

**GOVERNMENT OF NUNAVUT**  
**INTERIM FINANCIAL REPORT**  
**Non-Consolidated Financial Statements (unaudited)**  
**March 31, 2016**

This page intentionally left blank

**The Honourable George Qulaut, MLA**  
**Speaker of the Legislative Assembly of Nunavut**

I am pleased to present the Interim Financial Report of the Government of Nunavut for the fiscal year ended March 31, 2016. The report is presented in accordance with subsection 51(4) of the Financial Administration Act.

The Honourable Keith Peterson, MLA  
Minister of Finance

This page intentionally left blank

**The Honourable Keith Peterson, MLA**  
**Minister of Finance**

I am pleased to present the Interim Financial Report of the Government of Nunavut for the fiscal year ended March 31, 2016. The report is submitted pursuant to subsection 51(3) of the Financial Administration Act.

The purpose of the report is to provide the preliminary operating results of the Government, on a non-consolidated basis, for the year ended March 31, 2016.

The information in the report is unaudited and subject to change prior to the issue of the final Public Accounts. The non-consolidated financial statements are subject to review before the Auditor General issues the auditor's report on the Government's Consolidated Financial Statements. That review is not complete at this time.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Peter Tumilty", with a long horizontal flourish extending to the right.

Peter Tumilty, FCGA  
Comptroller General

September 29, 2016

This page intentionally left blank

---

**GOVERNMENT OF NUNAVUT**  
**INTERIM FINANCIAL REPORT**  
**Non-Consolidated Financial Statements (unaudited)**  
**March 31, 2016**

---

<b>Table of Contents</b>	<b>Page</b>
<b>Non-Consolidated Financial Statements (unaudited)</b>	
Non-Consolidated Statement of Financial Position	1
Non-Consolidated Statement of Operations and Net Assets	2
Non-Consolidated Statement of Change in Net Financial Assets	3
Non-Consolidated Statement of Cash Flow	4
Notes to Non-Consolidated Financial Statements	5
Schedule A - Non-Consolidated Schedule of Revenues by Source	17
Schedule B - Non-Consolidated Schedule of Expenses	18
Schedule B.1 - Non-Consolidated Schedule of Expenses Funded under Approved Appropriations	19
Schedule B.2 - Non-Consolidated Schedule of Expenses Funded under Third-Party Agreements	22
Schedule B.3 - Non-Consolidated Schedule of Expenses Funded by Revolving Funds	23
Schedule C - Non-Consolidated Schedule of Tangible Capital Assets	24
<b>Supplementary Schedules to Non-Consolidated Financial Statements (unaudited)</b>	
Schedule 1 - Non-Consolidated Schedule of Recoveries of Prior Years Expenditures	25
Schedule 2 - Non-Consolidated Schedule of Special Warrants	26
Schedule 3 - Non-Consolidated Schedule of Inter-Activity Transfers Over \$250,000	27
Schedule 4 - Non-Consolidated Schedule of Student Loan Remissions	29
Schedule 5 - Non-Consolidated Schedule of Contractual Obligations under Operating Leases	30

**GOVERNMENT OF NUNAVUT**  
**INTERIM FINANCIAL REPORT**  
**Non-Consolidated Statement of Financial Position (unaudited)**  
**as at March 31, 2016**  
*(in thousands of dollars)*

	Note	2016	2015
<b>Financial assets</b>			
Cash and cash equivalents	3	556,274	422,665
Due from the Government of Canada	4	44,549	52,390
Accounts receivable	5	101,924	101,085
Inventories for resale	6(a)	159,485	217,497
Loans receivable	7	26,756	26,815
Designated investments	8	13,442	11,517
<b>Total financial assets</b>		<b>902,430</b>	<b>831,969</b>
<b>Liabilities</b>			
Accounts payable and accrued liabilities	9	317,737	301,758
Deferred revenues	10	64,192	82,006
Liability for contaminated sites	11	8,421	8,834
Obligations for pension and other employee benefits	12	42,841	41,293
Mortgage payable	13	2,177	2,568
Iqaluit International Airport Improvement Project	14	100,092	53,484
Capital lease obligations	15	38,950	46,612
<b>Total liabilities</b>		<b>574,410</b>	<b>536,555</b>
<b>Net financial assets</b>		<b>328,020</b>	<b>295,414</b>
<b>Non-financial assets</b>			
Tangible capital assets (Schedule C)		1,249,112	1,180,026
Inventories for use	6(b)	3,080	3,055
Prepaid expenses		4,072	2,839
<b>Total non-financial assets</b>		<b>1,256,264</b>	<b>1,185,920</b>
<b>Net assets</b>		<b>1,584,284</b>	<b>1,481,334</b>
Contractual obligations (Note 17)			
Contingencies (Note 18)			

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



**GOVERNMENT OF NUNAVUT**  
**INTERIM FINANCIAL REPORT**  
**Non-Consolidated Statement of Operations and Net Assets (unaudited)**  
**for the year ended March 31, 2016**  
*(in thousands of dollars)*

	<b>2016 Budget</b> <small>(Note 21)</small>	<b>2016 Actual</b>	<b>2015 Actual</b>
<b>Revenues (Schedule A)</b>			
From the Government of Canada	1,620,682	1,657,880	1,616,423
Tax revenues generated by the Government of Nunavut	107,300	107,764	96,442
Other revenues generated by the Government of Nunavut	79,468	80,370	69,644
Recoveries of prior years expenditures	-	15,942	12,785
<b>Total revenues</b>	<b>1,807,450</b>	<b>1,861,956</b>	<b>1,795,294</b>
<b>Expenses (Schedule B)</b>			
Operations and maintenance expenses before amortization	1,592,605	1,592,241	1,506,366
<i>Plus: Amortization expenses on tangible capital assets</i>	<i>52,260</i>	<i>67,570</i>	<i>58,663</i>
Total operations and maintenance expenses	1,644,865	1,659,811	1,565,029
Capital expenditures	318,140	250,531	268,525
<i>Less: Transfers to tangible capital assets</i>	<i>185,506</i>	<i>151,336</i>	<i>147,153</i>
Total capital expenses	132,634	99,195	121,372
<b>Total expenses</b>	<b>1,777,499</b>	<b>1,759,006</b>	<b>1,686,401</b>
<b>Surplus (deficit) for year</b>	<b>29,951</b>	<b>102,950</b>	<b>108,893</b>
<b>Net assets, beginning of year</b>	<b>1,481,334</b>	<b>1,481,334</b>	<b>1,372,441</b>
<b>Net assets, end of year</b>	<b>1,511,285</b>	<b>1,584,284</b>	<b>1,481,334</b>

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

**GOVERNMENT OF NUNAVUT**  
**INTERIM FINANCIAL REPORT**  
**Non-Consolidated Statement of Change in Net Financial Assets (unaudited)**  
**for the year ended March 31, 2016**  
*(in thousands of dollars)*

	<b>2016 Budget</b>	<b>2016 Actual</b>	<b>2015 Actual</b>
<b>Surplus (deficit) for year</b>	29,951	102,950	108,893
<b>Tangible capital assets (Schedule C)</b>			
Additions	(185,506)	(151,336)	(147,153)
Write-downs	-	14,680	-
Amortization	52,260	67,570	58,663
	(133,246)	(69,086)	(88,490)
<b>Additions to inventories for use</b>	-	(5,112)	(5,749)
<b>Consumption of inventories for use</b>	-	5,087	5,549
<b>Net use (additions) of prepaid expenses</b>	-	(1,233)	(572)
	-	(1,258)	(772)
<b>Increase (decrease) in net financial assets</b>	(103,295)	32,606	19,631
<b>Net financial assets, beginning of year</b>	295,414	295,414	275,783
<b>Net financial assets, end of year</b>	192,119	328,020	295,414

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

**GOVERNMENT OF NUNAVUT**  
**INTERIM FINANCIAL REPORT**  
**Non-Consolidated Statement of Cash Flow (unaudited)**  
**for the year ended March 31, 2016**  
*(in thousands of dollars)*

	<b>2016</b>	<b>2015</b>
<b>Cash provided by (used for) operating activities:</b>		
Transfers from the Government of Canada	1,647,040	1,598,157
Taxes	105,978	96,050
Other government revenues	263,770	268,189
Interest on loans receivable and portfolio investments	1,076	1,130
Interest payments on capital leases and mortgage	(2,981)	(3,834)
Compensation and employee benefits	(516,797)	(512,859)
Grants and contributions	(477,488)	(463,501)
Goods and services	(772,332)	(901,952)
	<b>248,266</b>	<b>81,380</b>
<b>Cash provided by (used for) capital activities:</b>		
Tangible capital asset acquisitions	(73,131)	(96,554)
	<b>(73,131)</b>	<b>(96,554)</b>
<b>Cash provided by (used for) investing activities:</b>		
Loans issued to municipalities, businesses and individuals	(249)	(396)
Loan repayments by municipalities, businesses and individuals	301	484
Designated investments acquisitions	(1,925)	(2,097)
	<b>(1,873)</b>	<b>(2,009)</b>
<b>Cash provided by (used for) financing activities:</b>		
Progress payments on Iqaluit International Airport Improvement Project	(31,600)	(29,000)
Principal payments on capital leases	(7,662)	(6,809)
Principal payments on mortgage payable	(391)	(366)
	<b>(39,653)</b>	<b>(36,175)</b>
<b>Increase (decrease) in cash and cash equivalents</b>	<b>133,609</b>	<b>(53,358)</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>422,665</b>	<b>476,023</b>
<b>Cash and cash equivalents, end of year (Note 3)</b>	<b>556,274</b>	<b>422,665</b>

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

## 1 AUTHORITY AND OPERATIONS

### (a) Government of Nunavut

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

### (b) Main Estimates

The 2015-16 Main Estimates were tabled in the Legislative Assembly in February 2015 and represent the Government's fiscal plan for the year (i.e., original budget). Summary information and totals for government's original budget for the year are provided on pages x through xiii of the 2015-16 Main Estimates. Planned Vote 5 revenues and Vote 4 expenses represent the share of eligible costs to be funded under agreements with the Government of Canada or others, and while not part of the annual Appropriations (Operations and Maintenance) Act approved by the Legislative Assembly in March 2015, they are, along with those of revolving funds, included in the original budget totals disclosed in these financial statements.

## 2 SIGNIFICANT ACCOUNTING POLICIES

### (a) Basis of accounting

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

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

### (b) Reporting entity

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

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

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

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

- Territorial corporations
  - Nunavut Arctic College (NAC)
  - Nunavut Business Credit Corporation (NBCC)
  - Nunavut Development Corporation (NDC)
  - Nunavut Housing Corporation (NHC)
  - Qulliq Energy Corporation (QEC)
- Other public agencies
  - District Education Authorities
  - Human Rights Tribunal
  - Inuit Uqausinginnik Taiguusiliuqtiit
  - Labour Standards Board
  - Legal Services Board
  - Liquor Commission
  - Nunavut Liquor Licensing Board
  - Office of the Public Trustee
  - Qullit Nunavut Status of Women Council

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

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

**2 SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(c) Use of estimates and measurement uncertainty**

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

- (i) Income tax revenues collected by the Government of Canada on the Government's behalf.
- (ii) Allowance for doubtful accounts, loan valuation allowances, provision for losses on loan guarantees, amortization of tangible capital assets, liability for contaminated sites, contingencies and other employee benefit liabilities.

**(d) Cash and cash equivalents**

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

**(e) Inventories**

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

**(f) Loans receivable**

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

**(g) Tangible capital and leased assets**

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

Tangible capital assets are recorded at cost or, where actual cost is not available, estimated current replacement cost is used. Gifted or contributed tangible capital assets are recorded at fair market value upon receipt, or a nominal value if fair value is not available.

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

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

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

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

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

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

**2 SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(h) Pension and other employee benefits**

Pension benefits

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

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

Other employee benefits

Under the terms and conditions of employment, Government employees may earn severance and removal benefits based on years of service. These benefits are paid upon resignation, retirement or death of the employee. The estimated liability and related expenses for these benefits are recorded as employees earn them. An actuarial valuation of the cost of these benefits has been prepared using data provided by management and assumptions based on management's best estimates. Termination benefits are recorded when employees are identified for lay-off.

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

**(i) Revenues**

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

Transfers from the Government of Canada

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

Taxes

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

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

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

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

Recoveries of prior years expenditures

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

**2 SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(j) Expenses**

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

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

**(k) Contingencies**

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

**(l) Contaminated sites**

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

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

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

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

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

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

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

**(m) Future changes in accounting standards**

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

*PS 2200 Related Party Disclosures (effective April 1, 2017)*, a new standard establishing disclosure requirements for related party transactions.

*PS 3210 Assets (effective April 1, 2017)*, a new standard providing guidance for applying the definition of assets set out in *PS 1000 Financial Statement Concepts*.

*PS 3320 Contingent Assets (effective April 1, 2017)*, a new standard establishing disclosure requirements for contingent assets.

*PS 3380 Contractual Rights (effective April 1, 2017)*, a new standard defining and establishing disclosure requirements for contractual rights.

*PS 3420 Inter-Entity Transactions (effective April 1, 2017)*, a new standard establishing guidance on how to account for and report transactions between public sector entities that comprise a government's reporting entity from both a provider and a recipient perspective.

**GOVERNMENT OF NUNAVUT**  
**INTERIM FINANCIAL REPORT**  
**Notes to Non-Consolidated Financial Statements (unaudited)**  
**March 31, 2016**  
*(in thousands of dollars)*

**2 SIGNIFICANT ACCOUNTING POLICIES (continued)**

*PS 3430 Restructuring Transactions (effective April 1, 2018)*, a new standard defining a restructuring transaction and establishing guidance for recognizing and measuring assets and liabilities transferred in a restructuring transaction.

*PS 2601 Foreign Currency Translation (effective April 1, 2019)*, replaces PS 2600 with revised guidance on the recognition, presentation and disclosure of transactions and balances that are denominated in a foreign currency.

*PS 3450 Financial Instruments (effective April 1, 2019)*, a new standard establishing guidance on the recognition, measurement, presentation and disclosure of financial instruments, including derivatives.

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

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

**(n) Services provided without charge**

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

<b>3 CASH AND CASH EQUIVALENTS</b>	<b>2016</b>	<b>2015</b>
Cash	556,274	422,665

During the year, government earned interest of prime less 1.75% on its net bank balances (2015 - prime less 1.75%).

<b>4 DUE FROM THE GOVERNMENT OF CANADA</b>	<b>2016</b>	<b>2015</b>
Grant receivable:		
From the Government of Canada (Schedule A)	1,454,193	1,409,107
Less: Payments received	(1,454,193)	(1,409,107)
	-	-
Balance of grant receivable, beginning of the year	-	-
Balance of grant receivable, end of the year	-	-
Other receivables:		
Other receivables from the Government of Canada	44,549	52,390
	44,549	52,390

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

<b>5 ACCOUNTS RECEIVABLE</b>	<b>2016</b>	<b>2015</b>
<b>Receivable by funds</b>		
Consolidated Revenue Fund	48,132	41,605
Petroleum Products Revolving Fund	68,633	73,188
Public Stores Revolving Fund	66	50
Liquor Revolving Fund	1	1
	116,832	114,844
Less: Allowance for doubtful accounts	(14,908)	(13,759)
	101,924	101,085
<b>Receivable by relation with the creditors</b>		
Nunavut Arctic College	13,483	8,687
District Education Authorities	2,231	2,505
Nunavut Business Credit Corporation	337	253
Nunavut Development Corporation	4	15
Nunavut Housing Corporation	10,505	12,749
Qulliq Energy Corporation	31,945	31,793
Receivable from related parties	58,505	56,002
	58,327	58,842
Other accounts receivable	116,832	114,844
Less: Allowance for doubtful accounts	(14,908)	(13,759)
	101,924	101,085



**GOVERNMENT OF NUNAVUT**  
**INTERIM FINANCIAL REPORT**  
**Notes to Non-Consolidated Financial Statements (unaudited)**  
**March 31, 2016**  
*(in thousands of dollars)*

<b>6 INVENTORIES</b>	<b>2016</b>	<b>2015</b>
<b>(a) For resale</b>		
Bulk fuels	157,961	215,851
Liquor products	1,524	1,646
	<u>159,485</u>	<u>217,497</u>

The write-down for bulk fuels inventory for 2016 was \$175 (2015 - \$0).

<b>(b) For use</b>		
Health and medical supplies	3,080	3,055

<b>7 LOANS RECEIVABLE</b>	<b>2016</b>	<b>2015</b>
Working Capital advances to the Nunavut Business Credit Corporation. The term is indeterminate with the option to repay any portion of the principal on any interest payment date. Interest is calculated at selected Government of Canada three year benchmark bond yields ranging between 0.38% and 0.69% (2015 - 0.39% and 1.18%) at the end of the month, compounded annually.	25,135	25,243
Student Loan Fund loans, bearing interest between 0% and 12.5% (2015 - 0% and 12.5%), net of doubtful accounts and valuation allowances of \$4,833 (2015 - \$4,694).	1,621	1,572
Other, net of valuation allowances of \$64 (2015 - \$64)	-	-
	<u>26,756</u>	<u>26,815</u>

<b>8 DESIGNATED INVESTMENTS</b>	<b>2016</b>	<b>2015</b>
SRAF designated investments	13,442	11,517

The Supplementary Retiring Allowances Fund of the Legislative Assembly (SRAF) designated investments represent funds set aside within the Consolidated Revenue Fund for use in meeting SRAF benefit obligations. The investments are managed by a third party. The Statement of Investment Policy establishes the eligible classes of securities, categories of issuers, limits and terms. The market value of SRAF investments at March 31, 2016 was \$14,934 (2015 - \$14,145) with a negative return of 1.83% (2015 - positive return of 10.57%).

<b>9 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES</b>	<b>2016</b>	<b>2015</b>
<b>To related parties</b>		
Nunavut Arctic College	2,151	2,671
District Education Authorities	848	674
Nunavut Business Credit Corporation	69	13
Nunavut Development Corporation	101	71
Nunavut Housing Corporation	759	367
Qulliq Energy Corporation	8,030	11,183
	<u>11,958</u>	<u>14,979</u>
<b>To others</b>		
Accounts payable	109,054	84,010
Accrued liabilities, payroll deductions, and contractor holdbacks	143,780	147,686
Vacation pay and lieu time	31,288	31,755
Due to the Government of Canada	18,181	18,984
Due to the Government of the Northwest Territories	3,476	4,344
	<u>305,779</u>	<u>286,779</u>
	<u>317,737</u>	<u>301,758</u>

All amounts above are non-interest bearing.

<b>10 DEFERRED REVENUES</b>	<b>2016</b>	<b>2015</b>
Provincial-Territorial Base Funding (Building Canada Fund)	13,004	35,311
Gas Tax Agreement	41,339	34,722
Other deferred revenue	9,849	11,973
	<u>64,192</u>	<u>82,006</u>

The deferred revenue balance at March 31 includes mostly funding for eligible capital infrastructure projects and specific programs received from the Government of Canada under formal contribution or other agreements. In 2016-17 and beyond, as the government fulfills its obligations from purpose or other stipulations for the use of these funds the associated revenue will be recognized in its non-consolidated financial statements.

**GOVERNMENT OF NUNAVUT  
INTERIM FINANCIAL REPORT**

**Notes to Non-Consolidated Financial Statements (unaudited)**

March 31, 2016

(in thousands of dollars)

11 LIABILITY FOR CONTAMINATED SITES	2016	2015
Liabilities for remediation of contaminated sites	8,421	8,834

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

The Government recognizes that there are costs related to the remediation of environmentally contaminated sites for which it is responsible. As of March 31, 2016, there were 5 sites - 2 storage tank farms (2015 - 3) and 3 waste sites - (2015 - 3 sites) identified as requiring environmental remediation. For those sites where the Government of Nunavut expects to give up future economic benefits due to a legal order or plans to remediate contamination (e.g., due to the risk to human health), and is responsible or has accepted responsibility for remediation, and a reasonable estimate can be determined for remediation costs, a liability has been recorded in these financial statements.

The Government has identified an additional 71 (2015 - 63) sites on Commissioner's land for which liabilities for contamination may exist for assessment, remediation and monitoring. The activities associated with these sites are classified as follows:

	2016	2015
Storage tank farms	26	24
Power plants	25	25
Town and waste sites	11	8
Garages and other public works facilities	6	4
Airports	2	1
Quarries	1	1
	<u>71</u>	<u>63</u>

The Government acquired ownership of sites and activities associated with airports, tank farms and power plants on creation of the Territory on April 1, 1999. The contamination of certain sites occurred when other parties were responsible for the use of and/or held tenure to the sites. The Government has estimated that remediation of contamination at 14 storage tank farm sites and 24 power plant sites (2015 - 15 and 24) would cost approximately \$9,700 and \$40,600 (2015 - \$9,700 and \$38,000) respectively. In addition, the Government has estimated that remediation at the other sites could cost between \$36,000 - 123,000 (2015 - \$36,000 - 108,000) depending on the approach taken. No liability for remediation of these 71 sites has been recognized in these financial statements as the Government does not expect to give up any future economic benefits (i.e. no legal requirement to remediate). Going forward, a liability for remediation of these or other identified sites will be recognized if future economic benefits will be given up (i.e. public health risk or legal requirement).

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

In addition, the Government has identified 140 (2015 - 135) sites where garages, public works facilities, quarries, sewage disposal/treatment and solid waste sites and activities are generally located and conducted within municipal boundaries and governed by municipal legislation. Contamination at these sites and activities within municipal boundaries and jurisdiction are the responsibility of municipalities to monitor and remediate if necessary.

**12 OBLIGATIONS FOR PENSION AND OTHER EMPLOYEE BENEFITS**

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

	2016	2015
Pension plans for MLAs	11,774	8,755
Severance	13,107	14,080
Removal	8,121	8,956
Sick leave	9,839	9,502
	<u>42,841</u>	<u>41,293</u>

**Public Service Pension Plan**

Substantially all of the employees of the Government of Nunavut are covered by the public service pension plan (the "Plan"), a defined benefit plan established through legislation and sponsored by the Government of Canada. The Government of Canada holds a statutory obligation for the payment of benefits relating to the Plan. Pension benefits generally accrue up to a maximum period of 35 years at an annual rate of 2 percent of pensionable service times the average of the best five consecutive years of earnings. The benefits are coordinated with Canada/Québec Pension Plan benefits and they are indexed to inflation. Contributions are required by both the employees and the Government of Nunavut. The President of the Treasury Board of Canada sets the required employer contributions based on a multiple of the employees' required contribution. The contribution rate effective at March 31, 2016 was 1.15 times (2015 - 1.28 times) for members enrolled before January 1, 2013 and 1.11 times (2015 - 1.28 times) for members enrolled beginning January 1, 2013. Total employer contributions of \$34,830 (2015 - \$33,283) were recognized as expense in the current year. Total employee contributions were \$27,926 (2015 - \$23,421).

**GOVERNMENT OF NUNAVUT**  
**INTERIM FINANCIAL REPORT**  
**Notes to Non-Consolidated Financial Statements (unaudited)**  
**March 31, 2016**  
*(in thousands of dollars)*

**12 OBLIGATIONS FOR PENSION AND OTHER EMPLOYEE BENEFITS (continued)**

**Legislative Assembly Retiring Allowances Plans**

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

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

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

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

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

There have been no plan amendments, plan settlements and curtailments or temporary deviations from these plans in 2016 (no changes in 2015).

Actuarial valuations were completed for these plans as of April 1, 2014. The valuations were based on a number of assumptions about future events including inflation rates (2.0%), interest rates (inflation, plus 1.5%), return on assets (inflation, plus 2.9%), increases in remuneration (inflation, plus 1.0%), and mortality. The assumptions used reflect the best estimates as approved by the Management and Services Board of the Legislative Assembly. The valuations were performed using the projected unit credit actuarial cost method. The asset valuation method, market-related value, for the LARAF plan is equal to a smoothed market value which spreads the difference between the actual and expected investment income over a four year period. The effective date of the next actuarial valuations for these plans is April 1, 2017.

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

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

	<b>LARAF</b>	<b>SRAF</b>	<b>2016</b>	<b>2015</b>
Accrued benefit obligation	9,505	13,802	23,307	21,469
Deduct:				
Pension fund assets	10,184	-	10,184	8,737
Unamortized actuarial (gains) losses	295	1,054	1,349	3,977
	10,479	1,054	11,533	12,714
Pension (asset) liability	(974)	12,748	11,774	8,755

As at March 31, 2016, the LARAF pension fund assets had a market value of \$10,178 (2015 - \$9,503). The actual rate of return was negative 1.92% (2015 - positive 10.29%). The SRAF has no pension fund assets; however, the pension liability is funded all or in part by designated investments (Note 8).

LARAF and SRAF actuarial gains/losses are amortized over 1.6 and 1.7 years respectively (2015 - 2.6 and 2.7 years respectively) which is the estimated average remaining service lives for contributors to these plans.

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

	<b>LARAF</b>	<b>SRAF</b>	<b>2016</b>	<b>2015</b>
Current period benefit cost	1,138	1,759	2,897	2,110
Amortization of actuarial (gains) losses	530	963	1,493	60
	1,668	2,722	4,390	2,170
MLAs contributions	(218)	-	(218)	(219)
Pension expense	1,450	2,722	4,172	1,951
Interest cost on the average accrued benefit obligation	340	498	838	800
Expected return on average pension plan assets	(462)	-	(462)	(332)
Pension interest expense	(122)	498	376	468
Total pension expenses	1,328	3,220	4,548	2,419

Pension benefits paid for the LARAF and SRAF were \$226 and \$647, respectively (2015 - \$218 and \$688, respectively).

The Government's contributions related to the LARAF and SRAF during the year were \$874 and \$1,710, respectively (2015 - \$1,844 and \$1,950, respectively).

**GOVERNMENT OF NUNAVUT**  
**INTERIM FINANCIAL REPORT**  
**Notes to Non-Consolidated Financial Statements (unaudited)**  
**March 31, 2016**  
*(in thousands of dollars)*

**13 MORTGAGE PAYABLE** **2016** **2015**

Mortgage payable in annual instalments to the year 2020, bearing interest at a rate of 6.9% compounded semi-annually. 2,177 2,568

Future mortgage payments consist of:	Principal	Interest	Total
2017	419	135	554
2018	448	106	554
2019	480	74	554
2020	830	42	872
	<u>2,177</u>	<u>357</u>	<u>2,534</u>

Interest expense on the mortgage payable was \$160 for the year (2015 - \$186). The interest paid on the mortgage payable during the year was \$163 (2015 - \$188).

**14 IQALUIT INTERNATIONAL AIRPORT IMPROVEMENT PROJECT**

In September 2013, the Government signed agreements as part of a public-private partnership (P3) arrangement to design, build, finance, operate and maintain new and updated infrastructure at the Iqaluit International Airport. The design and construction components are scheduled to be completed by December 2017. In 2016, the estimated cost increased to \$305,376 to reflect an increase in the contingency fund of \$6,858. \$277,942 of the estimate represent costs incurred by the P3 proponent. The capital costs of the arrangement will be partially funded up to \$77,300 from PPP Canada Inc.

	2016	2015
<b>Total eligible costs incurred by P3 proponent</b>		
Balance, beginning of year	85,284	34,685
Eligible costs incurred during the year	78,208	50,599
Balance, end of year	<u>163,492</u>	<u>85,284</u>
<b>Total progress payments made by the Government</b>		
Balance, beginning of year	31,800	2,800
Progress payments made during the year	31,600	29,000
Balance, end of year	<u>63,400</u>	<u>31,800</u>
<b>Liability as at March 31</b>	<u>100,092</u>	<u>53,484</u>

**15 CAPITAL LEASE OBLIGATIONS**

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

	2016	2015
Total minimum lease payments	46,341	56,983
Less: Imputed interest	(7,391)	(10,371)
Present value of minimum lease payments	<u>38,950</u>	<u>46,612</u>

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

	Principal	Interest	Total
2017	8,259	2,433	10,692
2018	8,847	1,844	10,691
2019	9,477	1,214	10,691
2020	6,677	635	7,312
2021	954	366	1,320
2022 and beyond	4,736	899	5,635
	<u>38,950</u>	<u>7,391</u>	<u>46,341</u>

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

Interest expense related to capital lease obligations for the year was \$2,980 (2015 - \$3,490) at an implied average interest rate of 7.0% (2015 - 7.0%). The capital lease obligations expire between 2020 and 2027.

**GOVERNMENT OF NUNAVUT**  
**INTERIM FINANCIAL REPORT**  
**Notes to Non-Consolidated Financial Statements (unaudited)**  
**March 31, 2016**  
*(in thousands of dollars)*

**16 PETROLEUM PRODUCTS STABILIZATION FUND**

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

	<b>2016</b>	<b>2015</b>
Surplus (deficit), beginning of year	(10,000)	(8,948)
Petroleum Products Revolving Fund net profit (loss) for the year	2,309	(1,337)
Minimum transfer required from (to) Consolidated Revenue Fund	-	285
<b>Surplus (deficit), end of year</b>	<b>(7,691)</b>	<b>(10,000)</b>

**17 CONTRACTUAL OBLIGATIONS**

The Government has entered into agreements for, or is contractually obligated for, the following payments subsequent to March 31, 2016:

	<b>Year of Expiration</b>	<b>Total</b>
Capital commitments	2019	114,463
Operational commitments	2047	1,250,814
Policing agreement	2032	722,466
Operating leases (Schedule 5)	2027	61,371
		<b>2,149,114</b>

Contractual obligations by fiscal year are as follows:

2017	250,738
2018	140,416
2019	87,365
2020	80,769
2021	73,700
2022 and beyond	1,516,126
	<b>2,149,114</b>

**18 CONTINGENCIES**

**(a) Post-division adjustments**

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

The period for such adjustments is unlimited; and such adjustments could be made in a variety of specified circumstances such as the settlement of litigation related to events prior to the date of division. In such an event, there is an opportunity for one of the governments to file a claim against the other government to share in costs. Post-division adjustments will be recognized in the year the liability can reasonably be estimated. As at March 31, 2016, no new post-division adjustments were recorded.

**(b) Environmental Protection Compliance Orders**

The Government's Petroleum Products Division (PPD) received Environmental Protection Compliance Orders (EPCOs) from Environment Canada related to contraventions of regulations for storage tank systems for petroleum products at selected facilities in Rankin Inlet, Whale Cove, Iqaluit and Sanikiluaq. Those regulations provide for penalties for continued contravention by failure to address EPCOs. The Whale Cove project had not commenced as of March 31, 2016 and was estimated to be completed prior to the first shipment of fuel in July 2016. The Iqaluit and Sanikiluaq projects are scheduled for completion the fall of 2016. Compliance with the regulations at the Government's remaining storage tank farms facilities is expected to be completed over the years 2016 to 2021. Environment Canada has agreed to postpone further enforcement action pending satisfactory completion of the work as scheduled.

Qulliq Energy Corporation (QEC) received Environmental Protection Compliance Orders (EPCOs) from Environment Canada related to contraventions of regulations for storage tank systems for petroleum products at selected facilities in Rankin Inlet and Whale Cove. At March 31, 2016, QEC estimated the Rankin Inlet pipeline system upgrade project as 85% complete with the remaining 15% to be completed prior to the first shipment of fuel in July 2016.

**(c) Litigation**

A number of cases of alleged sexual abuse by former employees or contractors in Nunavut when it was part of the Northwest Territories have been filed or are pending. The Nunavut and the Northwest Territories governments will jointly defend any such proceedings and the cost of defending the actions and any damages that may eventually be awarded will be shared by the two governments 44.34% and 55.66%, respectively. An estimate of any liability that may result from these actions is not determinable at this time; consequently no liability has been accrued.

There are a number of claims and threatened litigation cases outstanding against the Government for which the outcomes are not determinable, including a number of cases where an amount is not specified. The nature of these claims include wrongful dismissal, breach of policy, personal injury, sexual abuse, negligence, wrongful arrest and assault. As of March 31, 2016, all of these claims have been assessed as being either without merit or not determinable at this time.

**GOVERNMENT OF NUNAVUT**  
**INTERIM FINANCIAL REPORT**  
**Notes to Non-Consolidated Financial Statements (unaudited)**  
**March 31, 2016**  
*(in thousands of dollars)*

**18 CONTINGENCIES (continued)**

**(d) Loan guarantees**

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

	<b>2016</b>	<b>2015</b>
Bank credit facility, interest at prime minus 0.50%	10,901	13,376
20 year redeemable amortizing debenture due 2021, interest rate of 6.809%	36,326	39,392
Fixed rate capital loan facility due 2021, interest rate of 4.24%	2,318	2,711
Fixed rate capital loan facility due 2021, interest rate of 4.24%	2,960	3,462
Fixed rate capital loan facility due 2021, interest rate of 4.24%	4,168	4,868
Fixed rate capital loan facility due 2022, interest rate of 4.24%	4,104	4,283
Fixed rate capital loan facility due 2021, interest rate of 4.24%	7,602	8,849
Variable rate capital loan facility due 2022, interest at prime minus 0.50%	16,667	17,667
Variable rate capital loan facility due 2024, interest at prime minus 0.50%	14,466	15,266
Variable rate capital loan facility due 2024, interest at prime minus 0.50%	36,753	21,000
<b>Total guarantees provided on balances outstanding</b>	<b>136,265</b>	<b>130,874</b>

The QEC bank credit facility limit is \$20,000 (2015 - \$20,000). The non-revolving committed and bridge loan facilities above each has an option to utilize BAs with stamping fees calculated at 50 bps per annum with terms not less than 7 days and not more than 365 days and issued and reissued in minimum aggregate amounts of Canadian \$1,000 and multiples thereof.

Based on its operational needs, the Nunavut Development Corporation (NDC) may from time to time be in a bank overdraft position. The overdraft is guaranteed by the Government, and interest on the overdraft is charged based on a rate of prime plus 0.50% per annum. Interest is charged only when NDC's operating account is in an overdraft position and the pooled accounts of the Government are also in an overdraft position. As at March 31, 2016, NDC's bank overdraft position was \$nil (2015 - \$nil).

**19 RELATED PARTIES**

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

	<b>2016</b>	<b>2015</b>
Nunavut Arctic College	2,628	2,652
District Education Authorities	12,676	12,977
Nunavut Development Corporation	3,549	3,603
Nunavut Business Credit Corporation	629	650
	<b>19,482</b>	<b>19,882</b>

Under agreements with related boards and agencies, the Government provides services at cost or for a service fee where direct costs cannot be determined. The fees charged for indirect costs are not necessarily the cost of providing those services. Services provided include personnel, payroll, financial, procurement, accommodation, buildings and works, utilities, legal, and interpretation services. Direct costs of \$44,934 (2015 - \$43,465) were incurred and recovered from related parties. Grants and contributions from the Government of Nunavut to Nunavut Arctic College and Nunavut Housing Corporation are disclosed separately in the Schedule of Expenses Funded under Approved Appropriations (Schedule B.1).

**20 TRUSTS UNDER ADMINISTRATION**

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

	<b>2016</b>	<b>2015</b>
Public Trustee	4,825	5,103
Territorial Court Trust	363	451
Natural Resources Conservation Trust	402	293
	<b>5,590</b>	<b>5,847</b>

---

**GOVERNMENT OF NUNAVUT**  
**INTERIM FINANCIAL REPORT**  
**Notes to Non-Consolidated Financial Statements (unaudited)**  
**March 31, 2016**  
*(in thousands of dollars)*

---

**21 BUDGET ADJUSTMENTS**

The budgeted surplus of \$29,951 on the Statement of Operations and Net Assets is \$7,124 more than the surplus of \$22,827 indicated on page x of the 2015-16 Main Estimates. This represents the principal portion of payments to be made during the year on capital leases, and do not represent expenses under Canadian public sector accounting standards.

The 2016 total revenue budget of \$1,807,450 includes \$1,722,069 of 'Revenues' and \$84,851 of 'Vote 5 Revenues' on page A-IV-4 of the 2015-2016 Main Estimates, plus \$530 of funding under third-party agreements for specific capital projects included in Appendix IV of the 2015-2016 Capital Estimates. The planned expenses to be funded by these additional revenues have been added to the affected budget totals disclosed in these statements.

The 2016 budget total for capital expenditures on Schedule B.2 of \$530 excludes the \$4,290 of CMHC capital projects budgeted for Nunavut Housing Corporation presented in Appendix IV (page A-IV-6) of the 2015-2016 Capital Estimates and includes an unknown difference of \$51. As a result, the budget totals for 'Vote 4 Expenses' and 'Vote 5 Revenues' (i.e., Transfers under third-party funding agreements) included in these statements is \$85,381 versus \$89,620 on page x of the 2015-2016 Main Estimates.

**22 COMPARATIVE INFORMATION**

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

**23 OVER-EXPENDITURE**

The following departments exceeded their appropriations: Justice and Health. This contravenes Section 32 of the Financial Administration Act, which states "...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." At the time the Interim Financial Report was finalized, approval by the Legislative Assembly of the additional spending authority required was outstanding.

**GOVERNMENT OF NUNAVUT  
INTERIM FINANCIAL REPORT**

**Schedule A**

**Non-Consolidated Schedule of Revenues by Source (unaudited)**

**for the year ended March 31, 2016**

*(in thousands of dollars)*

	<b>2016 Budget</b>	<b>2016 Actual</b>	<b>2015 Actual</b>
<b>From the Government of Canada</b>			
Territorial Formula Financing	1,454,193	1,454,193	1,409,107
Transfers under third-party funding agreements	85,381	120,363	125,034
Other transfer payments	81,108	83,324	82,282
	<b>1,620,682</b>	<b>1,657,880</b>	<b>1,616,423</b>
<b>Revenues generated by the Government of Nunavut</b>			
Taxation revenues			
Personal income tax	31,200	30,099	28,316
Corporate income tax	18,000	19,049	14,878
Payroll tax	26,200	25,497	25,244
Tobacco tax	16,400	16,782	16,429
Fuel tax	9,600	8,992	5,473
Property tax	4,400	5,547	4,407
Insurance tax	1,500	1,798	1,695
	<b>107,300</b>	<b>107,764</b>	<b>96,442</b>
Other revenues			
Petroleum Products Division revenue - net of cost of goods sold of \$180,184 (2015 - \$195,051)	34,723	29,318	22,668
Liquor revenue - net of cost of goods sold of \$2,205 (2015 - \$2,199)	4,845	3,807	3,670
Staff housing recoveries	19,800	18,937	18,850
Transfers under third-party funding agreements	-	1,841	1,796
Other	20,100	26,467	22,660
	<b>79,468</b>	<b>80,370</b>	<b>69,644</b>
Recoveries of prior years expenditures (Schedule 1)	-	15,942	12,785
<b>Total revenues (Note 21)</b>	<b>1,807,450</b>	<b>1,861,956</b>	<b>1,795,294</b>



**GOVERNMENT OF NUNAVUT  
INTERIM FINANCIAL REPORT**

Schedule B

**Non-Consolidated Schedule of Expenses (unaudited)**

for the year ended March 31, 2016

(in thousands of dollars)

TOTALS	Original Budget	Actual	(Over) Under Original Budget
<b>FUNDED UNDER APPROVED APPROPRIATIONS (Schedule B.1)</b>			
Operations and maintenance expenses before amortization	1,460,665	1,470,789	(10,124)
<i>Plus: Amortization expenses on tangible capital assets</i>	52,260	67,570	(15,310)
Total operations and maintenance expenses	1,512,925	1,538,359	(25,434)
Capital expenditures	205,610	220,032	(14,422)
<i>Less: Transfers to tangible capital assets</i>	185,506	145,231	40,275
Total capital expenses	20,104	74,801	(54,697)
<b>Total appropriation expenses</b>	<b>1,533,029</b>	<b>1,613,160</b>	<b>(80,131)</b>
<b>FUNDED UNDER THIRD-PARTY AGREEMENTS (Schedule B.2)</b>			
Operations and maintenance expenses before amortization	84,851	91,028	(6,177)
<i>Plus: Amortization expenses on tangible capital assets</i>	-	-	-
Total operations and maintenance expenses	84,851	91,028	(6,177)
Capital expenditures	530	30,499	(29,969)
<i>Less: Transfers to tangible capital assets</i>	-	6,105	(6,105)
Total capital expenses	530	24,394	(23,864)
<b>Total third-party agreement expenses</b>	<b>85,381</b>	<b>115,422</b>	<b>(30,041)</b>
<b>FUNDED BY REVOLVING FUNDS (Schedule B.3)</b>			
Operations and maintenance expenses before amortization	27,089	30,424	(3,335)
<i>Plus: Amortization expenses on tangible capital assets</i>	-	-	-
Total operations and maintenance expenses	27,089	30,424	(3,335)
Capital expenditures	-	-	-
<i>Less: Transfers to tangible capital assets</i>	-	-	-
Total capital expenses	-	-	-
<b>Total revolving fund expenses</b>	<b>27,089</b>	<b>30,424</b>	<b>(3,335)</b>
<b>NON-CONSOLIDATED STATEMENTS TOTALS</b>			
Operations and maintenance expenses before amortization	1,572,605	1,592,241	
<i>Plus: Centrally estimated 'Supplementary requirements' per page x of 2015-2016 Main Estimates</i>	30,000	-	
<i>Less: Capital portion of the estimated 'Supplementary requirements'</i>	10,000	-	
Total operations and maintenance expenses before amortization	1,592,605	1,592,241	364
<i>Plus: Amortization expenses on tangible capital assets</i>	52,260	67,570	(15,310)
Total operations and maintenance expenses	1,644,865	1,659,811	(14,946)
Capital expenditures	206,140	250,531	
<i>Plus: Centrally estimated capital carryovers from prior year included in 'Capital' on page x of 2015-2016 Main Estimates</i>	102,000	-	
<i>Plus: Capital portion of the estimated 'Supplementary requirements'</i>	10,000	-	
Total capital expenditures	318,140	250,531	67,609
<i>Less: Transfers to tangible capital assets</i>	185,506	151,336	34,170
Total capital expenses	132,634	99,195	33,439
<b>Total expenses</b>	<b>1,777,499</b>	<b>1,759,006</b>	<b>18,493</b>

Total expenses above includes, among other items, interest expense of \$3,214 (2015 - \$3,741) and a net increase in valuation allowances of \$2,613 (2015 - \$2,258).

**GOVERNMENT OF NUNAVUT  
INTERIM FINANCIAL REPORT**

Schedule B.1

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

for the year ended March 31, 2016

(in thousands of dollars)

APPROPRIATIONS	Original Budget	Supplementary Appropriations	Transfers	Revised Budget	Actual	(Over) Under Revised Budget
<b>LEGISLATIVE ASSEMBLY</b>						
Operations and maintenance						
Compensation and benefits	12,090	202	(250)	12,042	12,069	(27)
Grants and contributions	-	-	-	-	-	-
Other	12,937	30	250	13,217	12,892	325
	25,027	232	-	25,259	24,961	298
Capital expenditures	335	321	-	656	443	213
<b>Total spending under appropriations</b>	<b>25,362</b>	<b>553</b>	<b>-</b>	<b>25,915</b>	<b>25,404</b>	<b>511</b>
<b>EXECUTIVE AND INTERGOVERNMENTAL AFFAIRS</b>						
Operations and maintenance						
Compensation and benefits	17,592	-	-	17,592	17,184	408
Grants and contributions	100	-	-	100	215	(115)
Other	9,855	-	-	9,855	8,160	1,695
	27,547	-	-	27,547	25,559	1,988
Capital expenditures	-	-	-	-	-	-
<b>Total spending under appropriations</b>	<b>27,547</b>	<b>-</b>	<b>-</b>	<b>27,547</b>	<b>25,559</b>	<b>1,988</b>
<b>FINANCE</b>						
Operations and maintenance						
Compensation and benefits	41,735	-	-	41,735	36,378	5,357
Grants and contributions	12,565	-	-	12,565	12,025	540
Other	36,945	-	-	36,945	37,084	(139)
	91,245	-	-	91,245	85,487	5,758
Capital expenditures	4,802	9,396	-	14,198	5,326	8,872
<b>Total spending under appropriations</b>	<b>96,047</b>	<b>9,396</b>	<b>-</b>	<b>105,443</b>	<b>90,813</b>	<b>14,630</b>
<b>FAMILY SERVICES</b>						
Operations and maintenance						
Compensation and benefits	25,608	-	(466)	25,142	26,842	(1,700)
Grants and contributions	54,806	-	(1,862)	52,944	48,741	4,203
Other	46,945	-	2,328	49,273	47,480	1,793
	127,359	-	-	127,359	123,063	4,296
Capital expenditures	1,790	85	-	1,875	665	1,210
<b>Total spending under appropriations</b>	<b>129,149</b>	<b>85</b>	<b>-</b>	<b>129,234</b>	<b>123,728</b>	<b>5,506</b>
<b>JUSTICE</b>						
Operations and maintenance						
Compensation and benefits	41,289	2,220	-	43,509	45,965	(2,456)
Grants and contributions	14,933	-	-	14,933	14,579	354
Other	53,220	2,580	-	55,800	54,221	1,579
	109,442	4,800	-	114,242	114,765	(523)
Capital expenditures	2,265	1,013	-	3,278	1,916	1,362
<b>Total spending under appropriations</b>	<b>111,707</b>	<b>5,813</b>	<b>-</b>	<b>117,520</b>	<b>116,681</b>	<b>839</b>

**GOVERNMENT OF NUNAVUT  
INTERIM FINANCIAL REPORT**

Schedule B.1

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

for the year ended March 31, 2016

(in thousands of dollars)

APPROPRIATIONS	Original Budget	Supplementary Appropriations	Transfers	Revised Budget	Actual	(Over) Under Revised Budget
<b>CULTURE AND HERITAGE</b>						
Operations and maintenance						
Compensation and benefits	11,784	-	(562)	11,222	11,147	75
Grants and contributions	7,162	-	150	7,312	6,803	509
Other	6,751	-	412	7,163	6,165	998
	25,697	-	-	25,697	24,115	1,582
Capital expenditures	560	-	-	560	46	514
<b>Total spending under appropriations</b>	<b>26,257</b>	<b>-</b>	<b>-</b>	<b>26,257</b>	<b>24,161</b>	<b>2,096</b>
<b>EDUCATION</b>						
Operations and maintenance						
Compensation and benefits	158,436	-	-	158,436	150,526	7,910
Grants and contributions	24,954	-	-	24,954	21,955	2,999
Other	19,338	-	-	19,338	29,928	(10,590)
	202,728	-	-	202,728	202,409	319
Capital expenditures	37,755	12,035	-	49,790	25,895	23,895
<b>Total spending under appropriations</b>	<b>240,483</b>	<b>12,035</b>	<b>-</b>	<b>252,518</b>	<b>228,304</b>	<b>24,214</b>
<b>HEALTH</b>						
Operations and maintenance						
Compensation and benefits	125,798	-	(5,940)	119,858	119,579	279
Grants and contributions	2,751	-	17	2,768	1,564	1,204
Other	188,890	21,900	5,923	216,713	220,854	(4,141)
	317,439	21,900	-	339,339	341,997	(2,658)
Capital expenditures	17,150	18,044	-	35,194	23,522	11,672
<b>Total spending under appropriations</b>	<b>334,589</b>	<b>39,944</b>	<b>-</b>	<b>374,533</b>	<b>365,519</b>	<b>9,014</b>
<b>ENVIRONMENT</b>						
Operations and maintenance						
Compensation and benefits	15,631	-	(600)	15,031	15,080	(49)
Grants and contributions	1,988	-	40	2,028	1,842	186
Other	8,135	-	560	8,695	6,946	1,749
	25,754	-	-	25,754	23,868	1,886
Capital expenditures	1,600	3,769	-	5,369	3,066	2,303
<b>Total spending under appropriations</b>	<b>27,354</b>	<b>3,769</b>	<b>-</b>	<b>31,123</b>	<b>26,934</b>	<b>4,189</b>
<b>COMMUNITY AND GOVERNMENT SERVICES</b>						
Operations and maintenance						
Compensation and benefits	42,648	-	741	43,389	43,957	(568)
Grants and contributions	68,920	-	203	69,123	67,869	1,254
Other	119,401	1,286	(944)	119,743	111,977	7,766
	230,969	1,286	-	232,255	223,803	8,452
Capital expenditures	27,855	61,539	-	89,394	40,492	48,902
<b>Total spending under appropriations</b>	<b>258,824</b>	<b>62,825</b>	<b>-</b>	<b>321,649</b>	<b>264,295</b>	<b>57,354</b>

**GOVERNMENT OF NUNAVUT  
INTERIM FINANCIAL REPORT**

Schedule B.1

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

for the year ended March 31, 2016

(in thousands of dollars)

APPROPRIATIONS	Original Budget	Supplementary Appropriations	Transfers	Revised Budget	Actual	(Over) Under Revised Budget
<b>ECONOMIC DEVELOPMENT AND TRANSPORTATION</b>						
Operations and maintenance						
Compensation and benefits	17,412	-	(1,940)	15,472	15,847	(375)
Grants and contributions	25,943	-	-	25,943	22,162	3,781
Other	24,746	-	1,940	26,686	25,154	1,532
	68,101	-	-	68,101	63,163	4,938
Capital expenditures	81,426	30,306	-	111,732	85,770	25,962
<b>Total spending under appropriations</b>	<b>149,527</b>	<b>30,306</b>	<b>-</b>	<b>179,833</b>	<b>148,933</b>	<b>30,900</b>
<b>NUNAVUT HOUSING CORPORATION</b>						
Operations and maintenance						
Compensation and benefits	-	-	-	-	-	-
Grants and contributions	183,856	8,242	-	192,098	192,098	-
Other	-	-	-	-	-	-
	183,856	8,242	-	192,098	192,098	-
Capital expenditures	30,072	2,819	-	32,891	32,891	-
<b>Total spending under appropriations</b>	<b>213,928</b>	<b>11,061</b>	<b>-</b>	<b>224,989</b>	<b>224,989</b>	<b>-</b>
<b>NUNAVUT ARCTIC COLLEGE</b>						
Operations and maintenance						
Compensation and benefits	-	-	-	-	-	-
Grants and contributions	32,625	-	-	32,625	32,625	-
Other	-	-	-	-	-	-
	32,625	-	-	32,625	32,625	-
Capital expenditures	-	-	-	-	-	-
<b>Total spending under appropriations</b>	<b>32,625</b>	<b>-</b>	<b>-</b>	<b>32,625</b>	<b>32,625</b>	<b>-</b>
<b>TOTALS</b>						
Operations and maintenance						
Compensation and benefits	510,023	2,422	(9,017)	503,428	494,574	8,854
Grants and contributions	430,603	8,242	(1,452)	437,393	422,478	14,915
Other	527,163	25,796	10,469	563,428	560,861	2,567
	1,467,789	36,460	-	1,504,249	1,477,913	26,336
Less: Principal repayments on capital leases included in spending appropriations above	7,124	-	-	7,124	7,124	-
Operations and maintenance expenses before amortization	1,460,665	36,460	-	1,497,125	1,470,789	26,336
Plus: Amortization expenses on tangible capital assets	52,260			52,260	67,570	(15,310)
<b>Total operations and maintenance expenses</b>	<b>1,512,925</b>	<b>36,460</b>	<b>-</b>	<b>1,549,385</b>	<b>1,538,359</b>	<b>11,026</b>
Capital expenditures	205,610	139,327	-	344,937	220,032	124,905
Less: Transfers to tangible capital assets (1)	185,506	-	-	185,506	145,231	40,275
<b>Total capital expenses</b>	<b>20,104</b>	<b>139,327</b>	<b>-</b>	<b>159,431</b>	<b>74,801</b>	<b>84,630</b>
<b>Total appropriation expenses</b>	<b>1,533,029</b>	<b>175,787</b>	<b>-</b>	<b>1,708,816</b>	<b>1,613,160</b>	<b>95,656</b>

(1) Transfers to Tangible capital assets includes \$77,226 not previously included in 'Acquisitions' on page xiii of the 2015-16 Main Estimates.

**GOVERNMENT OF NUNAVUT  
INTERIM FINANCIAL REPORT**

Schedule B.2

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

for the year ended March 31, 2016

(in thousands of dollars)

By Department	Original Budget	Actual	(Over) Under Original Budget
Legislative Assembly	-	-	-
Executive and Intergovernmental Affairs	3,951	1,045	2,906
Finance	800	996	(196)
Family Services	5,846	4,466	1,380
Justice	2,564	2,538	26
Culture and Heritage	2,550	2,800	(250)
Education	3,669	2,914	755
Health	59,980	64,342	(4,362)
Environment	2,419	4,274	(1,855)
Community and Government Services	882	27,367	(26,485)
Economic Development and Transportation	2,720	4,680	(1,960)
	85,381	115,422	(30,041)

  

By Category	Original Budget	Actual	(Over) Under Original Budget
Operations and maintenance			
Compensation and benefits	-	17,058	(17,058)
Grants and contributions	-	19,099	(19,099)
Other	-	54,871	(54,871)
Operations and maintenance expenses before amortization	84,851	91,028	(6,177)
Plus: Amortization expenses on tangible capital assets	-	-	
Total operations and maintenance expenses	84,851	91,028	(6,177)
Capital expenditures	530	30,499	(29,969)
Less: Transfers to tangible capital assets	-	6,105	(6,105)
Total capital expenses	530	24,394	(23,864)
<b>Total third-party agreement expenses</b>	85,381	115,422	(30,041)

**GOVERNMENT OF NUNAVUT  
INTERIM FINANCIAL REPORT**

Schedule B.3

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

for the year ended March 31, 2016

(in thousands of dollars)

<b>By Revolving Fund</b>	<b>Original Budget</b>	<b>Actual</b>	<b>(Over) Under Original Budget</b>
Liquor	3,571	3,212	359
Petroleum Products	22,196	25,986	(3,790)
Public Stores	1,100	1,076	24
Student Loan	222	150	72
	<b>27,089</b>	<b>30,424</b>	<b>(3,335)</b>

  

<b>By Category</b>	<b>Original Budget</b>	<b>Actual</b>	<b>(Over) Under Original Budget</b>
Operations and maintenance			
Compensation and benefits	5,331	6,245	(914)
Grants and contributions	-	-	-
Other expenses	21,758	24,179	(2,421)
Operations and maintenance expenses before amortization	27,089	30,424	(3,335)
Plus: Amortization expenses on tangible capital assets (1)	-	-	-
Total operations and maintenance expenses	27,089	30,424	(3,335)
Capital expenditures	-	-	-
Less: Transfers to tangible capital assets	-	-	-
Total capital expenses	-	-	-
<b>Total revolving fund expenses</b>	<b>27,089</b>	<b>30,424</b>	<b>(3,335)</b>

(1) Petroleum Products amortization of \$1,023 (2015 - \$917) is included in the budget and actuals totals for Department of Community and Government Services on Sch. B.1.

**GOVERNMENT OF NUNAVUT  
INTERIM FINANCIAL REPORT**

**Schedule C**

**Non-Consolidated Schedule of Tangible Capital Assets (unaudited)**

**for the year ended March 31, 2016**

*(in thousands of dollars)*

	<b>Buildings</b>	<b>Leased Buildings</b>	<b>Infra- structure</b>	<b>Tank Farms</b>	<b>Storage Facilities</b>	<b>Equipment</b>	<b>2016</b>	<b>2015</b>
<b>Cost of tangible capital assets</b>								
Opening balance	923,397	115,216	183,834	161,245	32,105	103,214	1,519,011	1,489,782
Additions	5,336	-	-	7,037	-	4,078	16,451	14,408
Transferred from work in progress	40,866	-	3,868	21,341	-	327	66,402	14,821
Disposals	(1,194)	-	(1,215)	-	(13,037)	(65)	(15,511)	-
Write-downs	(17,681)	-	-	-	-	-	(17,681)	-
Closing balance	950,724	115,216	186,487	189,623	19,068	107,554	1,568,672	1,519,011
<b>Accumulated amortization</b>								
Opening balance	(302,767)	(56,411)	(65,590)	(66,207)	(17,304)	(78,374)	(586,653)	(527,990)
Amortization	(32,500)	(3,841)	(6,740)	(6,385)	(6,851)	(11,253)	(67,570)	(58,663)
Disposals	1,194	-	1,215	-	13,037	65	15,511	-
Write-downs	3,001	-	-	-	-	-	3,001	-
Closing balance	(331,072)	(60,252)	(71,115)	(72,592)	(11,118)	(89,562)	(635,711)	(586,653)
<b>Work in progress</b>								
Opening balance	208,442	-	13,669	24,783	-	774	247,668	129,744
Additions	124,912	-	5,166	4,778	-	29	134,885	132,745
Transferred to cost of tangible capital assets	(40,866)	-	(3,868)	(21,341)	-	(327)	(66,402)	(14,821)
Write-downs	-	-	-	-	-	-	-	-
Closing balance	292,488	-	14,967	8,220	-	476	316,151	247,668
<b>Net book value</b>	912,140	54,964	130,339	125,251	7,950	18,468	1,249,112	1,180,026
<b>Estimated useful life</b>	<b>30 Years</b>	<b>30 Years</b>	<b>30 Years</b>	<b>30 Years</b>	<b>30 Years</b>	<b>5-30 Years</b>		

During 2016, the government wrote down the value of assets associated with major fire incidents – specifically, the Peter Pitseolak school in Cape Dorset. The net book value was \$14,680.

---

**GOVERNMENT OF NUNAVUT  
INTERIM FINANCIAL REPORT****Schedule 1****Non-Consolidated Schedule of Recoveries of Prior Years Expenditures (unaudited)**

---

**for the year ended March 31, 2016***(in thousands of dollars)*

---

<b>Department</b>	<b>Over Accruals</b>	<b>Other Recoveries</b>	<b>Total</b>
Legislative Assembly	-	25	25
Executive and Intergovernmental Affairs	-	31	31
Finance	853	659	1,512
Family Services	135	354	489
Justice	118	283	401
Culture and Heritage	282	-	282
Education	7	875	882
Health	4,457	3,130	7,587
Environment	3	629	632
Community and Government Services	771	308	1,079
Economic Development and Transportation	2,969	53	3,022
	<hr/>	<hr/>	<hr/>
	9,595	6,347	15,942

---



**GOVERNMENT OF NUNAVUT**  
**INTERIM FINANCIAL REPORT**  
**Non-Consolidated Schedule of Special Warrants (unaudited)**  
**for the year ended March 31, 2016**  
*(in thousands of dollars)*

Schedule 2

	<b>Date of FMB Approval</b>	<b>Amount Authorized</b>
<b>OPERATIONS AND MAINTENANCE</b>		

There were no Special Warrants during the year.

<b>Total operations and maintenance</b>		-
---	--	---

	<b>Date of FMB Approval</b>	<b>Amount Authorized</b>
<b>CAPITAL</b>		

To provide funding for the purchase of five portable classrooms and washroom facilities for Cape Dorset until the construction of the new school is completed.

January 21, 2016	5,000
------------------	-------

<b>Total capital</b>		5,000
----------------------	--	-------

---

**GOVERNMENT OF NUNAVUT  
INTERIM FINANCIAL REPORT**

Schedule 3

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

for the year ended March 31, 2016

*(in thousands of dollars)*

---

	<u>Transfers to (from)</u>
<b>OPERATIONS AND MAINTENANCE</b>	
<b>Legislative Assembly</b>	
Independent Officers	(650)
Expenditures on Behalf of Members	650
<b>Justice</b>	
Registries and Court Services	500
Corrections	(500)
Registries and Court Services	250
Corrections	(100)
Lawyer Support Services	(150)
<b>Health</b>	
Health Care Service Delivery	(500)
Population Health	500
<b>Community and Government Services</b>	
Directorate	(1,049)
Informatics Planning Services	999
Infrastructure	50
Informatics Planning Services	(250)
Community Services	(200)
Directorate	450
Infrastructure	(1,497)
Community Services	1,287
Directorate	210
<b>Economic Development and Transportation</b>	
Corporate Management	(950)
Transportation	863
Economic Development	87
<b>Family Services</b>	
Career Development	(1,200)
Children and Family Services	1,200
Career Development	(300)
Children and Family Services	300
Career Development	(750)
Children and Family Services	750
Career Development	(750)
Children and Family Services	750
Career Development	(457)
Corporate Management	(195)
Children and Family Services	542
Income Assistance	110

**INTERIM FINANCIAL REPORT**

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

**for the year ended March 31, 2016**

*(in thousands of dollars)*

	<u>Transfers to (from)</u>
<b>CAPITAL</b>	
<b>Justice</b>	
Corrections	(850)
Directorate	850
<b>Community and Government Services</b>	
CGS - capital	(250)
Petroleum Products Division	250
CGS - capital	(750)
Petroleum Products Division	750
CGS - capital	(272)
Petroleum Products Division	272
Petroleum Products Division	(750)
CGS - capital	750

---

**GOVERNMENT OF NUNAVUT  
INTERIM FINANCIAL REPORT**

**Schedule 4**

**Non-Consolidated Schedule of Student Loan Remissions (unaudited)  
for the year ended March 31, 2016**

---

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

Conor Mallory	6,529
Melanie Stubbing	<u>5,261</u>
	<u>11,790</u>

---

**GOVERNMENT OF NUNAVUT  
INTERIM FINANCIAL REPORT****Schedule 5****Non-Consolidated Schedule of Contractual Obligations under Operating Leases (unaudited)**

---

**for the year ended March 31, 2016***(in thousands of dollars)*

---

	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>&gt;2021</b>	<b>Total</b>
Headquarters	9,470	8,635	6,038	4,148	2,555	4,334	35,180
Qikiqtaaluk	984	798	534	338	8	-	2,662
Kivalliq	4,127	2,907	2,156	1,772	576	-	11,538
Kitikmeot	1,605	1,439	1,408	1,357	1,282	4,900	11,991
	<b>16,186</b>	<b>13,779</b>	<b>10,136</b>	<b>7,615</b>	<b>4,421</b>	<b>9,234</b>	<b>61,371</b>

---