

**PUBLIC ACCOUNTS**  
**OF THE**  
**GOVERNMENT OF NUNAVUT**  
**FOR THE YEAR ENDED MARCH 31, 2021**

**HONOURABLE GEORGE HICKES**

**Minister of Finance**



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**THE HONOURABLE EVA AARIAK  
COMMISSIONER OF NUNAVUT**

I have the honour to present the Public Accounts of Nunavut for the fiscal year ended March 31, 2021. I would ask that these accounts be laid before the Legislative Assembly in accordance with the *Financial Administration Act*, R.S.N.W.T. 1988, c.F-4, S. 74 as amended, and duplicated for Nunavut, and the *Nunavut Act*, S.C. 1993, C.28, s.44.



The Honourable George Hickes  
Minister of Finance

Government of Nunavut  
Iqaluit, Nunavut

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**GOVERNMENT OF NUNAVUT**  
**PUBLIC ACCOUNTS**  
March 31, 2021

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**GOVERNMENT OF NUNAVUT****PUBLIC ACCOUNTS****Introduction to the Public Accounts of Nunavut****March 31, 2021**

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

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

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

Canadian public sector accounting standards require a government to present in its consolidated financial statements a comparison of the results of operations and changes in net financial assets (debt) for the period with those originally planned. The consolidated budget figures are the appropriations approved by the Legislative Assembly and the approved budgets for the consolidated entities, adjusted to eliminate budgeted inter-entity revenues and expenses. They represent the Government's original consolidated fiscal plan for the year and do not reflect supplementary appropriations.

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

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

<https://gov.nu.ca/finance/information/budget-2020-2021>

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**SECTION I**  
**FINANCIAL STATEMENT DISCUSSION AND ANALYSIS**

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**GOVERNMENT OF NUNAVUT**  
**PUBLIC ACCOUNTS**  
**Financial Statement Discussion and Analysis**  
**for the year ended March 31, 2021**  
*(in thousands of dollars)*

**Executive Summary**

This financial statement discussion and analysis (FSDA) has been prepared by the Government of Nunavut (GN) to provide additional information related to its financial position, changes in its financial position and its performance. The FSDA should be read in conjunction with the GN's consolidated financial statements for the fiscal year ended March 31, 2021. Financial highlights are provided below.

**Financial Highlights**

**Consolidated Statement of Financial Position**

	<u>2021</u>	<u>2020</u>
Total Financial Assets	\$ 1,614,539	\$ 1,417,138
Less: Total Liabilities	1,211,967	1,168,340
Net Financial Assets	<u>402,572</u>	<u>248,798</u>
Tangible Capital Assets	2,613,680	2,586,215
Other Non-Financial Assets	53,560	49,794
Total Non-Financial Assets	<u>2,667,240</u>	<u>2,636,009</u>
Net Assets	<u>\$ 3,069,812</u>	<u>\$ 2,884,807</u>

**Consolidated Statement of Operations and Net Assets**

	<u>2021 Budget</u>	<u>2021</u>	<u>2020</u>
Revenue from the Government of Canada	\$ 2,148,000	\$ 2,234,982	\$ 1,978,952
Revenue generated by the Government of Nunavut	466,900	444,606	481,451
Total Revenues	<u>2,614,900</u>	<u>2,679,588</u>	<u>2,460,403</u>
Less: Total Expenses	2,583,500	2,494,583	2,378,826
Surplus for the Year	<u>\$ 31,400</u>	<u>\$ 185,005</u>	<u>\$ 81,577</u>

**Consolidated Statement of Change in Net Financial Assets**

	<u>2021</u>	<u>2020</u>
Net Financial Assets, Beginning of Year	\$ 248,798	\$ 239,382
Surplus for the Year	185,005	81,577
Change in Tangible Capital Assets	(27,465)	(72,323)
Change in Other Non-Financial Assets	(3,766)	162
Total Increase (Decrease) in Net Financial Assets	<u>153,774</u>	<u>9,416</u>
Net Financial Assets, End of Year	<u>\$ 402,572</u>	<u>\$ 248,798</u>

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# GOVERNMENT OF NUNAVUT

## PUBLIC ACCOUNTS

### Financial Statement Discussion and Analysis

for the year ended March 31, 2021

*(in thousands of dollars)*

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The GN continues to maintain a strong net financial asset position. For the year ended March 31, 2021, the GN increased its net financial asset position by \$153.8M and reported a surplus of \$185.0M. The surplus was \$153.6M higher than the budgeted surplus of \$31.4M for the period. Increased revenues accounted for \$64.7M of the increased surplus while decreased departmental spending contributed \$88.9M to the surplus.

The increase in total revenue for the period compared to the budget was driven by an increase in Government of Canada revenue which accounted for \$87.0M of the \$64.7M increase over budget. Offset by 22.3M decrease in GN revenue. Lower spending in Community and Government Services (\$32.0M), Finance (\$44.9M), Education (\$21.3M) and Economic Development and Transportation (\$39.1M) accounted for the majority of lower expenses compared to budget. These amounts were offset by \$48.0M in additional spending in Health and \$6.4M in Justice.

Total revenue for the year increased by \$219.2M over the prior period. Revenues from the Government of Canada increased by \$256.0M while GN revenues declined by \$36.8M compared to 2020. The change in revenues from the Government of Canada consisted of an increase in revenue from Territorial Formula Financing of \$70.8M (4.3%) over the prior period accompanied by an increase in Other Transfers from the Government of Canada of \$185.2M (54.9%). The majority of the increase in Other Transfers is due to pandemic related support received from the Government of Canada.

Total expenses grew by \$115.8M in 2021 over the prior period. Of this amount, \$110.7M is attributed to increases in expenses in three departments. Expenses increased by \$55.6M in Health, \$35.5M in Executive and Intergovernmental Affairs, and \$19.6M in Education. Health increased spending was driven by increased costs related to federally funded medical travel in response to Covid-19, while cost increases in Executive and Intergovernmental Affairs were due to increased pandemic related airline support. Education costs increased due to increased staffing levels, pandemic related costs and the movement of the Financial Assistance for Nunavut Students (FANS) program to the department from Family Services. These amounts were offset by \$18.2M in cost savings in Family Services due to the removal of the FANS program from the department and \$5.2M in Environment due to delay of projects.

The GN faces many challenges such as changes in global commodity prices, the global pandemic, and aging tangible capital assets. The GN continues to take action to address these challenges including efforts to grow its tax base, providing support to residents and businesses and investing in tangible capital assets. In 2021, the GN invested \$164.9M in tangible capital asset additions during the year.

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

## Covid-19 Effects

Due to the Covid-19 pandemic lasting longer than expected, the 2020-21 financial results of the GN vary from what was expected. The GN received increased federal funding to help with the effects of the pandemic. Expenses in certain areas are different than planned, primarily due to pandemic related restrictions. These areas include, but are not limited to, capital project planning and development; medical travel and other travel; and delivery of programs. Restrictions were not loosened until after the end of the fiscal year; over the next few years, it is anticipated that operations will resume as normal.

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**for the year ended March 31, 2021**  
*(in thousands of dollars)*

**Revenues and Expenses - Variances**

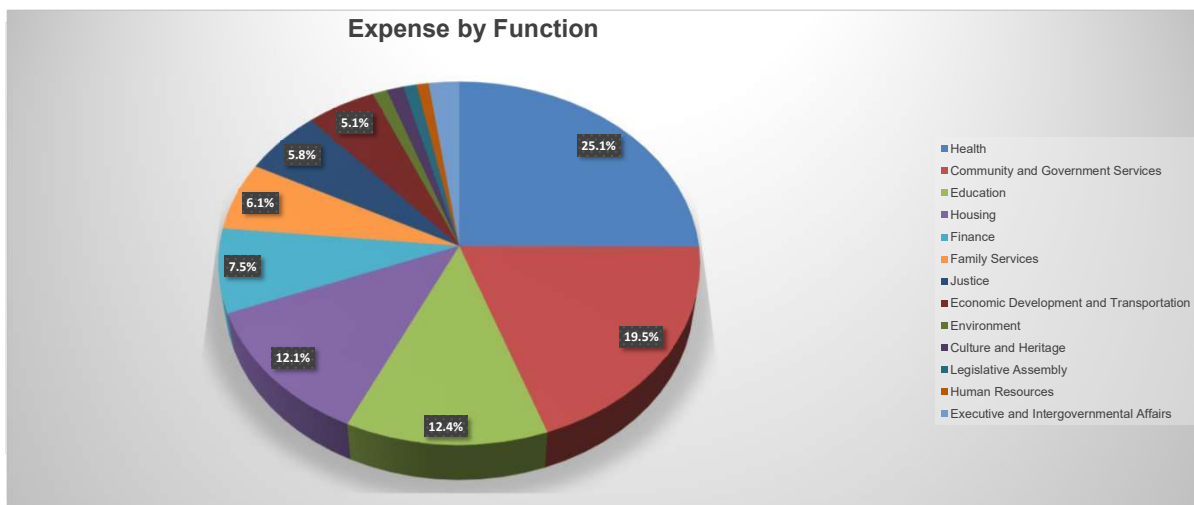
Revenue Variance Analysis	2021	2021	2020	Budget to Actual		Actual to Actual	
	Budget	Actual	Actual	\$ Variance	% Variance	\$ Variance	% Variance
Territorial Formula Financing	\$1,712,500	\$ 1,712,512	\$ 1,641,713	12	0.0%	\$ 70,799	4.3%
Other Transfers from the Government of Canada	435,500	522,470	337,239	86,970	20.0%	185,231	54.9%
Revenues Generated by the Government of Nunavut	466,900	444,606	481,451	(22,294)	-4.8%	(36,845)	-7.7%
<b>Total Revenue</b>	<b>\$ 2,614,900</b>	<b>\$ 2,679,588</b>	<b>\$ 2,460,403</b>	<b>\$ 64,688</b>		<b>\$ 219,185</b>	

**Budget to Actual**

For the year ended March 31, 2021, actual revenues were \$64.7M higher than total budgeted revenue. The increase in Government of Canada revenues accounted for \$87.0M of the \$64.7M change. These increases were mostly related to unbudgeted pandemic related support. Decreases in Personal tax of \$8.5M, fuel tax of \$4.6M and \$8.0M in petroleum products sales (net of cost of goods sold) accounted for the majority of the decrease in GN generated revenues over budgeted revenues. The pandemic contributed to these decreases as Nunavummiut earned less and used less petroleum products as travel restrictions and work from home mandates were applied. This in turn resulted in lower personal income taxes and fuel taxes.

**Actual to Actual**

Total revenue for the year increased by \$219.2M over the prior period. Revenues from the Government of Canada increased by \$256.0M while GN revenues declined by \$36.8M compared to the prior year. The increase in revenues from the Government of Canada consisted of an increase in revenue from Territorial Formula Financing of \$70.8M (4.3%) over the prior period which was accompanied by an increase in Other Transfers from the Government of Canada of \$185.2M (54.9%). Federal funding to the Department of Health for medical travel and an amendment to the Non-insured Health Benefits agreement accounted for \$78.0M of the \$185.2M increase. Pandemic related support makes up the majority of the rest of the increase of the revenues from the Government of Canada. The GN's revenues decreased by \$36.8M due to lower fuel and personal income taxes of \$5.8M and \$9.1M respectively, as well as a decline in petroleum products sales (net of cost of goods sold) of \$3.5M and other revenues of \$13.5M. These decreases were offset by an increase in recoveries of \$4.1M, \$2.9M in property taxes and \$2.6M in tobacco taxes.



Expense Variance Analysis	2021	2021	2021 Percent	2020	Budget to Actual		Actual to Actual	
	Budget	Actual	of Total	Actual	\$ Variance	% Variance	\$ Variance	% Variance
Health	\$ 577,200	\$ 625,212	25.1%	\$ 569,594	\$ 48,012	7.7%	\$ 55,618	8.9%
Community and Government Services	518,700	486,673	19.5%	481,628	(32,027)	-6.6%	5,045	1.0%
Education	331,400	310,105	12.4%	290,479	(21,295)	-6.9%	19,626	6.3%
Housing	303,600	301,995	12.1%	298,372	(1,605)	-0.5%	3,623	1.2%
Finance	231,200	186,343	7.5%	174,220	(44,857)	-24.1%	12,123	6.5%
Family Services	165,400	151,290	6.1%	169,470	(14,110)	-9.3%	(18,180)	-12.0%
Justice	138,800	145,246	5.8%	141,563	6,446	4.4%	3,683	2.5%
Economic Development and Transportation	166,300	127,214	5.1%	117,832	(39,086)	-30.7%	9,382	7.4%
Environment	29,900	26,933	1.1%	32,119	(2,967)	-11.0%	(5,186)	-19.3%
Culture and Heritage	34,900	30,975	1.2%	31,889	(3,925)	-12.7%	(914)	-3.0%
Legislative Assembly	28,000	24,675	1.0%	27,666	(3,325)	-13.5%	(2,991)	-12.1%
Human Resources	33,200	22,067	0.9%	23,654	(11,133)	-50.5%	(1,587)	-7.2%
Executive and Intergovernmental Affairs	24,900	55,855	2.2%	20,340	30,955	55.4%	35,515	63.6%
<b>Total Expenses</b>	<b>\$ 2,583,500</b>	<b>\$ 2,494,583</b>	<b>100%</b>	<b>\$ 2,378,826</b>	<b>\$ (88,917)</b>	<b>-3.44%</b>	<b>\$ 115,757</b>	<b>4.87%</b>

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**PUBLIC ACCOUNTS**  
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**Budget to Actual**

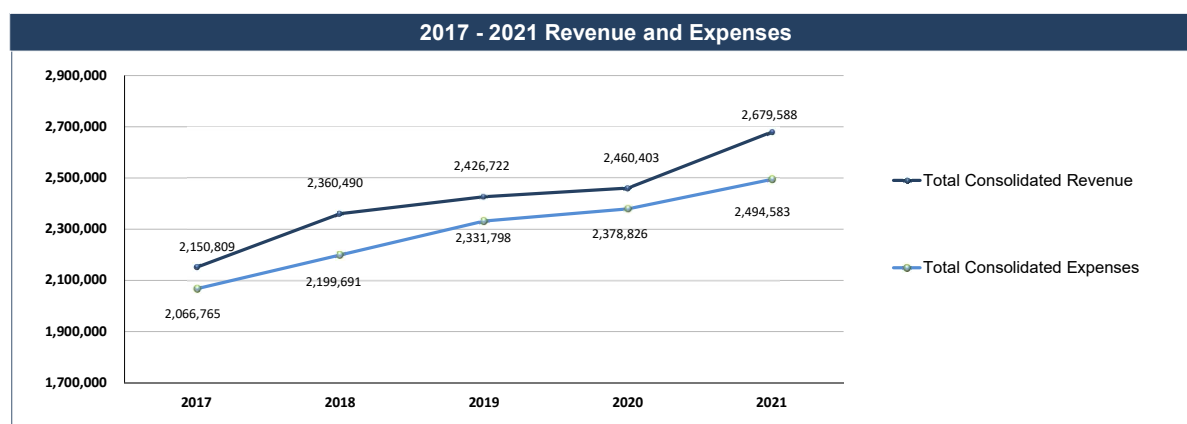
Total expenses were \$88.9M lower than the budget. Reduced spending in Community and Government Services (\$32.0M), Finance (\$44.9M), Education (\$21.3M) and Economic Development and Transportation (\$39.1M) accounted for the majority of the decrease in expenses. These amounts were offset by \$48.0M in additional spending in Health and \$31.0M in Executive and Intergovernmental Affairs. Most departments were unable to complete their planned programs and projects during the year due to pandemic related restrictions. Health and Executive and Intergovernmental Affairs reported a large portion of the pandemic related costs that were not budgeted for.

**Actual to Actual**

Total expenses grew by \$115.8M in 2021 over the prior period. Health accounted for \$55.6M of the increase. There was also an increase of \$19.6M in Education and \$35.5M in Executive and Intergovernmental Affairs. The total increase in expenses in these three departments accounted for \$110.7M out of the total of \$115.8M. Increased spending in Health was attributed to medical travel and accomodation costs related to Indigenous Services Canada (ISC), COVID related personal protective equipment and supplies, and Non-insured health benefits for First Nations and Inuit (NHIB) funding agreements in response to Covid-19. Increased pandemic related airline support contributed to the increased expenses at Executive and Intergovernmental Affairs. Education costs increased as the FANS program moved back to the department from Family Services. Additionally, Education increased their staffing levels and incurred additional costs, such as personal protective equipment for students and teachers and increased maintenance contracts for the schools, as a result of the pandemic.

**Revenues and Expenses - Trends**

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

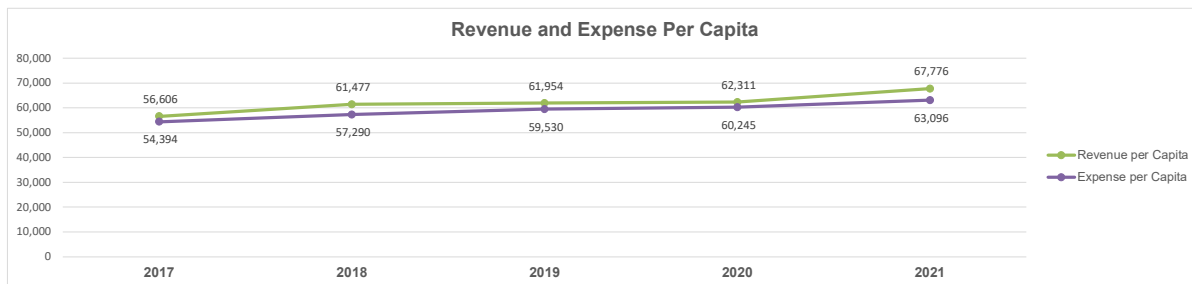


**Results of Operations**

	2017	2018	2019	2020	2021	5 Yr Avg
Revenue	\$ 2,150,809	\$ 2,360,490	\$ 2,426,722	\$ 2,460,403	\$ 2,679,588	
Expenses	2,066,765	2,199,691	2,331,798	2,378,826	2,494,583	
Surplus for the Year	<b>\$ 84,044</b>	<b>\$ 160,799</b>	<b>\$ 94,924</b>	<b>\$ 81,577</b>	<b>\$ 185,005</b>	
Annual Revenue Growth	-0.6%	9.7%	2.8%	1.4%	8.9%	<b>4.4%</b>
Annual Expense Growth	2.3%	6.4%	6.0%	2.0%	4.9%	<b>4.3%</b>

The GN continues its trend of annual surpluses. Annual revenue growth has averaged 4.4% over the last five years while growth in expenses has averaged 4.3%.

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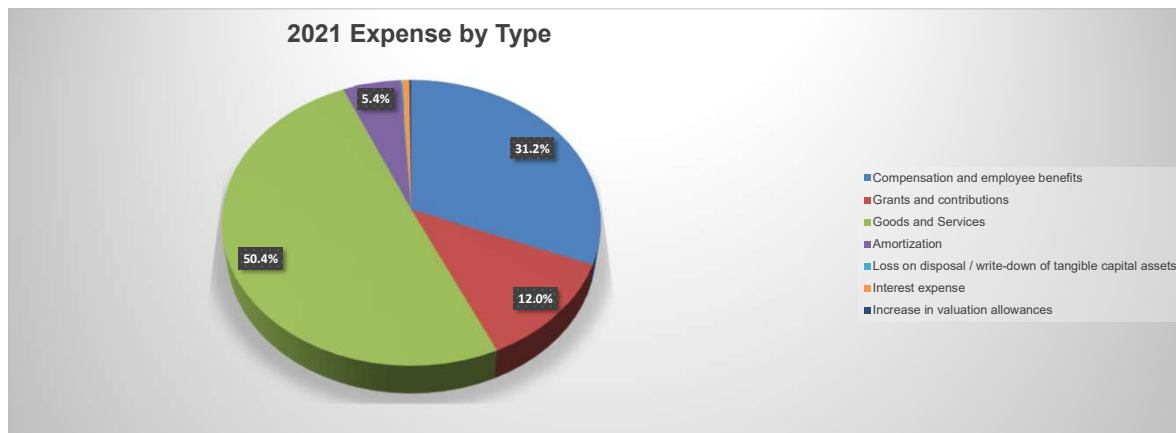


Revenue and Expenses per Capita	2017	2018	2019	2020	2021	5 Yr Average
Population	37,996	38,396	39,170	39,486	39,536	
Revenue per Capita	56,606	61,477	61,954	62,311	67,776	
Expense per Capita	54,394	57,290	59,530	60,245	63,096	
Population Growth	2.4%	1.1%	2.0%	0.8%	0.1%	1.3%
Per Capita Revenue growth	-3.0%	8.6%	0.8%	0.6%	8.8%	3.2%
Per Capita Expense growth	-0.1%	5.3%	3.9%	1.2%	4.7%	3.0%

On average, revenue and expenses have grown faster than the population over the past five years. The average annual growth in revenue and expenses has been 4.4% and 4.3% respectively over the past five years. The population has grown by an average of 1.3% over the past five years while per capita revenue and expenses has increased by an average of 3.2% and 3.0% respectively. The GN continues to spend more each year in total and on a per capita basis on its programs and services.

**Expense by Type**

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



Expense by Type	2017	2018	2019	2020	2021	2021 Percent of Total
Compensation and employee benefits	\$ 649,904	\$ 694,359	\$ 724,258	\$ 755,759	\$ 777,752	31.2%
Grants and contributions	200,619	196,339	270,184	273,826	299,950	12.0%
Goods and Services	1,080,640	1,121,455	1,171,479	1,185,721	1,257,301	50.4%
Amortization	109,163	152,687	136,228	131,653	133,904	5.4%
Loss on disposal / write-down of tangible capital assets	9,087	8,870	1,220	3,572	3,531	0.1%
Interest expense	8,777	11,664	21,134	20,883	17,443	0.7%
Increase in valuation allowances	8,575	14,317	7,295	7,412	4,702	0.2%
	<b>\$ 2,066,765</b>	<b>\$ 2,199,691</b>	<b>\$ 2,331,798</b>	<b>\$ 2,378,826</b>	<b>\$ 2,494,583</b>	<b>100%</b>
Top two expense categories as a percentage of total expenses	<b>83.7%</b>	<b>82.5%</b>	<b>81.3%</b>	<b>81.6%</b>	<b>81.6%</b>	

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*(in thousands of dollars)*

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### Summary of Significant Risks and Uncertainties

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

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

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



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**Indicators of Financial Condition**

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

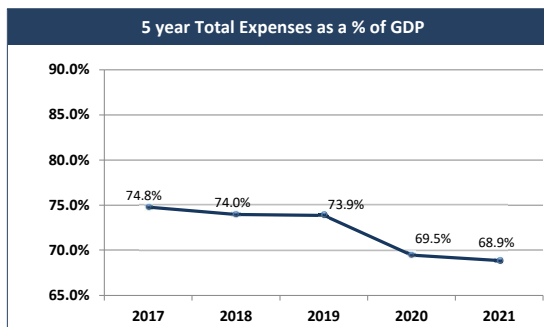
Although many indicators are available, the following sections discuss the more relevant measures and are intended to improve transparency and provide a clearer understanding of the GN's financial condition.

**Sustainability**

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

- **Total Expenses as a Percentage of GDP**. This indicator compares the growth rate of the GN's spending to the rate of growth in the economy (GDP) in which it operates. The GN's ratio for 2021 is 68.9%, which means GN spending in 2021 was less than real GDP for the period. The ratio has declined significantly since 2017 due to growth in the economy driven largely by resource development. This decline over the past five years indicates the economy is growing faster than GN spending. The growth in the economy provides the GN with an opportunity to increase its revenues and thereby lower its reliance on Federal Transfers.

March 31	Growth in Expenses	Total Expenses	Nunavut Real GDP	Total Expenses to GDP
2017	2.3%	2,066,765	2,764,500	74.8%
2018	6.4%	2,199,691	2,974,100	74.0%
2019	6.0%	2,331,798	3,156,400	73.9%
2020	2.0%	2,378,826	3,425,000	69.5%
2021	4.9%	2,494,583	3,623,000	68.9%
\$ change, year-to-year		115,757	198,000	
% change, year-to-year		4.9%	5.8%	
\$ change, 5 year trend		427,818	858,500	
% change, 5 year trend		20.7%	31.1%	



Source: Statistics Canada, System of National Accounts, Table # 36-10-0402-01. "Nunavut Real Gross Domestic Product by Industry"  
 Forecasted Real GDP for 2021 was based on the projection of the Conference Board of Canada.

The Conference Board of Canada (CBOC) expects Nunavut's economy to continue to grow, even though there will be negative effects due to the pandemic. Expected growth for 2021 is 13.2%. The CBOC expects the effects of the pandemic on the mining sector to be temporary. The mining sector accounts for approximately one third of Nunavut's real GDP. The CBOC expects employment to grow 1.3% annually between 2022 and 2024. While the unemployment rate is expected to fall to 15.0% in 2021, CBOC expects the unemployment rate will rise between 2022 and 2024. This continued rise in unemployment rates despite the employment gains is due to Nunavut's quicker labour force growth than in other parts of Canada.

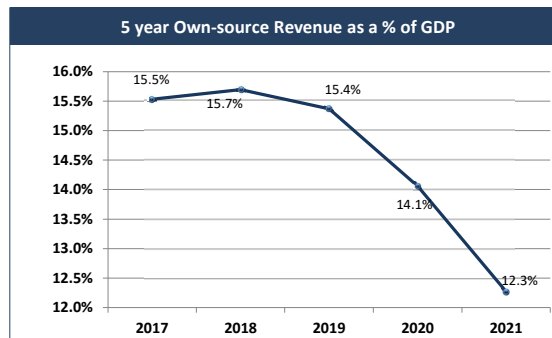
**Flexibility**

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

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

**GOVERNMENT OF NUNAVUT**  
**PUBLIC ACCOUNTS**  
**Financial Statement Discussion and Analysis**  
**for the year ended March 31, 2021**  
*(in thousands of dollars)*

March 31	Own-source revenue	Nunavut Real GDP	Own-source revenue to GDP
2017	429,378	2,764,500	15.5%
2018	466,714	2,974,100	15.7%
2019	485,087	3,156,400	15.4%
2020	481,451	3,425,000	14.1%
2021	444,606	3,623,000	12.3%
\$ change, year-to-year	(36,845)	198,000	
% change, year-to-year	-7.7%	5.8%	
\$ change, 5 year trend	15,228	858,500	
% change, 5 year trend	3.5%	31.1%	

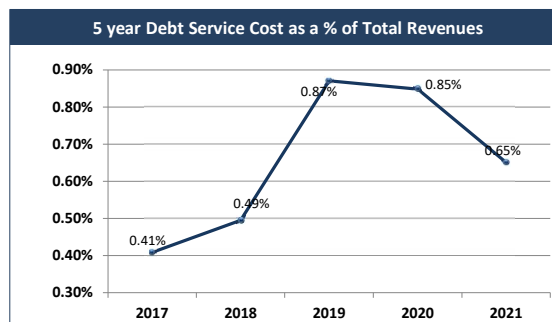


Source: Statistics Canada, System of National Accounts, Table # 36-10-0402-01. "Nunavut Real Gross Domestic Product by Industry"  
 Forecasted Real GDP for 2021 was based on the projection of the Conference Board of Canada.

The GN's own-source revenue compared to the size of the Nunavut economy has declined steadily over the last five years, ranging from 15.5% in 2017 to 12.3% in 2021. GN's own-source revenues in 2021 were primarily generated through taxation and sales which accounted for 30.7% and 47.6% of GN revenue. Most Canadian jurisdictions generate their revenue primarily through taxation. In Nunavut, personal, corporate and other taxes accounted for only 30.7% (\$136.5M) of total consolidated own-source revenue in 2021 (2020 - 30.6%, \$147.1M). The GN continues to work to increase its own source revenues by working to expand its tax base rather than raising tax rates.

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

March 31	Debt Service Costs	Total Revenue	Debt cost to revenue
2017	8,777	2,150,809	0.41%
2018	11,664	2,360,490	0.49%
2019	21,134	2,426,722	0.87%
2020	20,883	2,460,403	0.85%
2021	17,443	2,679,588	0.65%
\$ change, year-to-year	(3,440)	219,185	
% change, year-to-year	-16.5%	8.9%	
\$ change, 5 year trend	8,666	528,779	
% change, 5 year trend	98.7%	24.6%	

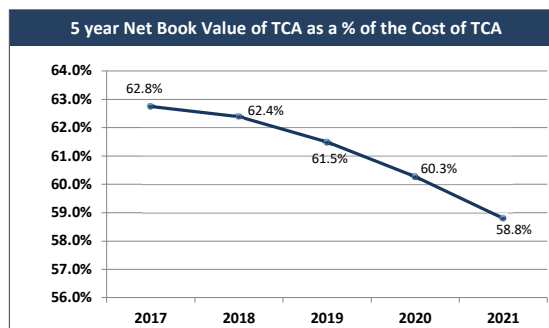


The ratio of debt service cost-to-revenues ranged from 0.41% to 0.87% in the last 5 years. The ratio increased significantly in 2019 due to the long-term debt acquired to finance the Iqaluit International Airport. The ratio improved in 2021 and is currently relatively low which indicates that interest costs are not a strain on the GN's resources leaving significant flexibility. At March 31, 2021, the GN had an authorized borrowing limited of \$750.0M of which \$319.4M remained available.

**GOVERNMENT OF NUNAVUT**  
**PUBLIC ACCOUNTS**  
**Financial Statement Discussion and Analysis**  
**for the year ended March 31, 2021**  
*(in thousands of dollars)*

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

March 31	Total net book value of TCA	Total Cost of TCA	NBV to cost of TCA
2017	2,230,729	3,554,679	62.8%
2018	2,409,523	3,861,690	62.4%
2019	2,513,892	4,088,134	61.5%
2020	2,586,215	4,290,675	60.3%
2021	2,613,680	4,445,462	58.8%
\$ change, year-to-year	27,465	154,787	
% change, year-to-year	1.1%	3.6%	
\$ change, 5 year trend	382,951	890,783	
% change, 5 year trend	17.2%	25.1%	



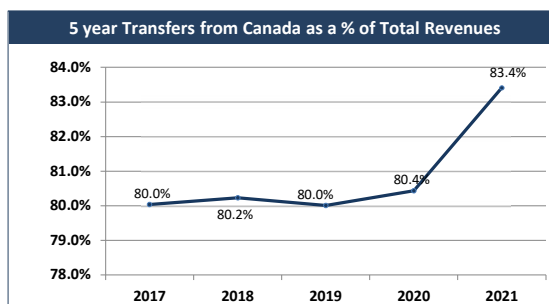
The GN ratio of net book value to total cost of tangible capital assets continues to decline indicating assets are getting older. As assets get older, repairs and maintenance costs increase which results in less funds available for other programs and services. The aging tangible capital asset base also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

**Vulnerability**

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

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

March 31	Total Transfers from Canada	Total GN Revenues	Transfers from Canada to GN revenue
2017	1,721,431	2,150,809	80.0%
2018	1,893,776	2,360,490	80.2%
2019	1,941,635	2,426,722	80.0%
2020	1,978,952	2,460,403	80.4%
2021	2,234,982	2,679,588	83.4%
\$ change, year-to-year	256,030	219,185	
% change, year-to-year	12.9%	8.9%	



The ratio of transfers from the Government of Canada to total revenue has remained relatively stable over the past four years. Transfers from the Government of Canada account for approximately 83.4% of the GN's total revenue. Transfers from the Government of Canada increased in 2020/21 due to an increase in pandemic related support. The GN remains highly dependent on federal sources of funding and is vulnerable to changes in the level of funding. The GN recognizes this high degree of reliance and is actively pursuing ways to increase its own source revenues without raising tax rates and thereby reduce its dependence on the Federal Government.

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**SECTION II**  
**CONSOLIDATED FINANCIAL STATEMENTS**

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## MANAGEMENT RESPONSIBILITY FOR FINANCIAL REPORTING

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

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

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

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

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



Dan Carlson  
Deputy Minister of Finance



Susan Nichols, CPA, CGA  
Comptroller General

October 20, 2021

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## **INDEPENDENT AUDITOR'S REPORT**

To the Legislative Assembly of Nunavut

### **Report on the Audit of the Consolidated Financial Statements**

#### *Opinion*

We have audited the consolidated financial statements of the Government of Nunavut and its controlled entities (the Group), which comprise the consolidated statement of financial position as at 31 March 2021, and the consolidated statement of operations and net assets, consolidated statement of change in net financial assets and consolidated statement of cash flow for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 March 2021, and the consolidated results of its operations, consolidated changes in its net financial assets, and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

#### *Basis for Opinion*

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

#### *Other Information*

Management is responsible for the other information. The other information comprises the information included in Sections I and II of the 2020–21 Public Accounts of the Government of Nunavut, but does not include the consolidated financial statements and our auditor's report thereon.

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



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

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

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

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

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

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

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

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

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



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

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

### **Report on Compliance with Specified Authorities**

#### *Opinion*

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

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

#### *Responsibilities of Management for Compliance with Specified Authorities*

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

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

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

A handwritten signature in black ink, appearing to read "Karen Hogan". The signature is fluid and cursive, with the first name "Karen" and the last name "Hogan" clearly distinguishable.

Karen Hogan, FCPA, FCA  
Auditor General of Canada

Ottawa, Canada  
20 October 2021

**GOVERNMENT OF NUNAVUT**  
**PUBLIC ACCOUNTS**  
**Consolidated Statement of Financial Position**  
**as at March 31, 2021**  
*(in thousands of dollars)*

	Note	2021	2020
<b>Financial assets</b>			
Cash and cash equivalents	3	1,092,902	711,607
Portfolio and other investments	4	89,842	195,831
Accounts receivable	5	266,943	248,443
Inventories for resale	6(a)	146,407	240,541
Condominiums held for resale	7	4,047	4,726
Loans receivable	8	14,398	15,990
<b>Total financial assets</b>		<b>1,614,539</b>	<b>1,417,138</b>
<b>Liabilities</b>			
Bank indebtedness	9	12,766	15,992
Accounts payable and accrued liabilities	10	456,768	457,023
Deferred revenues	11	208,960	159,130
Liability for contaminated sites	12	10,080	8,981
Liabilities for pension and other employee benefits	13	105,526	94,586
Long term debt	14	196,236	199,914
Liability for Iqaluit International Airport	15	151,672	153,467
Capital lease obligations	16	55,157	64,243
Liability for Nunavut Energy Management Program	17	14,802	15,004
<b>Total liabilities</b>		<b>1,211,967</b>	<b>1,168,340</b>
<b>Net financial assets</b>		<b>402,572</b>	<b>248,798</b>
<b>Non-financial assets</b>			
Tangible capital assets (Schedule B)		2,613,680	2,586,215
Condominiums held for resale	7	7,908	7,308
Inventories for use	6(b)	37,986	36,236
Prepaid expenses		7,666	6,250
<b>Total non-financial assets</b>		<b>2,667,240</b>	<b>2,636,009</b>
<b>Net assets</b>		<b>3,069,812</b>	<b>2,884,807</b>
Contractual obligations (Note 19)			
Contractual rights (Note 20)			
Contingencies (Note 21)			

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

**GOVERNMENT OF NUNAVUT**  
**PUBLIC ACCOUNTS**  
**Consolidated Statement of Operations and Net Assets**  
**for the year ended March 31, 2021**  
*(in thousands of dollars)*

	<b>2021 Budget</b> <small>(Note 23)</small>	<b>2021 Actual</b>	<b>2020 Actual</b>
<b>Revenues (Schedule A)</b>			
From the Government of Canada	2,148,000	2,234,982	1,978,952
Revenues generated by the Government of Nunavut	466,900	444,606	481,451
<b>Total revenues</b>	<b>2,614,900</b>	<b>2,679,588</b>	<b>2,460,403</b>
<b>Expenses (Note 18)</b>			
Health	577,200	625,212	569,594
Community and Government Services	518,700	486,673	481,628
Education	331,400	310,105	290,479
Housing	303,600	301,995	298,372
Finance	231,200	186,343	174,220
Family Services	165,400	151,290	169,470
Justice	138,800	145,246	141,563
Economic Development and Transportation	166,300	127,214	117,832
Executive and Intergovernmental Affairs	24,900	55,855	20,340
Culture and Heritage	34,900	30,975	31,889
Environment	29,900	26,933	32,119
Legislative Assembly	28,000	24,675	27,666
Human Resources	33,200	22,067	23,654
<b>Total expenses</b>	<b>2,583,500</b>	<b>2,494,583</b>	<b>2,378,826</b>
<b>Surplus for year</b>	<b>31,400</b>	<b>185,005</b>	<b>81,577</b>
<b>Net assets, beginning of year</b>	<b>2,884,807</b>	<b>2,884,807</b>	<b>2,803,230</b>
<b>Net assets, end of year</b>	<b>2,916,207</b>	<b>3,069,812</b>	<b>2,884,807</b>

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

**GOVERNMENT OF NUNAVUT**  
**PUBLIC ACCOUNTS**  
**Consolidated Statement of Change in Net Financial Assets**  
**for the year ended March 31, 2021**  
*(in thousands of dollars)*

	<b>2021 Budget</b>	<b>2021 Actual</b>	<b>2020 Actual</b>
<b>Surplus for year</b>	31,400	185,005	81,577
<b>Tangible capital assets (Schedule B)</b>			
Additions	(182,300)	(164,900)	(207,548)
Disposals	5,400	628	564
Write-downs	-	2,903	3,008
Amortization	142,200	133,904	131,653
	(34,700)	(27,465)	(72,323)
<b>Additions to inventories for use</b>	-	(60,265)	(59,546)
<b>Consumption of inventories for use</b>	-	58,515	58,984
<b>Reclassification of condominiums for resale</b>	-	-	(705)
<b>Purchases of condominiums for resale</b>	-	(600)	(848)
<b>Disposals of condominiums for resale</b>	-	-	2,263
<b>Net (additions) use of prepaid expenses</b>		(1,416)	14
	-	(3,766)	162
<b>(Decrease) increase in net financial assets</b>	(3,300)	153,774	9,416
<b>Net financial assets, beginning of year</b>	248,798	248,798	239,382
<b>Net financial assets, end of year</b>	245,498	402,572	248,798

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

**GOVERNMENT OF NUNAVUT**  
**PUBLIC ACCOUNTS**  
**Consolidated Statement of Cash Flow**  
**for the year ended March 31, 2021**  
*(in thousands of dollars)*

	2021	2020
<b>Cash provided by (used for) operating activities:</b>		
Cash received from:		
Transfers from the Government of Canada	2,266,407	1,975,608
Taxation	133,600	146,160
Insurance proceeds	-	16,649
Other generated revenues	292,140	307,345
Interest on loans receivable and portfolio investments	3,003	2,966
Cash paid for:		
Interest payments on long term debt	(15,448)	(17,038)
Interest payments on capital leases	(1,591)	(2,052)
To and on behalf of employees	(749,353)	(727,127)
Recipients	(300,841)	(274,526)
Suppliers	(1,170,583)	(1,213,690)
	457,334	214,295
<b>Cash provided by (used for) capital activities:</b>		
Purchases of tangible capital assets	(169,583)	(196,088)
Proceeds from sale of tangible capital assets	160	-
	(169,423)	(196,088)
<b>Cash provided by (used for) investing activities:</b>		
Loans issued to municipalities, businesses and individuals	(908)	(2,253)
Loan repayments by municipalities, businesses and individuals	3,254	7,083
Investments in condominiums held for resale	(600)	(848)
Proceeds from the sale of condominiums held for resale	750	2,499
Investments in portfolio and other investments	(84,206)	(96,014)
Proceeds from sale of portfolio and other investments	190,130	105,258
	108,420	15,725
<b>Cash provided by (used for) financing activities:</b>		
Proceeds from long term debt issuance	15,930	20,690
Principal payments on long term debt	(21,069)	(20,541)
Principal payments on capital leases	(6,671)	(12,361)
	(11,810)	(12,212)
<b>Increase in cash and cash equivalents</b>	384,521	21,720
<b>Net cash and cash equivalents, beginning of year</b>	695,615	673,895
<b>Net cash and cash equivalents, end of year</b>	1,080,136	695,615
Represented by:		
Cash and cash equivalents	1,092,902	711,607
Bank indebtedness	(12,766)	(15,992)
	1,080,136	695,615

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



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**GOVERNMENT OF NUNAVUT**  
**PUBLIC ACCOUNTS**  
**Notes to Consolidated Financial Statements**  
**March 31, 2021**  
*(in thousands of dollars)*

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**1 AUTHORITY AND OPERATIONS**

**(a) Authority**

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

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

**(b) Reporting entity**

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

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

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

	<b>Authority for Operations</b>
Consolidated Revenue Fund, including those departments and public agencies set out in the Government's Main Estimates	<i>Financial Administration Act</i>
Revolving Funds	<i>Revolving Funds Act</i>
Liquor Revolving Fund	
Petroleum Products Revolving Fund	
Public Stores Revolving Fund	
Student Loan Fund	
Territorial Corporations	
Nunavut Arctic College (NAC) ( <i>June 30</i> )	<i>Nunavut Arctic College Act</i>
Nunavut Business Credit Corporation (NBCC)	<i>Nunavut Business Credit Corporation Act</i>
Nunavut Development Corporation (including subsidiaries) (NDC)	<i>Nunavut Development Corporation Act</i>
Nunavut Housing Corporation (including subsidiaries) (NHC)	<i>Nunavut Housing Corporation Act</i>
Nunavut Lottery	<i>Partnership agreement</i>
Qulliq Energy Corporation (QEC)	<i>Qulliq Energy Corporation Act</i>
District Education Authorities ( <i>June 30</i> )	<i>Education Act</i>

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

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

**(c) Budget**

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

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

**2 SIGNIFICANT ACCOUNTING POLICIES**

**(a) Basis of accounting**

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

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

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

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

**(c) Cash and cash equivalents**

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

**(d) Portfolio and other investments**

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

**(e) Inventories**

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

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

**(f) Condominiums held for resale**

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

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

**(g) Loans receivable**

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

**2 SIGNIFICANT ACCOUNTING POLICIES (continued)**

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

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

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

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

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

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

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

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

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

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

Pension benefits

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

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

**2 SIGNIFICANT ACCOUNTING POLICIES (continued)**

Other employee benefits

Under the terms and conditions of employment, Government employees may earn severance and removal benefits based on years of service. These benefits are paid upon resignation, lay-off or termination, 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.

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

**(j) Revenues**

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

Transfers from the Government of Canada

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

Taxes

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

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

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

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

Recoveries of prior years expenditures

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

**(k) Expenses**

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

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

**2 SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(l) Contingencies**

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

**(m) Contaminated sites**

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

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

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

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

The liability includes all costs directly attributable to remediation activities including post remediation operations, maintenance and monitoring.

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

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

**(n) Services provided without charge**

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

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

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

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

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

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

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

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

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

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<b>3 CASH AND CASH EQUIVALENTS</b>	<b>2021</b>	<b>2020</b>
Cash	1,087,777	706,964
Designated cash	5,125	4,643
	<u>1,092,902</u>	<u>711,607</u>

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

The cash and cash equivalents yield for the year ended March 31, 2021 varied from 0.8% to 2.45% (2020 - 0.8% to 5.00%).

	<b>2021</b>	<b>2021</b>	<b>2021</b>	<b>2020</b>
	<b>Effective</b>	<b>Term to</b>	<b>Carrying</b>	<b>Carrying</b>
<b>Portfolio investments</b>	<b>Rate of Return</b>	<b>Maturity</b>	<b>Value</b>	<b>Value</b>
Provincial Governments			-	8,094
Various Bankers' Acceptance	0.2% - 2.35%	50 days - 5 years	65,011	165,335
			<u>65,011</u>	<u>173,429</u>
<b>Other investments</b>				
SRAF designated investments			23,636	21,032
Venture investments			1,195	1,370
			<u>89,842</u>	<u>195,831</u>

The market value of the portfolio investments at March 31, 2021 was \$65,273 (2020 - \$173,505).

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, 2021 was \$27,017 (2020 - \$20,548) with a positive return of 27.52% (2020 - negative 6.00%).

<b>5 ACCOUNTS RECEIVABLE</b>	<b>2021</b>	<b>2020</b>
Due from Government of Canada	180,039	157,919
Other revenues receivable:		
- Of the Territorial Corporations	67,036	68,918
- Of the Departments of Government	56,697	44,891
- Of the Petroleum Products Division	43,947	54,302
	<u>167,680</u>	<u>168,111</u>
Less: Allowance for doubtful accounts:		
- Territorial Corporations	(47,534)	(45,168)
- Departments of Government	(18,412)	(17,733)
- Petroleum Products Division	(14,830)	(14,686)
	<u>86,904</u>	<u>90,524</u>
	<u>266,943</u>	<u>248,443</u>

<b>6 INVENTORIES</b>	<b>2021</b>	<b>2020</b>
<b>(a) For resale</b>		
Bulk fuels	140,550	235,762
Liquor products	3,564	2,510
Finished goods	2,114	2,119
Packaging materials and supplies	179	150
	<u>146,407</u>	<u>240,541</u>
<b>(b) For use</b>		
Supplies and lubricants	27,214	25,116
Fuel	5,497	6,477
Health and medical supplies	4,118	3,680
Raw materials and work in progress	1,157	963
	<u>37,986</u>	<u>36,236</u>

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**7 CONDOMINIUMS HELD FOR RESALE**

In 2016-17, the Nunavut Housing Corporation acquired 62 residential units in Iqaluit with the intention of selling the units to the Government of Nunavut staff through the Staff Condominium program. In 2017-18, two of the units were added to the Staff Housing portfolio and work was undertaken to make the remaining 60 units available for sale as condominiums. The Nunavut Housing Corporation advertised its intent to sell the condominiums to Government of Nunavut staff, held an information session and sought applications from prospective buyers. Expected sales were delayed due to obstacles in establishing a condominium corporation. Prior to the end of the year, 13 of the units were sold and 16 of the units were occupied by prospective purchasers with sales pending. Pending sales are expected to be completed during 2021-22 and the related value is classified as a financial asset. The remaining 31 units have been classified as non-financial assets as their sale may not be completed prior to the end of 2022-23.

**8 LOANS RECEIVABLE**

	<b>2021</b>	<b>2020</b>
Loans from Nunavut Business Credit Corporation to businesses with a maximum maturity of 25 years, bearing interest between 5.25% and 6.96% (2020 - 5.32% and 6.96%), net of a valuation allowance of \$2,431 (2020 - \$3,177). The principal collaterals held as security and other credit enhancements for loans include: (i) various securities on assets; and (ii) corporate and personal guarantees.	10,451	11,899
Student Loan Fund loans, bearing interest between 0.0% and 12.5% (2020 - 0.0% and 12.5%), net of doubtful accounts and valuation allowances of \$5,683 (2020 - \$5,513).	1,893	1,838
Mortgage loans from Nunavut Housing Corporation to individuals with a maximum maturity of 25 years, bearing interest between 2.0% and 11.25% (2020 - 2.0% and 11.25%), net of a valuation allowance of \$2,954 (2020 - \$3,128) and subsidy to mortgage holders of \$4,129 (2020 - \$4,255).	1,883	2,027
Other, net of valuation allowance of \$64 (2020 - \$64).	171	226
	<b>14,398</b>	<b>15,990</b>

**9 BANK INDEBTEDNESS**

	<b>2021</b>	<b>2020</b>
Bankers' Acceptances	10,000	10,000
Overdraft	2,706	5,926
Line of credit - Uqqurmiut Arts and Craft Ltd.	60	66
	<b>12,766</b>	<b>15,992</b>

The Bankers' Acceptances (BAs) have a stamping fee of 50 basis points per annum and the interest rate is approximately prime minus 2.0%, subject to market, with terms not less than 7 days and not more than 365 days and issued and reissued in minimum aggregate amounts of Canadian \$1,000 and multiples thereof.

Included in the overdraft balance is \$2,685 (2020 - \$5,874) of Qulliq Energy Corporation credit facility with a limit of \$30,000 (2020 - \$30,000). Interest charged on the credit facility is at prime minus 0.5% (2021 - 1.95%; 2020 - 1.95%). The facility allows for the use of BAs for borrowing.

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

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<b>10 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES</b>	<b>2021</b>	<b>2020</b>
Due to the Government of Canada	35,766	31,483
Trade and other account payables:		
- Of the Departments of Government	150,820	125,618
- Of the Territorial Corporations	48,947	52,485
- Of the Petroleum Products Division	2,779	2,063
	<u>202,546</u>	<u>180,166</u>
Accrued liabilities, payroll deductions and contractor holdbacks		
- Of the Departments of Government	147,601	132,610
- Of the Petroleum Products Division	18,810	68,670
	<u>166,411</u>	<u>201,280</u>
Vacation pay and lieu time		
- Of the Departments of Government	44,025	36,811
- Of the Territorial Corporations	7,890	7,153
- Of the Petroleum Products Division	130	130
	<u>52,045</u>	<u>44,094</u>
	<u>456,768</u>	<u>457,023</u>

**11 DEFERRED REVENUES**

	<b>Balance April 1, 2020</b>	<b>Receipts during the year</b>	<b>Interest earned</b>	<b>Transfer to revenue</b>	<b>Balance March 31, 2021</b>
Gas Tax Agreement	67,716	16,500	605	(13,535)	71,286
Nunavut Land Claim Agreement	35,771	10,752	-	(8,162)	38,361
Strengthening Financial Management	783	38,664	-	(8,334)	31,113
Other deferred revenue	11,418	28,545	-	(13,895)	26,068
Canada Mortgage and Housing Corporation (CMHC)	31,023	32,732	-	(40,852)	22,903
Nunavut Wellness Agreement	9,023	30,945	-	(22,535)	17,433
Provincial-Territorial Base Funding (Building Canada Fund)	3,396	-	19	(1,619)	1,796
	<u>159,130</u>	<u>158,138</u>	<u>624</u>	<u>(108,932)</u>	<u>208,960</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 2021-22 and beyond, as the Government fulfills its obligations for purpose or other stipulations on the use of these funds the associated revenue will be recognized in its consolidated financial statements.



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<b>12 LIABILITY FOR CONTAMINATED SITES</b>	<b>2021</b>	<b>2020</b>
Liabilities for remediation of contaminated sites	10,080	8,981
	<u>10,080</u>	<u>8,981</u>

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

The Government recognizes that there are costs related to the remediation of environmentally contaminated sites for which it is responsible. As of March 31, 2021, there were 6 sites (2020 - 6), 2 storage tank farms (2020 - 2) and 4 waste sites (2020 - 4) identified as requiring environmental remediation. In addition to the number of sites disclosed above, Nunavut Housing Corporation has also recognized costs related to the remediation of 1 site (2020 - 1) contaminated as a result of oil spills. Qulliq Energy Corporation has recognized costs related to 2 sites (2020 - 4) resulting from oil spills at the Corporation's power plants. For those sites where the Government of Nunavut expects to give up future economic benefits due to a legal order or plans to remediate contamination (e.g., due to the risk to human health), and is responsible or has accepted responsibility for remediation, and a reasonable estimate can be determined for remediation costs, a liability has been recorded in these consolidated financial statements. Where remediation costs have been estimated and a liability has been recorded, the methodology used to estimate the liability is either based on third party analyses or extrapolated from costs previously incurred to remediate, monitor, or manage sites of similar size and contamination.

The Government has identified an additional 73 sites (2020 - 73) 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:

	<b>2021</b>	<b>2020</b>
Storage tank farms	25	25
Power plants	29	29
Town and waste sites	11	11
Garages and other public works	5	5
Airports	2	2
Quarries	1	1
	<u>73</u>	<u>73</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 29 power plant sites (2020 - 14 and 29) would cost approximately \$9,700 and \$39,000 (2020 - \$9,700 and \$40,000), respectively. In addition, the Government has estimated that remediation at the other sites could cost between \$65,000 - \$136,000 (2020 - \$65,000 - \$136,000) depending on the approach taken. No liability for remediation of these 73 sites (2020 - 73) has been recognized in these consolidated financial statements as the Government does not expect to give up any future economic benefits (i.e. no legal requirement to remediate). Going forward, a liability for remediation of these or other identified sites will be recognized if future economic benefits will be given up (i.e. public health risk or legal requirement).

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

In addition, the Government has identified 144 sites (2020 - 144) 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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**13 LIABILITIES FOR PENSION AND OTHER EMPLOYEE BENEFITS**

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

	<b>2021</b>	<b>2020</b>
<b>Pension Benefits</b>		
Pension plans for MLAs	20,335	18,350
Total pension benefits	20,335	18,350
<b>Other Employee Benefits</b>		
Retirement health benefits	38,419	31,801
Severance and removal	33,403	31,695
Sick leave	13,369	12,740
Total other employee benefits	85,191	76,236
Total pension and other employee benefits	105,526	94,586

**Public Service Pension Plan**

Substantially all of the employees of the Government are covered by the public service pension plan (the "Plan"), a defined benefit plan established through legislation and sponsored by the Government of Canada. The Government of Canada holds a statutory obligation for the payment of benefits relating to the Plan. Pension benefits generally accrue up to a maximum period of 35 years at an annual rate of 2 percent of pensionable service times the average of the best five consecutive years of earnings. The benefits are coordinated with Canada/Québec Pension Plan benefits and they are indexed to inflation. Contributions are required by both the employees and the Government of Nunavut. The President of the Treasury Board of Canada sets the required employer contributions based on a multiple of the employees' required contribution. The contribution rate effective at March 31, 2021 was 1.01 times (2020 - 1.01 times) for members enrolled before January 1, 2013, and 1.0 times (2020 - 1.0 times) for members enrolled beginning January 1, 2013. Total employer contributions of \$39,331 (2020 - \$38,730) were recognized as expense in the current year. Total employee contributions were \$39,123 (2020 - \$38,493).

**Pension Plans for MLAs**

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

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

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

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

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

There have been no plan amendments, plan settlements and curtailments or temporary deviations from these plans in 2021 (no changes in 2020).

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

Actuarial valuations were completed for these plans as of April 1, 2018. The valuations were performed using the projected unit credit actuarial cost method. The valuations were based on a number of assumptions as approved by the Management and Services Board of the Legislative Assembly and represents the best estimates of expected long-term experience and short-term forecast, as well as the demographic assumptions underlying the most recent actuarial valuations for funding purposes. The main assumptions include inflation rate of 2.0% (2020 - 2.0%), expected discount rate of 3.25% (2020 - 3.75%), return on assets of 4.7% (2020 - 5.3%), increases in remuneration of 3.0% (2020 - 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, 2022.

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>2021</b>	<b>2020</b>
Accrued benefit obligation	15,914	23,341	39,255	33,248
Deduct:				
Pension fund assets	16,514	-	16,514	15,200
Unamortized actuarial loss (gain)	898	1,508	2,406	(302)
	17,412	1,508	18,920	14,898
Pension (asset) liability	(1,498)	21,833	20,335	18,350

As at March 31, 2021, LARAF pension fund assets had a market value of \$17,903 (2020 - \$13,818). The actual rate of return was positive 31.24% (2020 - negative 7.13%). The SRAF has no pension fund assets; however, the pension liability is funded all or in part by designated investments (Note 4).

LARAF and SRAF actuarial gains/losses are both amortized over 4.0 years (2020 - 5.0 years) which is the estimated average remaining service lives for contributors to these plans.

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

	<b>LARAF</b>	<b>SRAF</b>	<b>2021</b>	<b>2020</b>
Current period benefit cost	1,327	2,075	3,402	3,103
Amortization of actuarial gains	(14)	(47)	(61)	(104)
	1,313	2,028	3,341	2,999
MLAs contributions	(274)	-	(274)	(277)
Pension expense	1,039	2,028	3,067	2,722
Interest cost on the average accrued benefit obligation	544	799	1,343	1,085
Expected return on the average pension plan assets	(735)	-	(735)	(779)
Pension interest (revenue) expense	(191)	799	608	306
Total expenses related to pensions	848	2,827	3,675	3,028

Pension benefits paid for the LARAF and SRAF were \$738 and \$925, respectively (2020 - \$356 and \$908, respectively).

The Government's contributions related to the LARAF and SRAF during the year were \$766 and \$1,638, respectively (2020 - \$457 and \$1,081, respectively).

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

**Other Employee Benefits**

Actuarial valuations for severance, removal and sick leave benefits were completed as of March 31, 2020. An actuarial valuation for retirement health benefits was completed as of March 31, 2021. The principal actuarial assumptions used in measuring the accrued benefit obligation of other employee benefits as at March 31, 2021, based on management's best estimate included increases in remuneration of 3.0% (2020 - 3.0%) and an average discount rate of 2.5% (2020 - 3.4%).

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

	<b>Severance and removal</b>	<b>Sick leave</b>	<b>Retirement health benefits</b>	<b>2021</b>	<b>2020</b>
Accrued benefit obligations at beginning of the year	31,695	12,740	47,596	92,031	80,915
Benefits earned	2,626	1,233	1,990	5,849	5,973
Interest cost on the average accrued benefit	680	372	1,911	2,963	2,413
Benefits paid	(3,115)	(1,284)	(1,044)	(5,443)	(5,880)
Actuarial loss	1,517	308	24,697	26,522	8,610
Accrued benefit obligations at end of year	33,403	13,369	75,150	121,922	92,031
Unamortized net actuarial gain	-	-	(36,731)	(36,731)	(15,795)
Other employee benefits liabilities, end of the year	33,403	13,369	38,419	85,191	76,236
<b>Benefit Expenses<sup>1</sup></b>					
Benefit earned for the period	2,625	1,233	1,990	5,848	5,973
Amortization of net actuarial losses recognized during the year	1,517	460	3,761	5,738	8,575
Other employee benefits expense	4,142	1,693	5,751	11,586	14,548
Interest cost on the average accrued benefit	680	371	1,911	2,962	2,413
Total expense related to other employee benefits	4,822	2,064	7,662	14,548	16,961

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

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**14 LONG TERM DEBT AND BORROWING AUTHORITY LIMIT**

<b>Loans and mortgages payable</b>	<b>2021</b>	<b>2020</b>
Loans payable to Canada Mortgage and Housing Corporation (CMHC), repayable in annual installments until the year 2032, bearing interest at a rate of 6.97% (2020 - 6.97%).	6,744	7,394
Loans payable to CMHC, assumed from Inuit Non-Profit Housing Corporation in 2017, repayable in monthly installments, maturing from 2021 to 2028 at interest rates from 2.12% to 10.375% (2020 - 2.12% - 10.375%).	142	174
Redeemable 20 year amortizing debenture, bearing interest at a rate of 6.809% (2020 - 6.809%) due September 27, 2021. Repayable in blended semi-annual payments of \$2,848 with a balloon payment of \$17,502 at the end of the term.	17,502	21,787
Non-revolving fixed rate term loan facility with payments of \$42 due monthly with the final payment due on May 1, 2021. Interest at 4.24%.	74	561
Non-revolving fixed rate term loan facility with payments of \$53 due monthly with the final payment due on May 1, 2021. Interest at 4.24%.	106	726
Non-revolving fixed rate term loan facility with payments of \$74 due monthly with the final payment due on June 1, 2021. Interest at 4.24%.	188	1,053
Non-revolving fixed rate term loan facility with payments of \$30 due monthly with the final payment due on February 1, 2022. Interest at 4.24%.	3,092	3,312
Non-revolving fixed rate term loan facility with payments of \$133 due monthly with the final payment due on July 1, 2021. Interest at 4.24%.	515	2,055
Non-revolving committed loan facility, payments on the first tranche of \$100 plus interest due monthly, beginning April 1, 2015 with the final payment due April 1, 2025; on the second tranche of \$58 beginning April 1, 2016, due April 1, 2026; on the third tranche of \$82 beginning April 1, 2017, due April 1, 2027; on the fourth tranche of \$166 beginning April 30, 2018, due April 30, 2028; on the fifth tranche of \$160 beginning April 30, 2019, with the final payment due April 30, 2029; on the sixth tranche of \$80 beginning April 30, 2020 with the final payment due on April 30, 2030; and on the seventh tranche of \$66 beginning April 30, 2021 with the final payment due on April 30, 2031. Interest at prime minus 0.5%.	145,739	137,566
Non-revolving committed loan facility, payments of \$83 plus interest due monthly, beginning on December 1, 2012 with the final payment due November 30, 2022. Interest at prime minus 0.5%.	11,667	12,667
Non-revolving committed loan facility, payments of \$67 plus interest due monthly, beginning on May 1, 2014 with the final payment due April 30, 2024. Interest at prime minus 0.5%.	10,467	11,267
Project financing payable, ecoENERGY Innovation Initiative program, interest free payments due annually with final payment due March 31, 2021. The payments are based on annual net profit arising from the project. Annual net profit arising from the project in 2021 was \$nil (2020 - \$nil). No repayments have been made to date.	-	1,352
	<b>196,236</b>	<b>199,914</b>

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

	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2022	32,542	2,708	35,250
2023	20,781	1,820	22,601
2024	10,170	1,611	11,781
2025	17,495	1,399	18,894
2026	20,370	1,155	21,525
2027 and beyond	94,878	2,552	97,430
	<b>196,236</b>	<b>11,245</b>	<b>207,481</b>

Interest expense on long term debt was \$2,910 for the year (2020 - \$5,545). During the year, interest costs of \$39 (2020 - \$133) were capitalized as part of additions to tangible capital assets. The interest paid on long term debt during the year was \$2,960 (2020 - \$5,696).

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**14 LONG TERM DEBT AND BORROWING AUTHORITY LIMIT (continued)**

**Borrowing Authority**

As of March 31, 2021, the Governor General in Council of Canada, pursuant to subsection 27(4) of the *Nunavut Act*, had approved the Government of Nunavut borrowing up to \$750 million (i.e., authorized borrowing limit).

	<b>2021</b>	<b>2020</b>
Qulliq Energy Corporation, long term debt	189,350	190,994
Nunavut Housing Corporation, long term debt	6,886	7,568
Qulliq Energy Corporation, repayable contribution agreement	-	1,352
	<u>196,236</u>	<u>199,914</u>
Consolidated Revenue Fund, Iqaluit International Airport (Note 15)	151,672	153,467
Capital lease obligations (Note 16)	55,157	64,243
Consolidated Revenue Fund, Liability for Nunavut Energy Management Program (Note 17)	14,802	15,004
	<u>417,867</u>	<u>432,628</u>
Bank indebtedness	12,766	15,992
Total debt	430,633	448,620
Authorized borrowing limit	750,000	650,000
Available borrowing capacity	319,367	201,380

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

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

**15 LIABILITY FOR IQALUIT INTERNATIONAL AIRPORT**

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

	<b>2021</b>	<b>2020</b>
Loan payable in monthly installments of \$1,069 to December 2047, bearing interest at a rate of 7.23%.	151,672	153,467

Interest expense on long term debt relating to the Iqaluit International Airport was \$11,035 for the year (2020 - \$11,159). Interest paid during the year was \$11,035 (2020 - \$11,159).

Minimum debt 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>
2022	1,929	10,900	12,829
2023	2,074	10,756	12,830
2024	2,229	10,601	12,830
2025	2,395	10,435	12,830
2026	2,574	10,256	12,830
2027 and beyond	140,471	138,576	279,047
	<u>151,672</u>	<u>191,524</u>	<u>343,196</u>

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**16 CAPITAL LEASE OBLIGATIONS**

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

	<b>2021</b>	<b>2020</b>
Total minimum lease payments	61,014	71,979
Less: imputed interest	(5,832)	(7,699)
Less: executory costs	(25)	(37)
Present value of minimum lease payments	<u>55,157</u>	<u>64,243</u>

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

	<b>Principal</b>	<b>Interest</b>	<b>Executory</b>	<b>Total</b>
2022	6,884	1,379	12	8,275
2023	6,911	1,161	12	8,084
2024	6,254	966	1	7,221
2025	6,423	793	-	7,216
2026	6,451	616	-	7,067
2027 and beyond	22,234	917	-	23,151
	<u>55,157</u>	<u>5,832</u>	<u>25</u>	<u>61,014</u>

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

Interest expense related to capital lease obligations for the year was \$1,591 (2020 - \$2,052) at an implied average interest rate of 2.9% (2020 - 3.2%). The capital lease obligations expire between 2022 and 2030.

**17 LIABILITY FOR NUNAVUT ENERGY MANAGEMENT PROGRAM**

	<b>2021</b>	<b>2020</b>
Project financing payable - Baffin	1,618	2,635
Project financing payable - Kivalliq	13,184	12,369
	<u>14,802</u>	<u>15,004</u>

Under the Nunavut Energy Management Program Project - Baffin region, the Government has entered into an energy savings contract arrangement that includes 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 \$123 (2020 - \$183). Interest paid during the year was \$123 (2020 - \$183).

Future payments for the Nunavut Energy Management Program Baffin Project, for each of the next 3 years are as follows:

	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2022	1,121	62	1,183
2023	402	13	415
2024	95	1	96
	<u>1,618</u>	<u>76</u>	<u>1,694</u>

The Nunavut Energy Management Program Project - Kivalliq region, is in the implementation phase and therefore, the future payments schedule is not determinable at this time. The Government has entered into a contract for \$24,258 that includes all principal and interest payments associated with the third-party financing of costs of improvements under the project. The project is expected to be completed by March 2022, 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 \$346 (2020 - \$228). Interest paid during the year was \$nil (2020 - \$nil).

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<b>18 EXPENSES BY TYPE</b>	<b>2021</b>	<b>2020</b>
Goods and services	1,257,301	1,185,721
Compensation and employee benefits	777,752	755,759
Grants and contributions	299,950	273,826
Amortization of tangible capital assets	133,904	131,653
Interest expense	17,443	20,883
Increase in valuation allowances	4,702	7,412
Loss on disposal / write-down of tangible capital assets	3,531	3,572
	<b>2,494,583</b>	<b>2,378,826</b>

**19 CONTRACTUAL OBLIGATIONS**

In addition to other commitments disclosed elsewhere in these consolidated financial statements, the Government has entered into agreements for, or is contractually obligated for, the following payments subsequent to March 31, 2021:

	<b>Total</b>
Commitments under operating leases	147,793
Capital commitments	154,005
Policing agreement	526,988
Iqaluit International Airport commitments	643,078
Other commitments	387,342
	<b>1,859,206</b>

Contractual obligations by fiscal year are as follows:

2022	413,182
2023	235,826
2024	136,793
2025	83,723
2026	79,062
2027 and beyond	910,620
	<b>1,859,206</b>

In addition to the Capital commitments disclosed above, the Government is also contractually obligated for the Nunavut Energy Management Program - Kivalliq (Note 17). At March 31, 2021, \$13,184 is recorded as a liability of the total estimated contract costs of \$24,258. Payments will commence when the project is completed, estimated by March 2022.

**20 CONTRACTUAL RIGHTS**

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

	<b>Total</b>
Canada Infrastructure Plan	546,462
New Building Canada Fund	178,873
Canada Mortgage and Housing Corporation	357,487
Health Canada Agreements	134,689
Others / Third party agreements	108,363
	<b>1,325,874</b>

Contractual rights by fiscal year are as follows:

2022	299,373
2023	303,610
2024	227,874
2025	152,775
2026	112,894
2027 and beyond	229,348
	<b>1,325,874</b>



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**21 CONTINGENCIES**

**(a) Post-division adjustments**

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

The period for such adjustments is unlimited; and such adjustments could be made in a variety of specified circumstances such as the settlement of litigation related to events prior to the date of division. In such an event, there is an opportunity for one of the governments to file a claim against the other government to share in costs. Post-division adjustments will be recognized in the year the liability can be reasonably estimated. As at March 31, 2021, no new post-division adjustments were recorded (2020 - nil).

**(b) Litigation**

A number of cases of alleged sexual abuse by former employees or contractors in Nunavut when it was part of the Northwest Territories have been filed or are pending. The Nunavut and the Northwest Territories governments will jointly defend any such proceedings and the cost of defending the actions and any damages that may eventually be awarded will be shared by the two governments 44.34% and 55.66%, respectively. Where it is likely that there will be a future payment and a reasonable estimate of the amount can be made, the Government has recorded a liability. For those pending cases, where the outcome is not determinable as at March 31, 2021 and a reasonable estimate of the amount can be made, the total amount of those claims is estimated at \$11,270 (2020 - \$1,545). No liability has been recorded for these claims as the outcome of these cases is not determinable.

There are a number of claims and threatened litigation cases outstanding against the Government for which the outcomes are not determinable, including a number of cases where an amount is not specified. The nature of these claims include wrongful dismissal, discrimination, breach of policy, personal injury, sexual abuse, negligence, wrongful arrest and assault. Where it is likely that there will be a future payment and a reasonable estimate of the amount can be made, the Government has recorded a liability. For those pending cases, where the outcome is not determinable as at March 31, 2021 and a reasonable estimate of the amount can be made, the total amount of those claims is estimated at \$105,671 (2020 - \$17,168). No liability has been recorded for these claims as the outcome of these cases is not determinable.

**(c) Other**

Under the terms of the Social Housing Agreement with Canadian Mortgage and Housing Corporation (CMHC), Nunavut Housing Corporation (NHC) is responsible for the administration of a number of loans to third parties, where CMHC is the lender or insurer of these loans. The agreement provides that NHC shall indemnify and reimburse CMHC for, and save it harmless from, all losses, costs and expenses related to these loans. The carrying value of these third party loans is approximately \$384 as at March 31, 2021 (2020 - \$ 430).

**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>2021</b>	<b>2020</b>
Public Trustee	7,402	6,897
Natural Resources Conservation Trust	1,326	1,307
Territorial Court Trust	611	742
	<b>9,339</b>	<b>8,946</b>

**23 COVID-19**

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a global pandemic, which continues to spread in Canada and around the world.

The Government of Nunavut supported their employees by closing government offices to non-essential staff and clients; customers by waiving payment terms and suspending collections; small businesses by instituting the Nunavut Essential Workers Wage Premium and Nunavummiut by operating isolation sites and vaccination clinics.

During the year ended March 31, 2021, the Government received an amount of \$183,860 (2020 - nil) from the Government of Canada to support it during the pandemic. In response to COVID-19, the Government of Canada also supplied the Territory with equipment, supplies, and vaccines at no cost. These are recorded at fair value when such value can reasonably be determined. The equipment and supplies received were accounted for based on an estimated fair value of \$4,756. No amounts have been recorded for the COVID-19 vaccines provided by the Government of Canada as the fair value of these vaccines cannot be reasonably determined.

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

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

for the year ended March 31, 2021

*(in thousands of dollars)*

	<b>2021</b>	<b>2020</b>
	<b>Actual</b>	<b>Actual</b>
<b>From the Government of Canada</b>		
Territorial Formula Financing	1,712,512	1,641,713
Transfers under third-party funding agreements	352,375	190,491
Other transfer payments	170,095	146,748
	<b>2,234,982</b>	<b>1,978,952</b>
<b>Revenues generated by the Government of Nunavut</b>		
Personal income tax	22,341	31,397
Corporate income tax	21,767	23,616
Payroll tax	35,683	35,272
Tobacco tax	25,173	22,581
Fuel tax	17,702	23,532
Property tax	11,319	8,384
Insurance tax	2,536	2,320
Sales		
Petroleum Products Revolving Fund - before cost of goods sold of \$96,394 (2020 - \$110,977)	119,830	130,946
Liquor Revolving Fund - before cost of goods sold of \$8,030 (2020 - \$7,648)	16,944	16,002
Nunavut Development Corporation - before cost of goods sold of \$2,859 (2020 - \$4,395)	2,657	3,652
Qulliq Energy Corporation - power sales	72,388	73,739
Staff housing recoveries	21,333	21,310
Transfers under third-party funding agreements	1,415	1,077
Recoveries of prior years expenditures	12,720	8,586
Investment income	4,264	8,991
Other revenues	56,534	70,046
	<b>444,606</b>	<b>481,451</b>
<b>Total revenues</b>	<b>2,679,588</b>	<b>2,460,403</b>

**GOVERNMENT OF NUNAVUT  
PUBLIC ACCOUNTS**

**SCHEDULE B**

**Consolidated Schedule of Tangible Capital Assets**

**for the year ended March 31, 2021**

*(in thousands of dollars)*

	Buildings	Leased Buildings	Storage Facilities	Tank Farms	Equipment	Warehouse / Equipment (QEC)	Electric Power Plants	Transmission Distribution Systems	Infrastructure	Land	2021	2020
<b>Cost of tangible capital assets</b>												
Opening balance	2,609,586	193,438	50,548	207,845	145,812	58,084	342,566	77,355	357,945	327	4,043,506	3,899,304
Additions	7,091	-	-	-	6,786	-	-	-	791	-	14,668	30,384
Transferred from work in progress	71,536	-	(152)	-	-	57	2,804	1,499	8,756	-	84,500	118,825
Disposals	(121)	-	(1,146)	-	-	(211)	(4,902)	(27)	-	-	(6,407)	(1,999)
Write-downs	(1,292)	(2,414)	-	-	-	-	-	-	-	-	(3,706)	(3,008)
Closing balance	2,686,800	191,024	49,250	207,845	152,598	57,930	340,468	78,827	367,492	327	4,132,561	4,043,506
<b>Accumulated amortization</b>												
Opening balance	(1,058,831)	(124,617)	(25,070)	(99,645)	(122,526)	(26,030)	(123,530)	(25,951)	(98,260)	-	(1,704,460)	(1,574,242)
Amortization	(83,645)	(7,167)	(1,645)	(7,093)	(8,317)	(2,098)	(10,054)	(1,556)	(12,329)	-	(133,904)	(131,653)
Disposals	104	-	535	-	-	211	4,902	27	-	-	5,779	1,435
Write-downs	803	-	-	-	-	-	-	-	-	-	803	-
Closing balance	(1,141,569)	(131,784)	(26,180)	(106,738)	(130,843)	(27,917)	(128,682)	(27,480)	(110,589)	-	(1,831,782)	(1,704,460)
<b>Work in progress</b>												
Opening balance	111,670	-	360	8,301	49	1,611	8,779	3,066	113,333	-	247,169	188,830
Additions	102,669	-	46	4,482	-	1,066	15,184	1,931	24,854	-	150,232	177,164
Transferred to cost of tangible capital assets	(71,600)	-	152	-	-	(57)	(2,804)	(1,499)	(8,692)	-	(84,500)	(118,825)
Closing balance	142,739	-	558	12,783	49	2,620	21,159	3,498	129,495	-	312,901	247,169
<b>Net book value</b>	<b>1,687,970</b>	<b>59,240</b>	<b>23,628</b>	<b>113,890</b>	<b>21,804</b>	<b>32,633</b>	<b>232,945</b>	<b>54,845</b>	<b>386,398</b>	<b>327</b>	<b>2,613,680</b>	<b>2,586,215</b>
<b>Estimated useful life</b>	<b>20-35 years</b>	<b>20-30 years</b>	<b>20-30 years</b>	<b>30 years</b>	<b>5-30 years</b>	<b>1-45 years</b>	<b>20-40 years</b>	<b>15-45 years</b>	<b>30 years</b>			

During the year, interest of \$39 was capitalized (2020 - \$133) as part of the cost of additions.

The purchases of tangible capital assets presented in the Consolidated Statement of Cash Flow excludes an amount of \$5,289 (2020 - \$9,993) in relation to acquisition and construction of assets that remain unpaid as of March 31, 2021 as well as an amount of \$690 (2020 - \$680) for non-monetary transactions incurred during the year.

Included in tangible capital asset additions are \$303 (2020 - \$707) of corporate overhead costs of the Qulliq Energy Corporation.

**GOVERNMENT OF NUNAVUT**

**SCHEDULE C**

**PUBLIC ACCOUNTS**

**Consolidated Schedule of Segmented Information**

**for the year ended March 31, 2021**

*(in thousands of dollars)*

	Consolidated Revenue Fund	Revolving Funds	Territorial Corporations	Total for All Segments	Consolidation Adjustments (1)	2021	2020
<b>Revenues</b>							
From the Government of Canada							
Territorial Formula Financing Agreement	1,712,512	-	-	1,712,512	-	1,712,512	1,641,713
Transfers under third-party funding agreements	350,578	-	1,797	352,375	-	352,375	190,491
Other transfer payments	113,220	-	56,875	170,095	-	170,095	146,748
	2,176,310	-	58,672	2,234,982	-	2,234,982	1,978,952
Generated by the Government of Nunavut							
Corporate and personal income taxes	44,108	-	-	44,108	-	44,108	55,013
Other taxes	92,413	-	-	92,413	-	92,413	92,089
Sales	-	205,820	131,002	336,822	(125,003)	211,819	224,339
Transfers under third-party funding agreements	1,415	-	-	1,415	-	1,415	1,077
General	48,737	-	382,508	431,245	(349,114)	82,131	100,347
	186,673	205,820	513,510	906,003	(474,117)	431,886	472,865
Recoveries of prior years expenditures	12,720	-	-	12,720	-	12,720	8,586
<b>Total revenues</b>	<b>2,375,703</b>	<b>205,820</b>	<b>572,182</b>	<b>3,153,705</b>	<b>(474,117)</b>	<b>2,679,588</b>	<b>2,460,403</b>
<b>Expenses</b>							
Goods and services	869,148	200,912	332,240	1,402,300	(144,999)	1,257,301	1,185,721
Compensation and employee benefits	626,444	8,165	134,497	769,106	8,646	777,752	755,759
Grants and contributions	672,914	-	-	672,914	(372,964)	299,950	273,826
Amortization of tangible capital assets	83,176	-	51,043	134,219	(315)	133,904	131,653
Interest expense	13,014	16	4,447	17,477	(34)	17,443	20,883
Increase in valuation allowances	686	144	2,726	3,556	1,146	4,702	7,412
Loss on disposal / write down of tangible capital assets	2,414	-	492	2,906	625	3,531	3,572
<b>Total expenses</b>	<b>2,267,796</b>	<b>209,237</b>	<b>525,445</b>	<b>3,002,478</b>	<b>(507,895)</b>	<b>2,494,583</b>	<b>2,378,826</b>
<b>Surplus (deficit) for year</b>	<b>107,907</b>	<b>(3,417)</b>	<b>46,737</b>	<b>151,227</b>	<b>33,778</b>	<b>185,005</b>	<b>81,577</b>

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

**SECTION III**

**NON-CONSOLIDATED FINANCIAL STATEMENTS**  
(Unaudited)

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**GOVERNMENT OF NUNAVUT  
PUBLIC ACCOUNTS**

**Non-Consolidated Statement of Financial Position (unaudited)**

**as at March 31, 2021**

*(in thousands of dollars)*

	Note	2021	2020
<b>Financial assets</b>			
Cash and cash equivalents	3	902,430	604,270
Due from the Government of Canada	4	148,425	127,268
Accounts receivable	5	111,300	119,067
Inventories for resale	6(a)	144,114	238,272
Loans receivable	7	13,898	16,060
Portfolio and other investments	8	23,636	71,032
<b>Total financial assets</b>		<b>1,343,803</b>	<b>1,175,969</b>
<b>Liabilities</b>			
Accounts payable and accrued liabilities	9	415,157	416,789
Deferred revenues	10	181,942	125,333
Liability for contaminated sites	11	9,609	8,154
Liabilities for pension and other employee benefits	12	97,294	86,858
Liability for Iqaluit International Airport	13	151,672	153,467
Capital lease obligations	14	53,766	62,268
Liability for Nunavut Energy Management Program	15	14,802	15,004
<b>Total liabilities</b>		<b>924,242</b>	<b>867,873</b>
<b>Net financial assets</b>		<b>419,561</b>	<b>308,096</b>
<b>Non-financial assets</b>			
Tangible capital assets (Schedule C)		1,512,992	1,521,145
Inventories for use	6(b)	4,118	3,680
Prepaid expenses		5,163	4,423
<b>Total non-financial assets</b>		<b>1,522,273</b>	<b>1,529,248</b>
<b>Net assets</b>		<b>1,941,834</b>	<b>1,837,344</b>
Contractual obligations (Note 17)			
Contractual rights (Note 18)			
Contingencies (Note 19)			

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

**GOVERNMENT OF NUNAVUT  
PUBLIC ACCOUNTS**

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

**for the year ended March 31, 2021**

*(in thousands of dollars)*

	<b>2021 Budget</b> <small>(Note 23)</small>	<b>2021 Actual</b>	<b>2020 Actual</b>
<b>Revenues (Schedule A)</b>			
From the Government of Canada	2,067,295	2,176,310	1,931,922
Tax revenues generated by the Government of Nunavut	144,900	136,521	147,102
Other revenues generated by the Government of Nunavut	92,969	82,502	88,876
Recoveries of prior years expenditures	13,000	12,720	8,586
<b>Total revenues</b>	<b>2,318,164</b>	<b>2,408,053</b>	<b>2,176,486</b>
<b>Expenses (Schedule B)</b>			
Operations and maintenance expenses before amortization and write down of tangible capital assets	2,029,478	2,050,707	1,927,543
<i>Plus:</i> Amortization expenses on tangible capital assets	87,121	83,176	80,838
<i>Plus:</i> Write-down of tangible capital assets	-	2,414	3,008
Total operations and maintenance expenses	2,116,599	2,136,297	2,011,389
Capital expenditures	294,688	245,314	248,492
<i>Less:</i> Transfers to tangible capital assets	62,651	78,048	122,996
Total capital expenses	232,037	167,266	125,496
<b>Total expenses</b>	<b>2,348,636</b>	<b>2,303,563</b>	<b>2,136,885</b>
<b>(Deficit) surplus for year</b>	<b>(30,472)</b>	<b>104,490</b>	<b>39,601</b>
<b>Net assets, beginning of year</b>	<b>1,837,344</b>	<b>1,837,344</b>	<b>1,797,743</b>
<b>Net assets, end of year</b>	<b>1,806,872</b>	<b>1,941,834</b>	<b>1,837,344</b>

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



**GOVERNMENT OF NUNAVUT  
PUBLIC ACCOUNTS**

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

**for the year ended March 31, 2021**

*(in thousands of dollars)*

	<b>2021 Budget</b>	<b>2021 Actual</b>	<b>2020 Actual</b>
<b>(Deficit) surplus for year</b>	(30,472)	104,490	39,601
<b>Tangible capital assets (Schedule C)</b>			
Additions	(62,651)	(78,048)	(122,995)
Disposals	45	611	-
Additions in Kind	(40)	-	-
Write-downs	-	2,414	3,008
Amortization	87,121	83,176	80,838
	24,475	8,153	(39,149)
<b>Additions to inventories for use</b>	-	(6,538)	(4,496)
<b>Consumption of inventories for use</b>	-	6,100	4,320
<b>Net additions of prepaid expenses</b>	-	(740)	30
	-	(1,178)	(146)
<b>(Decrease) increase in net financial assets</b>	(5,997)	111,465	306
<b>Net financial assets, beginning of year</b>	308,096	308,096	307,790
<b>Net financial assets, end of year</b>	302,099	419,561	308,096

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

**GOVERNMENT OF NUNAVUT**  
**PUBLIC ACCOUNTS**  
**Non-Consolidated Statement of Cash Flow (unaudited)**  
**for the year ended March 31, 2021**  
*(in thousands of dollars)*

	<b>2021</b>	<b>2020</b>
<b>Cash provided by (used for) operating activities:</b>		
Cash received from:		
Transfers from the Government of Canada	2,215,642	1,933,176
Taxation	133,600	146,160
Insurance proceeds	-	16,649
Other generated revenues	254,550	253,908
Interest on loans receivable and portfolio investments	2,025	1,490
Cash paid for:		
Interest payments on capital leases, mortgage and project financing	(12,664)	(13,324)
To and on behalf of employees	(613,608)	(588,935)
Recipients	(636,384)	(553,790)
Suppliers	(1,005,810)	(1,075,742)
	<b>337,351</b>	<b>119,592</b>
<b>Cash provided by (used for) capital activities:</b>		
Purchases of tangible capital assets	(79,876)	(112,252)
	<b>(79,876)</b>	<b>(112,252)</b>
<b>Cash provided by (used for) investing activities:</b>		
Loans issued to municipalities, businesses and individuals	(46)	(474)
Loan repayments by municipalities, businesses and individuals	2,236	4,548
Investments in portfolio and other investments	47,396	(1,355)
	<b>49,586</b>	<b>2,719</b>
<b>Cash provided by (used for) financing activities:</b>		
Principal payments on Iqaluit International Airport	(1,795)	(1,670)
Principal payments on capital leases	(6,088)	(11,804)
Principal payments on Nunavut Energy Savings Program Project	(1,018)	(1,060)
Principal payments on mortgage payable	-	(830)
	<b>(8,901)</b>	<b>(15,364)</b>
<b>(Decrease) increase in cash and cash equivalents</b>	<b>298,160</b>	<b>(5,305)</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>604,270</b>	<b>609,575</b>
<b>Cash and cash equivalents, end of year (Note 3)</b>	<b>902,430</b>	<b>604,270</b>

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

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**GOVERNMENT OF NUNAVUT  
PUBLIC ACCOUNTS**

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

**March 31, 2021**

(in thousands of dollars)

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**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 2020-2021 Main Estimates were tabled in the Legislative Assembly in February 2020 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 2020-2021 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 2020, they are, along with those of revolving funds, included in the original budget totals disclosed in these financial statements.

**2 SIGNIFICANT ACCOUNTING POLICIES**

**(a) Basis of accounting**

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

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

**(b) Reporting entity**

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

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

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

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

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

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

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

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

**GOVERNMENT OF NUNAVUT  
PUBLIC ACCOUNTS**

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

March 31, 2021

(in thousands of dollars)

**2 SIGNIFICANT ACCOUNTING POLICIES (continued)**

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

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

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

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

**(d) Cash and cash equivalents**

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

**(e) Inventories**

Inventories for resale include bulk fuel and liquor products. Liquor products and bulk fuel are valued at the lower of weighted average cost or net realizable value. 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. 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, lay-off or termination, 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. Severance and removal 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) 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.

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

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

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

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

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

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

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

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

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

March 31, 2021

*(in thousands of dollars)*

<b>3 CASH AND CASH EQUIVALENTS</b>	<b>2021</b>	<b>2020</b>
Cash	902,430	604,270

During the year, government earned interest of prime less 1.65% on its net bank balances (2020 - prime less 1.65%).

<b>4 DUE FROM THE GOVERNMENT OF CANADA</b>	<b>2021</b>	<b>2020</b>
Grant receivable:		
From the Government of Canada (Schedule A)	1,712,512	1,641,713
Less: Payments received	(1,712,512)	(1,641,713)
	-	-
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	148,425	127,268
	148,425	127,268

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>2021</b>	<b>2020</b>
<b>Receivable by funds</b>		
Consolidated Revenue Fund	72,172	59,495
Petroleum Products Revolving Fund	72,229	91,678
Public Stores Revolving Fund	94	236
Liquor Revolving Fund	47	77
	144,542	151,486
Less: Allowance for doubtful accounts	(33,242)	(32,419)
	111,300	119,067
<b>Receivable by relation with the creditors</b>		
Nunavut Arctic College	4,981	7,460
District Education Authorities	5,992	2,375
Nunavut Business Credit Corporation	60	240
Nunavut Development Corporation	2	5
Nunavut Housing Corporation	17,146	19,449
Qulliq Energy Corporation	15,717	22,764
Receivable from related parties	43,898	52,293
	100,644	99,193
Other accounts receivable	144,542	151,486
Less: Allowance for doubtful accounts	(33,242)	(32,419)
	111,300	119,067

<b>6 INVENTORIES</b>	<b>2021</b>	<b>2020</b>
<b>(a) For resale</b>		
Bulk fuels	140,550	235,762
Liquor products	3,564	2,510
	144,114	238,272

The write down for bulk fuels inventory for 2021 was \$406 (2020 - \$821 recovery).

<b>(b) For use</b>		
Health and medical supplies	4,118	3,680

**GOVERNMENT OF NUNAVUT  
PUBLIC ACCOUNTS**

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

March 31, 2021

(in thousands of dollars)

7 LOANS RECEIVABLE	2021	2020
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 0.53% and 1.18% (2020 - 0.50% and 1.72%) at the end of the month, compounded annually.	12,005	14,222
Student Loan Fund loans, bearing interest between 0.0% and 12.5% (2020 - 0.0% and 12.5% ), net of doubtful accounts and valuation allowances of \$5,683 (2020 - \$5,513).	1,893	1,838
Other, net of valuation allowances of \$64 (2020 - \$64).	-	-
	<b>13,898</b>	<b>16,060</b>

8 PORTFOLIO AND OTHER INVESTMENTS	2021	2020		
	Effective Rate of Return	Term to Maturity	Carrying Value	Carrying Value
<b>Portfolio investments</b>				
Guaranteed Investment Certificate			-	50,000
			-	50,000
<b>Other investments</b>				
SRAF designated investments			23,636	21,032
			23,636	71,032

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, 2021 was \$27,017 (2020 - \$20,548) with a positive return of 27.52% (2020 - negative return of 6.00%).

9 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES	2021	2020
<b>To related parties</b>		
Nunavut Arctic College	2,116	1,979
District Education Authorities	2,602	1,837
Nunavut Business Credit Corporation	-	2
Nunavut Development Corporation	167	88
Nunavut Housing Corporation	3,286	1,142
Qulliq Energy Corporation	8,076	14,972
	<b>16,247</b>	<b>20,020</b>
<b>To others</b>		
Accounts payable	145,212	126,582
Accrued liabilities, payroll deductions, and contractor holdbacks	166,411	201,280
Vacation pay and lieu time	44,155	36,941
Due to the Government of Canada	34,747	30,867
Due to the Government of the Northwest Territories	8,385	1,099
	<b>398,910</b>	<b>396,769</b>
	<b>415,157</b>	<b>416,789</b>

All amounts above are non-interest bearing.

10 DEFERRED REVENUES	Balance April 1, 2020	Receipts during the year	Interest earned	Transfer to revenue	Balance March 31, 2021
Provincial-Territorial Base Funding (Building Canada Fund)	3,396	-	19	(1,619)	1,796
Gas Tax Agreement	67,716	16,500	605	(13,534)	71,287
Nunavut Land Claim	35,771	10,752	-	(8,162)	38,361
Other deferred revenue	18,450	94,037	-	(41,989)	70,498
	<b>125,333</b>	<b>121,289</b>	<b>624</b>	<b>(65,304)</b>	<b>181,942</b>

The deferred revenue balance at March 31 includes funding for eligible capital infrastructure projects and specific programs received from the Government of Canada under formal contribution or other agreements. In 2021-22 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****PUBLIC ACCOUNTS****Notes to Non-Consolidated Financial Statements (unaudited)**

March 31, 2021

*(in thousands of dollars)***11 LIABILITY FOR CONTAMINATED SITES****2021****2020**

Liabilities for remediation of contaminated sites	9,609	8,154
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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, 2021, there were 6 sites (2020 - 6) - 2 storage tank farms (2020 - 2) and 4 waste sites - (2020 - 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 73 (2020 - 73) 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:

	<b>2021</b>	<b>2020</b>
Storage tank farms	25	25
Power plants	29	29
Town and waste sites	11	11
Garages and other public works	5	5
Airports	2	2
Quarries	1	1
	<b>73</b>	<b>73</b>

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 29 power plant sites (2020 - 14 and 29) would cost approximately \$9,700 and \$39,000 (2020 - \$9,700 and \$40,000), respectively. In addition, the Government has estimated that remediation at the other sites could cost between \$65,000 - \$136,000 (2020 - \$65,000 - \$136,000) depending on the approach taken. No liability for remediation of these 73 (2020 - 73) sites has been recognized in these financial statements as the Government does not expect to give up any future economic benefits (i.e. no legal requirement to remediate). Going forward, a liability for remediation of these or other identified sites will be recognized if future economic benefits will be given up (i.e. public health risk or legal requirement).

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

In addition, the Government has identified 144 (2020 - 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.

**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:

	<b>2021</b>	<b>2020</b>
<b>Pension Benefits</b>		
Pension plans for MLAs	20,335	18,350
Total pension benefits	20,335	18,350
<b>Other Employee Benefits</b>		
Severance and removal	27,363	26,208
Retirement health benefits	38,419	31,801
Sick leave	11,177	10,499
Total other employee benefits	76,959	68,508
Total pension and other employee benefits	97,294	86,858

**Public Service Pension Plan**

Substantially all of the employees of the Government of Nunavut are covered by the public service pension plan (the "Plan"), a defined benefit plan established through legislation and sponsored by the Government of Canada. The Government of Canada holds a statutory obligation for the payment of benefits relating to the Plan. Pension benefits generally accrue up to a maximum period of 35 years at an annual rate of 2 percent of pensionable service times the average of the best five consecutive years of earnings. The benefits are coordinated with Canada/Québec Pension Plan benefits and they are indexed to inflation. Contributions are required by both the employees and the Government of Nunavut. The President of the Treasury Board of Canada sets the required employer contributions based on a multiple of the employees' required contribution. The contribution rate effective at March 31, 2020 was 1.01 times (2020 - 1.01 times) for members enrolled before January 1, 2013, and 1.0 times (2020 - 1.0 times) for members enrolled beginning January 1, 2013. Total employer contributions of \$34,237 (2020 - \$33,814) were recognized as expense in the current year. Total employee contributions were \$34,157 (2020 - \$33,696).

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

March 31, 2021

(in thousands of dollars)

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

**Pension Plans for MLAs**

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 2021 (no changes in 2020).

Actuarial valuations were completed for these plans as of April 1, 2018. The valuations were performed using the projected unit credit actuarial cost method. The valuations were based on a number of assumptions as approved by the Management and Services Board of the Legislative Assembly and represents the best estimates of expected long-term experience and short-term forecast, as well as the demographic assumptions underlying the most recent actuarial valuations for funding purposes. The main assumptions include inflation rate of 2.0% (2020 - 2.0%), discount rate of 3.25% (2020 - 3.75%), return on assets of 4.7% (2020 - 5.3%), increases in remuneration of 3.0% (2020 - 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, 2022.

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

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

	LARAF	SRAF	2021	2020
Accrued benefit obligation	15,914	23,341	39,255	33,248
Deduct:				
Pension fund assets	16,514	-	16,514	15,200
Unamortized actuarial gains	898	1,509	2,407	(302)
	17,412	1,509	18,921	14,898
Pension (asset) liability	(1,498)	21,832	20,334	18,350

As at March 31, 2021, the LARAF pension fund assets had a market value of \$17,903 (2020 - \$13,818). The actual rate of return was positive 31.24% (2020 - negative 7.13%). 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 4 years (2020 - 5 years for both) which is the estimated average remaining service lives for contributors to these plans.

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

	LARAF	SRAF	2021	2020
Current period benefit cost	1,327	2,075	3,402	3,103
Amortization of actuarial gains	(14)	(47)	(61)	(104)
	1,313	2,028	3,341	2,999
MLAs contributions	(274)	-	(274)	(277)
Pension expense	1,039	2,028	3,067	2,722
Interest cost on the average accrued benefit obligation	544	799	1,343	1,085
Expected return on average pension plan assets	(735)	-	(735)	(779)
Pension interest expense	(191)	799	608	306
Total pension expenses	848	2,827	3,675	3,028

Pension benefits paid for the LARAF and SRAF were \$738 and \$925, respectively (2020 - \$356 and \$908, respectively).

The Government's contributions related to the LARAF and SRAF during the year were \$766 and \$1,638, respectively (2020 - \$457 and \$1,081, respectively).

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

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

	Severance and removal	Sick leave	Retirement health benefits	2021	2020
Benefit earned for the period	2,020	1,233	1,990	5,243	5,570
Actuarial (gains) losses on benefit obligation	(160)	(389)	24,697	24,148	3,700
Amortization of net actuarial gains/(losses) recognized during the year	1,265	253	(20,936)	(19,418)	4,679
<b>Other employee benefits expense</b>	<b>3,125</b>	<b>1,097</b>	<b>5,751</b>	<b>9,973</b>	<b>13,949</b>
Interest cost on the average accrued benefit	553	318	1,911	2,782	1,626
<b>Total expense related to other employee benefits</b>	<b>3,678</b>	<b>1,415</b>	<b>7,662</b>	<b>12,755</b>	<b>15,575</b>

**13 LIABILITY FOR IQUALUIT INTERNATIONAL AIRPORT**

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

	2021	2020
Loan payable in monthly instalments of \$1,069 to December 2047, bearing interest at a rate of 7.23%.	151,672	153,467

Interest expense on long term debt relating to the Iqaluit International Airport was \$11,035 for the year (2020 - \$11,159). The interest paid during the year was \$11,035 (2020 - \$11,159).

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

	Principal	Interest	Total
2022	1,929	10,900	12,829
2023	2,074	10,756	12,830
2024	2,229	10,601	12,830
2025	2,395	10,435	12,830
2026	2,574	10,256	12,830
2027 and beyond	140,471	138,576	279,047
	<b>151,672</b>	<b>191,524</b>	<b>343,196</b>

**14 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, expired 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.

	2021	2020
Total minimum lease payments	59,498	69,783
Less: Imputed interest	(5,732)	(7,515)
<b>Present value of minimum lease payments</b>	<b>53,766</b>	<b>62,268</b>

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

	Principal	Interest	Total
2022	6,270	1,324	7,594
2023	6,459	1,134	7,593
2024	6,099	954	7,053
2025	6,266	788	7,054
2026	6,438	615	7,053
2027 and beyond	22,234	917	23,151
	<b>53,766</b>	<b>5,732</b>	<b>59,498</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 \$1,506 (2020 - \$1,940) at an implied average interest rate of 2.6% (2020 - 2.6%). Interest paid for the year was \$1,506 (2020 - \$1,940). The capital lease obligations expire between 2020 and 2030.

**GOVERNMENT OF NUNAVUT  
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**15 LIABILITY FOR NUNAVUT ENERGY MANAGEMENT PROGRAM PROJECT**

	<b>2021</b>	<b>2020</b>
Project financing payable - Baffin	1,618	2,635
Project financing payable - Kivalliq	13,184	12,369
	<u>14,802</u>	<u>15,004</u>

Under the Nunavut Energy Management Program Project - Baffin region, the Government has entered into an energy savings contract arrangement that included an ongoing responsibility for making all principal and interest payments associated with the third-party financing of costs of improvements under the project. Payments are due monthly at \$139 to 2019, \$95 to 2022 and \$21 to July 2023 at an average interest rate of 5.13%. Interest expense on the project for the year was \$123 (2020 - \$183). Interest paid during the year was \$123 (2020 - \$183).

Future payments for the Nunavut Energy Management Program Baffin Project, for each of the next 3 years and thereafter are as follows:

	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2022	1,121	62	1,183
2023	402	13	415
2024	95	1	96
	<u>1,618</u>	<u>76</u>	<u>1,694</u>

The Nunavut Energy Management Program Project - Kivalliq region, is in the implementation phase and therefore, the future payments schedule is not determinable at this time. The Government has entered into a contract for \$24,258 that includes all principal and interest payments associated with the third-party financing of costs of improvements under the project. The project is expected to be completed by March 2022, 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 \$346 (2020 - \$228). Interest paid during the year was \$nil (2020 - \$nil).

**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 surplus or deficit balance in the fund cannot exceed \$20,000.

	<b>2021</b>	<b>2020</b>
Surplus (deficit), beginning of year	(5,107)	6,573
Petroleum Products Revolving Fund net profit (loss) for the year	(10,102)	(11,680)
Minimum transfer required from (to) Consolidated Revenue Fund		
Surplus (deficit), end of year	<u>(15,209)</u>	<u>(5,107)</u>

**17 CONTRACTUAL OBLIGATIONS**

The Government has entered into agreements for, or is contractually obligated for, the following payments subsequent to March 31, 2021:

	<b>Total</b>
Operating leases (Schedule 5)	61,882
Capital commitments	66,703
Operational commitments	369,659
Policing agreement	526,988
Iqaluit International Airport Improvement commitments	643,078
	<u>1,668,310</u>

Contractual obligations by fiscal year are as follows:

2022	296,705
2023	189,825
2024	127,065
2025	82,228
2026	78,280
2027 and beyond	894,207
	<u>1,668,310</u>

In addition to the Capital commitments disclosed above, the Government is also contractually obligated for the Nunavut Energy Management Program - Kivalliq (Note 16). At March 31, 2021, \$13,184 is recorded as a liability of the total estimated contract costs of \$24,258. Payments will commence when the project is completed, estimated by March 2022.

**GOVERNMENT OF NUNAVUT**  
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**18 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	546,462
Health Canada Agreements	134,689
New Building Canada Fund	178,873
Others / Third party agreements	83,625
	<b>943,649</b>
Contractual rights by fiscal year are as follows:	
2022	239,842
2023	250,447
2024	183,763
2025	108,740
2026	69,130
2027 and beyond	91,727
	<b>943,649</b>

**19 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, 2021, 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 \$11,270 (2020 - \$1,545). No liability has been recorded for these claims as the outcome of these cases is not determinable.

There are a number of claims and threatened litigation cases outstanding against the Government for which the outcomes are not determinable, including a number of cases where an amount is not specified. The nature of these claims include wrongful dismissal, breach of policy, personal injury, sexual abuse, negligence, wrongful arrest and assault. Where it is likely that there will be a future payment and a reasonable estimate of the amount can be made, the Government has recorded a liability. For those pending cases, where the outcome is not determinable as at March 31 and a reasonable estimate of the amount can be made, the total amount of those claims is estimated at \$105,671 (2020 - \$17,168). No liability has been recorded for these claims as the outcome of these cases is not determinable.

**(c) Loan guarantees**

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

Bank credit facility, interest at prime minus 0.50%	2021 12,685	2020 15,874
20 year redeemable amortizing debenture due September 2021, interest rate of 6.809%	17,502	21,787
Fixed rate capital loan facility due May 2021, interest rate of 4.24%	74	561
Fixed rate capital loan facility due May 2021, interest rate of 4.24%	106	726
Fixed rate capital loan facility due June 2021, interest rate of 4.24%	188	1,053
Fixed rate capital loan facility due February 2022, interest rate of 4.24%	3,092	3,312
Fixed rate capital loan facility due July 2021, interest rate of 4.24%	515	2,055
Variable rate capital loan facility due November 2022, interest at prime minus 0.50%	11,667	12,667
Variable rate capital loan facility due April 2024, interest at prime minus 0.50%	10,467	11,267
Variable rate capital loan facility due April 2031, interest at prime minus 0.50%	145,739	137,566
<b>Total guarantees provided on balances outstanding</b>	<b>202,035</b>	<b>206,868</b>

The QEC bank credit facility limit is \$30,000 (2020 - \$30,000). 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, 2021, NDC's bank overdraft position was \$ nil (2020 - \$nil).

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**GOVERNMENT OF NUNAVUT****PUBLIC ACCOUNTS****Notes to Non-Consolidated Financial Statements (unaudited)****March 31, 2021***(in thousands of dollars)*

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**20 RELATED PARTIES**

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

	<b>2021</b>	<b>2020</b>
Nunavut Arctic College	2,981	3,519
District Education Authorities	14,069	13,791
Nunavut Development Corporation	3,615	3,474
Nunavut Business Credit Corporation	900	700
	<hr/> 21,565	<hr/> 21,484

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 \$48,561 (2020 - \$47,161) 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).

**21 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>2021</b>	<b>2020</b>
Public Trustee	7,402	6,897
Natural Resources Conservation Trust	1,326	1,307
Territorial Court Trust	611	742
	<hr/> 9,339	<hr/> 8,946

**22 BUDGET ADJUSTMENTS**

The 2021 total revenue budget on page xi of the 2020-2021 Main Estimates is \$2,347,987. It includes \$2,085,802 of 'Revenues' and \$124,702 of 'Vote 5 Revenues' on page A-IV-4 of the 2020-2021 Main Estimates, plus \$137,483 of funding under third-party agreements for specific capital projects included on page A-IV-16 of the 2020-2021 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 2021 budget total for capital expenditures on Schedule B.2 of \$107,660 excludes the \$4,290 of CMHC capital projects and \$25,533 Social Infrastructure Fund & Investment in Affordable Housing capital projects that were both budgeted for Nunavut Housing Corporation. As a result, the budget totals for expenses and transfers under third-party funding agreements included in these statements is \$232,362 versus \$262,185 on page x of the 2020-2021 Main Estimates. The third party funded Infrastructure Projects under the New Building Canada Fund are included in Community and Government Services.

**23 COMPARATIVE INFORMATION**

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

**24 COVID-19**

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a global pandemic, which continues to spread in Canada and around the world.

The Government of Nunavut supported their employees by closing government offices to non-essential staff and clients; customers by waiving payment terms and suspending collections; small businesses by instituting the Nunavut Essential Workers Wage Premium and Nunavummiut by operating isolation sites and vaccination clinics.

During the year ended March 31, 2021, the Government received an amount of \$183,860 (2020 - nil) from the Government of Canada to support it during the pandemic. In response to COVID-19, the Government of Canada also supplied the Territory with equipment, supplies, and vaccines at no cost. These are recorded at fair value when such value can reasonably be determined. The equipment and supplies received were accounted for based on an estimated fair value of \$4,756. No amounts have been recorded for the COVID-19 vaccines provided by the Government of Canada as the fair value of these vaccines cannot be reasonably determined.

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

**PUBLIC ACCOUNTS**

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

**for the year ended March 31, 2021**

*(in thousands of dollars)*

	<b>2021 Budget</b>	<b>2021 Actual</b>	<b>2020 Actual</b>
<b>From the Government of Canada</b>			
Territorial Formula Financing	1,712,500	1,712,512	1,641,713
Transfers under third-party funding agreements	230,295	350,578	190,582
Other transfer payments	124,500	113,220	99,627
	<b>2,067,295</b>	<b>2,176,310</b>	<b>1,931,922</b>
<b>Revenues generated by the Government of Nunavut</b>			
Taxation revenues			
Personal income tax	30,800	22,341	31,397
Corporate income tax	20,900	21,767	23,616
Payroll tax	35,500	35,683	35,272
Tobacco tax	23,800	25,173	22,581
Fuel tax	22,300	17,702	23,532
Property tax	8,800	11,319	8,384
Insurance tax	2,800	2,536	2,320
	<b>144,900</b>	<b>136,521</b>	<b>147,102</b>
Other revenues			
Petroleum Products Division revenue - net of cost of goods sold of \$153,840 (2020 - \$170,555)	31,476	23,436	19,969
Nunavut Liquor and Cannabis revenue - net of cost of goods sold of \$8,030 (2020 - \$7,648)	10,726	8,914	8,354
Staff housing recoveries	20,700	21,333	21,310
Transfers under third-party funding agreements	2,067	1,415	1,077
Other	28,000	27,404	38,166
	<b>92,969</b>	<b>82,502</b>	<b>88,876</b>
Recoveries of prior years expenditures (Schedule 1)	13,000	12,720	8,586
<b>Total revenues (Note 22)</b>	<b>2,318,164</b>	<b>2,408,053</b>	<b>2,176,486</b>

**GOVERNMENT OF NUNAVUT  
PUBLIC ACCOUNTS**

Schedule B

**Non-Consolidated Schedule of Expenses (unaudited)  
for the year ended March 31, 2021  
(in thousands of dollars)**

<b>TOTALS</b>	<b>Original Budget</b>	<b>Actual</b>	<b>(Over) Under Original Budget</b>
<b>FUNDED UNDER APPROVED APPROPRIATIONS (Schedule B.1)</b>			
Operations and maintenance expenses before amortization	1,809,545	1,722,848	86,697
Plus: Amortization expenses on tangible capital assets	87,121	83,176	3,945
Plus: Write-down of tangible capital assets	-	2,414	(2,414)
<b>Total operations and maintenance expenses</b>	<b>1,896,666</b>	<b>1,808,438</b>	<b>88,228</b>
Capital expenditures	143,028	206,322	(63,294)
Less: Transfers to tangible capital assets	62,651	54,319	8,332
<b>Total capital expenses</b>	<b>80,377</b>	<b>152,003</b>	<b>(71,626)</b>
<b>Total appropriation expenses</b>	<b>1,977,043</b>	<b>1,960,441</b>	<b>16,602</b>
<b>FUNDED UNDER THIRD-PARTY AGREEMENTS (Schedule B.2)</b>			
Operations and maintenance expenses before amortization	124,702	288,104	(163,402)
Plus: Amortization expenses on tangible capital assets	-	-	-
<b>Total operations and maintenance expenses</b>	<b>124,702</b>	<b>288,104</b>	<b>(163,402)</b>
Capital expenditures	107,660	38,992	68,668
Less: Transfers to tangible capital assets	-	23,729	(23,729)
<b>Total capital expenses</b>	<b>107,660</b>	<b>15,263</b>	<b>92,397</b>
<b>Total third-party agreement expenses</b>	<b>232,362</b>	<b>303,367</b>	<b>(71,005)</b>
<b>FUNDED BY REVOLVING FUNDS (Schedule B.3)</b>			
Operations and maintenance expenses before amortization	45,231	39,755	5,476
Plus: Amortization expenses on tangible capital assets	-	-	-
<b>Total operations and maintenance expenses</b>	<b>45,231</b>	<b>39,755</b>	<b>5,476</b>
Capital expenditures	-	-	-
Less: Transfers to tangible capital assets	-	-	-
<b>Total capital expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total revolving fund expenses</b>	<b>45,231</b>	<b>39,755</b>	<b>5,476</b>
<b>NON-CONSOLIDATED STATEMENTS TOTALS</b>			
Operations and maintenance expenses before amortization and write down of tangible capital assets	1,979,478	2,050,707	
Plus: Centrally estimated 'Supplementary requirements' per page x of 2020-2021 Main Estimates	50,000	-	
Less: Capital portion of the estimated 'Supplementary requirements'	-	-	
<b>Total operations and maintenance expenses before amortization and write down of tangible capital assets</b>	<b>2,029,478</b>	<b>2,050,707</b>	<b>(21,229)</b>
Plus: Amortization expenses on tangible capital assets	87,121	83,176	3,945
Plus: Write-down of tangible capital assets	-	2,414	(2,414)
<b>Total operations and maintenance expenses</b>	<b>2,116,599</b>	<b>2,136,297</b>	<b>(19,698)</b>
Capital expenditures	250,688	245,314	
Plus: Centrally estimated capital carryovers from prior year included in 'Capital' on page x of 2020-2021 Main Estimates	44,000	-	
Plus: Capital portion of the estimated 'Supplementary requirements'	-	-	
<b>Total capital expenditures</b>	<b>294,688</b>	<b>245,314</b>	<b>49,374</b>
Less: Transfers to tangible capital assets	62,651	78,048	(15,397)
<b>Total capital expenses</b>	<b>232,037</b>	<b>167,266</b>	<b>64,771</b>
<b>Total expenses</b>	<b>2,348,636</b>	<b>2,303,563</b>	<b>45,073</b>

Total expenses above includes, among other items, interest expense of \$13,030 (2020 - \$13,582) and a net increase in valuation allowances of \$830 (2020 - \$2,814).

Total capital expenditures above includes capital grants and contributions of \$117,774 (2020 - \$97,297).



## PUBLIC ACCOUNTS

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

for the year ended March 31, 2021

(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	13,964	-	420	14,384	13,124	1,260
Grants and contributions	-	-	-	-	-	-
Other	13,306	-	(420)	12,886	11,094	1,792
	27,270	-	-	27,270	24,218	3,052
Capital expenditures	275	-	-	275	158	117
Total spending under appropriations	27,545	-	-	27,545	24,376	3,169
<b>EXECUTIVE AND INTERGOVERNMENTAL AFFAIRS</b>						
Operations and maintenance						
Compensation and benefits	14,093	-	(540)	13,553	12,617	936
Grants and contributions	365	12,343	8,881	21,589	20,293	1,296
Other	4,606	8,440	(8,341)	4,705	2,114	2,591
	19,064	20,783	-	39,847	35,024	4,823
Capital expenditures	-	246	-	246	203	43
Total spending under appropriations	19,064	21,029	-	40,093	35,227	4,866
<b>FINANCE</b>						
Operations and maintenance						
Compensation and benefits	40,684	-	(500)	40,184	40,250	(66)
Grants and contributions	21,093	-	-	21,093	15,209	5,884
Other	38,152	-	500	38,652	27,973	10,679
	99,929	-	-	99,929	83,432	16,497
Capital expenditures	11,050	4,025	-	15,075	10,393	4,682
Total spending under appropriations	110,979	4,025	-	115,004	93,825	21,179
<b>HUMAN RESOURCES</b>						
Operations and maintenance						
Compensation and benefits	19,042	-	-	19,042	14,046	4,996
Grants and contributions	-	-	-	-	-	-
Other	9,126	-	-	9,126	5,711	3,415
	28,168	-	-	28,168	19,757	8,411
Capital expenditures	-	-	-	-	-	-
Total spending under appropriations	28,168	-	-	28,168	19,757	8,411
<b>JUSTICE</b>						
Operations and maintenance						
Compensation and benefits	51,582	2,000	(1,333)	52,249	54,305	(2,056)
Grants and contributions	13,783	-	-	13,783	13,783	-
Other	62,295	8,000	1,333	71,628	67,871	3,757
	127,660	10,000	-	137,660	135,959	1,701
Capital expenditures	6,900	2,290	-	9,190	8,538	652
Total spending under appropriations	134,560	12,290	-	146,850	144,497	2,353

## PUBLIC ACCOUNTS

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

for the year ended March 31, 2021

(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	12,707	-	-	12,707	11,080	1,627
Grants and contributions	7,227	-	-	7,227	6,339	888
Other	6,930	-	-	6,930	4,268	2,662
	26,864	-	-	26,864	21,687	5,177
Capital expenditures	800	197	-	997	451	546
Total spending under appropriations	27,664	197	-	27,861	22,138	5,723
<b>EDUCATION</b>						
Operations and maintenance						
Compensation and benefits	175,564	-	-	175,564	177,699	(2,135)
Grants and contributions	35,420	-	-	35,420	31,146	4,274
Other	21,889	-	-	21,889	17,411	4,478
	232,873	-	-	232,873	226,256	6,617
Capital expenditures	8,330	12,862	-	21,192	7,215	13,977
Total spending under appropriations	241,203	12,862	-	254,065	233,471	20,594
<b>HEALTH</b>						
Operations and maintenance						
Compensation and benefits	153,791	500	-	154,291	160,497	(6,206)
Grants and contributions	11,632	-	-	11,632	5,821	5,811
Other	303,504	30,847	-	334,351	256,708	77,643
	468,927	31,347	-	500,274	423,026	77,248
Capital expenditures	27,500	13,133	-	40,633	23,092	17,541
Total spending under appropriations	496,427	44,480	-	540,907	446,118	94,789
<b>ENVIRONMENT</b>						
Operations and maintenance						
Compensation and benefits	15,340	-	(130)	15,210	14,867	343
Grants and contributions	1,044	-	10	1,054	883	171
Other	8,325	-	120	8,445	5,560	2,885
	24,709	-	-	24,709	21,310	3,399
Capital expenditures	2,250	1,558	-	3,808	1,254	2,554
Total spending under appropriations	26,959	1,558	-	28,517	22,564	5,953
<b>COMMUNITY AND GOVERNMENT SERVICES</b>						
Operations and maintenance						
Compensation and benefits	52,493	-	(1,470)	51,023	51,892	(869)
Grants and contributions	73,356	-	340	73,696	70,933	2,763
Other	130,782	-	1,130	131,912	128,947	2,965
	256,631	-	-	256,631	251,772	4,859
Capital expenditures	31,745	110,337	-	142,082	63,146	78,936
Total spending under appropriations	288,376	110,337	-	398,713	314,918	83,795
<b>ECONOMIC DEVELOPMENT AND TRANSPORTATION</b>						
Operations and maintenance						
Compensation and benefits	20,015	-	(2,750)	17,265	18,405	(1,140)
Grants and contributions	23,767	-	-	23,767	21,246	2,521
Other	48,264	-	2,750	51,014	50,289	725
	92,046	-	-	92,046	89,940	2,106
Capital expenditures	10,035	18,109	-	28,144	8,821	19,323
Total spending under appropriations	102,081	18,109	-	120,190	98,761	21,429

**GOVERNMENT OF NUNAVUT  
PUBLIC ACCOUNTS**

Schedule B.1

**Non-Consolidated Schedule of Expenses Funded under Approved Appropriations (unaudited)  
for the year ended March 31, 2021**

(in thousands of dollars)

APPROPRIATIONS	Original Budget	Supplementary Appropriations	Transfers	Revised Budget	Actual	(Over) Under Revised Budget
<b>FAMILY SERVICES</b>						
Operations and maintenance						
Compensation and benefits	30,749	-	-	30,749	33,157	(2,408)
Grants and contributions	69,921	-	(4,740)	65,181	51,266	13,915
Other	55,163	-	4,740	59,903	58,208	1,695
	155,833	-	-	155,833	142,631	13,202
Capital expenditures	700	3,964	-	4,664	1,808	2,856
<b>Total spending under appropriations</b>	<b>156,533</b>	<b>3,964</b>	<b>-</b>	<b>160,497</b>	<b>144,439</b>	<b>16,058</b>
<b>NUNAVUT HOUSING CORPORATION</b>						
Operations and maintenance						
Compensation and benefits	-	-	-	-	-	-
Grants and contributions	217,718	-	-	217,718	217,718	-
Other	-	-	-	-	-	-
	217,718	-	-	217,718	217,718	-
Capital expenditures	43,443	37,800	-	81,243	81,243	-
<b>Total spending under appropriations</b>	<b>261,161</b>	<b>37,800</b>	<b>-</b>	<b>298,961</b>	<b>298,961</b>	<b>-</b>
<b>NUNAVUT ARCTIC COLLEGE</b>						
Operations and maintenance						
Compensation and benefits	-	-	-	-	-	-
Grants and contributions	39,019	-	-	39,019	39,019	-
Other	-	-	-	-	-	-
	39,019	-	-	39,019	39,019	-
Capital expenditures	-	-	-	-	-	-
<b>Total spending under appropriations</b>	<b>39,019</b>	<b>-</b>	<b>-</b>	<b>39,019</b>	<b>39,019</b>	<b>-</b>
<b>TOTALS</b>						
Operations and maintenance						
Compensation and benefits	600,024	2,500	(6,303)	596,221	601,939	(5,718)
Grants and contributions	514,345	12,343	4,491	531,179	493,656	37,523
Other	702,342	47,287	1,812	751,441	636,154	115,287
	1,816,711	62,130	-	1,878,841	1,731,749	147,092
Less: Principal repayments on capital leases included in spending above	7,166	-	-	7,166	6,088	1,078
Less: Principal repayments on Nunavut Energy Management Program Project included in spending above	-	-	-	-	1,018	(1,018)
Less: Principal repayments on the Iqaluit International Airport included in spending above	-	-	-	-	1,795	(1,795)
Operations and maintenance expenses before amortization and write down of tangible capital assets	1,809,545	62,130	-	1,871,675	1,722,848	148,827
Plus: Amortization expenses on tangible capital assets	87,121	-	-	87,121	83,176	3,945
Plus: Write-down of tangible capital assets	-	-	-	-	2,414	(2,414)
<b>Total operations and maintenance expenses</b>	<b>1,896,666</b>	<b>62,130</b>	<b>-</b>	<b>1,958,796</b>	<b>1,808,438</b>	<b>150,358</b>
Capital expenditures	143,028	204,521	-	347,549	206,322	141,227
Less: Transfers to tangible capital assets	62,651	-	-	62,651	54,319	8,332
<b>Total capital expenses</b>	<b>80,377</b>	<b>204,521</b>	<b>-</b>	<b>284,898</b>	<b>152,003</b>	<b>132,895</b>
<b>Total appropriation expenses</b>	<b>1,977,043</b>	<b>266,651</b>	<b>-</b>	<b>2,243,694</b>	<b>1,960,441</b>	<b>283,253</b>

Total capital expenditures above includes capital grants and contributions of \$102,152 (2020 - \$67,302).

## PUBLIC ACCOUNTS

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

for the year ended March 31, 2021

*(in thousands of dollars)*

By Department	Original Budget	Actual	(Over) Under Original Budget
Legislative Assembly	-	-	-
Executive and Intergovernmental Affairs	5,609	20,697	(15,088)
Finance	800	5,104	(4,304)
Human Resources	5,000	2,300	2,700
Justice	4,714	4,395	319
Culture and Heritage	9,633	8,984	649
Education	2,946	12,238	(9,292)
Health	80,830	187,528	(106,698)
Environment	2,735	3,069	(334)
Community and Government Services	77,678	39,227	38,451
Economic Development and Transportation	33,718	13,385	20,333
Family Services	8,699	6,440	2,259
	232,362	303,367	(71,005)

By Category	Original Budget	Actual	(Over) Under Original Budget
Operations and maintenance			
Compensation and benefits	24,242	24,505	(263)
Grants and contributions	17,080	61,485	(44,405)
Other	83,380	202,114	(118,734)
Operations and maintenance expenses before amortization	124,702	288,104	(163,402)
Plus: Amortization expenses on tangible capital assets	-	-	-
Total operations and maintenance expenses	124,702	288,104	(163,402)
Capital expenditures	107,660	38,992	68,668
Less: Transfers to tangible capital assets	-	23,729	(23,729)
Total capital expenses	107,660	15,263	92,397
<b>Total third-party agreement expenses</b>	232,362	303,367	(71,005)

Total capital expenditures above includes capital grants and contributions of \$15,622 (2020 - \$29,994).

## PUBLIC ACCOUNTS

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

for the year ended March 31, 2021

*(in thousands of dollars)*

By Revolving Fund	Original Budget	Actual	(Over) Under Original Budget
Liquor	7,928	5,550	2,378
Petroleum Products	35,377	30,216	5,161
Public Stores	1,700	3,816	(2,116)
Student Loan	226	173	53
	45,231	39,755	5,476
By Category	Original Budget	Actual	(Over) Under Original Budget
Operations and maintenance			
Compensation and benefits	7,802	8,165	(363)
Grants and contributions	-	-	-
Other expenses	37,429	31,590	5,839
Operations and maintenance expenses before amortization	45,231	39,755	5,476
<i>Plus: Amortization expenses on tangible capital assets (1)</i>	-	-	-
Total operations and maintenance expenses	45,231	39,755	5,476
Capital expenditures	-	-	-
<i>Less: Transfers to tangible capital assets</i>	-	-	-
Total capital expenses	-	-	-
<b>Total revolving fund expenses</b>	45,231	39,755	5,476

(1) Petroleum Products amortization of \$1,277 (2020 - \$1,222) is included in the budget and actuals totals for Department of Community and Government Services on Sch. B.1.

## PUBLIC ACCOUNTS

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

for the year ended March 31, 2021

(in thousands of dollars)

	Buildings	Leased Buildings	Infra- structure	Tank Farms	Storage Facilities	Equipment	2021	2020
<b>Cost of tangible capital assets</b>								
Opening balance	1,350,523	187,599	357,945	207,845	19,945	137,978	2,261,835	2,208,473
Additions	6,693	-	791	-	-	5,186	12,670	26,289
Additions In Kind	-	-	-	-	-	-	-	-
Transferred from work in progress	49,817	-	8,692	-	-	-	58,509	30,429
Reclassification	(64)	-	64	-	-	-	-	-
Disposals	-	-	-	-	(1,146)	-	(1,146)	(348)
Write-downs	-	(2,414)	-	-	-	-	(2,414)	(3,008)
Closing balance	1,406,969	185,185	367,492	207,845	18,799	143,164	2,329,454	2,261,835
<b>Accumulated amortization</b>								
Opening balance	(488,087)	(119,714)	(98,260)	(99,645)	(12,397)	(116,332)	(934,435)	(853,945)
Amortization	(48,355)	(6,866)	(12,329)	(7,093)	(756)	(7,777)	(83,176)	(80,838)
Reclassification	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	535	-	535	348
Write-downs	-	-	-	-	-	-	-	-
Closing balance	(536,442)	(126,580)	(110,589)	(106,738)	(12,618)	(124,109)	(1,017,076)	(934,435)
<b>Work in progress</b>								
Opening balance	71,962	-	113,333	8,300	101	49	193,745	127,468
Additions	36,017	-	24,854	4,482	25	-	65,378	96,706
Transferred to cost of tangible capital assets	(49,817)	-	(8,692)	-	-	-	(58,509)	(30,429)
Closing balance	58,162	-	129,495	12,782	126	49	200,614	193,745
<b>Net book value</b>	928,689	58,605	386,398	113,889	6,307	19,104	1,512,992	1,521,145
<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>		

The tangible capital asset acquisitions presented in the Non-Consolidated Statement of Cash Flow excludes an amount of \$2,439 (2020 - includes an amount of \$10,743) 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, 2021 as well as an amount of \$611 (\$0 in 2020) for non-monetary transactions incurred during the year.

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**GOVERNMENT OF NUNAVUT  
PUBLIC ACCOUNTS****Schedule 1****Non-Consolidated Schedule of Recoveries of Prior Years Expenditures (unaudited)****for the year ended March 31, 2021***(in thousands of dollars)*

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<b>Department</b>	<b>Over Accruals</b>	<b>Other Recoveries</b>	<b>Total</b>
Legislative Assembly	-	-	-
Executive and Intergovernmental Affairs	-	23	23
Finance	-	161	161
Human Resources	-	11	11
Justice	-	376	376
Culture and Heritage	88	188	276
Education	668	1,914	2,582
Health	2,555	402	2,957
Environment	724	-	724
Community and Government Services	1,183	132	1,315
Economic Development and Transportation	1,109	1,211	2,320
Family Services		1,975	1,975
	6,327	6,393	12,720

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**GOVERNMENT OF NUNAVUT**

Schedule 2

**PUBLIC ACCOUNTS****Non-Consolidated Schedule of Special Warrants (unaudited)****for the year ended March 31, 2021***(in thousands of dollars)*

	<b>Date of FMB Approval</b>	<b>Amount Authorized</b>
<b>OPERATIONS AND MAINTENANCE</b>		
<b>Executive and Intergovernmental Affairs</b>		
Canadian North Covid-19 Financial Impact	29-Mar-20	5,840
Emergency Temporary Response to Replace Food Programs for school aged children	02-Apr-20	1,030
Covid-19 Financial support to Calm Air for Essential Services	07-Apr-20	2,600
Calm Air Covid-19 Assistance Package	30-Apr-20	7,000
Extending Support to Northern Airlines	29-Mar-21	4,606
<b>Finance</b>		
Funding the Essential Workers Wage Premium	11-Jun-20	4,100
<b>Health</b>		
Isolation Hubs for Travelers in Response to Covid-19	27-Jul-20	10,604
Isolation Hub Management	27-Jul-20	500
<b>Total operations and maintenance</b>		<b>36,280</b>
	<b>Date of FMB Approval</b>	<b>Amount Authorized</b>
<b>CAPITAL</b>		
<b>Executive and Intergovernmental Affairs</b>		
Capital Carryover	13-Aug-20	246
<b>Finance, including Nunavut Arctic College</b>		
Capital Carryover	13-Aug-20	4,025
<b>Family Services</b>		
Capital Carryover	13-Aug-20	3,110
<b>Justice</b>		
Capital Carryover	13-Aug-20	2,290
<b>Culture and Heritage</b>		
Capital Carryover	13-Aug-20	197
<b>Education</b>		
Capital Carryover	13-Aug-20	14,363
<b>Health</b>		
Capital Carryover	13-Aug-20	12,959
<b>Environment</b>		
Capital Carryover	13-Aug-20	1,558
<b>Community and Government Services</b>		
Capital Carryover	13-Aug-20	62,220
Covid-19 related Constuction Cost	21-May-20	18,000
<b>Economic Development and Transportation</b>		
Capital Carryover	13-Aug-20	15,562
<b>Total capital</b>		<b>134,530</b>



## PUBLIC ACCOUNTS

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

for the year ended March 31, 2021

*(in thousands of dollars)*

	Transfers to (from)	Explanation
<b>OPERATIONS AND MAINTENANCE</b>		
<b>Finance</b>		
Corporate Management	(200)	Reallocation of funds
Fiscal Management	(460)	
Comptrollership	660	
<b>Justice</b>		
Community Justice Directorate	(468) 468	Reallocation of funds
<b>Culture and Heritage</b>		
Elders and Youth Heritage Directorate Official Languages Admin	(186) (50) (94) 330	Reallocation of funds
<b>Health</b>		
Health Care Service Delivery Directorate Population Health	(700) 500 200	Reallocation of funds
Health Care Service Delivery Directorate Population Health	(300) 100 200	Reallocation of funds
<b>Community and Government Services</b>		
Infrastructure Info Mngmt/Info Technology Directorate Local Government Services	(625) (300) (200) 1,125	Reallocation of funds
Directorate Local Government Services	(250) 250	Reallocation of funds
Local Government Services Info Mngmt/Info Technology	(2,080) 2,080	Reallocation of funds
<b>Economic Development and Transportation</b>		
Economic Development Transportation Corporate Management	(1,990) 1,640 350	Reallocation of funds
<b>Family Services</b>		
Adult Learning & Training Children & Family Services	(400) 400	Reallocation of funds
Income Assistance Children & Family Services	(5,000) 5,000	Reallocation of funds
<b>CAPITAL</b>		
<b>Community Government and Services</b>		
CGS-Capital Petroleum Products Division	(1,000) 1,000	Reallocation of funds

**PUBLIC ACCOUNTS****Non-Consolidated Schedule of Write-offs and Student Loan Remissions (unaudited)**

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**for the year ended March 31, 2021**

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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.

Zoha Rana	1,151
Vicki Sahanatian	1,233
	<hr/>
	2,384

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**GOVERNMENT OF NUNAVUT  
PUBLIC ACCOUNTS****Schedule 5****Non-Consolidated Schedule of Contractual Obligations under Operating Leases (unaudited)****for the year ended March 31, 2021***(in thousands of dollars)*

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	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>&gt;2026</b>	<b>Total</b>
Headquarters	10,745	8,419	4,908	2,600	1,470	3,277	31,419
Qikiqtaaluk	1,352	1,048	786	735	641	1,752	6,314
Kivalliq	3,516	2,304	1,457	949	950	1,232	10,408
Kitikmeot	2,336	2,307	2,229	2,225	2,236	2,408	13,741
	<b>17,949</b>	<b>14,078</b>	<b>9,380</b>	<b>6,509</b>	<b>5,297</b>	<b>8,669</b>	<b>61,882</b>

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