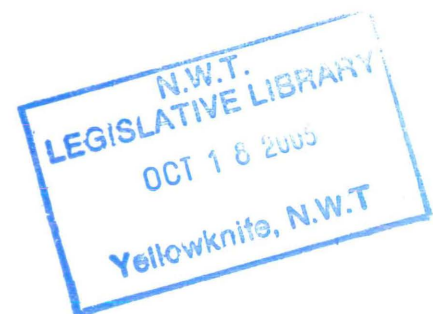


PUBLIC ACCOUNTS

NORTHWEST TERRITORIES 2004 - 2005

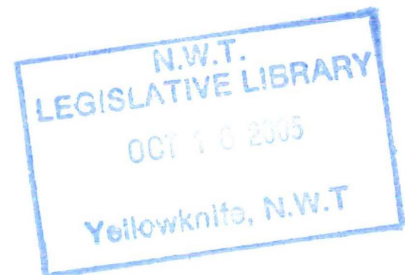
Section I Consolidated Financial Statements



**PUBLIC ACCOUNTS
OF THE
GOVERNMENT OF THE NORTHWEST TERRITORIES
FOR THE YEAR ENDED MARCH 31, 2005**

**SECTION I
CONSOLIDATED FINANCIAL STATEMENTS**

**HONOURABLE FLOYD K. ROLAND
Minister of Finance**



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THE HONOURABLE TONY WHITFORD
COMMISSIONER OF THE NORTHWEST TERRITORIES

I have the honour to present the Public Accounts of the Northwest Territories in accordance with Sections 27 through 31 of the *Northwest Territories Act* (Canada), R.S.C. 1985, c. N-22, and Sections 72 through 74 of the *Financial Administration Act*, S.N.W.T. 1987(1), c. 16, for the fiscal year ended March 31, 2005.



Floyd K. Roland
Chairman

Financial Management Board Secretariat
Yellowknife, NT

July 22, 2005

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**Public Accounts of the
Government of the Northwest Territories**

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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The preparation of the consolidated financial statements of the Government of the Northwest Territories, and related information contained in the Public Accounts, is the responsibility of management through the Office of the Comptroller General.

The consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles (GAAP). Where GAAP permits alternative accounting methods, management has chosen those that are most appropriate. Where required, management's best estimates and judgment have been applied in the preparation of these statements.

The Government fulfills its accounting and reporting responsibilities, through the Office of the Comptroller General, by maintaining systems of financial management and internal control. The systems are continually enhanced and modified to provide timely and accurate information, to safeguard and control the Government's assets, and to ensure all transactions are in accordance with the Financial Administration Act.

The Public Accounts are referred to the Standing Committee on Accountability and Oversight. The recommendations of this committee are reviewed and acted on to improve the financial systems and controls.

The Auditor General of Canada performs an annual audit on the consolidated financial statements in order to express an opinion as to whether the consolidated financial statements present fairly, in all material respects, the financial position of the Government, the change in its net debt, the results of its operations and its cash flows for the year. During the course of the audit, she also examines transactions that have come to her notice, to ensure they are, in all significant respects, within the statutory powers of the Government and those organizations included in the consolidation.

After completion of the audit, the Auditor General includes additional information, comments and recommendations in her annual report to the Legislative Assembly of the Northwest Territories.



Lew Voytilla, FCGA
Comptroller General
Government of the Northwest Territories

July 22, 2005



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AUDITOR'S REPORT

To the Legislative Assembly of the Northwest Territories

I have audited the consolidated statement of financial position of the Government of the Northwest Territories as at March 31, 2005 and the consolidated statements of change in net debt, operations and accumulated surplus, and cash flow for the year then ended. These financial statements are the responsibility of the Government. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Government, as well as evaluating the overall financial statement presentation.

In my opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Government as at March 31, 2005 and the results of its operations, the change in its net debt, and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles. As required by the *Northwest Territories Act*, I report that, in my opinion, these principles have been applied on a basis consistent with that of the preceding year.

Further, in my opinion, proper books of account have been kept by the Government and the consolidated financial statements are in agreement therewith. In addition, the transactions of the Government and of those organizations listed in note 1 that have come to my notice during my audit of these consolidated financial statements have, in all significant respects, been in accordance with the Government's powers under the *Northwest Territories Act*, the *Financial Administration Act* and regulations, and the specific operating authorities disclosed in note 1.

Additional information and comments on the consolidated financial statements and this opinion will be included in my annual report to the Legislative Assembly of the Northwest Territories.

Sheila Fraser, FCA
Auditor General of Canada

Ottawa, Canada
July 22, 2005

Government of the Northwest Territories

Consolidated Statement of Financial Position

As at March 31,
(thousands of dollars)

2005

2004

Financial resources

Cash	\$ 54,654	\$ 25,435
Short-term investments (note 4)	260,471	24,248
Accounts receivable (note 5)	41,327	33,192
Inventories for resale and prepaid expenses (note 6)	15,432	13,117
Designated cash and investments (note 7)	26,462	27,997
Loans receivable (note 8)	56,670	57,084
Investment in Northwest Territories Power Corporation (note 9)	82,070	79,563

537,086

260,636

Liabilities

Accounts payable and accrued liabilities (note 10)	147,182	127,629
Due to Canada (note 11)	321,686	52,542
Capital lease obligations (note 12)	21,314	22,848
Long-term debt (note 13)	62,459	33,446
Pension, retirement and other employee future benefits (note 14)	46,892	44,150

599,533

280,615

Net debt \$ (62,447) \$ (19,979)

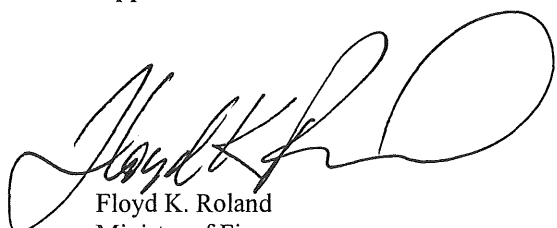
Non-financial assets

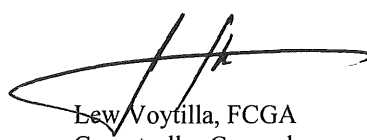
Tangible capital assets (schedule A)	904,731	858,390
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Accumulated surplus \$ 842,284 \$ 838,411

Commitments and contingencies (notes 17 and 18)

Approved:


Floyd K. Roland
Minister of Finance


Lew Voytilla, FCGA
Comptroller General

The accompanying notes and schedule A are an integral part of the consolidated financial statements.

Government of the Northwest Territories

Consolidated Statement of Change in Net Debt

for the year ended March 31, (thousands of dollars)		2005	2004
	Budget (unaudited)	Actual	Actual
Net financial resources (debt) at beginning of year	\$ (19,979)	\$ (19,979)	\$ 83,910
Items affecting net financial resources:			
Annual surplus (deficit)	(28,311)	3,873	(55,338)
Net investment in tangible capital assets (schedule A)			
Acquisitions	(91,026)	(90,099)	(100,387)
Disposals/write-downs	-	3,268	4,737
Amortization	53,802	50,703	48,972
Change in deferred capital contributions	(10,213)	(10,213)	(1,873)
Net debt at end of year	\$ (95,727)	\$ (62,447)	\$ (19,979)

The accompanying notes and schedule A are an integral part of the consolidated financial statements.

Government of the Northwest Territories

Consolidated Statement of Operations and Accumulated Surplus

for the year ended March 31, (thousands of dollars)	2005		2004
	Budget (unaudited)	Actual	Actual
Revenues			
From Canada			
Grant (note 3)	\$ 614,877	\$ 710,675	\$ 853,568
Transfer payments (note 3)	92,853	92,180	83,398
	707,730	802,855	936,966
Generated revenues			
Corporate and Personal Income Taxes (note 3)	89,126	55,319	(172,968)
Other taxes	66,649	68,168	59,251
General	23,718	33,320	28,746
Sales (net of cost of goods sold of \$22,551 (2004 - \$23,757))	28,067	26,587	26,273
Recoveries and amortization of capital contributions	34,549	30,874	26,685
	242,109	214,268	(32,013)
Recoveries of prior years' expenses	3,000	3,724	3,279
	952,839	1,020,847	908,232
Expenses (note 19)			
Grants and contributions	447,273	448,084	432,729
Operations and maintenance	272,602	286,081	257,582
Compensation and benefits	213,693	227,892	223,902
Valuation allowances	-	10,021	7,564
Amortization of tangible capital assets	53,802	50,703	48,972
	987,370	1,022,781	970,749
Annual operating deficit	(34,531)	(1,934)	(62,517)
Net income from investment in Northwest Territories Power Corporation (note 9)	6,220	5,807	7,179
Projects for Canada, Nunavut and others			
Expenses	(38,428)	(47,134)	(56,472)
Recoveries	38,428	47,134	56,472
Annual surplus (deficit)	\$ (28,311)	3,873	(55,338)
Accumulated surplus, at beginning of the year		838,411	893,749
Accumulated surplus, at end of the year		\$ 842,284	\$ 838,411

The accompanying notes and schedule A are an integral part of the consolidated financial statements.

Government of the Northwest Territories

Consolidated Statement of Cash Flow

for the year ended March 31, (thousands of dollars)	2005	2004
Operating transactions		
Cash received from:		
Canada	\$ 1,009,454	\$ 738,438
Taxation	181,530	172,261
Recoveries and general revenue	45,384	53,683
Projects for Canada, Nunavut and others	47,847	60,132
Recovery of costs incurred for related parties	86,776	84,199
Revolving fund sales	50,014	50,349
	1,421,005	1,159,062
Cash paid for:		
Compensation and benefits	227,486	217,207
Grants and contributions	448,575	435,509
Operations and maintenance	287,691	261,064
Projects for Canada, Nunavut and others	47,134	56,472
Direct costs incurred for related parties	90,398	87,935
	1,101,284	1,058,187
Cash provided by operating transactions	319,721	100,875
Investing transactions		
Acquisition of tangible capital assets	(90,099)	(100,387)
Disposal of tangible capital assets (net)	3,268	4,737
Capital contributions received and deferred	2,774	11,217
Short-term investments (purchased) sold	(236,223)	16,907
Designated cash and investments sold	3,270	4,436
Loans receivable receipts	12,742	10,789
Loans receivable advanced	(17,013)	(24,150)
Dividend from Northwest Territories Power Corporation	3,300	3,500
Cash used for investing transactions	(317,981)	(72,951)
Financing transactions		
Repayment of capital lease obligations	(1,534)	(1,271)
Long-term financing proceeds	29,763	3,457
Long-term financing repaid	(750)	(2,286)
Cash provided by (used for) financing transactions	27,479	(100)
Increase in cash	29,219	27,824
Cash at beginning of year	25,435	(2,389)
Cash at end of year*	\$ 54,654	\$ 25,435

* Cash is represented by cash less bank overdraft.

The accompanying notes and schedule A are an integral part of the consolidated financial statements.

Government of the Northwest Territories

Notes to Consolidated Financial Statements

March 31, 2005

1. AUTHORITY AND OPERATIONS

(a) Authority and reporting entity

The Government of the Northwest Territories (the Government) operates under the authority of the *Northwest Territories Act* (Canada). The Government has an elected Legislative Assembly which authorizes all disbursements, advances, loans and investments unless specifically authorized by statute.

The consolidated financial statements have been prepared in accordance with the *Northwest Territories Act* (Canada) and the *Financial Administration Act* of the Northwest Territories. 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.

The following chart lists the organizations comprising the consolidated Government reporting entity, how they are accounted for in the consolidated financial statements and their specific operating authority.

Fully Consolidated:

Aurora College	<i>Public Colleges Act</i>
Northwest Territories Housing Corporation	<i>Northwest Territories Housing Corporation Act</i>
Northwest Territories Development Corporation	<i>Northwest Territories Development Corporation Act</i>
Northwest Territories Business Credit Corporation <i>Act</i>	<i>Northwest Territories Business Credit Corporation Act</i>
Northwest Territories Opportunities Fund	<i>Northwest Territories Societies Act</i>

Modified Equity:

Northwest Territories Power Corporation	<i>Northwest Territories Power Corporation Act</i>
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These organizations have a March 31 fiscal year end except for the college, which has a fiscal year end of June 30. Revolving funds are incorporated directly into the Government's accounts while trust assets administered by the Government on behalf of other parties (note 16) are excluded from the consolidated Government reporting entity.

The following related Government boards and agencies are reflected in these statements only to the extent of the Government's contributions to them:

Divisional Education Councils and District Education Authorities
Hospitals and Regional Health Boards
Local Housing Associations and Authorities

(b) Budget

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 budget figures shown have not been audited.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Use of estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires the Government 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 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 statements, the Government believes the estimates and assumptions to be reasonable.

The more significant management estimates relate to employee future benefits, contingencies, revenue accruals, housing mortgages and Students Loan Fund allowances for both forgivable and delinquent mortgages and loans, and amortization expense. Other estimates, such as Canada Health Transfer and Canada Social Transfer payments and Corporate and Personal Income Tax revenue are based on estimates made by Canada's Department of Finance and are subject to adjustments in future years.

(b) Short-term investments/designated cash and investments

Short-term investments are valued at the lower of cost or market value. Interest income is recorded on the accrual basis, dividend income is recognized as it is received and capital gains and losses are recognized as incurred. Unrealized losses in designated cash and investments on long-term investment portfolios and marketable securities are recognized when it is determined that there is a permanent impairment in the value of the investments and are included as a component of investment income.

(c) Inventories for resale and prepaid expenses

Inventories for resale consist of bulk fuel, liquor products, arts, and crafts. Bulk fuels are valued at the lower of weighted average cost and net realizable value. Liquor products are valued at replacement cost. Other inventories are valued at the lower of cost, determined on a first in, first out basis and net replacement value.

Prepaid expenses are advance payments made prior to year end to meet April 1 deadlines or a portion of a payment, such as insurance or licensing fees, related to future years.

(d) Loans receivable

Loans receivable are stated at the lower of cost and net recoverable value.

Valuation allowances, which are recorded to reduce loans receivable, are based on past events, current conditions and all circumstances known at the date of the preparation of the financial statements. Interest revenue is recorded on an accrual basis. Interest revenue is not accrued when the collectibility of either principal or interest is not reasonably assured.

March 31, 2005

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Investment in Northwest Territories Power Corporation

The Northwest Territories Power Corporation (NTPC) is accountable to the Government, sells goods and services to the public, can contract in its own name and can maintain itself without Government support. Consequently, it is consolidated in these financial statements using the modified equity method. Under this method the Government only reports its investment in and the net income of the NTPC. In addition, any amounts receivable or payable from the NTPC are reported.

(f) Non-financial assets

Tangible capital and other non-financial assets are accounted for as assets by the Government as they can be used to provide government services in future periods. These assets do not normally provide resources to discharge the liabilities of the government unless they are sold.

(g) Tangible capital assets and leases

Tangible capital assets are buildings, roads, equipment, etc. whose life extends beyond the fiscal year, original cost exceeds \$50,000 and are intended to be used on an ongoing basis for delivering services. Individual assets less than \$50,000 are expensed when purchased.

Tangible capital assets are recorded at cost, or where actual cost was not available, estimated current replacement cost converted back to the date of purchase by discounting current year dollars for inflation. Gifted and cost shared tangible capital assets from Canada are recorded at their fair market value, upon receipt, with the gifted or cost shared portion shown as a deferred capital contribution. This deferred capital contribution is amortized as revenue on the same basis as the related asset is amortized. Tangible capital assets, when placed in service, are amortized on a straight line basis over their estimated useful life based on the following guidelines:

Asset category	Amortization period
Land	Not amortized
Roads and bridges	40 years
Airstrips and aprons	40 years
Buildings	40 years
Ferries	25 years
Water/sewer works	15 - 25 years
Mainframe and software systems	5 - 10 years
Mobile and heavy equipment	7 - 15 years
Major equipment	5 - 15 years
Medical equipment	5 - 15 years
Leasehold improvements	Lesser of useful life or lease term plus renewal option

Tangible capital assets under construction or development are recorded as work in progress with no amortization until the asset is placed in service. Capital lease agreements are recorded as a liability and a corresponding asset based on the present value of any payments due. The present value is based on the specified rate or the government's borrowing rate at the time the obligation is incurred. Operating leases are charged to expenses. Works of art, historical treasures and crown lands are not recorded.

March 31, 2005

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Pension, retirement and other employee future benefits

All eligible employees participate in the Public Service Pension Plan administered by the Government of Canada. The Government contributes at a rate of 2.14 times (2004 - 2.14 times) the employee's contribution. The Government's contributions are charged as an expense on a current year basis and represent the total pension obligations. The Government is not required under present legislation to make contributions with respect to actuarial deficiencies of the Public Service Pension Plan.

Pension benefits to Members of the Legislative Assembly and judges are reported on an actuarial basis. This is done to determine the current value of future entitlement and uses various estimates. When actual experience varies from estimates, the adjustments needed are amortized over the estimated average remaining service lives of the contributors.

Under the terms and conditions of employment, government employees may earn non-pension benefits for resignation, severance and removal costs based on years of service. The benefits are paid upon resignation, retirement or death of an employee. The expected cost of providing these benefits is recognized as employees render service. Termination benefits are also recorded when employees are identified for lay-off. The cost of the benefits has been determined based on management's best estimates using expected compensation levels and employee leave credits.

(i) Commitments and contingencies

The nature of the Government's activities requires entry into contracts that are significant in relation to its current financial position or that will materially affect the level of future expenses. Contractual commitments pertain to operating, commercial and residential leases, capital projects and operational funding commitments.

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 considered likely to occur or fail to occur and is quantifiable, an estimated liability is accrued. If the likelihood is not determinable or the amount cannot be reasonably estimated, the contingency is disclosed. Contingent liabilities result from potential environmental contingencies or pending litigation and like items.

(j) Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into Canadian dollars using exchange rates at year-end. Foreign currency transactions are translated into Canadian dollars using rates in effect at the time the transactions were entered into. All exchange gains and losses are included in net income for the year according to the activities to which they relate.

(k) Projects for Canada, Nunavut and others

The Government undertakes projects for Canada, Nunavut and others. Where possible, the Government receives accountable advances and any unexpended balances remaining at year end are recorded as liabilities. Recoveries are accrued when expenses, as allowed under the project contract, exceed advances.

March 31, 2005

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Taxes

Corporate and Personal Income tax revenue is recognized on an accrual basis. Taxes, under the *Income Tax Act*, are collected by Canada on behalf of the Government under a tax collection agreement and are remitted to the Government monthly. The remittances are based on Canada's Department of Finance's estimates for the taxation year, which are periodically adjusted until the income tax assessments for that year are final.

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. Property tax and school levies are assessed on a calendar year basis and are recognized on an accrual basis in the fiscal year in which the calendar year ends.

(m) Transfer payments and other revenues

Transfer payments are recognized as revenue on an accrual basis unless for a specified purpose. Transfer payments and other funding received for a specified purpose are deferred until the related expenses are incurred.

Licenses, fees and permits are recorded on a cash basis. All other revenues are recorded on an accrual basis.

(n) Expenses

Expenses are recorded on an accrual basis in the year in which the related goods and services are utilized. Government grants and contributions are expensed in the period to which they relate.

(o) Recoveries of prior years' expenses

Recoveries of prior years' expenses and reversal of prior years' expense accruals are reported separately from other revenues on the consolidated statement of operations and accumulated surplus. Pursuant to the *Financial Administration Act*, these recoveries cannot be used to increase the amount appropriated for current year expenses.

3. GRANT AND TRANSFER PAYMENTS FROM CANADA AND CORPORATE AND PERSONAL INCOME TAXES ESTIMATES

The Territorial Formula Financing Agreement with Canada expired on March 31, 2004 and has been replaced by Bill C-24: *An Act to amend the Federal-Provincial Fiscal Arrangements Act and to make consequential amendments to other Acts (fiscal equalization payments and funding to the territories)*. The Grant entitlement is a fixed amount for the 2004-2005 fiscal year with prior year adjustments depending on a number of variables, including population growth, provincial-local government spending growth, Government of the Northwest Territories revenues and other federal transfers.

The Corporate and Personal Income Tax revenue recognized in any one year is based on an estimate as described in note 2(l). Income tax determined by Canada combines actual assessments with an estimate that assumes that previous years' income tax levels will be sustained. The prior year's Corporate and Personal Income Tax revenue is a negative amount as the result of the year previous to that having an Corporate Income Tax overpayment from Canada of \$296,000,000 to the Government of the Northwest Territories. This overpayment is repayable to Canada.

The Grant from Canada, other transfer payments and own source revenues were inter-related as at March 31, 2004, and as such, year-to-year fluctuations in corporate and personal tax revenue had a significant impact on the Grant and transfer payments from Canada.

Government of the Northwest Territories

Notes to Consolidated Financial Statements

March 31, 2005

3. GRANT AND TRANSFER PAYMENTS FROM CANADA AND CORPORATE AND PERSONAL INCOME TAXES ESTIMATES (continued)

In the 2000 tax year a Northwest Territories corporate taxpayer paid Northwest Territories corporate income tax on a capital gain resulting from the disposition of publicly traded shares. In the 2003 tax year the same corporation incurred a large capital loss and applied for a \$162 million refund of Northwest Territories corporate income tax to be carried back to the 2000 tax year. The Canada Revenue Agency has reviewed the claim and determined that \$36 million may be carried back to the 2000 tax year; however, the taxpayer has the right to appeal the Canada Revenue Agency's determination. The Government has recognized a refund of \$36 million in the Corporate Income Taxes for the current year. The Government is currently negotiating with Canada for any adjustment under the *Formula Financing Agreement* related to this refund as during the years involved the Grant from Canada and the Government's own source revenues were inter-related. The possible impact on the Grant from Canada arising from this refund can not be determined at this time.

4. SHORT-TERM INVESTMENTS

Short-term investments represent a diversified portfolio of high grade, short-term income producing assets. The portfolio yield for the year ended March 31, 2005 varied from 1.00% to 5.20% (2004 - 0.75% to 5.20%). The eligible classes of securities, categories of issuers, limits and terms are approved under the Government's investment guidelines. All instruments, depending on the investment class, are rated R-2 High or better from the Dominion Bond Rating Service. Investments are diversified by limiting them, depending on the type of investment, to a maximum of 5% to 50% of the total portfolio. There is no significant concentration in any one investment. The average term to maturity, as at March 31, 2005, is 41 days (2004 - 39 days).

5. ACCOUNTS RECEIVABLE

	2005	2004
	(thousands of dollars)	
General	\$ 30,553	\$ 18,719
Government of Nunavut	6,852	7,935
Revolving fund sales	3,379	3,706
Accrued interest	1,048	314
	41,832	30,674
Less: allowance for doubtful accounts	13,013	6,102
	28,819	24,572
Receivables from related parties:		
District Education Authorities and Divisional Education Councils	3,575	3,124
Hospitals and Regional Health Boards	4,760	1,589
Local Housing Associations and Authorities	865	374
Northwest Territories Power Corporation	3,308	3,533
	12,508	8,620
	\$ 41,327	\$ 33,192

Government of the Northwest Territories

Notes to Consolidated Financial Statements

March 31, 2005

6. INVENTORIES FOR RESALE AND PREPAID EXPENSES

	2005	2004
	(thousands of dollars)	
Inventories for resale		
Bulk fuels	\$ 5,048	\$ 3,863
Liquor products	2,668	2,868
Arts and crafts	1,295	1,517
Other	138	114
	9,149	8,362
Prepaid operational expenses	6,283	4,755
	\$ 15,432	\$ 13,117

7. DESIGNATED CASH AND INVESTMENTS

	2005	2004
	(thousands of dollars)	
Investment portfolio:		
Marketable securities (market value \$22,948,000; 2004 - \$12,909,000)	\$ 20,375	\$ 12,163
Treasury bills (market value approximates cost)	1,321	9,035
Cash and other assets (market value approximates cost)	121	110
	21,817	21,308
Students Loan Fund:		
Authorized limit	33,000	33,000
Less: Loans receivable	29,427	28,079
Segregated and designated for new loans	3,573	4,921
Miscellaneous investments, net of allowance for loss	1,072	1,768
	\$ 26,462	\$ 27,997

The cash, treasury bills and marketable securities held in the investment portfolio, while forming part of the Consolidated Revenue Fund, are designated for the purpose of meeting the obligations of the Legislative Assembly Supplementary Retiring Allowance Plans. The assets in the investment portfolio are managed by McLean Budden and UBS Global Asset Management. Supplementary Retiring Allowance Regulations restrict the investments McLean Budden and UBS Global Asset Management can make to those as permitted under the *Pension Benefits Standards Act*.

The average market yield on the portfolio is 1.1% (2004 - 2.7%) with maturity dates ranging from April 2005 to March 2036. The income on investments, including interest, dividends and gains or losses on disposal was \$1,735,000 (2004 - \$2,687,000).

Government of the Northwest Territories**Notes to Consolidated Financial Statements**

March 31, 2005

8. LOANS RECEIVABLE

	2005	2004
	(thousands of dollars)	
Northwest Territories Business Credit Corporation loans to businesses receivable over a maximum of 25 years, bearing fixed interest between 3.50% and 9.75%, net of allowance for doubtful accounts of \$9,541,000 (2004 - \$8,955,000)	\$ 31,985	\$ 31,579
Northwest Territories Housing Corporation mortgage and interim financing loans to individuals receivable over a maximum of 25 years, bearing fixed interest between 5.95% and 14.25%, net of allowance for doubtful accounts of \$10,483,000 (2004 - \$9,365,000)	3,416	3,015
Students Loan Fund loans due in installments to 2015, bearing fixed interest between 1.5% and 11.75%, net of allowance for doubtful accounts and loan remissions of \$20,268,000 (2004 - \$18,579,000)	9,159	9,500
Loans to municipalities	-	2,618
Northwest Territories Power Corporation \$20,000,000 line of credit, secured by a promissory note, bearing interest between 1.99% and 2.55%	10,000	8,000
Other	2,110	2,372
	\$ 56,670	\$ 57,084

The amounts expected to be received in the upcoming year are \$6,422,000 (2004 - \$13,515,000). Interest earned on loans receivable during the year was \$4,654,000 (2004 - \$4,127,000).

Government of the Northwest Territories**Notes to Consolidated Financial Statements**

March 31, 2005

9. INVESTMENT IN NORTHWEST TERRITORIES POWER CORPORATION

The following is summarized financial information for Northwest Territories Power Corporation as at March 31, 2005:

	2005	2004
	(thousands of dollars)	
Investment in Northwest Territories Power Corporation		
Shareholder's Equity, including share capital of \$43,129,000	\$ 82,070	\$ 79,563
Shareholder's Equity is represented by:		
Assets	293,378	278,672
Liabilities	(211,308)	(199,109)
	\$ 82,070	\$ 79,563

Statement of Operations and Surplus

For the year ended March 31,	2005	2004
Revenue	\$ 67,907	\$ 68,955
Expenses	(61,478)	(61,776)
Net income	6,429	7,179
Surplus at beginning of the year	36,434	32,755
Division adjustment	(622)	-
Dividend	(3,300)	(3,500)
Surplus at end of the year	\$ 38,941	\$ 36,434

Included in the above are revenues from and expenses to entities in the Government's reporting entity of \$18,589,000 (2004 - \$20,138,000) and \$2,895,000 (2004 - \$2,755,000) respectively. The Government of the Northwest Territories has reported net income from its investment in Northwest Territories Power Corporation of \$5,807,000 which is equal to the \$6,429,000 less the \$622,000 Division adjustment.

Division of Northwest Territories Power Corporation

The Government's investment in Northwest Territories Power Corporation (NTPC) decreased on April 1, 2001 as a result of the transfer of NTPC's Nunavut operations to the Government of Nunavut. The transfer and the related allocation (estimated) of the Government's investment to Nunavut was subject to arbitration and subsequent ratification by each government. In September 2004 the arbitrator issued a decision on the disputed allocation. The final settlement with the Government of Nunavut (GN) resulted in a \$622,000 adjustment to retained earnings.

Government of the Northwest Territories

Notes to Consolidated Financial Statements

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10. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2005	2004
	(thousands of dollars)	
Trade	\$ 94,425	\$ 74,560
Government of Nunavut	16	29
Other liabilities, payroll liabilities and contractors' holdbacks	14,998	15,316
Employee vacation pay	14,189	13,543
Provision for equal pay settlement	8,223	10,632
Accrued interest	470	481
Deferred funding for specified purposes	1,247	181
	133,568	114,742
Payable to related parties		
Divisional Education Councils and District Education Authorities	431	289
Hospitals and Regional Health Boards	11,186	10,290
Local Housing Associations and Authorities	1,142	690
Northwest Territories Power Corporation	850	1,007
Workers' Compensation Board (Northwest Territories and Nunavut)	5	611
	13,614	12,887
	\$ 147,182	\$ 127,629

Government of the Northwest Territories**Notes to Consolidated Financial Statements**

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11. DUE TO CANADA

	2005	2004
	(thousands of dollars)	
Grant receivable		
Grant per financing agreement	\$ 710,675	\$ 853,568
Less payments received	(911,558)	(633,377)
	(200,883)	220,191
Balance receivable at beginning of year	237,801	17,610
	36,918	237,801
Other receivables		
Indian and Inuit hospital and medical care	14,653	19,205
Canada Mortgage and Housing Corporation	6,166	4,556
Projects on behalf of Canada	17,094	13,917
Miscellaneous receivables	13,098	16,731
	87,929	292,210
Other payables		
Excess income tax advanced	(385,403)	(324,201)
Advances for projects on behalf of Canada	(1,808)	(323)
Miscellaneous payables	(15,968)	(12,933)
Deferred funding for specified purposes	(6,436)	(7,295)
	(409,615)	(344,752)
	\$ (321,686)	\$ (52,542)

The amounts due to Canada are non-interest bearing. The Excess income tax advanced above is repayable over the following years:

	(thousands of dollars)	
2006	\$	30,979
2007		292,980
2008		25,023
2009		36,421
	\$	385,403

Government of the Northwest Territories**Notes to Consolidated Financial Statements**

March 31, 2005

12. CAPITAL LEASE OBLIGATIONS

	2005	2004
	(thousands of dollars)	
Buildings	\$ 21,314	\$ 22,848

Interest expense related to capital lease obligations for the year was \$2,430,000 (2004 - \$2,547,000), at an implied average interest rate of 11.00% (2004 - 10.85%). Capital lease obligations are based upon contractual minimum lease obligations for the leases in effect as of March 31, 2005.

	(thousands of dollars)	
	2006	\$ 3,964
	2007	3,964
	2008	3,964
	2009	3,367
	2010	2,940
	2011 and beyond	16,813
Total minimum lease payments		35,012
Less: imputed interest (10.7%)		13,698
Present value of minimum lease payments		\$ 21,314

13. LONG-TERM DEBT

	2005	2004
	(thousands of dollars)	
Northwest Territories Housing Corporation loans due to Canada Mortgage and Housing Corporation, repayable in annual installments of \$2,701,000 to the year 2038, bearing fixed interest at a rate of 6.97% (2004 - 6.97%)	\$ 26,053	\$ 26,659
Mortgage payable to Canada Mortgage and Housing Corporation, repayable in monthly installments of \$9,474, matured September 2004, bearing interest at 5.77%, terms remain in place while mortgage being negotiated	1,333	1,364
Immigrant investor loans, 0% interest, each repayable as a single payment 5 years after the date of issue, maturing between October 2008 and February 2010	31,841	2,078
Other	3,232	3,345
	\$ 62,459	\$ 33,446

Government of the Northwest Territories**Notes to Consolidated Financial Statements**

March 31, 2005

13. LONG-TERM DEBT (continued)

Principal and interest amounts due in each fiscal year for the next five years:

	Principal	Interest	Total
	(thousands of dollars)		
2006	\$ 890	\$ 2,014	\$ 2,904
2007	853	1,961	2,814
2008	909	1,906	2,815
2009	3,039	1,846	4,885
2010	30,712	1,785	32,497

The interest paid on long-term debt during the year was \$2,032,000 (2004 - \$2,107,000).

Debt AuthorityCanada, pursuant to subsection 20(2) of the *Northwest Territories Act*, has approved the Government borrowing up to \$300 million.

	2005	2004
	(thousands of dollars)	
Government of the Northwest Territories, long-term debt	\$ 1,333	\$ 1,364
NWT Power Corporation, long-term debt	117,366	93,033
NWT Housing Corporation, loans payable	26,053	26,659
NWT Energy Corporation, debenture series	22,815	23,149
NWT Power Corporation, operational debt	10,000	12,772
	177,567	156,977
Total debt	177,567	156,977
Authorized borrowing limit	300,000	300,000
Available borrowing capacity	\$ 122,433	\$ 143,023

The Immigrant Investor Loans, while disclosed within the Government's long-term debt, are not part of the Government's debt for the purpose of its Authorized borrowing limit.

Government of the Northwest Territories**Notes to Consolidated Financial Statements**

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14. PENSION, RETIREMENT AND OTHER EMPLOYEE FUTURE BENEFITS

	2005	2004
	(thousands of dollars)	
Pensions		
Legislative Assembly Supplementary Retiring Allowance Plans and Judges' Supplemental Pension Plan balance, beginning of year	\$ 20,537	\$ 19,617
Benefits earned	627	739
Benefits paid to pensioners	(786)	(685)
Interest on benefit obligations	1,332	1,191
Actuarial and other gains and losses	(208)	(325)
	<hr/>	<hr/>
Balance, end of the year	21,502	20,537
Retirement and other employee future benefits		
Retirement	4,197	3,568
Resignation	15,648	14,728
Removal	5,545	5,317
	<hr/>	<hr/>
	25,390	23,613
	<hr/>	<hr/>
Total	\$ 46,892	\$ 44,150

The portion of the pension liability that relates to the Legislative Assembly Supplementary Retiring Allowance Plans is \$19,065,000 (2004 - \$18,417,000) and to the Judges' Supplemental Pension Plan is \$2,120,000 (2004 - \$2,120,000). The investment portfolio included in designated cash and investments (Note 7) are restricted by the Government for the Legislative Assembly Supplementary Retiring Allowance Plans, included in the unfunded pension liability above. The expected payments for employee future benefits in the current year are \$2,768,000 (2004 - \$2,428,000).

Pension Expense

Pension expense for the Legislative Assembly Retiring Allowance Fund, the Territorial Court Judges' Registered Pension Plan, the Legislative Assembly Supplementary Retiring Allowance Plan and Judges' Supplemental Pension Plan for the year totaled \$1,650,000 (2004 - \$1,555,000). The Government's contributions to the Public Service Pension Plan were \$22,325,000 (2004 - \$21,823,000). The employees' contributions to the Public Service Pension Plan were \$10,432,000 (2004 - \$10,198,000).

Pension Plans

The Government maintains the Legislative Assembly Retiring Allowances Fund and the Territorial Court Judges' Registered Pension Plan. Both plans are contributory defined benefit registered pension plans and are fully funded. The funds related to these plans are administered by independent trust companies. As well there are three supplementary plans known as the Legislative Assembly Supplementary Retiring Allowance Plan I and Plan II and the Judges' Supplemental Pension Plan. These three plans are non-contributory defined benefit pension plans and are unfunded. The Government is liable for all benefits. Benefits provided under all five plans are based on years of service and earnings.

Government of the Northwest Territories

Notes to Consolidated Financial Statements

March 31, 2005

14. PENSION, RETIREMENT AND OTHER EMPLOYEE FUTURE BENEFITS (continued)

The changes in the accrued pension assets and liabilities, of the Legislative Assembly Retiring Allowances Fund and the Territorial Court Judges' Registered Pension Plan during the year are as follows:

	Assets	Liabilities	Net Assets	
			2005	2004
			(thousands of dollars)	
Balance, beginning of year	\$ 19,720	\$ 14,511	\$ 5,209	\$ 4,575
Benefits earned	-	535	(535)	(520)
Benefits paid to pensioners	(1,103)	(1,103)	-	-
Contributions	215	-	215	286
Interest earned on plan assets	1,423	-	1,423	1,464
Interest on benefit obligations	-	1,062	(1,062)	(1,019)
Actuarial and other gains and losses	120	(190)	310	423
Balance, end of year	\$ 20,375	\$ 14,815	\$ 5,560	\$ 5,209

Actuarial valuations were completed for the Legislative Assembly Retiring Allowances Fund and Legislative Assembly Supplementary Retiring Allowance Plans and for the Judges' plans as of April 1, 2004, using the projected benefit method prorated on service. The valuations are based on a number of actuarial assumptions about matters such as mortality, service, withdrawal, earnings and interest rates. The assumptions are based on the Government's best estimates of expected long-term rates and short-term forecasts. As the actuarial valuations were not valued as at the year-end, the three Legislative Assembly Plans were extrapolated to January 31, 2005 and the Judges' plans were extrapolated to March 31, 2005.

Actuarial valuations on the plan assets and liabilities were prepared based on the assumptions of an annual inflation rate of 4% and an annual interest rate of 7%. The retirement assumptions are as follows:

- Members of Legislative Assembly at later of age 50, 4 years of service, and end of current session
- Judges at the latter of age 60 or when age plus service equals 80

15. DEFERRED CAPITAL CONTRIBUTIONS

Deferred capital contributions relate to the portion of a tangible capital asset that was gifted from or cost shared with Canada. The most significant of these assets are roads and airports. The capital contributions are deferred and amortized to revenue over the same life as the related asset. Deferred capital contributions are recorded as a net to tangible capital assets (Schedule A).

	2005	2004
	(thousands of dollars)	
Deferred capital contributions at beginning of year	\$ 213,210	\$ 215,083
Add: Assets gifted or cost shared during the year	2,774	11,217
Less: Amortization of capital contributions	(12,987)	(13,090)
Deferred capital contributions at end of year	\$ 202,997	\$ 213,210

Government of the Northwest Territories**Notes to Consolidated Financial Statements**

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16. TRUST ASSETS UNDER ADMINISTRATION

The Government administers trust assets on behalf of third parties, which are not included in the reported Government assets and liabilities. These consist of cash, term deposits, investments, real estate, and other sundry assets.

	2005	2004
	(thousands of dollars)	
Correctional institutions and other	\$ 212	\$ 245
Natural Resources - capital	221	188
Public Trustee	3,267	2,896
Territorial and Supreme Courts	632	841
Workers' Compensation Board (Northwest Territories and Nunavut)	272,457	258,215
	\$ 276,789	\$ 262,385

The Workers' Compensation Board (Northwest Territories and Nunavut) has a fiscal year end of December 31. Its most recent financial statements and those of the Public Trustee are reproduced in Section III of the Public Accounts of the Government.

17. COMMITMENTS

The Government has entered into agreements for, or is contractually committed to, the following expenses payable subsequent to March 31, 2005:

	Expiry Date	2006	2007- 2038	Total
		(thousands of dollars)		
Canada Mortgage and Housing Corporation	2038	\$ 4,254	\$ 51,822	\$ 56,076
Commercial and Residential Leases	2020	17,174	59,293	76,467
Equipment Leases	2010	1,101	919	2,020
Operational Commitments	2013	19,683	20,414	40,097
RCMP Policing Agreement	2012	24,030	168,210	192,240
Tangible Capital Asset Acquisition Commitments - projects in progress at March 31, 2005	2008	29,217	2,066	31,283
Western Harvesters' Assistance Program	2006	134	-	134
		\$ 95,593	\$ 302,724	\$ 398,317

March 31, 2005

17. COMMITMENTS (continued)

(a) Canada Mortgage and Housing Corporation (CMHC)

In accordance with a Declaration of Trust Agreement, the Canada Mortgage and Housing Corporation (CMHC) transferred its ownership interest in territorial rental and loan portfolios to the Northwest Territories Housing Corporation (the Corporation), as Trustee. The Corporation assumed full responsibility and liability for the social housing programs related to the portfolios and receives annual funding from CMHC to manage these programs. The Agreement and funding expire in 2038.

A portion of this funding is used to make payments on portfolio-related CMHC mortgages of \$56,075,000 (2004 - \$59,907,000) maturing between 2005 and 2038, at interest rates ranging from 2.0% to 21.5%. As the related mortgages mature, the Corporation obtains clear title to CMHC's share of the book value of the respective assets. Until clear title is obtained, CMHC is entitled to its respective share of any gains on the disposal of any portfolio assets.

The portfolio assets and mortgages, held in trust, are recorded only as a commitment in these financial statements. CMHC retains the annual mortgage-related funding to make the mortgage payments, and accordingly neither the funding nor the mortgage payments are recorded by the Government. The mortgages, held in trust, are not included as borrowings for the purposes of the debt authority limits described in note 13.

(b) Charge back of services

The Government has 4 (2004 - 8) cost recovery service agreements with the Government of Nunavut for the provision of various corporate and program delivery services. The expenses on and costs recovered from these projects on behalf of Nunavut are estimated at \$2,057,000 for the fiscal year 2005-2006 (2004 - \$10,484,000).

18. CONTINGENCIES

(a) Environmental restoration costs

As circumstances and funding have permitted, the Government has been identifying sites of potential liability and remediating the sites as necessary. As of March 31, 2005, the Government has 115 sites, excluding fuel caches, that have been identified as possibly requiring environmental restoration. Of these sites, 88 have had either initial evaluations or have a plan in place to complete evaluation and/or remediation. The remaining 27 sites require initial or additional studies to determine the existence and/or extent of the environmental liability.

The Department of Resources, Wildlife and Economic Development maintains bulk fuel and forest fire suppression chemical storage facilities at 18 air tanker and helibase locations. These facilities are located within or adjacent to 13 communities. A Phase I and II environmental site assessment was completed on each of these facilities by the Department. The need for remedial actions or further assessment has been identified for seven of these sites.

In addition, during 2005, the Department of Resources, Wildlife and Economic Development maintained 17 active fuel caches within communities, at locations other than those indicated above, and 92 active fuel caches at locations a distance from communities. Environmental site assessments have not been undertaken at these sites due to the relatively small number of drums on-site at any time (with the potential for limited local contamination) or the remoteness of the location. As these sites are re-supplied, each is inspected for potential environmental liabilities. The Department of Resources, Wildlife and Economic Development also maintains 58 inactive fuel caches where no fuel drums were stored during 2005. Fifteen of these inactive sites have been identified as requiring some measure of remediation.

March 31, 2005

18. CONTINGENCIES (continued)

(a) Environmental restoration costs (continued)

In the case of the Petroleum Products Stabilization Fund (PPRF) comprehensive site assessments at each of its bulk fuel storage pipeline distribution systems have been completed (included in sites with plans in place above). The assessments confirmed that hydrocarbon contamination is present in varying levels at all sites. There have been nine Phase III Assessments and one Risk Assessment completed to date. Costs cannot be obtained until remediation has commenced and the scope of work is established. Remediation plans have been prepared to reduce these liabilities over the next five to ten years.

The Government will continue with its program of site inspection, assessment and remediation on an ongoing basis. In those cases where the cost of remediating sites is quantifiable, an estimated liability is accrued. As at March 31, 2005, the Government has recorded a \$23.75 million liability for the above ground remediation of Giant Mine. The estimated cost for Canada's share of the clean-up is \$300 million and includes both below and above ground remediation. The remaining sites do not yet have cost estimates of sufficient accuracy to predict the future costs, consequently, no liabilities have been accrued.

(b) Guarantees

The Government has guaranteed operating lines of credit for Arslanian Cutting Works (NWT) Ltd. to a maximum of \$9,000,000 and Deh Cho Bridge Corporation Ltd. to a maximum of \$3,000,000. At March 31, 2005, balances on the operating lines of credit are \$8,990,000 and \$2,209,000 respectively.

In addition the Government had guaranteed an operating line of credit for Sirius Diamonds NWT Ltd. in the amount of \$7,960,000. Due to defaults under the guarantee agreement with the Government and the Royal Bank of Canada's intent to call the loan due from Sirius, the Government proceeded with the court appointment of an Interim Receiver and subsequently a Receiver. The Receiver has arranged the sale of the assets of Sirius Diamonds NWT Ltd.; however, the proceeds will be insufficient to address the costs of the Receivership and payout to the Royal Bank of Canada. The Government has made provision for an estimated loss of \$6,500,000.

The Government has guaranteed residential housing loans to banks totaling \$12,553,000 (2004 - \$6,533,000) and indemnified Canada Mortgage and Housing for third party loans totaling \$37,781,000 (2004 - \$39,035,000). In addition, the Government has provided a guarantee to the Canadian Blood Agency and Canadian Blood Services to cover a share of potential claims made by users of the national blood supply. The Government's percentage is limited to the Northwest Territories' population to the Canadian population.

(c) Litigation

More individuals have come forward alleging abuse by a former school teacher in Nunavut, formerly part of the Northwest Territories. Pursuant to agreements negotiated prior to the division of the territories, the Governments of the Northwest Territories and Nunavut will jointly defend the suits. The cost of defending this action and any damages that may eventually be awarded will be shared by the two Governments 56.66% and 44.34% respectively. An estimate of the Government of the Northwest Territories share of the loss arising from these suits has been accrued, however the final outcome may vary significantly from this estimate.

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18. CONTINGENCIES (continued)**(c) Litigation (continued)**

A number of new cases of alleged sexual abuse by former Government of the Northwest Territories employees or contractors have been filed, or are pending against the Government, in addition to the case disclosed above. The Northwest Territories and Nunavut will jointly defend any such proceedings and the cost of defending these actions and any damages that may eventually be awarded will be shared by the two Governments 56.66% and 44.34% respectively. An estimate of any potential liability that may result from these actions is not determinable at this time, consequently no liability has been accrued.

A claim related to the construction of the hydro system on the Taltson River has been filed against the Government, the Northwest Territories Power Corporation and the Government of Canada. It is anticipated that no significant loss will result from this claim.

19. EXPENSES BY PROGRAM

	2005	2004
	(thousands of dollars)	
Social Programs	\$ 704,217	\$ 683,659
Economic Programs	191,835	161,980
Other	126,729	125,110
	\$ 1,022,781	\$ 970,749

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 contributions and grants to the following related parties:

	2005	2004
	(thousands of dollars)	
Hospitals and Regional Health Boards	\$ 184,963	\$ 171,808
Divisional Education Councils and District Education Authorities	113,355	108,450
Local Housing Associations and Authorities	32,325	32,293
	\$ 330,643	\$ 312,551

The Government funds communities, boards, agencies and other organizations offering services to the public. These organizations operate independently of normal Government operations. The Government may be held responsible for any liabilities or deficits on behalf of boards and agencies. An estimate of this potential liability, if any, cannot be readily determined.

Under agreements with related boards and agencies, the Government provides services either 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 \$89,217,000 (2004- \$87,935,000) were incurred and recovered from related parties.

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21. FAIR VALUE

The fair value of short-term financial instruments, including cash, short-term investments, accounts receivable, and accounts payable and accrued liabilities approximate the carrying amounts because of the short-term to maturity.

The fair value, and the methods of calculation and assumptions used, for the Government's long-term financial instruments are as detailed below:

	2005		2004	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	(thousands of dollars)			
Designated cash and investments	\$ 26,462	\$ 29,968	\$ 27,997	\$ 28,979
Loans receivable	56,670	56,670	57,084	57,084
Due to Canada	321,686	289,155	52,542	25,177
Capital lease obligations	21,314	29,392	22,848	32,551
Long-term debt	62,459	59,316	33,446	34,710

The fair value of publicly traded investments is based on quoted market prices.

The carrying value, at the lower of cost or net recoverable value, is estimated to be the fair value of loans receivable due to the nature of these loans. The carrying value of the loans receivable should not be seen as the realizable value on immediate settlement of these loans due to the uncertainty associated with such a settlement.

The estimated fair value for due to Canada, capital lease obligations and long-term debt is calculated by discounting the expected future cash flows at year-end market interest rates for equivalent terms to maturity.

22. SUBSEQUENT EVENTS

On April 1, 2005, the Department of Resources, Wildlife and Economic Development reorganized into two separate departments. The Department of Industry, Tourism and Investment will be responsible for economic development and the Department of Environment and Natural Resources will be responsible for resources and wildlife.

On April 1, 2005, the Northwest Territories Business Credit Corporation and the Northwest Territories Development Corporation merged to form the Northwest Territories Business Development Investment Corporation.

23. COMPARATIVE FIGURES

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

Government of the Northwest Territories

Schedule A

Consolidated Schedule of Tangible Capital Assets

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

	Land	Buildings	Other*	Leasehold Improvements	Equipment	Computers	2005	2004
Cost of tangible capital assets, opening	\$ 1,853	\$ 799,836	\$ 625,635	\$ 21,594	\$ 58,025	\$ 25,789	\$ 1,532,732	\$ 1,444,499
Acquisitions	14	69,865	40,547	921	7,043	5,467	123,857	96,196
Disposals	-	(5,742)	-	(248)	(878)	(18)	(6,886)	(7,963)
Cost of tangible capital assets, closing	\$ 1,867	\$ 863,959	\$ 666,182	\$ 22,267	\$ 64,190	\$ 31,238	\$ 1,649,703	\$ 1,532,732
Accumulated amortization, opening	\$ -	\$ (297,575)	\$ (201,490)	\$ (13,020)	\$ (32,571)	\$ (14,607)	\$ (559,263)	\$ (513,517)
Amortization expense	-	(25,792)	(17,214)	(1,513)	(3,475)	(2,709)	(50,703)	(48,972)
Write-downs	-	359	-	150	(460)	11	60	-
Disposals	-	2,992	-	97	463	6	3,558	3,226
Accumulated amortization, closing	\$ -	\$ (320,016)	\$ (218,704)	\$ (14,286)	\$ (36,043)	\$ (17,299)	\$ (606,348)	\$ (559,263)
Net book value	\$ 1,867	\$ 543,943	\$ 447,478	\$ 7,981	\$ 28,147	\$ 13,939	1,043,355	973,469
Work in Progress							64,373	98,131
Deferred capital contributions (note 15)							(202,997)	(213,210)
							\$ 904,731	\$ 858,390

*includes roads, bridges, airstrips, aprons, and water/sewer works