	726	(32)	4,817	4,831	(14)
Environmental Protection	8,662	1,050	(200)	9,512	8,524	988
	67,493	7,102	19 *	74,614	72,042	2,572
Finance						
Directorate	66,122	2,076	-	68,198	68,939	(741)
Budget, Treasury and Debt Management	9,850	4,200	-	14,050	11,513	2,537
Office of the Comptroller General	21,679	-	-	21,679	24,196 **	(2,517)
Office of the Chief Information Officer	1,844	-	-	1,844	1,201	643
Fiscal Policy	1,289	-	-	1,289	1,170	119
	100,784	6,276	-	107,060	107,019	41
Amortization of tangible capital assets of the NWT Liquor Commission	-	-	99	99	99	-
	100,784	6,276	99	107,159	107,118	41
Municipal and Community Affairs						
Regional Operations	101,100	12,042	-	113,142	105,899	7,243
Community Operations	2,533	6,950	-	9,483	3,432	6,051
Directorate	4,358	-	-	4,358	3,920	438
School of Community Government	3,202	(1)	-	3,201	2,868	333
Lands Administration	3,248	-	-	3,248	2,844	404
Sport, Recreation and Youth	5,179	1	-	5,180	5,047	133
Public Safety	1,607	85	-	1,692	1,490	202
	121,227	19,077	-	140,304	125,500	14,804
Justice						
Community Justice and Corrections	38,683	962	-	39,645	39,262	383
Law Enforcement	35,120	840	-	35,960	35,959	1
Court Services	11,316	(7)	65	11,374	11,312	62
Services to Government	10,459	132	(65)	10,526	9,830	696
Legal Aid Services	5,905	7	-	5,912	5,331	581
Services to the Public	4,723	-	-	4,723	4,640	83
	106,206	1,934	-	108,140	106,334	1,806

* Infrastructure that were not classified as capital have been transferred to operations.

** The Environment Remediation Fund is held centrally. Based upon information at March 31 an increase to the liability of \$5,421 was required.

Government of the Northwest Territories

Non-Consolidated Schedule of Expenses by Department (unaudited)

Schedule 2 (continued)

March 31, 2012

(thousands of dollars)

	Main Estimates \$	Supplementary Estimates \$	Transfers \$	Total Appropriation \$	Actual Expenditures \$	(Over)Under Appropriation \$
Health and Social Services						
Directorate	7,678	-	-	7,678	7,334	344
Health Services Programs	188,658	9,925	2,710	201,293	201,937	(644)
Community Health Programs	87,631	2,795	(4)	90,422	90,834	(412)
Program Delivery Support	34,320	1,960	747	37,027	33,748	3,279
Supplementary Health Programs	26,218	6	-	26,224	26,364	(140)
	344,505	14,686	3,453 *	362,644	360,217	2,427
Education, Culture and Employment						
Directorate	10,219	-	791	11,010	11,571	(561)
Primary and Secondary School Education	191,545	219	(191)	191,573	190,959	614
Advanced Education and Careers	46,158	113	(600)	45,671	46,118	(447)
Income Security	38,823	1,797	-	40,620	40,473	147
	286,745	2,129	-	288,874	289,121	(247)
Transportation						
Directorate	10,063	523	13	10,599	10,623	(24)
Airports	29,033	281	(4)	29,310	27,799	1,511
Highways	58,094	3	(8)	58,089	60,096	(2,007)
Marine	7,976	-	(3)	7,973	8,191	(218)
Road Licensing and Safety	4,603	(3)	(1)	4,599	4,379	220
Community Local Access Roads	1,008	(3)	3	1,008	834	174
	110,777	801	-	111,578	111,922	(344)
Public Works and Services						
Asset Management	81,881	495	4,390	86,766	83,428	3,338
Directorate	7,612	5	-	7,617	7,507	110
Technology Services Centre	1,361	-	-	1,361	1,183	178
Petroleum Products	2,134	-	-	2,134	1,413	721
	92,988	500	4,390 *	97,878	93,531	4,347
	1,368,078	59,651	8,023	1,435,752	1,399,417	36,335

* Infrastructure that were not classified as capital have been transferred to operations

Government of the Northwest Territories

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

Schedule 3

March 31, 2012

(thousands of dollars)

DEPARTMENT	Over-Accruals \$	Other Recoveries \$	Total \$
Legislative Assembly	7	(468)	(461)
Executive	2	14	16
Aboriginal Affairs and Intergovernmental Relations	6	-	6
Human Resources	105	135	240
Finance	557	351	908
Municipal and Community Affairs	12	419	431
Public Works and Services	713	110	823
Health and Social Services	3,026	(919)	2,107
Justice	155	38	193
Education, Culture and Employment	700	698	1,398
Transportation	119	610	729
Environment and Natural Resources	370	405	775
Industry, Tourism and Investment	346	(28)	318
	6,118	1,365	7,483

Non-Consolidated Schedule of Summary of Capital Acquisitions (unaudited)

Schedule 4

March 31, 2012

(thousands of dollars)

DEPARTMENT	Main Estimates \$	Supplementary Estimates \$	Total Appropriation \$	Actual Expenditure \$
Legislative Assembly	-	230	230	109
Human Resources	940	-	940	923
Finance	925	283	1,208	1,159
Public Works and Services	9,912	10,314	20,226	13,501
Health and Social Services	12,838	13,095	25,933	16,837
Justice	1,096	878	1,974	991
Education, Culture and Employment	27,669	25,579	53,248	43,424
Transportation	62,703	77,904	140,607	87,429
Environment and Natural Resources	1,634	1,266	2,900	1,626
Industry, Tourism and Investment	537	890	1,427	1,095
	118,254	130,439	248,693 *	167,094

\$7,924 of budget associated with infrastructure investments that were classified as non-capital in nature has been transferred to operations, as disclosed in Schedules 2 and 8. Projects completed by PWS on behalf of other Departments are reported as expenditures under the owner Department when completed.

Government of the Northwest Territories

Non-Consolidated Schedule of Grants (unaudited)

Schedule 5

for the year ended March 31, 2012

(thousands of dollars)

	Main Estimates \$	Supplementary Estimates \$	Transfers \$	Total Appropriation \$	Actual Expenditures \$	(Over)Under Appropriation \$
Executive						
Native Women's Association (in kind)	169	-	-	169	169	-
Band Council Subsidized Leases (in kind)	150	-	-	150	150	-
Women's Initiatives	50	-	-	50	55	(5)
Inuvialuit Regional Corporation	-	1,437	-	1,437	205	1,232
National Aboriginal Achievement Awards	35	-	-	35	35	-
IRC, Truth and Reconciliation Grant	-	-	-	-	10	(10)
United Way of Yellowknife	-	-	-	-	12	(12)
Governor General Visit	-	-	-	-	5	(5)
Canadian Red Cross	-	-	-	-	10	(10)
Native Women's Association Fiscal Association	-	-	-	-	91	(91)
Non-Government Organization Stabilization Fund	350	-	-	350	350	-
NT/NU Council of Friendship Centres	-	-	-	-	3	(3)
Devolution Negotiations NWT Metis Nation	-	-	-	-	149	(149)
	754	1,437	-	2,191	1,244	947
Aboriginal Affairs and Intergovernmental Relations						
Core Funding to Metis Locals	225	-	-	225	225	-
Special Events - Aboriginal Organizations	75	-	-	75	88	(13)
Aboriginal Intergovernmental Meetings Fund	350	-	-	350	350	-
2011 Western Premiers' Conference Grants	-	-	40	40	40	-
	650	-	40	690	703	(13)
Finance						
Deton'Cho Diamonds Inc. Foregone Interest	20	-	-	20	19	1
Municipal and Community Affairs						
Community Government Funding	168	-	-	168	-	168
New Deal Taxation Revenue Program	410	-	-	410	387	23
High Performance Athlete Grant Program	100	-	-	100	97	3
Community Government Funding	44,330	-	-	44,330	44,596	(266)
Grant in Lieu of Taxes	5,626	-	-	5,626	5,913	(287)
Senior Citizens and Disabled Persons Tax Relief	476	-	-	476	523	(47)
Joint Emergency Preparedness Program	-	-	-	-	85	(85)
Additional Funding - Mobile Equipment and Utilities	1,140	250	-	1,390	1,325	65
	52,250	250	-	52,500	52,926	(426)
Environment and Natural Resources						
Forest Fire Damage Compensation	100	-	-	100	57	43

Government of the Northwest Territories**Non-Consolidated Schedule of Grants (unaudited)****Schedule 5 (continued)****for the year ended March 31, 2012**

(thousands of dollars)

	Main Estimates \$	Supplementary Estimates \$	Transfers \$	Total Appropriation \$	Actual Expenditures \$	(Over)Under Appropriation \$
Health and Social Services						
Medical Professional Development	40	-	-	40	40	-
Lease Extension - Rockhill Apartments	443	-	-	443	443	-
	483	-	-	483	483	-
Justice						
National Justice Issues	9	-	-	9	8	1
Aboriginal Court Challenges	40	-	-	40	20	20
	49	-	-	49	28	21
Education, Culture and Employment						
Student Grants	9,240	835	-	10,075	10,006	69
Community Broadcasting Grants	52	-	-	52	30	22
	9,292	835	-	10,127	10,036	91
Industry, Tourism and Investment						
Fur Price Program	610	-	-	610	531	79
Disaster Compensation Program	15	-	-	15	80	(65)
	625	-	-	625	611	14
Total	64,223	2,522	40	66,785	66,107	678

Government of the Northwest Territories

Non-Consolidated Schedule of Contributions (unaudited)

Schedule 6

for the year ended March 31, 2012

(thousands of dollars)

	Main Estimates \$	Supplementary Estimates \$	Transfers \$	Total Appropriation \$	Actual Expenditures \$	(Over) Under Appropriation \$
Legislative Assembly						
Human Rights Commission	250	-	(13)	237	237	-
Executive						
Status of Women Council	368	-	-	368	368	-
Native Women's Association	236	-	-	236	236	-
Devolution Negotiations	40	-	-	40	-	40
	644	-	-	644	604	40
Human Resources						
Hay River H&SS Authority - Mentor/Educator Nurse Program	115	-	-	115	131	(16)
Finance						
NWT Hydro Corp Energy Investment Plan	-	4,200	-	4,200	4,133	67
Territorial Power Subsidy Program	10,585	-	(1,100)	9,485	5,245	4,240
Electricity Review Initiative	3,500	-	1,100	4,600	5,718	(1,118)
Northwest Territories Housing Corporation - Operations	37,434	(10)	-	37,424	37,424	-
Northwest Territories Housing Corporation - NWT Rental Subsidy	23,741	2,082	-	25,823	25,823	-
	75,260	6,272	-	81,532	78,343	3,189

Government of the Northwest Territories

Non-Consolidated Schedule of Contributions (unaudited)

Schedule 6 (continued)

for the year ended March 31, 2012

(thousands of dollars)

	Main Estimates \$	Supplementary Estimates \$	Transfers \$	Total Appropriation \$	Actual Expenditures \$	(Over) Under Appropriation \$
Municipal and Community Affairs						
Assistance to Community Governments	470	-	-	470	470	-
Management of Drinking Water in NWT	50	-	-	50	10	40
Arctic Energy Alliance Community Energy	150	-	-	150	150	-
Ground Ambulance and Highway Rescue	200	-	-	200	160	40
Recreation Contributions	1,275	-	-	1,275	1,117	158
Volunteer Contributions	70	-	-	70	58	12
Youth Funding	250	-	-	250	237	13
Youth Centres	500	-	-	500	499	1
Pan Territorial Sports Program	272	-	-	272	223	49
Water and Sewer Services Funding	12,660	-	-	12,660	12,847	(187)
Youth Corps	1,175	-	-	1,175	1,180	(5)
A Brilliant North	680	-	-	680	451	229
Multi Sport Games	650	-	-	650	813	(163)
Healthy Choices	615	-	-	615	614	1
Contracted Financial Services	-	-	135	135	42	93
Get Active	100	-	-	100	100	-
Regional Youth Sports Events	400	-	-	400	432	(32)
Tangible Capital Assets	-	-	-	-	15	(15)
Capital Formula Funding	28,002	-	-	28,002	28,001	1
Infrastructure Contributions	1,019	-	-	1,019	955	64
Municipal Rural Infrastructure Fund (MRIF)	1,815	-	-	1,815	-	1,815
Building Canada Plan (BCP)	1,287	-	-	1,287	-	1,287
	51,640	-	135	51,775	48,374	3,401
Transportation						
Airport Career Development Program	30	-	-	30	25	5
Community Access Program	980	-	-	980	826	154
Deh Cho Bridge Involvement Grants	96	-	-	96	96	-
	1,106	-	-	1,106	947	159
Health and Social Services						
Health & Social Services Authorities	239,937	10,129	(1,418)	248,648	248,619	29
Health & Social Services Recruitment and Retention Program	2,922	-	(21)	2,901	893	2,008
Primary Care (Health Systems Planning)	493	-	-	493	638	(145)
Territorial Health System Sustainability Initiative - Integrated Services Delivery Model	-	-	-	-	37	(37)
Health Awareness, Activities and Education	959	245	(50)	1,154	770	384
Preventions and Promotion	2,983	-	593	3,576	2,900	676
Consolidated Primary Care Clinic	-	-	-	-	19	(19)
Tlicho Cultural Coordinator	35	-	-	35	34	1
	247,329	10,374	(896)	256,807	253,910	2,897

Government of the Northwest Territories

Non-Consolidated Schedule of Contributions (unaudited)

Schedule 6 (continued)

for the year ended March 31, 2012

(thousands of dollars)

	Main Estimates \$	Supplementary Estimates \$	Transfers \$	Total Appropriation \$	Actual Expenditures \$	(Over) Under Appropriation \$
Environment and Natural Resources						
Mackenzie River Basin Board	65	-	-	65	40	25
Sir Wilfred Laurier	200	-	-	200	400	(200)
Geothermal Energy	100	300	-	400	426	(26)
Adaptation Plan	51	-	-	51	25	26
Traditional Knowledge Contributions	65	-	-	65	64	1
Interim Resource Management Agreement	-	305	-	305	305	-
Arctic Energy Alliance	1,933	-	-	1,933	1,929	4
Energy Conservation Contributions	200	-	-	200	112	88
Alternative Energy Program Contributions	200	-	-	200	446	(246)
Biomass Supply/Energy	1,300	250	-	1,550	1,098	452
Wind Energy Contribution	400	-	-	400	100	300
Wildlife Various	-	-	-	-	15	(15)
Wildfire Risk Management Plans	30	-	-	30	21	9
Wildlife Management Boards Contributions	158	-	-	158	144	14
Field Support Contributions - Various	-	-	-	-	5	(5)
Community Transfer Fort Good Hope	120	-	-	120	-	120
Stewardship Program	500	-	-	500	290	210
Policy and Strategic Planning Contributions	-	-	-	-	9	(9)
Northwest Territories Water Strategy	-	-	-	-	246	(246)
Protected Areas Contribution - Various	-	-	-	-	138	(138)
Energy Management Contribution - Various	-	-	-	-	16	(16)
Caribou Strategy	275	-	-	275	266	9
Disease Contaminants	16	-	-	16	20	(4)
	5,613	855	-	6,468	6,115	353

Government of the Northwest Territories

Non-Consolidated Schedule of Contributions (unaudited)

Schedule 6 (continued)

for the year ended March 31, 2012

(thousands of dollars)

	Main Estimates \$	Supplementary Estimates \$	Transfers \$	Total Appropriation \$	Actual Expenditures \$	(Over) Under Appropriation \$
Industry, Tourism and Investment						
Business Development and Investment Corporation	3,704	-	-	3,704	3,704	-
Community Futures	1,272	-	-	1,272	1,137	135
Community Transfers	1,451	-	68	1,519	1,446	73
Broadband Infrastructure Support	100	-	-	100	100	-
Entrepreneur and Economic Development	3,866	-	125	3,991	4,020	(29)
Investment and Economic Analysis	-	-	25	25	-	25
Mackenzie Valley Contributions	715	-	-	715	724	(9)
Promote Commercial Harvesting Meat and Fish	550	-	-	550	488	62
Energy Contributions	4,250	500	-	4,750	2,361	2,389
Northern Frontier Visitors Centre	-	-	111	111	111	-
Hydro Strategy	1,250	-	-	1,250	1,250	-
Agriculture Development Infrastructure	300	-	-	300	251	49
Directorate Contribution Various-Protected Area Strategy	-	-	40	40	30	10
Tourism Diversification Program	900	-	-	900	906	(6)
Tourism Industry Contributions	2,536	-	100	2,636	2,765	(129)
Sport Hunt Outfitter Marketing Support	600	-	-	600	494	106
Take A Kid Trapping	125	-	-	125	197	(72)
Community Harvester Assistance	1,074	-	-	1,074	1,021	53
Fisheries	225	-	-	225	225	-
Western Harvester Assistance Program	-	63	-	63	63	-
Local Wildlife Committees	257	-	-	257	229	28
Diavik SocioEconomic Agreement	180	-	-	180	-	180
Minerals Oil and Gas Contributions	-	-	-	-	32	(32)
Great Northern Arts Festival	25	-	-	25	25	-
	23,380	563	469	24,412	21,579	2,833
Justice						
YWCA of Yellowknife	105	-	-	105	105	-
Victims Assistance	525	-	-	525	519	6
Community Justice	1,687	-	-	1,687	1,409	278
Wilderness Camp Contributions	135	-	-	135	33	102
Elder Program	30	-	-	30	30	-
	2,482	-	-	2,482	2,096	386

Government of the Northwest Territories

Non-Consolidated Schedule of Contributions (unaudited)

Schedule 6 (continued)

for the year ended March 31, 2012

(thousands of dollars)

	Main Estimates \$	Supplementary Estimates \$	Transfers \$	Total Appropriation \$	Actual Expenditures \$	(Over) Under Appropriation \$
Education, Culture and Employment						
Education Authority Contributions	148,334	65	(191)	148,208	145,947	2,261
Aurora College Contributions	30,847	110	(600)	30,357	30,216	141
Community Skills for Work	650	-	-	650	385	265
Literacy	1,996	-	-	1,996	1,883	113
NWTTA Professional Improvement Fund	1,620	-	-	1,620	1,489	131
Healthy Children Initiative	2,110	-	-	2,110	1,781	329
Early Childhood Program	4,040	-	-	4,040	3,896	144
Minority Language Education and Second- Language Instruction	2,374	-	-	2,374	2,942	(568)
Official Languages:						
Aboriginal Languages Broadcasting	170	-	-	170	182	(12)
French	350	-	-	350	436	(86)
Aboriginal	2,911	-	85	2,996	3,061	(65)
Community Library Services	763	-	-	763	763	-
Cultural Organizations	554	-	-	554	554	-
Cultural Projects	176	-	-	176	169	7
Heritage Centres	491	-	-	491	491	-
NWT Arts Council	500	-	-	500	486	14
Support to Northern Performers	181	-	-	181	196	(15)
Tlicho Coordinator (DAAIR)	-	-	-	-	37	(37)
Small Community Employment	-	-	339	339	159	180
New Northern Arts Program	250	-	-	250	250	-
Cultural Component of Sports Events	50	-	-	50	-	50
Infrastructure Contributions:						
High School Career & Technology	400	319	(50)	669	238	431
Ecole St. Joseph Renovation	-	72	-	72	60	12
Community College Development	250	-	-	250	250	-
Community Libraries	100	-	-	100	100	-
Community Museum	100	-	-	100	15	85
Mildred Hall School	-	-	50	50	50	-
	199,217	566	(367)	199,416	196,036	3,380
Total	607,036	18,630	(672)	624,994	608,372	16,622

Government of the Northwest Territories

Non-Consolidated Schedule of Special Warrants (unaudited)

Schedule 7

for the year ended March 31, 2012

(thousands of dollars)

	Date of FMB Approval	Amount Authorized \$
OPERATIONS AND MAINTENANCE		
Environment and Natural Resources		
A special warrant was approved to fund the projected shortfall in the forest fire suppression budget due to a severe forest fire season in the 2011 calendar year.	30-Jun-2011	<u>6,012</u>
Total		<u>6,012</u>

Government of the Northwest Territories**Non-Consolidated Schedule of Inter-activity Transfers over \$250,000 and
Reclassification of Capital Costs (unaudited)****Schedule 8****for the year ended March 31, 2012****(thousands of dollars)**

	Transfer to (from) \$	Explanation
OPERATIONS AND MAINTENANCE		
Health and Social Services		
Program Delivery Support	743	Transfer the responsibility for the Canadian Blood Services Program to the Department, from Stanton Territorial Hospital Authority.
Health Services Programs	(743)	Transfer the responsibility for the Canadian Blood Services Program to the Department, from Stanton Territorial Hospital Authority.
Infrastructure Project Reclassification	3,453	The infrastructure budget associated with project costs that are not classified as capital expenditures has been transferred to the operations and maintenance budget.
Industry, Tourism and Investment		
Infrastructure Project Reclassification	62	The infrastructure budget associated with project costs that are not classified as capital expenditures has been transferred to the operations and maintenance budget.
Environment and Natural Resources		
Infrastructure Project Reclassification	19	The infrastructure budget associated with project costs that are not classified as capital expenditures has been transferred to the operations and maintenance budget.
Public Works and Services		
Infrastructure Project Reclassification	4,390	The infrastructure budget associated with project costs that are not classified as capital expenditures has been transferred to the operations and maintenance budget.
Education, Culture and Employment		
Directorate and Administration	791	Internal reallocation of Schools and College Supp Reserve to Directorate to offset the TSC chargeback deficit.
Education and Culture	(600)	Internal reallocation of Schools Supp Reserve to Directorate to offset the TSC chargeback deficit.
Advanced Education	(191)	Internal reallocation of Schools Supp Reserve to Directorate to offset the TSC chargeback deficit.

Government of the Northwest Territories

**Non-Consolidated Schedule of Inter-activity Transfers over \$250,000 and
Transfers for Non-qualifying Capital Costs (unaudited)**

Schedule 8 (continued)

for the year ended March 31, 2012

(thousands of dollars)

	Transfer to (from) \$	Explanation
CAPITAL INVESTMENT		
Transportation		
Highways	(320)	Reprofiling funding to Motor Vehicle Information System enhancement work previously planned for 2012/2013.
Road Licensing and Safety	320	Funding will be returned back to Highways in 2012/2013.

for the year ended March 31, 2012

ACCOUNTS RECEIVABLE WRITTEN OFF

No amounts were written off during the
fiscal year ended March 31, 2012.

FORGIVENESS OF DEBT

No amounts were forgiven during the
fiscal year ended March 31, 2012

Government of the Northwest Territories**Non-Consolidated Schedule of Bad Debt Write-offs, Forgiveness
and Student Loan Remissions (unaudited)****Schedule 9
(continued)**

for the year ended March 31, 2012

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.

Name	\$	Name	\$
Adam, Aaliya	99	Booth, Andrea	3,358
Adam, Zahrah	2,718	Borden, Robert	2,762
Adams, Jillian	1,830	Borkovic, Joey	1,512
Alerston, Kevin	3,601	Borkovic, Jane	2,247
Alexander, Jenna	4,614	Bourassa, Darcy	4,231
Allison, Stephen	2,740	Bourgeois, Stephanie	1,776
Alty, Abigail	2,389	Bourke, Eugene	1,688
Alty, Rebecca	4,220	Bower, Tara	3,265
Anavilok, Judy	10,631	Braden, Jazann	11
Andrews, Jill	2,546	Braden, Carmen	2,060
Arberry, Saundra	4,439	Brandford, Gregory	2,727
Ardiles, Catherine	1,467	Branton, Kimberly	4,384
Arnault, Teira	2,800	Brasseur, Jacqueline	1,052
Ashby, Kaleigh	3,058	Brebner, Ashley	4,198
Ashcroft, Sunny	4,779	Brebner, Katherine	2,800
Babin-Lavoie, Catherine	2,251	Broddy, Meghan	3,091
Bachand, Brendan	1,019	Brodhagen, Devin	5,600
Bailey, Victoria	2,800	Bromley, Tara	2,795
Baillargeon, Charles	4,220	Brown, Karen	7,869
Ballantyne, Nicholas	1,173	Bruser, Rebecca	4,077
Ballantyne, Alexandra	1,534	Buckle, Blake	6,346
Balsillie, Laurie	2,113	Buckley, Betty	1,041
Bannon, Sarah	3,880	Budgell, Alexandra	2,258
Bannon, Joseph	2,554	Burr, Christi	12,615
Barbier, Linsay	2,587	Byatt, Gabriel	6,061
Baron, Vanessa	4,384	Byatt, Justin	3,420
Bartlett, June	1,837	Bye, Miranda	3,902
Bassett, Shawna	2,100	Callas, Brendan	4,033
Bell, Margaret	4,384	Callas, Michael	2,214
Bengts, Amanda	4,198	Campbell, Jill	4,285
Bennington, Andrea	4,448	Campbell, Lana	2,992
Besarra, Renfred	5,677	Canuel-Kirkwood, Shoshanna	732
Bissell, Kells	2,800	Card, Sally	3,600
Black, Stephen	1,052	Carr, Georgina	4,746
Blandford, James	4,132	Carrillo, Karen Anne	3,266
Blesse, Lida	11,256	Cartwright, Adrienne	3,119
Blesse, Leanne	3,573	Cartwright, Aiden	4,691
Blyth, Michael	4,099	Casebeer, Jessi	2,466
Boden, Mary	1,830	Castro, Paula	2,762
Boden, Robert	1,721	Chamberlin, Jarred	1,502
Boden, Rebecca	3,880	Charest, Emily	2,450
Bolivar, Kate	3,430	Chassie, Ann-Marie	1,984
Bolstad, Josh	4,373	Chaykowski, Vanessa	3,850
Bolstad, Mandi	3,989	Cherwaty, Kyla	3,365
Bonnell, Kyle	524	Chetwynd, Courtney	4,011

Government of the Northwest Territories

**Non-Consolidated Schedule of Bad Debt Write-offs, Forgiveness
and Student Loan Remissions (unaudited)**

**Schedule 9
(continued)**

for the year ended March 31, 2012

Chetwynd, Jaime	6,839	Foster, Brianne	4,691
Christensen, Marc	7,036	Fournier, Jamesie	2,313
Coedy, Luke	4,647	Fournier, Jessica	4,187
Coleman, Amanda	3,310	Frost, Jane	2,224
Coleman, Kristi	8,253	Fry, Ethan	2,100
Colford, Joshua	4,501	Fryer, Lisa	4,242
Constantino, Roselle	5,348	Fryer, Janine	5,842
Coolen (Mackenzie), Catherine	2,389	Fyfe, Jolene	4,242
Cooper, Kayla	3,003	Gagnon, Angela	11,738
Costello, Kari	7,124	Garbutt, Nicole	156
Cote, Lee Ann	5,590	Gardiner-McCarthy, Patrick	3,299
Cowan, Chelsea	4,406	George, Amber	2,091
Coyne, Susan	1,083	Gibson, Kimberly	1,293
Cracknell, Alexander	3,891	Gilbert, Stephanie	2,937
Cracknell, James	3,946	Goldenberg, Alina	2,170
Cran, Erin	588	Goldney, Jeanette	3,989
Crews, Gregory	3,354	Grabke, Dwight	4,220
Crump, Ashley	3,189	Graf, Derek	1,206
Cumming, Kelly	954	Green, Ashley	4,943
Curtis, Dustan	4,724	Greig, Ryan	1,786
Debogorski, Amelia	3,354	Grundy, Matthew	2,191
Debogorski, Andrew	6,817	Gullberg, Erin	2,773
Debogorski, Clinton	3,058	Gzowski, Angela	3,661
Debogorski, Dominic	3,102	Halifax, Breigh	1,841
Debogorski, Jennifer	2,653	Hall, Heather	3,222
Dechief, Samantha	4,033	Hamilton, Rylie	386
Decorby, Spencer	5,906	Hamilton, Shelby	3,485
Dennis, Alicia	5,338	Harder, Jesse	3,109
Desilets, Angela	3,113	Harding, Joanna	1,260
Desrosiers, Veronica	3,529	Hardy, Matthew	2,597
Dewar, David	1,140	Hart, Sienna	932
Dickson, Cole	4,614	Hebert, Bonny	575
Digness, Samantha	2,904	Hehn, Brandi	4,625
Dillon, Kathleen	4,066	Hernandez, Anneluzelia	4,647
Doering, Joleen	1,704	Heron, Robert	4,900
Doyle, Patrick	3,299	Heslep, Alison	3,957
Dumas, Christopher	2,499	Heslep, Davis	1,808
Dumbuya, Hawa	2,828	Hess, Samera	1,502
Dunbar, Stephen	4,768	Hobbs, Brandon	4,603
Edwards, Tim	2,591	Hobbs, Kirsten	2,800
Elliott, Kristen Leah	3,036	Holden, Robert	1,436
Eluik, Aimee	2,280	Hoyles, Moriah	5,699
Embodo, Earl	36	Humphrey, David	2,800
Emerson, Jeremy	5,820	Hunter, Brian	1,546
England, David	2,100	Hurley, Tara	7,672
England, Maia	7,212	Hysert, Gwen	2,959
Escalante, Jean	5,239	Ilgok, Patricia	10,949
Escalante, Lucy	5,721	Ingarfield, Bhreagh	4,200
Evans, Jess	1,973	Ingarfield, Emily	8,319
Ferrier, Elizabeth	1,280	Jaffray, Caitlin	2,828
Fisher, Whitney	2,367	Jarvis, Alicia	2,017
Fitzgerald, Alanna	6,160	Jason, Alexandra	11,766
Fitzgerald, Jane	4,910	Jefferson, Kate	2,762
Forget-Manson, Elijah	4,647	Jen, Brooke	3,025

Government of the Northwest Territories**Non-Consolidated Schedule of Bad Debt Write-offs, Forgiveness
and Student Loan Remissions (unaudited)****Schedule 9
(continued)****for the year ended March 31, 2012**

Johnson, Kate	3,957	MacKinnon, Laura	1,523
Johnson, Michaela	5,348	MacLellan, Joseph	4,362
Johnston, Andrew	3,200	Maddeaux-Young, Christopher	4,614
Johnston, Karl	2,565	Maddeaux-Young, Hayley	4,724
Jones, Brittany	2,839	Mahler, Kirstin	2,302
Jones, Daniel	5,600	Mahler, Rebecca	1,315
Jones, Julie	3,639	Mair, Dylan	2,674
Kaeser, Courtney	2,707	Makletzoff, Tonya	3,781
Kailek, Shelley	4,022	Malakoe, Alexandra	4,132
Kaip, Kirsten	8,154	Mandeville, Curtis	4,231
Kalnay, William	7,310	Mandeville, Leah	4,373
Kanwal, Harinder	4,209	Maracle, Alisen	6,510
Kanwal, Inderjit	1,819	Marrai, Caterina	2,828
Karhut, Stephanie	1,750	Marshall, Jordan	4,055
Kay, Lucy	6,000	Marshall, Kellan	6,149
Kefalas, Kyle	2,422	Marta, Ashley	2,576
Kelly, Erica	2,619	Martel, Shawna	3,452
Kennedy, Martin	3,069	Martin, Gabrielle	3,025
Keysko, Samuel	1,534	Mateus, Krystal-de-Neiva	2,506
Kimble, Stephanie	1,951	Mathews, Andrew S	719
King, Christine	3,178	Mathews, Brendan	3,913
Kinney, Allan	6,390	Mathews, Joanna	3,726
Klengenberg, Deborah	2,214	McArthur, Allison	3,113
Kocik, Derrick	5,074	McCabe, Stephanie	4,011
Koswan, Bradley	2,455	Mccarthy, Patrick	3,694
Kraft-Bailey, Corinne	2,598	McGee, Sean	1,677
Kruger, Stephen	2,800	McIvor, Lindsay	5,721
Laffert, Jessica	4,209	McKay, Lindsay	3,288
Laity, Daniel	2,904	McKee, Janell	4,603
Laity, Erin	2,882	MckKay, James	3,167
Lakhani, Sabrina	1,315	McManus, Catherine	19,290
Lakusta, Danielle	4,242	Mcmullen, Andrea	2,893
Langevin, Jennifer	3,935	Meek, Alyssa	1,688
Lansdown, Doug	3,989	Menard, Alanna	2,751
Lau, Ariel	1,206	Menard, Jenna	6,269
Laube, Kurt	4,143	Menard, Joshua	2,800
Lavoie, Arlene	4,088	Menard, Zachary	4,570
Lavoie, Robyn	4,362	Meredith, Dayna	1,289
Lee, Margaret	2,800	Merrithew, Leslie	3,113
Legaree, Alexander	11	Metcalfe, Scott	5,042
Lennie, Fraser	3,957	Michelin, Morgan	3,869
Letourneau-Paci, Chloe	1,896	Miller, Shona	6,225
Lillis, Amanda	2,554	Miltenberger, Cole	2,214
Lindsey, Michel	5,217	Monks, Deanna	2,017
Look, Kyle	1,796	Moore, Kristin	4,110
Lyons, Amanda	3,148	Moran, Alex	7,058
MacDonald, Claire	2,488	Moreau, David	2,100
MacDonald, Laura	3,957	Morrison, Rae	4,190
Mackenzie, Alexandria	1,896	Morse, Julian	2,992
MacKenzie, Catherine	3,343	Morton, Sara	2,207
MacKenzie, James	2,532	Munroe, Sara	3,913
MacKenzie, Samantha	3,880	Munroe-Rosen, Soura	2,839
Mackie, Bailey	5,600	Murphy, Brendan	2,411
Mackie, Kimberly	3,880	Murphy, Christine	3,321

Government of the Northwest Territories**Non-Consolidated Schedule of Bad Debt Write-offs, Forgiveness
and Student Loan Remissions (unaudited)****Schedule 9
(continued)**

for the year ended March 31, 2012

Myrick, Andrea	5,907	Reid, Katie	4,022
Nendsa, Troy	2,444	Reid, Taylor	3,113
Noel, Jeremy	2,762	Rentmeister, Kyle	4,943
Noel, Matthew	2,247	Rivera, Justin	4,636
Nogarin, Franco	4,154	Rivers, Ashley	6,773
Nolting, Michael	4,428	Rivers, Ceilito	6,850
Normandin, Julie	4,143	Roberts, Natascha	4,231
Normandin, Stephanie	2,800	Robertson, Drew	4,077
Normandin-Flesjer, Nicole	4,165	Robinson, David	3,474
O'Brien, Randi	4,108	Rocher, Jacqueline	4,636
O'Connell, Kevin	1,041	Rodriguez-Masongsong, Rebecca	4,165
O'Connor, Elise	6,620	Romanko, Lee	2,576
Offredi, Stephen	4,592	Ross, Lee	4,165
O'Harra, Linna	2,181	Rossouw, Nigel	2,800
Ohrling, Laura	217	Rousselle, Natacha	4,581
O'Keefe, Harry	2,214	Rowe, Curtis	7,091
Oliver, Stephen	3,124	Rowe, Ryan	5,600
Ollerhead, Justine	3,289	Rozenestraten, Katherine	2,170
O'Neill, Margaret	5,984	Rozenestraten, Scott	3,146
Paquin, Jahliele	3,343	Ruptash, Kenneth	7,256
Paquin, Myriam	1,315	Ruptash-Stauffer, Lynda	4,154
Parker, Marc	6,620	Russell, Brittany	4,658
Parker, Melody	6,499	Rutherglen, Shannon	1,326
Parker, Patrica	4,977	Ruttle, Pamela	2,334
Paul, Jonathan	2,466	Saravanja, Natacha	4,022
Pearl, Sheldon	4,603	Sartot-Pielak, Arianna	4,000
Petak, Therese	1,772	Savage, Jean-Frederic	1,373
Phypers, David	3,957	Savage, Pascale	4,450
Pidborochynski, Nichol	6,115	Scarf, Adam	2,762
Pierrot, Christina	4,055	Scheper, Samantha	3,003
Pike, Jordan	3,522	Schnyder-Patrick, Stephanie	5,425
Poitras, Judy	3,372	Schwartzenberger, Jeffrey	3,957
Pollard, John	2,477	Scott, Danika Paige	3,781
Pond(Marshman), Michelle	4,680	Seeton, Matthew	7,168
Pond, Kyle	5,600	Shaben, Adam	3,430
Pontus, Danielle	2,302	Shaben, Krystal	2,674
Posynick, Jon	4,165	Shank, Jacob	7,782
Poulter, Bradley	4,033	Shannon, Samuel	4,154
Pound, Shawna	9,897	Shelley, Justin	822
Power, Sarah M	4,373	Sheppard, Ryan	1,400
Purchase, Eli	4,033	Shouhda, Lyle	4,274
Purchase, Trevor	1,556	Shouhda, Meagan	4,505
Pynten, Kristen	5,469	Sibbald, Carey	1,721
Pynten, Misty	4,009	Silke, Andrew	6,335
Radicchi, Lisa	3,978	Silke, Ryan	3,978
Radicchi, Laura	2,893	Silverio, Sandra	4,165
Ramm, Charmain	7,332	Simpson, Tanis	1,326
Ramm, Damien	4,033	Sinclair, Frances	2,817
Randall, Amber	6,817	Singer, Claire	4,888
Rasmussen, William	1,318	Smith, Alexander	2,291
Ratray, Heather	3,858	Smith, Jodi	6,762
Ratray, Kevin	4,000	Sorenson, Alanna	358
Reid, Graeme	2,948	Sosiak, Kevin	2,893
Reid, Holly	700	Spence, Alex	3,891

Government of the Northwest Territories**Non-Consolidated Schedule of Bad Debt Write-offs, Forgiveness
and Student Loan Remissions (unaudited)****Schedule 9
(continued)****for the year ended March 31, 2012**

Spoelder, Cassandra	5,327	Webber, Paul	77
St. Arnaud, Jessica	3,222	Weber, Jayson	4,428
Stanzell, Stephanie	6,650	Wells, Aaron	2,334
Starling, Brent	4,143	Wesly, Krista	5,480
Steen, Rebecca	6,300	Westergreen, Anneka	3,463
Stephenson, Gordon	3,880	Westwell, Joanna	2,109
Stewart, Meghan	1,998	White, Rebecca	7,102
Stewart, Jarius	2,488	Wickens, Kim	6,225
Stewart, Sabrina	3,146	Williams, Heather	6,466
Stinson, Cleo	5,381	Williams, Victoria	4,954
Stinson, Ella	5,206	Williams, Lisa	502
Stipdonk, Christopher	5,732	Willy, Jean	690
Stirling, Aislinn	4,811	Wilson, Patrick	2,100
Stirrett, Samantha	5,200	Wiseman, Renee	4,020
Stroeder, Kathleen	3,584	Wolki, Francis	8,100
Stuckey, Kayla	2,800	Wong, Daniel	5,951
Sullivan, Christopher	1,282	Wood, Shantana	5,568
Sveinsson, Chelsea	6,664	Woodward, Devon	6,718
Taggart, Craig	3,968	Wouters, Morgan	4,033
Tam, Alexander	4,603	Woytuik, Ashley	4,110
Tam, Andrea	4,143	Woytuik, Christopher	514
Tarkalam, Samoueil	1,699	Woytuik, Kimberly	5,348
Taylor-Payne, Lacey	2,628	Woytuik, Michael	1,574
Telbis, Dessislava	1,326	Wriggleworth, Patrick	3,113
Testart, Kieron	7,102	Wright, Briony	3,321
Therrian, Jennifer	3,893	Wright, Erica	1,797
Therrian, Peter	3,713	Wyse, Caroline	2,280
Thiem, Tiffany	500	Young, Jenelle	2,981
Thompson, Kristan	5,612	Yuhus, Robert	3,191
Thomson, Kaitlin	2,175	Zenko, Emily	1,951
Thrasher, Julie	6,393		
Tolley, James	4,548		
Tologanak, Lynn	2,488	Total Remissions	<u>1,841,314</u>
Tonge, Jeffery	3,047		
Townend, Cheyenne	1,961		
Tram, John	4,132		
Tram, Michael	2,694		
Tremblay, Brad	2,839		
Tremblay, Dawn	7,168		
Tremblay, Sheena	3,902		
Tuckey, Brad	4,400		
Turner, Christen	4,202		
Van Metre, Stacey	3,884		
Vangeffen, Kari	3,682		
Varence, Shannon	2,861		
Velez, Victoria	4,252		
Venezuela, Carmela	1,491		
Vician, Kristin	3,102		
Vivian, Adam	3,792		
Vogt, Alanhea	8,286		
Vuorela, Arleen	4,384		
Wallington, Kevin	2,800		
Walsh, Andrew	2,100		
Walsh, Robert	5,195		

Government of the Northwest Territories

**Non-Consolidated Schedule of Recoveries of Debts and Student Loans Previously Written Off
(unaudited)**

Schedule 10

for the year ended March 31, 2012

Name	\$	Name	\$
Education, Culture and Employment		MACA	
Allen, Timothy	1,915	Fort Liard Metis Development	530
Beaulieu, Bernadette	11,691	Lafferty, David & Wedzin, Louisa	1,168
Casaway, Raymond	2,520		<u>1,698</u>
Cockney, Irma Jean	921		
Colbourne, Jennifer	501		
Colles, William	706		
Cook, Harold George	1,208		
Drygeese, Annie	2,111		
Fortin, Gerard Anthony	777		
Hawker, Michelle Leigh	636		
Laviolette, Marisa Mellisa	1,829		
Leitch, Elizabeth	964		
Miersch, Jacqueline Gail	2,297		
O'Brien, Timothy	2,800		
Plamondon, Vernon R. P.	3,166		
Pomfrey, Gary Bryan Douglas	1,464		
Sanderson, Alice Mary	2,602		
Taureau, Lena	795		
Tearle, Sandra	1,113		
Wanderingspirit, Darlene Ann	1,188		
Zoe, Lily Ann	1,189		
	<u>42,393</u>		
Finance		Environment and Natural Resources	
Arctic Circle Lodge	2,935	Tainchay's Patio Hamburger Stand	4,495
Arey's Cafe	3,794	Patterson Enterprises Ltd.	22,943
Arroyo, Jose L.	5,882		<u>27,438</u>
Central Hisparo	12,719		
Cooper and Sons Aviation	50,648		
Dependence de G. Tributaria	15,403		
Drybones, Noel	1,021		
Gruben, Sam Sr.	1,181		
Kupeauna, Jack	4,615		
Look, Lillian	3,800		
Luebbert, Lance	2,000		
Menacho, Wilbert	2,361		
Renshaw, Roberta	2,941		
Roches, R.E.	81,944		
Tourangeau, Lloyd	1,018		
Western Arctic Claim Implementation	5,361		
Ms. Dorin Whelly	22,678		
	<u>220,301</u>		
		Industry, Tourism and Investment	
		McKay, Sarah	<u>974</u>
		Justice	
		Peffer, Dolly	<u>1,860</u>
		Health and Social Services	
		Northern Addiction Services	<u>119,651</u>
		Individual amounts under \$500	
			<u>6,387</u>
			<u>420,702</u>

Government of the Northwest Territories

Non-Consolidated Schedule of Overdue Travel Advances (unaudited)

Schedule 11

for the year ended March 31, 2012

Overdue travel advances represent travel advances which have not been accounted for by an expense claim within 10 working days of the return date given on the travel authorization.

\$

Education, Culture and Employment

Coultier, Robert	<u>262</u>
------------------	------------

Government of the Northwest Territories**Non-Consolidated Schedule of Overdue Accountable Advances Related to Previous Fiscal Years
(unaudited)****Schedule 12****for the year ended March 31, 2012**

	Date Issued	\$
Justice		
Akaiitcho Territory Government	May 26, 2010	14,141
Native Woman's Association	August 4, 2010	15,932
Tsiigehtchic Charter Community	November 10, 2010	31,550
		61,623

Education, Culture and Employment

Arlene's Family Day Home	October 8, 2010	4,851
Tl'oondih Healing Society	October 20, 2010	3,615
North Slave Metis Alliance	October 1, 2010	13,500
Inuvik Literacy Circle	July 31, 2010	8,100
Ricky Kikoak	September 17, 2010	7,663
NWT Heritage Fairs Society	February 7, 2011	5,000
Mathew Nimegeers	December 9, 2010	800
Angik School	October 29, 2010	4,500
Jonathon Churcher	March 4, 2010	600
James Wilson	November 17, 2010	2,500
Brent Reaney	July 16, 2010	4,950
Garth Wallbridge	August 12, 2010	5,626
Jesse James Gon	February 25, 2011	4,000
Yellowknives Dene First Nation	November 10, 2010	15,448
Northwest Territory Metis Nation	March 16, 2010	15,977
Northwest Territory Metis Nation	June 23, 2010	801
		97,931

Total**159,554**

Government of the Northwest Territories**Non-Consolidated Schedule of Projects for the Government of Canada, Nunavut and Others
- Expenditures Recovered (unaudited)****Schedule 13****for the year ended March 31, 2012**

\$

Executive

Inuvialuit Regional Corporation	118,000
---------------------------------	----------------

Human Resources

Aboriginal Health Agreement	20,000
-----------------------------	---------------

Aboriginal Affairs and Intergovernmental Relations

Inuvialuit Implementation Funding	112,741
Gwich'in Land Claim Implementation	151,954
Sahtu Land Claim Implementation	115,992
Tlicho Agreement Implementation Funding	166,389
Secondment - Indian and Northern Affairs Canada	151,917
	698,993

Finance

Department of Indian and Northern Affairs Canada	
Northern Communications Assessment	34,332
Secondments	63,558
	97,890

Municipal and Community Affairs

Federal Gas Tax	18,227,437
Gwich'in Land Claim Implementation	405
Sahtu Land Claim Implementation	405
Inuvialuit Land Claim	100,000
Pan Territorial Sport Strategy	252,080
Tlicho Agreement Implementation	76,682
	18,657,009

Government of the Northwest Territories**Non-Consolidated Schedule of Projects for the Government of Canada, Nunavut and Others
- Expenditures Recovered (unaudited)****Schedule 13
(continued)****for the year ended March 31, 2012**

\$

Transportation

National Safety Code	153,371
Tlicho Implementation Funding	131,772
Airline Glycol Recovery	142,712
Wood Buffalo National Park	1,114,316
Merc International Minerals Inc	150,000
Prelude Lake Access Road	7,000
Hold Baggage System - Yellowknife Airport	115,020
Alberta Road Maintenance	415,627
Hay River Access Corridor	71,697
Federal Arctic Marine Maintenance Program	389,878

2,691,393**Public Works and Services**

Sahtu Land Claim Implementation	4,300
Gwich'in Land Claim Implementation	4,300
Tlicho Agreement Implementation	14,669
Alex Moses Greenland Building - Beaufort Delta Health and Social Services Authority	81,622
Beaufort Delta Education Board	168,713
Multi-use Facility	721,381

994,985**Justice**

Sahtu Land Claims Implementation	23,621
Gwich'in Land Claims Implementation	21,565
Tlicho Agreement Implementation	38,693
Estates Clerk	156,660
Framework for Enhancing Victim Services in the NWT	354,868
"Not Us" Drug Awareness Campaign	80,000
Domestic Violence Treatment Option Initiative	20,000
National Victims of Crime Awareness Week	5,712
NWT/Nunavut Study	85,000
Supporting Families Fund	200,562
Law Society of the NWT	20,000
NWT Law Foundation	50,000

1,056,681

Government of the Northwest Territories**Non-Consolidated Schedule of Projects for the Government of Canada, Nunavut and Others
- Expenditures Recovered (unaudited)****Schedule 13
(continued)****for the year ended March 31, 2012**

	\$
Health and Social Services	
Pan-Territorial Medical Travel Program	136,161
Pan-Territorial Social Marketing Program	295,141
Pan-Territorial Mental Health Program	185,450
Territorial/Federal ADM's Working Group - Yukon - NWT Contribution Agreement	121,244
NWT Public Health Surveillance Project	173,930
Drug Treatment Funding Program	430,000
Mental Health First Aid	51,450
Non-Insured Health Benefits Funding	12,674,985
NWT National Diabetes Surveillance System	117,668
Electronic Medical Records	302,847
Northern Contaminants Fund	67,819
Enhanced Hepatitis Surveillance System	55,209
Toll-Free Tobacco Quitline Services	20,475
Tobacco Cessation Project	389,120
Collaborative Action on Childhood Obesity	144,609
Federal Wellness Funding Program	
Program Management	380,048
Aboriginal Diabetes Initiative	1,053,743
Nutrition North Canada	359,544
Brighter Futures	3,449,027
Canada Prenatal Nutrition Program	967,543
National Aboriginal Youth Suicide Prevention	527,258
Chronic Disease & Injury Prevention	239,119
Fetal Alcohol Spectrum Disorder	616,055
National Native Alcohol Drug Addictions Program	346,408
Home & Community Care	4,352,380

27,457,233

Education, Culture and Employment

Sahtu Land Claim Implementation	24,440
Gwich'in Land Claim Implementation	33,998
Tlicho Agreement Implementation	64,000
Labour Market Agreement	1,040,208
Labour Market Development Agreement	4,304,968
Nunavut Shared Services	190,015
Establishing Standard Monitoring in the North Slave (Science Camp)	6,800
Older Workers	109,847
Immigration Portal	4,066

5,778,342

Government of the Northwest Territories**Non-Consolidated Schedule of Projects for the Government of Canada, Nunavut and Others
- Expenditures Recovered (unaudited)****Schedule 13
(continued)**

for the year ended March 31, 2012

\$

Environment and Natural Resources

Sahtu Land Claim Implementation	138,500
Gwich'in Implementation	63,832
Tlicho Implementation	49,113
Inuvialuit Implementation	3,570,383
Nature Serve Canada	19,000
Parks Canada	97,122
Sahtu Land Use Planning Board	2,932
Sahtu Renewable Resources Board	13,512
Enbridge	6,252
US Fish and Wildlife	20,741
ConocoPhillips Canada Resource	45,000
Government of Nunavut	80,000
Reforestation	24,385
Mutual Aid Resources Sharing Agreement	1,457,691
Indian and Northern Affairs Canada	617,275
Gwich'in Renewable Resource Board	22,500
World Wildlife Fund Canada	20,000
Environment Canada	125,000
Department of Natural Resources Canada	169,595
Arctic Ungulate Conference 11/12	40,000
Canadian Economic Development Agency (CanNor)	1,346,000
	<hr/>
	7,928,833

Industry, Tourism and Investment

Sahtu Land Claim Implementation	74,800
Gwich'in Implementation	34,200
Tlicho Implementation	41,460
Canadian Economic Development Agency (CanNor)	1,554,000
Agriculture and Agri-Foods Canada	521,555
Citizenship and Immigration Canada	16,000
NWT Energy Corporation	83,212
	<hr/>
	2,325,227

Total **67,824,586**

PUBLIC ACCOUNTS
OF THE
GOVERNMENT OF THE NORTHWEST TERRITORIES
FOR THE YEAR ENDED MARCH 31, 2012

SECTION I
CONSOLIDATED FINANCIAL STATEMENTS

Honourable J. Michael Miltenberger
Minister of Finance

This page intentionally left blank.

**THE HONOURABLE GEORGE L. TUCCARO
COMMISSIONER OF THE NORTHWEST TERRITORIES**

I have the honour to present the Public Accounts of the Northwest Territories in accordance with Sections 27 through 31 of the *Northwest Territories Act (Canada)*, R.S.C. 1985, c. N-27, and Sections 72 through 74 of the *Financial Administration Act*, R.S.N.W.T. 1988, c. F-4, for the fiscal year ended March 31, 2012.



Honourable J. Michael Miltenberger

November 30, 2012

This page intentionally left blank.

**Public Accounts of the
Government of the Northwest Territories**

Table of Contents	Page
SECTION I	
CONSOLIDATED FINANCIAL STATEMENTS	
RESPONSIBILITY FOR FINANCIAL REPORTING	7
AUDITOR'S REPORT	9
Consolidated Statement of Financial Position	11
Consolidated Statement of Change in Net Debt	12
Consolidated Statement of Operations and Accumulated Surplus	13
Consolidated Statement of Cash Flow	14
Notes to Consolidated Financial Statements	15
Schedule A - Consolidated Schedule of Tangible Capital Assets	41
Schedule B - Consolidated Schedule of Segmented Information	42

This page intentionally left blank.

RESPONSIBILITY FOR FINANCIAL REPORTING

The preparation of the consolidated financial statements of the Government of the Northwest Territories, and related information contained in the Public Accounts, is the responsibility of the Government through the Office of the Comptroller General.

The consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles (GAAP) for the public sector. Where GAAP permits alternative accounting methods, management has chosen those that are most appropriate. Where required, management's best estimates and judgment have been applied in the preparation of these financial statements.

The Government fulfills its accounting and reporting responsibilities, through the Office of the Comptroller General, by maintaining systems of financial management and internal control. The systems are continually enhanced and modified to provide timely and accurate information, to safeguard and control the Government's assets, and to ensure that all transactions are in accordance with the *Financial Administration Act*.

The Auditor General of Canada performs an annual audit on the consolidated financial statements in order to express an opinion as to whether the consolidated financial statements present fairly, in all material respects, the financial position of the Government, the change in its net financial debt, the results of its operations and its cash flows for the year. During the course of the audit, he also examines transactions that have come to his notice, to ensure they are, in all significant respects, within the statutory powers of the Government and those organizations included in the consolidation.



Warren St. Germaine
Comptroller General
Government of the Northwest Territories

November 30, 2012

This page intentionally left blank.



INDEPENDENT AUDITOR'S REPORT

To the Legislative Assembly of the Northwest Territories

Report on the Consolidated Financial Statements

I have audited the accompanying consolidated financial statements of the Government of the Northwest Territories, which comprise the consolidated statement of financial position as at 31 March 2012, and the consolidated statement of operations and accumulated surplus, consolidated statement of change in net debt and consolidated statement of cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Auditor's Responsibility

My responsibility is to express an opinion on these consolidated financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Government of the Northwest Territories as at 31 March 2012, and the results of its operations, changes in its net debt, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Report on Other Legal and Regulatory Requirements

As required by the *Northwest Territories Act*, I report that, in my opinion, Canadian public sector accounting standards have been applied on a basis consistent with that of the preceding year.

Further, in my opinion, proper books of account have been kept by the Government of the Northwest Territories and the consolidated financial statements are in agreement therewith. In addition, the transactions of the Government of the Northwest Territories and of those organizations listed in note 1 to the consolidated financial statements that have come to my notice during my audit of the consolidated financial statements have, in all significant respects, been in accordance with the Government of the Northwest Territories' powers under the *Northwest Territories Act* and regulations, the *Financial Administration Act* of the Northwest Territories and regulations and the specific operating authorities disclosed in note 1 to the consolidated financial statements.

A handwritten signature in black ink, appearing to read "Michael Ferguson", with a long horizontal flourish extending to the right.

Michael Ferguson, FCA
Auditor General of Canada

30 November 2012
Vancouver, Canada

Government of the Northwest Territories

Consolidated Statement of Financial Position

as at March 31, 2012

(thousands of dollars)

	2012 Actual \$	2011 Actual \$
Financial assets		
Cash and cash equivalents (note 3)	67,775	117,533
Portfolio investments (note 4)	54,725	74,403
Due from the Government of Canada (note 13)	28,850	51,753
Accounts receivable (note 6)	75,075	63,335
Inventories for resale (note 7)	31,490	27,569
Loans receivable (note 8)	62,689	95,027
Investment in Northwest Territories Hydro Corporation (note 9)	104,067	100,836
	424,671	530,456
Liabilities		
Short-term loans (note 10)	134,941	-
Accounts payable and accrued liabilities (note 11)	257,711	257,899
Deferred revenue (note 12)	76,762	87,553
Due to the Government of Canada (note 13)	131,917	162,935
Capital lease obligations (note 14)	7,482	9,485
Long-term debt (note 15)	198,123	324,671
Pensions (note 16)	24,127	21,695
Other employee future benefits (note 17)	51,480	48,640
	882,543	912,878
Net debt	(457,872)	(382,422)
Non-financial assets		
Tangible capital assets (schedule A)	1,600,389	1,514,721
Inventories held for use (note 7)	3,040	2,209
Prepaid expenses	6,079	10,746
	1,609,508	1,527,676
Accumulated surplus	1,151,636	1,145,254

Contractual obligations and contingencies (notes 20 and 21)

Approved:



J. Michael Miltenberger
Minister of Finance



Warren St. Germaine
Comptroller General

The accompanying notes and schedules A and B are an integral part of the consolidated financial statements.

Government of the Northwest Territories

Consolidated Statement of Change in Net Debt

for the year ended March 31, 2012

(thousands of dollars)

	2012	2012	2011
	Budget	Actual	Actual
	\$	\$	\$
Net debt at beginning of year	(382,422)	(382,422)	(228,538)
Items affecting net debt:			
Annual surplus (deficit)	(4,776)	6,382	(2,368)
Acquisition of tangible capital assets	(178,598)	(185,162)	(292,427)
Disposal of tangible capital assets	-	3,418	3,860
Amortization of tangible capital assets	86,570	83,215	82,292
Deferred capital contributions received	-	33,063	71,879
Amortization of deferred capital contributions	(14,699)	(20,202)	(18,350)
Increase in inventories held for use	-	(831)	(115)
Decrease in prepaid expenses	-	4,667	1,345
Decrease in net debt	(111,503)	(75,450)	(153,884)
Net debt at end of year	(493,925)	(457,872)	(382,422)

The accompanying notes and schedules A and B are an integral part of the consolidated financial statements.

Government of the Northwest Territories

Consolidated Statement of Operations and Accumulated Surplus

for the year ended March 31, 2012

(thousands of dollars)

	2012 Budget \$	2012 Actual \$	2011 Actual \$
Revenues			
Grant from the Government of Canada	996,143	996,143	919,872
Transfer payments	116,136	125,958	133,088
	1,112,279	1,122,101	1,052,960
Taxation and general revenues			
Corporate and personal income taxes	87,471	95,166	119,786
Other taxes	104,369	114,150	107,158
General	65,298	63,981	60,211
Income from portfolio investments	2,787	2,079	2,501
Sales	25,959	78,468	73,995
Recoveries and amortization of capital contributions	61,036	52,179	53,837
	346,920	406,023	417,488
Recoveries of prior years expenses	3,000	8,127	7,933
	1,462,199	1,536,251	1,478,381
Expenses (note 22)			
Environment and economic development	125,030	135,879	129,009
Infrastructure	324,992	360,398	363,941
Education	317,972	320,178	301,619
Health, social services and housing	475,751	462,392	451,228
Justice	106,206	106,171	100,993
General government	104,719	128,608	119,382
Legislative Assembly and statutory offices	19,666	19,474	17,348
	1,474,336	1,533,100	1,483,520
Annual operating surplus (deficit)	(12,137)	3,151	(5,139)
Net income from investment in Northwest Territories Hydro Corporation (note 9)	7,361	3,231	2,771
Projects on behalf of third parties			
Expenses	(56,754)	(67,825)	(64,787)
Recoveries	56,754	67,825	64,787
Annual surplus (deficit)	(4,776)	6,382	(2,368)
Accumulated surplus at beginning of year		1,145,254	1,147,622
Accumulated surplus at end of year		1,151,636	1,145,254

The accompanying notes and schedules A and B are an integral part of the consolidated financial statements.

Government of the Northwest Territories

Consolidated Statement of Cash Flow

for the year ended March 31, 2012

(thousands of dollars)

	2012 Actual \$	2011 Actual \$
Cash provided by (used in)		
Operating transactions		
Annual surplus (deficit)	6,382	(2,368)
Items not affecting cash:		
Valuation allowance	2,473	4,583
Amortization	83,215	82,292
Net revenue from investment in NWT Hydro Corporation	(3,231)	(2,771)
	88,839	81,736
Changes in non-cash assets and liabilities:		
Due from (to) the Government of Canada	(8,115)	36,410
Increase in accounts receivable	(15,952)	(1,808)
Increase in inventories for sale	(3,921)	(572)
Decrease in accounts payable	(188)	(6,060)
Increase (decrease) in deferred revenue	(10,791)	3,211
Increase in pensions	2,432	553
Increase in employee future benefits	2,840	3,303
Increase in inventories held for use	(831)	(115)
Decrease in prepaid expenses	4,667	1,347
Cash provided by (used for) operating transactions	58,980	118,005
Investing transactions		
Disposition (acquisition) of portfolio investments	19,678	(13,730)
Loans receivable receipts	43,342	28,588
Loans receivable advanced	(9,265)	(14,144)
Cash received from investing transactions	53,755	714
Capital transactions		
Acquisition of tangible capital assets	(185,162)	(292,429)
Increase in deferred capital contributions	33,063	71,879
Amortization of capital contributions	(20,202)	(18,350)
Proceeds of disposition of tangible capital assets	3,418	3,860
Cash used for capital transactions	(168,883)	(235,040)
Financing transactions		
Short-term financing proceeds	134,941	-
Repayment of capital lease obligations	(2,003)	(2,688)
Long-term financing proceeds	5,676	3,300
Repayment of long-term financing	(132,224)	(17,812)
Cash received from (used for) financing activities	6,390	(17,200)
Increase in cash and cash equivalents	(49,758)	(133,521)
Cash and cash equivalents at beginning of year	117,533	251,054
Cash and cash equivalents at end of year*	67,775	117,533

* Cash and cash equivalents are represented by cash and short-term investments.

The accompanying notes and schedules A and B are an integral part of the consolidated financial statements.

Government of the Northwest Territories

Notes to Consolidated Financial Statements

March 31, 2012

(All figures in thousands of dollars)

1. AUTHORITY AND OPERATIONS

(a) Authority and reporting entity

The Government of the Northwest Territories (the Government) operates under the authority of the *Northwest Territories Act* (Canada). The Government has an elected Legislative Assembly which authorizes all disbursements, advances, loans and investments unless specifically authorized by statute.

The consolidated financial statements have been prepared in accordance with the *Northwest Territories Act* (Canada) and the *Financial Administration Act* of the Northwest Territories. 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. The following chart lists the organizations comprising the Government reporting entity, how they are accounted for in the consolidated financial statements and their specific operating authority.

Public Agencies fully consolidated:

Education Act

- Beaufort Delta Divisional Education Council
- Commission scolaire francophone de division
- Deh Cho Divisional Education Council
- Dettah District Education Authority
- Sahtu Divisional Education Council
- South Slave Divisional Education Council
- Yellowknife Catholic Schools District Education Authority
- Yellowknife Education District No.1 District Education Authority

Aurora College Act

- Aurora College

Hospital Insurance and Health and Social Services Administration Act

- Beaufort Delta Health and Social Services Authority
- Deh Cho Health and Social Services Authority
- Fort Smith Health and Social Services Authority
- Hay River Health and Social Services Authority
- Sahtu Health and Social Services Authority
- Stanton Territorial Health Authority
- Yellowknife Health and Social Services Authority

Tlicho Community Services Agency Act

- Tlicho Community Services Agency

Northwest Territories Business Development and Investment Corporation Act

- Northwest Territories Business Development and Investment Corporation

Northwest Territories Housing Corporation Act

- Northwest Territories Housing Corporation

Human Rights Act

- Northwest Territories Human Rights Commission

Northwest Territories Societies Act

- Northwest Territories Opportunities Fund

Status of Women Council Act

- Status of Women Council of the Northwest Territories

Government Business Enterprise consolidated on the modified equity basis:

Northwest Territories Hydro Corporation Act

- Northwest Territories Hydro Corporation

Government of the Northwest Territories

Notes to Consolidated Financial Statements

March 31, 2012

(All figures in thousands of dollars)

1. AUTHORITY AND OPERATIONS (continued)

All organizations included in the Government reporting entity have a March 31 fiscal year-end with the exception of Aurora College, Divisional Education Councils and District Education Authorities, which have a fiscal year-end of June 30. Transactions of these educational organizations that have occurred during the period to March 31, 2012 and that significantly affect the consolidation have been recorded. Revolving funds are incorporated directly into the Government's accounts while trust assets administered by the Government on behalf of other parties (*note 19*) are excluded from the Government reporting entity. Revolving Funds are segments of the Government that are engaged in commercial activities, with undefined and non-lapsing expense appropriations.

(b) Budget

The consolidated budget figures are the appropriations approved by the Legislative Assembly and the approved budgets for the consolidated entities, adjusted to eliminate budgeted inter-entity revenues and expenses. They represent the Government's original consolidated fiscal plan for the year and do not reflect supplementary appropriations.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements are prepared in accordance with Canadian public sector accounting standards.

(a) Measurement uncertainty

The preparation of financial statements in accordance with Canadian public sector accounting standards requires the Government 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 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 statements, the Government believes the estimates and assumptions to be reasonable.

The more significant management estimates relate to employee future benefits, environmental liabilities, contingencies, revenue accruals, valuation allowances for accounts receivable and loans receivable, and amortization expense. Other estimates, such as the Canada Health Transfer and Canada Social Transfer payments and Corporate and Personal Income Tax revenue are based on estimates made by the Government of Canada's Department of Finance and are subject to adjustments in future years.

(b) 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 date of 90 days or less from the date of acquisition.

(c) Portfolio investments

Portfolio investments are long-term investments in organizations that do not form part of the government reporting entity and are accounted for by the cost method. Such investments are normally in shares and bonds of the investee. When 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 and it is included as a component of investment income. Interest income is recorded on the accrual basis, dividend income is recognized as it is declared, and capital gains and losses are recognized when realized.

Government of the Northwest Territories

Notes to Consolidated Financial Statements

March 31, 2012

(All figures in thousands of dollars)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Inventories

Inventories for resale consist of bulk fuels, liquor products, and arts and crafts. Bulk fuels are valued at the lower of weighted average cost and net realizable value. Liquor products are valued at the lower of cost and net realizable value. Other inventories, including housing materials and supplies, are valued at the lower of cost, determined on a first in, first out basis, and net replacement value.

(e) Loans receivable

Loans receivable are stated at the lower of cost and net recoverable value. Valuation allowances, determined on an individual basis, are based on past events, current conditions and all circumstances known at the date of the preparation of the financial statements and are adjusted annually to reflect the current circumstances by recording write downs or recoveries, as appropriate. Interest revenue is recorded on an accrual basis. Interest revenue is not accrued when the collectibility of either principal or interest is not reasonably assured.

(f) Investment in Northwest Territories Hydro Corporation

The Northwest Territories Hydro Corporation ("the Corporation") and its subsidiaries are accountable to the Government, sell goods and services to the public, can contract in their own name and can maintain themselves without Government support. They are accounted for in these financial statements using the modified equity method. The Government reports only its investment in, and the consolidated net income of, the Corporation. Amounts receivable or payable from the Corporation are disclosed in the notes to these financial statements.

(g) Non-financial assets

Tangible capital and other non-financial assets are accounted for as assets by the Government as they can be used to provide government services in future periods. These assets do not normally provide resources to discharge the liabilities of the government unless they are sold.

(h) Tangible capital assets and leases

Tangible capital assets are buildings, roads, equipment, etc. whose life extends beyond the fiscal year, original cost exceeds \$50 and are intended to be used on an ongoing basis for delivering programs and services. Individual assets less than \$50 are expensed when purchased. Tangible capital assets are recorded at cost (including qualifying interest expense), or where actual cost was not available, estimated current replacement cost, discounted back to the acquisition date. Gifted and cost-shared tangible capital assets from the Government of Canada are recorded at their fair market value, upon receipt, with the gifted or cost-shared portion shown as a deferred capital contribution. This deferred capital contribution is amortized as revenue on the same basis as the related asset is amortized. Assets, when placed in service, are amortized on a straight-line basis over their estimated useful lives as follows:

Asset category	Amortization period
Land	Not amortized
Roads and bridges	40 years or less
Airstrips and aprons	40 years or less
Buildings	40 years or less
Ferries	25 years or less
Water/sewer works	15 - 25 years
Mainframe and software systems	5 - 10 years
Mobile and heavy equipment	7 - 15 years
Major equipment	5 - 15 years
Medical equipment	5 - 15 years
Leasehold improvements	Lesser of useful life or lease term plus renewal option

Government of the Northwest Territories

Notes to Consolidated Financial Statements

March 31, 2012

(All figures in thousands of dollars)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Tangible capital assets and leases (continued)

The estimate of the useful life of tangible capital assets is reviewed on a regular basis and revised where appropriate. The remaining unamortized portion of a tangible capital asset may be extended beyond its original estimated useful life when the appropriateness of such a change can be clearly demonstrated.

Tangible capital assets under construction or development are recorded as work in progress with no amortization until the asset is placed in service. Capital lease agreements are recorded as a liability and a corresponding asset based on the present value of any payments due. The present value is based on the specified rate or the lower of the implicit rate or the Government's borrowing rate at the time the obligation is incurred. Operating leases are charged to expenses. All intangibles, works of art, historical treasures and Crown lands are not recorded.

(i) Pensions and other employee future benefits

All eligible employees participate in the Public Service Pension Plan administered by the Government of Canada. The Government's contributions are charged as an expense on a current year basis and represent the total pension obligations. The Government is not required under present legislation to make contributions with respect to actuarial deficiencies of the Public Service Pension Plan.

Pension benefits to Members of the Legislative Assembly and judges are reported on an actuarial basis. This is done to determine the current value of future entitlement and uses various estimates. When actual experience varies from estimates, the adjustments are amortized on a straight-line basis over the estimated average remaining service lives of the contributors.

Under the terms and conditions of employment, government employees may earn non-pension benefits for resignation, severance and removal costs based on years of service. The benefits are paid upon resignation, retirement or death of an employee. The expected cost of providing these benefits is recognized as employees render service. Termination benefits are also recorded when employees are identified for lay-off. The cost of the benefits has been determined based on management's best estimates using expected compensation levels and employee leave credits.

(j) Contractual obligations and contingencies

The nature of the Government's activities requires entry into contracts that are significant in relation to its current financial position or that will materially affect the level of future expenses. Contractual obligations pertain to funding commitments for operating, commercial and residential leases, and capital projects. Contractual obligations are obligations of a government to others that will become liabilities in the future when the terms of those contracts or agreements are met.

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 considered likely to occur and is quantifiable, an estimated liability is accrued. If the occurrence of the confirming future event is likely but the amount of the liability cannot be reasonably estimated, the contingency is disclosed. If the occurrence of the confirming future event is not determinable, the contingency is disclosed.

(k) Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into Canadian dollars using exchange rates at year-end. Foreign currency transactions are translated into Canadian dollars using rates in effect at the time the transactions were entered into. All exchange gains and losses are included in net income for the year according to the activities to which they relate.

Government of the Northwest Territories

Notes to Consolidated Financial Statements

March 31, 2012

(All figures in thousands of dollars)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Projects on behalf of third parties

The Government undertakes projects for the Government of Canada, the Government of Nunavut and others. Where possible, the Government receives accountable advances and any unexpended balances remaining at year-end are recorded as liabilities. Recoveries are accrued when expenses, as allowed under the project contract, exceed advances.

(m) Grant from the Government of Canada

The Grant from the Government of Canada is calculated as the Gross Expenditure Base, offset by eligible revenues, which are a three-year moving average, lagged two years, of personal and corporate income taxes, fuel taxes, tobacco tax, payroll tax, and alcoholic beverage revenues at national average tax rates, and a revenue block of other own-source revenues. Population growth rates and growth in provincial/local government spending are variables used to determine the Gross Expenditure Base. The Grant is calculated once for each fiscal year and is not revised, with all payments flowing to the Government prior to the end of the fiscal year.

(n) Transfer payments

Government transfers are recognized as revenue in the period in which the events giving rise to the transfer occurred, as long as the transfer is authorized, eligibility criteria have been met and a reasonable estimate of the amount can be made. Transfers received before these criteria are fully met are recorded as deferred revenue.

(o) Taxes and general revenues

Corporate and Personal Income tax revenue is recognized on an accrual basis. Taxes, under the *Income Tax Act*, are collected by the Government of Canada on behalf of the Government under a tax collection agreement. The Government of Canada remits these taxes monthly based on Canada's Department of Finance's estimates for the taxation year, which are periodically adjusted until the income tax assessments for that year are final. Income tax estimates, determined by the Government of Canada, combine actual assessments with an estimate that assumes that previous years' income tax allocations will be sustained and are subject to revisions in future years. Differences between current estimates and future actual amounts can be significant. Any such differences are recognized when the actual tax assessments are finalized.

Fuel, tobacco, payroll and property taxes are levied under the authority of the *Petroleum Products Tax Act*, the *Tobacco Tax Act*, the *Payroll Tax Act*, and the *Property Assessment and Taxation Act*, respectively. Fuel and tobacco tax revenues are recognized on an accrual basis, based on statements received from collectors. Payroll tax is recognized on an accrual basis, based on revenue of the prior year. Property tax and school levies are assessed on a calendar year basis and are recognized in the fiscal year in which the billing occurs. Adjustments arising from reassessments are recorded in revenue in the year they are identified. All other revenues are recognized on an accrual basis.

(p) Expenses

Grants and contributions are recognized as expenses in the period in which the events giving rise to the grant or contribution occurred, as long as the grant or contribution is authorized, eligibility criteria have been met and a reasonable estimate of the amount can be made. All other expenses are recognized on an accrual basis.

Government of the Northwest Territories

Notes to Consolidated Financial Statements

March 31, 2012

(All figures in thousands of dollars)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(q) Environmental liabilities

Environmental liabilities consist of the estimated costs related to the management and remediation of environmentally contaminated sites. For contaminated sites, a liability is accrued and an expense recorded based on management's best estimates when the contamination occurs or when the Government becomes aware of the contamination and is obligated, or is likely obligated, to incur such costs. If the likelihood of the Government's obligation to incur these costs is either not determinable, or if an amount cannot be reasonably estimated, the contingency is disclosed in the notes to the financial statements.

(r) Recoveries of prior years' expenses

Recoveries of prior years' expenses and reversal of prior years' expense accruals are reported separately from other revenues on the consolidated statement of operations and accumulated surplus. Pursuant to the *Financial Administration Act*, these recoveries cannot be used to increase the amount appropriated for current year expenses.

(s) Segmented information

The Government reports on segments on the basis of the accountability relationships of its operations. Segmented information is disclosed in Schedule B. Segments are identified by the nature of an entity's operations and the accountability relationship that a group of similar entities has with the Government.

Government departments are identified as one segment to reflect the direct accountability relationship for financial reporting and budgeting between departments, their respective Ministers and the Legislative assembly. There are no significant allocations of revenues or expenses between segments.

Entities considered Government Business Enterprises for financial reporting purposes are identified as another segment since the nature of their operations is substantially different from the Government and the other entities within the Government Reporting Entity.

Other Public Agencies within the Government Reporting Entity represent another segment. These agencies are typically associated with a particular Government department and have a formalized reporting relationship to that department. For example, Health and Social Services Authorities have an accountability relationship to the Minister of Health and Social Services as well as to their respective board members. The agencies in this segment operate on a not-for-profit basis and assist the Government in delivering its programs and services and in achieving its priorities.

(t) Future accounting changes

The Public Sector Accounting Board (PSAB) approved Section PS 3410, Government Transfers in March 2011 which revises and replaces the existing standard. The new standard requires a recipient to recognize a transfer in revenue when it has been authorized and the recipient has met all eligibility criteria set by the transferor, unless the transfer creates a liability for the recipient. In some cases a liability may exist because the transfer stipulations direct the use of the funds for specific purposes. In other cases, a liability may exist because the transfer stipulations and the actions and communications of the recipient government direct the use of the funds for specified purposes. In both of these cases, revenue would be recognized as the liability is settled. The same accounting principles would apply to all types of transfers. The new standard is effective for fiscal years beginning on or after April 1, 2012. The new standard may be applied retroactively or prospectively. The Government has not yet assessed the impact of this new section, but recognizes that there may be a material impact.

Government of the Northwest Territories

Notes to Consolidated Financial Statements

March 31, 2012

(All figures in thousands of dollars)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(t) Future accounting changes (continued)

The Public Sector Accounting Board (PSAB) approved Section 3510, Tax Revenue in February 2010. The new standard is effective for fiscal years beginning on or after April 1, 2012. The new standard provides guidance on how to account for tax concessions and transfers made through the tax system. The impact of this standard will change how the Government accounts for some items, either now grossing up the tax revenue or netting what was previously grossed up. The net impact to the Government's annual deficit or surplus will be nil.

3. CASH AND CASH EQUIVALENTS

	2012	2011
	\$	\$
Cash	44,359	111,774
Short-term investments	23,416	5,759
	67,775	117,533

Cash and cash equivalents include investments in a diversified portfolio of high grade, short-term income producing assets. The portfolio yield for the year-ended March 31, 2012 varied from 0.001% to 1.60% (2011 - 0.001% to 2.00%). The eligible classes of securities, categories of issuers, limits and terms are approved under the Government's investment guidelines. All instruments, depending on the investment class, are rated R-2 High or better from the Dominion Bond Rating Service. Investments are diversified by limiting them, depending on the type of investment, to a maximum of 10% to 50% of the total portfolio. There is no significant concentration in any one investment. The average term to maturity, as at March 31, 2012, is 53 days (2011 - 1 day).

4. PORTFOLIO INVESTMENTS

	2012	2011
	\$	\$
Marketable securities (market value \$55,790; 2011 - \$76,096)	54,606	74,299
Miscellaneous investments	119	104
	54,725	74,403

5. DESIGNATED AND RESTRICTED ASSETS

Designated and restricted assets are included in cash and cash equivalents and portfolio investments.

Designated assets

Pursuant to the *Student Financial Assistance Act*, the assets of the Student Loan Fund are to be used to provide financial assistance to post-secondary students that meet certain eligibility criteria as prescribed in Regulations.

Government of the Northwest Territories

Notes to Consolidated Financial Statements

March 31, 2012

(All figures in thousands of dollars)

5. DESIGNATED AND RESTRICTED ASSETS (continued)

Pursuant to the *Waste Reduction and Recovery Act*, the assets of the Environment Fund are to be used for specified purposes as follows:

- (a) the establishment, operation and evaluation of programs in respect of the reduction or recovery of waste;
- (b) education programs related to the reduction or recovery of waste;
- (c) research and development activities related to the reduction or recovery of waste;
- (d) the appropriate disposal of a designated or prohibited material as waste;
- (e) expenses associated with the work of the advisory committee; or
- (f) other costs associated with programs, initiatives or activities in respect of the reduction or recovery of waste.

Portfolio investments, while forming part of the Consolidated Revenue Fund, are designated for purposes of meeting the obligations of the Legislative Assembly Supplemental Retiring Allowance and Judges Supplemental Pension Plans (*note 16*). Supplementary Retiring Allowance Regulations restrict the investments to those permitted under the *Pension Benefits Standards Act*. The remainder consists of investments from public agencies listed in note 1(a).

Pursuant to section 27 of the *Northwest Territories Business Development and Investment Corporation Act*, and its Regulations, the Northwest Territories Business Development and Investment Corporation (BDIC) is required to establish a Loan and Investments Fund for its lending and investing activities. Subsection 4(2) of the the Program, Projects and Services Continuation Regulations (the Regulations) specifies that a Loans and Bonds Fund will be used to record the lending operations. Subsection 19(2) requires that a Venture Investment Fund be used to record the venture investment operations. Furthermore, under subsection 18(2), the BDIC is obligated to maintain a Capital Fund and Subsidy Fund.

In addition to these funds, the BDIC is required, under subsections 18(6) and 19(5) of the Regulations, to establish a Capital Reserve Fund and a Venture Reserve Fund, respectively. The BDIC will continue to deposit to these reserve funds an amount equal to 10% of each capital or venture investment made. The BDIC may use these reserve funds for further investment or financing for its subsidiaries and venture investments through approved drawdowns.

Government of the Northwest Territories

Notes to Consolidated Financial Statements

March 31, 2012

(All figures in thousands of dollars)

5. DESIGNATED AND RESTRICTED ASSETS (continued)

	2012	2011
	\$	\$
Designated assets		
Student Loan Fund:		
Authorized limit for loans receivable*	36,000	36,000
Less: Loans receivable balance	(36,115)	(34,628)
	<hr/>	<hr/>
Funds designated for new loans	(115)	1,372
	<hr/>	<hr/>
Environment Fund:		
Beverage Container Program net assets	1,624	1,181
	<hr/>	<hr/>
Portfolio Investments for the Legislative Assembly Supplementary Retiring Allowance and Judges Supplemental Pension Plans:		
Marketable securities (market value \$24,896; 2011 - \$24,891)	23,121	23,233
Money market (market value approximates cost)	390	222
Cash and other assets (market value approximates cost)	744	569
	<hr/>	<hr/>
	24,255	24,024
	<hr/>	<hr/>
Northwest Territories Business Development and Investment Corporation:		
Venture Investment Fund	3,911	3,841
Subsidy Fund	460	663
Capital Fund	873	1,301
Venture Reserve Fund	485	485
Capital Reserve Fund	147	105
Loans and Bonds Fund	220	1,634
	<hr/>	<hr/>
	6,096	8,029
	<hr/>	<hr/>
	31,860	34,606
	<hr/>	<hr/>

* As at March 31, 2012 the authorized limit for student loans was exceeded by \$115. Subsequent to March 31 the Legislative Assembly approved an increase of \$4,000 to the authorized limit bringing the authorized limit to \$40,000 for the March 31, 2013 fiscal year and beyond.

Government of the Northwest Territories

Notes to Consolidated Financial Statements

March 31, 2012

(All figures in thousands of dollars)

6. ACCOUNTS RECEIVABLE

	2012	2011
	\$	\$
General	54,027	50,141
Government of Nunavut	9,742	4,792
Hospital related costs due from third parties	12,820	10,351
Revolving fund sales	10,463	2,783
Accrued interest	27	335
	87,079	68,402
Less: allowance for doubtful accounts	(12,078)	(7,866)
	75,001	60,536
Receivables from related parties:		
Northwest Territories Hydro Corporation	54	2,799
Workers' Safety and Compensation Commission	20	-
	75,075	63,335

7. INVENTORIES

	2012	2011
	\$	\$
Inventories for resale:		
Bulk fuels	26,851	23,202
Liquor products	3,865	3,555
Public Stores	149	158
Other	625	654
	31,490	27,569
Inventories held for use:		
Housing materials and supplies	3,040	2,209
	34,530	29,778

Government of the Northwest Territories

Notes to Consolidated Financial Statements

March 31, 2012

(All figures in thousands of dollars)

8. LOANS RECEIVABLE

	2012 \$	2011 \$
Northwest Territories Business Development and Investment Corporation loans to businesses receivable over a maximum of 25 years, secured by real property, aircraft, heavy equipment and general security agreements; bearing fixed interest between 5.00% and 6.25% , before allowance for doubtful accounts of \$6,432 (2011 - \$7,464).	44,173	44,536
Arslanian Cutting Works Inc. promissory note receivable secured by equipment, building and personal guarantees due on demand, including accrued interest at a rate of 5.06% per annum, before allowance for doubtful accounts of \$2,900 (2011 - \$2,900). The debtor has initiated legal proceedings for receivership.	5,885	5,885
Discovery Air loan at 10% interest payable monthly, and principal due in a single payment February 1, 2013. Secured by real property and aircraft assets of the debtor. The loan was fully repaid in the year.	-	34,000
Deton'Cho Corporation (DCC) non-interest bearing promissory note, repayable in 20 equal installments, balance due in 2013. Secured by a guaranteed investment certificate, a general security agreement and corporate guarantee agreements. This note arose from the sale of shares held as security on a \$2,600 loan guarantee by the Government for DCC, that was called by the Bank of Montreal. Foregone interest revenue, recorded as a Grant in Kind, is calculated at the Government's long-term borrowing rate and amounted to \$19 in the year (2011 - \$34)	260	520
Students Loan Fund loans due in installments to 2024, bearing fixed interest between 1.25% and 12.50%, unsecured, before allowance for doubtful accounts and loan remissions of \$16,977 (2011 - \$16,323)	36,115	34,628
Northwest Territories Housing Corporation mortgage and interim financing loans to individuals receivable over a maximum of 25 years, some of which are unsecured and others are secured by registered charges against real property bearing fixed interest between 4.00% and 10.75%, net of mortgage subsidies of \$20,310 (2011 - \$21,327), before allowance for doubtful accounts of \$12,849 (2011 - \$14,210).	15,396	16,337
Other	18	18
	101,847	135,924
Allowance for doubtful accounts	(39,158)	(40,897)
	62,689	95,027

Interest earned on loans receivable during the year was \$3,126 (2011 - \$7,808).

Conditional grants have been provided by the Northwest Territories Housing Corporation to eligible homeowners, which are fully forgivable on the condition that the property remains the principal residence and the homeowner's annual income remains below the core need income threshold for the term of the agreement. If the conditions are not met, the grants are repayable to the Northwest Territories Housing Corporation. Conditional grants expensed during the year were \$7,928 (2011 - \$9,630).

Government of the Northwest Territories

Notes to Consolidated Financial Statements

March 31, 2012

(All figures in thousands of dollars)

9. INVESTMENT IN NORTHWEST TERRITORIES HYDRO CORPORATION

The following is summarized consolidated financial information for the Northwest Territories Hydro Corporation ("the Corporation") as at March 31, 2012.

	2012 \$	2011 \$
Investment in Northwest Territories Hydro Corporation		
Shareholder's Equity	104,067	100,836
Shareholder's Equity is represented by:		
Assets:		
Cash	1,368	2,614
Accounts receivable	18,834	15,117
Inventories	4,162	4,428
Prepaid expenses	661	2,802
Other long-term assets	43,480	54,952
Property, plant and equipment	313,037	308,335
Total assets	381,542	388,248
Liabilities:		
Short-term debt	16,351	5,466
Accounts payable and accrued liabilities	21,766	19,005
Long-term debt	187,643	203,636
Other long-term liabilities	49,777	57,185
Employee future benefits	1,938	2,120
Total liabilities	277,475	287,412
	104,067	100,836

Statement of Operations and Surplus - Retained Earnings For the year ended March 31

Revenue	84,742	85,038
Expenses	(81,511)	(82,267)
Net income	3,231	2,771
Surplus - Retained Earnings at beginning of the year	57,707	54,936
Surplus - Retained Earnings at end of the year	60,938	57,707

Included in the above are revenues from, and expenses to, entities in the Government reporting entity of \$43,339 (2011 - \$20,488) and \$18,097 (2011 - \$22,240), respectively.

Government of the Northwest Territories

Notes to Consolidated Financial Statements

March 31, 2012

(All figures in thousands of dollars)

9. INVESTMENT IN NORTHWEST TERRITORIES HYDRO CORPORATION (continued)

Contractual obligations and contingencies

The Corporation's approved capital plan, including estimated costs to complete capital projects in progress, as at March 31, 2012, was \$22,860 (2011 - \$37,849).

The Corporation has an agreement to purchase natural gas to produce electricity in Inuvik. In September 2011 the Corporation was notified by the supplier that the gas supply in the Inuvik Gas Reservoir was limited and unlikely to last to the end of the contract period. NT Hydro reduced its consumption of natural gas in a good faith attempt to extend the supply of gas to the residents of Inuvik so that alternative gas supplies could be pursued. For the period of January through March 2012 generation was curtailed to 10% with gas and the remainder produced by the backup diesel plant.

The Corporation agreed to forgo its legal remedies for the supplier's inability to supply its full obligations as outlined in the agreement on the basis that the supplier agreed to not enforce the minimum purchase clause within that agreement or any damages against NT Hydro for not consuming gas.

The Corporation was named as a co-defendant in a 2005 lawsuit arising out of an all-terrain vehicle accident. It is management's estimate that no significant loss to the corporation will result from this claim. In the event that the claim is not settled in favour of the Corporation, the Corporation has insurance which may cover all or a portion of the settlement cost.

10. SHORT TERM LOANS

Short-term loans of \$134,941 (2011 - nil) incurred interest at an average rate of 1.07% (2011 - nil). Interest paid in 2012 was \$29 (2011 - nil).

11. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2012	2011
	\$	\$
Trade	146,037	152,419
Other liabilities	11,180	12,919
Employee and payroll-related liabilities	53,491	46,102
Environmental liabilities (<i>note 21(a)</i>)	44,188	42,459
Accrued interest	736	2,547
	255,632	256,446
Payable to related parties:		
Northwest Territories Hydro Corporation	1,280	1,451
Workers' Safety and Compensation Commission	799	2
	257,711	257,899

Government of the Northwest Territories

Notes to Consolidated Financial Statements

March 31, 2012

(All figures in thousands of dollars)

12. DEFERRED REVENUE

	2012	2011
	\$	\$
Unspent transfer payments from Government of Canada	62,654	59,612
Other	14,108	27,941
	76,762	87,553

13. DUE FROM AND TO THE GOVERNMENT OF CANADA

	2012	2011
	\$	\$
Receivables		
Indian and Inuit hospital and medical care	-	(2,059)
Projects on behalf of the Government of Canada	(10,526)	(12,426)
Miscellaneous receivables	(18,324)	(37,268)
	(28,850)	(51,753)
Payables		
Excess income tax advanced	97,630	128,631
Advances for projects on behalf of the Government of Canada	8,687	13,229
Miscellaneous payables	25,600	21,075
	131,917	162,935
	103,067	111,182

The amounts due to the Government of Canada are non-interest bearing. The excess income tax advanced is repayable over the following years:

	\$
2013	23,937
2014	33,312
2015	40,218
2016	163
	97,630

14. CAPITAL LEASE OBLIGATIONS

	2012	2011
	\$	\$
Buildings	7,203	9,326
Equipment	279	159
	7,482	9,485

Government of the Northwest Territories

Notes to Consolidated Financial Statements

March 31, 2012

(All figures in thousands of dollars)

14. CAPITAL LEASE OBLIGATIONS (continued)

Interest expense related to capital lease obligations for the year was \$784 (2011 - \$994), at an implicit average interest rate of 8.98% (2011 - 9.94%). Capital lease obligations (expiring between 2013 and 2023) are based upon contractual minimum lease obligations for the leases in effect as of March 31, 2012.

	2013	\$
	2013	2,082
	2014	1,753
	2015	1,432
	2016	1,044
	2017	828
	2018 and beyond	2,688
<hr/>		
Total minimum lease payments		9,827
Less: imputed interest		2,345
<hr/>		
Present value of minimum lease payments		7,482

15. LONG-TERM DEBT

	2012	2011
	\$	\$
Loans due to Canada Mortgage and Housing Corporation, repayable in annual installments of 2.78% to the year 2033, bearing interest at a rate of 6.97% (2011 - 6.97%), unsecured.	9,075	9,510
Mortgages payable to Canada Mortgage and Housing Corporation for three third party loans under the Social Housing Agreement, maturing in 2026 and 2027, bearing interest at rates between 2.78% and 3.68% (2011 - 2.78% and 3.68%), unsecured.	3,800	4,005
Mortgage payable to Canada Mortgage and Housing Corporation, repayable in monthly installments of \$7 (2011 - \$8) maturing June 2024, bearing interest at 3.30% (2011 - 3.39%), secured with real property.	930	991
Immigrant investor loans, non-interest bearing, each repayable as a single payment 5 years after the date of issue, maturing at various dates up to April 2015, guaranteed by the Government. Repaid in full March 2012.	-	130,893
Yellowknife Catholic Schools debentures, repayable in monthly installments of \$9, including fixed interest at 6.85%, final installment due in 2012, unsecured.	99	192
Yellowknife Catholic Schools debentures, repayable in monthly installments of \$68, including fixed interest at 5.80%, final installment due in 2018, unsecured.	4,606	5,141
Real return senior bonds with accrued inflation adjustment, maturing June 1, 2046, redeemable at the option of the issuer, bearing interest at 3.17%, payable semi-annually, with a capital repayment schedule beginning in 2012.	179,613	173,939
<hr/>		
	198,123	324,671

Government of the Northwest Territories

Notes to Consolidated Financial Statements

March 31, 2012

(All figures in thousands of dollars)

15. LONG-TERM DEBT (continued)

Principal amounts due in each fiscal year for the next five years:

	Principal \$
2013	3,641
2014	3,722
2015	3,912
2016	4,109
2017	4,305
2018 and beyond	178,434
	<hr/> 198,123 <hr/>

Interest expense on long-term debt, included in operations and maintenance expenses, was \$12,032 (2011 - \$7,152). Real return bonds for the Deh Cho Bridge includes financing costs of \$10,161 (2011 - \$8,546) that were capitalized after a reduction for interest earned of \$259 (2011 - \$476). The financing costs are comprised of interest of \$5,627 (2011 - \$5,480) and CPI adjustment of \$4,793 (2011 - \$3,542).

Debt Authority

The Government has the authority to borrow, pursuant to subsection 20(2) of the *Northwest Territories Act*, within a borrowing limit authorized by the Government of Canada. The Government's borrowing limit was increased to \$800 million by Order in Council P.C. 2012-279, dated March 8, 2012. The Federal Regulations to define "borrowing" for purposes of the *Northwest Territories Act* have not been finalized. The 2012 table below now includes capital lease obligations, and NWT Housing Corporation guarantees to reflect the anticipated changes to the definition of "borrowing" based on correspondence between the Government and the Department of Finance, Canada.

	2012 \$	2011 \$
Short term borrowing	134,941	-
Government of the Northwest Territories Long-term Debt		
Mortgage payable to Canada Mortgage and Housing Corporation	930	991
Real Return Bonds payable	179,613	173,939
Capital lease obligations	7,482	-
NWT Housing Corporation, loans payable	12,875	13,515
NWT Housing Corporation guarantees (<i>note 21(b)</i>)	5,199	-
NWT Hydro Corporation, long-term debt (net of sinking fund for 2012)	161,952	203,320
NWT Hydro Corporation, operational debt	16,351	5,466
Yellowknife Catholic Schools - District Education Authority	4,705	5,334
	<hr/> 524,048 <hr/>	<hr/> 402,565 <hr/>
Authorized borrowing limit	800,000	575,000
	<hr/> 275,952 <hr/>	<hr/> 172,435 <hr/>

Government of the Northwest Territories

Notes to Consolidated Financial Statements

March 31, 2012

(All figures in thousands of dollars)

16. PENSIONS

a) Plans description

The Government administers the following pension plans for Members of the Legislative Assembly (MLAs) and Territorial Court Judges. The Government is liable for all benefits. Benefits provided under all five plans are based on years of service and pensionable earnings.

Plan recipient	Name of plan	Funded status
MLAs	Legislative Assembly Retiring Allowance Plan (MLAs Regular)	Funded
MLAs	Legislative Assembly Supplemental Retiring Allowance Plan (MLAs Supplemental)	Non Funded
Judges	Judges Registered Plan (Judges Regular)	Funded
Judges	Judges Supplemental Pension Plan (Judges Supplemental)	Non Funded
Employees	Retirement Plan for Employees of the Hay River Health and Social Services Authority	Funded

The Regular Plans for both the MLAs and Judges are contributory defined benefit registered pension plans and are pre-funded. The funds related to these plans are administered by independent trust companies. The Supplemental plans for both the MLAs and Judges are non-contributory defined benefit pension plans and are unfunded; however, the Government has made a voluntary restriction on assets for the purposes of meeting the obligations of the Supplemental plans (*note 5*). The average age of the 4 active members of the Judges' plans is 55. The assets of the Judges' plans consist of a diversified portfolio of Canadian and foreign equities and bonds. The average age of the 19 active members of the MLAs plans is 49. The assets of the MLAs plans consist of Canadian and foreign equities, and Canadian fixed income securities and bonds.

The Hay River Health and Social Services Authority has a defined benefit pension plan for its employees. Retirement occurs when the aggregate of a member's age plus years of service total 87, but not before age 56 or after age 61. The average age of the 207 plan members is 45 years. Plan assets consist primarily of Canadian and U.S. equities, bonds and mortgages.

The remaining government employees participate in Canada's Public Service Superannuation Plan (PSSP). Pension benefits within this plan accrue up to a maximum period of 35 years at a rate of two percent per year of pensionable service multiplied by the average of the best five consecutive years of earnings. PSSP benefits are coordinated with Canada/Quebec Pension Plan benefits and are indexed to inflation.

Government of the Northwest Territories

Notes to Consolidated Financial Statements

March 31, 2012

(All figures in thousands of dollars)

16. PENSIONS (continued)

b) Pension liability

	2012 Regular Funded \$	2012 Supplemental Unfunded \$	2012 Total \$
Accrued benefit obligation	53,128	26,461	79,589
Pension fund assets - market-related value	(48,929)	-	(48,929)
Unamortized actuarial net gains (losses)	(7,077)	544	(6,533)
Pension liability (asset)	(2,878)	27,005	24,127

	2011 Regular Funded \$	2011 Supplemental Unfunded \$	2011 Total \$
Accrued benefit obligation	47,627	24,623	72,250
Pension fund assets - market-related value	(45,835)	-	(45,835)
Unamortized actuarial net gains (losses)	(6,035)	1,315	(4,720)
Pension liability (asset)	(4,243)	25,938	21,695

Included in the pension asset of \$2,878 (2011 - \$4,243) is a deficit for accounting purposes of the Hay River Health and Social Services Authority pension plan in the amount of \$950 (2011 - \$757). The Superintendent of Financial Institutions requires that all plans with a solvency ratio less than 100% file an actuarial valuation annually. The solvency shortfall for this plan is \$6,215 (2011 - \$4,972) and is required to be eliminated within 5 years under the *Pension Benefits Standards Act, 1985*. The values of the plan's assets and liabilities on a solvency basis are calculated as though the plan were wound up and settled on the valuation date of January 1, 2012.

Government of the Northwest Territories

Notes to Consolidated Financial Statements

March 31, 2012

(All figures in thousands of dollars)

16. PENSIONS (continued)

c) Change in pension liability (asset)

	2012 Regular Funded \$	2012 Supplemental Unfunded \$	2012 Total \$
Opening balance	(4,243)	25,938	21,695
Change to pension liability (asset) from cash items:			
Contributions from plan members	(934)	-	(934)
Contributions from Government	(2,365)	-	(2,365)
Benefit payment to plan members	(2,728)	(1,112)	(3,840)
Drawdown from plan assets	2,728	-	2,728
Change in pension liability (asset) from cash items	(3,299)	(1,112)	(4,411)
Change to pension liability (asset) from accrual items:			
Current period benefit cost	3,104	963	4,067
Amortization of actuarial net (gains) losses	1,078	(314)	764
Prior period cost of plan amendment	393	-	393
Interest on average accrued benefit obligation	2,598	1,530	4,128
Return on plan assets	(2,509)	-	(2,509)
Change in pension liability (asset) from accrual items	4,664	2,179	6,843
Ending balance	(2,878)	27,005	24,127
	2011 Regular Funded \$	2011 Supplemental Unfunded \$	2011 Total \$
Opening balance	(4,321)	25,463	21,142
Change to pension liability (asset) from cash items:			
Contributions from plan members	(838)	-	(838)
Contributions from Government	(2,679)	-	(2,679)
Benefit payment to plan members	(1,529)	(1,084)	(2,613)
Drawdown from plan assets	1,529	-	1,529
Change to pension liability (asset) from cash items	(3,517)	(1,084)	(4,601)
Change to pension liability (asset) from accrual items:			
Current period benefit cost	2,702	899	3,601
Amortization of actuarial net (gains) losses	949	(784)	165
Interest on average accrued benefit obligation	2,410	1,444	3,854
Return on plan assets	(2,466)	-	(2,466)
Change in pension liability (asset) from accrual items	3,595	1,559	5,154
Ending balance	(4,243)	25,938	21,695

Government of the Northwest Territories

Notes to Consolidated Financial Statements

March 31, 2012

(All figures in thousands of dollars)

16. PENSIONS (continued)

d) Pension expense

The components of pension expense include current period benefit cost, amortization of actuarial net (gains) / losses and interest on average accrued benefit obligation net of the return on plan assets and contributions from plan members. The total expense is \$5,909 (2011 - \$4,316). The interest cost on the accrued benefit obligation was determined by applying the discount rate determined at the beginning of the period to the average value of the accrued benefit obligation for the period. The expected return on plan assets was determined by applying the assumed rate of return on plan assets to the average market-related value of assets for the period. The difference between the expected and actual return on plan assets was a loss of \$105 (2011 - \$(1,541)).

In addition to the above, the Government contributed \$54,767 (2011 - \$53,816) to the Public Service Superannuation Plan. The employees' contributions to this plan were \$28,122 (2011 - \$25,121).

e) Changes to pension plans in the year

Legislative Amendments

Bill 2 came into effect on September 1, 2011. It amended both the *Retiring Allowances Act* and the *Supplementary Retiring Allowances Act*. The primary change contained in Bill 2 relates to the pension calculation by service. For Members that leave the Assembly after October 18, 2007, the method used to calculate pensions has changed. Previously, pensions were calculated separately for each position (e.g. MLA, Chairperson, Minister) that a Member held for at least one year. The amendments revise the calculation so there is just one calculation for all years of service, with earnings from each position combined for the purposes of the pension calculation by service. There were no changes to pension plans in 2011.

f) Valuation methods and assumptions used in valuing pension liability

Valuation date

Actuarial valuations were last completed for the Legislative Assembly and Judges' plans as of April 1, 2008 and April 1 2010, respectively. As the actuarial valuations were not valued as at the year-end, the Legislative Assembly plans were extrapolated to January 31, 2012 and the Judges' plans were extrapolated to March 31, 2012. The effective date of the next actuarial valuation for the Legislative Assembly plans is April 1, 2012. The actuarial valuation for the Retirement Plan for Employees of the Hay River Health and Social Services Authority was completed as at January 1, 2012, and the results were extrapolated to March 31, 2012.

Liability valuation method

The actuarial valuations were performed using the projected accrued benefit method. The valuations are based on a number of actuarial assumptions about matters such as mortality, service, withdrawal, earnings and interest rates. The assumptions are based on the Government's best estimates of expected long-term rates and short-term forecasts.

Asset valuation method

The asset valuation method, market-related value, for the MLA's plans is equal to a smoothed market value which spreads the difference between the actual and expected investment income over a four year period and is then adjusted for payments due to, and payable from, the pension plan. The fair market value of the MLA's regular plan is \$20,010 (2011 - \$20,958). The asset valuation method for the Judges' plans is market value. The market value of the regular Judges' plan is \$4,082 (2011 - \$4,214). The asset valuation method for the Retirement Plan for Employees of the Hay River Health and Social Services Authority is market-related value. The fair market value of its pension plan assets is \$24,427 (2011 - \$22,798).

Government of the Northwest Territories

Notes to Consolidated Financial Statements

March 31, 2012

(All figures in thousands of dollars)

16. PENSIONS (continued)

(f) Valuation methods and assumptions used in valuing pension liability (continued)

Actuarial gains and losses

Actuarial gains and losses occur when actual experience varies from estimates. The adjustments needed are amortized on a straight-line basis over the estimated average remaining service lives of the contributors. The estimated average remaining service lives of the contributors is 3.0 years (2011 - 4.0 years) for the MLA's plans, 5.9 years (2011 - 6.9 years) for the Judges' plans, and 8.0 years (2011 - 8.2 years) for the Hay River Health and Social Services Authority plan.

<i>Actuarial assumptions</i>	Hay River H&SS Authority plan	MLA's plans	Judges' plans
Expected rate of return on plan assets	4.8%	6.0%	6.0%
Rate of compensation increase	2.8%	3.0%	4.0%
Annual inflation rate	2.3%	3.0%	3.0%
Discount rate	4.8%	6.0%	4.0%

Retirement assumptions

- Members of Legislative Assembly at the later of age 50, 4 years of service, and end of current session.
- Judges at the earlier of age 60 or when age plus service equals 80.
- Employees of the Hay River H&SS Authority may retire early at age 50. Normal retirement is at age 65.

17. OTHER EMPLOYEE FUTURE BENEFITS

In addition to pension benefits, the Government of the Northwest Territories provides termination and removal benefits to its employees. The cost of these benefits accrues either as employees render service or upon the occurrence of an event resulting in eligibility for benefits under the terms of the plan. This benefit plan is not pre-funded and thus has no assets, resulting in a plan deficit equal to the accrued benefit obligation.

	2012	2011
	\$	\$
Resignation and retirement	35,235	32,503
Removal	16,245	16,137
	51,480	48,640

Government of the Northwest Territories

Notes to Consolidated Financial Statements

March 31, 2012

(All figures in thousands of dollars)

18. DEFERRED CAPITAL CONTRIBUTIONS

Deferred capital contributions relate to the portion of a tangible capital asset that was gifted from or cost-shared with the Government of Canada. The most significant of these assets are roads and airports. The capital contributions are deferred and amortized to revenue over the same life as the related asset. Deferred capital contributions are reported as a reduction in arriving at net tangible capital assets (*Schedule A*).

	2012	2011
	\$	\$
Deferred capital contributions at beginning of year	361,488	307,959
Add: Assets gifted or cost-shared during the year	33,063	71,879
Less: Amortization of capital contributions	(20,202)	(18,350)
Deferred capital contributions at end of year	374,349	361,488

19. TRUST ASSETS UNDER ADMINISTRATION

The Government administers trust assets on behalf of third parties, which are not included in the reported Government assets and liabilities. These consist of cash, term deposits, investments, real estate, and other sundry assets.

	2012	2011
	\$	(Restated) \$
Correctional institutions and other	406	380
Natural Resources - capital	304	301
Public Trustee	6,277	6,367
Territorial and Supreme Courts	656	1,790
Northwest Territories Hydro Corporation	-	2,043
Government of New Brunswick	6,793	8,417
Scholarship bequest - Beaufort Delta Divisional Education Council	252	250
Bequest - South Slave Divisional Education Council	79	80
Sahtu Divisional Education Council	252	191
Beaufort Delta Health and Social Services Authority	301	57
	15,320	19,876

Government of the Northwest Territories

Notes to Consolidated Financial Statements

March 31, 2012

(All figures in thousands of dollars)

20. CONTRACTUAL OBLIGATIONS

The Government has entered into agreements for, or is contractually committed to, the following expenses payable subsequent to March 31, 2012:

	Expiry Date	2013 \$	2014- 2022 \$	Total \$
Block Funding Agreements with Municipalities	2013	3,371	-	3,371
RCMP Policing Agreement	2032	38,993	740,867	779,860
Operational commitments	2018	81,033	92,791	173,824
Tangible capital asset projects in progress at year-end	2016	103,090	10,099	113,189
Commercial and residential leases	2022	30,995	61,492	92,487
Equipment leases	2016	1,488	1,716	3,204
Western Harvesters' Assistance Program	2013	63	-	63
		259,033	906,965	1,165,998

21. CONTINGENCIES

(a) Environmental liabilities

The Government recognizes that there are costs related to the remediation of environmentally contaminated sites for which the Government is responsible. The Government has identified 139 (2011 - 136) sites as potentially requiring environmental remediation at March 31, 2012. Where an estimate could be determined for remediation costs, a liability has been recorded and included as a component of accounts payable and accrued liabilities.

One of the 139 sites, Giant Mine, has been formally designated as contaminated under the *Environmental Protection Act* (NWT). In 2005, the Government recorded a liability for its share of the above ground remediation. The balance of the Government's share of the Giant Mine remediation liability at March 31, 2012 is \$20,207 (2011 - \$20,321).

There are 26 active or decommissioned landfill sites that are outside incorporated communities, and therefore are the responsibility of the Government. As at March 31, 2012, a liability in the amount of \$1,102 (2011 - \$1,092) has been recorded for these sites using the method required by the Public Sector Accounting Standards.

Of the remaining 112 sites, 15 are airports or airport strips or reserves, 19 are sewage lagoons, 12 are fuel tanks and 6 are highways, the majority of which have been investigated but are still awaiting full environmental assessments. Remediation costs for the sites that are known to be contaminated and the Government is obligated to remediate are currently estimated at \$22,879 (2011 - \$21,046).

The Government's ongoing efforts to assess the remaining sites may result in additional environmental liabilities. These liabilities will be recorded in the year in which they become known.

(b) Guarantees

The Government has guaranteed residential housing loans to banks totaling \$5,199 (2011 - \$5,452) and indemnified Canada Mortgage and Housing for third party loans totaling \$25,906 (2011 - \$27,529). In addition, the Government has provided a guarantee to the Canadian Blood Agency and Canadian Blood Services to cover a share of potential claims made by users of the national blood supply. The Government's percentage is limited to the ratio of the Northwest Territories' population to the Canadian population.

Government of the Northwest Territories

Notes to Consolidated Financial Statements

March 31, 2012

(All figures in thousands of dollars)

21. CONTINGENCIES (continued)

(b) Guarantees (continued)

The Northwest Territories Business Development and Investment Corporation (BDIC) has four outstanding loans to two Northern Community Futures organizations totaling \$913 (2011 - \$1,057). Loans provided by these two organizations may be assigned to the BDIC when impaired. If assigned, the BDIC would then write-off the Community Futures organization loan balance and would attempt to recuperate its loss. In 2012, no accounts were assigned to the BDIC (2011 - \$ 41).

The BDIC has four outstanding irrevocable standby letters of credit. The amounts of these letters of credit totaled \$2,250,000 and expire in 2012. Payment by the BDIC is due from these letters in the event that the applicants are in default of the underlying debt. To the extent that the BDIC has to pay out to third parties as a result of these agreements, these payments will be owed to the BDIC by the applicants. Each letter of credit is secured by promissory note, general security agreement, guarantee or collateral mortgage. During the year, the BDIC paid out \$nil. In 2011, the BDIC paid out \$100,000 to a third party and recorded the amount as a loan receivable and no amount has been recorded as a liability.

(c) Claims and litigation

There are a number of claims and pending and threatened litigation cases outstanding against the Government. In certain of these cases, pursuant to agreements negotiated prior to the division of the territories, the Governments of the Northwest Territories and Nunavut will jointly defend the suits. The cost of defending these actions and any damages that may eventually be awarded will be shared by the two Governments 55.66% and 44.34%, respectively. The Government has recorded an allowance for any claim or litigation where it is likely that there will be a future payment and a reasonable estimate of the loss can be made. The allowance is based upon estimates determined by the Government's legal experts experience or case law in similar circumstances. At year-end, the Government estimated the total claimed amount for which the outcome is not determinable has been estimated at \$2,520 (2011 - \$5,498). No provision for such claims has been made in these financial statements as it is not determinable, that any future event will confirm that a liability has been incurred as at March 31.

22. EXPENSES

	2012	2011
	\$	\$
Expenses by Object:		
Grants and contributions	186,297	198,344
Operations and maintenance	547,720	536,532
Compensation and benefits	712,541	662,678
Valuation allowances	3,327	3,674
Amortization of tangible capital assets (<i>schedule A</i>)	83,215	82,292
	1,533,100	1,483,520

Government of the Northwest Territories

Notes to Consolidated Financial Statements

March 31, 2012

(All figures in thousands of dollars)

22. EXPENSES (continued)

Expenses of various Government departments, its territorial corporations and other public agencies are aggregated in the Statement of Operations as follows:

Environment and economic development	Department of Environment and Natural Resources Department of Industry, Tourism and Investment NWT Business Development and Investment Corporation Northwest Territories Opportunities Fund
Infrastructure	Department of Public Works and Services Department of Municipal and Community Affairs Department of Transportation
Education	Department of Education, Culture and Employment Aurora College All Divisional Education Councils in the NWT All District Education Authorities in the NWT Tlicho Community Services Agency (education portion)
Health, social services and housing	Department of Health and Social Services All Health and Social Services Authorities in the NWT Tlicho Community Services Agency (health portion) NWT Housing Corporation
Justice	Department of Justice
General government	Department of Aboriginal Affairs and Intergovernmental Relations Department of Executive Department of Finance Department of Human Resources
Legislative Assembly and statutory offices	Legislative Assembly NWT Human Rights Commission NWT Status of Women Council

23. RELATED PARTIES

Significant transactions with related parties and balances at year-end are disclosed separately in the financial statements and notes thereto.

Government of the Northwest Territories

Notes to Consolidated Financial Statements

March 31, 2012

(All figures in thousands of dollars)

24. FAIR VALUE

The fair value of short-term financial instruments, including cash, short-term investments, accounts receivable, and short term loans, accounts payable and accrued liabilities approximate the carrying amounts due to their short terms to maturity.

The carrying value, at the lower of cost or net recoverable value, is estimated to be the fair value of loans receivable where there is an allowance associated with a loan. The carrying value of the loans receivable should not be seen as the realizable value on immediate settlement of these loans due to the uncertainty associated with such a settlement.

The fair value, and the methods of calculation and assumptions used, for the Government's other long-term financial instruments are as detailed below:

	2012		2011	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	\$	\$	\$	\$
Portfolio investments	54,725	57,044	74,403	76,096
Loans receivable	62,689	62,689	95,027	92,900
Due to the Government of Canada	131,917	126,700	162,935	158,045
Capital lease obligations	7,482	7,562	9,485	14,563
Long-term debt	198,123	200,794	324,671	323,755

The fair value of publicly traded investments is based on quoted market prices. The estimated fair value for due to the Government of Canada, capital lease obligations and long-term debt is calculated by discounting the expected future cash flows at year-end using market interest rates for equivalent terms to maturity.

25. OVEREXPENDITURE

During the year, 2 departments (2011 - 2) exceeded their vote for a total of \$592 (2011 - \$5,754). Overexpenditure of a vote contravenes subsection 32 of the *Financial Administration Act* which states that "No person shall incur an expenditure that causes the amount of the item set out in the Estimates on which the appropriation is based to be exceeded".

The voted items that were over expended in the current year are as follows:

Department of Transportation	\$345
Department of Education, Culture & Employment	\$247

26. SUBSEQUENT EVENTS

Subsequent to the year-end, the Government approved and guaranteed long-term borrowing for the Northwest Territories Power Corporation related to their issuance of \$25,000 in new debentures.

The Government entered into annual Water and Sewer Funding and Community Government Funding contribution agreements totaling \$57 million with community governments to assist them with provision of water and sewer services and municipal services, respectively.

27. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the financial statement presentation adopted for the current year.

Consolidated Schedule of Tangible Capital Assets

for the year ended March 31,

(All figures in thousands of dollars)

	Land	Buildings ¹	Other ²	Leasehold Improvements	Equipment ¹	Computers	2012	2011
	\$	\$	\$	\$	\$	\$	\$	\$
Cost of tangible capital assets, opening	7,930	1,230,598	998,206	30,318	173,422	78,975	2,519,449	2,333,377
Acquisitions	1,088	60,871	45,842	7,641	10,303	5,940	131,685	196,174
Disposals	-	(5,001)	(106)	(279)	(123)	(1)	(5,510)	(10,102)
Cost of tangible capital assets, closing	9,018	1,286,468	1,043,942	37,680	183,602	84,914	2,645,624	2,519,449
Accumulated amortization, opening	-	(469,668)	(383,665)	(23,582)	(87,915)	(44,062)	(1,008,892)	(932,842)
Amortization expense	-	(36,198)	(29,389)	(2,061)	(8,275)	(7,292)	(83,215)	(82,292)
Disposals	-	1,688	106	204	92	1	2,092	6,242
Accumulated amortization, closing	-	(504,178)	(412,948)	(25,439)	(96,098)	(51,353)	(1,090,015)	(1,008,892)
Net book value	9,018	782,290	630,994	12,241	87,504	33,561	1,555,609	1,510,557
Work in Progress ³							419,129	365,652
Deferred capital contributions (<i>note 18</i>)							(374,349)	(361,488)
							1,600,389	1,514,721

¹ Included in buildings and equipment are assets under capital lease cost, \$40,156 (2011 - \$39,902); accumulated amortization, \$20,070 (2011 - \$19,326); net book value, \$20,086 (2011 - \$20,576).

² Includes roads, bridges, airstrips, aprons, and water/sewer works

³ Work in Progress includes capitalized Deh Cho Bridge financing costs of \$10,161 (2011 - \$8,546), that were reduced by interest revenues of \$259 (2011 - \$476). The financing costs are comprised of interest of \$5,627 (2011 - \$5,480) and CPI adjustment of \$4,793 (2011 - \$3,542).

Government of the Northwest Territories

Schedule B

Consolidated Schedule of Segmented Information

for the year ended March 31,

(All figures in thousands of dollars)

	Departments	Government Business Enterprises ¹	Other Public Agencies	Total for All Segments	Adjustments ²	2012	2011
	\$	\$	\$	\$	\$	\$	\$
Revenues							
Grant from the Government of Canada	996,143	-	-	996,143	-	996,143	919,872
Transfer payments	102,943	-	23,015	125,958	-	125,958	133,088
	1,099,086	-	23,015	1,122,101	-	1,122,101	1,052,960
Taxation and general revenues							
Corporate and personal income taxes	95,165	-	-	95,165	-	95,165	119,786
Other taxes	105,007	-	9,142	114,149	1	114,150	107,158
General	31,065	2,024	565,160	598,249	(534,267)	63,982	60,211
Income from portfolio investments	1,269	-	810	2,079	-	2,079	2,501
Sales ³	24,345	106,300	906	131,551	(53,083)	78,468	73,995
Recoveries and amortization of capital contributions	37,312	-	28,760	66,072	(13,893)	52,179	53,837
	294,163	108,324	604,778	1,007,265	(601,242)	406,023	417,488
Recoveries of prior years' expenses	7,485	-	-	7,485	642	8,127	7,933
	1,400,734	108,324	627,793	2,136,851	(600,600)	1,536,251	1,478,381
Expenses							
Grants and contributions	674,479	-	15,685	690,164	(503,867)	186,297	198,344
Operations and maintenance	359,329	68,082	184,304	611,715	(63,995)	547,720	536,532
Compensation and benefits	295,298	21,786	408,396	725,480	(12,939)	712,541	662,678
Valuation allowances	3,327	-	-	3,327	-	3,327	3,674
Amortization of tangible capital assets	66,979	15,225	16,114	98,318	(15,103)	83,215	82,292
	1,399,412	105,093	624,499	2,129,004	(595,904)	1,533,100	1,483,520
Annual operating surplus (deficit)	1,322	3,231	3,294	7,847	(4,696)	3,151	(5,139)
Net income from investment in Government Business Enterprise - Northwest Territories Hydro Corporation					3,231	3,231	2,771
Projects on behalf of third parties							
Expenses	(64,787)	-	-	(64,787)	(3,038)	(67,825)	(64,787)
Recoveries	64,787	-	-	64,787	3,038	67,825	64,787
Annual surplus (deficit)	1,322	3,231	3,294	7,847	(1,465)	6,382	(2,368)

¹ The Northwest Territories Hydro Corporation is the only Government Business Enterprise for financial reporting purposes.

² Includes adjustments to remove the effect of Government Business Enterprises accounted on the modified equity basis and entries to eliminate inter-entity balances to comply with generally accepted accounting principles of consolidated financial statements; for example, contributions by departments to boards and agencies are shown under Grant and contributions expense under the "Departments" column. The amounts received by the applicable board or agency (e.g. Health and Social Services Authority, Divisional Education Council) are shown under General revenue in the "Other Public Agencies" column. These amounts are eliminated upon consolidation to avoid double counting and result in significant amounts shown in the "Adjustments" column.

³ To conform with the appropriation process, departments' sales are shown as net of cost of sales and are converted to gross sales for consolidation purposes (via adjustments).

GOVERNMENT OF THE NORTHWEST TERRITORIES
GOVERNMENT INDICATORS
FOR THE YEAR ENDED MARCH 31, 2012
(Unaudited)

HONOURABLE J. MICHAEL MILTENBERGER
Minister of Finance

This page intentionally left blank

Table of Contents

	Page
INTRODUCTION	5
GROSS DOMESTIC PRODUCT	6
LONG-TERM DEBT BORROWING LIMITS	8
DEBT PER CAPITA	11
FINANCIAL POSITION	12
TANGIBLE CAPITAL ASSETS	15
ANNUAL SURPLUS (DEFICIT) AND NET FINANCIAL RESOURCES (DEBT)	17
REVENUES AND EXPENSES	18
REVENUES BY SOURCE	19
EXPENSES BY OBJECT	21
EXPENSES BY PROGRAM	22
DEBT SERVICING COSTS	23
CONCLUSION	24

This page intentionally left blank

INTRODUCTION

The Public Accounts report the financial position and results of operations of the Government for a fiscal year. The Statement of Financial Position discloses the assets, liabilities, accumulated surplus or deficit, as well as the net debt or net financial resource position of the Government. The financial position of the Government is measured at a specific point in time (March 31 fiscal year end), whereas information relating to revenues and expenses encompasses the results for a fiscal year as disclosed in the Statement of Operations. It is important to note that the financial position of a Government is often quite different from the financial condition of the economy.

A research study conducted by the Canadian Institute of Chartered Accountants states:

The financial health of a Government is its financial health as measured by sustainability, vulnerability and flexibility, looked at in the context of the overall economic and financial environment. These terms are defined as follows:

- *Sustainability: the degree to which a Government can maintain existing programs and meet existing creditor requirements without increasing the debt burden on the economy.*
- *Flexibility: the degree to which a Government can increase its financial resources to respond to rising commitments, by either expanding its revenues, or increasing its debt burden.*
- *Vulnerability: the degree to which a Government becomes dependent on, and therefore vulnerable to, sources of funding outside its control or influence, both domestic and international.*

The information provided in the following pages is intended to assist readers of the Public Accounts in their assessment of the Government's financial health. It is important to note that the information contained within the Consolidated Financial Statements (Public Accounts – Section I) includes all Government-controlled organizations. Organizations included in the Government Reporting Entity are listed in Note 1 to the Consolidated Financial Statements.

GROSS DOMESTIC PRODUCT

Gross Domestic Product (GDP) represents the total unduplicated value of goods and services produced within the geographical boundaries of a country, province or territory, regardless of whether the factors of production involved are resident or non-resident. GDP is presented in chained dollars. Chained dollars are a real measure of GDP meaning pricing effects are excluded providing a direct comparison of the quantity of goods and services produced from year to year; GDP changes because the quantity of goods and services changes. Estimates of GDP are typically expressed at market prices, which includes the impact of taxes and subsidies in the estimate. The GDP estimates shown below are in chained 2007 dollars at market prices.

For the Northwest Territories (NWT), Statistics Canada estimated GDP was \$3,521 million for 2011, which represents a 5.5% decrease relative to the 2010 estimate of \$3,711 million. This decrease largely resulted from a decrease in carat production in the diamond mines and a decrease in capital investment (construction) in the 2011 calendar year.

Gross Domestic Product at Market Prices, calendar years 2010 and 2011
Canada, Provinces and Territories
Chained (2007) Dollars (\$ in millions)

	2011	2010	Percent Change
Canada	1,628,295	1,587,558	2.6
Newfoundland and Labrador	28,912	28,058	3.0
Prince Edward Island	4,876	4,800	1.6
Nova Scotia	35,424	35,243	0.5
New Brunswick	28,922	28,928	0.0
Quebec	322,690	316,724	1.9
Ontario	605,180	594,319	1.8
Manitoba	53,370	52,319	2.0
Saskatchewan	57,536	54,854	4.9
Alberta	274,717	261,457	5.1
British Columbia	206,180	200,550	2.8
Yukon	2,407	2,260	6.5
Northwest Territories	3,521	3,711	-5.1
Nunavut	1,716	1,640	4.6

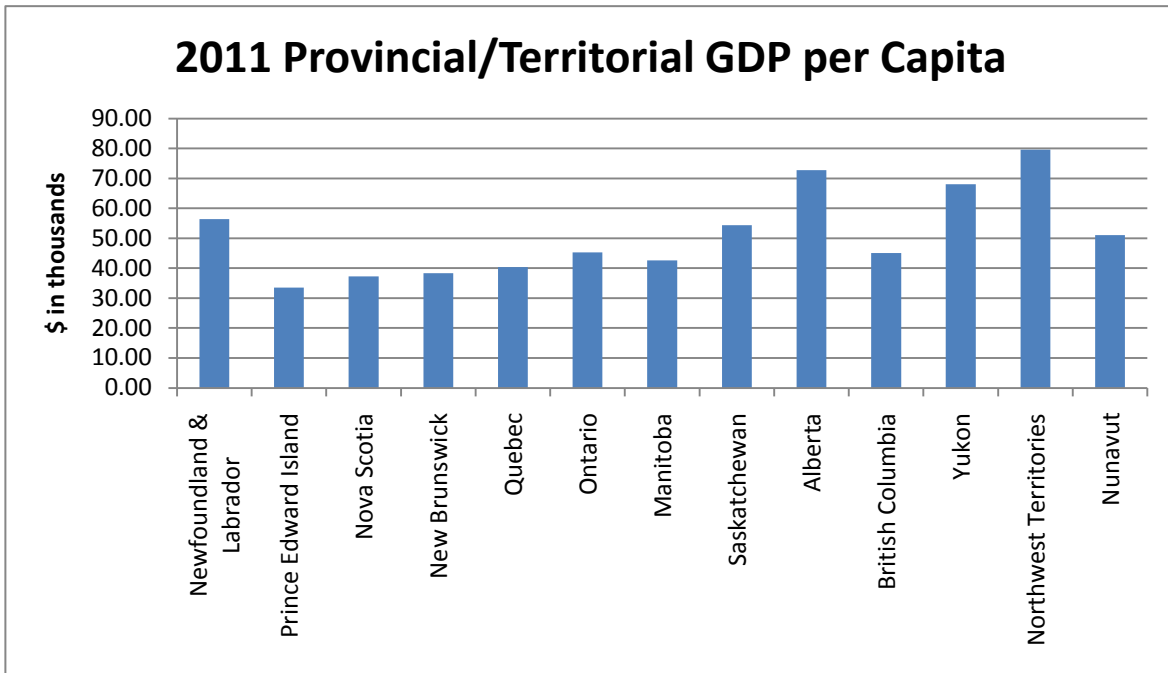
Source: Statistics Canada

Prepared by NWT Bureau of Statistics

Note:

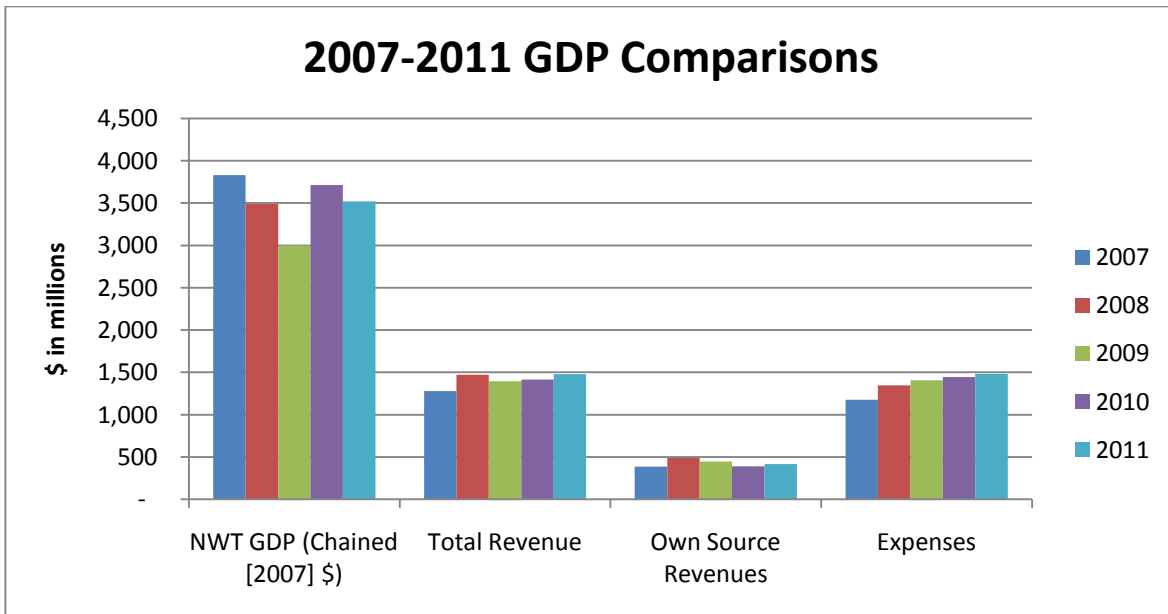
1. Data will not sum to totals since chained dollars are not additive.

GROSS DOMESTIC PRODUCT (continued)



Based on 2011 population estimates of Statistics Canada as at July 1, 2012

The NWT still has one of the highest GDP per capita in Canada. This is an important indicator to note when considering GDP statistics since it shows that while the NWT has a relatively small population our economy is still relatively larger than other jurisdictions.



* NWT GDP is based on a calendar year, while the balance of the information is based on the following March 31 fiscal year-ends. The 2011 figure for NWT GDP has been used for 2012 illustration purposes. Net income from the NWT Hydro Corporation and recoveries are included in GNWT own source revenues.

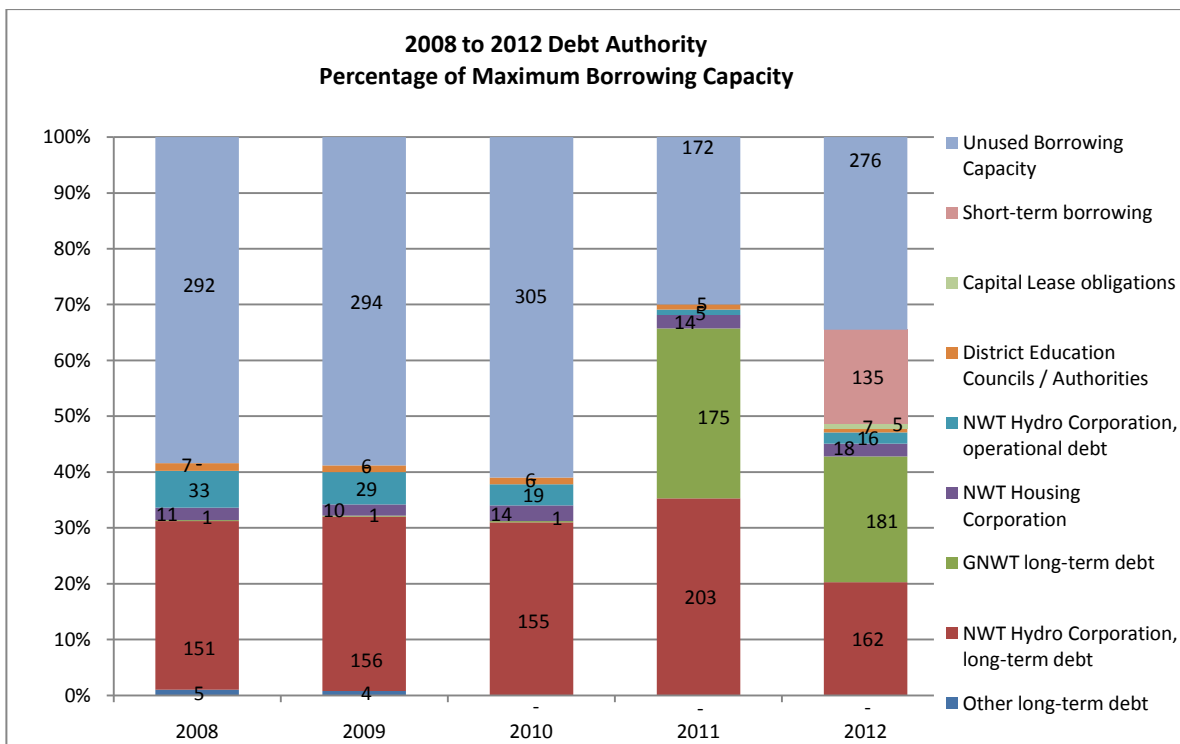
LONG-TERM DEBT BORROWING LIMITS

In April 2010 the Government of Canada, pursuant to subsection 20(2) of the *Northwest Territories Act*, temporarily increased the GNWT's borrowing limit to \$575 million from the \$500 million approved limit. On March 8, 2012, the Government of Canada permanently increased the GNWT's borrowing limit to \$800 million. A portion of the \$225 million increase was to offset items that were previously excluded from the definition of borrowing for the purposes of the limit (for example capital leases must now be included).

Pressures experienced due to the general state of the economy and the Government's desire to address infrastructure deficits within the Northwest Territories accelerated the Government's negotiation of an increase to the approved long-term borrowing limit with Canada. The revised borrowing limit referenced in the paragraph above was required to support long term planning for the Northwest Territories.

Consolidated debt, for purposes of the borrowing limit, includes the debts of all Government entities that are consolidated. The borrowings of the Northwest Territories Hydro Corporation (NTHC), while included in the calculation, are serviced through revenues generated by the NTHC, and therefore do not require the Government to fund the related interest expense or principal repayment.

In 2011 the debt associated with the Deh Cho Bridge was assumed by the GNWT and required to be included within GNWT long-term debt when calculating the borrowing limit.



The Government implemented a Fiscal Responsibility Policy in 2005 to guide borrowing decisions and allow flexibility in planning for its future infrastructure needs. Currently there are no plans to increase the debt level as the current Capital Plan only includes projects that will be fully funded by the Government's revenues; however as part of its fiscal management strategy the Government has obtained a credit rating of Aa1 from Moody's Investors Service to assist in decisions that may be required related to any future debt instruments that the Government may consider.

The NWT requires a significant investment in infrastructure. To ensure ongoing fiscal sustainability, but still allow for necessary investments required to address high priority infrastructure needs, the *Fiscal Responsibility Policy* establishes an ongoing approach to finance the Government's infrastructure investments and requires that at least 50% of the Government's annual infrastructure investment be financed by cash generated from operations. A maximum of 50% of the annual infrastructure investment may be financed by debt and annual debt servicing payments (principal and interest) cannot exceed 5% of total revenues. This requires the Government to plan for, budget, and realize sufficient operating surpluses on an ongoing basis to finance 50% of capital investments as well as meet debt servicing payments on the amounts borrowed.

The Policy makes the Government accountable for its level of borrowing with the establishment of performance criteria for debt management that ensure the total debt of the Government does not exceed the capacity of the Government to repay the debt as it becomes due.

The debt management criteria include the following:

Ratio: Government Debt to Revenue

- i) From year to year, the ratio of total Government debt, excluding guaranteed debt, compared to non-consolidated revenue, in relation to provinces shall be in the lowest 4.

This ratio is an indicator of the increase in debt in proportion to the increase in revenue, where decreasing ratios are a positive indicator that the rate of increase in revenue is greater than the rate of increase in debt.

Ratio: Debt per Capita

- ii) From year to year, the total debt per capita ratio, compared to provinces shall be in the lowest 5.

This ratio is a measure of the debt burden, on a per person basis, where a decreasing ratio is a positive indicator of a decreasing debt burden.

Debt Servicing Costs (interest), as a % of Revenue

- iii) From year to year, debt servicing costs on Government debt, excluding amounts paid by Public Agencies, as a % of non-consolidated revenue, compared to other provinces and territories shall be in the lowest 4.

This ratio is a measure of the extent that Government revenues are being applied to debt charges, rather than to programs and services, or tax reduction.

Debt Servicing Payments, as a % of Revenue

- iv) From year to year, payments on Government debt, excluding Public Agency debt service payments, as a percentage of non-consolidated revenue shall not exceed 5% of revenue.

This is a measure of the extent that Government revenues are being applied to debt charges and debt repayment, rather than on programs and services or to reducing taxes.

Debt Servicing Payments as a % of 3-year moving GDP average

- v) Given the volatility of GDP in the NWT, a 3-year moving average GDP shall be used.

From year to year, debt-servicing payments, excluding Public Agency debt, as a % of the 3-year moving GDP average, compared to debt servicing payments of provinces shall be in the lowest 4.

This ratio is a measure of debt growth in relation to economic growth, where ideally, economic growth exceeds the growth rate of public debt. A decreasing ratio reflects a consistent improvement in financial position.

Net Debt per Capita

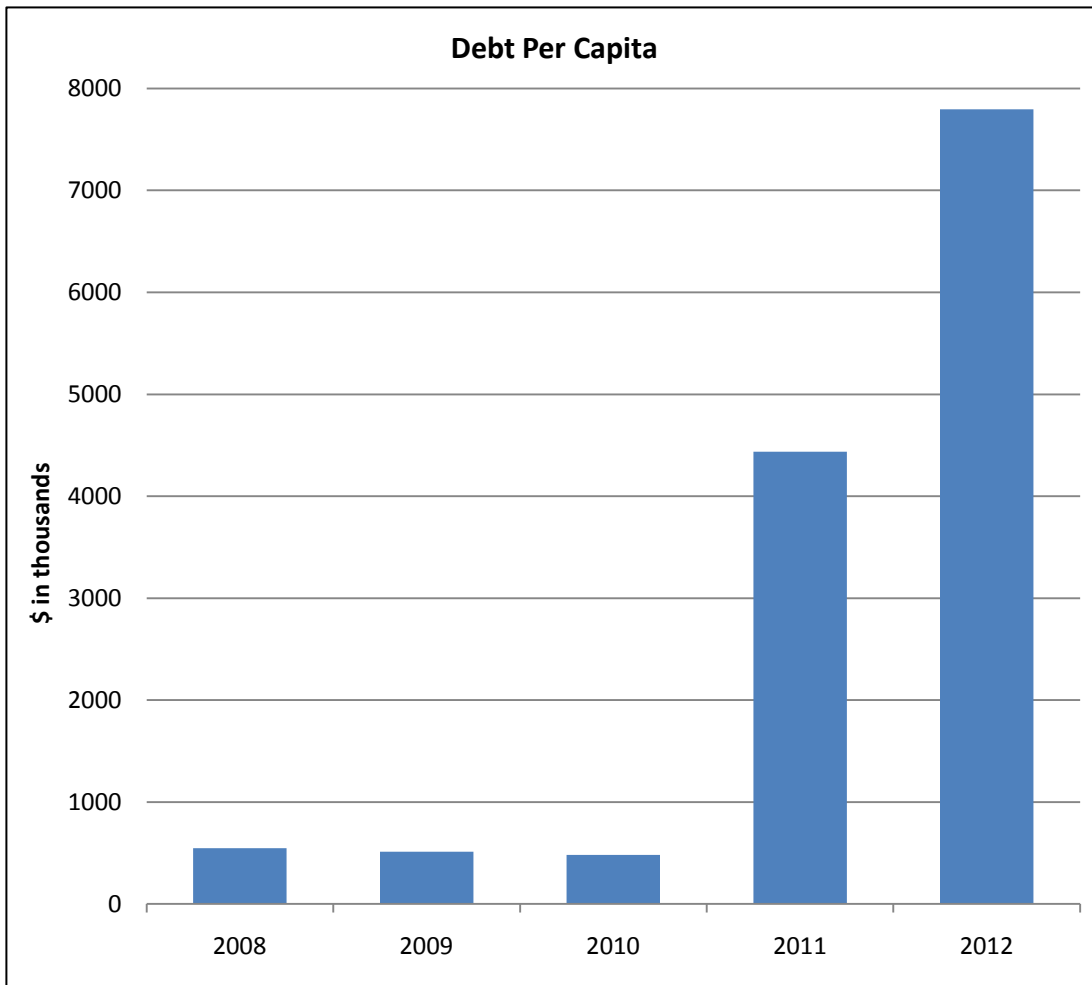
- vi) From year to year, non-consolidated net debt per capita, compared to provinces shall be in the lowest 5.

This ratio is a measure of the excess of liabilities over financial assets.

The GNWT policy on borrowing and performance measurement criteria, for management of debt, will be reviewed and updated annually. Annual reports are tabled in the Legislative Assembly.

DEBT PER CAPITA

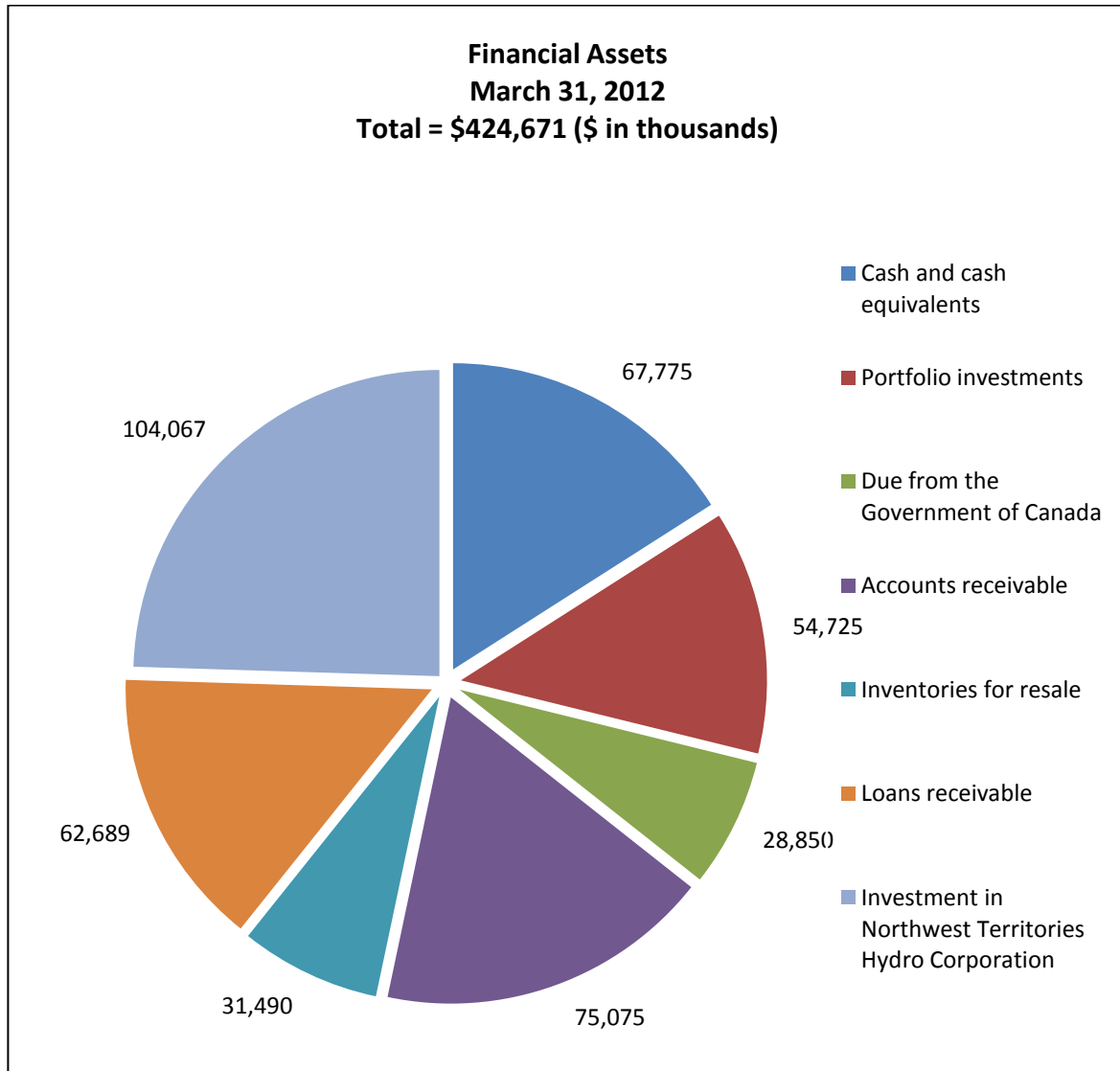
The following chart depicts the debt per capita with respect to the entire debt load that the GNWT is directly responsible for. This debt is comprised of short and long-term borrowing, but excludes the borrowings of the NWT Opportunity Fund and the NWT Hydro Corporation. At March 31, 2012, long-term debt was \$198.1 million (2011 - \$324.7 million), with short-term borrowings of \$135 million.



2012 and 2011 amounts are based on 2011 population estimates of Statistics Canada as at July 1, 2012

As disclosed on the previous page, the GNWT assumed the debt associated with the Deh Cho Bridge on April 1, 2010, significantly increasing the debt load for 2011 and subsequent fiscal years. In addition the GNWT required significant short term borrowing at the 2012 year end of \$134 million dollars. This debt was repaid shortly after the yearend, however its existence at year end causes a significant spike in debt per capita.

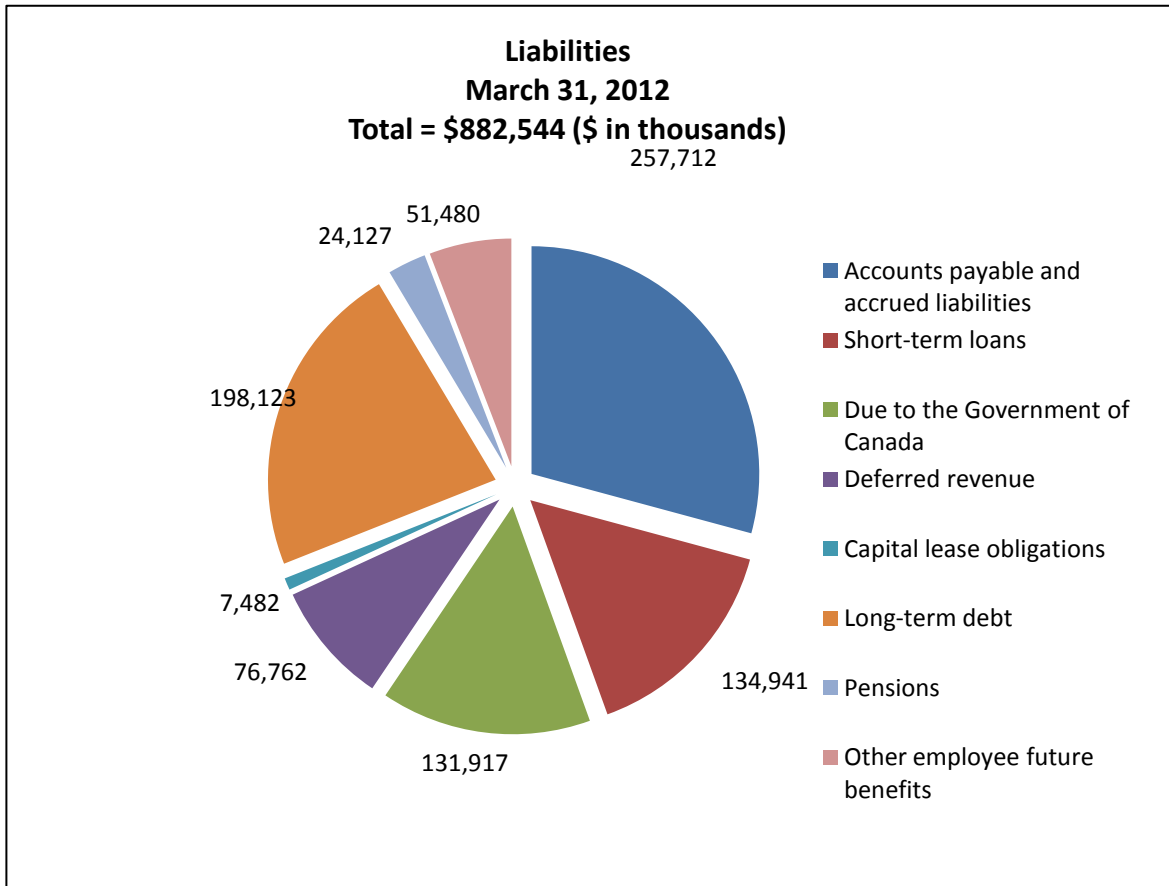
FINANCIAL POSITION



The above graph illustrates the composition of the Government's financial assets.

Approximately 16% of the GNWT's financial assets are cash. The balance is convertible to cash over time, varying from relatively short-term investments and inventory for resale to longer term loans receivable. The value of the investment in the Northwest Territories Hydro Corporation is not available "for sale" and as such is not available to discharge the GNWT's liabilities at any point in the foreseeable future. The balance of the financial assets will, over time, contribute to the GNWT's ability to discharge its liabilities as depicted on the following page. The significant gap between the financial assets of the GNWT and its liabilities indicate that some of its future revenues will be required to meet its obligations.

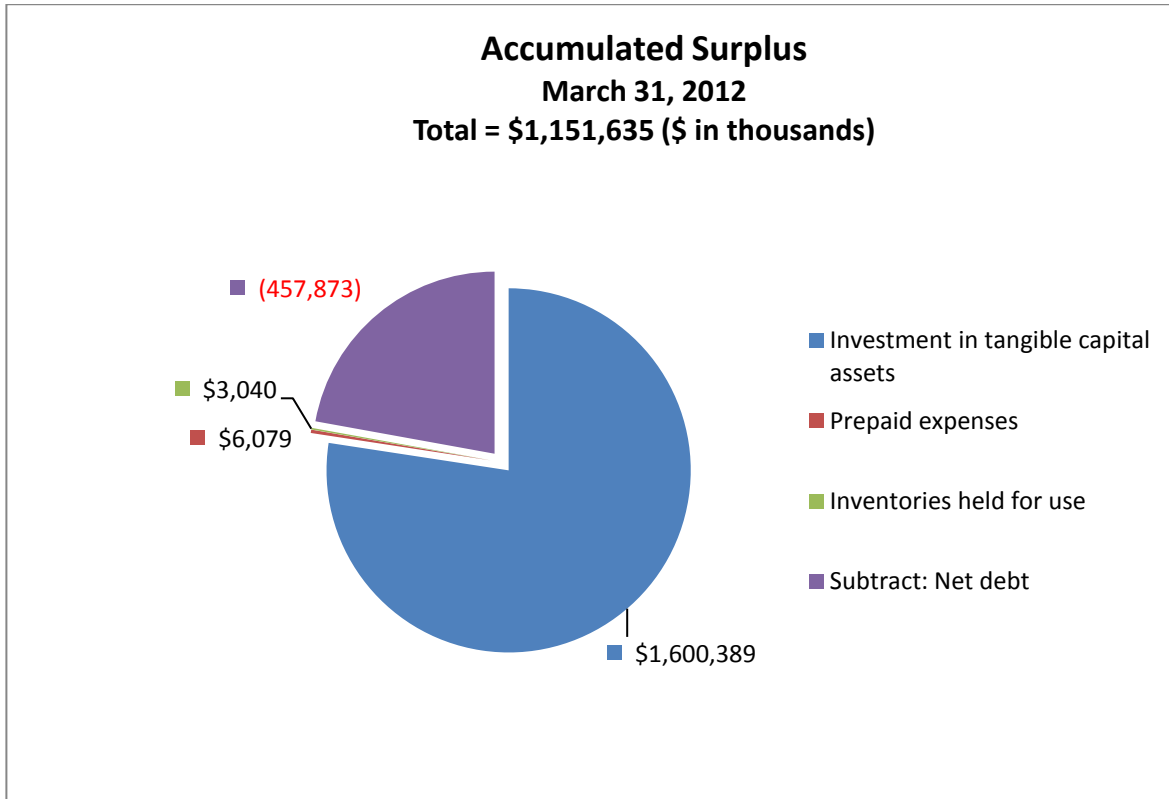
FINANCIAL POSITION (Continued)



The above graph illustrates the composition of the Government's liabilities.

The GNWT presently has approximately \$425 million in financial assets available to discharge its liabilities of approximately \$883 million. Many of the liabilities are not due in the short-term and will be discharged at a later date with a combination of longer term financial assets that provide cash at a later date and cash/accounts receivable that will be generated over future years through normal government operations and future generation of revenues.

FINANCIAL POSITION (continued)



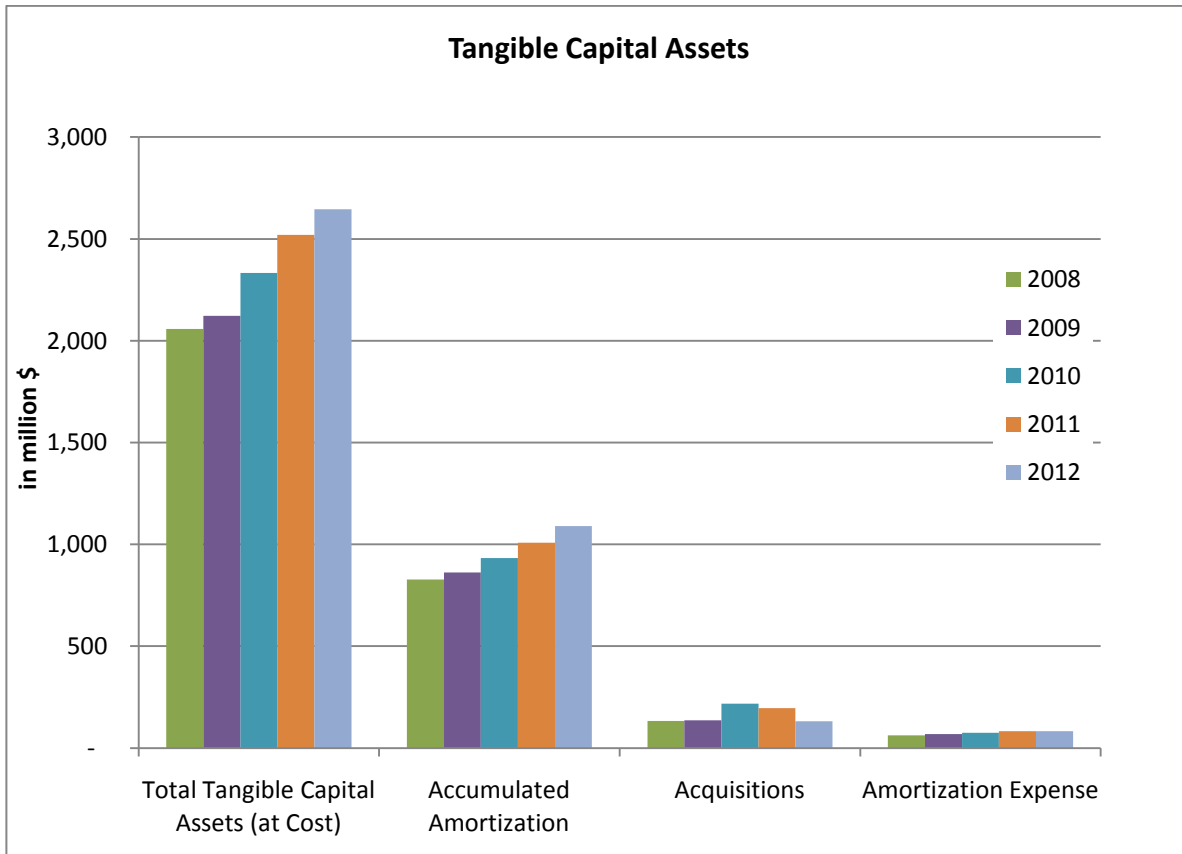
The Government is in a net debt position (depicted above as a negative). This negative amount is subtracted from the Government’s accumulated investment in Non-financial Assets (tangible capital assets/prepaid expenses/inventories held for use) to produce the accumulated surplus balance at the end of the year. An important measure of the flexibility of a Government is the level of financial assets available to meet current and future obligations, as well as its flexibility to absorb any budgeted annual deficit without moving to an accumulated deficit position.

A net debt, or net financial resource, position is not a direct reflection of cash available, but rather an indication of sources where cash will or will not become available to meet current and future obligations.

TANGIBLE CAPITAL ASSETS

Tangible capital assets include assets purchased or constructed by the Government and assets that were fully or partially contributed to the GNWT by Canada or other parties.

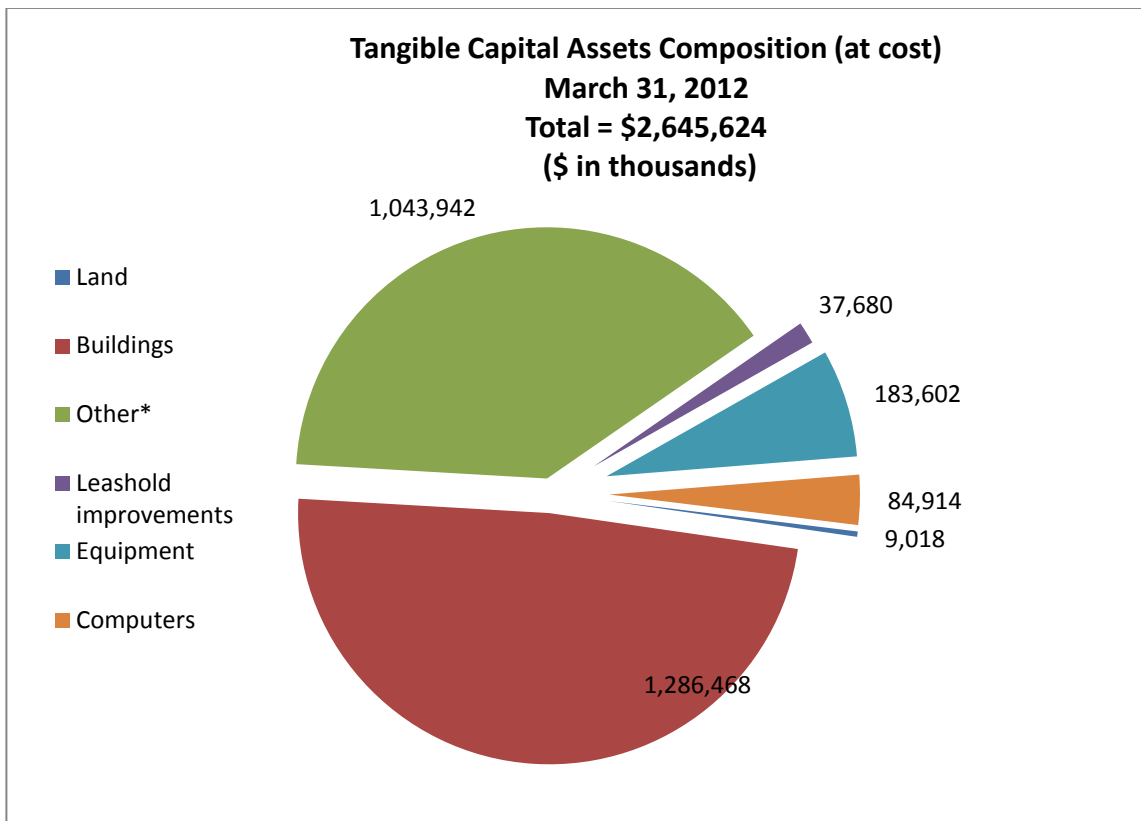
The GNWT records tangible capital assets as non-financial assets on its Statement of Financial Position within the Public Accounts. Under this policy, assets valued at \$50,000 or more are capitalized and then expensed as amortization in Statement of Operations with the Public Accounts based on their average useful life.



Tangible capital assets (at cost) do not include any adjustments for any contribution that may have been received to offset its cost... For further details regarding tangible capital assets, please refer to Schedule A to the Consolidated Financial Statements in Section I of the Public Accounts.

The Government plans its capital expenditures to ensure that existing tangible capital assets are replaced or expanded in a timely manner in conjunction with the Government's direction, priorities and fiscal strategy. Tangible capital asset investments are focused on addressing the continued health and safety of NWT residents, the extension of the useful life of existing assets, and providing for program growth.

TANGIBLE CAPITAL ASSETS (continued)



* Includes roads, bridges, airstrips & aprons, and water/sewer works

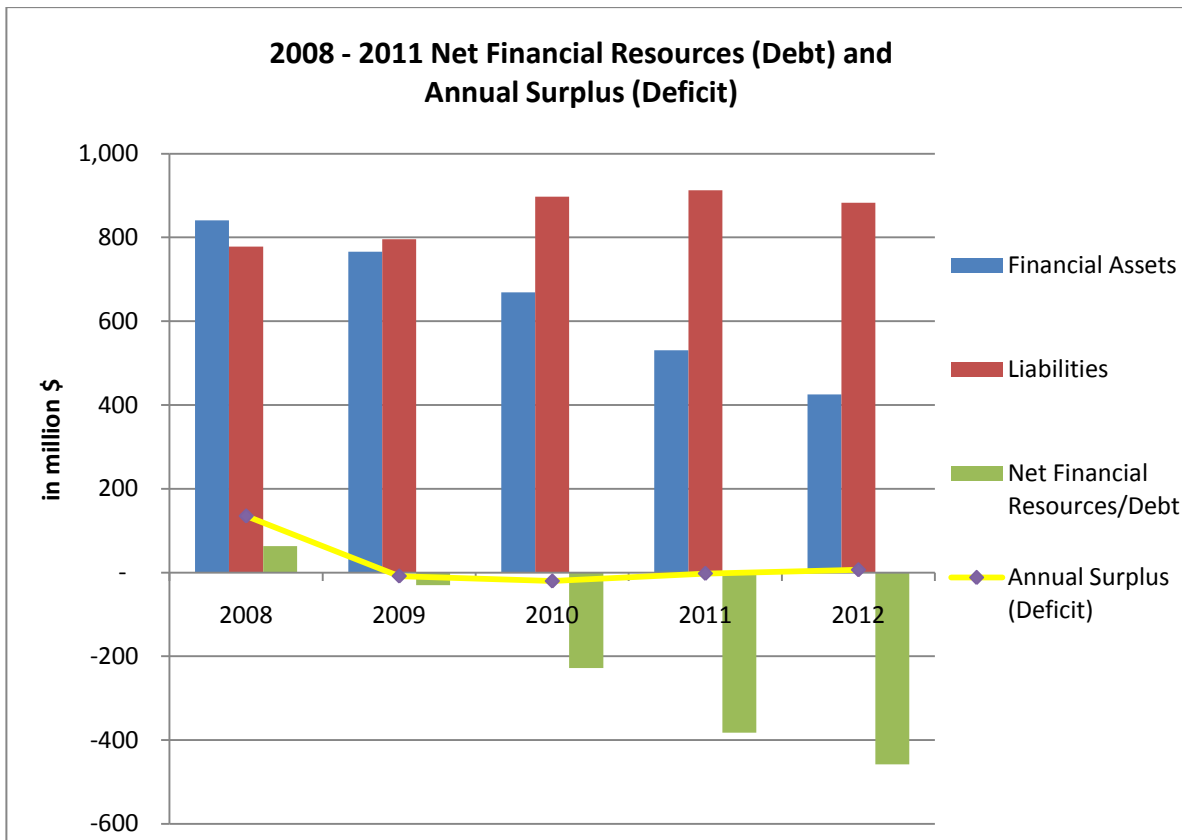
The GNWT is currently investing in tangible capital assets at a level that represents between 50% and 60% of the estimated investment needed for replacement and growth. In the 2012 fiscal year, the Government spent \$185 million to acquire or construct tangible capital assets (2011 - \$292 million).

ANNUAL SURPLUS (DEFICIT) AND NET FINANCIAL RESOURCES (DEBT)

Net financial resources are the financial resources remaining after being reduced by all liabilities of the Government. Net debt results when there is an excess of liabilities over financial assets. The Government is in a net debt position; liabilities exceeded financial assets at the fiscal year end. Over the years, the Government’s net financial resources (debt) have fluctuated with the annual surplus as depicted in the graph below.

Net debt continued to increase during the 2012 fiscal year, in part as a result of continued significant investments in infrastructure (see previous page). Amounts spent on tangible capital assets result in a corresponding decrease in cash and other financial assets used to make such investments which in turn results in an increase in net debt.

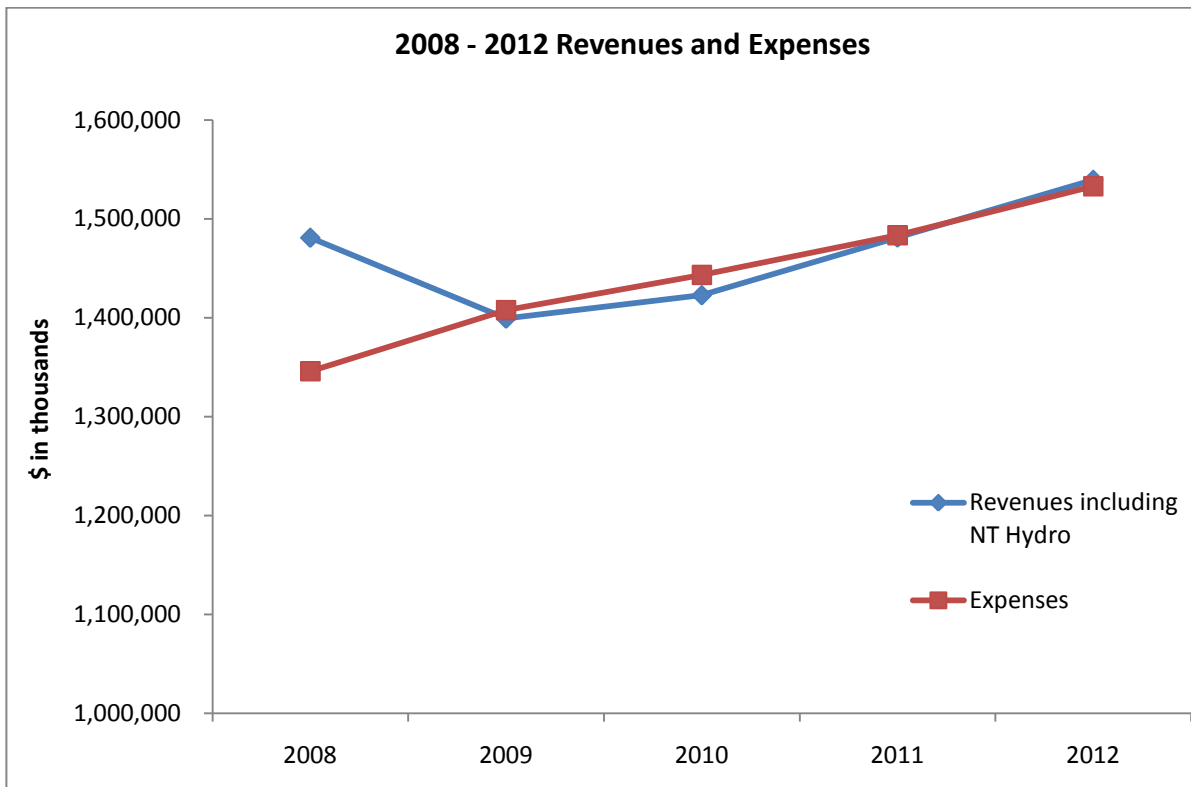
The graph below illustrates the Government’s net financial resources (debt) position and annual surplus (deficit) at the end of each of the last five fiscal years.



Net financial resources (debt) are a good indicator of a Government’s ability to meet its existing financial obligations.

In the near term, the Government may have to fund tangible capital assets with debt and this will further impact our net financial position. With so many variables in the calculation of our net financial position, a prediction of an increase or decrease in our net financial resources cannot be made without an in-depth analysis. Net financial resources or debt positions are affected by dramatic changes in revenues or expenses. Long-term debt and the Government’s net debt position will increase if revenues do not keep pace with, or exceed, the cost of Government operations.

REVENUES AND EXPENSES



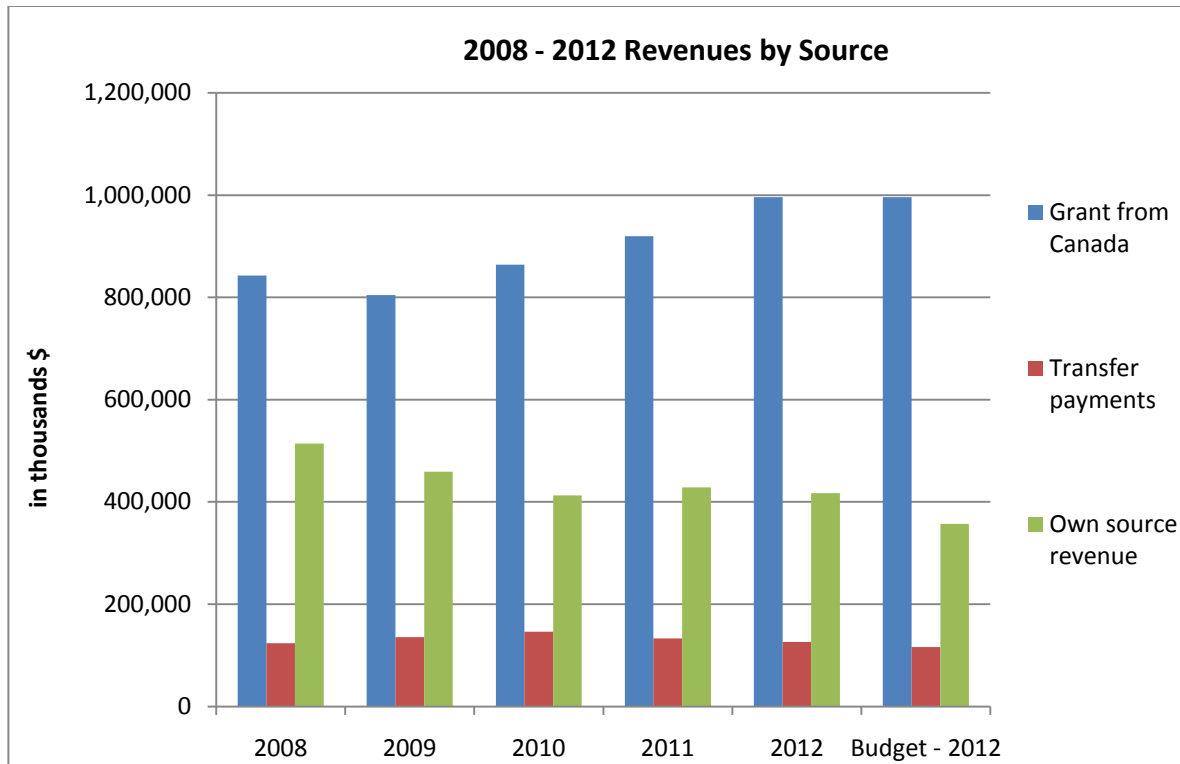
* Revenues depicted above include recoveries of prior year expenditures and net income of the NWT Hydro Corporation.

The GNWT funds government programs and services through a combination of transfers from the federal government and own-source revenues. In order to assess the long-term sustainability of the present level of services, various key indicators are monitored on an ongoing basis, including the following:

- Growth rates of revenues and expenditures;
- Changes in the net debt ratio; and
- Impacts of one-time (or non-recurring) events.

The most significant factor that contributes to revenues being more unpredictable than expenses in any given year is the volatility in corporate income tax. Since April 1, 2007, the Grant from Canada has been calculated based on an equally-weighted three-year moving average of data that is lagged two years. As a result, changes in underlying variables, such as corporate income tax, do not lead to a corresponding impact (up or down) on the Grant from Canada until the second, third and fourth years following the year of the change to the input in question. For example, in the event of a revenue shortfall in corporate income tax, the resulting positive offset on the Grant from Canada would occur one-third each in the second, third and fourth years following the year in which the shortfall took place.

REVENUES BY SOURCE



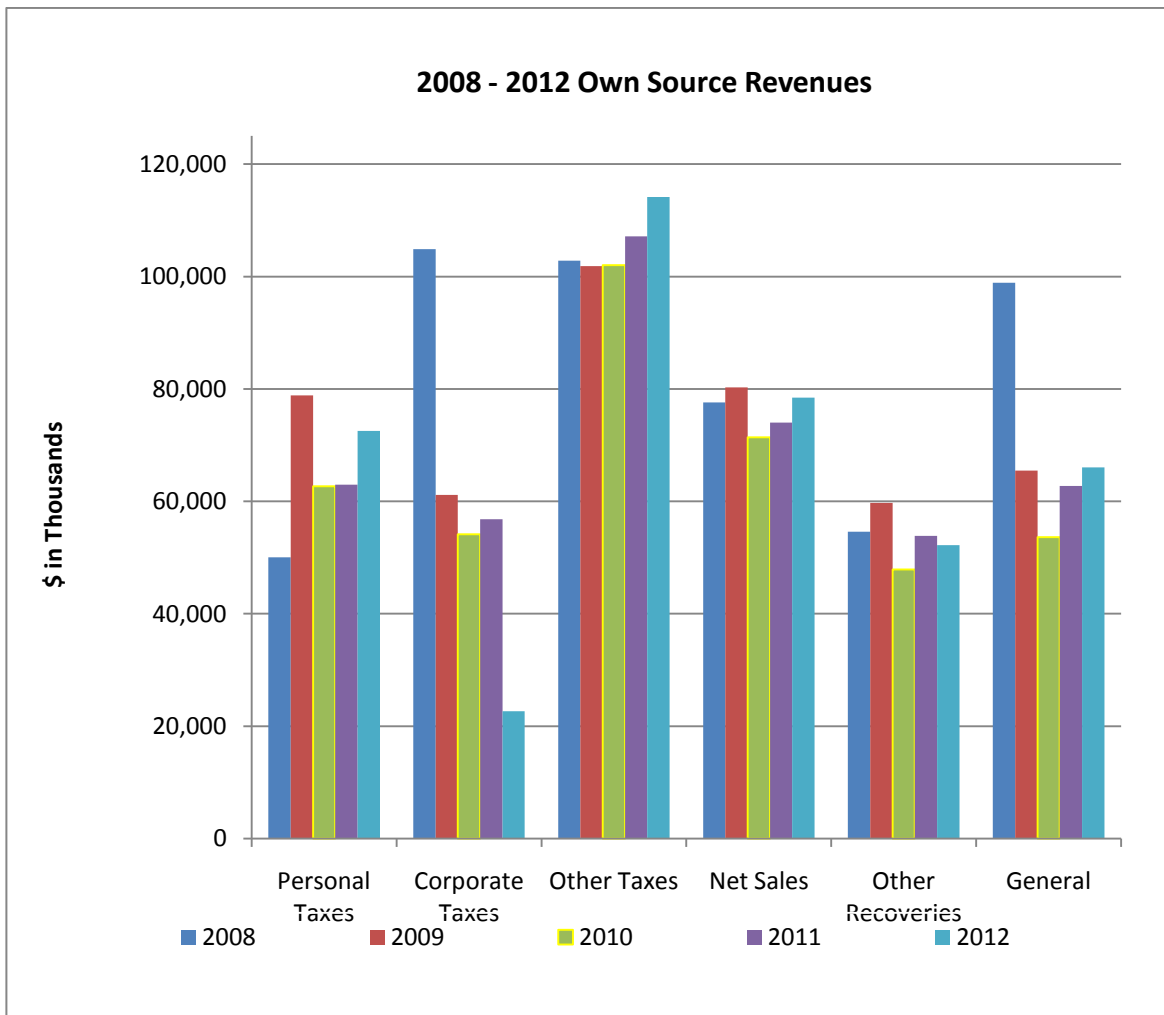
* Own source revenues include both recoveries of prior year expenditures and the net income of NWT Hydro Corp.

Since 2007 when the current funding structure was implemented the GNWT’s revenues from the Formula Financing Grant from Canada increased slightly from 59% to 62% of total revenues. The Grant from Canada is an annual formula-based calculation whereby the NWT’s Grant equals the difference between its Gross Expenditure Base (proxy for expenditure requirements) and a measure of revenue capacity known as Eligible Revenues.

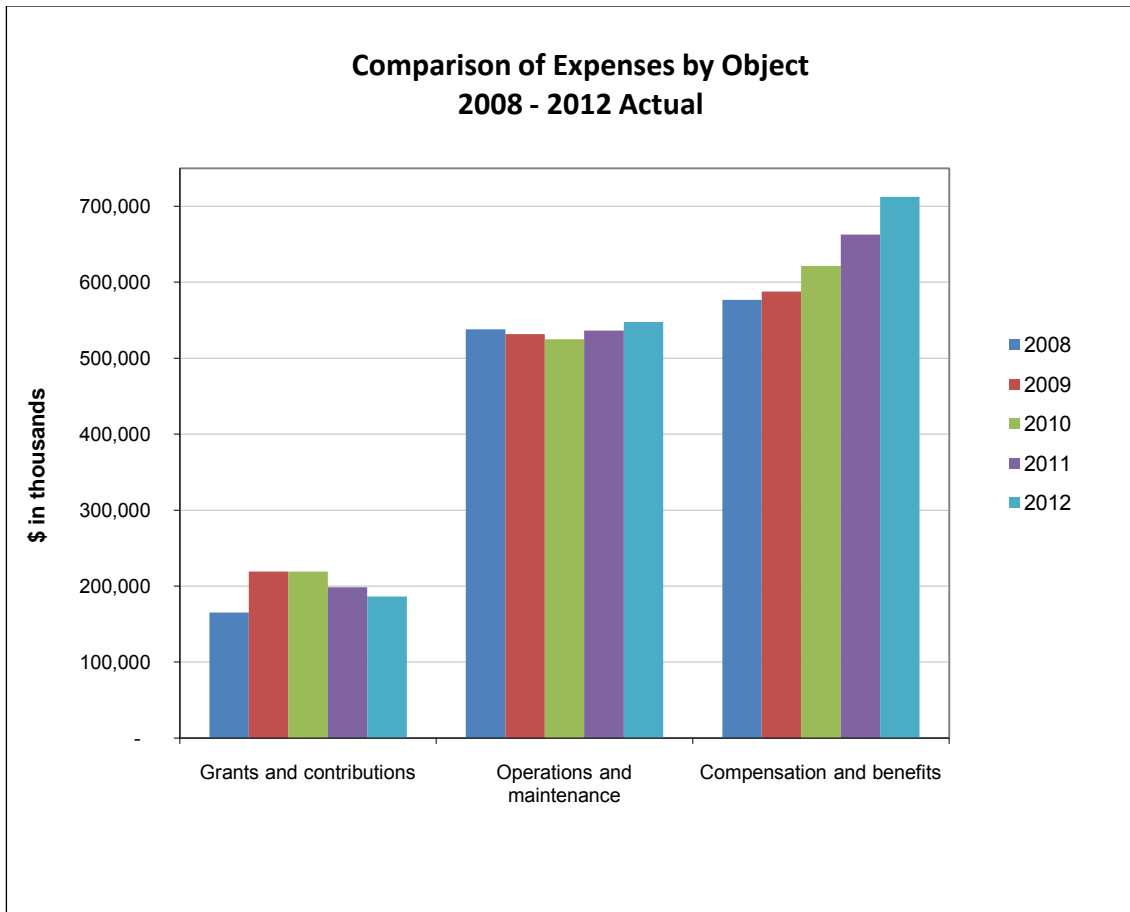
Major own-source revenues, such as corporate and personal income tax, tobacco tax, fuel tax, and payroll tax, have remained consistent at approximately 30% of total revenues. Other transfer payments revenues are approximately 9% of total revenues. Although the NWT has a vast reserve of non-renewable resources, it does not currently share in the revenue produced by those resources (royalties, etc). The intended result of ongoing tri-party negotiations between Canada, the GNWT and NWT Aboriginal Governments is the sharing of those resource revenues.

REVENUES BY SOURCE (continued)

With the exception of corporate income tax, other own-source revenues have proven to be fairly consistent over the years. Corporate income tax revenue is dependent upon a small base of significant taxpayers that accounts for the volatile nature of this tax revenue. Canada bases estimates of corporate income tax on the latest actual prior year tax revenue information available; for example; 2010 estimates were based on 2008 actual collections.



EXPENSES BY OBJECT

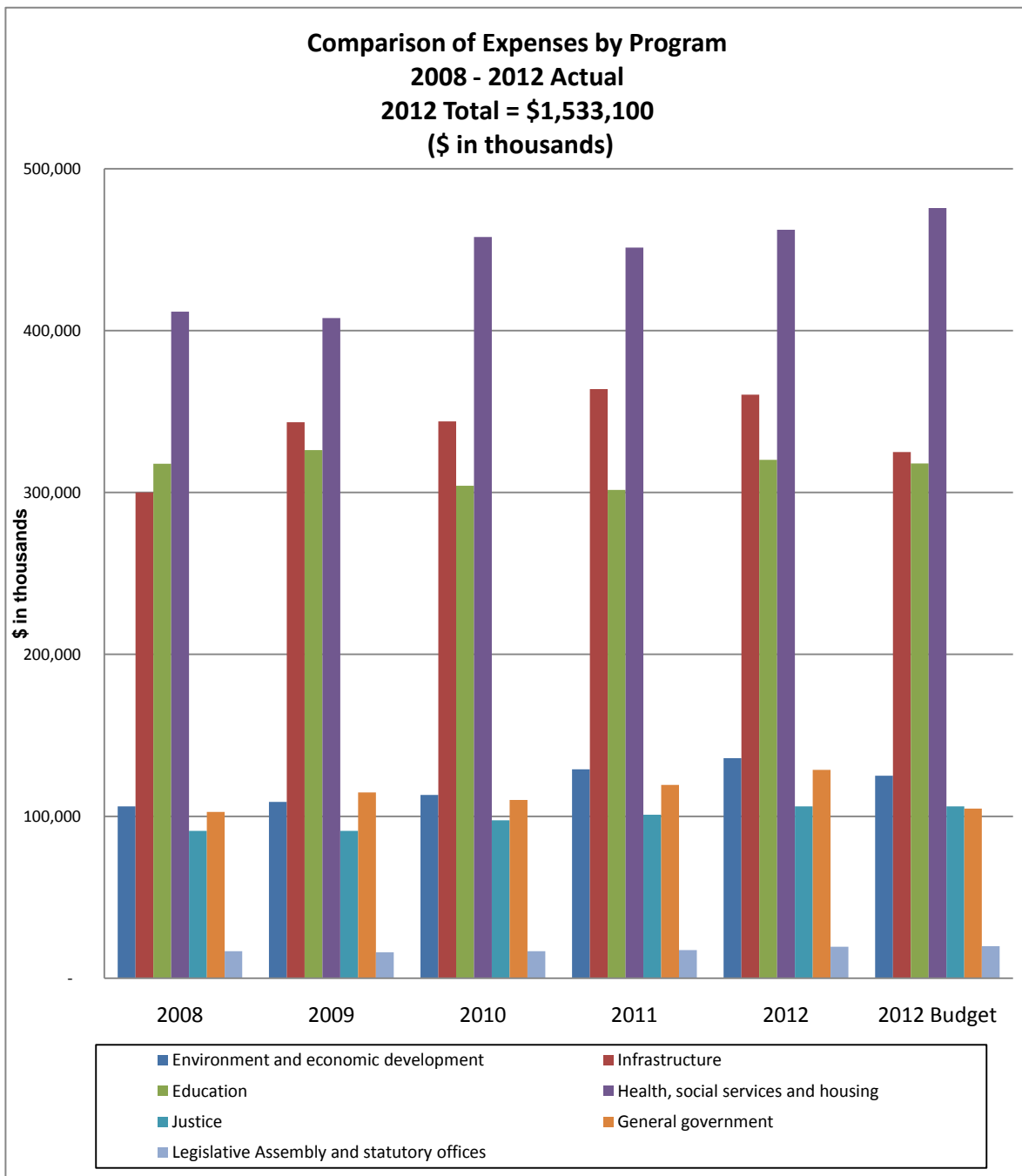


The above graph provides information on the consolidated government operations. Grants and contributions from the GNWT to boards and agencies consolidated in Section I of the Public Accounts are reported under the operations and maintenance and compensation and benefits categories to better reflect the nature of the final expense types that will result. This classification does not change the way that these Government organizations are funded as many of our social and educational programs are funded by contributions from the GNWT. Many components of these funding agreements with boards and agencies are really fixed costs incurred by the recipients and as the major (or sole) provider of funds, the Government cannot vary the funding without affecting the level of output by these boards and agencies. In Section II of the Public Accounts, one can see that approximately 51% of the Government's total expenses flow as Grants and Contributions to third parties.

In addition lease and other commitments, which are disclosed in the notes to the consolidated financial statements (Public Accounts – Section I), are long-term fixed costs over which there is no discretion to be exercised in the short-term.

The Government is also vulnerable to inflation as it is an important factor when negotiating compensation and benefits. Not only are the direct wages of the Government vulnerable to this, but wage costs comprise a significant factor in determining the amount of grants and contributions given out to third parties, whether they are consolidated within the Public Accounts or not.

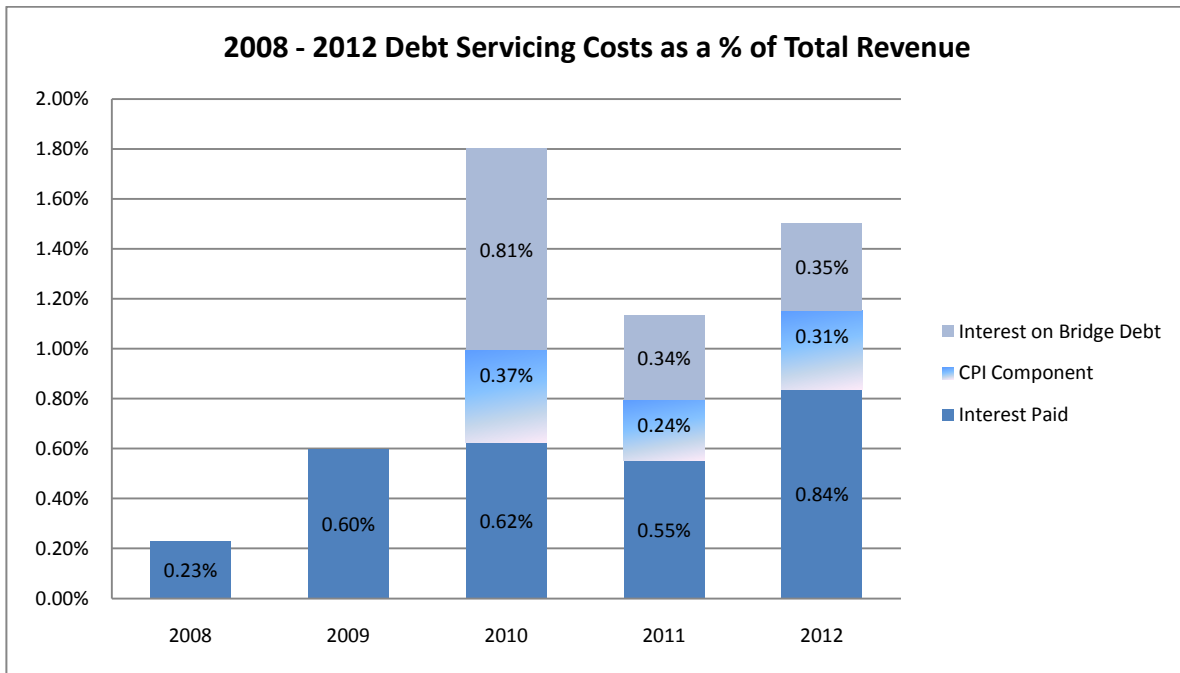
EXPENSES BY PROGRAM



The Government spends the majority of its budget on social programs (education, health, support to community Governments, justice and housing), with the remaining budget allocated to infrastructure, natural resources and economic development. Any additional resources to improve a service often have to be made at the expense of other important needs. Balancing a budget entails not only controlling expenses but also finding the most effective and efficient mix of programs.

DEBT SERVICING COSTS

As shown on the graph below, the GNWT is in the enviable position of having to expend less than 2% of its total revenues to service its debt load, including financing costs paid to service the Deh Cho Bridge debt. The financing costs are comprised of interest expense and an adjustment for inflation based on the consumer price index (CPI). The various components related to the Deh Cho Bridge are disclosed within the graph.



The Government's *Fiscal Responsibility Policy* requires the ratio cited above to be one of the parameters reported on to ensure that any new debt we assume does not affect our long-term sustainability. Under the *Fiscal Responsibility Policy*, payments on Government debt must not exceed 5% of revenues.

CONCLUSION

As described in the Introduction, the Canadian Institute of Chartered Accountants has suggested that a Government's financial health should be measured in terms of sustainability, flexibility and vulnerability. The preceding measures have attempted to illustrate how the GNWT's fiscal health measures up from this standpoint. This suggests the following conclusions:

Sustainability – at the end of the 2011-2012 fiscal year the GNWT had a net debt of \$458 million compared to net debt of \$382 million at the end of the prior year. This deterioration of our financial position is manageable in the context of our revenue stream of \$1.5 billion. The net debt represents 30.5%, or approximately 16 weeks of revenue. At March 31, 2012, the GNWT's long-term debt was \$ 198.1 million (excluding the debt of the NWT Hydro Corporation and the NWT Opportunities Fund) or 13.2% of the GNWT's revenues for the year and less than 6% of GDP.

Flexibility – pertains to the GNWT's ability to increase its financial resources. The GNWT's own-source revenues decreased from 28.9% of total revenue in 2011 to 27.1% in 2012; income tax revenue is the major source of any fluctuation. The majority of revenue comes from the Grant from the Government of Canada (Formula Financing arrangement). The GNWT does not have access to resource royalty revenues as the Government of Canada controls all NWT subsurface resources. The GNWT and the Government of Canada have entered into devolution negotiations that include resource revenue sharing; however the monetary impact and timeframe for completion of a final agreement are currently uncertain. The GNWT has a federally imposed limit on its borrowing of \$800 million. Although the GNWT is currently well under its debt authority limit, \$800 million represents only 52.2% of 2011-2012 expenses, or 27 weeks of operations.

The GNWT's flexibility to increase its financial resources is currently limited. The lack of access to resource revenues combined with very little room, if any, to increase taxes and still remain competitive with the other provinces and territories makes a significant increase in own source revenues unlikely in the short term. The limit on the borrowing capacity as set by the Government of Canada precludes the use of debt to increase financial resources; as well, an increase in debt would at best provide short term flexibility.

Vulnerability – this is a measure of how dependent a Government is on sources of funding outside its control or influence. To assess the GNWT's vulnerability, it is not necessary to look further than the Government's limited own-source revenues and the volatility related to corporate and personal income taxes. The formula determining the Territorial Formula Financing Grant is established in federal legislation and will remain in effect until March 31, 2014. At the December 2011 Finance Ministers' Meeting, the federal Finance Minister committed to renewing the current Territorial Formula Financing for an additional five years, until the 2018/2019 fiscal year.

In summary, the GNWT is financially stable at this point in time, but it has limited flexibility to raise new revenues and it continues to be very vulnerable to federal control over changes to its future revenues.