

LEGISLATIVE ASSEMBLY OF THE
NORTHWEST TERRITORIES
10TH ASSEMBLY, 9TH SESSION

TABLED DOCUMENT NO. 13-87(1)

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Report to the Legislative Assembly
of the Northwest Territories
on the examination of the
accounts and financial transactions of the
GOVERNMENT OF THE NORTHWEST TERRITORIES
for the year ended March 31, 1986



AUDITOR GENERAL OF CANADA

VÉRIFICATEUR GÉNÉRAL DU CANADA

AUDITOR'S REPORT

The Legislative Assembly of the Northwest Territories

I have examined the statement of assets and liabilities of the Government of the Northwest Territories for the year ended March 31, 1986 and the statements of operations, surplus and changes in financial position for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Territories as at March 31, 1986 and the results of its operations and the changes in its financial position for the year then ended in accordance with the accounting policies set out in note 1 to the financial statements applied, after giving retroactive effect to the change in the method of accounting for teachers' salaries as explained in note 2 to the financial statements, on a basis consistent with that of the preceding year.

I further report that, in my opinion, proper books of account have been kept by the Territories, the financial statements are in agreement therewith and the transactions that have come under my notice have, in all significant respects, been within the statutory powers of the Territories.

Kenneth M. Dye, F.C.A.
Auditor General of Canada

Ottawa, Canada
August 22, 1986

GOVERNMENT OF THE NORTHWEST TERRITORIES

Statement of Assets and Liabilities
as at March 31, 1986

ASSETS	1986	1985	LIABILITIES AND SURPLUS	
	(thousands of dollars)	(Restated)	1986	1985
			(thousands of dollars)	
Current			Current liabilities	
Cash and short-term deposits	\$ 65,480	\$ 26,960	Accounts payable (note 11)	\$ 77,779
Accounts receivable (note 4)	45,176	43,029	Current portion of long-term liabilities	5,855
Prepaid expenditures	172	459		
Inventories (note 5)	24,163	22,835		
Due from Northwest Territories				
Housing Corporation (note 6)	1,340	3,192		
Current portion of loans receivable.	2,402	2,821		
	<u>138,733</u>	<u>99,296</u>		
			83,634	63,070
Due from Canada (note 7)	2,440	-		
Loans receivable (note 8)	19,433	19,417	Long-term liabilities (note 12)	12,241
Business Loans and Guarantees			Business Loans and Guarantees	
Fund (note 9)	8,068	7,390	Fund (note 9)	10,000
Students Loan Fund (note 10)	2,785	1,863	Students Loan Fund (note 10)	5,350
Fixed assets, at a nominal value of			Surplus	60,234
one dollar	-	-		40,769
	<u>171,459</u>	<u>127,966</u>		
Trust assets	3,511	3,641	Trust liabilities	3,511
	<u>\$174,970</u>	<u>\$131,607</u>		3,641
	<u><u>\$174,970</u></u>	<u><u>\$131,607</u></u>		<u><u>\$174,970</u></u>
				<u><u>\$131,607</u></u>

Approved:

Tom Butters
Minister of Finance

[Signature]
Comptroller General

[Signature]
Deputy Minister of Finance

GOVERNMENT OF THE NORTHWEST TERRITORIES

Statement of Operations
for the year ended March 31, 1986

	1986		1985
	Main Estimates (note 13)	Actual	(Restated) Actual
	(thousands of dollars)		
Revenues (schedule A)	\$614,529	\$633,931	\$542,488
Expenditures			
- Operations and maintenance (schedule B)	485,953	493,365	439,822
- Capital (schedule C)	112,222	118,501	96,411
	598,175	611,866	536,233
Excess of revenues over expenditures	16,354	22,065	6,255
Projects for Canada and others			
Expenditures	30,335	26,961	23,633
Recoveries	30,335	26,961	23,633
	-	-	-
Excess of revenues over expenditures before extraordinary item	16,354	22,065	6,255
Extraordinary item Provision for employee leave and termination benefits	-	-	(15,778)
Excess of revenues over expenditures (expenditures over revenues)	\$ 16,354	\$ 22,065	\$ (9,523)

GOVERNMENT OF THE NORTHWEST TERRITORIES

Statement of Surplus
for the year ended March 31, 1986

	<u>1986</u>	<u>1985</u> (Restated)
	(thousands of	dollars)
Balance at beginning of the year		
As previously reported	\$ 41,336	\$ 53,358
Adjustment of previous years' teachers salaries (note 2)	(3,580)	(3,132)
Adjustment of previous years' lease revenues (note 3)	3,013	2,566
As restated	<u>40,769</u>	<u>52,792</u>
Excess of revenues over expenditures (expenditures over revenues) for the year	22,065	(9,523)
Transfers to:		
Business Loans and Guarantees Fund (note 3)	(1,000)	(1,000)
Students Loan Fund (note 10)	(1,600)	(1,500)
Balance at end of the year	<u><u>\$ 60,234</u></u>	<u><u>\$ 40,769</u></u>

GOVERNMENT OF THE NORTHWEST TERRITORIES

Statement of Changes in Financial Position
for the year ended March 31, 1986

	<u>1986</u>	<u>1985</u> (Restated)
	(thousands of dollars)	
Funds provided by		
Operations		
Excess of revenues over expenditures before extraordinary item	\$ 22,065	\$ 6,255
Items not requiring funds		
Bad debts and loan remissions	1,975	2,905
Funds from operations	<u>24,040</u>	<u>9,160</u>
Extraordinary item		
Employee leave and termination benefits	-	15,778
	<u>24,040</u>	<u>(6,618)</u>
Decrease in accounts receivable	-	7,609
Decrease in prepaid expenditures	287	-
Decrease in amounts due from Northwest Territories Housing Corporation	1,852	3,303
Payments received on loans	4,811	5,225
Decrease in cash allocated to loan funds	349	-
Increase in grant refundable to Canada	-	4,502
Increase in current liabilities	17,938	10,232
Increase in long-term liabilities	1,506	10,735
	<u>50,783</u>	<u>34,988</u>
Funds used for		
Increase in accounts receivable	2,717	-
Increase in prepaid expenditures	-	427
Increase in inventories	1,328	1,824
Loans advanced	7,762	6,449
Increase in cash restricted for loans	-	1,377
Repayment of long-term debt	-	14,399
Decrease in grant refundable to Canada	456	-
	<u>12,263</u>	<u>24,476</u>
Increase in cash and short-term deposits	38,520	10,512
Cash and short-term deposits at beginning of the year	26,960	16,448
Cash and short-term deposits at end of the year	<u><u>\$ 65,480</u></u>	<u><u>\$ 26,960</u></u>

GOVERNMENT OF THE NORTHWEST TERRITORIES

**Notes to Financial Statements
for the year ended March 31, 1986****1. Accounting policies**

Financial statements

These financial statements have been prepared in accordance with Section 23 of the Northwest Territories Act, R.S.C. 1970, c. N-22, and Section 45 of the Financial Administration Act (N.W.T.) and include the assets, liabilities and net income of the Northwest Territories Liquor Commission and other revolving funds.

The financial statements of the Workers' Compensation Board (N.W.T.), the Legislative Assembly Retiring Allowances Fund (N.W.T.) and the Northwest Territories Housing Corporation have not been consolidated and are reported on separately.

The Workers' Compensation Board (N.W.T.) performs a specific role for which the assets are restricted. Further, increases in equity of the WCB are not likely to accrue to the Government; rather, such increases are retained by the WCB to provide stability to the WCB ratings structure.

The equity of the Legislative Assembly Retirement Allowances Fund (N.W.T.) does not accrue to the Government. The income of the Fund, arising from the Government's and voluntary contributions of members, is retained by the Fund to meet future obligations of the Fund. The cost of operations of the Fund is reflected in the financial statements to the extent of the Government's contributions.

The cost of operations of the Northwest Territories Housing Corporation is currently reflected in these financial statements to the extent of the Government's contributions to the Corporation. Supplementary consolidated information is presented in note 15.

Prepaid expenditures

Prepaid expenditures consist of the unexpended portion of advances made under contractual agreements for work to be performed by third parties on behalf of the Government and which are incomplete at the end of the year.

Inventories

Inventories for resale consist of bulk fuel products, liquor, arts and craft products and are valued at the lower of cost or net realizable value.

Inventories of materials and supplies are valued at the lower of cost or replacement cost.

Notes to Financial Statements
for the year ended March 31, 1986

Fixed assets

Fixed assets, consisting of roads, bridges, ferries, buildings, leasehold improvements, land and land improvements, equipment and vehicles, are charged to expenditures at the time of acquisition or construction. Fixed assets are recorded at a nominal value of one dollar.

Trust accounts

Trust accounts represent funds held under the administration of the Public Trustee, the Supreme and Territorial Courts, and correctional institutions, and comprise cash and term deposits, investments at cost, real estate at assessed value for tax purposes, and sundry assets recorded at a nominal value of one dollar. Transactions are recorded on a cash basis.

Grant from Canada

The grant is subject to the terms of a financial agreement with Canada and is receivable in instalments. Periodic adjustments, as they become known, are made to the grant for income tax collections, Established Programs Financing contributions and operating revenues collected by the Government which are more or less than the estimated amounts used to determine the grant for the fiscal year. Further adjustments are made in accordance with escalation clauses contained in the agreement.

Income taxes

Income taxes, levied under the Income Tax Act, are collected by Canada under a tax collection agreement and are remitted in instalments. The remittances are based on estimates for the taxation year, which are periodically adjusted until the income tax assessments for that year are completed. The remittances for the taxation year are recognized as revenues of the fiscal year in which they are received, together with known adjustments arising in that fiscal year.

Transfer payments

Established Programs Financing contributions are received from Canada in accordance with Federal-Provincial fiscal arrangements and the Established Programs Financing Act (1977). Expenditures are also recovered from Canada under specific cost-sharing agreements and are recorded as recoverable in the year in which the expenditures are incurred.

GOVERNMENT OF THE NORTHWEST TERRITORIES

**Notes to Financial Statements
for the year ended March 31, 1986****Other revenues**

Property and school taxes are assessed on a calendar year basis and are recognized in the fiscal year in which a calendar year ends. Licences, fees and permits are recorded on a cash basis. All other revenues are recorded on an accrual basis.

Projects for Canada and others

The Government undertakes projects for Canada and others for which it usually receives accountable advances. Any unexpended balances of the advances are recorded as current liabilities, and expenditures in excess of advances are recorded as current assets.

Operations, maintenance and capital expenditures

Operations, maintenance and capital expenditures are recorded on an accrual basis.

Pensions

Contributions are made by the Government and its employees to the Public Service Superannuation Plan administered by the Government of Canada. These contributions represent the total liability of the Government and are recognized in the accounts on a current basis. The Government also makes contributions for members of the Legislative Assembly to the Legislative Assembly Retiring Allowances Fund which are recognized on a current basis.

2. Change in accounting policy

During the year, the Government adopted the accrual basis of accounting for teachers' salaries which are earned over a ten month period but paid over twelve months. Retroactive application of this accounting policy has increased expenditures by \$511,000 (1985 - \$448,000) and liabilities by \$4,091,000 (1985 - \$3,580,000).

3. Previous years' lease revenues

The Government subleases office space in Frobisher Bay to the Federal Government. As part of the lease agreement escalations are chargeable to Canada. The escalations for the years 1978 to 1985 were not invoiced or accrued in these years. Retroactive correction has increased revenues by \$477,000 (1985 - \$447,000) and receivables by \$1,099,000 (1985 - \$623,000).

4.

GOVERNMENT OF THE NORTHWEST TERRITORIES

**Notes to Financial Statements
for the year ended March 31, 1986**

4. Accounts receivable

	<u>1986</u>	<u>1985</u>
	(Thousands of dollars)	
Due from Canada under cost-sharing agreements and projects on behalf of Canada	\$ 25,565	\$ 25,116
Revolving funds		
Petroleum products, net of allowance for doubtful accounts of \$1,862,000 (1985 - \$2,250,000)	\$ 6,955	\$ 7,866
Other revolving funds	381	397
	7,336	8,263
Due from Workers' Compensation Board	1,089	650
Accrued interest	3,764	2,031
Other, net of allowance for doubtful accounts of \$2,077,000 (1985 - \$1,602,000)	7,422	6,969
	19,611	17,913
	\$ 45,176	\$ 43,029

During the year, uncollectable accounts of \$484,000 (1985 - \$55,000) were written off with proper authority.

5. Inventories

	<u>1986</u>	<u>1985</u>
	(Thousands of dollars)	
Petroleum products	\$ 19,815	\$ 17,963
Liquor	3,653	3,594
Other	695	1,278
	\$ 24,163	\$ 22,835
	\$ 24,163	\$ 22,835

GOVERNMENT OF THE NORTHWEST TERRITORIES

Notes to Financial Statements
for the year ended March 31, 19866. Due from Northwest Territories Housing Corporation

(a)	1986 (thousands of dollars)	1985
Working capital advance	\$ 3,189	\$ -
Other receivables (payables)	(2,427)	982
	<hr/> 762	<hr/> 982
Advance arising from project cost overruns	578	2,210
	<hr/> \$ 1,340 <hr/>	<hr/> \$ 3,192 <hr/>

The \$578,000 in project cost overruns represents the balance of a \$6,000,000 advance made by the Government to the Housing Corporation in March 1984 to finance operations and capital projects pending Canada Mortgage and Housing Corporation cost sharing.

- (b) Under Section 19 of the Northwest Territories Housing Corporation Act, the Government makes contributions and grants, from funds appropriated, to meet the operating, maintenance and capital costs of the Corporation. A financial agreement between the Government and the Corporation details the funding provided by the Government and the accounting for funds.

As at March 31, 1986 the Government had contributed \$1,721,000 (1985 - \$778,000) more than was required to meet the Corporation's operating costs. In addition, \$5,101,000 of capital contributions had not been spent by the Corporation and may be used to complete projects in progress at year end. Surplus operating and capital funds may be refunded, at the request of the Government, under terms of the financial agreement.

7. Due from (to) Canada

The Government receives a grant from Canada pursuant to a formula funding agreement which expires in 1988. Under this agreement the grant received is subject to adjustments which increase or decrease the amount of the grant depending upon changes in Government revenue as defined in the agreement.

5.

GOVERNMENT OF THE NORTHWEST TERRITORIES

**Notes to Financial Statements
for the year ended March 31, 1986**

	1986 (thousands of dollars)	1985 (thousands of dollars)
Grant per agreement with Canada	\$447,390	\$389,827
Adjustments for:		
Income tax collections	(17,912)	(4,644)
EPF contributions	3,500	695
Operating revenues	2,441	(8,784)
Escalation	5,037	-
	440,456	377,094
Per schedule of revenues Received from Canada during the year	440,000	381,596
	456	(4,502)
Due from (to) Canada		
At beginning of the year	(873)	3,629
At end of the year	\$ (417)	\$ (873)
The amounts are shown as follows:		
Accounts payable (note 11)	\$ (2,857)	\$ (231)
Long-term liabilities (note 12)	-	(642)
Non-current assets	2,440	-
	\$ (417)	\$ (873)

8. Loans receivable

	1986 (thousands of dollars)	1985 (thousands of dollars)
Loans to municipalities and school districts, due in varying annual amounts to the year 2005, bearing interest at rates between 5 3/4% and 18 3/8%, net of allowance for doubtful accounts of \$405,000 (1985-nil)	\$ 19,731	\$ 19,270
Other loans, due in monthly or annual instalments to the year 1994, bearing interest at rates between 0% and 10%, net of allowance for doubtful accounts of \$1,464,000 (1985 - \$1,464,000)	2,104	2,968
	21,835	22,238
Less current portion	2,402	2,821
	\$ 19,433	\$ 19,417

GOVERNMENT OF THE NORTHWEST TERRITORIES

Notes to Financial Statements
for the year ended March 31, 1986

9. Business Loans and Guarantees Fund

The business loans program is operated under the authority of the Business Loans and Guarantees Act which established a ceiling of \$10,000,000 for business loans and guarantees up to March 31, 1986 (1985 - \$9,000,000). Legislation passed after this date authorizes increases to the Fund of \$3,500,000 and \$2,500,000 in 1985/87 and 1987/88 respectively, to a maximum of \$16,000,000 by March 31, 1988. Interest earnings are credited to general revenues (interest income) and provisions for doubtful loans are charged to expenditures (Economic Development and Tourism). The loan fund comprises:

	<u>1986</u> (thousands of dollars)	<u>1985</u>
Loans receivable	\$ 7,843	\$ 6,136
Less provision for doubtful accounts	1,932	1,610
	<hr/>	<hr/>
	5,911	4,526
Cash committed in support of guarantees outstanding	75	88
Cash committed in support of Contract Security Pilot Project	259	-
Cash available for loans and guarantees	1,823	2,776
	<hr/>	<hr/>
Total fund assets	8,068	7,390
Funds to be made available on write-offs of accounts	\$ 1,932	\$ 1,610
	<hr/>	<hr/>
Loan fund balance	<u>\$ 10,000</u>	<u>\$ 9,000</u>

The loans are repayable in instalments to the year 2001 and bear interest at rates between 9% and 16%.

The Contract Security Pilot Project was introduced April 1, 1985, for a two-year period. The project provides contract security to contractors bidding on Northwest Territories Housing Corporation and Government building contracts who are unable to obtain construction contracts because they cannot meet bonding or security requirements. Contract securities become payable to the owner if there is a breach of contract by the contractor. Such contract securities, if paid, are subject to recovery by the Government from the contractor by the initiation of legal action based on securities held for the contract.

GOVERNMENT OF THE NORTHWEST TERRITORIES

Notes to Financial Statements
for the year ended March 31, 1986**10. Students Loan Fund**

The Students Loan Fund was established in 1983 and is operated under the authority of the Student Financial Assistance Act which established a ceiling of \$5,350,000 for the aggregate principal of student loans outstanding up to March 31, 1986 (1985 - \$3,750,000). The ceiling is to be increased next year to a maximum of \$7,150,000. Interest earnings are credited to general revenues (interest income) and provisions for doubtful loans or loan remissions are charged to expenditures (Education).

Interest begins on these loans six months after the borrower ceases to be a full-time student at a rate that is one percent less than the prime rate, as determined and published by the Bank of Canada. The Commissioner may grant remission of these loans, in whole or in part, where conditions of employment within the Northwest Territories are complied with, as stipulated in the regulations. The loan fund comprises:

	<u>1986</u>	<u>1985</u>
	(thousands of dollars)	
Loans receivable	\$ 4,620	\$ 3,378
Less provisions for:		
Loan remissions	1,885	1,437
Doubtful accounts	680	450
	<hr/>	<hr/>
Cash available for new loans	2,055	1,491
	730	372
	<hr/>	<hr/>
Total fund assets	2,785	1,863
Funds to be made available on remissions of loans and write-offs of accounts	2,565	1,887
	<hr/>	<hr/>
Loan fund balance	<u>\$ 5,350</u>	<u>\$ 3,750</u>

The loans are repayable in instalments to the year 1992 and bear interest at rates between 9% and 12%.

GOVERNMENT OF THE NORTHWEST TERRITORIES

Notes to Financial Statements
for the year ended March 31, 1986**11. Accounts payable**

	1986 (Thousands of dollars)	1985 (Thousands of dollars)
Due to Canada		
Unapplied balance of advances	\$ 1,607	\$ 955
Current portion of grant refundable (note 7)	2,857	231
Adjustment to Established Programs Financing estimates	1,925	-
	<u>6,389</u>	<u>1,186</u>
Accounts payable	54,922	42,090
Other liabilities, payroll deductions, and contractors' holdbacks	16,468	14,751
	<u>71,390</u>	<u>56,841</u>
	<u><u>\$ 77,779</u></u>	<u><u>\$ 58,027</u></u>

12. Long-term liabilities

	1986 (Thousands of dollars)	1985 (Thousands of dollars)
Allowance for employee leave and termination benefits	\$ 18,096	\$ 15,778
Portion included in current liabilities	5,855	5,043
	<u>12,241</u>	<u>10,735</u>
Grant refundable to Canada (note 7)	-	642
	<u><u>\$ 12,241</u></u>	<u><u>\$ 11,377</u></u>

13. Main Estimates

The Main Estimates comparative figures are from the Main Estimates tabled in the Legislative Assembly on February 6, 1985 and represent the Government's fiscal plan for the year. As a consequence, these figures do not reflect changes arising from the tabling of Supplementary Estimates for the year.

During the year responsibility for delivery of certain programs was re-allocated. Had these comparative figures been reclassified the Main Estimates column in the Schedules of Expenditures would be as follows:

GOVERNMENT OF THE NORTHWEST TERRITORIES

**Notes to Financial Statements
for the year ended March 31, 1986**

	As Reported	Increase (Decrease)	As Restated
	(thousands of dollars)		
Operations and maintenance			
Executive	\$12,190	\$ (23)	\$ 12,167
Northwest Territories Housing Corporation	34,197	1,144	35,341
Culture and Communications (formerly Information)	3,381	2,980	6,361
Personnel	14,672	(49)	14,623
Justice (formerly Justice and Public Services)	27,839	(2,531)	25,308
Government Services	12,099	543	12,642
Public Works and Highways	92,650	(79)	92,571
Renewable Resources	12,779	(7)	12,772
Local Government	41,017	(1,045)	39,972
Health	68,267	60	68,327
Social Services	37,501	(60)	37,441
Education	94,350	307	94,657
Capital			
Northwest Territories Housing Corporation	20,054	(1,100)	18,954
Culture and Communications (formerly Information)	113	246	359
Justice (formerly Justice and Public Services)	412	(261)	151
Government Services	5,255	15	5,270
Education	18,024	(140)	17,884

14. Legislative Assembly Retiring Allowances Fund

During the year the Government made contributions of \$478,000 (1985 - \$385,000) to the Legislative Assembly Retiring Allowances Fund which is independently administered by an insurance company. The contributions are for past service and are intended to fund allowances and benefits earned by members of the Legislative Assembly from March 10, 1975, the date of the first fully elected Legislative Assembly. The Government is responsible for any actuarial deficiency in the Fund.

An actuarial valuation of the Fund as at April 1, 1986 indicated a surplus of \$276,000, based on the mean of the cost and market values of the Fund.

GOVERNMENT OF THE NORTHWEST TERRITORIES

Notes to Financial Statements
for the year ended March 31, 1986**15. Northwest Territories Housing Corporation**

In accordance with the accounting policy stated in Note 1, the assets, liabilities, revenues and expenditures of the Northwest Territories Housing Corporation are not consolidated with these financial statements. Consequently, only the transactions between the Government and the Corporation are recorded in the accounts of the Northwest Territories.

The following table summarizes Government assets, liabilities, revenues, and expenditures on the existing unconsolidated basis and compares these amounts to what they would be if the Corporation's financial statements were consolidated with these financial statements. The consolidated amounts reflect the elimination of all transactions between the two entities.

The consolidated information has been prepared on the basis that capital assets are expended at the time of acquisition rather than reported as assets. This conforms to accounting policies used by the Government and accordingly, \$132,753,000 in capital assets of the Corporation have been included in the consolidated accumulated deficit.

	1986	
	Government as reported	Consolidated
	(thousands of dollars)	
Financial assets		
Current	\$138,733	\$158,856
Non-current	36,237	38,227
	<hr/> 174,970	<hr/> 197,083
Liabilities and funds		
Current	83,634	93,670
Non-current	31,102	130,078
	<hr/> 114,736	<hr/> 223,748
Surplus (deficit)	<hr/> \$ 60,234 <hr/>	<hr/> \$(26,665) <hr/>

GOVERNMENT OF THE NORTHWEST TERRITORIES

Notes to Financial Statements
for the year ended March 31, 1986

	1986	
	Government as reported (thousands of dollars)	Consolidated dollars)
Revenues	\$633,931	\$635,985
Expenditures	611,866	608,067
Excess of revenues over expenditures	22,065	27,918
Transfers to funds	(2,600)	(2,600)
	19,465	25,318
Surplus (deficit) beginning of the year	40,769	(51,983)
Surplus (deficit) end of the year	<u>\$ 60,234</u>	<u>\$(26,665)</u>

16. Commitments

The Government leases office space and staff accommodation under the terms of long-term lease agreements. Lease payments for which the Government is committed are as follows:

(thousands of dollars)

1987	\$ 10,872
1988	10,334
1989	9,783
1990	8,560
1991	7,654
1992-1997	22,572
	<u>\$ 69,775</u>

In addition, the Government has committed funds for the construction of Stanton Yellowknife Hospital in the amount of \$37,287,000. Of this amount \$27,070,000 represents contractual obligations at March 31, 1986.

GOVERNMENT OF THE NORTHWEST TERRITORIES

**Notes to Financial Statements
for the year ended March 31, 1986**

17. Contingencies

The Government is contingently liable for the following:

	(thousands of dollars)
Loans payable by the Northwest Territories Housing Corporation	\$ 98,830
Other, including pending and threatened litigation	2,400
	<u>\$101,230</u>

In addition, the Government funds certain Boards and Agencies offering services to the public which operate independently of normal Government operations. As a result of this relationship, the Government may have responsibility for any liabilities that these Boards and Agencies are unable to discharge.

18. Northern Canada Power Commission

On November 5, 1985, the Minister of Energy, Mines and Resources for the Northwest Territories agreed to a Memorandum of Understanding with the Minister of Indian Affairs and Northern Development for Canada, concerning the transfer of Northern Canada Power Commission operations in the Northwest Territories to the Government. The target date for finalization of the terms and conditions of the transfer is March 31, 1987.

19. Comparative figures

Certain comparative figures have been reclassified for 1985 to conform with financial statement presentation adopted for the current year.

GOVERNMENT OF THE NORTHWEST TERRITORIES

Schedule of Revenues
for the year ended March 31, 1986

Schedule A

	1986		1985
	Main Estimates (note 13)	Actual	Actual
	(thousands of dollars)		
Grant from Canada (note 7)	\$440,000	\$440,456	\$377,094
Taxation			
Individual Income	35,421	43,955	31,624
Corporate Income	7,751	18,150	10,061
Fuel	12,238	11,001	10,614
Tobacco	4,267	4,426	3,477
Property	1,830	1,677	1,703
School	1,437	1,135	1,130
Insurance premiums	365	548	404
Grants in lieu - property	-	132	276
	<u>63,309</u>	<u>81,024</u>	<u>59,289</u>
General revenues			
Liquor Commission - net income	9,756	10,076	9,291
Interest income	9,130	9,290	9,685
Licences, fees and permits	3,726	4,207	3,346
Petroleum products - excess of revenues over expenditures	-	299	1,557
	<u>22,612</u>	<u>23,872</u>	<u>23,879</u>
Transfer payments			
Established Programs Financing			
Insured health services	11,197	8,815	10,852
Post-secondary education	4,729	3,601	4,673
Extended health care	2,147	2,157	1,930
	<u>18,073</u>	<u>14,573</u>	<u>17,455</u>
Hospital and medical care - Indians and Inuit	17,677	16,926	14,081
Canada Assistance Plan	10,700	11,900	10,349
Continuing education	3,352	4,629	4,859
Young Offenders Act	-	4,484	295
Health related services	2,290	2,061	2,164
Economic Development Agreement	2,638	2,037	1,258
Legal Aid Program	576	1,172	514
Baffin Regional Hospital	4,350	682	4,200
Other	1,077	2,048	1,663
	<u>60,733</u>	<u>60,512</u>	<u>56,838</u>

GOVERNMENT OF THE NORTHWEST TERRITORIES

Schedule of Revenues
for the year ended March 31, 1986

Schedule A
continued

	1986		1985
	Main Estimates (note 13)	Actual	Actual
	(thousands of dollars)		
Other recoveries			
Rentals	\$ 14,500	\$ 13,467	\$ 12,629
Medical	2,364	2,104	1,880
Sale of commercial goods	1,500	1,975	1,894
Utilities	817	828	843
Miscellaneous	1,794	3,901	3,159
	<hr/>	<hr/>	<hr/>
	20,975	22,275	20,405
Capital			
Recoveries from Canada			
Trades Complex - Arctic College - Thebacha	1,704	1,704	-
Stanton Yellowknife Hospital construction	3,380	1,374	767
Other	260	825	1,263
Sale of land, houses and other assets	1,151	1,113	2,670
Other recoveries	405	776	283
	<hr/>	<hr/>	<hr/>
	6,900	5,792	4,983
Total	<hr/> \$614,529 <hr/>	<hr/> \$633,931 <hr/>	<hr/> \$542,488 <hr/>

GOVERNMENT OF THE NORTHWEST TERRITORIES

Schedule of Operations and Maintenance Expenditures
for the year ended March 31, 1986

Schedule B

	1986	Actual 1986				1985 (Restated)
	<u>Main Estimates</u> (note 13)	<u>Salaries and Wages</u>	<u>Grants and Contributions</u>	<u>Other</u>	<u>Total Expenditures</u>	<u>Total Expenditures</u>
			(thousands of dollars)			
Legislative Assembly	\$ 4,031	\$ 1,556	\$ -	\$ 2,331	\$ 3,887	\$ 3,706
Executive	12,190	8,166	888	2,693	11,747	10,920
Northwest Territories Housing Corporation	34,197	-	38,335	-	38,335	32,346
Financial Management Secretariat	1,093	882	-	206	1,088	1,062
Finance	9,492	4,520	-	2,302	6,822	8,179
Culture and Communications	3,381	3,816	869	1,330	6,015	3,132
Personnel	14,672	3,349	-	14,746	18,095	13,206
Justice	27,839	6,015	859	19,999	26,873	26,826
Government Services	12,099	6,285	-	7,004	13,289	10,958
Public Works and Highways	92,650	26,298	-	63,675	89,973	83,384
Renewable Resources	12,779	6,910	2,533	3,313	12,756	10,357
Local Government	41,017	6,658	29,598	4,343	40,599	36,656
Health	68,267	2,903	26,204	34,880	63,987	58,358
Social Services	37,501	16,852	3,098	20,826	40,776	33,431
Economic Development and Tourism	20,395	6,249	3,075	11,379	20,703	17,159
Education	94,350	64,253	16,957	17,210	98,420	90,142
Total	\$ 485,953	\$ 164,712	\$ 122,416	\$ 206,237	\$ 493,365	\$ 439,822

GOVERNMENT OF THE NORTHWEST TERRITORIES

Schedule of Capital Expenditures
for the year ended March 31, 1986

Schedule C

	1986	Actual 1986				1985
	Main Estimates (note 13)	Buildings and Works	Acquisition of Equipment (thousands of dollars)	Grants and Contributions	Total Expenditures	Total Expenditures
Legislative Assembly	\$ 47	\$ 125	\$ -	\$ -	\$ 125	\$ 94
Executive	150	132	-	-	132	156
Northwest Territories Housing Corporation	20,054	-	-	19,071	19,071	14,703
Culture and Communications	113	40	285	54	379	339
Personnel	2,231	2,393	331	-	2,724	3,874
Justice	412	-	94	-	94	707
Government Services	5,255	3,453	3,992	-	7,445	6,004
Public Works and Highways	11,569	13,182	2,074	-	15,256	16,359
Renewable Resources	743	274	451	-	725	654
Local Government	32,207	26,052	1,121	9,631	36,804	26,937
Health	11,907	5,570	413	-	5,983	2,495
Social Services	5,357	5,184	486	271	5,941	5,899
Economic Development and Tourism	4,153	4,501	122	151	4,774	1,474
Education	18,024	15,980	1,898	1,170	19,048	16,716
Total	\$ 112,222	\$ 76,886	\$ 11,267	\$ 30,348	\$ 118,501	\$ 96,411