



ᑲᑎᑎᑎᑎ ᑎᑎᑎᑎᑎᑎ
Building *Nunavut* Together
Nunavut iiquatigiingniq
Bâtir le *Nunavut* ensemble

Consolidated Budget of the Government Reporting Entity 2020 - 2021

Prepared by:

Department of Finance
March 2020
Iqaluit, Nunavut

Consolidated Budget of the Government Reporting Entity
March 2020
Iqaluit, Nunavut
ISBN 978-1-55325-432-4
Government of Nunavut, 2020

GOVERNMENT OF NUNAVUT
CONSOLIDATED BUDGET OF GOVERNMENT REPORTING ENTITY
2020-2021

Table of Contents **Page**

SECTION I - CONSOLIDATED BUDGET OF THE GOVERNMENT REPORTING ENTITY

Introduction	3
Main Estimates and Capital Estimates	3
Budget Consolidation Process	3
Consolidated Budget Summary	3

SECTION II - CONSOLIDATED STATEMENTS 5

Consolidated Statement of Operations and Net Assets	7
Consolidated Statement of Change in Net Financial Assets	8

SECTION III - SCHEDULES 9

Schedule A - Revenue by Source	11
Schedule B - Expenses by Department	12
Schedule C - Expenses by Object	13
Schedule D - Changes in Net Financial Assets	14

SECTION IV - BUDGET SUMMARIES 15

Core Government Departments and Revolving Funds	17
Nunavut Arctic College	18
Nunavut Business Credit Corporation	19
Nunavut Development Corporation	20
Nunavut Housing Corporation	21
Qulliq Energy Corporation	22

This page intentionally left blank

SECTION I

CONSOLIDATED BUDGET OF THE GOVERNMENT REPORTING ENTITY

This page intentionally left blank

Government of Nunavut
Consolidated Budget of the Government Reporting Entity

Introduction

Public Sector Accounting Standards (PSAS) require the government reporting entity (GRE) to consolidate its total budget on a line-by-line basis using the same accounting principles and presentation as it uses to report its actual financial results. This document provides the consolidated budget for the Government of Nunavut reporting entity.

The GRE is made up of all government organizations and controlled entities. *Control* is defined as the power to govern the financial and operating policies of an organization with the benefits from the organization's activities being expected and the risk of loss being assumed by the Government.

The Government of Nunavut (GN) reporting entity consists of all GN departments and revolving funds (also referred to as the "*core government*" in this document) as well as Public Agencies and Territorial Corporations.

Main Estimates and Capital Estimates

The GN's main budget documents, the Main Estimates and the Capital Estimates, present the approved appropriations for the upcoming fiscal year beginning on April 1st. These are considered non-consolidated because they combine only the appropriations of the Core Government and report the controlled entities separately.

This *consolidated budget* combines the non-consolidated Main Estimates with the budgets of the other entities of the GRE. The inter-entity budget transactions are eliminated upon consolidation.

Budget Consolidation Process

Budget consolidation is a collaborative process to compile budget information from across the GRE. The first stage of the process is to reconcile related party budget transactions that coincide with the preparation of the three-year forecast. The next stage is to eliminate inter-entity transactions. The final stage is to combine the budgets of each entity into a Nunavut GRE-wide document.

Consolidated Budget Summary

The consolidated budget reveals the government reporting entity's projected budget performance.

Highlights of the 2020-21 consolidated budget include:

- **Revenues:** The GRE forecasts **\$3.070 billion** in total revenue, consisting of federal transfers to the core government (\$2.067 billion), tax revenues (\$145 million), other revenues, including revenues from the sale of petroleum products, liquor and cannabis (\$287 million), and revenues generated by controlled entities (\$571 million). Most of the \$571 million from controlled entities comes from the Nunavut Housing Corporation (\$329 million), the Qulliq Energy Corporation (\$175 million), and the Nunavut Arctic College (\$58 million). After eliminating \$455 million of inter-entity transactions, the GRE's revenue is calculated at **\$2.615 billion**.

- **Spending:** The GRE forecasts total spending of **\$3.039 billion**. After eliminating \$455 million of inter-entity transactions, the net spending forecast is **\$2.584 billion**. The budget projects total expenses to be funded by third parties (including Federal and other sources) at \$2.111 billion. The budgeted new capital appropriation is \$143 million.
- **Surplus:** The GRE forecasts a budget surplus of **\$31.4 million**. This is different than the \$30.4 million shortfall the GN projected for its core government in its 2020-21 Main Estimates. This published figure does not include eliminations of inter-entity transactions. Anticipated budget surpluses for Qulliq Energy Corporation (\$40 million) and Nunavut Housing Corporation (\$21 million) offset this core deficit.

SECTION II
CONSOLIDATED STATEMENTS

This page intentionally left blank

GOVERNMENT OF NUNAVUT
CONSOLIDATED BUDGET OF GOVERNMENT REPORTING ENTITY
Consolidated Statement of Operations and Net Assets

For the year ended March 31, 2021

(in thousands of dollars)

	Estimates 2020-2021	Estimates 2019-2020	Actual 2018-2019
Revenues (Schedule A)			
From the Government of Canada	2,148,000	1,981,700	1,941,635
Revenues generated by the Government of Nunavut	466,900	449,000	485,087
Total revenues	2,614,900	2,430,700	2,426,722
Expenses (Schedule B)			
Office of the Legislative Assembly	28,000	28,100	23,720
Executive and Intergovernmental Affairs	24,900	29,500	25,856
Finance	119,800	102,000	86,621
Human Resources	33,200	26,700	-
Justice	138,800	133,400	135,316
Culture and Heritage	34,900	34,700	33,083
Education	255,600	246,300	226,696
Health	577,200	530,500	543,183
Environment	29,900	31,500	34,232
Community and Government Services	518,700	508,400	479,399
Economic Development and Transportation	166,300	128,900	121,359
Family Services	165,400	165,100	161,728
Nunavut Housing Corporation	303,600	296,000	291,080
Qulliq Energy Corporation (Note 2)	61,400	59,700	105,172
Nunavut Arctic College (Note 3)	75,800	75,600	64,353
<i>Unallocated</i> (Note 4)	50,000	30,000	-
Total expenses	2,583,500	2,426,400	2,331,798
Surplus (Deficit) for year	31,400	4,300	94,924
Net assets, beginning of year	2,807,530	2,803,230	2,708,306
Net assets, end of year	2,838,930	2,807,530	2,803,230

Note 1: Expenses of entities are allocated in the table above as follows: Nunavut Business Credit Corporation and Nunavut Development Corporation expenses to Economic Development Transportation. Revolving funds expenses are allocated as follows: Liquor and Cannabis Revolving Fund to Finance, Petroleum Products Revolving Fund to Community and Government Services.

Note 2: This represents the budgeted expenses after deducting the inter-entity transactions. The amount of costs eliminated in delivering power services to related entities is \$70.7 million, and the amount of fuel and property taxes eliminated is \$2.5 million.

Note 3: This includes the \$10.55 million capital expenditures appropriated under Finance for NAC, plus the estimated capital carryover of \$2.7 million, and the amortization expense of \$4.9 million.

Note 4: The unallocated appropriation pertains to amount sets aside for contingencies.

GOVERNMENT OF NUNAVUT
CONSOLIDATED BUDGET OF GOVERNMENT REPORTING ENTITY
Consolidated Statement of Change in Net Financial Assets

For the year ended March 31, 2021

(in thousands of dollars)

	Estimates 2020-2021	Estimates 2019-2020	Actual 2018-2019
Surplus (deficit) for year	31,400	4,300	94,924
Tangible capital assets (Schedule D)			
Additions	(182,300)	(219,800)	(241,817)
Disposals	5,400	5,400	48
Write-downs	-	-	1,172
Amortization	142,200	137,100	136,228
	(34,700)	(77,300)	(104,369)
Additions to inventories for use	-	-	(65,333)
Consumption of inventories for use	-	-	63,312
Reclassification of condominiums for resale	-	-	-
Net (additions) use of prepaid expenses	-	-	(567)
	-	-	(2,588)
Decrease in net financial assets	(3,300)	(73,000)	(12,033)
Net financial assets, beginning of year	166,382	239,382	251,415
Net financial assets, end of year	163,082	166,382	239,382

SECTION III

SCHEDULES

This page intentionally left blank

**GOVERNMENT OF NUNAVUT
CONSOLIDATED BUDGET OF GOVERNMENT REPORTING ENTITY**

SCHEDULE A

Revenue by Source

For the year ended March 31, 2021

(in thousands of dollars)

	Core Government	Other Entities	Budgeted Consolidation Adjustments (Note 3)	2020-2021 Consolidated Estimates
Revenues from the Government of Canada				
Territorial Formula Financing	1,712,500	-	-	1,712,500
Transfers under third-party funding agreements (Note 2)	230,000	10,900	(6,100)	234,800
Other transfer payments	124,500	76,200	-	200,700
Total revenues from the Government of Canada	2,067,000	87,100	(6,100)	2,148,000
Revenues from the Government of Nunavut	-	307,400	(307,400)	-
Revenues generated by the Government of Nunavut				
Taxation revenues				
Personal income tax	30,800	-	-	30,800
Corporate income tax	20,900	-	-	20,900
Payroll tax	35,500	-	-	35,500
Tobacco tax	23,800	-	-	23,800
Fuel tax	22,300	-	-	22,300
Property tax	8,800	-	-	8,800
Insurance taxes	2,800	-	-	2,800
Total taxation revenue	144,900	-	-	144,900
Sales				
Petroleum Products Revolving Fund (Note 1)	203,000	-	(64,900)	138,100
Nunavut Liquor and Cannabis - (Note 1)	20,100	-	-	20,100
Nunavut Development Corporation	-	3,500	-	3,500
Qulliq Energy Corporation - power sales	-	135,000	(70,700)	64,300
Total sales	223,100	138,500	(135,600)	226,000
Other revenues				
Staff housing recoveries	20,700	-	-	20,700
Transfers under third-party funding agreements (Note 2)	2,100	-	-	2,100
Recoveries of prior years' expenditures	13,000	-	-	13,000
Other revenues	28,000	38,200	(6,000)	60,200
Total other revenues	63,800	38,200	(6,000)	96,000
Total revenues generated by the Government of Nunavut	431,800	176,700	(141,600)	466,900
Total revenues	2,498,800	571,200	(455,100)	2,614,900

Note 1: The petroleum product sales and liquor and cannabis sales are presented at gross consistent with the presentation used in GN's Public Accounts.

Petroleum Products Revolving Fund and Qulliq Energy Corporation sales are adjusted by the amount of sales to related entities, \$64,900 and \$69,200 respectively.

Note 2: The third party funding transfer from Government of Canada includes \$122,635 of Vote 5 O&M revenue on page A-IV-4 of Main Estimate plus the \$137,483 of Vote 5 capital revenue on page A-IV-16 of Capital Estimate, less the \$29,823 Canada Mortgage and Housing Corporation and Social Infrastructure funding for the Nunavut Housing Corporation. The third party funding from other sources is \$2,067 of Vote 5 O&M revenue as per page A-IV-4 of Main Estimate. Total transfer under third party-funding agreements included in this statement is \$232,067 versus \$262,185 on page x of the Main Estimates, the difference of \$30,118 is mostly due to third party funding to NHC. Note the numbers above are rounded to nearest hundred thousand.

Note 3: The consolidated revenue is adjusted to exclude contributions expected to be received by the territorial corporations from Nunavut Government (\$307,400); the budgeted fuel sales by Petroleum Product Division from related entities (\$64,900); the budgeted power sales generated by Qulliq Energy Corporation from GN and related entities(\$70,700); and other revenues estimated to be generated from the related parties (\$6,000).

**GOVERNMENT OF NUNAVUT
CONSOLIDATED BUDGET OF GOVERNMENT REPORTING ENTITY**

SCHEDULE B

Expenses by Department

For the year ended March 31, 2021

(in thousands of dollars)

	Core Government	Other Entities (Note 2)	Budgeted Consolidation Adjustments	2020-2021 Consolidated Estimates
Expenses				
Office of the Legislative Assembly	28,000	-	-	28,000
Executive and Intergovernmental Affairs	24,900	-	-	24,900
Finance	119,800	-	-	119,800
Human Resources	33,200	-	-	33,200
Justice	138,800	-	-	138,800
Culture and Heritage	37,000	-	(2,100)	34,900
Education	257,900	-	(2,300)	255,600
Health	577,800	-	(600)	577,200
Environment	29,900	-	-	29,900
Community and Government Services (Note 3)	583,700	-	(65,000)	518,700
Economic Development and Transportation	162,800	8,600	(5,100)	166,300
Family Services	166,600	-	(1,200)	165,400
Nunavut Housing Corporation	261,200	308,500	(266,100)	303,600
Qulliq Energy Corporation	500	134,600	(73,700)	61,400
Nunavut Arctic College	57,200	57,600	(39,000)	75,800
<i>Unallocated (Note 4)</i>	50,000	-	-	50,000
Total expenses	2,529,300	509,300	(455,100)	2,583,500

Note 1: This summary includes amortization of \$142,200.

Note 2: Nunavut Business Credit Corporation and Nunavut Development Corporation expenses are allocated to Economic Development and Transportation in the table above.

Note 3: The budget adjustments for Community and Government Services relate to Petroleum Product Division fuel purchases by other entities.

Note 4: This unallocated appropriation pertains to amount sets aside for contingencies.

GOVERNMENT OF NUNAVUT
CONSOLIDATED BUDGET OF GOVERNMENT REPORTING ENTITY
Expenses by Object

SCHEDULE C

For the year ended March 31, 2021

(in thousands of dollars)

	Core Government	Other Entities	Budgeted Consolidation Adjustments	2020-2021 Consolidated Estimates
Expenses				
Operations and maintenance expenses (O&M)				
Compensation and benefits	642,900	132,400	(25,600)	749,700
Grants and contributions	506,500	-	(267,100)	239,400
Travel and transportation	220,200	10,800	-	231,000
Materials and supplies	43,400	48,900	(38,900)	53,400
Purchased services	48,600	43,900	-	92,500
Utilities	44,300	120,000	(1,000)	163,300
Service contracts	341,400	73,800	(8,500)	406,700
Fees and payments	102,200	5,100	-	107,300
Other expenses	79,800	15,900	(5,100)	90,600
Cost of goods sold	180,900	3,400	(65,000)	119,300
Total O&M before amortization expenses	2,210,200	454,200	(411,200)	2,253,200
Plus: Amortization expenses on tangible capital assets	87,100	55,100	-	142,200
Total operations and maintenance expense	2,297,300	509,300	(411,200)	2,395,400
Capital Expenses				
Capital expenditures - GN funded	143,000	-	(43,900)	99,100
Capital expenditures - Third-party funded	107,700	-	-	107,700
Plus capital carryovers from prior year	44,000	-	-	44,000
Less Transfers to tangible capital assets	(62,700)	-	-	(62,700)
	232,000	-	(43,900)	188,100
Total expenses	2,529,300	509,300	(455,100)	2,583,500

GOVERNMENT OF NUNAVUT
CONSOLIDATED BUDGET OF GOVERNMENT REPORTING ENTITY
Budgeted Changes in Net Financial Assets

SCHEDULE D

For the year ended March 31, 2021

(in thousands of dollars)

	Core Government	Other Entities	Budgeted Consolidation Adjustments	2020-2021 Consolidated Estimates
Surplus (deficit) for year	(30,500)	61,900	-	31,400
Tangible Capital Assets				
Additions	(62,700)	(119,600)		(182,300)
Disposals	-	5,400		5,400
Write-downs	-	-		-
Amortization	87,100	55,100		142,200
	24,400	(59,100)	-	(34,700)
Additions to inventories for use	-	-	-	-
Consumption of inventories for use	-	-	-	-
Net (additions) use of prepaid expenses	-	-	-	-
	-	-	-	-
Change in Net Financial Assets (Debt)	(6,100)	2,800	-	(3,300)

SECTION IV
BUDGET SUMMARIES

This page intentionally left blank

GOVERNMENT OF NUNAVUT
BUDGET SUMMARY
Core Government - GN Departments and Revolving Funds

For the year ended March 31, 2021

(in thousands of dollars)

	Estimates 2020-2021	Estimates 2019-2020	Actual 2018-2019
Revenues from the Government of Canada			
Territorial Formula Financing	1,712,500	1,641,700	1,578,812
Transfers under third-party funding agreements	230,000	194,775	202,080
Other transfer payments	124,500	95,800	97,621
Total revenues from the Government of Canada	2,067,000	1,932,275	1,878,513
Revenues generated by the Government of Nunavut			
Taxation revenues			
Personal income tax	30,800	34,700	37,773
Corporate income tax	20,900	20,000	27,978
Payroll tax	35,500	31,800	32,314
Tobacco tax	23,800	25,300	22,599
Fuel tax	22,300	14,900	17,964
Property tax	8,800	7,000	7,768
Insurance taxes	2,800	2,200	2,422
Total taxation revenue	144,900	135,900	148,818
Sales			
Petroleum Product Division	202,999	199,634	197,001
Nunavut Liquor and Cannabis	20,139	14,543	16,146
Total sales	223,138	214,177	213,147
Other revenues			
Staff housing recoveries	20,700	19,600	20,427
Transfers under third-party funding agreements	2,067	1,574	1,544
Recoveries of prior years' expenditures	13,000	13,000	12,606
Other revenues	28,000	25,000	36,774
Total other revenues	63,767	59,174	71,351
Total revenues generated by GN	431,805	409,251	433,316
Total revenues	2,498,805	2,341,526	2,311,829
Expenses (Schedule C)			
Compensation and benefits	642,915	609,484	592,668
Grants and contributions	506,481	483,307	481,266
Other expenses			
Travel and transportation	220,176	199,146	193,812
Materials and supplies	43,423	42,651	33,102
Purchased services	48,558	50,647	48,603
Utilities	44,311	41,944	42,552
Service contracts	341,393	335,564	327,287
Fees and payments	102,237	101,902	96,120
Other expenses	79,690	53,348	39,593
Cost of goods sold	180,936	183,720	177,868
Total other expenses	1,060,723	1,008,924	958,937
Total expenses before amortization and write-down of tangible capital assets	2,210,119	2,101,714	2,032,871
Write-down of tangible capital assets	-	-	170
Amortization expense	87,121	84,566	87,180
Total operation and maintenance expenses	2,297,240	2,186,280	2,120,221
Capital expenses	232,037	189,246	136,721
Total expenses	2,529,277	2,375,526	2,256,942
Surplus (deficit) for year	(30,472)	(34,000)	54,887

GOVERNMENT OF NUNAVUT
BUDGET SUMMARY
Nunavut Arctic College (NAC)

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

	Estimates 2020-2021	Estimates 2019-2020	Actual 2018-2019
Revenues from the Government of Canada			
Transfers under third-party funding agreements	10,859	11,525	10,465
Revenues from the Government of Nunavut	39,019	38,695	52,067
Revenues generated by NAC			
Tuition fees and other sources	7,719	7,719	3,136
Total revenues	57,597	57,939	65,668
Expenses			
Compensation and benefits	36,311	35,856	32,341
Travel and transportation	2,524	2,569	2,360
Materials and supplies	1,807	1,821	1,601
Purchased services	878	854	734
Utilities	306	306	11,005
Service contracts	11,697	13,406	14,016
Fees and payments	2,685	1,738	755
Other expenses	1,239	1,239	967
Amortization expense	150	150	400
Total expenses	57,597	57,939	64,179
Surplus (deficit) for year	-	-	1,489

Note 1 : The 2020-2021 and 2019-2020 Main Estimates do not budget for amounts of grants-in-kind. However, NAC reported actual grants-in-kind in 2018-19 of \$13.372 million.

Note 2 : The capital expenditures of \$10.55 million appropriated for NAC under Finance is not included in the above budget.

GOVERNMENT OF NUNAVUT
BUDGET SUMMARY
Nunavut Business Credit Corporation (NBCC)

For the year ended March 31, 2021

(in thousands of dollars)

	Estimates	Estimates	Actual
	2020-2021	2019-2020	2018-2019
Revenues from the Government of Nunavut	1,259	860	860
Revenues generated by NBCC			
Interest income on loans receivable and other sources	740	1,060	1,167
Total revenues	1,999	1,920	2,027
Expenses			
Compensation and benefits	1,035	935	766
Travel and transportation	75	70	31
Materials and supplies	35	30	32
Purchased services	212	202	109
Fees and payments	143	143	118
Other expenses	448	567	784
Amortization expense	10	15	15
Total expenses	1,958	1,962	1,855
Surplus (deficit) for year	41	(42)	172

Note : Expenses include interest on advance from GN and allowance for losses on loans, which were not included in the 2020-21 Main Estimates.

GOVERNMENT OF NUNAVUT
BUDGET SUMMARY
Nunavut Development Corporation (NDC)

For the year ended March 31, 2021

(in thousands of dollars)

	Estimates	Estimates	Actual
	2020-2021	2019-2020	2018-2019
Revenues from the Government of Nunavut	3,552	3,502	3,597
Revenues generated by NDC			
Sales and other revenues	3,902	3,884	4,177
Total revenues	7,454	7,386	7,774
Expenses			
Compensation and benefits	1,845	1,886	1,754
Travel and transportation	290	290	167
Materials and supplies	131	130	132
Purchased services	165	225	222
Utilities	22	20	19
Service contracts	130	130	253
Fees and payments	70	70	125
Other expenses	511	445	496
Cost of goods sold	3,381	3,380	3,538
Amortization expense	133	116	157
Total expenses	6,678	6,692	6,863
Surplus (deficit) for year	776	694	911

Note: Expenses include cost of goods sold, amortization, and other expenses, which were not included in the 2020-21 Main Estimates.

**GOVERNMENT OF NUNAVUT
BUDGET SUMMARY
Nunavut Housing Corporation (NHC)**

For the year ended March 31, 2021

(in thousands of dollars)

	Estimates	Estimates	Actual
	2020-2021	2019-2020	2018-2019
Revenues from the Government of Canada			
Other transfer payments (Note 1)	43,615	44,286	62,269
Revenues from the Government of Nunavut (Note 2)	263,061	260,303	243,278
Revenues generated by NHC			
Social housing rental revenue	17,040	16,940	16,941
Other revenue and recoveries	5,720	5,571	6,884
Total other revenues	22,760	22,511	23,825
Total revenues	329,436	327,100	329,372
Expenses			
Compensation and benefits	54,882	54,586	54,120
Travel and transportation	2,303	2,303	2,039
Materials and supplies	227	227	232
Purchased services	22,898	22,606	25,968
Utilities	118,530	116,912	112,560
Service contracts	55,143	51,723	49,994
Fees and payments	2,075	2,135	2,103
Other expenses	11,872	11,790	13,074
Amortization expense	40,526	39,375	35,411
Total expenses	308,456	301,657	295,501
Surplus (deficit) for year	20,980	25,443	33,871

Note 1: These are various federal transfer payments consisting of: (a) federal transfer of \$22.025 million less debt repayment of \$10.530 million, (b) capital transfer of \$4.290 million, and (c) various other federal transfers for \$27.830 million.

Note 2: Revenues from the Government of Nunavut includes the \$217.718 million contribution towards NHC's operation, the \$43.443 million capital contribution, and the \$1.9 million grants-in-kind.

GOVERNMENT OF NUNAVUT
BUDGET SUMMARY
Qulliq Energy Corporation (QEC)

For the year ended March 31, 2021

(in thousands of dollars)

	Estimates	Estimates	Actual
	2020-2021	2019-2020	2018-2019
Revenues from the Government of Canada			
Federal Capital Funding - Arctic Energy Fund (Note 1)	32,609	-	-
Revenues from the Government of Nunavut			
Capital contribution	500	-	-
Territorial power support subsidy from GN	10,938	10,938	9,815
Power subsidy from NHC	30,943	33,310	24,893
	42,381	44,248	34,708
Revenues generated by QEC			
Power sales (Note 2)	93,155	87,370	93,538
Other revenues	6,565	15,038	7,335
Total	99,720	102,408	100,873
Total revenues	174,710	146,656	135,581
Expenses			
Compensation and benefits	38,303	36,892	32,112
Travel and transportation	5,599	4,903	5,125
Materials and supplies	46,743	57,272	50,165
Purchased services	19,705	4,312	23,437
Utilities	1,146	1,284	-
Service contracts	6,853	11,104	-
Fees and payments	145	456	-
Other expenses	1,829	5,342	6,765
Amortization expense	14,305	12,861	13,485
Total expenses	134,628	134,426	131,089
Surplus (deficit) for year	40,082	12,230	4,492

Note 1: This Federal funding will be spent on tangible capital assets resulting in higher surplus in 2020-21.

Note 2: Power sales of \$135 million in Schedule A include the \$41.88 million subsidies provided by GN and NHC.