Building Nunavut Together

GOVERNMENT OF NUNAVUT

Public Accounts at a Glance

Office of the Comptroller General
Department of Finance
December 2025

About this Guide

The Department of Finance's Office of the Comptroller General has prepared this guide to help interested individuals gain a high-level understanding of the annual Public Accounts of the Government of Nunavut (GN). This guide only introduces you to the Public Accounts. It does not go into any significant detail.

This Public Accounts at a Glance guide will provide an overview of:

- What the Public Accounts are,
- How they are prepared,
- Objectives of financial statements,
- What it includes, and
- Provide comments on each piece of the Public Accounts to explain
    - What it is,
    - How it is organized, and
    - Some of the key things each piece tells you

The guide will also suggest things to consider and questions you may want to ask on the main parts of the Public Accounts and the consolidated financial statements. As you review this guide, we encourage you to have a copy of the GN's Public Accounts and refer to the applicable section.

Public Sector Accounting Board – Future Changes in Standards

An updated Conceptual Framework for Financial Reporting in the Public Sector will come into effect on April 1, 2026. A conceptual framework is a set of interrelated concepts underlying accounting and financial reporting standards and provides information on the nature, function, and limits of financial accounting and reporting. The Government of Nunavut will be adopting this updated conceptual framework on the effective date.

PS 1202 Financial Statement Presentation is a standard that has been updated and will come into effect on April 1, 2026. This standard defines how financial statements are presented. Some of the new changes include:

- Removal of the Statement of Change in Net Financial Assets or Debt
- Addition of a new Statement of Net Assets or Net Liabilities
- Will provide additional guidance on how these amounts must be determined

What are the Public Accounts and How are they Prepared?

The Public Accounts is the primary financial report and accountability document prepared by the Government of Nunavut to communicate financial and other information to Members of the Legislative Assembly, residents of Nunavut, financial institutions, and other levels of governments such as the Government of Canada.

To put it another way, the Public Accounts is the main way the GN tells the public and other users about its finances and how they have been managed. It helps tell the story of the financial affairs and resources controlled by the GN, the health of its finances, how its changed, and how the GN used public money and other resources over the past year.

The *Nunavut Act* requires the GN to present to the Legislative Assembly a set of accounts each fiscal year. This set of Accounts is the Public Accounts. A fiscal year starts on April 1 and ends on March 31. The *Nunavut Act* also requires the GN to follow Canadian accounting principles and standards when preparing these accounts.

During the winter, the Office of the Comptroller General starts the preparation of GN's financial statements which is a key piece of the Public Accounts. During the months of April to June, departments and territorial corporations (D&TCs) are finalizing year end entries and preparing financial statements and other information needed for the Public Accounts. The Office of the Comptroller General reviews and organizes the information provided by the D&TCs and prepares a first draft of the GN's financial statements which includes all departments and funds. These statements are the non-consolidated financial statements. This is usually completed by mid-July. The next draft incorporates the financial information of agencies and territorial corporations. These draft statements are called the consolidated financial statements. The Public Accounts are built around the GN's consolidated financial statements.

What are the Public Accounts

- Financial Report
- Accountability Document
- Tells the state of GN finances
- Tells how they have been managed

How are the Public Accounts Prepared

- Required by the *Nunavut Act*
- Prepared by Comptroller General's Office
- Follows Canadian Public Sector Accounting Standards (PSAS)
- First draft: Departments and funds
- Final draft : Departments, funds, and Territorial Corporations
- Fiscal year April 1 to March 31

What is included in the Public Accounts

The GN's Public Accounts include five main parts.

1. Financial Statement Discussion and Analysis
2. Statement of Management Responsibility
3. Independent Auditor's Report
4. Consolidated Financial Statements
5. Non-consolidated Financial Statements

The Financial Statement Discussion and Analysis (FSDA)

What it is

The FSDA is a short high level financial report on the GN's financial situation. It provides highlights, comments, explanations, summaries, and other information to help users better understand the GN's financial position and results of operations.

Things to pay attention to:

- Is the GN better or worse off and why
- Trends
- Key events
- Key risks and challenges
- Chances and impacts of risks and challenges occurring
- How are key risks and challenges managed

Key questions to ask:

1. Why are the GN's finances better or worse than they were in the prior period?
2. What direction are the GN's finances trending?
3. What were the key things that happened during the year that affected the GN's finances?
4. What are the key risks and challenges to the GN's finances?
5. How likely are these key risks and challenges to impact the GN?
6. How are these key risks managed?

The Statement of Management Responsibility

What it is

A letter that helps readers understand who prepared the consolidated financial statements, how they were prepared, the preparer's responsibilities, and who approved the statements.

Through this statement, which PSAS requires, the GN takes responsibility for:

- Preparing the consolidated financial statements
- Following Public Sector Accounting Standards
- Information in the consolidated financial statements
- Financial management
- Safeguarding GN assets, and
- Transactions comply with the Financial Administration Act (FAA)

Things to pay attention to:

- The positions of the individuals who signed the letter
- Changes from the prior period
- Limitations or restrictions

Key questions to ask:

1. Are the positions of the individuals who signed the letter in a position that provides them with the necessary authority and knowledge to take responsibility for the consolidated financial statements?
2. Have there been any changes to the letter from the prior period?
3. Are there any limitations or restrictions in the letter?
4. Is the letter dated on or before the Auditor General's report?

The Independent Auditor's Report

What it is

A report from the Auditor General of Canada that provides an opinion on whether the GN properly prepared and fairly presented its consolidated financial statements.

The Report is important because:

- Adds credibility and reliability
- It lets the reader know that the GN prepared its consolidated financial statements properly
- Communicates other matters noted during their work that may impact your views of the GN's finances and the government's management of those finances

It is important to note, the Office of the Auditor General of Canada reviews and examines transactions on a test basis and based on the testing and other procedures performed, prepares an independent auditor's report. It is also important to note that the auditor's opinion only covers the consolidated financial statements and not the other information included in the Public Accounts. The auditor does review this other information to ensure it is consistent with the consolidated financial statements and is not misleading.

Things to pay attention to:

- The positions of the individuals who signed the letter
- Changes from the prior period
- Limitations or restrictions

Key questions to ask:

1. Did the Auditor General issue an unqualified opinion on the financial statements?
2. Did the Auditor General raise any concerns or other matters? If yes, what is it and what does it mean to the GN's financial statements?
3. Is the Audit Report dated prior to the deadline set by the *Financial Administration Act?* (Usually December 31)

Note: If the Auditor General issues an *unqualified* report, it means the Auditor General has no significant concerns about the statements. This is a good thing. However, if the auditor issues a *qualified* report, it means the Auditor General wants to draw attention to significant specific concerns that affect the fair presentation of the statements.

Objectives of the Consolidated Financial Statements

The Public Sector Accounting Board (PSAB) identifies four objectives for all public sector financial statements:

1. Provide a complete picture of the government's financial affairs and the public resources it controls.
2. Show the government's financial position at a point in time. This is so that others can see whether the government has enough money to continue to provide programs and services, pay its debts, meet its contractual obligations, and continue to provide services in the future.
3. Show how the government's finances have changed over time. This is so readers can see how the government used its resources, whether the government owes or owns more than it did before, and where the money came from.
4. Support accountability by providing information others need to decide whether the government did a good job managing public resources and whether it followed the rules.

Components of the Consolidated Financial Statements

Financial statements are communication tools designed to summarize financial and other information to meet the information needs of those who use them. The GN consistently prepares its consolidated financial statements using the presentation formats and standards recommended by the Canadian Public Sector Accounting Board (PSAB). The standards set by PSAB define what is required to be included in the GN's consolidated financial statements.

Remember:

It's important to remember that the statements work together to collect, organize, and present information about financial transactions and events to meet the stated PSAB objectives previously noted. It is also important to keep in mind that:

- The statements communicate financial information that is reliable, comparable, and understandable so that others can understand the GN's financial operations.

- The GN's consolidated financial statements are not intended to provide all the information someone might want to see, or even all the information someone may need to answer specific questions.

- The statements are prepared for general use, which means they are not prepared for any specific single user or any specific purpose.

There are six components to the GN's Consolidated Financial Statements:

1. Consolidated Statement of Financial Position
2. Consolidated Statement of Operations and Accumulated Surplus
3. Consolidated Statement of Change in Net Financial Assets
4. Consolidated Statement of Cash Flow
5. Notes to the Consolidated Financial Statements
6. Schedules to the Consolidated Financial Statements

Canadian Public Sector Accounting Standards require a Statement of Remeasurement Gains and Losses but only if the related financial activity is material or significant. Currently, these amounts are not material or significant to the GN and therefore the GN does not include this statement in its consolidated financial statements. As a result, the statement is excluded from our discussion.

Consolidated Statement of Financial Position

What it is

A statement that presents a point-in-time snapshot of the GN's financial position on March 31.

What it tells you:

- The GN's Financial position at a point in time
- What assets the GN has to run government and pay its bills (financial assets)
- What the GN owes (liabilities)
- What assets the GN has to deliver programs and services (non-financial assets)

How it is organized:

The statement is organized as follows:

Financial Assets	$xxx
Less Liabilities	xxx
Equals Net Financial Assets (if positive or Net Debt if negative)	xxx
Add Non-Financial Assets	xxx
Equals Net Assets (if positive or Accumulated Deficits if negative)	$xxx

Things to pay attention to:

- Composition of and changes in financial assets and liabilities
- Changes in the net financial assets (or net debt)
- Trends
- Composition of non-financial assets (especially tangible capital assets)
- Changes in tangible capital assets
- Change in net assets

Something to watch for:

Sometimes individuals look at the accumulated surplus position and wonder why the GN does not use this money to pay for new programs and services. The GN does not do this because the accumulated surplus amount is mostly made up of non-financial assets called tangible capital assets, which consists of assets such as buildings and equipment that the GN uses to run its programs and deliver services.

Unless the GN plans to sell its schools, health centres, tank farms, and airports, the accumulated surplus does not represent available money. Most of the value is already tied up and not available to pay for new programs and services because it is already being used to help deliver existing programs and services!

Questions to ask:

1. Are the GN's net financial assets increasing or decreasing?
2. What is the trend?
3. What is causing the change? (If the GN's net financial assets are going down over time, it could mean a worsening financial condition, which could have negative implications for future operations)
4. What makes up the GN's non-financial assets and how are the components changing?
5. Is the GN investing in tangible capital assets?
6. Is there significant deferred maintenance on tangible capital assets?
7. How has the total value of tangible capital assets (i.e. buildings, equipment, vehicles) changed?
8. How did changes in tangible capital assets impact the GN's net assets?

The following is an example of the GN's Consolidated Statement of Financial Position for the year ended March 31, 2025.

GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS
Consolidated Statement of Financial Position
as at March 31, 2025
(in thousands of dollars)

	Note	2025	2024
Financial assets			
Cash and cash equivalents	4	1,260,620	511,876
Portfolio and other investments	5	296,323	787,665
Accounts receivable	6	514,280	573,767
Inventories for resale	7(a)	205,127	239,916
Condominiums held for resale	8	453	-
Loans receivable	9	25,504	17,267
Total financial assets		2,302,307	2,130,491
Liabilities			
Bank indebtedness	10	25	10,035
Accounts payable and accrued liabilities	11	705,407	571,688
Deferred revenues	12	271,789	215,810
Liability for contaminated sites	13	9,084	10,102
Liabilities for pension and other employee benefits	14	128,062	125,350
Long-term debt	15	136,221	162,407
Liability for Iqaluit International Airport	16	143,045	145,441
Capital lease obligations	17	28,871	35,400
Liability for Nunavut Energy Management Program	18	24,828	15,758
Asset retirement obligations	19	112,944	102,712
Total liabilities		1,560,276	1,394,703
Net financial assets		742,031	735,788
Non-financial assets			
Tangible capital assets (Schedule B)		3,074,460	2,888,325
Condominiums held for resale	8	-	2,489
Housing under development for resale		3,775	-
Inventories for use	7(b)	47,238	44,214
Advance on contract	28	17,469	20,209
Prepaid expenses		11,158	8,176
Total non-financial assets		3,154,100	2,963,413
Accumulated surplus		3,896,131	3,699,201

Contractual obligations **(Note 21)**
Contractual rights **(Note 22)**
Contingencies **(Note 23)**

The Consolidated Statement of Operations and Accumulated Surplus

What it is

The statement shows the GN's actual and planned operating results for the fiscal year. The statement also shows the results from the prior year for comparative purposes.

What it tells you:

- How much revenue was raised in the year
- Where the revenue came from
- How much was spent
- What it was spent on
- Compares actual amounts to the budget and to the prior period
- Reports the surplus or deficit for the year
- Reconciles Accumulated Surplus at the start of the year to the end of the year

How it is organized:

The statement is organized as follows:

Revenues	$xxx
Less Expenses	xxx
Equals Annual Surplus (or Deficit if negative)	xxx
Accumulated Surplus, beginning of the year	xxx
Accumulated Surplus, end of the year (or Accumulated Deficit if negative)	$xxx

Things to pay attention to:

- Budget to actual variances
- Year-to-year variances
- If there is a surplus or deficit
- Sale or disposal of tangible capital assets
- Unusual revenues or expenses
- Trends
- Charges directly to accumulated surplus

Questions to ask:

1. Is the surplus or deficit in line with the budget?
2. What was the main reason(s) for the surplus or deficit?
3. What are the main reasons for variances between planned and actual results?
4. What are the main reasons for significant variances from the prior period?
5. Were any significant tangible capital assets sold or disposed of?
6. Are there any unusual items such as a one-time inflow of funds like a federal transfer or an expense due to extraordinary circumstances such as a pandemic?
7. What are the trends in revenues and expenses?
8. Are there any adjustments directly to Accumulated Surplus? Why?

The following is an example of the GN's Consolidated Statement of Operations and Accumulated Surplus for the year ended March 31, 2025.

GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS
Consolidated Statement of Operations and Accumulated Surplus
for the year ended March 31, 2025
(in thousands of dollars)

	2025 Budget	2025 Actual	2024 Actual (Note 29)
Revenues (Schedule A)			
From the Government of Canada	2,710,151	2,719,753	2,665,105
Sales	321,121	290,324	273,770
Other taxes	110,000	118,104	105,523
Corporate and personal income taxes	60,500	72,098	54,235
Income from portfolio investments	-	35,481	56,033
Other revenues generated by the Government of Nunavut	107,786	234,976	150,353
Total revenues	3,309,558	3,470,736	3,305,019
Expenses (Note 20)			
Health	719,169	917,668	799,484
Community and Government Services	733,861	621,533	540,012
Housing	345,804	374,696	345,938
Education	385,733	382,088	360,898
Finance	341,971	252,656	239,900
Family Services	207,264	246,933	223,430
Justice	181,343	177,481	170,419
Economic Development and Transportation	186,388	151,010	131,256
Human Resources	34,402	30,222	28,099
Environment	32,981	33,451	31,676
Culture and Heritage	38,505	35,472	32,097
Legislative Assembly	30,531	24,797	24,432
Executive and Intergovernmental Affairs	28,181	25,799	25,286
Total expenses	3,266,133	3,273,806	2,952,927
Surplus for the year	43,425	196,930	352,092
Accumulated surplus, beginning of year	3,699,201	3,699,201	3,347,109
Accumulated surplus, end of year	3,742,626	3,896,131	3,699,201

The Statement of Change in Net Financial Assets

What it is

The statement provides information about how the GN's financial assets changed over the year.

This statement is important because:

- It shows how tangible capital assets and other non-financial assets affected Net Financial Assets
- It helps link the operating surplus/deficit to the change in Net Financial Assets

What it tells you:

- Provides details to explain how the Net Financial Assets (or Net Debt, if negative) changed
- Explains the difference between the annual surplus (or deficit) and the change in Net Financial Assets (or Net Debt, if negative)
- Provides budget information and prior year actuals for comparison
- Reconciles beginning Net Financial Assets to ending Net Financial Assets (or Net Debt, if negative)

How it is organized:

The statement is organized as follows:

Surplus (deficit) for the year	$xxx
Changes in Tangible Capital Assets	xxx
Subtotal	xxx
Changes in Non-Financial Assets	xxx
Change for the year in Net Assets	xxx
Net Financial Assets, beginning of the year (Net Debt, if negative)	xxx
Net Financial Assets, end of the year (Net Debt, if negative)	$xxx

Things to pay attention to:

- Variances from budget and the prior period
- Spending on capital projects
- Disposals of tangible capital assets
- Write downs and write-offs
- New or unusual items

Questions to ask:

1. Did the GN acquire the significant tangible capital assets that it planned to? If not, which projects did not proceed and why? What is the impact?
2. Were planned costs for major projects on budget?
3. Were there any significant unplanned disposals of tangible capital assets? If yes, why?
4. Where there any significant write downs of non-financial assets? If yes, why?
5. Are there any new and/or unusual items?

The following is an example of the Consolidated Statement of Change in Net Financial Assets for the year ended March 31, 2025.

GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS
Consolidated Statement of Change in Net Financial Assets
for the year ended March 31, 2025
(in thousands of dollars)

	2025 Budget	2025 Actual	2024 Actual
Surplus for the year	43,425	196,930	352,092
Tangible capital assets (Schedule B)			
Additions	(208,341)	(346,263)	(239,615)
Adjustments	-	300	(55,332)
Disposals	5,476	71	1,023
Amortization	147,732	158,749	153,564
Write-downs	1,475	1,008	5,898
	(53,658)	(186,135)	(134,462)
Additions to inventories for use	(12,496)	(94,344)	(82,242)
Consumption of inventories for use	11,679	91,320	84,695
Net use of advance on contract	-	2,740	(20,209)
Disposals of condominiums for resale	-	2,489	8,414
Net Housing under development for resale	-	(3,775)	-
Net use of prepaid expenses	-	(2,982)	(130)
	(817)	(4,552)	(9,472)
Increase in net financial assets	(11,050)	6,243	208,158
Net financial assets, beginning of year	735,788	735,788	527,630
Net financial assets, end of year	724,738	742,031	735,788

The Consolidated Statement of Cash Flow

What it is

The statement shows the change in cash and cash equivalents from one year to the next by detailing all the activity that raised or used cash.

What it tells you:

- Main causes of the change in cash
- How cash was raised – sources of cash
- What cash was spent on – uses of cash
- What the GN considers to be cash
- Reconciles cash at the beginning of the year to the end of the year
- Provides comparatives for prior period

How it is organized:

The statement is organized as follows:

Cash from Operating Activities	$xxx
Cash from Capital Activities	xxx
Cash from Investing Activities	xxx
Cash from Financing Activities	xxx
Total Change in Cash for the year	xxx
Cash, beginning of the year	xxx
Cash, end of the year	$xxx

Things to pay attention to:

- Change from the beginning to the end of the year
- Cash provided by and used in operations
- How the cash position was affected by tangible capital asset transactions
- Significant changes from the prior period
- Adequacy of year-end cash balance
- Unusual sources or uses of cash

Questions to ask:

1. How has the GN's cash position changed over the year?
2. Did the GN raise most of its cash need through operations?
3. How much of the GN's cash is significantly affected by capital, investing, and/or financing activities?

The following is an example of the GN's Consolidated Statement of Cash Flow for the year ended March 31, 2025.

GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS
Consolidated Statement of Cash Flow
for the year ended March 31, 2025
(in thousands of dollars)

	2025	2024
Cash provided by (used for) operating activities:		
Cash received from:		
Transfers from the Government of Canada	2,854,308	2,442,380
Taxation	182,566	154,987
Insurance proceeds	71	7,543
Other generated revenues	481,519	348,101
Interest on loans receivable and portfolio investments	35,481	56,033
Cash paid for:		
Interest payments on long-term debt	(24,372)	(25,936)
Interest payments on capital leases	(805)	(983)
Payments to and on behalf of employees	(859,380)	(819,980)
Grants and contributions	(386,133)	(383,900)
Suppliers	(1,661,301)	(1,605,514)
	621,954	172,731
Cash provided by (used for) capital activities:		
Purchases of tangible capital assets	(305,826)	(266,693)
Proceeds from sale of tangible capital assets	-	-
	(305,826)	(266,693)
Cash provided by (used for) investing activities:		
Loans issued to municipalities, businesses and individuals	(16,474)	(5,133)
Loan repayments by municipalities, businesses and individuals	8,237	4,728
Investments in condominiums held for resale	(3,775)	-
Investments in portfolio and other investments	(34,564)	(487,754)
Proceeds from sale of portfolio and other investments	525,906	335,339
	479,330	(152,820)
Cash provided by (used for) financing activities:		
Proceeds from long-term debt issuance	-	-
Principal payments on long-term debt	(30,175)	(26,876)
Principal payments on capital leases	(6,529)	(6,355)
	(36,704)	(33,231)
(Decrease) increase in cash and cash equivalents	758,754	(280,013)
Cash and cash equivalents, beginning of year	501,841	781,854
Cash and cash equivalents, end of year	1,260,595	501,841
Represented by:		
Cash and cash equivalents	1,260,620	511,876
Bank indebtedness	(25)	(10,035)
	1,260,595	501,841

Notes to the Consolidated Financial Statements

What they are

Notes provide extra information about the consolidated financial statements and the information they contain. Canadian accounting standards for the public sector have detailed requirements for what must be included in these notes.

Disclosure of such information helps to ensure information reported in the financial statements is not misunderstood.

What they tell you:

Provides additional information to help you understand the statements, including:

- Information about the GN
- The basis on which the statements are prepared (accounting standards used)
- Key accounting policies used to account for transactions
- Detailed information about significant items in the statements
- Information about important items not in the statements such as contractual obligations and contingencies that may affect the future financial situation of the GN

How they are organized:

Notes are organized by number and generally start with a note about the GN and its significant accounting policies. The notes are usually organized based on the financial statement line items so what appear first in the statement of financial position in also seen near the beginning of the notes and so on. When reading through the consolidated financial statements, look for the number in the column labelled “Note”. This number indicates which note contains information that relates to the line item on that statement

Things to pay attention to:

- New notes or deleted notes
- Accounting policy changes
- Correction of errors
- Future accounting policy changes
- Significant changes in specific notes such as employee future benefits
- Contractual obligations
- Contingencies
- Subsequent events

Questions to ask:

1. Have there been any significant changes in the note disclosures in the current year compared to the prior year?
2. Have there been any accounting policy changes? If so, why and what was the impact?
3. Have there been any error corrections? If so, why and what is the impact?
4. Are there any future accounting changes that will significantly impact the GN?
5. Have there been any significant changes to employee future benefits, if yes, what are the changes and its impact on current and future operations?
6. Have there been any significant changes in commitments and contingencies?
7. Have there been any disclosures of subsequent events?

Schedules to the Consolidated Financial Statements

What they are

Schedules contain additional information which expands upon information in the consolidated financial statements. The GN provides schedules for revenues, tangible capital assets, and segmented information.

What they tell you:

Schedules provide a greater level of detail to help readers further understand reported amounts. For example, Schedule A provides a detailed breakdown of revenue sources, Schedule B provides detailed information on tangible capital assets, and Schedule C provides a detailed breakdown of spending by department.

How they are organized:

Schedules are organized by letter and follow the notes. They are also referenced in the statements similar to how the notes are referred to.

Things to pay attention to:

- Changes from the prior periods (variances)
- New and unusual items
- Trends

Questions to ask:

1. Are there any significant variances from budget and the prior year? If yes, what caused the change and is the cause expected to continue to occur?
2. What are the key drivers of trends for significant items included in the schedules?

The Non-Consolidated Financial Statements (NCFS)

The final component of the GN's Public Accounts is the non-consolidated financial statements. The *Financial Administration Act* requires the Comptroller General to prepare an Interim Financial Report by September 30 following the end of the fiscal year. The non-consolidated financial statements is basically the Interim Financial Report included in Volume 2 of the Public Accounts. Current accounting standards for the public sector do not require these statements to be included in the Public Accounts but the GN has chosen to do so.

Although the Auditor General does not issue a separate Independent Auditor's Report on the non-consolidated financial statements, the accounts of the NCFS have been examined by the Office of the Auditor General because the non-consolidated financial statements are included in the consolidated financial statements.

What they are

The NCFS are the statements for departments and revolving funds.

They have the same statements as CFS, are organized the same way, have the same objectives, follows PSAS, and have similar notes and schedules.

The primary differences between the CFS and NCFS:

- NCFS does not have an audit report
- Excludes agencies and territorial corporations

Summary

The Public Accounts contain a significant amount of information. At its core, it is a communication tool to report financial information and it serves as the primary accountability document for the Government of Nunavut. It tells readers the financial health of the GN and how it has changed from the prior period.

The GN's consolidated financial statements are included in the Public Accounts and provide readers with five key financial messages:

1. **Net Financial Assets -** often referred to as a "future revenue requirements" indicator. It provides an indication of the affordability of additional spending.
2. **Accumulated Surplus** - represents the net economic resources available to provide future services.
3. **Annual Surplus** - measures whether net assets were maintained in the period. It is an indicator of management's stewardship over financial resources.
4. **Change in Net Financial Assets** - measures whether the revenues raised during the year were sufficient to cover all spending during the year, including tangible capital asset acquisitions. The Statement of Change in Net Financial Assets highlights tangible capital asset spending and compares it to planned spending.
5. **Cash Flows** - helps the reader understand the sources and uses of cash and shows the change in cash by analyzing all activities that affected cash.

Key things to Remember

By understanding these five areas and the financial discussion and analysis, a reader can understand the financial condition of the Government of Nunavut and how it has changed since the prior period. Together with the notes and schedules, the consolidated financial statements communicate significant amounts of information on financial performance, sources and allocations of resources, and financial condition; all of which is useful to assess performance and hold the Government of Nunavut accountable for the resources entrusted to it.

Appendix

Government of Nunavut

Glossary of Key Financial Statement Terms

Governments and government organizations exist for different purposes compared to private businesses. In general, the unique characteristics of public sector entities, requires financial reporting using an accounting framework, standards, and guidance designed specifically for the public sector. This results in terminology that is unique to the public sector. Many of the terms found in the Government of Nunavut's Public Accounts are found in Canadian accounting standards for the public sector. Therefore, in order better understand the GN's Public Accounts, readers need to become familiar with public sector financial statement terminology.

The following glossary provides summary descriptions and/or definitions of common elements included in the GN's Public Accounts. The summary descriptions and/or definitions are derived from pronouncements and other material published by the Public Sector Accounting Board of Canada.

Financial Statement Glossary

Amortization - the portion of an asset that is used/consumed during the period and recorded as an expense.

Assets - are economic resources controlled by a government as a result of past transactions or events and from which future economic benefits are expected to be obtained.

Financial Assets - are the financial resources controlled by Government that can be used to discharge existing liabilities or finance future operations. Financial assets are not for consumption in the normal course of operations. These assets include cash, accounts receivable, investments, and assets that are convertible to cash or that generate cash so that the Government can pay its liabilities as they come due.

Liabilities - are existing financial obligations to outside parties at the date of the financial statements. They result from past transactions and events and will lead to the future sacrifice of economic benefits (e.g., financial assets).

Materiality - is the potential for information to impact the assessments and judgments of a users of financial statements. An item is considered to be material if it can be reasonably expected to influence the assessments of and judgments on financial operations and management.

Fiscal Year - the accounting period starting April 1 and ending March 31.

Net Financial Assets (Net Debt) - is the difference between financial assets and liabilities (if liabilities are greater than financial assets it is Net Debt). Net Financial Assets is a measure of the financial assets available for future use. Net debt is a measure of future revenues required to pay for past transactions or events.

Non-Financial Assets - are assets that the Government will use or consume to provide future services to the public. These assets are not normally used by the Government to settle its liabilities with external parties. As a result, they are shown separately in the Statement of Financial Position. Examples include tangible capital assets, inventory, and prepaid expenses.

Tangible Capital Assets - are non-financial assets having physical substance that:

- Are held for use in or to support the production or supply of goods and services, administration, or maintenance of other tangible capital assets;
- Have useful economic lives extending beyond the fiscal year;
- Are to be used on a continuing basis; and
- Are not for sale in the ordinary course of operations

Accumulated Surplus (Deficit) - represents the net recognized economic resources of the Government at the date of the financial statements. It is the accumulated annual surpluses and deficits of a government. If the amount is negative it is referred to as the Accumulated Deficit. The Accumulated Surplus is a measure that provides the net economic position of the Government from all years of operations at a point in time.

Revenues - including gains, are increases in economic resources, either by way of increases in assets or decreases in liabilities, resulting from operations, transactions, and events during the fiscal year.

Expenses - including losses, are decreases in economic resources, either by way of decreases in assets or increases in liabilities, resulting from operations, transactions, and events during the fiscal year. Expenses are the cost of goods and services consumed during the period.

Expenditures - are the cost of goods and services acquired during the period. It Includes capital acquisitions.

Surplus For Year (Deficit) - represents the Government's net financial results from operations for the year (revenues less expenses).