

**GOVERNMENT OF NUNAVUT**  
**INTERIM FINANCIAL REPORT**  
**Non-Consolidated Financial Statements (unaudited)**  
**March 31, 2019**

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**The Honourable Simeon Mikkungwak, 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, 2019. The report is presented in accordance with subsection 51(4) of the Financial Administration Act.

The Honourable George Hickes, MLA  
Minister of Finance

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**The Honourable George Hickes, 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, 2019. 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, 2019.

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 that reads "Susan Nichols". The signature is written in a cursive, flowing style.

Susan Nichols, CPA, CGA  
Acting Comptroller General

September 27, 2019

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**GOVERNMENT OF NUNAVUT**  
**INTERIM FINANCIAL REPORT**  
**Non-Consolidated Financial Statements (unaudited)**  
**March 31, 2019**

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**GOVERNMENT OF NUNAVUT**  
**INTERIM FINANCIAL REPORT**  
**Non-Consolidated Statement of Financial Position (unaudited)**  
**as at March 31, 2019**  
*(in thousands of dollars)*

	Note	2019	2018
<b>Financial assets</b>			
Cash and cash equivalents	3	609,575	662,768
Due from the Government of Canada	4	98,582	86,351
Accounts receivable	5	105,065	118,523
Inventories for resale	6(a)	158,044	79,830
Loans receivable	7	20,165	27,095
Portfolio and other investments	8	69,677	17,531
<b>Total financial assets</b>		<b>1,061,108</b>	<b>992,098</b>
<b>Liabilities</b>			
Accounts payable and accrued liabilities	9	338,878	297,706
Deferred revenues	10	95,053	71,336
Liability for contaminated sites	11	8,154	8,390
Liabilities for pension and other employee benefits	12	74,682	67,058
Mortgage payable	13	830	1,309
Liability for Iqaluit International Airport	14	155,138	156,692
Capital lease obligations	15	74,710	90,340
Liability for Nunavut Energy Management Program	16	5,873	5,095
<b>Total liabilities</b>		<b>753,318</b>	<b>697,926</b>
<b>Net financial assets</b>		<b>307,790</b>	<b>294,172</b>
<b>Non-financial assets</b>			
Tangible capital assets (Schedule C)		1,481,997	1,441,353
Inventories for use	6(b)	3,503	3,115
Prepaid expenses		4,453	4,216
<b>Total non-financial assets</b>		<b>1,489,953</b>	<b>1,448,684</b>
<b>Net assets</b>		<b>1,797,743</b>	<b>1,742,856</b>
Contractual obligations (Note 18)			
Contractual rights (Note 19)			
Contingencies (Note 20)			

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

**GOVERNMENT OF NUNAVUT**  
**INTERIM FINANCIAL REPORT**  
**Non-Consolidated Statement of Operations and Net Assets (unaudited)**  
**for the year ended March 31, 2019**  
*(in thousands of dollars)*

	<b>2019 Budget</b> <small>(Note 23)</small>	<b>2019 Actual</b>	<b>2018 Actual</b>
<b>Revenues (Schedule A)</b>			
From the Government of Canada	1,935,665	1,878,513	1,845,176
Tax revenues generated by the Government of Nunavut	119,700	148,818	115,202
Other revenues generated by the Government of Nunavut	95,083	94,024	128,572
Recoveries of prior years expenditures	15,000	12,606	10,646
<b>Total revenues</b>	<b>2,165,448</b>	<b>2,133,961</b>	<b>2,099,596</b>
<b>Expenses (Schedule B)</b>			
Operations and maintenance expenses before amortization and write down of tangible capital assets	1,824,032	1,855,003	1,764,519
<i>Plus:</i> Amortization expenses on tangible capital assets	73,457	87,180	105,477
<i>Plus:</i> Write-down of tangible capital assets	-	170	7,055
Total operations and maintenance expenses	1,897,489	1,942,353	1,877,051
Capital expenditures	461,324	264,716	337,992
<i>Less:</i> Transfers to tangible capital assets	139,056	127,995	238,028
Total capital expenses	322,268	136,721	99,964
<b>Total expenses</b>	<b>2,219,757</b>	<b>2,079,074</b>	<b>1,977,015</b>
<b>Surplus (deficit) for year</b>	<b>(54,309)</b>	<b>54,887</b>	<b>122,581</b>
<b>Net assets, beginning of year</b>	<b>1,742,856</b>	<b>1,742,856</b>	<b>1,620,275</b>
<b>Net assets, end of year</b>	<b>1,688,547</b>	<b>1,797,743</b>	<b>1,742,856</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, 2019**  
*(in thousands of dollars)*

	<b>2019 Budget</b>	<b>2019 Actual</b>	<b>2018 Actual</b>
<b>Surplus (deficit) for year</b>	(54,309)	54,887	122,581
<b>Tangible capital assets (Schedule C)</b>			
Additions	(139,056)	(127,995)	(238,028)
Disposals	-	48	-
Additions in Kind	-	(47)	-
Write-downs	-	170	7,055
Amortization	73,457	87,180	105,477
	(65,599)	(40,644)	(125,496)
<b>Additions to inventories for use</b>	(196)	(5,765)	(4,892)
<b>Consumption of inventories for use</b>	-	5,377	4,977
<b>Net (additions) use of prepaid expenses</b>	(327)	(237)	(373)
	(523)	(625)	(288)
<b>Increase (decrease) in net financial assets</b>	(120,431)	13,618	(3,203)
<b>Net financial assets, beginning of year</b>	294,172	294,172	297,375
<b>Net financial assets, end of year</b>	173,741	307,790	294,172

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, 2019**  
*(in thousands of dollars)*

	<b>2019</b>	<b>2018</b>
<b>Cash provided by (used for) operating activities:</b>		
Cash received from:		
Transfers from the Government of Canada	1,891,319	1,804,786
Taxation	146,332	106,606
Insurance proceeds	14,759	8,227
Other generated revenues	288,157	275,245
Interest on loans receivable and portfolio investments	1,986	1,797
Cash paid for:		
Interest payments on capital leases, mortgage and project financing	(14,724)	(6,309)
To and on behalf of employees	(584,099)	(571,632)
Recipients	(521,568)	(507,565)
Suppliers	(1,082,197)	(897,812)
	<u>139,965</u>	<u>213,343</u>
<b>Cash provided by (used for) capital activities:</b>		
Purchases of tangible capital assets	(128,892)	(133,462)
	<u>(128,892)</u>	<u>(133,462)</u>
<b>Cash provided by (used for) investing activities:</b>		
Loans issued to municipalities, businesses and individuals	(742)	(751)
Loan repayments by municipalities, businesses and individuals	7,685	482
Investments in portfolio and other investments	(52,146)	(2,243)
	<u>(45,203)</u>	<u>(2,512)</u>
<b>Cash provided by (used for) financing activities:</b>		
Principal payments on Iqaluit International Airport	(1,554)	(371)
Principal payments on capital leases	(15,630)	(13,373)
Principal payments on Nunavut Energy Savings Program Project	(1,400)	(1,315)
Principal payments on mortgage payable	(479)	(449)
	<u>(19,063)</u>	<u>(15,508)</u>
<b>Increase (decrease) in cash and cash equivalents</b>	<b>(53,193)</b>	<b>61,861</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>662,768</b>	<b>600,907</b>
<b>Cash and cash equivalents, end of year (Note 3)</b>	<b>609,575</b>	<b>662,768</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 2018-2019 Main Estimates were tabled in the Legislative Assembly in May 2018 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 2018-2019 Main Estimates. Planned Vote 5 revenues and Vote 4 expenses represent the share of eligible costs to be funded under agreements with the Government of Canada or others, and while not part of the annual Appropriations (Operations and Maintenance) Act approved by the Legislative Assembly in May 2018, 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. Costs include contracted services, materials and supplies, direct labour, attributable overhead costs and directly attributable interest. Capitalization of interest ceases when a tangible capital asset is ready for use in producing goods or delivering services. Gifted or contributed tangible capital assets are recorded at fair market value upon receipt, or a nominal value if fair value is not available.

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

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

<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. Further, employees, upon retirement, are entitled to enroll in health and dental benefit programs, the cost of which are cost-shared by government. The estimated liability and related expenses for these benefit programs are recorded as employees earn them. Actuarial valuation estimates of the government's obligations and related costs for each of these benefit programs have been prepared using data provided by management and assumptions based on management's best estimates. Termination benefits are recorded when employees are identified for lay-off.

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

**(i) Revenues**

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

Transfers from the Government of Canada

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

Taxes

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

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

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

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

Recoveries of prior years expenditures

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

**(j) Expenses**

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

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

## 2 SIGNIFICANT ACCOUNTING POLICIES (continued)

### (k) Contingencies

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

### (l) Contaminated sites

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

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

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

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

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

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

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

### (m) Related party transactions

#### Inter-entity transactions

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

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

#### Related party transactions

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

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

### (n) Services provided without charge

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

### (o) Changes in accounting standards

The Public Sector Accounting Board of Canada issued new accounting standards effective for fiscal years beginning on or after April 1, 2018.

The Government adopted the new accounting standard: PS 3430 Restructuring Transactions, a new standard defining a restructuring transaction and establishing guidance for recognizing and measuring assets and liabilities transferred in a restructuring transaction. The Government has adopted the accounting standard on a prospective basis. There was no financial impact on the non-consolidated financial statements.



**GOVERNMENT OF NUNAVUT**  
**INTERIM FINANCIAL REPORT**  
**Notes to Non-Consolidated Financial Statements (unaudited)**  
**March 31, 2019**  
*(in thousands of dollars)*

**2 SIGNIFICANT ACCOUNTING POLICIES (continued)**

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

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

*PS 2601 Foreign Currency Translation (effective April 1, 2021)*, 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, 2021)*, a new standard establishing guidance on the recognition, measurement, presentation and disclosure of financial instruments, including derivatives.

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

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

*PS 3280 Asset Retirement Obligations (effective April 1, 2021)*, replaces PS 3270, with revised guidance on accounting for, and presentation and disclosure of, asset retirement obligations.

<b>3 CASH AND CASH EQUIVALENTS</b>	<b>2019</b>	<b>2018</b>
Cash	609,575	662,768

During the year, government earned interest of prime less 1.65% on its net bank balances (2018 - prime less 1.65%).

<b>4 DUE FROM THE GOVERNMENT OF CANADA</b>	<b>2019</b>	<b>2018</b>
Grant receivable:		
From the Government of Canada (Schedule A)	1,578,812	1,529,949
Less: Payments received	(1,578,812)	(1,529,949)
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	98,582	86,351
	<u>98,582</u>	<u>86,351</u>

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>2019</b>	<b>2018</b>
<b>Receivable by funds</b>		
Consolidated Revenue Fund	66,456	87,378
Petroleum Products Revolving Fund	68,861	59,740
Public Stores Revolving Fund	61	83
Liquor Revolving Fund	22	8
	<u>135,400</u>	<u>147,209</u>
Less: Allowance for doubtful accounts	(30,335)	(28,686)
	<u>105,065</u>	<u>118,523</u>
<b>Receivable by relation with the creditors</b>		
Nunavut Arctic College	5,742	8,523
District Education Authorities	2,365	2,376
Nunavut Business Credit Corporation	163	223
Nunavut Development Corporation	9	7
Nunavut Housing Corporation	18,907	15,893
Qulliq Energy Corporation	16,316	16,257
Receivable from related parties	43,502	43,279
Other accounts receivable	91,898	103,930
	<u>135,400</u>	<u>147,209</u>
Less: Allowance for doubtful accounts	(30,335)	(28,686)
	<u>105,065</u>	<u>118,523</u>

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6 INVENTORIES	2019	2018
<b>(a) For resale</b>		
Bulk fuels	154,895	77,373
Liquor products	3,149	2,457
	<u>158,044</u>	<u>79,830</u>

The write-down for bulk fuels inventory for 2019 was \$699 (2018 - \$173 recovery).

<b>(b) For use</b>		
Health and medical supplies	3,503	3,115

7 LOANS RECEIVABLE	2019	2018
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 1.54% and 2.34% (2018 - 0.75% and 1.96%) at the end of the month, compounded annually.		
	18,392	25,356
Student Loan Fund loans, bearing interest between 0.0% and 12.5% (2018 - 0.0% and 12.5%), net of doubtful accounts and valuation allowances of \$5,319 (2018 - \$5,158).		
	1,773	1,739
Other, net of valuation allowances of \$64 (2018 - \$64).		
	<u>-</u>	<u>-</u>
	<u>20,165</u>	<u>27,095</u>

8 PORTFOLIO AND OTHER INVESTMENTS			2019	2018
	Effective Rate of Return	Term to Maturity	Carrying Value	Carrying Value
<b>Portfolio investments</b>				
Guaranteed Investment Certificate	2.59%	366 days	50,000	-
			<u>50,000</u>	<u>-</u>
<b>Other investments</b>				
SRAF designated investments			19,677	17,531
			<u>69,677</u>	<u>17,531</u>

The market value of the portfolio investments at March 31, 2019 was \$50,000.

The Supplementary Retiring Allowances Fund of the Legislative Assembly (SRAF) designated investments represent funds set aside within the Consolidated Revenue Fund for use in meeting SRAF benefit obligations. The investments are managed by a third party. The Statement of Investment Policy establishes the eligible classes of securities, categories of issuers, limits and terms. The market value of SRAF investments at March 31, 2019 was \$21,719 (2018 - \$20,120) with a positive return of 4.52% (2018 - positive return of 4.49%).

9 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES	2019	2018
<b>To related parties</b>		
Nunavut Arctic College	1,266	2,429
District Education Authorities	903	737
Nunavut Business Credit Corporation	63	70
Nunavut Development Corporation	44	15
Nunavut Housing Corporation	422	1,010
Qulliq Energy Corporation	6,282	6,124
	<u>8,980</u>	<u>10,385</u>
<b>To others</b>		
Accounts payable	125,032	114,199
Accrued liabilities, payroll deductions, and contractor holdbacks	133,260	106,509
Vacation pay and lieu time	34,783	33,599
Due to the Government of Canada	32,226	30,906
Due to the Government of the Northwest Territories	4,597	2,108
	<u>329,898</u>	<u>287,321</u>
	<u>338,878</u>	<u>297,706</u>

All amounts above are non-interest bearing.

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**10 DEFERRED REVENUES**

	Balance April 1, 2018	Receipts during the year	Interest earned	Transfer to revenue	Balance March 31, 2019
Provincial-Territorial Base Funding (Building Canada Fund)	6,394	-	103	(2,285)	4,212
Gas Tax Agreement	41,095	16,500	952	(10,837)	47,710
Nunavut Land Claim	9,645	28,694	-	(5,583)	32,756
Other deferred revenue	14,202	18,817	-	(22,644)	10,375
	<u>71,336</u>	<u>64,011</u>	<u>1,055</u>	<u>(41,349)</u>	<u>95,053</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 2018-19 and beyond, as the government fulfills its obligations from purpose or other stipulations for the use of these funds the associated revenue will be recognized in its non-consolidated financial statements.

**11 LIABILITY FOR CONTAMINATED SITES**

	2019	2018
Liabilities for remediation of contaminated sites (undiscounted)	8,154	8,390

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, 2019, there were 6 sites (2018 - 7) - 2 storage tank farms (2018 - 3) and 4 waste sites - (2018 - 4), identified as requiring environmental remediation. For those sites where the Government of Nunavut expects to give up future economic benefits due to a legal order or plans to remediate contamination (e.g., due to the risk to human health), and is responsible or has accepted responsibility for remediation, and a reasonable estimate can be determined for remediation costs, a liability has been recorded in these financial statements. Where remediation costs have been estimated and a liability has been recorded the methodology used to estimate the liability is either based on third party analyses or extrapolated from costs previously incurred to remediate, monitor, or manage sites of similar size and contamination.

The Government has identified an additional 71 (2018 - 71) sites on Commissioner's land for which liabilities for contamination may exist for assessment, remediation and monitoring. The activities associated with these sites are classified as follows:

	2019	2018
Storage tank farms	25	25
Power plants	27	27
Town and waste sites	11	11
Garages and other public works	5	5
Airports	2	2
Quarries	1	1
	<u>71</u>	<u>71</u>

The Government acquired ownership of sites and activities associated with airports, tank farms and power plants on creation of the Territory on April 1, 1999. The contamination of certain sites occurred when other parties were responsible for the use of and/or held tenure to the sites. The Government has estimated that remediation of contamination at 14 storage tank farm sites and 27 power plant sites (2018 - 14 and 27) would cost approximately \$9,700 and \$40,000 (2018 - \$9,700 and \$39,000) respectively. In addition, the Government has estimated that remediation at the other sites could cost between \$65,000 - \$136,000 (2018 - \$55,000 - \$126,000) depending on the approach taken. No liability for remediation of these 71 (2018 - 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 144 (2018 - 144) sites where garages, public works facilities, quarries, sewage disposal/treatment and solid waste sites and activities are generally located and conducted within municipal boundaries and governed by municipal legislation. Contamination at these sites and activities within municipal boundaries and jurisdiction are the responsibility of municipalities to monitor and remediate if necessary.

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

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

	2019	2018
<b>Pension Benefits</b>		
Pension plans for MLAs	16,687	16,367
Total pension benefits	16,687	16,367
<b>Other Employee Benefits</b>		
Severance and removal	21,350	21,247
Retirement health benefits	26,007	19,402
Sick leave	10,638	10,042
Total other employee benefits	57,995	50,691
Total pension and other employee benefits	74,682	67,058

**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, 2019 was 1.01 times (2018 - 1.01 times) for members enrolled before January 1, 2013, and 1.0 times (2018 - 1.0 times) for members enrolled beginning January 1, 2013. Total employer contributions of \$33,770 (2018 - \$32,022) were recognized as expense in the current year. Total employee contributions were \$33,649 (2018 - \$31,868).

**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 2019 (no changes in 2018).

Actuarial valuations were completed for these plans as of April 1, 2017. The valuations were performed using the projected unit credit actuarial cost method. The valuations were based on a number of assumptions as approved by the Management and Services Board of the Legislative Assembly and represents the best estimates of expected long-term experience and short-term forecast, as well as the demographic assumptions underlying the most recent actuarial valuations for funding purposes. The main assumptions include inflation rate of 2.0% (2018 - 2.0%), discount rate of 3.3% (2018 - 3.5%), return on assets of 4.8% (2018 - 4.8%), increases in remuneration of 2.5% (2018 - 3.0%), and mortality.

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

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

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

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

	<b>LARAF</b>	<b>SRAF</b>	<b>2019</b>	<b>2018</b>
Accrued benefit obligation	12,403	17,994	30,397	28,025
Deduct:				
Pension fund assets	14,332	-	14,332	12,649
Unamortized actuarial (gains) losses	(241)	(381)	(622)	(991)
	14,091	(381)	13,710	11,658
Pension (asset) liability	(1,688)	18,375	16,687	16,367

As at March 31, 2019, the LARAF pension fund assets had a market value of \$16,227 (2018 - \$12,966). The actual rate of return was positive 5.19% (2018 - positive 4.71%). The SRAF has no pension fund assets; however, the pension liability is funded all or in part by designated investments (Note 8).

LARAF and SRAF actuarial gains/losses are both amortized over 6.0 years (2018 - 1.0 for both) which is the estimated average remaining service lives for contributors to these plans.

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

	<b>LARAF</b>	<b>SRAF</b>	<b>2019</b>	<b>2018</b>
Current period benefit cost	1,231	1,936	3,167	3,105
Amortization of actuarial (gains) losses	(447)	(544)	(991)	900
	784	1,392	2,176	4,005
MLAs contributions	(248)	-	(248)	(243)
Pension expense	536	1,392	1,928	3,762
Interest cost on the average accrued benefit obligation	428	639	1,067	1,036
Expected return on average pension plan assets	(646)	-	(646)	(583)
Pension interest expense	(218)	639	421	453
Total pension expenses	318	2,031	2,349	4,215

Pension benefits paid for the LARAF and SRAF were \$329 and \$1,065, respectively (2018 - \$1,223 and \$949, respectively).

The Government's contributions related to the LARAF and SRAF during the year were \$924 and \$1,739, respectively (2018 - \$941 and \$1,837, respectively).

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

	<b>Severance and removal</b>	<b>Sick leave</b>	<b>Retirement health benefits</b>	<b>2019</b>	<b>2018</b>
Benefit earned for the period	1,671	2,038	1,639	5,348	4,073
Actuarial (gains) losses on benefit obligation			1,726		
Amortization of net actuarial gains/(losses) recognized during the year	(405)	(788)	2,527	1,334	(6,643)
Other employee benefits expense	1,266	1,250	5,892	6,682	(2,570)
Interest cost on the average accrued benefit	652	328	1,361	2,341	1,648
Total expense related to other employee benefits	1,918	1,578	7,253	9,023	(922)

**13 MORTGAGE PAYABLE**

	<b>2019</b>	<b>2018</b>
Mortgage payable in annual instalments to the year 2020, bearing interest at a rate of 6.9% compounded semi-annually.	830	1,309
Future mortgage payments consist of:		
2020	<b>Principal</b> 830	<b>Interest</b> 42
	<b>Total</b> 872	

Interest expense on the mortgage payable was \$79 for the year (2018 - \$103). The interest paid on the mortgage payable during the year was \$74 (2018 - \$106).

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**14 LIABILITY FOR IQUALUIT INTERNATIONAL AIRPORT**

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

	<b>2019</b>	<b>2018</b>
Loan payable in monthly instalments of \$1,069 to December 2047, bearing interest at a rate of 7.23%.	155,138	156,692

Interest expense on long term debt relating to the Iqaluit International Airport was \$11,275 for the year (2018 - \$2,836). The interest paid during the year was \$11,275 (2018 - \$10,248). Interest costs of \$nil were capitalized (2018 - \$7,412) as part of additions to tangible capital assets.

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

	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2020	1,670	11,160	12,830
2021	1,795	11,035	12,830
2022	1,929	10,901	12,830
2023	2,074	10,756	12,830
2024	2,229	10,601	12,830
2025 and beyond	145,441	159,267	304,708
	<b>155,138</b>	<b>213,720</b>	<b>368,858</b>

**15 CAPITAL LEASE OBLIGATIONS**

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

	<b>2019</b>	<b>2018</b>
Total minimum lease payments	84,241	102,530
Less: Imputed interest	(9,531)	(12,190)
Present value of minimum lease payments	<b>74,710</b>	<b>90,340</b>

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

	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2020	11,856	1,954	13,810
2021	6,365	1,569	7,934
2022	6,553	1,381	7,934
2023	6,749	1,185	7,934
2024	6,395	998	7,393
2025 and beyond	36,792	2,444	39,236
	<b>74,710</b>	<b>9,531</b>	<b>84,241</b>

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 \$2,659 (2018 - \$3,016) at an implied average interest rate of 3.0% (2018 - 3.3%). Interest paid for the year was \$2,659 (2018 - \$3,016). The capital lease obligations expire between 2020 and 2030.

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**16 LIABILITY FOR NUNAVUT ENERGY MANAGEMENT PROGRAM PROJECT**

	<b>2019</b>	<b>2018</b>
Project financing payable - Baffin	3,695	5,095
Project financing payable - Kivalliq	2,178	-
	<b>5,873</b>	<b>5,095</b>

Under the Nunavut Energy Management Program Project - Baffin region, the Government has entered into an energy savings contract arrangement that included an ongoing responsibility for making all principal and interest payments associated with the third-party financing of costs of improvements under the project. Payments are due monthly at \$139 to 2019, \$95 to 2022 and \$21 to July 2023 at an average interest rate of 5.13%. Interest expense on the project for the year was \$266 (2018 - \$351). Interest paid during the year was \$266 (2018 - \$351).

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

	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2020	1,059	183	1,242
2021	1,018	123	1,141
2022	1,080	62	1,142
2023	402	13	415
2024	95	1	96
2025 and beyond	41	-	41
	<b>3,695</b>	<b>382</b>	<b>4,077</b>

The Nunavut Energy Management Program Project - Kivalliq region, is in the implementation phase. The Government has entered into a contract for \$24,258 that includes all principal and interest payments associated with the third-party financing of costs of improvements under the project. The project is expected to be completed October 2020, at which time estimated monthly payments of \$124 will commence, at an average interest rate of 9.4%. Interest expense on the project for the year was \$36 (2018 - \$nil). Interest paid during the year was \$nil (2018 - \$nil).

**17 PETROLEUM PRODUCTS STABILIZATION FUND**

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

	<b>2019</b>	<b>2018</b>
Surplus (deficit), beginning of year	8,796	7,702
Petroleum Products Revolving Fund net profit (loss) for the year	(2,223)	1,094
Minimum transfer required from (to) Consolidated Revenue Fund	-	-
Surplus (deficit), end of year	<b>6,573</b>	<b>8,796</b>

**18 CONTRACTUAL OBLIGATIONS**

The Government has entered into agreements for, or is contractually obligated for, the following payments subsequent to March 31, 2019:

	<b>Total</b>
Operating leases (Schedule 5)	58,613
Capital commitments	106,460
Operational commitments	490,114
Policing agreement	481,644
Iqaluit International Airport Improvement commitments	665,129
	<b>1,801,960</b>

Contractual obligations by fiscal year are as follows:

2020	354,975
2021	178,298
2022	137,172
2023	121,583
2024	86,281
2025 and beyond	923,651
	<b>1,801,960</b>

In addition to the capital commitments disclosed above, the Government is also contractually obligated for the Nunavut Energy Management Program - Kivalliq (Note 16). At March 31, 2019, \$2,178 is recorded as a liability of the total estimated contract costs of \$24,258. Payments will commence when the project is completed, estimated October 2020.

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**19 CONTRACTUAL RIGHTS**

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

	<b>Total</b>
Canada Infrastructure Plan	510,085
Health Canada Agreements	224,983
New Building Canada Fund	264,350
Others / Third party agreements	100,425
	<b>1,099,843</b>
Contractual rights by fiscal year are as follows:	
2020	234,947
2021	202,142
2022	180,502
2023	107,202
2024	87,769
2025 and beyond	287,281
	<b>1,099,843</b>

**20 CONTINGENCIES**

**(a) Post-division adjustments**

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

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

**(b) Litigation**

A number of cases of alleged sexual abuse by former employees or contractors in Nunavut when it was part of the Northwest Territories have been filed or are pending. The Nunavut and the Northwest Territories governments will jointly defend any such proceedings and the cost of defending the actions and any damages that may eventually be awarded will be shared by the two governments 44.34% and 55.66%, respectively. Where it is likely that there will be a future payment and a reasonable estimate of the amount can be made, the Government has recorded a liability. For those pending cases, where the outcome is not determinable as at March 31 and a reasonable estimate of the amount can be made, the total amount of those claims is estimated at \$1,545 (2018 - \$2,095). No liability has been recorded for these claims as the outcome of these cases is not determinable.

There are a number of claims and threatened litigation cases outstanding against the Government for which the outcomes are not determinable, including a number of cases where an amount is not specified. The nature of these claims include wrongful dismissal, breach of policy, personal injury, sexual abuse, negligence, wrongful arrest and assault. Where it is likely that there will be a future payment and a reasonable estimate of the amount can be made, the Government has recorded a liability. For those pending cases, where the outcome is not determinable as at March 31 and a reasonable estimate of the amount can be made, the total amount of those claims is estimated at \$17,168 (2018 - \$16,705). No liability has been recorded for these claims as the outcome of these cases is not determinable.

**(c) Loan guarantees**

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

	<b>2019</b>	<b>2018</b>
Bank credit facility, interest at prime minus 0.50%	9,867	11,201
20 year redeemable amortizing debenture due September 2021, interest rate of 6.809%	25,795	29,543
Fixed rate capital loan facility due May 2021, interest rate of 4.24%	1,029	1,476
Fixed rate capital loan facility due May 2021, interest rate of 4.24%	1,320	1,890
Fixed rate capital loan facility due June 2021, interest rate of 4.24%	1,882	2,677
Fixed rate capital loan facility due February 2022, interest rate of 4.24%	3,523	3,725
Fixed rate capital loan facility due July 2021, interest rate of 4.24%	3,531	4,946
Variable rate capital loan facility due November 2022, interest at prime minus 0.50%	13,666	14,667
Variable rate capital loan facility due April 2024, interest at prime minus 0.50%	12,067	12,867
Variable rate capital loan facility due April 2027, interest at prime minus 0.50%	123,670	91,472
<b>Total guarantees provided on balances outstanding</b>	<b>196,350</b>	<b>174,464</b>

The QEC bank credit facility limit is \$20,000 (2018 - \$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, 2019, NDC's bank overdraft position was \$nil (2018 - \$nil).



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**21 RELATED PARTIES**

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

	<b>2019</b>	<b>2018</b>
Nunavut Arctic College	2,730	3,331
District Education Authorities	13,179	12,999
Nunavut Development Corporation	3,504	3,536
Nunavut Business Credit Corporation	700	700
	<b>20,113</b>	<b>20,566</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 \$47,018 (2018 - \$46,956) were incurred and recovered from related parties. Grants and contributions from the Government of Nunavut to Nunavut Arctic College and Nunavut Housing Corporation are disclosed separately in the Schedule of Expenses Funded under Approved Appropriations (Schedule B.1).

**22 TRUSTS UNDER ADMINISTRATION**

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

	<b>2019</b>	<b>2018</b>
Public Trustee	5,366	5,738
Territorial Court Trust	737	503
Natural Resources Conservation Trust	1,055	824
	<b>7,158</b>	<b>7,065</b>

**23 BUDGET ADJUSTMENTS**

The 2019 total revenue budget of \$2,165,448 includes \$1,900,683 of 'Revenues' and \$109,304 of 'Vote 5 Revenues' on page A-IV-4 of the 2018-2019 Main Estimates, plus \$155,461 of funding under third-party agreements for specific capital projects included in Appendix IV of the 2018-2019 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 2019 budget total for capital expenditures on Schedule B.2 of \$155,461 excludes the \$4,290 of CMHC capital projects and the \$1,455 of Social Infrastructure Fund Investment in Affordable Housing project budgeted for Nunavut Housing Corporation, as well as the \$5,372 of Strategic Investment Fund budgeted for Nunavut Arctic College, less the unknown difference of \$104 included in the 2018-2019 Capital Estimates. As a result, the budget totals for expenses and transfers under third-party funding agreements included in these statements is \$264,765 versus \$275,778 on page x of the 2018-2019 Main Estimates. For the purpose of this statement, the budget for the third party funded capital projects does refer to Part 2 of the 2018-2019 Capital Estimates .

**24 COMPARATIVE INFORMATION**

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

**GOVERNMENT OF NUNAVUT  
INTERIM FINANCIAL REPORT**

**Schedule A**

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

**for the year ended March 31, 2019**

*(in thousands of dollars)*

	<b>2019 Budget</b>	<b>2019 Actual</b>	<b>2018 Actual</b>
<b>From the Government of Canada</b>			
Territorial Formula Financing	1,578,800	1,578,812	1,529,949
Transfers under third-party funding agreements	264,765	202,080	146,770
Other transfer payments	92,100	97,621	168,457
	<b>1,935,665</b>	<b>1,878,513</b>	<b>1,845,176</b>
<b>Revenues generated by the Government of Nunavut</b>			
Taxation revenues			
Personal income tax	33,400	37,773	23,480
Corporate income tax	17,900	27,978	18,430
Payroll tax	29,800	32,314	29,418
Tobacco tax	21,000	22,599	21,435
Fuel tax	8,600	17,964	13,957
Property tax	6,900	7,768	6,591
Insurance tax	2,100	2,422	1,891
	<b>119,700</b>	<b>148,818</b>	<b>115,202</b>
Other revenues			
Petroleum Products Division revenue - net of cost of goods sold of \$170,693 (2018 - \$154,907)	28,095	26,308	33,539
Liquor revenue - net of cost of goods sold of \$7,175 (2018 - \$4,261)	6,888	8,971	5,614
Staff housing recoveries	19,600	20,427	19,401
Transfers under third-party funding agreements	-	1,544	1,761
Insurance proceeds	-	-	39,635
Other	40,500	36,774	28,622
	<b>95,083</b>	<b>94,024</b>	<b>128,572</b>
Recoveries of prior years expenditures (Schedule 1)	15,000	12,606	10,646
<b>Total revenues (Note 23)</b>	<b>2,165,448</b>	<b>2,133,961</b>	<b>2,099,596</b>

Included in Government of Canada - Other transfer payments are \$nil (2018 - \$74,160) funded by PPP Canada Inc. (Note 14).

**GOVERNMENT OF NUNAVUT  
INTERIM FINANCIAL REPORT**

Schedule B

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

for the year ended March 31, 2019

(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	1,659,470	1,694,337	(34,867)
Plus: Amortization expenses on tangible capital assets	73,457	87,180	(13,723)
Plus: Write-down of tangible capital assets	-	170	(170)
Total operations and maintenance expenses	1,732,927	1,781,687	(48,760)
Capital expenditures	197,091	191,669	5,422
Less: Transfers to tangible capital assets	139,056	85,889	53,167
Total capital expenses	58,035	105,780	(47,745)
<b>Total appropriation expenses</b>	<b>1,790,962</b>	<b>1,887,467</b>	<b>(96,505)</b>
<b>FUNDED UNDER THIRD-PARTY AGREEMENTS (Schedule B.2)</b>			
Operations and maintenance expenses before amortization	109,304	126,603	(17,299)
Plus: Amortization expenses on tangible capital assets	-	-	-
Total operations and maintenance expenses	109,304	126,603	(17,299)
Capital expenditures	155,461	73,047	82,414
Less: Transfers to tangible capital assets	-	42,106	(42,106)
Total capital expenses	155,461	30,941	124,520
<b>Total third-party agreement expenses</b>	<b>264,765</b>	<b>157,544</b>	<b>107,221</b>
<b>FUNDED BY REVOLVING FUNDS (Schedule B.3)</b>			
Operations and maintenance expenses before amortization	35,258	34,063	1,195
Plus: Amortization expenses on tangible capital assets	-	-	-
Total operations and maintenance expenses	35,258	34,063	1,195
Capital expenditures	-	-	-
Less: Transfers to tangible capital assets	-	-	-
Total capital expenses	-	-	-
<b>Total revolving fund expenses</b>	<b>35,258</b>	<b>34,063</b>	<b>1,195</b>
<b>NON-CONSOLIDATED STATEMENTS TOTALS</b>			
Operations and maintenance expenses before amortization and write down of tangible capital assets	1,804,032	1,855,003	
Plus: Centrally estimated 'Supplementary requirements' per page x of 2018-2019 Main Estimates	30,000	-	
Less: Capital portion of the estimated 'Supplementary requirements'	10,000	-	
Total operations and maintenance expenses before amortization and write down of tangible capital assets	1,824,032	1,855,003	(30,971)
Plus: Amortization expenses on tangible capital assets	73,457	87,180	(13,723)
Plus: Write-down of tangible capital assets	-	170	(170)
Total operations and maintenance expenses	1,897,489	1,942,353	(44,864)
Capital expenditures	352,552	264,716	
Plus: Centrally estimated capital carryovers from prior year included in 'Capital' on page x of 2018-2019 Main Estimates	98,772	-	
Plus: Capital portion of the estimated 'Supplementary requirements'	10,000	-	
Total capital expenditures	461,324	264,716	196,608
Less: Transfers to tangible capital assets	139,056	127,995	11,061
Total capital expenses	322,268	136,721	185,547
<b>Total expenses</b>	<b>2,219,757</b>	<b>2,079,074</b>	<b>140,683</b>

Total expenses above includes, among other items, interest expense of \$14,323 (2018 - \$6,348) and a net increase in valuation allowances of \$2,461 (2018 - \$10,748).

**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, 2019

(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	12,825	-	-	12,825	11,698	1,127
Grants and contributions	25	-	25	50	-	50
Other	14,245	-	(25)	14,220	11,516	2,704
	27,095	-	-	27,095	23,214	3,881
Capital expenditures	155	-	-	155	145	10
<b>Total spending under appropriations</b>	<b>27,250</b>	<b>-</b>	<b>-</b>	<b>27,250</b>	<b>23,359</b>	<b>3,891</b>
<b>EXECUTIVE AND INTERGOVERNMENTAL AFFAIRS</b>						
Operations and maintenance						
Compensation and benefits	17,956	-	-	17,956	16,703	1,253
Grants and contributions	365	-	308	673	643	30
Other	9,565	-	(308)	9,257	7,271	1,986
	27,886	-	-	27,886	24,617	3,269
Capital expenditures	250	-	-	250	-	250
<b>Total spending under appropriations</b>	<b>28,136</b>	<b>-</b>	<b>-</b>	<b>28,136</b>	<b>24,617</b>	<b>3,519</b>
<b>FINANCE</b>						
Operations and maintenance						
Compensation and benefits	42,975	5,512	-	48,487	45,534	2,953
Grants and contributions	12,993	-	-	12,993	12,126	867
Other	44,290	-	-	44,290	48,110	(3,820)
	100,258	5,512	-	105,770	105,770	-
Capital expenditures	8,900	11,727	-	20,627	14,718	5,909
<b>Total spending under appropriations</b>	<b>109,158</b>	<b>17,239</b>	<b>-</b>	<b>126,397</b>	<b>120,488</b>	<b>5,909</b>
<b>FAMILY SERVICES</b>						
Operations and maintenance						
Compensation and benefits	30,393	-	(60)	30,333	31,163	(830)
Grants and contributions	69,133	-	(405)	68,728	64,025	4,703
Other	53,687	1,165	465	55,317	56,434	(1,117)
	153,213	1,165	-	154,378	151,622	2,756
Capital expenditures	3,440	2,770	-	6,210	2,677	3,533
<b>Total spending under appropriations</b>	<b>156,653</b>	<b>3,935</b>	<b>-</b>	<b>160,588</b>	<b>154,299</b>	<b>6,289</b>
<b>JUSTICE</b>						
Operations and maintenance						
Compensation and benefits	47,768	400	(100)	48,068	49,490	(1,422)
Grants and contributions	14,149	-	-	14,149	13,809	340
Other	59,773	5,100	100	64,973	63,667	1,306
	121,690	5,500	-	127,190	126,966	224
Capital expenditures	6,788	2,674	-	9,462	1,928	7,534
<b>Total spending under appropriations</b>	<b>128,478</b>	<b>8,174</b>	<b>-</b>	<b>136,652</b>	<b>128,894</b>	<b>7,758</b>

**GOVERNMENT OF NUNAVUT  
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Schedule B.1

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

for the year ended March 31, 2019

(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	12,023	-	(735)	11,288	11,082	206
Grants and contributions	7,197	-	15	7,212	6,202	1,010
Other	6,477	-	720	7,197	6,854	343
	25,697	-	-	25,697	24,138	1,559
Capital expenditures	630	55	-	685	662	23
Total spending under appropriations	26,327	55	-	26,382	24,800	1,582
<b>EDUCATION</b>						
Operations and maintenance						
Compensation and benefits	165,511	-	(109)	165,402	162,462	2,940
Grants and contributions	25,023	-	175	25,198	23,118	2,080
Other	22,484	-	(66)	22,418	23,623	(1,205)
	213,018	-	-	213,018	209,203	3,815
Capital expenditures	40,521	11,409	-	51,930	34,192	17,738
Total spending under appropriations	253,539	11,409	-	264,948	243,395	21,553
<b>HEALTH</b>						
Operations and maintenance						
Compensation and benefits	141,841	8,809	-	150,650	150,650	-
Grants and contributions	7,482	-	-	7,482	5,783	1,699
Other	243,336	40,597	-	283,933	285,632	(1,699)
	392,659	49,406	-	442,065	442,065	-
Capital expenditures	21,500	6,889	-	28,389	20,695	7,694
Total spending under appropriations	414,159	56,295	-	470,454	462,760	7,694
<b>ENVIRONMENT</b>						
Operations and maintenance						
Compensation and benefits	16,525	-	(695)	15,830	14,678	1,152
Grants and contributions	2,078	-	15	2,093	1,848	245
Other	9,139	-	680	9,819	7,558	2,261
	27,742	-	-	27,742	24,084	3,658
Capital expenditures	2,250	1,710	-	3,960	1,735	2,225
Total spending under appropriations	29,992	1,710	-	31,702	25,819	5,883
<b>COMMUNITY AND GOVERNMENT SERVICES</b>						
Operations and maintenance						
Compensation and benefits	51,951	-	(1,330)	50,621	50,786	(165)
Grants and contributions	71,122	-	224	71,346	70,658	688
Other	129,927	2,847	1,106	133,880	134,403	(523)
	253,000	2,847	-	255,847	255,847	-
Capital expenditures	50,637	69,751	-	120,388	46,633	73,755
Total spending under appropriations	303,637	72,598	-	376,235	302,480	73,755

**GOVERNMENT OF NUNAVUT  
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Schedule B.1

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

for the year ended March 31, 2019

(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	18,405	-	(1,772)	16,633	17,956	(1,323)
Grants and contributions	23,941	-	-	23,941	21,688	2,253
Other	44,236	-	1,772	46,008	46,521	(513)
	86,582	-	-	86,582	86,165	417
Capital expenditures	21,718	19,362	-	41,080	27,982	13,098
<b>Total spending under appropriations</b>	<b>108,300</b>	<b>19,362</b>	<b>-</b>	<b>127,662</b>	<b>114,147</b>	<b>13,515</b>
<b>NUNAVUT HOUSING CORPORATION</b>						
Operations and maintenance						
Compensation and benefits	-	-	-	-	-	-
Grants and contributions	201,096	-	-	201,096	201,096	-
Other	-	-	-	-	-	-
	201,096	-	-	201,096	201,096	-
Capital expenditures	40,302	-	-	40,302	40,302	-
<b>Total spending under appropriations</b>	<b>241,398</b>	<b>-</b>	<b>-</b>	<b>241,398</b>	<b>241,398</b>	<b>-</b>
<b>NUNAVUT ARCTIC COLLEGE</b>						
Operations and maintenance						
Compensation and benefits	-	-	-	-	-	-
Grants and contributions	38,134	-	-	38,134	38,134	-
Other	-	-	-	-	-	-
	38,134	-	-	38,134	38,134	-
Capital expenditures	-	-	-	-	-	-
<b>Total spending under appropriations</b>	<b>38,134</b>	<b>-</b>	<b>-</b>	<b>38,134</b>	<b>38,134</b>	<b>-</b>
<b>TOTALS</b>						
Operations and maintenance						
Compensation and benefits	558,173	14,721	(4,801)	568,093	562,202	5,891
Grants and contributions	472,738	-	357	473,095	459,130	13,965
Other	637,159	49,709	4,444	691,312	691,589	(277)
	1,668,070	64,430	-	1,732,500	1,712,921	19,579
Less: Principal repayments on capital leases included in spending above	7,200	-	-	7,200	15,630	(8,430)
Less: Principal repayments on Nunavut Energy Management Program Project included in spending above	1,400	-	-	1,400	1,400	-
Less: Principal repayments on the Iqaluit International Airport included in spending above	-	-	-	-	1,554	(1,554)
Operations and maintenance expenses before amortization and write down of tangible capital assets	1,659,470	64,430	-	1,723,900	1,694,337	29,563
Plus: Amortization expenses on tangible capital assets	73,457	-	-	73,457	87,180	(13,723)
Plus: Write-down of tangible capital assets	-	-	-	-	170	(170)
<b>Total operations and maintenance expenses</b>	<b>1,732,927</b>	<b>64,430</b>	<b>-</b>	<b>1,797,357</b>	<b>1,781,687</b>	<b>15,670</b>
Capital expenditures	197,091	126,347	-	323,438	191,669	131,769
Less: Transfers to tangible capital assets	139,056	-	-	139,056	85,889	53,167
<b>Total capital expenses</b>	<b>58,035</b>	<b>126,347</b>	<b>-</b>	<b>184,382</b>	<b>105,780</b>	<b>78,602</b>
<b>Total appropriation expenses</b>	<b>1,790,962</b>	<b>190,777</b>	<b>-</b>	<b>1,981,739</b>	<b>1,887,467</b>	<b>94,272</b>

**GOVERNMENT OF NUNAVUT  
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Schedule B.2

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

for the year ended March 31, 2019

(in thousands of dollars)

By Department	Original Budget	Actual	(Over) Under Original Budget
Legislative Assembly	-	-	-
Executive and Intergovernmental Affairs	10,236	1,045	9,191
Finance	-	951	(951)
Family Services	6,770	8,570	(1,800)
Justice	25,190	4,078	21,112
Culture and Heritage	9,285	8,278	1,007
Education	5,750	4,584	1,166
Health	69,426	84,558	(15,132)
Environment	525	6,915	(6,390)
Community and Government Services	76,061	33,448	42,613
Economic Development and Transportation	61,522	5,117	56,405
	264,765	157,544	107,221

  

By Category	Original Budget	Actual	(Over) Under Original Budget
Operations and maintenance			
Compensation and benefits	-	22,754	(22,754)
Grants and contributions	-	22,136	(22,136)
Other	-	81,713	(81,713)
Operations and maintenance expenses before amortization	109,304	126,603	(17,299)
Plus: Amortization expenses on tangible capital assets	-	-	-
Total operations and maintenance expenses	109,304	126,603	(17,299)
Capital expenditures	155,461	73,047	82,414
Less: Transfers to tangible capital assets	-	42,106	(42,106)
Total capital expenses	155,461	30,941	124,520
<b>Total third-party agreement expenses</b>	264,765	157,544	107,221

**GOVERNMENT OF NUNAVUT  
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Schedule B.3

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

for the year ended March 31, 2019

(in thousands of dollars)

<b>By Revolving Fund</b>	<b>Original Budget</b>	<b>Actual</b>	<b>(Over) Under Original Budget</b>
Liquor	5,923	4,834	1,089
Petroleum Products	28,009	27,692	317
Public Stores	1,100	1,366	(266)
Student Loan	226	171	55
	<b>35,258</b>	<b>34,063</b>	<b>1,195</b>

  

<b>By Category</b>	<b>Original Budget</b>	<b>Actual</b>	<b>(Over) Under Original Budget</b>
Operations and maintenance			
Compensation and benefits	7,280	7,712	(432)
Grants and contributions	15	-	15
Other expenses	27,963	26,351	1,612
Operations and maintenance expenses before amortization	35,258	34,063	1,195
Plus: Amortization expenses on tangible capital assets (1)	-	-	-
Total operations and maintenance expenses	35,258	34,063	1,195
Capital expenditures	-	-	-
Less: Transfers to tangible capital assets	-	-	-
Total capital expenses	-	-	-
<b>Total revolving fund expenses</b>	<b>35,258</b>	<b>34,063</b>	<b>1,195</b>

(1) Petroleum Products amortization of \$831 (2018 - \$547) is included in the budget and actuals totals for Department of Community and Government Services on Sch. B.1.



**GOVERNMENT OF NUNAVUT  
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Schedule C

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

for the year ended March 31, 2019

(in thousands of dollars)

	Buildings	Leased Buildings	Infra-structure	Tank Farms	Storage Facilities	Equipment	2019	2018
<b>Cost of tangible capital assets</b>								
Opening balance	1,208,362	188,238	347,487	201,062	19,175	119,743	2,084,067	1,700,556
Additions	24,683	-	2,793	-	507	7,773	35,756	154,106
Additions In Kind	47	-	-	-	-	-	47	-
Transferred from work in progress	76,341	-	8,685	5,928	253	7,109	98,316	254,324
Reclassification	(102)	-	-	-	102	-	-	-
Disposals	(5,449)	-	(1,154)	-	(691)	(1,955)	(9,249)	(2,574)
Write-downs	(464)	-	-	-	-	-	(464)	(22,345)
Closing balance	1,303,418	188,238	357,811	206,990	19,346	132,670	2,208,473	2,084,067
<b>Accumulated amortization</b>								
Opening balance	(400,790)	(102,426)	(74,621)	(85,585)	(11,141)	(101,697)	(776,260)	(688,647)
Amortization	(47,155)	(10,180)	(12,783)	(6,968)	(1,126)	(8,968)	(87,180)	(105,477)
Reclassification	65	-	-	-	(65)	-	-	-
Disposals	5,401	-	1,154	-	691	1,955	9,201	2,574
Write-downs	294	-	-	-	-	-	294	15,290
Closing balance	(442,185)	(112,606)	(86,250)	(92,553)	(11,641)	(108,710)	(853,945)	(776,260)
<b>Work in progress</b>								
Opening balance	90,272	-	28,960	6,354	284	7,676	133,546	303,948
Additions	33,317	-	53,464	3,415	530	1,513	92,239	83,922
Transferred to cost of tangible capital assets	(76,341)	-	(8,685)	(5,928)	(253)	(7,109)	(98,316)	(254,324)
Closing balance	47,248	-	73,739	3,841	561	2,080	127,469	133,546
<b>Net book value</b>	<b>908,481</b>	<b>75,632</b>	<b>345,300</b>	<b>118,278</b>	<b>8,266</b>	<b>26,040</b>	<b>1,481,997</b>	<b>1,441,353</b>
<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 the year, interest of \$nil was capitalized (2018 - \$7,412) as part of the cost of additions.

During 2019, the Government wrote-down the value of specifically identified assets. Included in the significant write-downs is an office building that was destroyed by fire (\$77), and the Taloyoak Air Terminal Building, which was demolished and replaced with a new building (\$93).

The tangible capital asset acquisitions presented in the Non-Consolidated Statement of Cash Flow includes an amount of \$898 (2018 - excludes an amount of \$104,566) in relation to the net change in accounts payable for the acquisition and construction of tangible capital assets that remain unpaid as of March 31, 2019 as well as an amount of \$47 (\$0 in 2018) for non-monetary transactions incurred during the year.

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

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**for the year ended March 31, 2019***(in thousands of dollars)*

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<b>Department</b>	<b>Over Accruals</b>	<b>Other Recoveries</b>	<b>Total</b>
Legislative Assembly	-	3	3
Executive and Intergovernmental Affairs	8	13	21
Finance	13	553	566
Family Services	45	517	562
Justice	1	510	511
Culture and Heritage	65	203	268
Education	108	1,148	1,256
Health	2,068	1,326	3,394
Environment	412	138	550
Community and Government Services	171	1,666	1,837
Economic Development and Transportation	1,688	1,950	3,638
	<hr/>	<hr/>	<hr/>
	4,579	8,027	12,606

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**GOVERNMENT OF NUNAVUT**  
**INTERIM FINANCIAL REPORT**  
**Non-Consolidated Schedule of Special Warrants (unaudited)**  
**for the year ended March 31, 2019**  
*(in thousands of dollars)*

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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.

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<b>Total operations and maintenance</b>		-
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	<b>Date of FMB Approval</b>	<b>Amount Authorized</b>
<b>CAPITAL</b>		

There were no Special Warrants during the year.

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<b>Total capital</b>		-
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## INTERIM FINANCIAL REPORT

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

for the year ended March 31, 2019

*(in thousands of dollars)*

	<u>Transfers to (from)</u>
<b>OPERATIONS AND MAINTENANCE</b>	
<b>Health</b>	
Health Care Service Delivery	(258)
Directorate	258
Health Care Service Delivery	(330)
Directorate	330
<b>Community and Government Services</b>	
Directorate	(125)
Local Government Services	(250)
Infrastructure	(1,125)
Information Management / Information Technology	1,500
Infrastructure	(2,850)
Information Management / Information Technology	2,850
Directorate	(80)
Local Government Services	214
Infrastructure	1,600
Information Management / Information Technology	(1,734)
<b>Economic Development and Transportation</b>	
Corporate Management	(366)
Economic Development	(1,014)
Transportation	1,380
Corporate Management	80
Transportation	370
Economic Development	(450)
<b>Family Services</b>	
Corporate Management	515
Children and Family Services	(75)
Income Assistance	(440)
<b>CAPITAL</b>	
<b>Community and Government Services</b>	
Capital	(650)
Petroleum Products Division	650

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**GOVERNMENT OF NUNAVUT  
INTERIM FINANCIAL REPORT****Schedule 4****Non-Consolidated Schedule of Write-offs and Student Loan Remissions (unaudited)  
for the year ended March 31, 2019**

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

**WRITE-OFFS**

No amounts were written off during the year.

**STUDENT LOAN REMISSIONS**

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

Ali, Sarah	4,299
Bishop, Jeannie	3,420
Rana, Zoha	1,480
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	9,199

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**GOVERNMENT OF NUNAVUT  
INTERIM FINANCIAL REPORT**

Schedule 5

**Non-Consolidated Schedule of Contractual Obligations under Operating Leases (unaudited)****for the year ended March 31, 2019***(in thousands of dollars)*

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	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>&gt;2024</b>	<b>Total</b>
Headquarters	8,729	5,926	5,509	4,106	897	144	25,311
Qikiqtaaluk	2,004	1,298	1,039	834	624	1,359	7,158
Kivalliq	4,995	3,170	2,151	1,811	798	599	13,524
Kitikmeot	2,582	2,377	2,128	2,115	2,049	1,369	12,620
	<b>18,310</b>	<b>12,771</b>	<b>10,827</b>	<b>8,866</b>	<b>4,368</b>	<b>3,471</b>	<b>58,613</b>

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