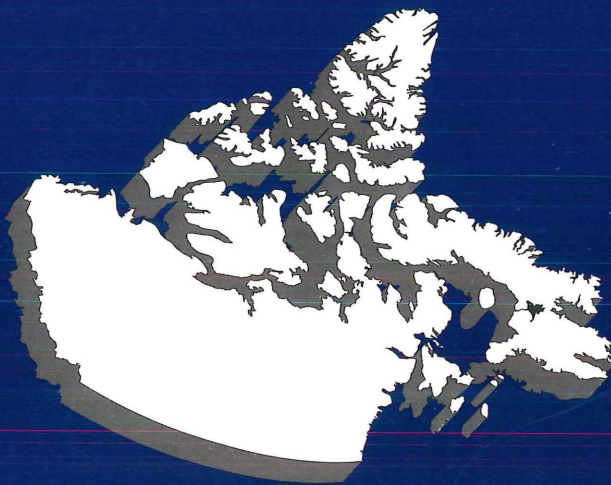




Government of the
Northwest Territories

**Public Accounts
1996-1997**



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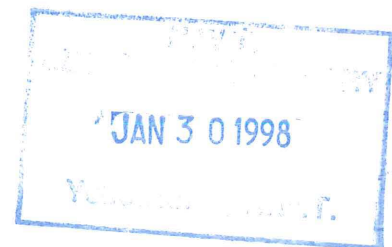


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**PUBLIC ACCOUNTS
OF THE
GOVERNMENT OF THE NORTHWEST TERRITORIES
FOR THE YEAR ENDED MARCH 31, 1997**

HONOURABLE JOHN TODD

Minister of Finance



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**THE HONOURABLE HELEN M. MAKSAGAK
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, 1997.

John Todd
Minister of Finance

Financial Management Board Secretariat
Yellowknife, N.W.T.
October 31, 1997

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Public Accounts of the Government of the Northwest Territories

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

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SECTION I
CONSOLIDATED FINANCIAL STATEMENTS

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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 the stated accounting policies set out in Note 2 to the Consolidated Financial Statements and comply with the recommendations of the Public Sector Accounting and Auditing Board of the Canadian Institute of Chartered Accountants wherever applicable. When alternative accounting methods exist, 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 the 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 Government Operations after they have been tabled in the Legislative Assembly. 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 that the financial statements present fairly the financial position, results of operations and changes in financial position for the year. During the course of the audit, he also examines transactions, that have come to his 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 information, comments and recommendations in his annual report to the Legislative Assembly of the Northwest Territories.

Lew Voytilla, C.G.A.
Comptroller General
Government of the Northwest Territories

October 31, 1997

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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, 1997 and the consolidated statements of operations and surplus and cash flows 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 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, 1997 and the results of its operations and the changes in its financial position for the year then ended in accordance with the stated accounting policies of the Government as set out in Note 2 to the consolidated financial statements. As required by the Northwest Territories Act, I report that, in my opinion, these stated accounting policies 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, the consolidated financial statements are in agreement therewith and, except for overexpenditures which are not in compliance with the Northwest Territories Financial Administration Act as described in Note 19, the transactions of the Government and of those organizations included in the consolidation, as disclosed in Note 1, that have come to my notice during my audit of the consolidated financial statements have, in all significant respects, been in accordance with the Northwest Territories Act, the Northwest Territories Financial Administration Act and regulations and the specific operating authorities disclosed in Note 1.

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

L. Denis Desautels, FCA
Auditor General of Canada

Ottawa, Canada
October 31, 1997

Government of the Northwest Territories

Consolidated Statement of Financial Position

as at March 31, 1997 (thousands of dollars)	1997	1996
Assets		
Current		
Cash and short-term investments	\$ 111,090	\$ 30,488
Due from (to) Canada (note 3)	10,045	97,467
Accounts receivable (note 4)	48,046	40,287
Inventories (note 5)	10,062	11,921
Prepaid expenses	4,066	6,649
Current portion of loans receivable	18,432	10,617
	201,741	197,429
Designated cash and investments (note 6)	18,525	17,879
Loans receivable (note 7)	69,246	83,008
Investment in government business enterprises (note 8)	163,257	147,559
Capital assets, at nominal value of one dollar		
	\$ 452,769	\$ 445,875

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

Government of the Northwest Territories

Consolidated Statement of Financial Position (Continued)

as at March 31, 1997
(thousands of dollars)

1997

1996

Liabilities

Current

Bank overdraft	\$ 53,575	\$ 22,289
Short-term loans (note 9)	60,761	105,903
Accounts payable and accrued liabilities (note 10)	126,986	119,237
Current portion of long-term liabilities	15,443	11,724

256,765 259,153

Pension liabilities (note 11a)	15,249	16,545
Employee termination benefits (note 12)	19,875	22,265
Long-term debt (note 13)	93,789	100,733

385,678 398,696

Commitments and contingencies (notes 15 and 16)

Accumulated surplus

Students Loan Fund reserve	20,000	18,000
Surplus	47,091	29,179

67,091 47,179

\$ 452,769 \$ 445,875

Approved:

John Todd
Minister of Finance

Lew Voytilla
Comptroller General

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

Government of the Northwest Territories

Consolidated Statement of Operations and Surplus

for the year ended March 31, 1997

(thousands of dollars)

	Budget (note 1b)	1997	1996
Revenues (schedule A)			
From Canada	\$ 982,166	\$ 1,012,424	\$ 1,075,154
Generated revenues	228,238	264,911	253,265
	1,210,404	1,277,335	1,328,419
Recoveries of prior years' expenditures (note 2m)	-	2,787	4,722
	1,210,404	1,280,122	1,333,141
Expenditures (schedule B)			
Operations and maintenance	1,093,121	1,127,419	1,153,928
Capital	194,313	166,362	207,938
	1,287,434	1,293,781	1,361,866
Net expenditure before undernoted	(77,030)	(13,659)	(28,725)
Net revenue from investment in government business enterprises (note 8)	29,130	33,571	33,397
Projects for Canada and others			
Expenditures	(43,286)	(43,477)	(43,106)
Recoveries	43,286	43,477	43,106
Mortgage remeasurement	-	-	(10,567)
Adjustment of ultimate removal liability	-	-	5,982
Net revenue (expenditure)	\$ (47,900)	19,912	87
Surplus at beginning of the year		29,179	29,092
Allocated to Students Loan Fund reserve		(2,000)	-
Surplus at end of the year		\$ 47,091	\$ 29,179

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

Government of the Northwest Territories

Consolidated Statement of Cash Flows

for the year ended March 31, 1997
(thousands of dollars)

1997

1996

Cash provided by (used in)

	1997	1996
Operating activities		
Net revenue for the year	\$ 19,912	\$ 87
Items not affecting cash:		
Net revenue from investment in government business enterprises	(33,571)	(33,397)
Provision for bad debts and forgivable loans	8,222	2,514
Mortgage receivables write-offs	31,002	17,855
Provision for loss on investments	85	73
Employee leave and termination benefits	2,310	(6,573)
	27,960	(19,441)
Changes in non-cash assets and liabilities		
Current assets	(2,950)	(6,344)
Current liabilities	6,684	(1,332)
Due from (to) Canada	87,422	(15,155)
Pension liabilities	(1,296)	2,147
Net cash provided by (used in) operating activities	117,820	(40,125)
Investing activities		
Dividend and advances from government business enterprises	17,873	19,657
Designated cash and investments	(731)	(309)
Loans receivable		
Advances	(68,962)	(38,707)
Repayments	35,318	21,394
Net cash provided by (used in) investing activities	(16,502)	2,035
Financing activities		
Repayment of long-term debt	(6,860)	(6,784)
Increase (decrease) in cash and cash equivalents	94,458	(44,874)
Cash and cash equivalents at beginning of the year	(97,704)	(52,830)
Cash and cash equivalents at end of the year*	\$ (3,246)	\$ (97,704)

* Cash and cash equivalents include cash and short-term investments less bank overdraft and short-term loans.

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

March 31, 1997

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Employee leave and termination benefits

Under the terms and conditions of employment, government employees may qualify and earn benefits for annual leave, retirement, severance and removal costs upon termination of employment. The estimated liability for these benefits is recorded as the benefits are earned by employees.

(g) Commitments and Contingencies

The nature of the Government's activities requires negotiation of contracts that are significant in relation to its current financial position or that will materially affect the level of future expenditure. Contractual commitments pertain to block funding agreements with municipalities, operating, commercial and residential leases, capital projects and 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 likely to occur or fail to occur, an estimated liability is accrued. If the likelihood is not determinable or the amount cannot reasonably be estimated, the contingency is disclosed.

Contingent liabilities result from potential environmental contingencies, pending or threatened litigation and like items.

(h) Grant from Canada

The grant is subject to the terms of a financing agreement with Canada. Periodic adjustments are made to the grant for income taxes, Established Programs Financing contributions and operating revenues collected by the Government which differ from the estimated amounts used to determine the grant for the fiscal year. Adjustments are also made to reflect new estimates of prior year entitlements.

(i) Projects for Canada and Others

The Government undertakes projects for Canada and others for which it receives accountable advances. Unexpended balances are recorded as current liabilities, and expenditures in excess of advances are recorded as accounts receivable.

(j) Taxes

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 estimates for the taxation year, which are periodically adjusted until the income tax assessments for that year are completed. Income tax revenue is recognized on a cash basis.

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. These taxes are received on a regular basis. 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.

(k) Other revenues

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

Government of the Northwest Territories

Notes to Consolidated Financial Statements

March 31, 1997

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Operations, maintenance and capital expenditures

Operations, maintenance and capital expenditures are recorded on an accrual basis. Government grants and contributions are recorded on an accrual basis as expenditures when paid or when the recipient has fulfilled the terms of a contractual agreement.

(m) Recoveries of prior years' expenditures

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

3. DUE FROM (TO) CANADA

	1997	1996
	(thousands of dollars)	
Grant payable		
Grant due from Canada - schedule A	\$ 855,012	\$ 904,743
Less: Payments received	853,425	910,217
	1,587	(5,474)
Balance payable at beginning of the year	(6,234)	(760)
	(4,647)	(6,234)
Indian and Inuit hospital and medical care	10,472	72,953
Canada Mortgage and Housing Corporation	(12,854)	9,916
Cost sharing agreements and projects on behalf of Canada	5,795	2,286
Other	18,628	24,965
	17,394	103,886
Less:		
Excess Income Tax and Established Programs Financing advanced	5,294	4,925
Unapplied balance of advances under agreements	2,055	1,494
	7,349	6,419
	\$ 10,045	\$ 97,467

The amounts due from Canada are non-interest bearing.

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

March 31, 1997

4. ACCOUNTS RECEIVABLE

	1997	1996
	(thousands of dollars)	
Related parties		
Northwest Territories Power Corporation	\$ 6,363	\$ 4,308
Regional Health Boards	4,548	309
Divisional Education Councils	3,683	5,555
Workers' Compensation Board	352	570
Northwest Territories Liquor Commission	112	20
District Education Authorities	112	252
Petroleum Products Revolving Fund	60	78
	15,230	11,092
Other accounts receivable	32,600	28,896
Accrued interest	2,660	3,351
	35,260	32,247
Less: Allowance for doubtful accounts	2,444	3,052
	32,816	29,195
	\$ 48,046	\$ 40,287

During the year, \$241,000 (1996 - \$186,000) was written off with proper authority and accounts receivable totalling \$687,000 (1996 - \$759,000) were forgiven with proper authority.

5. INVENTORIES

	1997	1996
	(thousands of dollars)	
Granular Program	\$ 6,196	\$ 8,157
Northwest Territories Development Corporation	3,698	3,363
Public Stores	168	390
Expo '92	-	11
	\$ 10,062	\$ 11,921

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

March 31, 1997

6. DESIGNATED CASH AND INVESTMENTS

	1997	1996
	(thousands of dollars)	
Investment portfolio		
Marketable securities (market value: \$17,862,000)	\$ 15,557	\$ 14,144
Cash and other assets at cost	78	121
Treasury bills	-	766
	<hr/> 15,635	<hr/> 15,031
Students Loan Fund		
Authorized limit	20,000	18,000
Less: Loans receivable	<hr/> 18,411	<hr/> 16,597
Cash available for new loans	<hr/> 1,589	<hr/> 1,403
Northwest Territories Development Corporation		
Preferred shares	2,744	2,703
Capital Reserve Fund	90	194
Venture Reserve Fund	<hr/> 222	<hr/> 218
	3,056	3,115
Less: Allowance for loss	<hr/> 1,755	<hr/> 1,670
	<hr/> 1,301	<hr/> 1,445
	<hr/> \$ 18,525	<hr/> \$ 17,879

The cash and marketable securities held in the investment portfolio can only be used to meet the obligations of the Legislative Assembly Supplementary Retiring Allowance and cannot be used to discharge obligations incurred by the Government. The assets in the investment portfolio are managed by Canada Trust. Supplementary Retiring Allowance Regulations restrict the investments that Canada Trust can make to those investments listed in the Pension Benefit Standards Act.

The proportionate asset mix in the investment portfolio as at March 31 was as follows :

	%	%
Strip Bonds	42.77	35.32
Canadian Stocks	15.45	15.86
Provincial Bonds	14.26	11.58
Corporate Bonds	9.31	5.43
Federal Bonds	9.18	16.35
Foreign Stocks	8.53	9.20
Cash and Other Assets	<hr/> 0.50	<hr/> 6.26
	<hr/> <u>100.00</u>	<hr/> <u>100.00</u>

The average market yields on the federal, provincial, and corporate bonds were 5.64%, 5.84% and 6.52%, respectively, with maturity dates ranging from March 1998 to October 2009. The gain on investments sold was \$1,189,000 (1996 - \$1,319,000).

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

March 31, 1997

7. LOANS RECEIVABLE

	1997	1996
	(thousands of dollars)	
Loans to municipalities due in installments to 2026, bearing fixed interest between 0.00% and 11.27%, net of valuation allowances of \$984,000 (1996 - \$1,160,000)	\$ 29,376	\$ 43,630
Northwest Territories Business Credit Corporation loans receivable, bearing fixed interest between 6.75% and 14.25%, net of allowance for doubtful accounts of \$5,069,000 (1996 - \$4,775,000)	21,608	18,663
Northwest Territories Housing Corporation mortgage and interim financing loans repayable over a maximum of 25 years, bearing fixed interest between 0% and 14.25%, net of allowance for doubtful accounts of \$7,360,000 (1996 - \$1,517,000)	16,674	6,476
Promissory note due from the Northwest Territories Power Corporation, due in installments to the 1998-99 fiscal year, bearing fixed interest at 11%	10,700	16,050
Students Loan Fund loans due in installments to 2004, bearing fixed interest between 4.5% and 12.5%, net of allowance for doubtful accounts and forgivable loans of \$10,017,000 (1996 - \$8,965,000)	8,394	7,633
Agreements for sale	726	973
Offer to purchase	200	200
	<hr/> 87,678	<hr/> 93,625
Less: Current portion	18,432	10,617
	<hr/> \$ 69,246	<hr/> \$ 83,008

During the year, the following amounts were written off and forgiven with proper authority:

	1997	1996
	(thousands of dollars)	
Northwest Territories Business Credit Corporation		
Forgiven	\$ 624	\$ 161
Write-offs	-	69
Students Loan Fund		
Forgivable loan remissions, including interest	1,490	1,010
Write-offs	53	149
	<hr/> \$ 2,167	<hr/> \$ 1,389

Government of the Northwest Territories

Notes to Consolidated Financial Statements

March 31, 1997

8. INVESTMENT IN GOVERNMENT BUSINESS ENTERPRISES

The investment in government business enterprises is the total of their surplus. Summary financial statements of the government business enterprises accounted for by the modified equity method are presented below.

The net assets of the Workers' Compensation Board can only be used to finance the operations of the Board. Therefore, the net assets of the Workers' Compensation Board are not available to discharge existing Government liabilities or to finance other Government programs.

	Northwest Territories Power Corporation	Northwest Territories Liquor Commission	Petroleum Products Revolving Fund	Workers' Compensation Board	1997 Total	1996 Total
	(thousands of dollars)					
Balance Sheet						
Assets	\$ 283,880	\$ 3,356	\$ 40,489	\$ 193,224	\$ 520,949	\$ 462,590
Liabilities	\$ 186,903	\$ 1,405	\$ 3,917	\$ 165,467	\$ 357,692	\$ 315,031
Surplus	96,977	1,951	36,572	27,757	163,257	147,559
	\$ 283,880	\$ 3,356	\$ 40,489	\$ 193,224	\$ 520,949	\$ 462,590
Statement of Operations						
Revenues	\$ 105,839	\$ 19,939	\$ 13,969	\$ 41,235	\$ 180,982	\$ 177,893
Expenditures	96,733	4,184	14,345	32,149	147,411	144,496
Net revenues (expenditures)	\$ 9,106	\$ 15,755	\$ (376)	\$ 9,086	\$ 33,571	\$ 33,397

Related Party Transactions

	Northwest Territories Power Corporation	Northwest Territories Liquor Commission	Petroleum Products Revolving Fund	Workers' Compensation Board
	(thousands of dollars)			
Revenues from:				
Government of the Northwest Territories - Consolidated	\$ 23,444	\$ 1,085	\$ 14,145	\$ 4,832
Northwest Territories Liquor Commission	-	-	5,395	-
Northwest Territories Power Corporation	-	-	10,658	441
	\$ 23,444	\$ 1,085	\$ 30,198	\$ 5,273
Expenditures to:				
Government of the Northwest Territories - Consolidated	\$ 2,870	\$ 17,139	\$ -	\$ 659
Northwest Territories Power Corporation	-	13	-	-
Petroleum Products Revolving Fund	10,689	-	-	-
Workers' Compensation Board	176	-	-	-
	\$ 13,735	\$ 17,152	\$ -	\$ 659

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

March 31, 1997

9. SHORT-TERM LOANS

Short-term loans of \$59,691,000 (1996 - \$104,713,000) bear interest at varying rates between 3.04% to 3.09%. The short-term loans were repaid as of April 1, 1997. The borrowing limit under the Borrowing Authorization Act was \$175,000,000 as of March 31, 1997.

In addition, Northwest Territories Development Corporation has a \$1,070,000 (1996 - \$1,190,000) demand loan bearing interest at prime plus 2% and secured by a debenture over inventory and capital assets.

10. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	1997	1996
	(thousands of dollars)	
Related parties		
Regional Health Boards	\$ 4,664	\$ 2,704
Workers' Compensation Board	2,360	134
Northwest Territories Power Corporation	1,242	2,011
Petroleum Products Revolving Fund	1,168	1,133
Divisional Education Councils	782	1,439
District Education Authorities	155	510
Northwest Territories Liquor Commission	-	2
	10,371	7,933
Accounts payable	91,404	89,561
Other liabilities, payroll deductions and contractors' holdbacks	11,356	11,629
Employee leave benefits	9,327	8,262
Deferred revenue	2,937	240
Accrued interest	1,591	1,612
	\$ 126,986	\$ 119,237

11. PENSIONS**(a) Pension Liabilities**

	1997	1996
	(thousands of dollars)	
Legislative Assembly Supplementary Retiring Allowance	\$ 14,626	\$ 16,021
Judges' Supplemental Pension Plan	623	524
	\$ 15,249	\$ 16,545

In May 1996, the Supplementary Retiring Allowance Act was amended to end the Legislative Assembly Supplementary Retiring Allowance plan in respect of all new and future members of the Legislative Assembly.

The Government also maintains the Legislative Assembly Retiring Allowances Fund and the Territorial Court Judges' Registered Pension Plan. The two pension plans are fully funded, consequently the Government has no liabilities as at March 31, 1997 (1996 - nil). The funds related to the plans are administered by independent trust companies.

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

March 31, 1997

11. PENSIONS (continued)**(a) Pension Liabilities**

The Legislative Assembly Retiring Allowances Fund is a contributory defined benefit pension plan. The other three plans are non-contributory defined benefit pension plans. Benefits provided under the plans are based on service and/or earnings. The Government is liable for all benefits.

Actuarial valuations were completed for the Legislative Assembly and Judges' plans as of March 31, 1997 and January 1, 1995 respectively, using the projected benefit method prorated on service. The valuation is 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. All actuarial valuations were extrapolated to March 31, 1997 if they were not valued at the balance sheet date.

(b) Pension Expense

	1997	1996
	(thousands of dollars)	
Legislative Assembly Supplementary Retiring Allowance and Judges' Supplemental Pension Plan:		
Benefit cost accruals		
Current service	\$ 272	\$ 846
Past service	-	400
	272	1,246
Interest on accrued benefits	1,014	1,198
Amortization of estimation adjustment	(84)	(41)
	1,202	2,403
Gain on curtailment of Legislative Assembly Supplementary Retiring Allowance benefits	(2,005)	-
	(803)	2,403
Territorial Court Judges' Registered Pension Plan	92	89
Legislative Assembly Retiring Allowances Fund	(20)	40
	\$ (731)	\$ 2,532

(c) Public Service Superannuation Plan

The Government and its employees make contributions to the Public Service Superannuation Plan administered by Canada. These employer contributions of \$8,300,000, represent the total obligation of the Government. The Government is not required under present legislation to make contributions with respect to actuarial deficiencies of the Public Service Superannuation Account.

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

March 31, 1997

12. EMPLOYEE TERMINATION BENEFITS

	1997	1996
	(thousands of dollars)	
Termination	\$ 15,807	\$ 11,963
Removal	11,162	12,980
Retirement	1,720	2,501
	28,689	27,444
Less: Current portion	8,814	5,179
	\$ 19,875	\$ 22,265

13. LONG-TERM DEBT

	1997	1996
	(thousands of dollars)	
Northwest Territories Housing Corporation loans due to Canada Mortgage and Housing Corporation, repayable in installments to the year 2033, bearing interest at an average weighted rate between 7% to 10.9% (1996 - 7% to 10.9%)	\$ 89,718	\$ 90,913
Sinking fund notes redeemable in annual installments to the 1998-99 fiscal year, with fixed interest at 11% payable semi-annually, issued to finance the purchase of the Northwest Territories Power Corporation	10,700	16,050
Note payable to Nuni(Ye) Forest Products Ltd. to be converted to Class B common shares in Great Slave Lake Forest Products Ltd.	-	315
	100,418	107,278
Less: Current portion	6,629	6,545
	\$ 93,789	\$ 100,733

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

March 31, 1997

13. LONG-TERM DEBT (continued)

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

	Principal	Interest	Total
	(thousands of dollars)		
1997-1998	6,629	7,089	13,718
1998-1999	6,719	6,410	13,129
1999-2000	1,467	6,176	7,643

The loans due to Canada Mortgage and Housing Corporation will be renegotiated in the year 2000.

14. TRUST ASSETS AND LIABILITIES

The Government administers trust accounts 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.

	1997	1996
	(thousands of dollars)	
Public Trustee	\$ 4,177	\$ 5,121
Inuvik utilidor	900	900
Supreme Court	449	395
Natural Resources - Capital	329	322
Territorial Court	284	130
Correctional institutions	166	157
Other	135	124
	\$ 6,440	\$ 7,149

15. COMMITMENTS

(a) The Government has entered into agreements for, or is contractually committed to, the following expenditures payable subsequent to March 31, 1997:

	Expiry Date	Total
		(thousands of dollars)
Commercial and residential leases	2016	\$ 232,084
RCMP Policing Agreement	1999	56,000
Capital commitments - projects in progress at March 31, 1997	2001	59,841
Operational commitments	2000	33,558
Block Funding Agreement with tax based municipalities	1999	13,269
Northwest Territories Development Corporation - operating subsidies	1998	6,208
Tungavik Federation of Nunavut Wildlife Income Support Fund/ Western Harvesters' Assistance Program	1999	5,919
Equipment leases	2001	2,680
Workers' Compensation Board - transfer of responsibility	1999	1,380
		\$ 410,939

In 1988, the Government and Canada agreed to a cost sharing formula to build and renovate hospitals in Inuvik and Iqaluit, respectively. The agreement provides a cost sharing formula to be used in the future, if and when construction or renovation commitments are made. However, the amount of the Government's share of costs increases and Canada's share decreases as each year passes.

March 31, 1997

15. COMMITMENTS (continued)

(b) Petroleum Products Revolving Fund

The Fund has entered into fuel delivery contracts with communities. All contracts expire by 2006. Under these contracts, fixed commission rates are paid. The value of this commitment cannot reasonably be determined.

16. CONTINGENCIES

(a) Communities, boards and agencies

The Government funds communities, boards and agencies, offering services to the public, which operate independently of normal Government operations. The Government may be held responsible for any liabilities or deficits on behalf of these communities, boards and agencies. Estimates of these potential liabilities cannot be determined.

(b) Pay Equity

The Union of Northern Workers (UNW) filed an equal pay complaint against the Government in March 1989 with the Canadian Human Rights Commission (CHRC). The dispute is ongoing. A motion filed by the Government with the Federal Court of Canada applying for a declaration that the CHRC has no jurisdiction to deal with the complaint was denied. The dispute has now been referred to a Tribunal appointed under the Canada Human Rights Act. Also, efforts are underway with the UNW to try and find a negotiated solution to the complaint.

It is not possible to reasonably estimate the liability, if any, that may result from the claim. In the event that there is a liability, the expenditure will be charged to operations in the year an amount can reasonably be estimated.

(c) Environmental Restoration Costs

The Government recognizes that there could be a liability for restoration of the environment on Commissioner's Land. Such costs would include the clean up and restoration of oil storage facilities, construction sites, sewage treatment facilities and the removal of hazardous goods.

In order to show the financial impact of these environmental costs, the amount of the liability and the timing of future expenditures should be recognized in the Government's financial statements. In some instances, the projected costs would be amortized over the life of the specific project, site or facility. However, the ultimate responsibility may rest with different levels of Government and the private sector.

A reasonable estimate of costs attributable to the Government cannot be fully determined at this time. The determination of these costs will be subject to, and depend upon, evolving public policy, legislation and waste disposal methods. The Government will continue to work toward a reasonable determination and disclosure of environmental costs and liabilities in accordance with generally accepted accounting principles.

During 1996-97, the Government undertook an inventory of sites where possible environmental contamination may exist. The 624 sites identified include waste/sewage disposal facilities, fuel storage facilities (including tank farms, fuel caches and underground fuel tanks), power generating plants and garages/workyards. Although not included in this inventory, the Government also recognizes that there may be tertiary responsibility for environmental restoration in the case of Commissioner's land leased to third parties should these third parties not fulfill their responsibility for restoration.

Government of the Northwest Territories

Notes to Consolidated Financial Statements

March 31, 1997

17. RELATED PARTIES

During the year the Government made contributions and grants to the following related parties:

	1997		1996
	(thousands of dollars)		
Divisional Education Councils and District Education Authorities	\$ 139,585		\$ 142,834
Hospitals and Health Boards	97,303		94,826
	\$ 236,888		\$ 237,660

Under agreements with related boards and agencies, the Government provides services at cost or for a service fee where direct costs cannot be determined. The fees charged for indirect costs are not necessarily the cost of providing those services. Services provided included personnel, payroll, financial, procurement, accommodation, buildings and works, utilities, legal and interpretation services. Direct costs of \$118,572,000 (1996 - \$127,734,000) were incurred and recovered from related parties.

The Government receives audit services from the Auditor General of Canada without charge.

18. SUBSEQUENT EVENT

On April 24, 1997, the Northwest Territories Housing Corporation (NWT HC) signed a new Social Housing Agreement with Canada Mortgage and Housing Corporation which will consolidate the management and administration of the social housing programs under the control of NWT HC effective April 1, 1997. The approved funding transferred to the NWT HC in 1997-98 is \$91,140,290 and funding will be provided each year subject to the funding expiration of each project.

19. OVEREXPENDITURES

Two departments overspent, at the department and vote level, \$1,202,000 and \$459,000 for operations and maintenance expenditure activities and capital expenditure activities, respectively. This contravenes section 32 of the Financial Administration Act which states... "No person shall incur an expenditure that causes the amount of the item set out in the Estimates on which the appropriation is based to be exceeded".

20. COMPARATIVE FIGURES

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

Consolidated Schedule of Revenues by Source

for the year ended March 31, 1997 (thousands of dollars)	Budget (note 1b)	1997	1996
From Canada			
Grant per financing agreement (note 3)	\$ 829,888	\$ 855,012	\$ 904,743
Transfer payments	152,278	156,171	149,079
Established Programs Financing	-	1,241	21,332
	982,166	1,012,424	1,075,154
Generated Revenues			
Taxes	142,766	136,957	145,995
General	35,493	44,633	49,900
Capital Recoveries	22,128	55,492	29,109
Other Recoveries	27,851	27,829	28,261
	228,238	264,911	253,265
Total	\$ 1,210,404	\$ 1,277,335	\$ 1,328,419

Consolidated Schedule of Expenditures

for the year ended March 31, 1997 (thousands of dollars)	Budget (note 1b)	1997	1996
Operations and Maintenance			
Grants and contributions	\$ 472,828	\$ 476,969	\$ 461,876
Operations and maintenance	406,441	381,201	433,226
Salaries and wages	213,852	228,982	247,474
Valuation allowances	-	40,267	11,352
	1,093,121	1,127,419	1,153,928
Capital			
Building and works	149,932	132,833	168,345
Grants and contributions	37,014	26,292	28,152
Equipment	7,367	7,237	11,441
	194,313	166,362	207,938
Total	\$ 1,287,434	\$ 1,293,781	\$ 1,361,866

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SECTION II
NON-CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

Government of the Northwest Territories

Non-Consolidated Statement of Financial Position

as at March 31, 1997
(thousands of dollars)

1997

1996

Assets

Current

Due from (to) Canada (Note 3)	\$ 22,899	\$ 87,551
Accounts Receivable (Note 4)	59,493	45,846
Inventories (Note 5)	36,903	38,102
Prepaid Expenses	4,140	5,591
Current Portion of Loans Receivable	18,432	10,617

141,867

187,707

Designated Cash and Investments (Note 6)

17,224

16,434

Loan Receivable (Note 7)

55,198

79,019

Investment in Northwest Territories Power Corporation, at
Nominal Value of One Dollar

Capital Assets, at Nominal Value of One Dollar

\$ 214,289

\$ 283,160

See the accompanying notes.

Government of the Northwest Territories

Non-Consolidated Statement of Financial Position (continued)

as at March 31, 1997
(thousands of dollars)

1997

1996

Liabilities

Current

Bank Overdraft (Note 8b)	\$ 7,199	\$ 21,555
Short-term Loans (Note 8a)	59,691	104,713
Accounts Payable and Accrued Liabilities (Note 9)	116,486	112,224
Current Portion of Long-term Liabilities	13,162	9,613
Deferred Revenue	2,053	81

198,591 248,186

Pension Liabilities (Note 10a)	15,249	16,545
Employee Termination Benefits (Note 11a)	19,455	19,557
Note Payable (Note 12)	5,350	10,700

238,645 294,988

Commitments and Contingencies (Notes 15 and 16)
Subsequent Event (Note 18)

Accumulated Deficit

Students Loan Fund Reserve	20,000	18,000
Petroleum Products Stabilization Fund (Note 13)	(3,029)	(2,654)
Deficit	(41,327)	(27,174)

(24,356) (11,828)

\$ 214,289 \$ 283,160

See the accompanying notes.

Government of the Northwest Territories

Non-Consolidated Statement of Operations and Surplus

for the year ended March 31, 1997

(thousands of dollars)

	1997		1996
	Main Estimates (note 1b)	Actual	Actual
Revenues (Schedule A)			
From Canada	\$ 934,183	\$ 962,565	\$ 1,025,517
Generated Revenues	233,958	216,591	230,178
	1,168,141	1,179,156	1,255,695
Recoveries of Prior Years' Expenditures (Note 2p)	-	2,787	4,722
	1,168,141	1,181,943	1,260,417
Expenditures			
Operations and Maintenance (Schedule B)	1,030,678	1,018,064	1,076,245
Capital (Schedule C)	194,313	176,032	205,757
Estimated Supplementary Requirements (Note 1c)	36,000	-	-
Estimated Appropriation Authority Lapse (Note 1c)	(45,000)	-	-
	1,215,991	1,194,096	1,282,002
Net Expenditure Before Undernoted	(47,850)	(12,153)	(21,585)
Projects for Canada and Others			
Expenditures	(43,286)	(43,477)	(43,106)
Recoveries	43,286	43,477	43,106
Adjustment of Ultimate Removal Liability	-	-	5,982
Net Expenditure	\$ (47,850)	(12,153)	(15,603)
Deficit at Beginning of Year		(27,174)	(11,571)
Allocated to Students Loan Fund Reserve		(2,000)	-
Deficit at End of Year		\$ (41,327)	\$ (27,174)

See the accompanying notes.

Government of the Northwest Territories

Non-Consolidated Statement of Cash Flows

for the year ended March 31, 1997 (thousands of dollars)	1997	1996
Cash Provided By (Used in)		
Operating Activities		
Net Expenditure for the Year	\$ (12,153)	\$ (15,603)
Items Not Affecting Cash:		
Provision for Doubtful Receivables, Loans, and Loan Remissions	611	1,464
Amortization of Pension Estimation Adjustment	(84)	(41)
Employee Leave and Termination Benefits	2,944	(6,994)
	(8,682)	(21,174)
Changes in Non-cash Assets and Liabilities		
Current Assets	(1,363)	(3,299)
Current Liabilities	6,737	1,116
Due from (to) Canada	55,282	(13,700)
Petroleum Products Stabilization Fund	(375)	(770)
Pension Liabilities	(1,212)	2,188
Net Cash (Used in) Provided By Operating Activities	50,387	(35,639)
Investing Activities		
Segregated Cash and Investments	(790)	(162)
Loan Receivable		
Advances	(11,050)	(18,604)
Repayments	26,181	15,917
Net Cash (Used in) Provided By Investing Activities	14,341	(2,849)
Financing Activities		
Repayment of Long-term Debt	(5,350)	(5,350)
Net Cash Used in Financing Activities	(5,350)	(5,350)
Increase (Decrease) in Cash and Cash Equivalents	59,378	(43,838)
Cash and Cash Equivalents at Beginning of Year	(126,268)	(82,430)
Cash and Cash Equivalents at End of Year*	\$ (66,890)	\$ (126,268)

* Cash and cash equivalents are represented by cash and short-term investments less bank overdraft and short-term loans.

See the accompanying notes.

Government of the Northwest Territories

Notes to Non-Consolidated Financial Statements

March 31, 1997

1. AUTHORITY AND OPERATIONS

- (a) The Government of the Northwest Territories (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.
- (b) The Main Estimates figures are those tabled before the Legislative Assembly during the May 1996 session. They represent the Government's original fiscal plan for the year and do not reflect Supplementary Appropriations.
- (c) The estimated supplementary requirements and the estimated appropriation authority lapse are included in the Main Estimates column on the statement of operations and surplus. They are included for the purpose of comparing the actual net expenditures for the year to the estimated net expenditures for the year.
- (d) The Nunavut Act comes into full force on April 1, 1999. On that date, Nunavut and the Government of Nunavut come into being. The Nunavut Act consequently amends the Northwest Territories Act to redefine the Northwest Territories to exclude the geographic Nunavut territory as of April 1, 1999.

Notwithstanding this significant change in future operations of the Government, these financial statements have been prepared on a going concern basis, including all operations which will be transferred to, or taken over by, the future Nunavut Government.

The creation of Nunavut will require the transfer of Government assets and liabilities. The full impact on the Government has not been determined, nor has an agreement been reached regarding the division of assets and liabilities. The Government has produced a Preliminary Report on the Division of Assets and Liabilities which has been sent the federal Ministers of Finance, and Indian and Northern Affairs, the Interim Commissioner for Nunavut, Nunavut Tunngavik Incorporated and the Chairman of the Western Leaders Coalition. This report proposes a possible methodology for the division of assets and liabilities and it is anticipated that it will form the basis for discussion leading to an agreement amongst Canada, the Government and Nunavut.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Financial Statements

These financial statements have been prepared on a non-consolidated basis to show the operating results of the Government separate from the entities included in the consolidated financial statements.

The Government complies with the recommendations of the Public Sector Accounting and Auditing Board of the Canadian Institute of Chartered Accountants wherever applicable, and in particular with respect to the preparation of consolidated financial statements.

The Government has prepared consolidated financial statements. They are presented in Section I of the Public Accounts and provide an accounting of the full nature and extent of the financial affairs and resources for which the Government is responsible. The consolidated reporting entity is defined in those statements.

(b) Reporting Entity

These financial statements include the assets, liabilities and operating results of the Government and the following revolving funds:

Fur Marketing Service Revolving Fund
Granular Program Revolving Fund
Northwest Territories Liquor Commission
Petroleum Products Revolving Fund
Public Stores Revolving Fund
Students Loan Fund

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

Government of the Northwest Territories

Notes to Non-Consolidated Financial Statements

March 31, 1997

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Aurora College
Nunavut Arctic College
Educational Councils
Hospitals and Health Boards
Legislative Assembly Retiring Allowances Fund
Territorial Court Judges' Registered Pension Plan
Northwest Territories Business Credit Corporation
Northwest Territories Development Corporation
Northwest Territories Housing Corporation
Workers' Compensation Board

Detailed financial information, on revolving funds and other boards and agencies, is included in Section III of the Public Accounts.

(c) Measurement Uncertainty

The preparation of financial statements in accordance with stated accounting policies requires the Government to make estimates and assumptions that affect the amounts of assets, liabilities, revenues and expenditures 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. Some of the more significant management estimates relate to employee termination benefits, contingencies, revenue accruals and Student Loan Fund allowances for both forgivable and bad loans.

(d) Short-Term Investments/Designated Cash and Investments

Investments are valued at the lower of cost or market value. Interest income is recorded on the accrual basis and dividend income is recognized when it is received or declared.

Investment in securities denominated in foreign currencies are translated into Canadian dollars at the year end exchange rate. Foreign currency transactions during the year are translated into Canadian dollars at the exchange rate at the transaction date.

(e) Inventories

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

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

(f) Loans Receivable

Loans receivable and advances 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 recognized when earned. Interest revenue is not accrued when the collectibility of either principal or interest is not reasonably assured.

(g) Investment in the Northwest Territories Power Corporation

The Government is the sole shareholder of the Northwest Territories Power Corporation, a Territorial Crown Corporation providing utility services to the Northwest Territories. The investment has been recorded at a nominal value.

March 31, 1997

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Capital Assets and Leases

Capital assets are charged to expenditures at the time of acquisition or construction. Capital assets are disclosed on the statement of financial position at a nominal value of one dollar.

Lease payments under capital and operating leases are charged to operating and maintenance expenditures. No assets or long-term liabilities are recognized for capital leases.

(i) Employee Leave and Termination Benefits

Under the terms and conditions of employment, government employees may qualify and earn benefits for annual leave, retirement, severance and removal costs upon termination of employment. The estimated liability for these benefits is recorded as the benefits are earned by employees.

(j) Commitments and Contingencies

The nature of the Government's activities requires negotiation of contracts that are significant in relation to its current financial position or that will materially affect the level of future expenditure. Contractual commitments pertain to block funding agreements with municipalities, operating, commercial and residential leases, capital projects and 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 likely to occur or fail to occur, 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 environment contingencies, pending or threatened litigation and like items.

(k) Grant from Canada

The grant is subject to the terms of a financing agreement with Canada. Periodic adjustments are made to the grant for income taxes, Established Programs Financing contributions and operating revenues collected by the Government which differ from the estimated amounts used to determine the grant for the fiscal year. Adjustments are also made to reflect new estimates of prior year entitlements.

(l) Projects for Canada and Others

The Government undertakes projects for Canada and others for which it receives accountable advances. Unexpended balances are recorded as current liabilities, and expenditures in excess of advances are recorded as accounts receivable.

(m) Taxes

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 estimates for the taxation year, which are periodically adjusted until the income tax assessments for that year are completed. Income tax revenue is recognized on a cash basis.

Government of the Northwest Territories

Notes to Non-Consolidated Financial Statements

March 31, 1997

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Taxes (continued)

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. These taxes are received on a regular basis. 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.

(n) Other Revenues

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

(o) Operations, Maintenance and Capital Expenditures

Operations, maintenance and capital expenditures are recorded on an accrual basis. Government grants and contributions are recorded on an accrual basis as expenditures when paid or when the recipient has fulfilled the terms of the contractual agreement.

(p) Recoveries of Prior Years' Expenditures

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

3. DUE FROM (TO) CANADA

	1997	1996
	(thousands of dollars)	
Grant Payable		
Grant Due From Canada - Schedule A	\$ 855,012	\$ 904,743
Less Payments Received	853,425	910,217
	1,587	(5,474)
Balance Payable at Beginning of Year	(6,234)	(760)
Grant Payable at End of Year	(4,647)	(6,234)
Indian and Inuit Hospital and Medical Care	10,472	72,953
Cost Sharing Agreements and Projects on Behalf of Canada	5,795	2,286
Other	18,628	24,965
	30,248	93,970
Less:		
Unapplied Balance of Advances Under Agreements	2,055	1,494
Excess Income Tax and Established Programs Financing Advanced	5,294	4,925
	7,349	6,419
	\$ 22,899	\$ 87,551

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

March 31, 1997

4. ACCOUNTS RECEIVABLE

	1997	1996
	(thousands of dollars)	
Revolving Funds		
Petroleum Products Revolving Fund	\$ 12,768	\$ 10,865
Fur Auction	699	385
Granular Program	241	562
Northwest Territories Liquor Commission	51	3
Public Stores	25	15
Expo '92	-	123
	<hr/> 13,784	<hr/> 11,953
Less: Allowance for Doubtful Accounts	80	305
	<hr/> 13,704	<hr/> 11,648
Related Parties		
Northwest Territories Power Corporation	6,363	4,308
Regional Health Boards	4,548	309
Divisional Education Councils	3,683	5,555
Northwest Territories Housing Corporation	2,772	915
Nunavut Arctic College	1,025	1,334
Aurora College	950	1,434
Workers' Compensation Board	352	570
Northwest Territories Liquor Commission	112	20
District Education Authorities	112	252
Petroleum Products Revolving Fund	60	79
Northwest Territories Development Corporation	-	10
	<hr/> 19,977	<hr/> 14,786
Other Accounts Receivable	25,892	18,809
Accrued Interest	2,364	3,086
	<hr/> 28,256	<hr/> 21,895
Less: Allowance for Doubtful Accounts	2,444	2,483
	<hr/> 25,812	<hr/> 19,412
	<hr/> \$ 59,493	<hr/> \$ 45,846

During the year, \$241,000 (1996 - \$186,000) was written off with proper authority and accounts receivable totalling \$687,000 (1996 - \$759,000) were forgiven with proper authority.

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

March 31, 1997

5. INVENTORIES

	1997	1996
	(thousands of dollars)	
Petroleum Products Revolving Fund	\$ 27,801	\$ 26,775
Granular Program	6,368	8,382
Northwet Territories Liquor Commission	2,566	2,544
Public Stores	168	390
Expo '92	-	11
	<hr/>	<hr/>
	\$ 36,903	\$ 38,102

6. DESIGNATED CASH AND INVESTMENTS

	1997	1996
	(thousands of dollars)	
Investment Portfolio		
Marketable Securities (Market Value = \$17,862,000)	\$ 15,557	\$ 14,144
Cash and Other Assets (Market Value = Cost)	78	121
Treasury Bills	-	766
	<hr/>	<hr/>
	15,635	15,031
Students Loan Fund		
Authorized Limit	20,000	18,000
Less: Loans Receivable	18,411	16,597
	<hr/>	<hr/>
Cash Available for New Loans	1,589	1,403
	<hr/>	<hr/>
	\$ 17,224	\$ 16,434

The cash and marketable securities held in the investment portfolio can only be used to meet the obligations of the Legislative Assembly Supplementary Retiring Allowance and cannot be used to discharge obligations incurred by the Government. The assets in the investment portfolio are managed by Canada Trust. Supplementary Retiring Allowances Regulations restrict the investments Canada Trust can make to those investments listed in the Pension Benefit Standards Act.

The proportionate asset mix in the investment portfolio as at March 31 was as follows :

	%	%
Strip Bonds	42.77	35.32
Canadian Stocks	15.45	15.86
Provincial Bonds	14.26	11.58
Corporate Bonds	9.31	5.43
Federal Bonds	9.18	16.35
Foreign Stocks	8.53	9.20
Cash and Other Assets	0.50	6.26
	<hr/>	<hr/>
	100.00	100.00

The average market yields on the federal, provincial, and corporate bonds were 5.64%, 5.84% and 6.52%, respectively, with maturity dates ranging from March 1998 to October 2009. The gain on investments sold was \$1,189,000 (1996 - \$1,319,000).

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

March 31, 1997

7. LOAN RECEIVABLE

	1997	1996
	(thousands of dollars)	
Loans to municipalities due in installments to 2026, bearing interest between 0.00% and 11.27%, net of valuation allowances of \$983,000 (1996 - \$1,160,000)	\$ 29,376	\$ 43,630
Loan advances to the Northwest Territories Business Credit Corporation. The term is indeterminate with the option to repay any portion of principal on any interest payment date. Interest is calculated at selected Government of Canada three year bond rates at the end of the month.	24,234	21,150
Promissory note due from the Northwest Territories Power Corporation, due in installments to the 1998-99 fiscal year, bearing interest at 11%	10,700	16,050
Students Loan Fund loans due in installments to 2004, bearing interest between 4.5% and 12.5%, net of allowance for doubtful accounts and loan remissions of \$10,017,000 (1996 - \$8,965,000)	8,394	7,633
Agreements for Sale	726	973
Offer to Purchase	200	200
	73,630	89,636
Less: Current Portion	18,432	10,617
	\$ 55,198	\$ 79,019

During the year, the following amounts were written off with proper authority:

	1997	1996
	(thousands of dollars)	
Students Loan Fund		
Forgivable loan remissions, including interest	1,490	1,010
Write-offs	\$ 53	\$ 149
	\$ 1,543	\$ 1,159

Government of the Northwest Territories

Notes to Non-Consolidated Financial Statements

March 31, 1997

8. BANK OVERDRAFT AND SHORT-TERM LOANS

- (a) Short-term loans of \$59,691,000 bear interest at varying rates between 3.04% to 3.09%. The short-term loans were repaid as of April 1, 1997. The borrowing limit under the Borrowing Authorization Act was \$175,000,000 as of March 31, 1997.
- (b) The Canadian Imperial Bank of Commerce (CIBC) is the Government's primary banker. However, other chartered banks are used when the CIBC does not have a branch in a community or region. The bank overdraft of \$7,199,000 is comprised of cash balances(overdrafts) the Government has with the following chartered banks:

Canadian Imperial Bank of Commerce (32 accounts)	\$ 27,164,000
Bank of Montreal (4 accounts)	239,000
Toronto Dominion Bank (1 account)	5,000
Bank of Nova Scotia (1 account)	5,000
Clearing Accounts - transactions in transit	(19,000)
Royal Bank of Canada (5 accounts)	<u>(34,593,000)</u>
	\$ <u>(7,199,000)</u>

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	1997	1996
	(thousands of dollars)	
Related Parties		
Regional Health Boards	\$ 4,664	\$ 2,704
Workers' Compensation Board	2,360	134
Nunavut Arctic College	1,303	1,065
Northwest Territories Power Corporation	1,242	2,011
Petroleum Products Revolving Fund	1,168	1,133
Northwest Territories Housing Corporation	786	476
Divisional Education Councils	782	1,439
Aurora College	603	603
District Education Authorities	155	510
Northwest Territories Development Corporation	-	60
Northwest Territories Liquor Commission	-	2
Arctic College	-	147
	<hr/> 13,063	<hr/> 10,284
Accounts Payable	82,963	80,803
Other Liabilities, Payroll Deductions and Contractors' Holdbacks	12,930	13,104
Employee Leave Benefits	7,530	8,033
	<hr/> 103,423	<hr/> 101,940
	<hr/> \$ 116,486	<hr/> \$ 112,224

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

March 31, 1997

10. PENSIONS**(a) Pension Liabilities**

	1997	1996
	(thousands of dollars)	
Legislative Assembly Supplementary Retiring Allowance	\$ 14,626	\$ 16,021
Judges' Supplemental Pension Plan	623	524
	\$ 15,249	\$ 16,545

In May 1996, the Supplementary Retiring Allowance Act was amended to end the Legislative Assembly Supplementary Retiring Allowance plan in respect of all new and future members of the Legislative Assembly.

The Government also maintains the Legislative Assembly Retiring Allowances Fund and the Territorial Court Judges' Registered Pension Plan. The two pension plans are fully funded, consequently the Government has no liabilities as at March 31, 1997 (1996 - nil). The funds related to the plans are administered by independent trust companies.

The Legislative Assembly Retiring Allowances Fund is a contributory defined benefit pension plan. The other plans are non-contributory defined benefit pension plans. Benefits provided under the plans are based on service and/or earnings. The Government is liable for all benefits.

Actuarial valuations were completed for the Legislative Assembly and Judges' plans as of March 31, 1997 and January 1, 1995 respectively, using the projected benefit method prorated on service. The valuation is 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. All actuarial valuations were extrapolated to March 31, 1997 if they were not valued at the balance sheet date.

(b) Pension Expense

	1997	1996
	(thousands of dollars)	
Legislative Assembly Supplementary Retiring Allowance and Judges' Supplemental Pension Plan:		
Benefit Cost Accruals		
Current Service	\$ 272	\$ 846
Past Service	-	400
	272	1,246
Interest on Accrued Benefits	1,014	1,198
Amortization of Estimation Adjustment	(84)	(41)
	1,202	2,403
Gain on curtailment of Legislative Assembly Supplementary Retiring Allowance benefits	(2,005)	-
	(803)	2,403
Territorial Court Judges' Registered Pension Plan	92	89
Legislative Assembly Retiring Allowances Fund	(20)	40
	\$ (731)	\$ 2,532

Government of the Northwest Territories

Notes to Non-Consolidated Financial Statements

March 31, 1997

10. PENSIONS (continued)

(c) Public Service Superannuation Plan

The Government and its employees make contributions to the Public Service Superannuation Plan administered by Canada. The employer's contribution of \$8,300,000 to the Plan represents the total obligation of the Government. The Government is not required under present legislation to make contributions with respect to actuarial deficiencies of the Public Service Superannuation Account.

11. EMPLOYEE TERMINATION BENEFITS

	1997	1996
	(thousands of dollars)	
Removal	\$ 11,162	\$ 12,108
Termination	14,385	9,854
Retirement	1,720	1,858
	27,267	23,820
Less: Current Portion	7,812	4,263
	\$ 19,455	\$ 19,557

12. NOTE PAYABLE

	1997	1996
	(thousands of dollars)	
Sinking fund notes redeemable in annual instalments, with interest at 11% payable semi-annually, issued to finance the purchase of the Northwest Territories Power Corporation	\$ 10,700	\$ 16,050
Less: Current Portion	5,350	5,350
	\$ 5,350	\$ 10,700

Principal and interest amounts due in each fiscal year to the due date:

	Principal	Interest	Total
	(thousands of dollars)		
1997-1998	\$ 5,350	\$ 725	\$ 6,075
1998-1999	5,350	136	5,486

Government of the Northwest Territories

Notes to Non-Consolidated Financial Statements

March 31, 1997

13. PETROLEUM PRODUCTS STABILIZATION FUND

The Petroleum Products Stabilization Fund was created under the authority of the Revolving Funds Act. The purpose of the Fund is to stabilize the prices of petroleum products purchased, sold and distributed by the Government. The net revenues or expenditures of the Petroleum Products Revolving Fund are charged to the Stabilization Fund. The accumulated surplus or deficit balance in the fund cannot exceed \$5,000,000.

	1997	1996
	(thousands of dollars)	
Deficit at Beginning of the Year	\$ (2,654)	\$ (1,884)
Less: Petroleum Products Revolving Fund - Net Expenditures for the Year	(375)	(770)
<hr/>		
Deficit at End of the Year	\$ (3,029)	\$ (2,654)

14. TRUST ASSETS AND LIABILITIES

The Government administers trust accounts 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.

	1997	1996
	(thousands of dollars)	
Public Trustee	\$ 4,177	\$ 5,121
Inuvik Utilidor	900	900
Supreme Court	449	395
Natural Resources - Capital	329	322
Territorial Court	284	130
Correctional Institutions	166	157
Other	135	124
<hr/>		
	\$ 6,440	\$ 7,149

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

March 31, 1997

15. COMMITMENTS

The Government has entered into agreements for, or is contractually committed to, the following expenditures payable subsequent to March 31, 1997:

	Expiry Date	Total
		(thousands of dollars)
Commercial and Residential Leases	2016	\$ 186,062
RCMP Policing Agreement	1999	56,000
Capital Commitments - Projects in Progress at March 31, 1997	2001	44,123
Operational Commitments	2000	33,558
Block Funding Agreements with Tax Based Municipalities	1999	13,269
Northwest Territories Development Corporation - Operating Subsidies	1998	6,208
Tungavik Federation of Nunavut Wildlife Income Support Fund/ Western Harvesters' Assistance Program	1999	5,919
Equipment Leases	2001	2,680
Workers' Compensation Board - Transfer of Responsibility	1999	1,380
		<hr/> \$ 349,199 <hr/>

In 1988, the Government and Canada agreed to a cost sharing formula to build and renovate hospitals in Inuvik and Iqaluit. The agreement provides a cost sharing formula to be used in the future, if and when construction or renovation commitments are made. However, the amount of the Government's share of costs increases and Canada's share decreases as each year passes.

16. CONTINGENCIES**(a) Contingent Liabilities**

The Government is contingently liable for the following:

	(thousands of dollars)
Debentures issued by the Northwest Territories Power Corporation, maturing from 2009 to 2026	\$ 119,757
Loans payable by the Northwest Territories Housing Corporation	89,718
	<hr/> \$ 209,475 <hr/>

The Government funds communities, boards and agencies, offering services to the public, which operate independently of normal Government operations. The Government may be responsible for any liabilities or deficits on behalf of these boards and agencies. Estimates of these potential liabilities cannot be determined.

(b) Pay Equity

The Union of Northern Workers (UNW) filed an equal pay complaint against the Government in March 1989 with the Canadian Human Rights Commission (CHRC). The dispute is ongoing. A motion filed by the Government with the Federal Court of Canada applying for a declaration that the CHRC has no jurisdiction to deal with the complaint was denied. The dispute has now been referred to a Tribunal appointed under the Canada Human Rights Act. Also, efforts are underway with the UNW to try and find a negotiated solution to the complaint.

It is not possible to reasonably estimate the liability, if any, that may result from the claim. In the event that there is a liability, the expenditure will be charged to operations in the year an amount can reasonably be estimated.

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

March 31, 1997

16. CONTINGENCIES (continued)**(c) Environmental Restoration Costs**

The Government recognizes that there could be a liability for restoration of the environment on Commissioner's Land. Such costs could include the clean up and restoration of oil storage facilities, construction sites, sewage treatment facilities and the removal of hazardous goods.

In order to show the financial impact of these environmental costs, the amount of the liability and the timing of future expenditures should be recognized in the Government's financial statements. In some instances, the projected costs would be amortized over the life of the specific project, site or facility. However, the ultimate responsibility may rest with different levels of Government and the private sector.

A reasonable estimate of costs attributable to the Government cannot be fully determined at this time. The determination of these costs will be subject to, and depend upon, evolving public policy, legislation and waste disposal methods. The Government will continue to work toward a reasonable determination and disclosure of environmental costs and liabilities in accordance with generally accepted accounting principles.

During 1996-97, the Government undertook an inventory of sites where possible environmental contamination may exist. The 624 sites identified include waste/sewage disposal facilities, fuel storage facilities (including tank farms, fuel caches and underground fuel tanks), power generating plants and garages/workyards. Although not included in this inventory, the Government also recognizes that there may be tertiary responsibility for environmental restoration in the case of Commissioner's land leased to third parties should these third parties not fulfill their responsibility for restoration.

17. RELATED PARTIES

During the year the Government made grants and contributions to or funded other costs for the following related parties.

	1997	1996
	(thousands of dollars)	
Divisional Education Councils and District Education Authorities	\$ 139,585	\$ 142,834
Northwest Territories Housing Corporation	106,824	107,965
Hospitals and Health Boards	97,303	94,826
Aurora College and Nunavut Arctic College	28,257	27,808
Northwest Territories Development Corporation	6,011	6,180
Northwest Territories Business Credit Corporation	792	907
	\$ 378,772	\$ 380,520

Under agreements with related boards and agencies, the Government provides services at cost or for a service fee where direct costs cannot be determined. The fees charged for indirect costs are not necessarily the cost of providing those services. Services provided included personnel, payroll, financial, procurement, accommodation, buildings and works, utilities, legal and interpretation services. Direct costs of \$118,572,000 (1996 - \$127,734,000) were incurred and recovered from related parties.

The Government paid the Workers' Compensation Board premiums of \$1,689,000 (1996 - \$2,025,000). The Government also reimbursed the Workers' Compensation Board for hunters and trappers claims; an adjustment of \$1,670,000 (1996 - \$1,466,000) was made to the reserve held by the Board for hunter and trappers claims.

Government of the Northwest Territories

Notes to Non-Consolidated Financial Statements

March 31, 1997

17. RELATED PARTIES (continued)

Revenue from the Northwest Territories Power Corporation in the year:

	1997		1996
	(thousands of dollars)		
Interest on the Promissory Note Receivable	\$ 1,320	\$	1,901
Dividend related to the Power Subsidy Program	5,854		4,292
	\$ 7,174	\$	6,193

18. SUBSEQUENT EVENT

In May 1997, the Canadian Imperial Bank of Commerce negotiated with the City of Yellowknife to refinance seven debentures held by the Government. The principal amount to be refinanced was \$11,345,000. The City is waiting for the Government to approve the By-law agreeing to the refinancing terms and buy-out. Consequently, the full amount of the "buy-out" is included in the Current Portion of Long-term Receivables and Loans.

19. OVEREXPENDITURES

Two departments overspent, at the department and vote level, \$1,202,000 and \$459,000, for operations and maintenance expenditure activities and capital expenditure activities, respectively. This contravenes section 32 of the Financial Administration Act which states... "No person shall incur an expenditure that causes the amount of the item set out in the Estimates on which the appropriation is based to be exceeded".

20. COMPARATIVE FIGURES

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

Schedule of Revenues by Source**for the year ended March 31, 1997**

(thousands of dollars)

	1997	1996	
	Main Estimates (note 1b)	Actual	Actual
From Canada			
Grant per Financing Agreement	\$ 829,888	\$ 853,313	\$ 895,951
Adjustments for:			
Income Tax Collections	-	1,270	6,186
Escalation	-	274	4,345
Established Program Financing Contributions	-	(3,949)	442
Operating Revenues	-	4,103	(827)
Keep Up Factor	-	1	(1,354)
	829,888	855,012	904,743
Established Programs Financing			
Health Insured Services	-	1,103	16,120
Post Secondary Education	-	138	5,212
	-	1,241	21,332
Transfer Payments			
Canada Health and Social Transfer	40,100	44,308	32,783
Health Care - Indian and Inuit	36,575	36,575	34,292
Health Related Services	15,754	13,966	15,944
Other	3,810	2,541	7,510
Young Offenders Act	3,792	3,791	3,945
Legal and Correctional Services	3,264	3,326	3,842
Continuing Education	1,000	1,805	1,126
	104,295	106,312	99,442
Total from Canada	934,183	962,565	1,025,517
Generated Revenues			
Taxation			
Individual	64,679	60,782	65,549
Corporate	25,952	24,996	27,521
Tobacco	16,872	16,525	18,036
Fuel	14,960	14,281	15,176
Payroll tax	12,135	11,833	12,088
Property and School	6,918	6,862	6,760
Insurance	1,250	1,678	1,600
	142,766	136,957	146,730

Schedule of Revenues by Sourcefor the year ended March 31, 1997
(thousands of dollars)

	1997	1996	
	Main Estimates (note 1b)	Actual	Actual
General Revenue			
Liquor Commission - Net Revenues	15,949	15,755	15,905
Licences, Fees and Permits	10,797	9,070	9,143
Interest Income	5,906	6,963	7,848
Arctic Airport - Rentals and Fees	1,719	1,482	2,210
Gain on Investment	-	1,189	1,320
	34,371	34,459	36,426
Other Recoveries			
Staff Housing	9,600	7,123	9,410
Insured and Third Party	7,800	8,030	18
Power Subsidy	5,857	5,854	4,292
Miscellaneous	3,207	3,758	6,588
Rentals	2,936	2,553	3,421
Utilities	2,425	1,978	2,332
Medical	1,500	1,280	2,402
Debt Financing	1,313	1,320	1,902
Sale of Commercial Goods	55	67	42
	34,693	31,963	30,407
Capital			
Sale of Land, Houses and Other Assets	17,300	9,053	8,655
Recoveries from Canada	2,843	1,671	3,802
Other	1,985	2,488	4,158
	22,128	13,212	16,615
Total Generated Revenues	233,958	216,591	230,178
Total Revenues by Source	\$ 1,168,141	\$ 1,179,156	\$ 1,255,695

Schedule of Operations and Maintenance Expendituresfor the year ended March 31, 1997
(thousands of dollars)

1997

1996

	Main Estimates (note 1b)	Salaries and Wages	Grants and Contributions	Valuation Allowances	Other	Total Expenditures	Total Expenditures
Legislative Assembly	\$ 9,369	\$ 4,160	\$ -	\$ 1	\$ 5,705	\$ 9,866	\$ 10,015
Executive	65,484	23,274	7,635	-	28,904	59,813	61,676
NWT Housing Corporation	58,374	-	58,206	-	-	58,206	62,329
Finance	10,171	2,334	-	710	5,298	8,342	8,966
Justice	68,929	24,263	2,784	-	43,112	70,159	69,579
Safety and Public Services	6,879	1,192	-	1	1,946	3,139	6,669
Public Works and Services	92,753	29,519	573	-	57,208	87,300	117,477
Transportation	59,324	21,653	265	7	36,742	58,667	59,904
Renewable Resources	55,101	20,903	8,147	2	27,162	56,214	59,538
Municipal and Community Affairs	70,591	11,827	58,115	47	5,547	75,536	74,414
Health and Social Services	234,727	20,424	144,887	-	72,188	237,499	244,088
Energy, Mines and Petroleum Resources	5,217	2,369	225	1	2,535	5,130	4,768
Economic Development and Tourism	35,864	11,463	12,098	-	7,630	31,191	32,759
Education, Culture and Employment	257,895	18,057	189,821	2,408	46,716	257,002	264,063
	\$ 1,030,678	\$ 191,438	\$ 482,756	\$ 3,177	\$ 340,693	\$ 1,018,064	\$ 1,076,245

Schedule of Capital Expendituresfor the year ended March 31, 1997
(thousands of dollars)

1997

1996

	Main Estimates (note 1b)	Buildings and Works	Acquisition of Equipment	Grants and Contributions	Total Expenditures	Total Expenditures
Legislative Assembly	\$ 45	\$ 26	\$ 15	\$ -	\$ 41	\$ 277
Executive	-	459	-	-	459	13
NWT Housing Corporation	46,870	-	-	47,011	47,011	45,636
Finance	-	-	-	-	-	-
Justice	3,012	1,420	-	491	1,911	538
Safety and Public Services	-	-	-	-	-	107
Public Works and Services	5,890	5,990	210	957	7,157	12,897
Transportation	41,971	35,036	2,435	622	38,093	40,913
Renewable Resources	2,272	1,178	689	20	1,887	2,250
Municipal and Community Affairs	35,562	20,582	430	10,366	31,378	39,169
Health and Social Services	13,631	2,490	754	2,188	5,432	8,836
Energy, Mines and Petroleum Resources	25	18	7	-	25	-
Economic Development and Tourism	8,130	2,918	84	5,152	8,154	9,431
Education, Culture and Employment	36,905	22,152	315	12,017	34,484	45,690
	\$ 194,313	\$ 92,269	\$ 4,939	\$ 78,824	\$ 176,032	\$ 205,757

Schedule of Revenues

for the year ended March 31, 1997
(thousands of dollars)

OPERATIONS AND MAINTENANCE	Main Estimates	FMB Approved Increases(Decreases)	Total Budget	Actual Revenues	Over(Under) Estimates
Legislative Assembly					
Revenues					
Gain on Investments	\$ -	\$ -	\$ -	\$ 1,189	\$ 1,189
Registration Fees	-	-	-	2	2
	-	-	-	1,191	1,191
Recoveries					
Cafeteria Rental Fee	10	-	10	2	(8)
Government Publications	-	-	-	2	2
Sundry	-	-	-	11	11
	10	-	10	15	5
	10	-	10	1,206	1,196
Executive					
Financial Management Board Secretariat					
Revenues					
Non-Sufficient Funds Handling Fees	6	-	6	8	2
Recoveries					
Staff Housing	9,600	-	9,600	7,123	(2,477)
Power Subsidy	5,857	-	5,857	5,854	(3)
Leases - Staff Housing	900	-	900	332	(568)
Interest Revenue - Staff Housing	85	-	85	68	(17)
Tenant Damage	60	-	60	18	(42)
Ration Repayments	39	-	39	-	(39)
Sundry	-	-	-	10	10
	16,541	-	16,541	13,405	(3,136)
	16,547	-	16,547	13,413	(3,134)
Finance					
Grant from Canada	829,888	-	829,888	855,012	25,124
Taxation Revenue					
Personal Income Tax	64,679	-	64,679	60,782	(3,897)
Corporate Income Tax	25,952	-	25,952	24,996	(956)
Tobacco Tax	16,872	-	16,872	16,525	(347)
Fuel Tax	14,960	-	14,960	14,281	(679)
Payroll Tax	12,135	-	12,135	11,833	(302)
Property Taxes and School Levies	6,918	-	6,918	6,862	(56)
Insurance Company Taxes	-	1,250	1,250	1,678	428
	141,516	1,250	142,766	136,957	(5,809)
Revenues					
Municipal Interest	3,625	-	3,625	3,761	136
Investment Interest	481	-	481	997	516
Liquor Income	-	15,949	15,949	15,755	(194)
Insurance Licenses	-	124	124	160	(36)
	4,106	16,073	20,179	20,673	494

Schedule of Revenues

for the year ended March 31, 1997
(thousands of dollars)

OPERATIONS AND MAINTENANCE	Main Estimates	FMB Approved Increases(Decreases)	Total Budget	Actual Revenues	Over(Under) Estimates
Finance (continued)					
Recoveries					
Insured and Third Party	7,800	-	7,800	8,030	230
NWT Power Corporation	1,313	-	1,313	1,320	7
Investment Pool Costs	78	-	78	163	85
Sundry	-	-	-	7	7
	9,191	-	9,191	9,520	329
	984,701	17,323	1,002,024	1,022,162	20,138
Justice					
Revenues					
Court Fines and Fees	618	-	618	510	(108)
Land Titles	465	-	465	415	(50)
Securities Fees	460	-	460	559	99
Companies and Societies Registration	395	-	395	419	24
Document Fees	138	-	138	139	1
Justice of the Peace Fines	135	-	135	130	(5)
PPSA Fees	100	-	100	-	(100)
Firearm Acquisition Certificates	90	-	90	61	(29)
Public Trustee Fees	55	-	55	127	72
Public Trustee Management Fees	43	-	43	43	-
Public Trustee Interest	40	-	40	602	562
	2,539	-	2,539	3,005	466
Transfer Payments					
Young Offenders Act	3,792	-	3,792	3,791	(1)
Legal Aid	1,658	-	1,658	1,638	(20)
Exchange of Services Agreement	1,160	50	1,210	1,212	2
Mackenzie Court Workers	374	-	374	374	-
Air Charters Recoveries	190	-	190	151	(39)
Firearm Acquisition Certificates Program	145	-	145	200	55
Community Parole	72	-	72	52	(20)
Community Constable Pilot Project	-	-	-	50	50
	7,391	50	7,441	7,468	27
Recoveries					
NWT Housing Corporation Lawyer	75	-	75	74	(1)
Legal Aid Repayments	45	-	45	75	30
Library Fees	22	-	22	12	(10)
Special Allowances Young Offenders	20	-	20	40	20
Room and Board	20	-	20	14	(6)
Sundry	-	-	-	3	3
	182	-	182	218	36
	10,112	50	10,162	10,691	529

Schedule of Revenues

for the year ended March 31, 1997
(thousands of dollars)

OPERATIONS AND MAINTENANCE	Main Estimates	FMB Approved Increases(Decreases)	Total Budget	Actual Revenues	Over(Under) Estimates
Safety and Public Services					
Taxation Revenue					
Insurance Companies Tax	1,250	(1,250)	-	-	-
Revenues					
Liquor Commission	15,949	(15,949)	-	-	-
Electrical Permits	500	(500)	-	-	-
Lottery Licences	490	(490)	-	8	8
Boiler Registrations	250	(250)	-	-	-
Insurance Licences	124	(124)	-	-	-
Business Licences	100	(100)	-	-	-
Mine Inspection Fees	100	-	100	-	(100)
Professional Licences	70	(70)	-	-	-
Vital Statistics Fees	55	(55)	-	-	-
Gas Permits	55	(55)	-	-	-
Examination & Certificates	25	-	25	-	(25)
Real Estate Licences Fees	12	(12)	-	-	-
Vendor - Direct Seller Fees	10	(10)	-	1	1
Elevator Permits	10	(10)	-	-	-
Miscellaneous Inspections	6	-	6	2	(4)
	17,756	(17,625)	131	11	(120)
Transfer payments					
Labour Canada Agreement	188	(188)	-	-	-
Recoveries					
Workers Advisor	100	(100)	-	-	-
	19,294	(19,163)	131	11	(120)
Public Works and Services					
Revenues					
Document Fees	50	-	50	32	(18)
Electrical Permits	-	500	500	341	(159)
Boiler Registration	-	250	250	222	(28)
Gas Permits	-	55	55	52	(3)
Elevator Permits	-	10	10	26	16
	50	815	865	673	(192)
Transfer Payments					
Labour Canada Agreement	-	188	188	97	(91)
Recoveries					
Water/Sewer Maintenance Services	2,395	-	2,395	1,928	(467)
Rental to Others - Offices	1,100	-	1,100	1,156	56
Parking Stall Rentals	106	-	106	72	(34)
Sale of Publications	40	-	40	27	(13)
Sale of Heat Supply	30	-	30	50	20
Coin Laundry	10	-	10	9	(1)
Through Put Fees	-	-	-	204	204
Pelly Bay Resupply	-	-	-	88	88
Tenant Damage	-	-	-	6	6
Sale of Furniture	-	-	-	2	2
	3,681	-	3,681	3,542	(139)
	3,731	1,003	4,734	4,312	(422)

Schedule of Revenues

for the year ended March 31, 1997
(thousands of dollars)

OPERATIONS AND MAINTENANCE	Main Estimates	FMB Approved Increases(Decreases)	Total Budget	Actual Revenues	Over(Under) Estimates
Transportation					
Revenues					
Motor Vehicle Plates	2,274	-	2,274	2,318	44
Lease/Rental Revenue - Airports	1,719	-	1,719	1,482	(237)
Drivers' Licenses	729	-	729	575	(154)
Concessions - Airports	725	-	725	367	(358)
Landing and Others Fees - Airports	468	-	468	644	176
Motor Vehicle Abstracts	160	-	160	125	(35)
Driver Test Fees	112	-	112	101	(11)
Special Transport Permits	80	-	80	126	46
Motor Vehicle Souvenir Plates	26	-	26	22	(4)
Miscellaneous Revenue - Airports	19	-	19	18	(1)
Personalized Motor Vehicle Plates	11	-	11	9	(2)
Age of Majority Cards	4	-	4	5	1
Motor Vehicle Accident Reports	1	-	1	1	-
Motor Vehicle Searches	1	-	1	1	-
	6,329	-	6,329	5,794	(535)
Transfer payments					
Administration Fees	5	65	70	61	(9)
Recoveries					
Highway Maintenance - National Parks	90	-	90	83	(7)
Firearms Acquisition Certificate Photos	5	-	5	6	1
Snowplowing Private Access Roads	5	-	5	-	(5)
Rankin Inlet Forward Operations	-	-	-	400	400
Miscellaneous Highway Maintenance	-	1	1	7	6
Sundry	-	-	-	1	1
	100	1	101	497	396
	6,434	66	6,500	6,352	(148)
Renewable Resources					
Revenues					
Timber Permits	1,872	-	1,872	488	(1,384)
Game Licenses	750	-	750	866	116
	2,622	-	2,622	1,354	(1,268)
Recoveries					
MARS Agreement	500	-	500	157	(343)
Remote Sensing	40	-	40	13	(27)
Sundry	-	-	-	34	34
	540	-	540	204	(336)
	3,162	-	3,162	1,558	(1,604)

Schedule of Revenues

for the year ended March 31, 1997
(thousands of dollars)

OPERATIONS AND MAINTENANCE	Main Estimates	FMB Approved Increases(Decreases)	Total Budget	Actual Revenues	Over(Under) Estimates
Municipal and Community Affairs					
Revenues					
Quarry Fees	40	-	40	32	(8)
Land Document Fees	6	-	6	23	17
Lottery Licenses	-	490	490	381	(109)
Business Licenses	-	100	100	14	(86)
Real Estate Licenses	-	12	12	1	(11)
Vender/Direct Seller Licenses	-	10	10	-	(10)
	46	612	658	451	(207)
Transfer payments					
Emergency Measures	148	-	148	147	(1)
Recoveries					
Land Leases	820	-	820	991	171
Sundry	-	-	-	2	2
	820	-	820	993	173
	1,014	612	1,626	1,591	(35)
Health and Social Services					
Revenues					
Professional Licenses	-	70	70	110	40
Vital Statistics Fees	-	55	55	46	(9)
Certified Nursing Assistant Fees	-	-	-	2	2
	-	125	125	158	33
Established Programs Financing					
Health Insured Services	-	-	-	1,103	1,103
Transfer Payments					
Canada Health and Social Transfer	40,100	-	40,100	44,308	4,208
Hospital Care - Indian and Inuit	28,605	-	28,605	28,605	-
Provision of Non-Insured Services	12,890	-	12,890	11,384	(1,506)
Medical Care - Indian and Inuit	7,970	-	7,970	7,970	-
Medical Transportation	2,864	-	2,864	2,582	(282)
Vocational Rehabilitation of Disabled Persons	1,500	-	1,500	1,827	327
Medical Transportation - Other Agents	634	-	634	58	(576)
Alcohol and Drug Treatment Program	580	(580)	-	-	-
	95,143	(580)	94,563	96,734	2,171
Recoveries					
Reciprocal Billing - Inpatient Services	1,100	-	1,100	1,014	(86)
Personal Care Unit	478	-	478	141	(337)
Special Allowances	330	-	330	242	(88)
Reciprocal Billing - Medical Services	300	-	300	265	(35)
Medical Transportation - Ambulance	100	-	100	1	(99)
Medical Transportation - User Fees	40	-	40	7	(33)
Children in Care	10	-	10	4	(6)
Workers' Compensation Board	-	100	100	75	(25)
Sundry	-	-	-	76	76
	2,358	100	2,458	1,825	(633)
	97,501	(355)	97,146	99,820	2,674

Schedule of Revenuesfor the year ended March 31, 1997
(thousands of dollars)

OPERATIONS AND MAINTENANCE	Main Estimates	FMB Approved Increases(Decreases)	Total Budget	Actual Revenues	Over(Under) Estimates
Energy, Mines and Petroleum Resources					
General Revenues					
Sale of Publications	-	-	-	2	2
Recoveries					
Sundry	-	-	-	21	21
	-	-	-	23	23
Economic Development and Tourism					
Revenues					
Investment Interest	1,400	-	1,400	1,268	(132)
Park and Visitor Sales	50	55	105	59	(46)
Establishment Licenses	33	-	33	30	(3)
Campground User Fees	15	-	15	25	10
Outfitters and Guide Licenses	13	-	13	13	-
	1,511	55	1,566	1,395	(171)
Transfer Payments					
Economic Development Agreement	420	143	563		(563)
Recoveries					
Yellowknife Crafts	2	-	2	1	(1)
Sundry	-	-	-	6	6
	2	-	2	7	5
	1,933	198	2,131	1,402	(729)
Education, Culture and Employment					
Revenues					
Student Loan Fund Interest	275	-	275	269	(6)
University College Entrance Program	26	-	26	-	(26)
Teacher Certification Fees	4	-	4	6	2
Library Fees	1	-	1	1	-
	306	-	306	276	(30)
Established Programs Financing					
Post Secondary Education	-	-	-	138	138
Transfer Payments					
Canada Student Loans Program	1,000	-	1,000	1,805	805

Schedule of Revenuesfor the year ended March 31, 1997
(thousands of dollars)

OPERATIONS AND MAINTENANCE	Main Estimates	FMB Approved Increases(Decreases)	Total Budget	Actual Revenues	Over(Under) Estimates
Education, Culture and Employment (continued)					
Recoveries					
Northwest Territories Literacy Strategy	225	-	225	125	(100)
Miscellaneous	40	-	40	-	(40)
Museum Store	3	-	3	4	1
Investing in People	-	930	930	977	47
Portable Classroom	-	-	-	32	32
Principal Training	-	-	-	23	23
Sundry	-	-	-	23	23
	268	930	1,198	1,184	(14)
	1,574	930	2,504	3,403	899
Total Operations and Maintenance	\$ 1,146,013	\$ 664	\$ 1,146,677	\$ 1,165,944	\$ 19,267

CAPITAL**Executive****Financial Management Board Secretariat**

Sale of Staff Housing	\$ 17,000	\$ -	\$ 17,000	\$ 6,697	\$ (10,303)
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Justice

Young Offenders Act -Minor Capital	45	-	45	-	(45)
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Public Works and Services

Sale of Assets	300	1,062	1,362	1,985	623
	300	1,062	1,362	1,985	623

Transportation

Strategic Transportation Improvement	1,798	-	1,798	1,671	(127)
Resolute Bay ATB Recoveries	1,000	-	1,000	-	(1,000)
	2,798	-	2,798	1,671	(1,127)

Schedule of Revenuesfor the year ended March 31, 1997
(thousands of dollars)

CAPITAL	Main Estimates	FMB Approved Increases(Decreases)	Total Budget	Actual Revenues	Over(Under) Estimates
Municipal and Community Affairs					
Public Buildings	410	-	410	401	(9)
Water and Sanitation	44	-	44	46	2
Site Development	32	-	32	34	2
Sport and Recreation	32	-	32	8	(24)
Fire Protection	25	-	25	3	(22)
Road construction - Non Tax-Based	3	-	3	1	(2)
Mobile Equipment	3	-	3	-	(3)
Sale of Assets	-	-	-	142	142
Tundra Wetlands Sewage Treatment	-	-	-	55	55
	549	-	549	690	141
Health and Social Services					
Sale of Assets	-	300	300	229	(71)
Education, Culture and Employment					
Construction Recoveries	1,436	86	1,522	1,940	418
Total Capital	\$ 22,128	\$ 1,448	\$ 23,576	\$ 13,212	\$ (10,364)
Total Revenues	\$ 1,168,141	\$ 2,112	\$ 1,170,253	\$ 1,179,156	\$ 8,903

Schedule of Expenditures

for the year ended March 31, 1997
(thousands of dollars)

OPERATIONS AND MAINTENANCE	Main Estimates	Supplementary Estimates	Transfers	Total Appropriation	Actual Expenditures	(Over)Under Appropriation
Legislative Assembly						
Expenditures on Behalf of Members	\$ 4,428	\$ -	\$ -	\$ 4,428	\$ 2,340	\$ 2,088
Office of the Clerk	4,421	2,608	-	7,029	6,936	93
Commissioner of Official Languages	351	-	-	351	320	31
Office of the Speaker	149	-	-	149	140	9
Office of the Chief Electoral Officer	20	-	-	20	130	(110)
	9,369	2,608	-	11,977	9,866	2,111
Executive						
Executives Offices						
Cabinet Secretariat	7,730	(1,630)	232	6,332	6,293	39
Ministers' Offices	3,716	-	214	3,930	3,963	(33)
Commissioner's Office	226	-	-	226	205	21
	11,672	(1,630)	446	10,488	10,461	27
Ministry of Aboriginal Affairs	2,983	143	(446)	2,680	2,651	29
Financial Management Board Secretariat						
Directorate	21,009	118	63	21,190	21,427	(237)
Human Resource Management	14,731	(4,543)	(81)	10,107	10,441	(334)
Government Accounting	10,795	300	18	11,113	11,132	(19)
Audit, Budget and Evaluation	4,294	-	-	4,294	3,701	593
	50,829	(4,125)	-	46,704	46,701	3
	65,484	(5,612)	-	59,872	59,813	59
NWT Housing Corporation	58,374	(168)	-	58,206	58,206	-
Finance						
Treasury	8,301	70	-	8,371	6,497	1,874
Fiscal Policy	718	-	-	718	554	164
Directorate	596	50	-	646	831	(185)
Bureau of Statistics	556	-	-	556	460	96
	10,171	120	-	10,291	8,342	1,949

Schedule of Expenditures

for the year ended March 31, 1997
(thousands of dollars)

OPERATIONS AND MAINTENANCE	Main Estimates	Supplementary Estimates	Transfers	Total Appropriation	Actual Expenditures	(Over)Under Appropriation
Justice						
Law Enforcement	28,183	150	-	28,333	28,235	98
Community Justice and Corrections	21,695	161	-	21,856	21,961	(105)
Registries and Court Services	9,424	181	-	9,605	9,441	164
Legal Services Board	5,102	-	-	5,102	5,125	(23)
Directorate	2,296	1,001	-	3,297	3,304	(7)
Lawyer Support Services	2,229	-	-	2,229	2,093	136
	68,929	1,493	-	70,422	70,159	263
Safety and Public Services						
Public Safety	2,365	(2,267)	-	98	14	84
Occupational Health and Safety	1,780	-	-	1,780	1,372	408
Directorate	904	(3)	-	901	1,061	(160)
Consumer Affairs	849	(685)	-	164	247	(83)
Labour Board and Labour Services	499	(499)	-	-	2	(2)
Public Utilities Board	482	-	-	482	443	39
	6,879	(3,454)	-	3,425	3,139	286
Public Works and Services						
Accommodation Services	23,502	-	(23,502)	-	-	-
Utilities	21,150	-	(21,150)	-	-	-
Buildings and Works	20,684	-	(20,684)	-	-	-
Project Management	7,096	(103)	(489)	6,504	6,499	5
Supply Services	6,848	-	(6,848)	-	-	-
Directorate	6,795	322	7,811	14,928	14,388	540
Vehicles and Equipment	3,278	-	(3,278)	-	-	-
Systems and Communications	2,374	-	(1,085)	1,289	797	492
Operations	1,026	-	(1,026)	-	-	-
Asset Management	-	(2,231)	70,251	68,020	65,616	2,404
	92,753	(2,012)	-	90,741	87,300	3,441
Transportation						
Airports	27,254	(1)	(200)	27,053	26,814	239
Highway Operations	17,446	-	-	17,446	16,844	602
Corporate Services	7,948	415	-	8,363	8,188	175
Ferries	3,951	-	-	3,951	3,952	(1)
Motor Vehicles	2,481	-	-	2,481	2,578	(97)
Community Marine	169	-	-	169	66	103
Community Access Roads	75	-	200	275	225	50
Planning and Development	-	-	-	-	-	-
	59,324	414	-	59,738	58,667	1,071

Schedule of Expenditures

for the year ended March 31, 1997
(thousands of dollars)

OPERATIONS AND MAINTENANCE	Main Estimates	Supplementary Estimates	Transfers	Total Appropriation	Actual Expenditures	(Over)Under Appropriation
Renewable Resources						
Forest Fire Management	28,130	-	(384)	27,746	25,644	2,102
Conservation Education and Resource Development	10,344	1,156	-	11,500	10,682	818
Field Operations	9,031	-	(25)	9,006	9,900	(894)
Wildlife Management	3,477	-	-	3,477	3,769	(292)
Directorate	1,860	503	-	2,363	2,682	(319)
Policy and Planning	806	-	409	1,215	1,421	(206)
Forest Management	765	-	-	765	1,440	(675)
Environmental Protection	688	-	-	688	676	12
	55,101	1,659	-	56,760	56,214	546
Municipal and Community Affairs						
Community Development	59,702	2,976	(316)	62,362	61,192	1,170
Directorate	5,544	767	317	6,628	8,633	(2,005)
Sport and Recreation	2,689	-	-	2,689	2,621	68
Community Planning and Lands	2,656	-	(1)	2,655	3,090	(435)
	70,591	3,743	-	74,334	75,536	(1,202)
Health and Social Services						
Community Programs and Services	143,988	3,456	134	147,578	143,456	4,122
Support and Health Services	88,533	7,007	(228)	95,312	91,669	3,643
Directorate	2,206	260	94	2,560	2,374	186
	234,727	10,723	-	245,450	237,499	7,951
Energy, Mines and Petroleum Resources						
	5,217	239	-	5,456	5,130	326
Economic Development and Tourism						
Corporate and Technical Services	16,554	-	(1,240)	15,314	15,166	148
Directorate	8,533	-	195	8,728	4,210	4,518
Parks and Visitors Services	3,692	55	5	3,752	3,611	141
Tourism Development and Marketing	2,907	-	(25)	2,882	2,804	78
Finance and Administration	1,525	244	(35)	1,734	1,677	57
Policy, Planning and Human Resources	1,186	169	-	1,355	1,327	28
Business Credit Corporation	817	-	-	817	812	5
Economic Development Agreement	650	-	1,100	1,750	1,584	166
	35,864	468	-	36,332	31,191	5,141

Schedule of Expenditures

for the year ended March 31, 1997
(thousands of dollars)

OPERATIONS AND MAINTENANCE	Main Estimates	Supplementary Estimates	Transfers	Total Appropriation	Actual Expenditures	(Over)Under Appropriation
Education, Culture and Employment						
Educational Development	149,425	1,183	(5)	150,603	149,026	1,577
Culture and Careers	104,130	1,164	20	105,314	103,345	1,969
Directorate and Administration	4,340	268	(15)	4,593	4,631	(38)
	257,895	2,615	-	260,510	257,002	3,508
Total Operations and Maintenance	\$ 1,030,678	\$ 12,836	\$ -	\$ 1,043,514	\$ 1,018,064	\$ 25,450
CAPITAL						
Legislative Assembly	\$ 45	\$ -	\$ -	\$ 45	\$ 41	\$ 4
Executive						
Financial Management Board Secretariat	-	-	-	-	459	(459)
NWT Housing Corporation	46,870	141	-	47,011	47,011	-
Justice						
Community Justice and Corrections	3,012	(110)	(10)	2,892	1,902	990
Registries and Court Services	-	-	10	10	9	1
	3,012	(110)	-	2,902	1,911	991
Public Works and Services						
Petroleum Products	3,575	944	(448)	4,071	3,562	509
Buildings and Works	1,700	-	(1,700)	-	-	-
Accommodation Services	252	-	(252)	-	-	-
Vehicles and Equipment	198	-	(198)	-	-	-
Systems and Communications	140	-	(5)	135	74	61
Directorate	25	-	9	34	66	(32)
Project Management	-	73	-	73	-	73
Asset Management	-	2,494	2,594	5,088	3,455	1,633
	5,890	3,511	-	9,401	7,157	2,244
Transportation						
Highway Operations	22,145	-	(467)	21,678	21,056	622
Arctic Airports	13,704	(272)	226	13,658	11,356	2,302
Community Marine	4,389	-	(495)	3,894	3,581	313
Community Access Roads	950	-	650	1,600	1,477	123
Ferries	658	-	49	707	618	89
Motor Vehicles	125	-	37	162	5	157
	41,971	(272)	-	41,699	38,093	3,606

Schedule of Expenditures

for the year ended March 31, 1997
(thousands of dollars)

CAPITAL	Main Estimates	Supplementary Estimates	Transfers	Total Appropriation	Actual Expenditures	(Over)Under Appropriation
Renewable Resources						
Field Operations	1,560	(288)	98	1,370	1,333	37
Forest Fire Management	621	(3)	(150)	468	426	42
Wildlife Management	60	(1)	2	61	61	-
Environmental Protection	25	(1)	-	24	23	1
Forest Management	6	-	-	6	-	6
Directorate	-	-	50	50	44	6
	2,272	(293)	-	1,979	1,887	92
Municipal and Community Affairs						
Community Development	20,851	(229)	(871)	19,751	17,851	1,900
Community Planning and Land	8,445	-	(580)	7,865	7,468	397
Sport and Recreation	6,206	64	1,411	7,681	5,959	1,722
Directorate	60	-	40	100	100	-
	35,562	(165)	-	35,397	31,378	4,019
Health and Social Services	13,631	428	-	14,059	5,432	8,627
Energy, Mines and Petroleum Resources	25	-	-	25	25	-
Economic Development and Tourism						
Corporate and Technical Services	4,901	251	-	5,152	5,152	-
Parks and Visitors Services	3,229	(35)	-	3,194	3,002	192
Finance and Administration	-	-	-	-	-	-
	8,130	216	-	8,346	8,154	192
Education, Culture and Employment						
Educational Development	32,067	-	126	32,193	29,206	2,987
Culture and Careers	4,838	1,161	(126)	5,873	5,278	595
	36,905	1,161	-	38,066	34,484	3,582
Total Capital	\$ 194,313	\$ 4,617	\$ -	\$ 198,930	\$ 176,032	\$ 22,898
Total Expenditures	\$ 1,224,991	\$ 17,453	\$ -	\$ 1,242,444	\$ 1,194,096	\$ 48,348

Schedule of Recoveries of Prior Years' Expenditures

for the year ended March 31, 1997
(thousands of dollars)

DEPARTMENT	Over-Accruals	Recoveries of Valuation Allowances	Other Recoveries	Total
Legislative Assembly	\$ 40	\$ -	\$ 12	\$ 52
Executive	108	-	97	205
Finance	-	-	(2,632)*	(2,632)
Justice	192	-	173	365
Safety and Public Services	-	-	4	4
Public Works and Services	528	-	607	1,135
Transportation	57	-	40	97
Renewable Resources	49	-	29	78
Municipal and Community Affairs	22	-	30	52
Health and Social Services	254	-	1,173	1,427
Energy, Mines and Petroleum Resources	22	-	4	26
Economic Development and Tourism	153	-	73	226
Education, Culture and Employment	947	-	805	1,752
TOTAL	\$ 2,372	\$ -	\$ 415	\$ 2,787

* In previous years, entries that were required to the Government's accounting system to balance the amounts related to the NWT Liquor Commission to the Commission's annual audited financial statements were not made. The cumulative effect of these entries was recorded this year. The net effect of this adjustment is reported above.

Schedule of Grants

for the year ended March 31, 1997
(thousands of dollars)

OPERATIONS AND MAINTENANCE	Main Estimates	Supplementary Estimates	Transfers	Total Appropriation	Actual Expenditures	(Over)Under Appropriation
Executive						
Executive Offices						
Women's Initiatives	\$ 100	\$ -	\$ -	\$ 100	\$ 97	\$ 3
NWT Literacy Council	-	-	4	4	3	1
	100	-	4	104	100	4
Intergovernmental and Aboriginal Affairs						
Metis Nation	250	-	-	250	250	-
	250	-	-	250	250	-
	350	-	4	354	350	4
Justice						
Aboriginal Court Challenges	40	-	-	40	-	40
Uniform Law Conference	3	-	-	3	3	-
Canadian Association of Provincial Court Judges	3	-	-	3	3	-
Community Supervision Initiative	-	-	-	-	14	(14)
	46	-	-	46	20	26
Public Works & Services						
Deninu K'ue Development Corporation (Grant-in-Kind)	-	-	-	-	14	(14)
Transportation						
Airports	-	-	100	100	-	100
Renewable Resources						
Nunavut Hunter Income Support Trust	3,000	-	-	3,000	3,000	-
Fur Price Program	595	-	-	595	337	258
Disaster Compensation (Activity800)	300	-	-	300	64	236
Disaster Compensation	15	-	-	15	18	(3)
Humane Trap Development	5	-	-	5	-	5
Dene Nation	-	-	-	-	5	(5)
	3,915	-	-	3,915	3,424	491
Municipal and Community Affairs						
Grant in Lieu of Taxes	4,548	-	-	4,548	3,987	561
Senior Citizen's & Disabled Property	155	-	20	175	170	5
NWT Association of Municipalities	71	-	-	71	71	-
Sport Organizations Grants	10	-	-	10	14	(4)
NWT Association of Municipal	5	-	-	5	130	(125)
Community Empowerment Transfers	-	-	-	-	17	(17)
Community Empowerment	-	-	-	-	12	(12)
Home Owner's Property Tax Rebate	-	-	-	-	7	(7)
	4,789	-	20	4,809	4,408	401

Schedule of Grants

for the year ended March 31, 1997
(thousands of dollars)

OPERATIONS AND MAINTENANCE	Main Estimates	Supplementary Estimates	Transfers	Total Appropriation	Actual Expenditures	(Over)Under Appropriation
Economic Development and Tourism						
Small Business Grants	622	-	-	622	588	34
Nunavut Tourism	72	-	-	72	62	10
Student Bursary	25	-	-	25	13	12
	719	-	-	719	663	56
Education, Culture and Employment						
Student Grants	11,502	-	-	11,502	10,289	1,213
Community Broadcasting Grants	117	-	-	117	156	(39)
Cultural Enhancement	12	-	(12)	-	-	-
Cultural Organizations	8	-	-	8	10	(2)
	11,639	-	(12)	11,627	10,455	1,172
Total Operations and Maintenance	\$ 21,458	\$ -	\$ 112	\$ 21,570	\$ 19,334	\$ 2,236
CAPITAL						
Public Works and Services						
Sale of Sanikluag Power Plant-NWTPC (Grant-in-Kind)	\$ -	\$ 833	\$ -	\$ 833	\$ 883	\$ (50)
Tenant Improvements - Deninu K'ue Development Corp (Grant-in-Kind)	-	-	-	-	74	(74)
	-	833	-	833	957	(124)
Health and Social Services						
Community Programs and Services	-	300	-	300	-	300
Education, Culture and Employment						
Culture and Careers	-	-	-	-	-	-
Total Capital	\$ -	\$ 1,133	\$ -	\$ 1,133	\$ 957	\$ 176
Total Grants	\$ 21,458	\$ 1,133	\$ 112	\$ 22,703	\$ 20,291	\$ 2,412

Schedule of Contributions

for the year ended March 31, 1997
(thousands of dollars)

OPERATIONS AND MAINTENANCE	Main Estimates	Supplementary Estimates	Transfers	Total Appropriation	Actual Expenditures	(Over)Under Appropriation
Executive						
Executive Offices						
Status of Women Council	\$ 312	\$ -	\$ -	\$ 312	\$ 312	\$ -
Native Women's Association	175	-	-	175	175	-
Future of Work in Nunavut	-	-	100	100	100	-
Regional Councils	-	-	75	75	73	2
Executive Contributions	-	-	60	60	60	-
	487	-	235	722	720	2
Financial Management Board Secretariat						
Power Subsidy	5,857	300	-	6,157	6,261	(104)
Ministry of Intergovernmental and Aboriginal Affairs						
Aboriginal Organizations	150	-	(33)	117	110	7
Self Government	60	122	29	211	194	17
	210	122	(4)	328	304	24
	6,554	422	231	7,207	7,285	(78)
NWT Housing Corporation	58,374	(168)	-	58,206	58,206	-
Justice						
Legal Aid Clinics	1,680	-	-	1,680	1,628	52
Community Justice Contributions	918	-	100	1,018	856	162
Victims Assistance Contributions	470	-	-	470	135	335
Community Supervision Initiative	-	-	-	-	145	(145)
	3,068	-	100	3,168	2,764	404
Public Works and Services						
CTI - Tuktoyaktuk	-	-	-	-	205	(205)
CTI- Holman	-	-	-	-	117	(117)
Grise Fiord Sealift	-	-	-	-	60	(60)
CTI - Cambridge Bay	-	-	67	67	54	13
Aurora College	-	-	-	-	50	(50)
CTI - Taloyoak	-	-	36	36	47	(11)
West Kitikmeot/Slave Study Office Space (Contribution-in-Kind)	-	-	-	-	26	(26)
	-	-	103	103	559	(456)

Schedule of Contributions

for the year ended March 31, 1997
(thousands of dollars)

OPERATIONS AND MAINTENANCE	Main Estimates	Supplementary Estimates	Transfers	Total Appropriation	Actual Expenditures	(Over)Under Appropriation
Transportation						
Community Access Road	14	-	200	214	209	5
Aurora College	-	-	50	50	50	-
Rae - Edzo	-	-	6	6	6	-
	14	-	256	270	265	5
Renewable Resources						
Western Harvesters Support Program	2,454	330	-	2,784	1,830	954
Community Harvesters Assistance Program	859	-	3	862	820	42
Local Wildlife Committees	696	-	(20)	676	648	28
Regional Wildlife Organizations	217	-	-	217	217	-
Wildlife Management Boards	88	-	-	88	74	14
Community Organized Hunts	57	-	-	57	72	(15)
Support to the Fur Industry	33	-	(8)	25	25	-
West Kitikmeot Slave Study	-	-	536	536	536	-
West Kitikmeot Slave Study (Contribution-in Kind)	-	-	176	176	176	-
Commercial Caribou Harvesting	-	-	100	100	100	-
Western Arctic Leadership Program	-	-	50	50	50	-
Community Integrated Resource	-	-	43	43	43	-
Deninu Kue First Nation	-	-	38	38	38	-
Tulita Dene Band	-	-	10	10	20	(10)
Dene Cultural Institute	-	-	20	20	20	-
Fort Simpson Community Revitalization	-	-	15	15	15	-
Dene Nation	-	-	10	10	10	-
Tuaro Dairy Corporation	-	-	7	7	7	-
Recycle Depot	-	-	5	5	5	-
Gwich'in Tribal Council	-	-	5	5	5	-
Dene Cultural Institute	-	-	5	5	5	-
Gerald Aponsowicz	-	-	4	4	4	-
Ecology North	-	-	2	2	2	-
Gwich'in Social & Cultural Institute	-	-	1	1	1	-
	4,404	330	1,002	5,736	4,723	1,013

Schedule of Contributions

for the year ended March 31, 1997
(thousands of dollars)

OPERATIONS AND MAINTENANCE	Main Estimates	Supplementary Estimates	Transfers	Total Appropriation	Actual Expenditures	(Over)Under Appropriation
Municipal and Community Affairs						
Municipal Operating Assistance Program	29,705	-	123	29,828	29,843	(15)
Water/Sewer Services Subsidy Program	8,808	1,127	629	10,564	10,500	64
Block Funding Transfer Payment	5,627	-	96	5,723	5,723	-
Settlement Oper. Assistance Program	2,636	-	(88)	2,548	2,574	(26)
Municipal Equalization Transfer Payments	2,221	-	(636)	1,585	1,592	(7)
Community Empowerment Transfers	1,224	984	-	2,208	2,202	6
Summer Pool Operating Contributions	302	-	28	330	288	42
Fire Fighting Training	200	-	(200)	-	-	-
Community Empowerment	191	-	-	191	124	67
Intercommunity Sport Competition	182	-	(4)	178	142	36
Sport North Contribution	178	-	-	178	230	(52)
Dene and Inuit Games Contribution	169	-	(25)	144	132	12
NWT Winter Regional Games Program	146	-	-	146	147	(1)
Recreation Leaders' Program Allowances	50	-	-	50	7	43
NWT Sport Development Staff Program	49	-	-	49	8	41
NWT Ski Program Contribution	30	-	-	30	30	-
Leadership Subsidy	-	-	-	-	2	(2)
Fire Fighting Training	-	-	200	200	163	37
	51,718	2,111	123	53,952	53,707	245
Health and Social Services						
Health & Hospital Boards	84,699	4,078	412	89,189	89,779	(590)
Medical Travel Benefit Program	18,513	2,800	(143)	21,170	20,890	280
Addictions Programs	8,432	-	(742)	7,690	7,536	154
Physicians Specialist Services	5,035	1,124	-	6,159	6,309	(150)
Elders/Physically-Mentally Challenged	4,551	-	738	5,289	4,408	881
Home Care	4,275	-	-	4,275	3,454	821
Community Action Fund	2,900	-	(420)	2,480	2,178	302
Family Violence Prevention Services	2,178	-	(162)	2,016	1,996	20
Town of Iqaluit	1,621	-	-	1,621	1,736	(115)
Community Wellness Programs	934	-	(215)	719	718	1
Non-Profit Health-Oriented Org.	215	-	-	215	235	(20)
Prevention of Child Sexual Abuse	200	-	-	200	61	139
Feasibility Studies	100	-	-	100	-	100
Transfer of Social Services	98	-	-	98	-	98
Medical Professional Development	50	-	-	50	50	-
Group Liability Insurance Plan/Storefront	50	-	-	50	43	7
Employee Medical Travel Assistance	-	1,326	(127)	1,199	1,199	-
Inuvik Regional Health Board	-	-	3,340	3,340	4,244	(904)
Hamlet of Cape Dorset	-	-	-	-	51	(51)
	133,851	9,328	2,681	145,860	144,887	973
Energy, Mines and Petroleum Resources						
Prospectors Assistance Program	100	-	-	100	78	22
Northern Accord Contributions	100	-	-	100	-	100
Develop Impact Zones	40	-	-	40	57	(17)
Canadian Energy Research Institute	25	-	-	25	25	-
Yellowknives Dene First Nations	-	-	-	-	30	(30)
Dogrib Treaty II	-	-	-	-	30	(30)
N.W.T. Community Mobility	-	-	-	-	5	(5)
	265	-	-	265	225	40

Schedule of Contributions

for the year ended March 31, 1997
(thousands of dollars)

OPERATIONS AND MAINTENANCE	Main Estimates	Supplementary Estimates	Transfers	Total Appropriation	Actual Expenditures	(Over)Under Appropriation
Economic Development and Tourism						
Business Development Fund	7,943	-	(1,220)	6,723	5,806	917
NWT Development Corp.	5,749	-	(190)	5,559	859	4,700
Community Futures	819	-	-	819	743	76
Commercial Fisheries	672	-	28	700	658	42
Economic Development Agreement	600	-	1,100	1,700	1,485	215
Ind. Association Core Funding	344	-	55	399	399	-
Business Credit Corporation	321	-	-	321	134	187
Core Funding	300	-	-	300	250	50
Municipality of Sanikiluaq	100	-	(30)	70	54	16
Fort Good Hope	91	-	-	91	90	1
Hamlet of Taloyoak	90	-	-	90	90	-
Hamlet of Tuktoyaktuk	84	-	-	84	76	8
Hamlet of Aklavik	76	-	-	76	76	-
Village of Fort Simpson	75	-	-	75	75	-
Forest Industry Assist	50	-	(28)	22	-	22
Aurora Fund	-	-	300	300	300	-
Town of Norman Wells	-	-	65	65	64	1
Charter Community of Deline	-	-	63	63	63	-
Hamlet of Fort McPherson	-	-	61	61	61	-
Hamlet of Baker Lake	-	-	48	48	48	-
Hamlet of Tulita	-	-	47	47	46	1
Hamlet of Broughton Island	-	-	30	30	29	1
Town of Inuvik	-	-	19	19	19	-
Jim Bourque Scholarship	-	-	10	10	10	-
	17,314	-	358	17,672	11,435	6,237
Education, Culture and Employment						
Education Authority Contributions	139,525	1,183	15	140,723	139,585	1,138
College Contribution	27,703	285	-	27,988	28,257	(269)
Town of Iqaluit	2,916	-	-	2,916	3,394	(478)
Investing in People	2,000	930	-	2,930	2,297	633
Early Childhood Program	1,393	-	-	1,393	1,194	199
Community Teacher Education Program	1,290	-	-	1,290	1,100	190
Early Childhood Intervention	950	-	-	950	-	950
Literacy Funding	581	-	-	581	454	127
NWTTA PI Fund	509	-	765	1,274	1,206	68
Community Library Services	307	-	6	313	316	(3)
Alternative Governance Structures	300	-	-	300	253	47
Youth Initiatives Community Groups	295	-	-	295	104	191
Cultural Organizations	239	-	-	239	239	-
NWT Arts Council	193	-	-	193	195	(2)
Community Museums	172	-	-	172	172	-
Dene Language Programming	150	-	-	150	150	-
Native Communications	105	-	-	105	105	-
Cultural Enhancement	79	-	12	91	119	(28)
Oral Traditions Program	75	-	-	75	102	(27)
Northern Performers	75	-	-	75	79	(4)
Vocational Training for Disabled Persons	45	-	-	45	45	-
	178,902	2,398	798	182,098	179,366	2,732
Total Operations and Maintenance	\$ 454,464	\$ 14,421	\$ 5,652	\$ 474,537	\$ 463,422	\$ 11,115

Schedule of Contributions

for the year ended March 31, 1997
(thousands of dollars)

CAPITAL	Main Estimates	Supplementary Estimates	Transfers	Total Appropriation	Actual Expenditures	(Over)Under Appropriation
NWT Housing Corporation	\$ 46,870	\$ 141	\$ -	\$ 47,011	\$ 47,011	\$ -
Justice						
Wilderness Camps	-	-	974	974	491	483
Transportation						
Community Access Road	565	-	120	685	595	90
Marine Minor Works	100	-	(45)	55	27	28
	665	-	75	740	622	118
Renewable Resources						
Deninu Kue First Nation	-	-	-	-	20	(20)
Municipal and Community Affairs						
Water and Sanitation	7,525	-	(810)	6,715	6,309	406
Road / Site / Land	1,751	-	(373)	1,378	1,417	(39)
Mobile Equipment	1,610	-	61	1,671	1,662	9
Public Buildings and Fire Protection	797	-	(387)	410	408	2
Sport and Recreation	747	64	1,027	1,838	518	1,320
Community Planning	40	-	(6)	34	-	34
Granular Material	38	-	(7)	31	9	22
Emergency Measures	-	-	40	40	43	(3)
	12,508	64	(455)	12,117	10,366	1,751
Health and Social Services						
Community Programs and Services	6,361	583	20	6,964	2,188	4,776
Economic Development and Tourism						
NWT Development Corporation	4,901	251	-	5,152	5,152	-
Education, Culture and Employment						
Various Organizations	12,579	-	1,063	13,642	12,017	1,625
Total Capital	\$ 83,884	\$ 1,039	\$ 1,677	\$ 86,600	\$ 77,867	\$ 8,733
Total Contributions	\$ 538,348	\$ 15,460	\$ 7,329	\$ 561,137	\$ 541,289	\$ 19,848

Schedule of Special Warrants

for the year ended March 31, 1997
(thousands of dollars)

Purpose	Date of FMB Approval	Amount Authorized
OPERATIONS AND MAINTENANCE		
Legislative Assembly		
To transfer funding, associated with the operation and maintenance of the Legislative Assembly building, from Public Works and Services	04-Nov-96	\$ 2,574
Education, Culture and Employment		
To provide funding to complete projects initiated in the 1995-96 fiscal year under the "Investing in People" Cooperation Agreement between the Department of Education Culture and Employment and Human Resources Development Canada	11-July-96	561
To transfer funding, associated with the operation and maintenance of the Prince of Whales Northern Heritage Centre building, from Public Works and Services	04-Nov-96	<u>257</u>
Total Operations and Maintenance		<u>\$ 3,392</u>
CAPITAL		
Public Works and Services		
To carry over funds from the 1995-96 fiscal year to the 1996-97 fiscal year for the following projects: Office Renovations, Fort Smith - \$813,000; Office Renovations Baffin - \$250,000; Office Renovations Keewatin - \$145,000; Sale of Old Northern Health Property - Yellowknife - \$225,000	15-June-96	\$ 1,485
To carry over funds from the 1995-96 fiscal year for the upgrade of the Laing Building, Yellowknife	15-June-96	118
To carry over funds from the 1995-96 fiscal year to the 1996-97 fiscal year for the following projects - Tank Farm Construction, Clyde River - \$100,000; Tank Farm Construction, Igloolik - \$682,000; Fuel Tank Construction, Colville Lake - \$86,000; Fuel Tank Construction & Relocation, Lutsel K'e - \$76,000; Ministerial Furnishings - \$52,000	15-June-96	944
To carry over funds from the 1995-96 fiscal year to the 1996-97 fiscal year for the Building and Learning Strategy projects	15-June-96	73
Transportation		
To carry over funds from the 1995-96 fiscal year to the 1996-97 fiscal year for the Coppermine Airport Upgrading	11-July-96	65
Municipal and Community Affairs		
To carry over funds from the 1995-96 fiscal year to the 1996-97 fiscal year for the following projects - Well Pumphouse, Lac La Martre - \$62,000; and Fire Hall, Wrigley - \$68,000	11-July-96	130
To carry over funds from the 1995-96 fiscal year to the 1996-97 fiscal year for the Above Ground Pool, Tulita	11-July-96	64
Health and Social Services		
To increase previously approved capital carryovers by \$4,000 and to carryover the Stanton Lighting Retrofit project in the amount of \$153,000	11-July-96	157
Education, Culture and Employment		
To provide funding for the direct costs to deliver Building and Learning Strategy capital projects in all regions for 1996-97 - \$1,431,000	15-June-96	<u>1,431</u>
Total Capital		<u>\$ 4,467</u>

Schedule of Inter-activity Transfers over \$250,000

for the year ended March 31, 1997
(thousands of dollars)

	Transfer to (from)	Explanation
OPERATIONS AND MAINTENANCE		
Executive		
Aboriginal Affairs Cabinet Secretariat(Executive Offices)	\$ (446) 446	Transfer funding, associated with the Intergovernmental Affairs function, from Aboriginal Affairs to Executive Offices.
Health and Social Services		
Community Programs and Services Support and Health Services Administration	289 (289)	Transfer funding associated with 5 positions, which formerly administered the medical travel function, to the Health and Hospital Boards who now have assumed responsibility for this function.
Support and Health Services Administration Community Programs and Services	455 (455)	Transfer funding to correct budget allocations in the 1996-97 Supplementary Appropriation Act No. 1 and the 1996-97 Supplementary Appropriation Act No.2.
Economic Development and Tourism		
Corporate and Technical Services Economic Development Agreement	(1,100) 1,100	Transfer of funding from the Business Development Fund to the Economic Development Agreement to take advantage of additional revenues provided by Industry Canada through the cost shared Economic Development Agreement.
CAPITAL		
Transportation		
Community Access Roads Community Marine	\$ 900 (900)	Transfer capital funding from the deferred Rankin Inlet Moorings project to other capital projects.
Municipal and Community Affairs		
Community Development Sport and Recreation	(1,055) 1,055	Transfer capital funding from the Fort Simpson alternate island access project to provide funding for a community hall in Fort Simpson.
Community Development Sport and Recreation Directorate Community Planning and Lands	(390) 446 40 (96)	Transfer capital funding between activities to ensure the completion of approved 1996-97 projects.
Community Development Community Planning and Lands	375 (375)	Transfer surplus project funds to projects requiring additional funds to ensure proper completion.
Education, Culture and Employment		
Culture and Careers Educational Development	(372) 372	Transfer capital project budgets to establish new minor capital projects and adjust other project budgets.

Schedule of Debenture Loans Receivable from Municipalities (Summary)

for the year ended March 31, 1997
(thousands of dollars)

	Original Amount	Principal Balance March 31, 1996	New Loans	Principal Repayments	Principal Balance March 31, 1997
Municipality of Yellowknife	\$ 36,321	\$ 25,584	\$ 1,460	\$ 15,498	\$ 11,546
Yellowknife Catholic School Board	1,000	1,010	-	44	966
Municipality of Fort Smith	5,074	4,545	-	243	4,302
Municipality of Fort Simpson	203	173	-	10	163
Municipality of Hay River	7,957	5,269	600	955	4,914
Municipality of Inuvik	4,041	2,387	1,090	234	3,243
Municipality of Norman Wells	1,273	736	350	62	1,024
Municipality of Iqaluit	6,916	5,086	-	884	4,202
	62,785	44,790	3,500	17,930	30,360
Less: Valuation Allowance		1,160			984
	\$ 62,785	\$ 43,630	\$ 3,500	\$ 17,930	\$ 29,376

Schedule of Debenture Loans Receivable from Municipalities

for the year ended March 31, 1997
(thousands of dollars)

	Year of Maturity	Interest Rate	Original Amount	Principal Balance March 31, 1996	New Loans	Principal Repayments	Principal Balance March 31, 1997
Municipality of Yellowknife							
130 Frame Lake South Sub-Division	1997	9.00	\$ 1,166	\$ 225	\$ -	\$ 108	\$ 117
132 Frame Lake South Improvements	1997	8.75	334	63	-	30	33
174 Frame Lake South	2003	9.13	961	586	-	54	532
211 Utility Fund	2000	9.00	1,615	1,071	-	1,071	-
212 General Fund	2002	9.00	6,589	4,690	-	612	4,078
213 Water and Sewer Replacement	2003	8.50	3,400	2,924	-	2,924	-
214 Paving program	2003	8.50	1,436	1,235	-	114	1,121
215 Water and Sewer Replacement	2003	8.50	300	258	-	258	-
216 Capital Fund	2001	7.74	4,590	3,466	-	521	2,945
217 Utility Fund	2000	7.71	2,193	1,549	-	1,549	-
218 Land Development Fund	1999	7.75	8,357	5,884	-	5,884	-
220 Paving, Gutters and Sidewalks	2005	8.90	1,170	1,170	-	77	1,093
221 Water and Infrastructure Replacement	2005	8.90	500	500	-	500	-
222 Water and Sewer Infrastructure Replacement	2005	8.90	900	900	-	900	-
223 Pump House #2 Upgrade	2005	8.90	600	600	-	600	-
224 Trails End Water and Sewer Replacement	2005	9.25	750	463	-	296	167
225 Paving, Gutters and Sidewalks	2006	8.30	1,460	-	1,460	-	1,460
			36,321	25,584	1,460	15,498	11,546
Yellowknife Catholic School Board							
1 New High School (1994)	2014	10.70	1,000	1,010	-	44	966
Municipality of Fort Smith							
21 Personal Care Facility	1997	9.00	140	27	-	13	14
43 Personal Care Facility	2026	11.27	2,765	2,730	-	12	2,718
44 Expansion, Renovation of Fire Hall	2008	8.80	335	248	-	32	216
45 Refinance Previous Debentures	2002	8.25	1,484	1,190	-	163	1,027
46 West Grove Subdivision	2005	9.15	350	350	-	23	327
			5,074	4,545	-	243	4,302
Municipality of Fort Simpson							
6 Fire Hall Addition	2006	9.00	136	114	-	7	107
7 Fire Truck and Alarm System	2008	9.00	67	59	-	3	56
			203	173	-	10	163

Schedule of Debenture Loans Receivable from Municipalities

for the year ended March 31, 1997
(thousands of dollars)

	Year of Maturity	Interest Rate	Original Amount	Principal Balance March 31, 1996	New Loans	Principal Repayments	Principal Balance March 31, 1997
Municipality of Hay River							
66 Water and Sewer Infrastructure Improvements	2002	8.45	180	140	-	16	124
68 Infrastructure Upgrades	2001	9.00	496	87	-	14	73
72 Local Improvements	2000	9.00	229	177	-	34	143
73 Water and Sewer Capital Works and Infrastructure Improvements	1996	9.00	191	69	-	69	-
74 Road Paving	2002	8.45	794	665	-	73	592
75 Commercial Sub-Division	2003	7.75	1,200	958	-	163	795
80 Drainage Improvements	1996	8.25	11	6	-	6	-
81 Drainage Improvements	2001	8.25	30	27	-	4	23
82 Paving	2005	8.25	111	104	-	7	97
84 Local Improvements	1997	8.25	33	23	-	11	12
85 Residential Subdivision	1999	8.25	762	277	-	179	98
86 Residential Subdivision	1999	8.25	228	90	-	53	37
87 Road Paving and Capital Infrastructure Improvements	2001	8.25	735	653	-	89	564
89 Southern Expansion, Land Development	2005	9.10	2,200	1,836	-	223	1,613
90 Woodland Drive Sewer Trunk Replacement	2004	10.45	157	157	-	14	143
91 Water, Sewer & Road Infrastructure	2006	8.30	400	-	400	-	400
92 Water, Sewer & Road Infrastructure	2006	8.30	200	-	200	-	200
			7,957	5,269	600	955	4,914
Municipality of Inuvik							
5 Town Hall / Fire Hall	2000	9.00	350	141	-	21	120
33 Refinance Previous Debentures	2005	8.25	944	779	-	56	723
34 Refinance Previous Debentures	2010	8.34	1,657	1,467	-	157	1,310
35 Recreation Centre	2007	7.30	400	-	400	-	400
36 Recreation Centre Completion	2012	8.05	690	-	690	-	690
			4,041	2,387	1,090	234	3,243
Municipality of Norman Wells							
6 MacKenzie Drive Road Upgrade	2010	9.00	183	168	-	6	162
7 Residential Sub-Division	1998	6.95	250	107	-	39	68
8 Refinance Previous Debentures	2011	8.25	490	461	-	17	444
9 Residential Subdivision	2001	7.40	350	-	350	-	350
			1,273	736	350	62	1,024
Municipality of Iqaluit							
13 Local Improvements	2011	9.00	298	284	-	23	261
14 Refinance Previous Debentures	2008	0.00	4,868	3,052	-	313	2,739
15 New Expansion Area, Phase IV (#1)	2013	9.50	750	750	-	240	510
16 New Expansion Area, Phase IV (#2)	2013	9.50	50	50	-	33	17
17 Expansion Area, Phase IV	2005	9.65	300	300	-	23	277
18 Expansion Area, Phase IV	2005	9.65	650	650	-	252	398
			6,916	5,086	-	884	4,202
Less: Valuation Allowance				1,160			984
			6,916	3,926	-	884	3,218
			\$ 62,785	\$ 43,630	\$ 3,500	\$ 17,930	\$ 29,376

Schedule of Other Long-term Receivables

for the year ended March 31, 1997
(thousands of dollars)

	Principal Balance March 31, 1996	New Loans	Principal Repayments	Principal Balance March 31, 1997
Agreements for Sale	\$ 973	\$ -	\$ (247)	\$ 726
Offer to Purchase - Kekortak Co-Op, Gjoa Haven	200	-	-	200
	\$ 1,173	\$ -	\$ (247)	\$ 926

Schedule of Bad Debt Write-offs, Forgiveness and Student Loan Remissions

for the year ended March 31, 1997

ACCOUNTS RECEIVABLE WRITTEN OFF

Justice		Education, Culture and Employment	
Nitsiza, Frank J.	\$ 1,587	Akhaitak, Estate of Deborah	\$ 728
	<u>1,587</u>	Chinna, Martha	1,375
Public Works and Services		Cross, Joel Allen	803
Arey, Joseph Jr.	512	Epsilon, Leonard	1,670
Arragutainaq, Lucassie	2,432	Erkloo, David	1,688
Cookie, Johnnie Jr.	503	Etidloie, Mark	560
Kittosuk, Lucassie	2,016	Evaloakjuk, Valerie	575
Sala, Isac	1,181	Falsnes, Oliver	1,250
Suna Likaa Ltd.	2,358	Favel, Ruby	1,835
Takatak, Charlie	871	Firth, Ruby Elizabeth	675
Tooktoo, Charlie	657	Francis, John	675
	<u>10,530</u>	Francois, Stella	2,700
Transportation		Fraser, Dawn Melissa	675
Mackenzie Times Northern Multimedia	1,201	Goose, Leanne Maidie	895
Stewart, Abraham	2,326	Grimard, Allan Paul	1,273
	<u>3,527</u>	Hansen, Lori Roberta	1,200
Renewable Resources		Hardisty, Howard	1,898
Ottokre, Ping	1,783	Inuvik Drummers	1,000
Laviolette, Pat	1,494	Irquit, David	911
	<u>3,277</u>	Ishulutak, Pitsiulaq	1,205
Municipal and Community Affairs		Issugangitug, Samo	2,410
Bertrand, Angus	970	Jerome, Dino Fred	1,013
Camsell, Ernie	750	Kailek, Richard	688
Firth, Wilbert Angus	539	Kahak, Bessie Rose	2,871
Francis, John T.	1,000	Kilabuk, Noah	2,108
Gardebois, Clarence	1,500	Koe, Glen Henry	4,707
Gonet, John	750	Kooneeluisie, Davidee J.	2,591
Horesay, Joey & Pamela	550	Kreelak, Mary	850
Inuktalik, David	500	Kudluk, Liveena	1,808
Kikoak, Susie	1,543	Kuniluisie, Gary, Matatee	1,409
Koe, Kenneth Joseph	765	Kunnizzi, Robert	784
Taylor, Robert	750	Mandeville, Albert	1,350
Vital, Freddy	656	Moore, Rosalyn	953
Wetrade, Rosalie	1,250	Ningiuk, Zipporah	1,660
Weyallon, Leon	500	Nitsiza, Dolphus Sonny	675
	<u>12,023</u>	Nuvaqiq, Tim	1,545
Health and Social Services		Owlijoot, Rachel	913
Cardinal, Cyril	1,361	Pauloosie, Jimmy	1,013
Chemelyk, Todd	504	Pierrot, Barbara	2,410
Hill, Nancy	13,515	Pillakapsi, Leonie	523
Hunt, Susan	658	Piugattuk, Catherine	2,020
Pete, Eileen	2,208	Poitras, Austen G.P.	675
Straker, Jeffrey	2,435	Rogers, Estate of Darren James	740
Taptoona, Kitik	786	Shappa, Hami	610
Treeshin, Ted	15,820	Stewart, Kurt Alexis	1,013
	<u>37,287</u>	Taipana, Jamie Oliver Kakagun	1,391
Economic Development and Tourism		Tavalok, Abel	1,330
Abel's Dance Group	2,538	Tees, Allan	714
Arroyo, Jose L.	5,882	Tuccaro, Raylene Dawn	675
Renshaw, Roberta	2,941	Tulugah, Jolly Albert	675
Dependence de G. Tributaria	15,403	Ukallianuk, Lucien Jr.	675
Central Hisparo	12,719	Ukalik, Charley	850
Cosmos, Angel (Nolani)	8,710	Unka, Cheryl Lynn	603
	<u>48,193</u>	Yakalaya, Valerie	628
		<u>68,471</u>	
		Total Accounts Written Off Over \$500	184,895

Schedule of Bad Debt Write-offs, Forgiveness and Student Loan Remissions

for the year ended March 31, 1997

ACCOUNTS RECEIVABLE WRITTEN OFF (continued)

All Departments - Other Miscellaneous Accounts Less Than \$500	46,422	Student Loan Fund	
		Akhiatak, Estate of Deborah	7,500
		Barry, Jennifer	1,500
Student Loan Interest Written Off	9,931	Demaine, Estate of Shawn	4,800
		Evvik, Michael	643
Accounts Forgiven, Not Previously Written Off 1996/97 Forgiveness	<u>-</u>	Francois, Stella	3,021
		Gruben, Louisa	5,000
		Hereter, Estate of Aaron	7,919
		T'Seleie, Bella	966
Total Accounts Written Off	<u>241,248</u>	Williamson, Ben	12,525
		Zillman, Shawna	<u>9,600</u>
		Total Loans Written Off	<u>53,474</u>
		Total Accounts and Loans Written Off	<u>\$ 294,722</u>

FORGIVENESS

1996/97 Forgiveness \$ 686,766

Schedule of Bad Debt Write-offs, Forgiveness and Student Loan Remissions

for the year ended March 31, 1997

STUDENT LOAN REMISSIONS

Under the Student Financial Assistance Regulations, the Government may forego collection of students' loans, provided certain criteria are met. The students listed below, having met the academic and the employment or residency criteria, have qualified and been granted remission of their loans.

Abernethy, Susan	\$ 1,379	Chalifoux, Brenda	2,694
Adkins, Gary	4,046	Chambers, Brian	3,005
Adlem, Cassandra	5,000	Charlie, Annie	4,977
Akavak, Pitsula	3,115	Cheema, Simervir	2,447
Alivaktuk, Meeka	3,058	Chilibeck, Jason	2,742
Allison, Kenneth	3,677	Chorostkowski, Bradley	3,005
Amrow, Kelly	3,419	Christie-Williams, Emma	2,747
Anderson, Wanda	2,132	Clancy, Patrick	2,860
Andrew, Jessie	3,997	Clarke, Sven	1,083
Angilirq, Amelia	5,046	Clay, Scott	1,859
Angutiqjuaq, Ruthie	3,181	Cockney, Evelyn	3,247
Archie, Verna	3,038	Cockney, Stella	5,000
Armstrong, Brian	2,673	Coedy, William	2,710
Ashton, Cindy	1,150	Collins, Jennifer	2,227
Ashton, Toderick	1,590	Cook, Ty	1,016
Atkinson, Emily	1,546	Cooke, Douglas	2,488
Attagutsiak, Eunice	2,796	Corbeil, Andre	1,738
Attagutalukutuk, Rebecca	5,000	Corey, Grant	2,834
Aubin, Doris	1,997	Couturier, Marie	1,206
Aumond, Michael	3,161	Craig, John	2,238
Avery, Bradley	1,027	Crawford, Barbara	2,173
Bawtinhimer, Karyne	5,452	Crozier, James	1,595
Beaulieu, Debbie	4,776	Cronk, Mark	2,791
Bell, Adrian	1,747	Crout, Andrew	2,750
Bell, Brendan	1,308	Cucheran, Timothy	1,947
Bell, Craig	2,521	Davidge, Scott	1,624
Benoit, Brenda	2,148	Davies, Angela	1,791
Berg, Gary	1,022	Davies, Paul	648
Berg, Melodie	1,124	Day, Clara	2,000
Bernhardt, John Barry	2,148	Dean, Shaun	2,238
Bertolini, Alex	3,488	DeGroot, Theresa	953
Berton, Fabrizio	876	Delmage, Ronald	3,312
Bishop, Josephine	2,627	Delorey, Monique	2,099
Blackduck, Irene	7,500	Demaine, Kimberly	2,542
Blondin-Forrest, Evelyn	3,128	Devereaux, Sheri	2,538
Bodnar, Victoria	2,058	Dialla, Sheila	4,357
Boettger, Anne Louise	1,920	Dievert, Brent	3,263
Bonnycastle, Colin	2,669	Dievert, Leanne	3,148
Bouchard, Robert	3,411	Duggan, Moira	923
Boudreau, Carol	3,526	Dumond, Sandra	3,214
Boulanger, Joseph	5,210	Dunn, Kevin	3,029
Bourque, Mary	4,362	Dwyer, Richard	1,972
Branch, Jennifer	1,882	Dyce, Michael	3,066
Broekaert, Paulette	4,400	Edwards, Gladis	2,799
Brown, Ralph	2,266	Eetoolook, Mary	4,702
Brown, Tara	634	Ekanale, Alma	2,730
Bryant, Tracey	3,513	Ekpakohak, Joanne	923
Budgell, Stephen	3,200	Elief, Freda	2,456
Bugg, Terri-Ann	2,238	Elkin, Derek	2,890
Bullock, Curtis	2,669	Ekpakohak, Joanne	2,275
Burbidge, Wade	2,765	Emaghok, Georgina	2,090
Burles, Jacquelyn	551	Engler, Garry	1,623
Burlingame, Todd	2,969	Erasmus, Eileen	1,318
Burill, Kevin	1,686	Eskelson-Minault	2,895
Cairns, Valerie	2,895	Etuangat, Phoebe	4,230
Cane, Myles	2,645	Eyakfo, Celine	1,988
Carreau Jr., Robert	1,066	Fearn, David	2,395
Carreau Sr., Robert	1,738	Felix, Loretta	2,349
Carter, Lisa	1,490	Ferguson, Marian	2,562
Caudron, Cindy	2,104	Feria, Marites	2,788

Schedule of Bad Debt Write-offs, Forgiveness and Student Loan Remissions

for the year ended March 31, 1997

STUDENT LOAN REMISSIONS (continued)

Flaherty,Elisapee	4,206	Hickey,Jeannie	997
Foddis,Walter	3,222	Hiebert,Patricia	750
Forbes,Tommy	2,373	Higgins,Eelee	4,464
Fortin,Gerard	1,171	Hill,W.R. Duncan	2,112
Fournier,Renee	1,964	Hodgkins,Andrew	3,169
Fowler,Sean	1,791	Hodgson,Diana	1,650
France,Matthew	3,200	Hoffmann,Nicole	1,500
Franceschi,Luideo	1,856	Holmes,Naomi	3,309
Francey,Judy	6,029	Horn,Kory	2,857
Frank,Catherine	1,757	Horton,Mark	2,304
Frano,Stacey	2,000	Hostland,Craig	5,103
Froese,Kelly	1,706	House,Sheldon	2,612
Gallagher,Lisa	2,579	Hughes,Theresa	3,181
Gamble,Jennifer	2,074	Humphreys,Jacqueline	2,029
Gard,Paul	3,370	Huskey,Peter	7,000
Gauthier,Laurier	2,944	Hustins,Lenora	3,870
Gauthier,Neil	2,579	Imbeault,Sylvia	1,688
Gauthier,Shauna	2,738	Impett,Michael	2,398
Gee,Allan	1,431	Inch,Jennifer	1,603
Gee,Kendra	1,849	Innuksuk,Michael	2,898
Gibbons,Darlene	749	Israel,Parker	761
Gilbert,Brent	1,234	Jackman,Dana	3,200
Gill,Michael	1,775	Jardine,Christopher	1,197
Gillis,Mary	2,812	Jaworenko,Rocky	2,804
Girardin,Bernard	2,200	Jeremick'ca,Mary Ann	7,128
Golding,Linda	2,156	Joaquin,Blesila	1,542
Goldsmith,Mary	2,200	Johnson,Karen	1,648
Goodzeck,Jonathan	2,985	Johnson,Robert	1,874
Gordon,Annie	2,673	Johnson,Timothy	543
Goudreau,Mariette	2,263	Johnston,Lynne	2,898
Goudreau,Simone	1,236	Jones,Alanhea	1,600
Grady,Sean	4,500	Jones,Barbra	2,714
Graham,Ronald	2,400	Jones,Chamberlain	1,123
Grandjambe,Janet	2,906	Jones,Gregory	2,980
Green,Cecilia	1,972	Jones,Irene	1,123
Green,Ingrid	8,607	Jonkisz,Barbara	766
Green,Paul	2,722	Joss,Sadie	3,562
Greenland,Heather	3,145	Julian,Lynn	4,956
Grundy,Paul	2,747	Kapicki,Brent	3,067
Ha,Long	2,997	Kapicki,Jodie	2,636
Habibi,Ann Marie	1,001	Kay,Ruth	2,714
Haener,Madelon	2,628	Kaye,Annie	2,148
Haining,Margaret Jean	2,903	Keenainak,Licia	4,566
Haist,Kathleen	4,636	Kemeys-Jones	1,873
Halifax,Craig	3,200	Kenny,Angela	2,148
Hall,Thomas	786	Kiem,Andrew	857
Hancsicsak(Costache),Michelle	2,661	Kilabuk,Sandra	4,633
Harder,David	1,119	Kilburn,Lynnel	750
Hardin,Peter	2,258	King,Andrew	3,200
Harker,Brooke	3,010	Knapp,Jason	950
Hart,Katherine	2,853	Kolothumkattil,Raghu	1,258
Hartery,Bruce	1,439	Komaksiutiksak,Jerry	3,988
Hartery,Keith	1,041	Kovalench,Tracy	2,714
Hartop,Jason	9,845	Kovatch,Craig	792
Hartwig,Tara	1,799	Krause,Arnold	2,947
Hawick,Margaret	3,288	Krause,Michelle	2,947
Hawkins,Robert	2,058	Kuppaq,Timothy	2,340
Healy,Kylie	3,200	Lacasse,Serge	1,001
Heath,Robert	2,568	Lalonde,Vicenta	1,969
Hehn,Shirley	3,071	Lamb,Frank	3,469
Helyar,Maurice	2,217	Langlois,Colette	1,906
Henderson,Colin	1,600	Latour,Colinda	1,447

Schedule of Bad Debt Write-offs, Forgiveness and Student Loan Remissions

for the year ended March 31, 1997

STUDENT LOAN REMISSIONS (continued)

Lau-a,Grace	1,516	Mantla,Therese	1,931
Lau-a,Revi	2,923	Menzies,Laurel	2,340
Laurell,Ari	3,164	Naidoo,Mahendra	2,603
Laws,Ian	3,062	Nasogaluak Jr.,David	15,864
Leblanc,Susan	2,812	Nadogaluak,Joseph	3,247
Lefebvre,Melissa	2,074	Nasrabadi,Jamal	3,222
Lefebvre,Ruth	1,423	Nelson,Erica	1,033
Lehmann,David	3,186	Nendsa,Christopher	2,628
Lenoir,Martha	5,329	Newton,Joy	936
Lester,Ginger	2,115	Nickolson,Mitchell	906
Lewis,Lara	3,625	Nielsen,Stephen	4,284
Lindsay,Tonya	1,849	Nightingale,David	1,627
Lines,Eileen	4,923	Nind,Ben	2,464
Look,Randall	2,710	Nolsoe,David	5,763
Lyall,Jessie	5,054	Nowdlak,Lena	3,516
Lyall,Margaret	4,423	O'Connor,Kathleen	1,600
Lyons,Teresa	3,074	O'Hare,Kathleen	1,972
Ma,David	1,890	O'Neill,Anna	3,362
Macdonald,Paul C.	1,340	O'Rourke,Sharon	4,153
MacIntyre,Joey	1,791	O'Toole,Colleen	2,398
Mack,Nolan	1,066	Ohokannoak,Susie	2,582
MacKay,Angus	3,120	Okpakok-Karoo,Tikkiq	2,008
Mackie,Judy	1,747	Oleekatalik,Jimmy	1,923
MacLellan,Karen	1,107	Olsen,Richard	1,923
MacLennan,Caralene	2,308	Onalik,Janet	2,230
Magee,Lisa	880	Osted,Poul	5,219
Mah,David	2,927	Overbo,Wayne	1,798
Mahussier,Michael	2,870	Page,Richard	2,929
Maille,Alexandra	3,200	Palluq-Atagoyuk,Jeela	2,033
Malanchuk,Leo	1,886	Panipakoocho,Ely	2,508
Malmsten,Joseph	2,988	Paquet,Jean-Marc	2,200
Manik,Doreen	1,471	Parker,Jeanelle	3,200
Mansell,Andrea	1,750	Parker,Teresa	2,488
Mantla,Alestine	1,947	Pascal,Olive	3,194
Marchiori,Dennis	2,914	Patenaude,Gilles	1,931
Mark,Fay	2,480	Patrick,Randy	3,810
Markowski,Andrea	2,246	Pattle,Joella	1,662
Markuca,Mike	1,887	Paulette,Lesley	2,005
Marlowe,Evelyn	3,677	Pauloosie,Tina	1,988
Martin,Marnie	1,799	Pelechety,David	3,345
Martin,Megan	1,283	Perraud,Patrick	882
McCagg,Natasha	1,376	Peterson,Chad	1,808
McCallum,Christopher	1,600	Petrie,Gordon	2,714
McCann,Tim	1,988	Phillpot,Darha	1,107
McDermott,Simon	3,260	Pilon,Conrad Jr.	1,533
McDonald,James	2,743	Pinto,Jeffrey	695
McDougall,Thalie	2,365	Pollock Kari	3,062
McGrath,Monica	1,763	Popma,Velma	640
McGregor,Fiona	2,865	Porter,Ron	1,472
McKercher,Barbara Ann	1,582	Price,George	2,919
McLean,Shawn	1,607	Profit,Troy	947
McMahon,Lorena	2,189	Pryznyk,Jennifer	2,960
Menton,Matthew	2,516	Pryznyk,Jonathan	3,200
Mercredi,Brenda	4,623	Qanatsiaq,Nunia	2,817
Miller,Joseph	2,620	Qappik,Mary	4,927
Mitchell,Tamara	2,123	Qaqqaq,Sarah	3,013
Mitchener,Kevin	2,622	Quassa,Joanna	4,276
Moisan,Pascal	2,525	Quiring,Annette	1,673
Mounsey,Paul	2,013	Qulaut,Patricia	4,623
Mount,Pierre	2,710	Rabesca,Marie Adele	7,500
Muckpaloo,Iga	3,766	Ramirez,Asuncion	5,200
Munro,Larry	2,960	Ramsay,David	2,972

Schedule of Bad Debt Write-offs, Forgiveness and Student Loan Remissions

for the year ended March 31, 1997

STUDENT LOAN REMISSIONS (continued)

Rapley, Patricia	3,419	Takolik, Sarah	4,095
Rapo, Anthony	1,632	Tensen, Ingrid	2,403
Readman, Tristan	1,882	Tessier (Wilson), Joselyn	4,488
Redvers, Clara	2,495	Thai, Kiet	1,600
Regel, Maureen	2,200	Thody, Lyall	3,090
Reid, Anne	1,931	Thorburn, Tracey-Lynn	777
Relucio, Maria Jessica	734	Tootoo, Carol	2,200
Rennie, John	3,675	Tordoff, Rodney	1,648
Rennie, Tanya	2,587	Tricoteux, Andre	3,988
Richinger, David	1,903	Tucktoo, Selena	4,079
Richinger, Lisa	2,853	Tulugarjuk, Susan	4,546
Ring, Larry	2,488	Turner, David	2,743
Robertson, Dean	2,337	Turvey, Amanda	3,173
Robidas-Wilson, Isabelle	3,200	Ulikatar, Tony	2,673
Rogers, Lena	3,197	Uluadluak, Nancy	3,538
Romans, Joanne	2,677	Ungalaq, Mary	4,525
Rossignol, Kim	1,832	Usherwood, Helene	2,669
Saint, Stephen	2,735	Van Dine, Stephen	2,279
Sanderson, Pamela	4,791	Van Vliet, Carmen	3,456
Sanguetz, Linda	2,760	Vanthuyne, Cory	1,382
Sawchuk, Kimberly	4,000	Veerasammy, David	1,590
Schick, Margo	1,931	Villeneuve, Joyce	2,911
Schofield, R. Haydn	2,706	Voelske (Clunie), Cynthia	2,712
Schollar, Geraldine	2,382	Wadell, Randy	2,156
Schott, Kevin	824	Walker, Valoree	1,464
Schwarzenberger, Tina	3,001	Walker, Valoree	1,283
Seaton, Julia	2,215	Wallis, Stuart	2,636
Sebastian, Carla	4,411	Ward, Terra	2,525
Seguin, Chad	1,266	Warren, Brenda	956
Semple, Annie	3,456	Warren, Genevieve	4,400
Sherburne, Stephen	2,857	Wasserman, Israel	2,956
Shevkenek, Violet	2,156	Wasylyucha, Jeff	2,025
Shott, Kevin	1,763	Waters, Donna	3,633
Sian, Sherry	2,373	Welna, Clayton	2,000
Sims, Jennifer	3,200	West, Nicholas	2,271
Simms, Carl	1,255	Westcott, David	1,956
Simms, Hayley	3,115	Wettig, Darren	1,126
Smith, Ed	1,599	Whane, Celine	2,403
Smith, Patricia	2,414	Whelly, Sean	4,821
Smith, Raphael	3,427	White, Thomas	1,673
Sorenson, Meeka	1,258	Williams, Bethan	2,738
Sorenson, Ridd	1,390	Williamson, Karla	1,964
Sorge, Timothy	2,566	Wilson, Judith	1,928
Speight, Beverly	2,710	Wolfe, Brett	2,000
Speight, Gary	1,840	Wong, Gary	582
Spence, Matthew	2,895	Yeo, Brian	4,400
Spry, Steven	2,763	Young, Gwen	2,661
Squires, Peggy	2,734	Zorn, Marvin	1,410
Stevens, Stan	873		
Stewart, Andrew	1,612	Total Loan Remissions over \$500.	1,235,824
Stewart, Jody	3,200		
Stewart, Scott	1,840	Miscellaneous Remissions under \$500.	3,487
Stirling, Lynn	3,013		
Stuempel, Timothy	1,005	Total Loan Remissions	\$ 1,239,311
St. Jean, Margaret Janne	2,554		
Sumcad, Cygni	1,939		
Sundberg, Katherine	1,210		
Sunderland, Robert	1,438		
Sutherland, Robert	1,931		
Swanston, Catherine	1,986		
Tait, Christopher	2,038		

Schedule of Bad Debt Write-offs, Forgiveness and Student Loan Remissions

for the year ended March 31, 1997

STUDENT LOANS REMITTED ON DEBTS PREVIOUSLY WRITTEN OFF DUE TO
BANKRUPTCY, DEATH OR SETTLEMENT
(MAY INCLUDE INTEREST)

Bartsh, Bryon	\$ 9,713
Bastien, Roberta	9,770
Beairsto, Rodney	453
Brown, Kenneth Charles	10,583
Campion, Lisa	313
Caron, Kinball	2,096
Cazon, Sharron R.	993
Childs, Mayva	15,907
Clarke, Lawrence	195
Cochrane, Shannon	9,390
Colford, Paula	4,374
Condon, Erin	4,921
Desroches, Douglas David	4,956
Dube, John	6,422
Gillmore, Diana	507
Golding, Neil	7,956
Hansen, Ingrid	2,600
Harris, Brenda	2,742
Henkel, Bradley	2,537
Irlbacher, Geraldine	13,216
Kelshall, Marcella	4,075
Kudluk, Henry	4,693
Lapierre, Tiffany	22,008
Leon, Susan A.	7,123
MacKean, Andrew	2,382
McDonald, Vickie Lynn	17,749
Miller, Sandra Mae	28,934
Moore, Robert Andrew	9,542
Payne, Kimberly Ann	6,843
Peterson, Colin Sean	11,777
Plaquin, David Anthony	7,622
Price, Kandis	5,745
Rivalin, Sean	3,567
Warner, Boyd	347
Yachney, Jeri Lynn	9,115
Total	\$ <u>251,166</u>

Schedule of Inventory Write-offs and Deletions over \$500

for the year ended March 31, 1997

Petroleum Products	\$ 75,892
Liquor Commission	14,849
Expo '92	11,000
	<hr/>
	\$ 101,741

Schedule of Recoveries of Debts Previously Written Off

for the year ended March 31, 1997

Finance			Health and Social Services	
Estate of Joelee Arreak	\$	35	Allard, James	50
Entry processed after April 28, 1997		<u>500</u>	Arcand, Caroline	100
		<u>535</u>	Beamish, David	45
Justice			Beaulieu, Louise	100
Allard, James S.		19	Berc, Rita	100
Beck, Stanley		30	Boucher, Mary Rose	41
Beck, Stanley		6	Browning, Allan	100
Bertrand, Eric J.		4	Courtoreille, Richard	2
Cockney, Steve Albert		34	Cummings, George	100
Codille, Dolphus		60	Debastien, Sarah	50
Desjarlais, Joseph		92	Deschene, Beatrice	100
Grandjambe, George		225	Desjarlais, Therese	50
Grandjambe, George		225	Dion, Margaret	200
Grandjambe, George		191	Doctor, Diane	38
Kalluk, Zipporah		100	Dorey, Valerie	161
Klengenber, Roy R.		85	Duchesne, Maryanne	100
Niditchie, George		50	Enook, Joe	41
Niditchie, George	(100)		Epworth, Bernadette	100
Punch, Frederick J.		17	Erasmus, Rawna	100
Sabourin, Matthew R.		9	Firth, Frank	54
Sowdluapik, Joopa		51	Handley, Michelle	54
Yelle, Gerry L.		<u>74</u>	Harder, Laura	181
		<u>1,172</u>	Harvey, Daniel	-
Public Works and Services			Jackson, Lawrence	50
Emikotailuk, Mina		194	Kotokak, Lena	98
Firth, Darlene		93	Lafferty, Alexis	57
Gruben, Eileen		675	Lafferty, Doug	50
Haogak, Estate of Charlie		10	Lafferty, Leonie	2
Inuktaluk, Mary		37	Lafferty, Michel	102
Kowmageak, Paul		157	Laserich, Joanne	100
Meeko, Caroline		72	Legget, David	107
Northstar Electric Enterprise		<u>58</u>	Louise, Rosalie	107
		<u>1,296</u>	Macdonald, Brian	54
Transportation			Mandeville, Bernadette	100
Ekenale, Alma		<u>3,100</u>	Mandeville, Dorothy	4
		<u>3,100</u>	Masuzumi, Andrew	100
Municipal and Community Affairs			Masuzumi, Barney	100
Camsell, Eric		40	Mercredi, Albert	107
Nasken, Bernadette		610	Moores, Robert	50
Pilgrim, Marlene		<u>190</u>	O'Hare, Kathleen	50
		<u>840</u>	Payne, Donald	54
			Rapo, Rudy	100
			Stubbert, Raymond	(50)
			Thurber, Georgina	40
			Van Buskirk, Paula	<u>250</u>
				<u>3,499</u>

Schedule of Overdue Travel Advances

as at March 31, 1997

Overdue travel advances represent travel advances which have not been accounted for by an expense claim within 10 working days of the return date given on the travel authorization.

Justice

Hope, Jimmy	\$ 747
Idout, Carmen	150
Ippiak, Lizzie	<u>328</u>
	1,225

Public Works and Services

Adams, Mary	200
Adams, Edward	300
Gordon, Tommy	<u>102</u>
	602

Renewable Resources

Keddy, Timothy J.	250
Masugumi, Barney	300
Suluk, Bobby	<u>325</u>
	875

Municipal and Community Affairs

Carmicheal, Daniel	68
Kup, Pamela	27
Pawluk, Timothy J.	<u>200</u>
	295

Health and Social Services

Gresl, Elsie A.	<u>200</u>
	200

Total Overdue Travel Advances	\$ <u>3,197</u>
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Schedule of Projects for Canada and Others

for the year ended March 31, 1997
(thousands of dollars)

DEPARTMENTS	Main Estimates	Vote 4 Expenditures	Vote 5 Revenues
Legislative Assembly	\$ -	\$ 56	\$ 56
Executive	9,684	4,227	4,227
Northwest Territories Housing Corporation	-	-	-
Finance	1	251	251
Justice	991	1,129	1,129
Safety and Public Services	65	56	56
Public Works & Services	11,714	10,460	10,460
Transportation	5,091	5,079	5,079
Renewable Resources	3,381	3,973	3,973
Municipal and Community Affairs	1,030	1,278	1,278
Health and Social Services	5,892	7,535	7,535
Energy, Mines and Petroleum Resources	81	59	59
Economic Development and Tourism	77	158	158
Education, Culture and Employment	5,279	9,216	9,216
	\$ 43,286	\$ 43,477	\$ 43,477

SECTION III
SUPPLEMENTARY FINANCIAL STATEMENTS

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**WORKERS' COMPENSATION BOARD
(NORTHWEST TERRITORIES)**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 1996

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March 27, 1997

Management's Responsibility for Financial Reporting

Management of the Workers' Compensation Board is responsible for the preparation, integrity and objectivity of the financial statements and related information presented in this annual report. The financial statements have been prepared in accordance with generally accepted accounting principles and have been approved by the Board of Directors. Where appropriate, the preparation of financial information contained in this report includes estimates and judgements based on careful consideration of information available to management.

Management has developed and maintains books of accounts, records, financial and management controls, information systems and management practices. These are designed to provide reasonable assurance as to the reliability of financial information in accordance with the *Workers' Compensation Act* and regulations, the *Financial Administration Act* and regulations, and policies of the Board. The Board of Directors ensures that management fulfills its responsibilities for financial reporting, internal control and safeguarding assets.

The Board of Directors appoints certain of its members to serve on the Finance Committee. This Committee oversees management's responsibilities for financial reporting and reviews and recommends the financial statements to the Board for approval.

The Auditor General of Canada annually provides an independent objective audit for the purpose of expressing his opinion on the financial statements. He also considers whether the transactions that come to his notice in the course of this audit are, in all significant respects, in accordance with the specified legislation.

The Coles Group, an independent firm of consulting actuaries, has been engaged to provide an opinion on the adequacy and appropriateness of actuarial valuations of future claims and pension liabilities of the Workers' Compensation Board.

Gerry Meier
President

John W. Doyle
Director,
Financial Services

AUDITOR'S REPORT

To the Minister Responsible for the
Workers' Compensation Board

I have audited the balance sheet of the Workers' Compensation Board (Northwest Territories) as at December 31, 1996 and the statements of operations, reserves, and the statement of cash flow for the year then ended. These financial statements are the responsibility of the Board's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with 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 management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Board as at December 31, 1996 and the results of its operations and the changes in its financial position for the year then ended in accordance with the generally accepted accounting principles. As required by the Financial Administration 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 and the financial statements are in agreement therewith and the transactions of the Board that have come to my notice during my audit of the financial statements have, in all significant respects, been in accordance with the Workers' Compensation Act and regulations and the Financial Administration Act.

Raymond Dubois, FCA
Deputy Auditor General
for the Auditor General of Canada

Ottawa, Canada
March 27, 1997

WORKERS' COMPENSATION BOARD (Northwest Territories)

Balance Sheet

as at December 31, 1996
(thousands of dollars)

ASSETS

	<u>1996</u>	<u>1995</u>
Cash and short-term deposits (notes 3a, 3b)	\$ 5,799	\$ 7,378
Assessments receivable	972	1,246
Accrued interest receivable	626	1,493
Other accounts receivable	2,057	2,188
Investments (notes 3a, 3c, 3e)	179,258	158,872
Property and equipment (note 4)	4,512	4,620
	<u>\$ 193,224</u>	<u>\$ 175,797</u>

LIABILITIES

Accounts payable and accrued liabilities	\$ 1,352	\$ 742
Deferred revenue (note 10c)	375	-
Lease obligations payable (note 5a)	3,565	3,710
Assessments refundable	769	1,141
Benefits liability (notes 6, 7, and 9a)	159,406	151,533
	<u>\$ 165,467</u>	<u>\$ 157,126</u>

RESERVES

Catastrophe reserve (note 8)	\$ 4,900	\$ 4,750
Safety incentive rate reduction reserve	363	-
Operating reserve (note 8)	22,494	13,921
	<u>27,757</u>	<u>18,671</u>
	<u>\$ 193,224</u>	<u>\$ 175,797</u>

CONTINGENCIES (Note 9)

Approved by Management:

John W. Doyle

Director, Financial Services

Approved by the Board of Directors:

Fred Koe

Chairman, Board of Directors

Gordon Wray

Chairman, Finance Committee

The accompanying notes form an integral part of the financial statements.

WORKERS' COMPENSATION BOARD (Northwest Territories)
Statement of Operations
for the year ended December 31, 1996
(thousands of dollars)

REVENUES	<u>1996</u>	<u>1995</u>
Assessments	\$ 23,363	\$ 24,398
Investment revenue (note 3d)	14,965	13,333
Recoveries (note 10b)	1,670	1,467
GNWT contribution (note 10c)	<u>1,237</u>	<u>-</u>
	<u>\$ 41,235</u>	<u>\$ 39,198</u>
EXPENSES		
Cost of claims (note 6)		
Current year's claims	\$ 18,924	\$ 17,883
Prior years' claims	<u>6,680</u>	<u>7,724</u>
Total Claims	25,604	25,607
Administration and general (schedule)	<u>6,545</u>	<u>5,724</u>
	<u>\$ 32,149</u>	<u>\$ 31,331</u>
INCOME FROM OPERATIONS	<u>\$ 9,086</u>	<u>\$ 7,867</u>
TRANSFERS		
Transfer to catastrophe reserve	\$ 150	\$ -
Transfer to safety incentive rate reduction reserve	363	-
Transfer to operating reserve	<u>8,573</u>	<u>7,867</u>
	<u>\$ 9,086</u>	<u>\$ 7,867</u>

The accompanying notes form an integral part of the financial statements.

WORKERS' COMPENSATION BOARD (Northwest Territories)

Statement of Reserves

for the year ended December 31, 1996

(thousands of dollars)

CATASTROPHE RESERVE	<u>1996</u>	<u>1995</u>
Balance at the beginning of the year	\$ 4,750	\$ 4,750
Transfer from operations	150	-
Balance at the end of the year (note 8)	<u>\$ 4,900</u>	<u>\$ 4,750</u>
 OPERATING RESERVE		
Balance at the beginning of the year as restated	13,921	6,054
Transfer from operations	8,573	7,867
Balance at the end of the year (note 8)	<u>\$ 22,494</u>	<u>\$ 13,921</u>
 SAFETY INCENTIVE RATE REDUCTION RESERVE		
Balance at beginning of the year	\$ -	\$ -
Transfer from Operations	363	-
Balance at the end of the year (note 2g)	<u>\$ 363</u>	<u>\$ -</u>

The accompanying notes form an integral part of the financial statements.

WORKERS' COMPENSATION BOARD (Northwest Territories)
Statement of Cash Flow
for the year ended December 31, 1996
(thousands of dollars)

	1996	1995
CASH FLOW FROM OPERATING ACTIVITIES		
Cash received from:		
Employers, for assessments	\$ 24,791	\$ 27,899
Investment revenue	7,981	9,589
	\$ 32,772	\$ 37,488
Cash paid to:		
Claimants or third parties on their behalf	\$ 15,121	\$ 14,688
Suppliers, for administration and other goods and services	6,227	7,452
	\$ 21,348	\$ 22,140
Net cash provided by operating activities	\$ 11,424	\$ 15,348
CASH FLOW FROM INVESTING ACTIVITIES		
Cash received from:		
Sales and maturities of investments	\$ 800,172	\$ 807,234
Cash paid for:		
Purchases of investments	\$ 812,823	\$ 827,457
Purchases of capital assets	352	(372)
	\$ 813,175	\$ 827,085
Net cash provided (used) by investing activities	\$ (13,003)	\$ (19,851)
Net increase (decrease) in cash and cash equivalents	\$ (1,579)	\$ (4,503)
Cash and cash equivalents, beginning of year	\$ 7,378	\$ 11,881
Cash and cash equivalents, end of year	\$ 5,799	\$ 7,378

The accompanying notes form an integral part of the financial statements.

WORKERS' COMPENSATION BOARD (Northwest Territories)
Notes to Financial Statements
for the year ended December 31, 1996

1. Authority, Mandate and Operations

The Workers' Compensation Board (the Board) was established by, and is responsible for the administration of the *Workers' Compensation Act*. Effective April 16, 1996, with the amalgamation of the Occupational Health and Safety division of the Department of Safety and Public Services of the Government of the Northwest Territories and the Board, the Board also assumed responsibility for safety enforcement under the *Mine, Health and Safety Act*, the *Safety Act* and the *Explosives Use Act*.

The mandate of the Board is to protect workers against the result of work injury. The Board provides compensation for injury or death by accident arising out of, and in the course of, employment. Assessments required to meet the costs of compensation, pension awards and administration are levied upon employers on the basis of a percentage of their assessable payroll.

As a result of the amalgamation, the mandate of the Board has been expanded to include accident prevention. The new Prevention Services Division is responsible for developing safety awareness and for monitoring safety in the workplace.

2. Accounting Policies

The significant accounting policies are as follows:

(a) Investments

Fair value is determined as follows:

- for equity investments and marketable fixed term investments, fair value is the closing value on the appropriate exchange at December 31 of the applicable year.
- for foreign currency assets, the fair value is the value in Canadian dollars based on the closing currency exchange rate on December 31 of the applicable year.

Equity investments are valued using a moving average market value method, using a five year amortization of gains and losses that arise on the sale of investments, or that arise as a result of changes in the market value of those investments.

Fixed term investments are recorded at cost at the time of purchase. At disposal, the gain or loss on an investment is amortized over the remaining period to maturity of the investment, based on the average period for these securities disposed of during the year. For pooled funds, the amortization period is five years.

Investments denominated in foreign currencies are translated into Canadian dollars at exchange rates prevailing at the end of the year. Income is translated at the rate in effect at the time of receipt.

WORKERS' COMPENSATION BOARD (Northwest Territories)
Notes to Financial Statements
for the year ended December 31, 1996

Exchange gains and losses resulting from the translation of foreign currency balances and transactions are included with investment income.

The Board's international investment manager uses derivative financial instruments to manage operating exposure to foreign exchange fluctuations. These contracts are carried on a market value basis. Premiums paid or received on these instruments are treated as expenses at the time of purchase. Net receipts or payments are recognized in income on an accrual basis in the same period and the same financial statement category to which the contract is related.

(b) Property and equipment

Property and equipment are recorded at cost and amortized over their estimated useful life under the straight-line method as follows:

· Furnishings	10 years
· Equipment (purchased and leased)	5 years
· Leasehold improvements and office space (leased)	Over the term of the lease

Assets recorded as capital leases are amortized on the straight-line method over the lease term. Obligations recorded under capital leases are reduced by rental payments net of imputed interest.

(c) Administration and general expenses

A portion of administration and general expenses is allocated as claims management costs between current years' claims and prior years' claims based on the proportion of claims expenditures processed. The costs allocated are the direct costs related to the managing of claims, pensions and rehabilitation services.

(d) Benefit Liability

The Benefits Liability is estimated annually using an actuarial valuation and is comprised of:

- i. the future pension liability which represents the present value of future payments in respect of approved pension awards; and
- ii. the future claims liability which represents the present value of future payments in respect of medical aid benefits, compensation payments and the capitalized value of future pension awards for all claims arising from accidents occurring prior to the end of the fiscal year.

Many assumptions are required in the calculation of the liability, including estimates of future inflation, interest rates and mortality rates. The amount of liability is determined on a basis which allows for future inflationary increases by using a discount rate of 3% per annum. Actual claims expenses are not predictable with certainty and, accordingly, may vary from the actuarial valuation of the liability.

WORKERS' COMPENSATION BOARD (Northwest Territories)

Notes to Financial Statements
for the year ended December 31, 1996

(e) Funding Policy

The funding policy of the Board is to maintain both the future pension liability and the future claims liability at a fully funded level at each year end.

(f) Catastrophe and operating reserves

The catastrophe and operating reserves are maintained to provide a margin of protection against adverse financial experience which could unduly burden future employers. Such adverse experience could arise in respect of the following risk:

- i. disasters and catastrophes
- ii. lower than expected investment results
- iii. other unanticipated events such as lower than anticipated assessment or investment revenues or higher than anticipated claims costs.

Assessment rates are adjusted to bring the reserve to its target level over a period of between 2 years and 10 years depending on the margin by which the operating reserve is above or below the target range.

(g) Safety Incentive Rate Reduction reserve

Under the Safety Incentive and Rate Reduction (SIRR) policy, implemented by the Board in 1996, special assessments are levied on employers whose claims costs exceed assessment revenues over a three year period. These special assessment revenues are transferred to the SIRR reserve. Up to 25% will be used to enhance safety programs, with the balance used to reduce future assessment rates.

(h) Employee benefits

The Board and its employees, who are deemed to be employees of the Government of the Northwest Territories, make contributions to the Public Service Superannuation Plan administered by the Government of Canada. Contributions to the Plan are required from both the employees and the Board. These contributions represent the total liability of the Board and are recognized in the accounts on a current basis.

Employee termination benefits will be paid upon resignation or retirement of employees. The fair value of termination benefits approximates their carrying value.

(i) Assessment revenues

Current year revenues are estimated at February 28 of the following year based on actual payrolls submitted by employers. Adjustments to assessment revenues are accounted for in the year received. An allowance is included in assessments refundable for potential adjustments of current and prior years' payrolls.

WORKERS' COMPENSATION BOARD (Northwest Territories)
Notes to Financial Statements
for the year ended December 31, 1996

3(a) Investments, Cash and Short Term Deposits

The Board's investment target asset mix is as follows:

	Maximum	(Fair Value) Minimum	Actual
Fixed term (including cash & short term)	65%	55%	57.6%
Canadian equities	25%	15%	21.8%
U.S. equities	12%	8%	10.9%
Non Canadian and U.S. equities	12%	8%	9.7%
Cash and short term	10%	0%	2.5%

(b) Investments maturing in one year

The Board invests in the short term money market. The overall yield of the portfolio is 5% at December 31, 1996. All instruments held in short term investments are bank deposits or instruments unconditionally guaranteed by a bank. The Board's investment policy limits investment in cash and short term investments to a maximum of 10% of the total investment portfolio. Fair value approximates carrying value. Included is C\$228,000 in U.S. currency.

(c) Investments

	1996		1995	
	(thousands of dollars)			
	Carrying Value	Fair Value	Carrying Value	Fair Value
Fixed term investments:				
Pooled funds	\$ 78,050	\$ 85,689	\$ -	\$ -
Other	28,164	34,433	74,929	81,685
	<u>106,214</u>	<u>120,122</u>	<u>74,929</u>	<u>81,685</u>
Equity investments	71,111	92,708	43,494	52,897
Investments maturing within one year	<u>1,933</u>	<u>1,933</u>	<u>40,449</u>	<u>40,449</u>
TOTAL	<u>\$ 179,258</u>	<u>\$ 214,763</u>	<u>\$ 158,872</u>	<u>\$ 175,031</u>

Included in the carrying values is an unamortized gain of \$26,758 for 1996 and \$13,292 for 1995.

The maturity periods of the fixed investment portfolio as at December 31, 1996 are as follows:

	Fair Value
	(thousands of dollars)
One to five years	12,858
Five to ten years	12,858
Over ten years	8,717

WORKERS' COMPENSATION BOARD (Northwest Territories)

Notes to Financial Statements
for the year ended December 31, 1996

(d) Investment Revenue

	1996		1995	
	(thousands of dollars)			
	Interest/ Dividends Revenue	Gains/ (Losses)	Interest/ Dividends Revenue	Gains/ (Losses)
Fixed term investments:	\$ 5,314	\$ 1,058	\$ 7,614	\$ 89
Equity investments	2,050	6,728	992	3,466
Investments maturing within one year	141	109	751	103
TOTAL	<u>\$ 7,505</u>	<u>\$ 7,895</u>	<u>\$ 9,357</u>	<u>\$ 3,658</u>
Total Investment Revenue		\$ 15,400		\$ 13,014
Less: Investment Fees		(743)		(428)
Add: Interest on Cash and Short Term Deposits		308		747
Total Investment Revenue		<u>\$ 14,965</u>		<u>\$ 13,333</u>

Investments are managed by the Board's external investment managers. The market yield of the portfolio (as provided by our performance measurement service) is as follows:

	1996	1995
Fixed term investments	12.7%	21.7%
Foreign equities	21.7%	30.9%
Canadian equities	34.4%	16.4%

(e) Foreign Currency Balances

The Board has assets in U.S. dollars and other currencies. In addition, the board has derivative financial instruments (DFI) denominated in various currencies. The purpose of these derivative financial instruments is to minimize the cost of capital and optimize yields for the Board, while sustaining acceptable levels of risk.

The only derivative financial instruments used are forward currency contracts, which all mature within 90 days of the year end. Total unrealized gain at December 31, 1996 is \$42,000 which is included in gains and losses of the corresponding investments in accordance with the investment policy (note 2(a)).

WORKERS' COMPENSATION BOARD (Northwest Territories)

Notes to Financial Statements

for the year ended December 31, 1996

The following chart shows where the Board has limited its exposure to foreign currency risk and the resulting net foreign currency exposure:

(thousands of dollars)

Currency	Total Investments in \$Cdn (fair value)	DFI	1996 Net Exposure	1995 Net Exposure
United States	\$ 23,424	\$ -	\$ 23,424	\$ 17,701
Australia	1,685	-	1,685	-
Finland	204	-	204	-
France	336	-	336	-
Germany	1,141	883	258	-
Hong Kong	270	-	270	-
Indonesia	1,033	-	1,033	-
Ireland	425	-	425	-
Italy	249	-	249	-
Japan	453	-	453	-
Malaysia	1,027	-	1,027	-
Mexico	179	-	179	-
Netherlands	2,251	1,580	671	-
Phillipines	139	-	139	-
Singapore	1,732	-	1,732	-
Spain	449	-	449	-
Sweden	185	-	185	-
Switzerland	1,842	1,417	425	-
Thailand	457	-	457	-
United Kingdom	7,001	-	7,001	-
Totals	\$ 44,482	\$ 3,880	\$ 40,602	\$ 17,701

WORKERS' COMPENSATION BOARD (Northwest Territories)

Notes to Financial Statements
for the year ended December 31, 1996

4. Property and Equipment

	1996		1995	
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Cost</u>	<u>Accumulated Amortization</u>
	(thousands of dollars)			
Furnishings	\$ 1,309	\$ 978	\$ 250	\$ 143
Equipment - Purchased	176	-	1,055	674
Leasehold improvements	1,633	437	1,460	349
Office space - Leased	4,242	1,433	4,242	1,221
	<u>\$ 7,360</u>	<u>\$ 2,848</u>	<u>\$ 7,007</u>	<u>\$ 2,387</u>
Less accumulated amortization	<u>\$ (2,848)</u>		<u>(2,387)</u>	
Net Book Value	<u>\$ 4,512</u>		<u>\$ 4,620</u>	

5. Lease

(a) Capital Lease Obligations

The Board is committed to payments of \$435,765 per annum under a 15 year office space lease agreement which is based on an implicit interest rate of 8% and expires in 2010. The Board is also responsible for a proportional share of operating and maintenance expenses based on its share of space occupied. Fair value approximates carrying value of the liability.

(b) Operating Lease

The office space lease agreement was amended in 1996 to add office space in the same building. The costs for the additional space are treated as an operating lease in the financial statements as the lease is for a five year term with no guaranteed renewal payments. The Board is committed to payments of \$152,588 per annum until August 13, 2001. The Board is also responsible for a proportional share of operating and maintenance expenses based on its share of space occupied.

WORKERS' COMPENSATION BOARD (Northwest Territories)

Notes to Financial Statements
for the year ended December 31, 1996

6. Benefits Liability

	1996				1995	
	(thousands of dollars)					
	Medical Aid	Compensation	Pension Capitalization	Pension Awards	Total	Total
Balance, Beginning of Year	\$ 18,020	\$ 13,955	\$ 21,297	\$ 98,261	\$ 151,533	\$ 142,668
Claims Expenses						
Current year	4,882	6,863	6,708	471	18,924	17,883
Prior year	807	977	1,019	3,877	6,680	7,724
Liability transfer - capitalizations	-	-	(6,422)	6,422	-	-
Recoveries from third parties	-	156	-	-	156	676
	23,709	21,951	22,602	109,031	177,293	168,951
Less: Claims payments made						
Current year injuries						
Claims payments	1,165	1,376		24	2,565	2,368
Claims management	513	606		11	1,130	837
Prior years' injuries						
Claims payments	2,439	3,154		7,651	13,244	13,259
Claims management	289	379		280	948	954
	4,406	5,515	-	7,966	17,887	17,418
Balance, End of Year	\$ 19,303	\$ 16,436	\$ 22,602	\$ 101,065	\$ 159,406	\$ 151,533

WORKERS' COMPENSATION BOARD (Northwest Territories)
Notes to Financial Statements
for the year ended December 31, 1996

7. Actuarial Valuation

Valuations by the actuary indicate that as at December 31, 1996:

- the future claims liability of \$58,341,000 is sufficient to meet both the future costs of reported claims, and the cost of unreported claims.
- the future pension liability of \$101,065,000 is sufficient to meet the calculated liabilities.

8. Catastrophe and Operating Reserve

The Board is fully funded at the end of 1996 and is able to meet its obligations for the future pension and future claims liability.

The target level for the catastrophe reserve, set by the Board, provides for the average cost of a disaster. The target level of the reserve at the end of 1996 is \$4,900,000.

The target level for the operating reserve is based on a number of factors relating to the financial risks which could impact on the financial position of the board. A range of 75% to 125% of the target level has been set as a target range. The target level at the end of 1996 is \$4,399,245 and hence the target range is \$3,299,434 to \$5,499,056.

The funding policy of the Board provides for discounts on assessment rates when the operating reserve exceeds its target range (see note 2(f)).

9. Contingencies

(a) Widow's Pensions

Changes to the Workers' Compensation Act proposed for 1997 would continue pension payments to widows after remarriage. An allowance of \$3,602,554 for continuation of pensions to widows currently receiving pensions is included in the Benefits Liability. An opinion from the Board's legal counsel and recent litigation in other provinces suggests that the actual liability could be higher. The amount of any additional liability cannot be determined at this time.

(b) Legal Claims Receivable

The Board has a number of legal claims outstanding for recovery of compensation expenses from third parties. These claims are not recorded in the accounts because of their contingent nature. In the opinion of management and the Board's legal representatives, it is expected that the Board could recover approximately \$879,500. Settlement of legal claims are recognized in the year in which the settlement occurs. Legal claims settled during 1996 resulted in recoveries of \$156,000 (1995 - \$676,000).

The Board has commenced an action against a third party as a result of the deaths of nine miners in an explosion on a worksite. At this time potential recoveries cannot be determined.

WORKERS' COMPENSATION BOARD (Northwest Territories)
Notes to Financial Statements
for the year ended December 31, 1996

(c) Pay Equity

The Union of Northern Workers filed an equal pay complaint against the Government in March 1989 with the Canadian Human Rights Commission (CHRC). The dispute has not been settled. A motion filed by the Government with the Federal Court of Canada applying for a declaration that the CHRC has no jurisdiction to deal with the complaint has been denied. This decision is being appealed by the Government to the Supreme Court of Canada.

It is not possible to reasonably determine the liability to the Board, if any, that may result from the claim. In the event that there is a liability, the expenditure will be charged to operations in the year an amount can reasonably be determined.

10. Related Party Transactions

(a) The following table summarizes the Board's assessments revenue from related parties entered into in the normal course of operations in 1996.

	1996	1995
	(thousands of dollars)	
Government of the Northwest Territories	\$ 1,678	\$ 1,954
Public Agencies	\$ 283	\$ 271

(b) The Government of the Northwest Territories provided a reimbursement to the Board for hunters and trappers claims of \$1,669,565 (1995 - \$1,466,493).

(c) On April 16, 1996 the Government of the Northwest Territories transferred responsibility for the administration and enforcement of the *Safety Act*, *Explosive Use Act*, and *Mine Health and Safety Act* from the Government of the Northwest Territories to the Board.

The Government will be compensating the Board for part of the cost of the transfer from April 16, 1996 to March 31, 1999 as shown below. Additional and future costs will be covered from employer assessments. The estimated annual costs of administering these programs is \$2,100,000.

- April 16, 1996 - March 31, 1997 - 75% of the agreed cost
- April 1, 1997 - March 31, 1998 - 50% of the agreed cost
- April 1, 1998 - March 31, 1999 - 25% of the agreed cost

WORKERS' COMPENSATION BOARD (Northwest Territories)
Notes to Financial Statements
for the year ended December 31, 1996

Amounts paid as contributions are as follows:

	1996	1995
	(thousands of dollars)	
Revenue	\$ 1,237	\$ -
Deferred revenue	375	-
Total paid in 1996	\$ 1,612	\$ -

(d) The Board's investments include bonds (at market value) of:

	1996	1995
	(thousands of dollars)	
Government of the Northwest Territories 11.00% maturing June 23, 1998	\$ 318	\$ 448
Northwest Territories Power Corporation 11.00% maturing March 9, 2009	\$ 641	\$ 500
11.125% maturing June 6, 2011	\$ 1,299	\$ 997
9.375% maturing May 12, 2014	\$ 1,152	\$ 1,000
Northwest Territories Legislative Assembly Building Society 13.00% Series A, maturing August 31, 2013	\$ 575	\$ 389

(e) In addition to those related party transactions disclosed elsewhere in these financial statements, the Board is related to all Government of the Northwest Territories created departments, agencies and Crown corporations. The Board enters into transactions with these entities in the normal course of business.

WORKERS' COMPENSATION BOARD (Northwest Territories)
Schedule of Administration and General Expenses
for the year ended December 31, 1996

	1996	1995
	(thousands of dollars)	
Salaries, wages and allowances	\$ 4,873	\$ 3,880
Professional services	877	763
Office lease and renovations	635	674
Employer's share of benefits	618	478
Travel	402	354
Amortization building/leasehold	300	299
Board Members	234	272
Office services and supplies	215	178
Communications	164	189
Amortization furnishings and equipment	161	186
Grants	114	108
Advertising and public information	85	58
Office furnishings and equipment	79	156
Miscellaneous	35	34
Computer lease and services	11	51
	\$ 8,803	\$ 7,680
Less:		
Allocations to claims management	2,078	1,791
Penalties	141	113
Assessment interest	31	51
Sundry revenue	8	1
	2,258	1,956
	\$ 6,545	\$ 5,724

Report to the
Minister of Education, Culture
and Employment
on the audit of the
accounts and financial statements of the
AURORA COLLEGE
for the year ended June 30, 1997

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AURORA COLLEGE

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The financial statements of the Aurora College ("the College") and all information in this annual report are the responsibility of the College's management and have been reviewed by the Board of Governors. The statements have been prepared in accordance with generally accepted accounting principles. Management's best estimates and judgements have been used in the preparation of these statements, where appropriate. Financial information presented elsewhere in the annual report is consistent with that contained in the financial statements.

In discharging its responsibility for financial reporting, management maintains and relies on financial and management control systems and practices which are designed to provide reasonable assurance that transactions are authorized, assets are safeguarded, and proper records are maintained. These controls and practices ensure the orderly conduct of business, the accuracy of accounting records, the timely preparation of reliable financial information and the adherence to the College's policies and statutory requirements.

The Board of Governors is responsible for ensuring that management fulfils its responsibilities for financial reporting and internal control and exercises this responsibility through the Finance Committee of the Board, which is composed of a majority of Members who are not employees of the College. The Finance Committee meets regularly with management and the external auditors, who have full and free access to the Finance Committee.

The College's external auditor, the Auditor General of Canada, audits the financial statements and reports to the Minister of Education, Culture and Employment.

Chuck Parker
President

Stewart MacNabb
Bursar/Chief Financial Officer

Fort Smith, Canada
August 29, 1997

AURORA COLLEGE

**STATEMENT OF REVENUE AND EXPENSES AND CHANGES IN EQUITY
for the year ended June 30, 1997
(thousands of dollars)**

	<u>1997</u>	<u>1996</u>
REVENUE		
Contributions - Base	\$ 15,921	\$ 15,180
Project Income	4,679	7,069
Tuition fees	857	1,011
Room and board	583	580
Investment income	133	176
Other	<u>244</u>	<u>288</u>
TOTAL REVENUE	<u>22,417</u>	<u>24,304</u>
 EXPENSES		
Salaries, wages and benefits	12,035	14,131
Contract services	4,834	4,892
Materials and supplies	1,620	1,705
Physical plant	1,143	1,039
Travel and accommodation	913	793
Fees and payments	712	847
Purchased services	510	500
Amortization	<u>309</u>	<u>276</u>
TOTAL EXPENSES	<u>22,076</u>	<u>24,183</u>
 SURPLUS	 341	 121
 EQUITY AT BEGINNING OF YEAR	 <u>1,487</u>	 <u>1,366</u>
 EQUITY AT THE END OF YEAR	 <u>\$ 1,828</u>	 <u>\$ 1,487</u>

The accompanying notes are an integral part of the financial statements.

AURORA COLLEGE

STATEMENT OF CHANGES IN FINANCIAL POSITION
for the year ended June 30, 1997
(thousands of dollars)

	<u>1997</u>	<u>1996</u>
Operating activities		
Surplus	\$ 341	\$ 121
Items not requiring an outlay of cash		
Employee leave benefits	86	109
Employee termination benefits	134	59
Amortization	<u>309</u>	<u>276</u>
	870	565
Change in non-cash operating assets and liabilities	<u>678</u>	<u>(576)</u>
Cash used for operating activities	1,548	(11)
Investing activities		
Acquisition of capital assets	<u>(266)</u>	<u>(179)</u>
Increase/Decrease in cash	1,282	(190)
Cash at beginning of period	<u>1,359</u>	<u>1,549</u>
Cash at end of period	<u>\$ 2,641</u>	<u>\$ 1,359</u>

The accompanying notes are an integral part of the financial statements.

AURORA COLLEGE

NOTES TO THE FINANCIAL STATEMENTS

June 30, 1997

1. AUTHORITY AND MANDATE

The Aurora College operates under the authority of the Public Colleges Act. The College is a Schedule B Public Agency as listed in the Financial Administration Act.

Under a contribution agreement with the Government of the Northwest Territories dated January 25, 1995, the College receives contributions for its operations and capital requirements for the administration and delivery of its adult and post-secondary education programs. Under the terms of this agreement, the College is allowed to retain all surpluses and is responsible for all deficits.

Aurora College is a multi-campus institution designed to provide a wide variety of educational services to adult learners of the western Northwest Territories. The programs are directed specifically to the northern environment and the needs of individual northerners, the workforce and northern communities. To accomplish this, courses and services are delivered at campuses and communities in the western Northwest Territories. Through the work of the Aurora Research Institute, the College is also responsible for the facilitation and preparation of research activity in the region.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with generally accepted accounting principles. A summary of significant accounting policies follows:

Capital assets

Capital assets transferred to the College from the former Arctic College and the Science Institute of the Northwest Territories, effective January 1, 1995, were recorded at the fair market value at that date, determined as the original cost less accumulated amortization, or estimated market value. Subsequent acquisitions are recorded at cost. Capital assets are amortized over their estimated remaining lives on a straight-line basis at the following annual rates:

Furniture and equipment	20 - 40%
Leasehold improvements	33.33%
Mobile equipment	10 - 50%

Deferred revenue

Deferred revenue represents payments received under contract for which the development and delivery of programs has not been completed. These amounts are recorded in income as obligations are fulfilled.

Employee termination benefits

On termination of employment, employees are entitled to benefits provided for under their terms of employment. The liability for these benefits is recorded as the benefits accrue to the employees.

AURORA COLLEGE

NOTES TO THE FINANCIAL STATEMENTS
June 30, 1997

Contributions - Base

Contributions from the Government of the Northwest Territories are based on the annual contribution amount set out in the Government's Main Estimates and represent the majority of the base funding for the College to cover its expenditures. Contributions are received monthly based on a predetermined schedule of cashflow requirements and are recorded on an accrual basis.

Project income

The College provides education and research services to outside parties through contractual arrangements. The amounts are recorded as income in the year the work is completed.

Investment income

The College earns investment income through an agreement whereby the Government of the Northwest Territories invests the College's available cash balances. The nature of this agreement is such that the College is not exposed to any credit risk or potential for loss of capital. These amounts are recorded as income in the year they are earned.

Contract services

Contract services are acquired by the College through contractual arrangements. They include printing services, advertising, building and equipment repairs, software development, curriculum development, food service contracts, janitorial contracts, instruction contracts, leases and rental agreements. These amounts are charged as an expense in the year the service is used.

Pension plan

Employees of the College participate in the Public Service Superannuation Plan administered by the Government of Canada. The employees and the College contribute equally to the cost of the plan. The College's contributions are charged as an expenditure on a current year basis, and represent the total pension obligations of the College.

The College is not required under present legislation to make contributions with respect to actuarial deficiencies of the Public Service Superannuation Account.

3. ACCOUNTS RECEIVABLE

	<u>1997</u>	<u>1996</u>
	(thousands of dollars)	
Contracts	\$ 1,051	\$ 1,235
Students	<u>150</u>	<u>283</u>
	<u>\$ 1,201</u>	<u>\$ 1,518</u>

The accounts receivable are net of allowances for doubtful accounts of \$ 435,000 (1996 - \$ 324,000). Accounts receivable for contracts include \$ 250,000 (1996 - \$ 426,000) due from departments of the Government of the Northwest Territories. All receivables are currently due and the fair value of these receivables approximates their carrying value.

AURORA COLLEGE

NOTES TO THE FINANCIAL STATEMENTS
June 30, 1997

4. CAPITAL ASSETS

	<u>1997</u>		<u>1996</u>	
	(thousands of dollars)			
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Furniture and equipment	\$ 410	\$ 205	\$ 205	\$ 226
Mobile equipment	1,086	466	620	800
Leasehold improvements	<u>229</u>	<u>43</u>	<u>186</u>	<u>28</u>
	<u>\$ 1,725</u>	<u>\$ 714</u>	<u>\$ 1,011</u>	<u>\$ 1,054</u>

5. RELATED PARTY TRANSACTIONS

Under the transfer policy of the Government of the Northwest Territories, certain support services are provided to the College by various government departments.

The College is required to reimburse the Department of Public Works and Services for the actual utility and operating costs of the facilities that the College uses in its activities. The Financial Management Board Secretariat is reimbursed for the actual employee benefits and recruitment costs of the College's employees.

The transactions with the departments are as follows:

<u>Department</u>	<u>Fees charged by service departments during the year</u>		<u>Amount outstanding as at June 30</u>	
	(thousands of dollars)		(thousands of dollars)	
	<u>1997</u>	<u>1996</u>	<u>1997</u>	<u>1996</u>
Department of Public Works and Services	\$ 2,158	\$ 2,646	\$ 325	\$ 183
Financial Management Board Secretariat - employee benefits	307	779		40
- payroll			118	106
Other departments	<u>206</u>	<u>111</u>	<u>65</u>	<u>69</u>
	<u>\$ 2,671</u>	<u>\$ 3,536</u>	<u>\$ 508</u>	<u>\$ 398</u>

The Department of Financial Management Board Secretariat and Department of Public Works and Services provide, without any charge, services which include the processing of payroll, the provision of insurance and risk management, and the procurement of goods and services.

AURORA COLLEGE

NOTES TO THE FINANCIAL STATEMENTS

June 30, 1997

The College also receives, without any charge, legal counsel from the Department of Justice, internal audit services from the Financial Management Secretariat and translation services from the Department of Education, Culture and Employment.

In addition to those related party transactions disclosed above, the College is related in terms of common ownership to all Government of the Northwest Territories created departments, agencies and Crown corporations. The College enters into transactions with these entities in the normal course of business.

Other related party transactions include:

	1997 (thousands of dollars)	1996 (thousands of dollars)
Courses delivered on behalf of the Government of the Northwest Territories	\$ 871	\$ 1,446

6. EQUITY

The equity balance includes the book value of capital assets transferred from the former Arctic College and Science Institute of the Northwest Territories and capital assets contributed by the Government of the Northwest Territories as of January 1, 1995 and the results of operations since that date. The equity balance includes a \$25,000 reserve for research and development, a \$10,000 reserve for the maintenance and replacement of heavy equipment and a \$48,000 donation reserve.

7. COMMITMENTS

The College has leases and service agreements for student accommodation, classroom space, office equipment and other services and is committed to basic payments over the next five years as follows:

	(thousands of dollars)
1998	\$ 2,746
1999	493
2000	447
2001	440
2002	440
	<u>\$ 4,566</u>

8. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the method of Financial Statement presentation adopted for the current year.

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AURORA COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 1997

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2000	447
2001	440
2002	440
	<u>\$ 4,566</u>

8. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the method of Financial Statement presentation adopted for the current year.

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NUNAVUT ARCTIC COLLEGE

**Financial Statements
June 30, 1997**

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NUNAVUT ARCTIC COLLEGE

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The financial statements of the Nunavut Arctic College (“the College”) are the responsibility of the College's management and have been approved by the Board of Governors. The financial statements have been prepared in accordance with generally accepted accounting principles. Management's best estimates and judgements have been used in the preparation of these statements, where appropriate. Management is also responsible for all other information in the annual report and for ensuring that this information is consistent with the financial statements.

In discharging its responsibility for financial reporting, management maintains and relies on financial and management control systems and practices which are designed to provide reasonable assurance that transactions are authorized, assets are safeguarded and controlled, and proper records are maintained. These controls and practices are intended to ensure the orderly conduct of business, the accuracy of accounting records, the timely preparation of reliable financial information and adherence to the College's policies and statutory requirements.

The Board of Governors is responsible for ensuring that management fulfils its responsibilities for financial reporting and internal control. It exercises this responsibility through the Finance Committee of the Board, which is composed of a majority of Members who are not employees of the College. The Finance Committee meets with management and the external auditors, who have full and free access to the Finance Committee.

The Auditor General of Canada is responsible for auditing the College's financial statements and for issuing his report thereon. He has audited the English and French versions of the financial statements and has reported thereon. The College's management and the Board of Governors are responsible for the translation into Inuktitut.

Greg Welch
President

Doug Covey, CA
Bursar/Chief Financial Officer

Iqaluit, Canada
September 23, 1997

AUDITOR'S REPORT

To the Minister of Education, Culture and Employment
of the Government of the Northwest Territories

I have audited the balance sheet of the Nunavut Arctic College as at June 30, 1997 and the statements of operations and surplus (deficit) and changes in financial position for the year then ended. These financial statements are the responsibility of the College's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with 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 management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the College as at June 30, 1997 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles. As required by the Financial Administration 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 College and the financial statements are in agreement therewith and the transactions of the College that have come to my notice during my audit of the financial statements have, in all significant respects, been in accordance with the Financial Administration Act and regulations, the Public Colleges Act and regulations and the by-laws of the College.

Raymond Dubois, FCA
Deputy Auditor General
for the Auditor General of Canada

Ottawa, Canada
September 23, 1997

NUNAVUT ARCTIC COLLEGE

BALANCE SHEET as at June 30
(thousands of dollars)

	<u>1997</u>	<u>1996</u>
<u>ASSETS</u>		
Current		
Cash	\$ 515	\$ 2,400
Accounts receivable (Note 3)	1,825	1,467
Prepaid expenses	<u>178</u>	<u>-</u>
	2,518	3,867
Capital assets (Note 4)	<u>607</u>	<u>566</u>
	<u>\$ 3,125</u>	<u>\$ 4,433</u>
<u>LIABILITIES</u>		
Current		
Accounts payable and accrued liabilities	\$ 1,824	\$ 1,539
Deferred revenue (Note 5)	426	589
Due to the Government of the Northwest Territories	<u>286</u>	<u>587</u>
	2,536	2,715
Provision for employee termination benefits	720	558
Professional development liability	<u>130</u>	<u>271</u>
	3,386	3,544
<u>EQUITY</u>		
Surplus (Deficit) (Note 9)	<u>(261)</u>	<u>889</u>
	<u>\$ 3,125</u>	<u>\$ 4,433</u>
Commitments (Note 8)		
Contingencies (Note 10)		

The accompanying notes are an integral part of the financial statements.

Approved by the Board:

Joe Ohokannoak
Chairperson of the Board

Lyn Woodhouse
Acting Chairperson of the Finance Committee

NUNAVUT ARCTIC COLLEGE

STATEMENT OF OPERATIONS AND SURPLUS (DEFICIT)
for the year ended June 30
(thousands of dollars)

	<u>1997</u>	<u>1996</u>
REVENUES		
Contributions	\$ 12,262	\$ 12,222
Contract income	6,620	5,456
Tuition fees	502	475
Room and board	488	618
Investment income	103	174
Other	<u>204</u>	<u>140</u>
	<u>20,179</u>	<u>19,085</u>
 EXPENSES		
Salaries and employee benefits	11,456	10,727
Fees and professional services	2,834	2,319
Travel and accomodation	1,645	1,493
Materials and supplies	1,417	976
Utilities	1,377	1,070
Telecommunications, postage and freight	594	385
Rent	547	272
Building and equipment repairs	452	361
Furniture and equipment	420	156
Printing and publishing	366	200
Amortization	132	97
Bad debts	<u>89</u>	<u>266</u>
	<u>21,329</u>	<u>18,322</u>
 EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	 (1,150)	 763
 SURPLUS AT BEGINNING OF YEAR	 <u>889</u>	 <u>126</u>
 SURPLUS (DEFICIT) AT END OF YEAR	 <u>\$ (261)</u>	 <u>\$ 889</u>

The accompanying notes are an integral part of the financial statements.

NUNAVUT ARCTIC COLLEGE

STATEMENT OF CHANGES IN FINANCIAL POSITION
for the year ended June 30
(thousands of dollars)

	<u>1997</u>	<u>1996</u>
OPERATING ACTIVITIES		
Excess (deficiency) of revenue over expenses	\$ (1,150)	\$ 763
Items not requiring an outlay of cash		
Amortization	132	97
Increase (decrease) in the professional development liability	(141)	38
Increase (decrease) in the provision for employee termination benefits	<u>162</u>	<u>(110)</u>
	(997)	788
 Net change in non-cash working capital items	 <u>(715)</u>	 <u>124</u>
	(1,712)	912
 INVESTING ACTIVITIES		
Acquisition of capital assets	<u>(173)</u>	<u>(397)</u>
 INCREASE (DECREASE) IN CASH FOR THE YEAR	 (1,885)	 515
CASH AT BEGINNING OF YEAR	<u>2,400</u>	<u>1,885</u>
CASH AT END OF YEAR	<u>\$ 515</u>	<u>\$ 2,400</u>

The accompanying notes are an integral part of the financial statements.

NUNAVUT ARCTIC COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 1997

1. AUTHORITY AND ACTIVITIES

The Nunavut Arctic College ("the College") operates under the authority of the Public Colleges Act. The College is a Schedule B Public Agency as listed in the Financial Administration Act.

The College receives contributions for its operations and capital requirements for the administration and delivery of its adult and post-secondary education programs from the Government of the Northwest Territories.

The College is an institution designed to provide a wide variety of educational services to adult learners. The programs are directed specifically to the northern environment and the needs of individual northerners, the workforce and northern communities. To accomplish this, courses and services are delivered at campuses and communities in the Nunavut Settlement Area. Through the work of the Nunavut Research Institute, the College is also responsible for the facilitation and preparation of research activity in the region.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with generally accepted accounting principles. A summary of significant accounting policies follows:

Contributions

Contributions from the Government of the Northwest Territories are based on the annual contribution amount set out in the Government's Main Estimates and represent the majority of the base funding for the College to cover its expenditures. Contributions are received monthly based on a predetermined schedule of cash flow requirements and are recorded on an accrual basis.

Contract income

The College enters into contracts with private companies, government departments and agencies to develop and deliver courses across Nunavut. Revenue is recognized over time by matching to the expenses incurred for development and delivery services provided.

NUNAVUT ARCTIC COLLEGE

NOTES TO THE FINANCIAL STATEMENTS

June 30, 1997

Investment income

The College earns investment income through an agreement with the Government of the Northwest Territories (GNWT) whereby the GNWT invests the College's available cash balances. These amounts are recorded as income in the year they are earned. The terms of this agreement are such that the College is not exposed to any credit risk or potential for loss of capital.

Deferred revenue

Deferred revenue represents contract payments and donations received in advance. Deferred contract payments are recognized as revenue when the related services are provided. Deferred donation payments are recognized as revenue when the monies are expended in accordance with the specific purpose.

Capital assets

Capital assets transferred to the College from the former Arctic College and the Nunavut Research Institute, effective January 1, 1995, were recorded at the fair market value at that date, determined as the original cost less accumulated amortization or estimated market value. Subsequent acquisitions are recorded at cost. Capital assets are amortized over their estimated remaining lives on a straight-line basis at the following annual rates:

Computers and printers	25%
Furniture and equipment	10%
Building improvements	5%
Mobile equipment	10%

In addition, leasehold improvements are amortized over the remaining term of the leases.

Employee termination benefits

On termination of employment, employees are entitled to benefits provided for under their terms of employment. The cost of these benefits is expensed in the year in which they are earned by the employees.

Professional development liability

The professional development liability is for the long-term professional development of College instructors and teachers. Under the Union of Northern Workers Collective Agreement, an amount equal to three percent of the base salary of all indeterminate instructors on strength as at April 1st of each year, is recorded under salaries and employee benefits as expenses, and as a liability. In addition, an amount determined in accordance with the Northwest Territories Teachers' Association Collective Agreement is also recorded as expenses and liability.

NUNAVUT ARCTIC COLLEGE

NOTES TO THE FINANCIAL STATEMENTS

June 30, 1997

Pension plan

Employees of the College participate in the Public Service Superannuation Plan administered by the Government of Canada. The employees and the College contribute equally to the cost of the plan. The College's contributions are charged to expenditures on a current year basis, and represent the total pension obligations of the College. The College is not required under present legislation to make contributions with respect to actuarial deficiencies of the Public Service Superannuation Account.

3. ACCOUNTS RECEIVABLE

The accounts receivable of \$1,824,529 (1996 - \$1,466,535) are net of allowances for doubtful accounts of \$592,515 (1996 - \$510,000). These receivables include \$494,706 (1996- \$412,000) due from departments of the Government of the Northwest Territories.

4. CAPITAL ASSETS

	1997			1996	
Cost	Accumulated Amortization	Net Book Value	Net Book Value		
	(thousands of dollars)				
Computers and printers	\$ 431	\$ 208	\$ 223	\$	228
Furniture and equipment	242	88	154		158
Building improvements	136	17	119		59
Mobile equipment	109	24	85		80
Leasehold improvements	56	30	26	\$	41
	\$ 974	\$ 367	\$ 607	\$	566

5. DEFERRED REVENUE

	1997		1996	
	(thousands of dollars)			
Contract payments	\$	267	\$	449
Donations		159		140
	\$	426	\$	589

NUNAVUT ARCTIC COLLEGE

NOTES TO THE FINANCIAL STATEMENTS

June 30, 1997

6. RELATED PARTY TRANSACTIONS

The College is related in terms of common ownership to all Government of the Northwest Territories created departments, agencies and crown corporations. The College enters into transactions with these entities in the normal course of business. These transactions are as follows:

Revenues

The College received a contribution of \$ 12,262,132 (1996 - \$12,222,083) from the Department of Education, Culture and Employment and contract income of \$4,443,612 (1996 - \$3,874,493) for courses delivered on behalf of the Government of the Northwest Territories.

Expenses

Under the transfer policy of the Government of the Northwest Territories, certain support services are provided to the College by various government departments.

The Department of Public Works and Services charged the College \$1,888,491 (1996 - \$1,822,662) for the utility and operating costs of the facilities. The Financial Management Board Secretariat charged \$295,880 (1996 - \$640,079) for the employee benefits and recruitment costs related to the employees of the College.

The College also receives, without any charge, various services from related departments, boards and agencies. Services provided include personnel, payroll, financial, procurement, legal and translation services.

7. FAIR VALUE OF FINANCIAL INSTRUMENTS

The transactions related to cash, accounts receivable, accounts payable and accrued liabilities and the due to the Government are incurred in the normal course of business. The carrying amounts of each of these accounts approximate their fair value because of their short-term maturity. There is no concentration of accounts receivable with any customer, except with the Government of the Northwest Territories, and, consequently, the credit risk is low.

8. COMMITMENTS

The College has entered into leases and service agreements for student accommodation, classroom space, office equipment and other services and is committed to basic payments over the next years as follows:

	(thousands of dollars)
1998	\$ 548
1999	259
2000	<u>23</u>
	<u>\$ 830</u>

NUNAVUT ARCTIC COLLEGE

NOTES TO THE FINANCIAL STATEMENTS

June 30, 1997

9. CORRECTION OF AN ERROR IN PREVIOUS FINANCIAL STATEMENTS

Due to the settlement of a labor contract, in 1996, an amount receivable from employees was recorded but the related reduction of the contribution from the Government of the Northwest Territories was not accounted for. The comparative financial statements for the year ending June 30, 1996 have been restated such that the contribution has been decreased by \$163,292 and due to the Government of the Northwest Territories has been increased by a similar amount.

10. CONTINGENCIES

In the ordinary course of business, a claim has been brought against the College. In the opinion of management, the loss, if any, which may result from the settlement of the matters is not likely to be material and accordingly no provision has been made in the accounts of the College. In the event that such expense were to occur, it would be recognized as a period cost.

11. COMPARATIVE FIGURES

Some of the 1996 comparative figures have been reclassified to conform with the presentation adopted in 1997.

**NORTHWEST TERRITORIES POWER CORPORATION
CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 1997**

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Management's Responsibility for Financial Reporting

The accompanying consolidated financial statements were prepared by management in accordance with generally accepted accounting principles. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances. The Northwest Territories Power Corporation is regulated by the Public Utilities Board of the Northwest Territories, which also examines and approves its accounting policies and practices. Consolidated financial statements include certain amounts based on estimates and judgements. Management has determined such amounts on a reasonable basis in order to ensure that the consolidated financial statements are presented fairly in all material respects. Management has prepared financial information presented elsewhere in the annual report and has ensured that it is consistent with that in the consolidated financial statements.

The Corporation maintains internal financial and management systems and practices which are designed to provide reasonable assurance that reliable financial and non-financial information is available on a timely basis, that assets are acquired economically, are used to further the Corporation's aims, are protected from loss or unauthorized use and that the Corporation acts in accordance with the laws of the Northwest Territories and Canada. The Corporation's management recognizes its responsibility for conducting the Corporation's affairs in accordance with the requirements of applicable laws and sound business principles, and for maintaining standards of conduct that are appropriate to a Territorial Crown corporation. An internal auditor reviews the operation of financial and management systems to promote compliance and to identify changing requirements or needed improvements.

The Auditor General of Canada provides an independent, objective audit for the purpose of expressing his opinion on the consolidated financial statements. He also considers whether the transactions that come to his notice in the course of this audit are, in all significant respects, in accordance with the specified legislation.

The Board of Directors appoints certain of its members to serve on the Audit and Efficiency Committee. This Committee oversees management's responsibilities for financial reporting and reviews and recommends approval of the consolidated financial statements. The internal and external auditors have full and free access to the Audit and Efficiency Committee.

The consolidated financial statements have been approved by the Board of Directors.

Leon Courneya, C.A.
President & COO

Christine A. Jackson, C.A.
Vice President, Finance & CFO

Hay River, NT
May 23, 1997

AUDITOR'S REPORT

To the Minister responsible for the
Northwest Territories Power Corporation

I have audited the consolidated balance sheet of the Northwest Territories Power Corporation as at 31 March 1997 and the consolidated statements of earnings and retained earnings, and changes in financial position for the year then ended. These financial statements are the responsibility of the Corporation's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with 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 management, 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 Corporation as at 31 March 1997 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles. As required by the Financial Administration 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 and the financial statements are in agreement therewith and the transactions of the Corporation and of its wholly-owned subsidiaries that have come to my notice during my audit of the consolidated financial statements have, in all significant respects, been in accordance with the Financial Administration Act and regulations, the Northwest Territories Power Corporation Act and the by-laws of the Corporation and its wholly-owned subsidiaries.

Raymond Dubois, FCA
Deputy Auditor General
for the Auditor General of Canada

Ottawa, Canada
23 May 1997

NORTHWEST TERRITORIES POWER CORPORATION
Consolidated Balance Sheet
as at March 31, 1997
(\$000's)

ASSETS

	<u>1997</u>	<u>1996</u>
Current assets		
Cash and short-term investments	\$ 6,864	\$ 12,573
Accounts receivable (Note 6)	16,812	14,029
Prepaid expenses	782	645
Inventories (Note 7)	<u>14,351</u>	<u>14,656</u>
	38,809	41,903
Property and equipment (Note 8)	220,179	183,476
Deferred charges and other assets (Note 9)	2,163	4,914
Loan receivable (Note 10)	<u>22,729</u>	<u>15,844</u>
	<u>\$ 283,880</u>	<u>\$ 246,137</u>

LIABILITIES AND SHAREHOLDER'S EQUITY

	<u>1997</u>	<u>1996</u>
Current liabilities		
Accounts payable and accrued liabilities	\$ 14,041	\$ 12,929
Dividend payable	5,854	--
Current portion of long-term debt (Note 12)	7,982	6,745
Capital Replacement Reserve Fund (Note 11)	<u>3,207</u>	<u>3,358</u>
	31,084	23,032
Long-term debt (Note 12)	145,633	118,717
Deferred credits and other liabilities (Note 13)	10,186	10,663
Shareholder's equity (Note 14)	<u>96,977</u>	<u>93,725</u>
	<u>\$ 283,880</u>	<u>\$ 246,137</u>

Commitments (Note 15)

Approved on behalf of the Board:

Pierre R. Alvarez
Chairman & CEO

Ronald D. Williams
Director

See accompanying notes

NORTHWEST TERRITORIES POWER CORPORATION
Consolidated Statement of Earnings and Retained Earnings
for the year ended March 31, 1997
(\$000's)

	<u>1997</u>	<u>1996</u>
Revenues (Note 3)		
Sale of power	\$ 96,063	\$ 96,547
Sale of heat	3,310	2,545
Other	<u>3,219</u>	<u>3,263</u>
	<u>102,592</u>	<u>102,355</u>
Expenses		
Fuel and lubricants	33,963	34,018
Salaries and wages	22,311	21,989
Supplies and services	14,615	14,158
Amortization	7,801	9,372
Travel and accommodation	<u>3,208</u>	<u>3,138</u>
	<u>81,898</u>	<u>82,675</u>
Earnings from operations	<u>20,694</u>	<u>19,680</u>
Allowance for funds used during construction	450	794
Interest income	<u>2,797</u>	<u>1,927</u>
	<u>3,247</u>	<u>2,721</u>
Earnings before interest expense	23,941	22,401
Interest expense (Note 4)	<u>14,835</u>	<u>11,736</u>
Net earnings	9,106	10,665
Retained earnings at beginning of year	<u>50,596</u>	<u>44,223</u>
	59,702	54,888
Dividend (Note 5)	<u>5,854</u>	<u>4,292</u>
Retained earnings at end of year	<u>\$ 53,848</u>	<u>\$ 50,596</u>

See accompanying notes

NORTHWEST TERRITORIES POWER CORPORATION
Consolidated Statement of Changes in Financial Position
for the year ended March 31, 1997
(\$000's)

	<u>1997</u>	<u>1996</u>
Cash provided by (used for):		
Operating activities		
Net earnings	\$ 9,106	\$ 10,665
Items not requiring an outlay of funds		
Amortization expense	7,801	9,372
Amortization of deferred fuel and lubricants costs	2,434	---
Allowance for funds used during construction	<u>(450)</u>	<u>(794)</u>
	18,891	19,243
Decrease (increase) in operating working capital	3,940	(663)
(Decrease) increase in capital replacement reserve fund	(151)	868
Expenditures on site restoration	<u>(628)</u>	<u>---</u>
	<u>22,052</u>	<u>19,448</u>
Investing activities		
Expenditures on property and equipment	(16,135)	(17,443)
Proceeds on disposal of property and equipment	402	185
Increase in deferred charges and other		
Increase in loan receivable	(1,018)	(2,949)
	<u>(6,967)</u>	<u>(12,865)</u>
	<u>(23,718)</u>	<u>(33,072)</u>
Financing activities		
Proceeds from long-term debt	9,000	36,000
Repayment of long-term debt	(5,752)	(5,450)
Sinking fund installments	(1,437)	(765)
Dividend	<u>(5,854)</u>	<u>(4,292)</u>
	<u>(4,043)</u>	<u>25,493</u>
Increase (decrease) during the year	(5,709)	11,869
Cash and short-term investments at beginning of year	<u>12,573</u>	<u>704</u>
Cash and short-term investments at end of year	<u>\$ 6,864</u>	<u>\$ 12,573</u>

See accompanying notes

NORTHWEST TERRITORIES POWER CORPORATION
Notes to Consolidated Financial Statements
March 31, 1997
(\$000's)

1. Authority and Operations

The Corporation operates under the authority of the Northwest Territories Power Corporation Act and the Financial Administration Act and is a Crown corporation of the Government of the Northwest Territories.

The Corporation operates diesel and hydroelectric production facilities to provide utility services on a self-sustaining basis in the Northwest Territories. The Corporation is regulated by the Public Utilities Board of the Northwest Territories ("PUB").

The Corporation is exempt from income tax.

2. Accounting policies

A summary of the significant accounting policies follows:

Consolidation

The consolidated financial statements have been prepared in accordance with generally accepted accounting principles and include the accounts of the Corporation and its wholly-owned subsidiaries NWT Energy Corporation Ltd., and 923204 N.W.T. Ltd.

NWT Energy Corporation Ltd., under the authority of the Northwest Territories Power Corporation Act, provided construction and project financing to the Dogrib Power Corporation for the construction of a 4.3 MW hydro facility on the Snare River. 923204 N.W.T. Ltd. owns a 50% interest in Aadrii Ltd., a company that owns and operates a district heating system in Fort McPherson, NWT.

Revenue

Utility revenues are recognized on the accrual basis and include an estimate of services provided but not yet billed.

Cash and short-term investments

The Corporation invests in a conservative short-term investment fund which is restricted to investments of very low risk.

Inventories

Fuel and lubricants are valued at the lower of average cost and net realizable value. Materials and supplies are valued at the lower of cost and replacement cost.

Property and equipment

Property and equipment, excluding that donated to the Corporation, are carried at cost less accumulated amortization. Costs of additions, betterments and major renewals are capitalized. In addition to direct costs of goods and services, capital project costs include an allowance for funds used during construction at a rate approved by the PUB and a share of engineering and general administration expense which is directly attributable to the project.

NORTHWEST TERRITORIES POWER CORPORATION
Notes to Consolidated Financial Statements
March 31, 1997
(\$000's)

2. Accounting policies (continued)

Property and equipment (continued)

Property and equipment donated to the Corporation are recorded at their estimated fair value less accumulated amortization.

Amortization

Amortization of property and equipment is provided on the straight-line average group useful life basis, at rates which are approved by the PUB and which include a provision for future removal and site restoration costs, net of salvage value. The provision for future removal and site restoration costs, net of salvage value, is based on estimates which, by their nature, are subject to measurement uncertainty.

Net removal and site restoration costs and, upon the retirement or sale of assets, the cost of the assets net of disposal proceeds, are charged to accumulated amortization. Gains or losses arising from exceptional circumstances are included in earnings.

Amortization rates are as follows:

Electric Power Plants	1.3 - 5.0%
Transmission and distribution systems	1.9 - 5.0%
Buildings and equipment	2.6 - 9.9%
Other utility assets	5.0%
Other	20.0%

Deferred charges

Financing costs relating to the issue of long-term debt are amortized on a straight-line basis over the remaining term of the related debt. Regulatory costs are amortized on a straight-line basis over a period not exceeding three years.

Deferred credits

Deferred credits reflect donations of assets and contributions to aid in the construction and acquisition of property and equipment, and are amortized on the same basis as the related property and equipment.

Pension plan

Contributions are made by the Corporation and its employees to the Public Service Superannuation Plan administered by the Government of Canada. These contributions represent the total liability of the Corporation and are recognized in the accounts on a current basis.

NORTHWEST TERRITORIES POWER CORPORATION
Notes to Consolidated Financial Statements
March 31, 1997
(\$000's)

3. Regulatory matters

In December 1995 the Corporation submitted a General Rate Application to determine its rate base, revenue requirements and return on rate base for the years ended March 31, 1996 and 1997. Subsequent to that application, the Corporation was granted approval to implement an interim refundable rider related to a continued low water situation with the Snare River hydroelectric system. Pursuant to the rider \$1,549 was collected to March 31, 1996 and an additional \$2,409 was collected to March 31, 1997. In July 1996 the Corporation amended its General Rate Application to incorporate the 1997/98 fiscal year.

The application included:

- a) a proposal to establish water and fuel stabilization funds to mitigate the impact on utility rates of unanticipated changes in fuel prices and deviations from average water levels;
- b) a proposal to establish amortization estimates based upon the average group useful life basis of straight-line amortization, and which would include provision for future removal and site restoration costs. The estimates would result in a net accumulated reserve variance of \$28,340, which would be amortized over ten years;
- c) a proposal to include the Snare Cascades Hydro Project in the rate base in the year ended March 31, 1997, subject to a phase-in of the project that would smooth the impact on utility rates resulting from the project being added to the rate base.

In a January 1997 decision the PUB determined the Corporation's rate base, revenue requirements, and return on rate base for the fiscal years ended March 31, 1996-98. The decision included approval of proposals (a), (b) and (c) above, all of which were implemented in the year. In addition, the Corporation has accrued \$1,895 of revenue earned to March 31, 1997 pursuant to the PUB decision, and which will be collected by rate rider in the 1997/98 fiscal year.

4. Interest expense

	1997	1996
Interest on long-term debt:		
Sinking fund debentures	\$ 9,438	\$ 8,072
Debentures	2,029	1,162
Capital lease	1,676	---
Promissory note	1,313	1,901
	14,456	11,135
Other interest	379	601
	\$ 14,835	\$ 11,736

NORTHWEST TERRITORIES POWER CORPORATION
Notes to Consolidated Financial Statements
March 31, 1997
(\$000's)

5. Dividend

Pursuant to the Northwest Territories Power Corporation Act, the Government of the Northwest Territories directed the Corporation to declare a dividend of \$5,854 (1996-\$4,292).

6. Accounts receivable

	1997	1996
Utilities, net of allowance for doubtful accounts of \$92 (1996-\$83)	\$ 15,641	\$ 12,939
Other, net of allowance for doubtful accounts of \$33 (1996- \$17)	1,022	1,023
Current portion of loan receivable (Note 10)	149	67
	\$ 16,812	\$ 14,029

Included in utility accounts receivable is \$6,871 (1996-\$6,586) in unbilled amounts. There are no concentrations of accounts receivable with any one customer and there is therefore no significant credit risk.

7. Inventories

	1997	1996
Fuel and lubricants	\$ 10,311	\$ 10,485
Materials and supplies	4,040	4,171
	\$ 14,351	\$ 14,656

NORTHWEST TERRITORIES POWER CORPORATION
Notes to Consolidated Financial Statements
March 31, 1997
(\$000's)

8. Property and equipment

	<u>1997</u>			<u>1996</u>
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Electric power plants	\$ 256,386	\$ 94,322	\$ 162,064	\$ 123,973
Transmission and distribution systems	65,550	23,946	41,604	41,167
Warehouses, equipment, motor vehicles and general facilities	23,009	12,929	10,080	9,154
Other utility assets	2,735	2,078	657	33
Other	<u>2,916</u>	<u>2,670</u>	<u>246</u>	<u>750</u>
	350,596	135,945	214,651	175,077
Construction work in progress	<u>5,528</u>	---	<u>5,528</u>	<u>8,399</u>
	<u>\$ 356,124</u>	<u>\$ 135,945</u>	<u>\$ 220,179</u>	<u>\$ 183,476</u>

1997 accumulated amortization includes a provision of \$45,400 for future removal and site restoration costs.

Engineering and general administration expense capitalized during the year amounted to \$1,889 (1996 - \$1,491).

9. Deferred charges and other assets

	<u>1997</u>	<u>1996</u>
Regulatory costs	\$ 749	\$ 433
Financing costs	677	748
Housing loans receivable	490	600
Other	247	54
Low water fuel and lubricants costs	---	2,434
Site restoration costs	<u>---</u>	<u>645</u>
	<u>\$ 2,163</u>	<u>\$ 4,914</u>

The amortization of the 1996 deferred low water fuel and lubricants costs of \$2,434 is included in 1997 fuel and lubricants expense. The amortization of other deferred charges totalled \$690 (1996 - \$375) and is included in amortization expense.

NORTHWEST TERRITORIES POWER CORPORATION
Notes to Consolidated Financial Statements
March 31, 1997
(\$000's)

10. Loan receivable

	1997	1996
Due from Dogrib Power Corporation	\$ 22,878	\$ 15,911
Less: current portion	149	67
	\$ 22,729	\$ 15,844

The loan to Dogrib Power Corporation financed the construction of a hydroelectric generating plant on the Snare River in the Northwest Territories. Upon completion of construction in August 1996, the plant was leased by Dogrib Power Corporation to the Corporation for 65 years (Note 12).

The loan bears interest at an annual rate of 9.6% which is the average rate of interest on NWT Energy Corporation Ltd.'s long term debt issued to finance the loan. It will be repaid over a 30 year period which commenced in August 1996, with monthly payments, including interest, of \$195,000. The loan is secured by a charge against the plant and the lease agreement.

11. Capital Replacement Reserve Fund

This amount represents funds held for capital repairs to the utilidor system in the town of Inuvik.

Expenditures are made upon the approval of the Inuvik Utilities Planning Committee, which consists of representatives of the Town of Inuvik, the Department of Municipal and Community Affairs of the Government of the Northwest Territories, and the Corporation. During the year the fund earned \$137 (1996-\$187) of interest at rates ranging from 3.4% to 5.3% (1996-5.5% to 8.5%).

NORTHWEST TERRITORIES POWER CORPORATION
Notes to Consolidated Financial Statements
March 31, 1997
(\$000's)

12. Long-term debt

	1997	1996
Promissory note to the Government of the Northwest Territories, repayable in ten equal annual instalments of \$5,350 maturing June 23, 1998, bearing interest at 11% payable semi-annually.	\$ 10,700	\$ 16,050
11% sinking fund debentures, due March 9, 2009	20,000	20,000
11 1/8% sinking fund debentures, due June 6, 2011	15,000	15,000
10 3/4% sinking fund debentures, due May 28, 2012	20,000	20,000
9 3/8% sinking fund debentures, due May 12, 2014	20,000	20,000
8.41% sinking fund debentures, due February 27, 2026	20,000	20,000
10.0% debenture series 1, due May 1, 2025 repayable in equal monthly payments of \$70	7,891	7,939
9 3/4% debenture series 2, October 1, 2025 repayable in equal monthly payments of \$69	7,910	7,960
9.11% debenture series 3, due September 1, 2026 repayable in equal monthly payments of \$73	8,956	---
Capital lease	26,082	---
	156,539	126,949
Less: - current portion	7,982	6,745
- funds on deposit with sinking fund trustee	2,924	1,487
	\$145,633	\$ 118,717

All debentures are unconditionally guaranteed by the Government of the Northwest Territories.

Sinking funds are held by the trustee, Montreal Trust of Canada. The rate of return is estimated to be 7%.

The Corporation has leased, for a period of 65 years, a hydroelectric generating plant on the Snare River in the Northwest Territories. To reflect the effective acquisition and financing nature of the lease, the plant is included in electric power plants in property and equipment at a cost of \$26,342 and the related liability is included in long-term debt. Accumulated amortization of the plant is \$386. The future minimum payments on the lease are approximately \$3,000 in each of 1998-2002 and a total of \$103,000 thereafter, and the imputed interest included in these future payments, at the effective rate of 10%, is \$93,000.

NORTHWEST TERRITORIES POWER CORPORATION
Notes to Consolidated Financial Statements
March 31, 1997
(\$000's)

12. Long-term debt (continued)

Principal repayments and sinking fund requirements:

1998	\$ 7,982
1999	8,699
2000	3,363
2001	3,388
2002	3,410
2003-2062	<u>129,697</u>
	<u>\$156,539</u>

13. Deferred credits and other liabilities

	<u>1997</u>	<u>1996</u>
Deferred credits	\$ 9,042	\$ 9,289
Employee termination benefits	<u>1,144</u>	<u>1,374</u>
	<u>\$ 10,186</u>	<u>\$ 10,663</u>

Termination benefits are earned by certain employees as a condition of their employment, and are based upon years of service.

14. Shareholder's equity

	<u>1997</u>	<u>1996</u>
Capital Stock		
Authorized: unlimited number of voting common shares without par value		
Issued: 431,288 common shares	\$ 43,129	\$ 43,129
Retained earnings	<u>53,848</u>	<u>50,596</u>
	<u>\$ 96,977</u>	<u>\$ 93,725</u>

15. Commitments

Capital projects

The estimated cost to complete capital projects as at March 31, 1997, was \$5,420 (1996-\$13,132).

NORTHWEST TERRITORIES POWER CORPORATION
Notes to Consolidated Financial Statements
March 31, 1997
(\$000's)

15. Commitments (continued)

Operating leases

The Corporation has leased property and equipment under various long-term operating leases. The minimum annual payments for these leases are as follows:

1998	\$ 680
1999	495
2000	270
2001	195
2002	80
2003-2020	<u>50</u>
	<u>\$1,770</u>

Supply contracts

The Corporation has entered into contracts to purchase refined oil products. The contracts extend to October 1998, reflect minimum purchase commitments consistent with the Corporation's operational requirements, and are based on market prices.

16. Related party transactions

The Corporation is a Territorial Crown corporation and consequently is related to the Government of the Northwest Territories and its agencies and Crown corporations.

The Corporation provides utility services to, and purchases fuel and other services from, these related parties. These transactions are at the same rates and terms as those with similar unrelated customers.

Transactions with related parties and balances at year end, not disclosed elsewhere in the financial statements, are as follows:

	<u>1997</u>	<u>1996</u>
Sale of power, heat, water and other	\$ 23,445	\$ 23,763
Purchase of fuel	10,689	10,751
Fuel tax	1,948	2,738
Other	1,098	593
Balances at year end:		
Accounts receivable	1,543	1,684
Accounts payable	2,955	2,356
Dividend payable	5,854	---

NORTHWEST TERRITORIES POWER CORPORATION
Notes to Consolidated Financial Statements
March 31, 1997
(\$000's)

17. Financial instruments

	1997		1996	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Loan receivable	\$ 22,878	\$ 26,985	\$ 15,911	\$ 15,911
Long-term debt	153,615	180,158	125,462	138,140

The fair value of cash and short-term investments and other current accounts receivable and payable, excluding the current portion of loan receivable and long-term debt, approximates the carrying amount of these instruments due to the short period to maturity. The fair value of loan receivable at March 31, 1997 and long-term debt, excluding the capital lease, is based on quoted market values. The fair value of the capital lease, employee termination benefits and the 1996 loan receivable approximates carrying value.

18. Franchises

Subsection 38(1) of the Public Utilities Act of the Northwest Territories states that no public utility shall operate within a municipality unless the franchise of the public utility has been approved by the PUB.

The Corporation requires franchises for 50 communities. As at March 31, 1997, 32 franchises (1996-27 franchises) have been approved by the PUB, while the remaining franchises are at various stages of the application process.

19. Comparative figures

Certain reclassifications have been made to the comparative figures to conform with the current year's presentation.

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NORTHWEST TERRITORIES HOUSING CORPORATION

FINANCIAL STATEMENTS

March 31, 1997

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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

To the Honourable Goo Arlooktoo
Minister Responsible for the
Northwest Territories Housing Corporation

The accompanying financial statements have been prepared by management, which is responsible for the reliability, integrity and objectivity of the information provided. The statements have been prepared in accordance with generally accepted accounting principles in Canada. Where necessary the statements include amounts that are based on informed judgements and estimates by management, giving appropriate consideration to reasonable limits of materiality.

In discharging its responsibilities for the integrity and fairness of the financial statements and for the accounting systems from which they are derived, management maintains the necessary system of internal controls designed to provide assurance that transactions are authorized, assets are safeguarded and proper records are maintained. These controls include quality standards in hiring and training employees, written policies and procedures manuals, and accountability for performance within appropriate and well-defined areas of responsibility. The Corporation's management recognizes its responsibility for conducting the Corporation's affairs in accordance with the requirements of applicable laws and sound business principles, and for maintaining standards of conduct that are appropriate to a Territorial Crown Corporation.

The independent auditor, the Auditor General of Canada, is responsible for auditing the transactions and financial statements of the Corporation and for issuing his report thereon.

D.J. (Dave) Murray
President

J.F. (Jim) Nelson, FCMA
Vice President
Finance and Corporate Services

Yellowknife, NT
June 27, 1997

AUDITOR'S REPORT

To the Minister responsible for the
Northwest Territories Housing Corporation

I have audited the balance sheet of the Northwest Territories Housing Corporation as at March 31, 1997 and the statements of operations, equity, and changes in financial position for the year then ended. These financial statements are the responsibility of the Corporation's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with 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 management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Corporation as at March 31, 1997 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles. As required by the Financial Administration 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 Corporation and the financial statements are in agreement therewith and the transactions of the Corporation that have come to my notice during my audit of the financial statements have, in all significant respects, been in accordance with the Northwest Territories Housing Corporation Act and the Financial Administration Act.

Raymond Dubois, FCA
Deputy Auditor General
for the Auditor General of Canada

Ottawa, Canada
June 27, 1997

NORTHWEST TERRITORIES HOUSING CORPORATION

Balance Sheet
as at March 31, 1997

ASSETS

LIABILITIES

	1997	1996		1997	1996
	(thousands of dollars)			(thousands of dollars)	
Current			Current		
Cash	\$ 2,050	\$ 6,660	Accounts payable		
Short-term investments (Note 3)	58,517	19,904	Trade	\$ 6,786	\$ 7,256
Accounts receivable			Canada Mortgage and Housing Corporation	13,228	-
Other	2,255	3,252	Government of the Northwest Territories	-	345
Government of the Northwest Territories	37	684	Accrued interest	1,591	1,612
Canada Mortgage and Housing Corporation	-	9,916	Due to the Government of the Northwest Territories (Note 7)	5,438	1,739
	<u>62,859</u>	<u>40,416</u>	Unapplied capital contributions (Note 8)	28,439	19,566
			Contractors' holdbacks	1,268	1,991
			Current portion of long-term debt	1,279	1,195
			Current portion of leave and termination benefits	<u>1,002</u>	<u>916</u>
				59,031	34,620
Investment in housing projects			Long-term debt (Note 9)	90,539	91,818
Land and buildings (Note 4)	170,286	191,311	Leave and termination benefits	<u>708</u>	<u>1,333</u>
Mortgages receivable (Note 5)	<u>16,674</u>	<u>6,476</u>		150,278	127,771
	<u>186,960</u>	<u>197,787</u>			
Property and equipment (Note 6)	<u>10,070</u>	<u>9,579</u>			
	<u>\$259,889</u>	<u>\$247,782</u>			

EQUITY

Government of the Northwest Territories	<u>109,611</u>	<u>120,011</u>
	<u>\$259,889</u>	<u>\$247,782</u>

Commitments (Note 13)

Approved by management:

D.J. (Dave) Murray
President

J.F. (Jim) Nelson
Vice President, Finance and Corporate Services

The accompanying notes form an integral part of the financial statements.

NORTHWEST TERRITORIES HOUSING CORPORATION

Statement of Operations
For the year ended March 31, 1997

	<u>1997</u>	<u>1996</u>
	(thousands of dollars)	
Expenses		
Contributions to local housing organizations for public housing	\$ 81,140	\$ 86,097
Mortgage write-off	30,681	8,562
Repairs, maintenance, grants and other costs	23,372	16,036
Administration (Schedule of administration expenses)	16,127	20,112
Staff housing	14,477	1,307
Amortization	9,140	9,187
Interest on long-term debt	6,428	6,520
Provision for impaired mortgages	5,843	(379)
Workshops and studies	260	253
	<u>187,468</u>	<u>147,695</u>
 Revenues and recoveries		
Contribution from the Government of the Northwest Territories (Note 7)	72,245	72,477
Recoveries from Canada Mortgage and Housing Corporation (Note 11)	49,859	50,639
Recoveries from the Government of the Northwest Territories for staff housing	14,041	1,307
Gain on disposal of land and buildings	13,070	324
Interest and other revenue	6,477	6,326
Recovery of prior year grants	607	261
	<u>156,299</u>	<u>131,334</u>
 Excess of expenses over recoveries and revenues (Note 12)	 <u>\$ 31,169</u>	 <u>\$ 16,361</u>

The accompanying notes form an integral part of the financial statements.

NORTHWEST TERRITORIES HOUSING CORPORATION

Statement of Equity
For the year ended March 31, 1997

	<u>1997</u>	<u>1996</u>
	(thousands of dollars)	
Opening balance as previously reported	\$120,011	112,250
Mortgage remeasurement	<u>-</u>	<u>(10,567)</u>
Balance, as restated	120,011	101,683
Excess of expenses over recoveries and revenues	<u>(31,169)</u>	<u>(16,361)</u>
	<u>88,842</u>	<u>85,322</u>
Contributions from the Government of the Northwest Territories		
Capital contributions used for capital expenditures (Note 8)	19,869	32,979
Contributions provided for loan principal repayments of long-term debt (Note 7)	531	512
Other capital contributions	<u>369</u>	<u>1,198</u>
	<u>20,769</u>	<u>34,689</u>
Balance at end of the year	<u>\$109,611</u>	<u>\$120,011</u>

The accompanying notes form an integral part of the financial statements.

NORTHWEST TERRITORIES HOUSING CORPORATION

Statement of Changes in Financial Position
For the year ended March 31, 1997

	<u>1997</u>	<u>1996</u>
	(thousands of dollars)	
Cash provided by (used for):		
Operating activities		
Excess of expenses over recoveries and revenues	\$(31,169)	\$(16,361)
Items not involving cash		
Amortization	9,140	9,187
Provision for impaired mortgages	5,843	(379)
(Decrease), increase in leave and termination benefits	(538)	344
Gain on disposal of land and buildings	(13,070)	(324)
Mortgage write-off	30,681	8,562
Changes in non-cash operating working capital	<u>35,800</u>	<u>13,559</u>
	<u>36,687</u>	<u>14,588</u>
Financing activities		
Contributions from the Government of the Northwest Territories credited to equity	20,769	34,689
Repayment of long-term debt	<u>(1,195)</u>	<u>(1,433)</u>
	<u>19,574</u>	<u>33,256</u>
Investing activities		
Additions to investment in housing projects		
Land and buildings	(32,211)	(42,043)
Mortgages receivable	(53,220)	(16,944)
Additions to property and equipment	(1,492)	(1,850)
Proceeds from disposal of land and buildings	43,582	12,494
Recovery of capital costs from Canada Mortgage and Housing Corporation (Note 10)	14,906	12,296
Repayment of mortgages receivable	<u>6,177</u>	<u>3,913</u>
	<u>(22,258)</u>	<u>(32,134)</u>
Increase (decrease) in cash	34,003	15,710
Cash at beginning of the year	<u>26,564</u>	<u>10,854</u>
Cash at end of the year	<u>\$ 60,567</u>	<u>\$ 26,564</u>
As represented by:		
Cash	\$ 2,050	\$ 6,660
Short-term investments	<u>58,517</u>	<u>19,904</u>
	<u>\$ 60,567</u>	<u>\$ 26,564</u>

The accompanying notes form an integral part of the financial statements.

NORTHWEST TERRITORIES HOUSING CORPORATION

Notes to Financial Statements
March 31, 1997

1. Authority, objective and operations

The Northwest Territories Housing Corporation, established in 1974 pursuant to the Northwest Territories Housing Corporation Act, is a Territorial Crown Corporation named in Schedule B to the Financial Administration Act. Its principal objective is to develop, maintain and manage public housing programs in the Northwest Territories.

The Corporation participates in various public housing and homeownership programs, some of which are cost-shared with Canada Mortgage and Housing Corporation in accordance with the National Housing Act (NHA). Canada Mortgage and Housing Corporation provides funds under cost-sharing agreements for a specified proportion of expenditures, subject to a maximum amount, on individual projects within each program.

A new Social Housing Agreement with the Canada Mortgage and Housing Corporation was signed on April 14, 1997. See Note 15 for further details.

The Corporation is dependent upon the Government of the Northwest Territories, either directly or indirectly through guarantees, for the funds required to finance the net cost of its operations, for capital projects and the recovery of staff housing expenditures.

2. Significant accounting policies

The Corporation's Financial Statements are prepared in accordance with generally accepted accounting policies. The significant accounting policies are as follows:

(a) Investment in housing projects - land and buildings

Land and buildings constructed by the Corporation are stated at cost, less recoveries from Canada Mortgage and Housing Corporation. Northern rental housing, which has been transferred from the Government of the Northwest Territories, is stated at the transferred amount. Construction in progress includes amounts which may be transferred to land and building for rental or may be transferred to homeowners and a mortgage taken back against the property. These costs includes labour, material and freight. Amortization is provided using the following methods and annual rates. The provisions for amortization begins in the year the building is completed and is taken for the full year.

Public housing, senior citizen's housing and lease purchase housing	Declining	5%
Northern rental housing	Straight-line	5%

(b) Investment in housing projects - mortgages receivable

(i) Mortgage write-off

The Corporation, under section 44(1) of its Act, subsidizes principal and interest payments due from homeowners under the legal terms and conditions of mortgages. These subsidies vary in amount depending on the income of the mortgagors. Subsidies are expensed at the time the decision is made by the Corporation to subsidize a mortgage.

NORTHWEST TERRITORIES HOUSING CORPORATION

Notes to Financial Statements
March 31, 1997

2. Significant accounting policies (continued)

The mortgage receivable balance represents the present value of the expected future payments from the mortgagors, net of an allowance for impaired mortgages.

(ii) Allowance for impaired mortgages

Mortgages are considered impaired when there is reasonable doubt as to the timely collection of principal and interest. A mortgage is considered impaired when a payment is six months in arrears. An allowance is established to reduce the recorded value of the mortgage to its estimated realizable value based on the present value of expected payments.

Initial and subsequent changes in the amount of mortgage impairment are recorded through the mortgage provision.

(c) Interest revenue

Interest income on mortgages is recorded on the accrual basis. When a mortgage becomes impaired, recognition of interest ceases. Thereafter, interest income is recognized on a cash basis, but only after prior write-offs arising from credit losses and the allowance for impairment have been recovered.

(d) Property and equipment

Property and equipment are stated at cost. Amortization is provided using the following methods and annual rates:

Office furniture and equipment	Declining balance	20%
Warehouses, office buildings and staff housing	Straight-line	5%

Leasehold improvements are amortized on a straight-line basis over the term of the leases.

(e) Contributions and recoveries from the Government of the Northwest Territories

Contributions and recoveries from the Government of the Northwest Territories for operations and maintenance are credited to operations, except for those amounts provided for loan principal repayments which are credited to equity. Capital contributions are credited to equity if used for capital expenditures, or to operations if used for repairs, maintenance, grants and other costs.

(f) Recoveries from Canada Mortgage and Housing Corporation

The Corporation recovers from Canada Mortgage and Housing Corporation its share of the contributions to local housing organizations for the operating costs of public housing units built under the various NHA programs. The recovery is shown net of an allowance for administration expenses.

NORTHWEST TERRITORIES HOUSING CORPORATION

Notes to Financial Statements
March 31, 1997

2. Significant accounting policies (continued)

(g) Contributions to local housing organizations

Houses owned by the Corporation are operated by local housing associations and authorities. The Corporation provides contributions for the annual operating requirements of these local housing organizations. These contributions are recorded on an accrual basis by the Corporation.

(h) Pension contributions

The Corporation and its employees, who are deemed to be employees of the Government of the Northwest Territories, make contributions to the Public Service Superannuation Plan administered by the Government of Canada. Contributions to the Plan are required from both the employees and the Corporation. These contributions represent the total liability of the Corporation and are recognized in the accounts on a current basis. The Corporation is not required under present legislation to make contributions with respect to actuarial deficiencies of the Public Service Superannuation Account.

(i) Leave and termination benefits

The Corporation accrues in its accounts the estimated liabilities for severance pay, annual leave and overtime compensatory leave, which is recorded as benefits accrue to the employees.

3. Short-term investments

The Corporation invests in the short-term money market. The portfolio yield for the year ended March 31, 1997 varied from 2.00% to 5.25% (1996 5.00% to 8.05%). All instruments held in short-term investments have an R-2 high or an AA rating or higher from either the Dominion Bond Rating Service or the Canadian Bond Rating Service. Investments are diversified by limiting them to a maximum of 5% to 50% of the total portfolio and a maximum dollar value of \$10 million depending on the issuer of the investment. There is no significant concentration in any one investment. The average term to maturity is 42 days.

NORTHWEST TERRITORIES HOUSING CORPORATION

Notes to Financial Statements
March 31, 1997

4. Investment in housing projects - land and buildings

	1997			1996
	Cost	Accumulated Amortization	Net	Net
	(thousands of dollars)			
Land	\$ 547	\$ -	\$ 547	\$ 568
Public housing	222,847	99,301	123,546	125,596
Northern rental housing	2,686	2,624	62	80
Senior citizens' housing	6,648	1,905	4,743	3,333
Lease/Purchase housing	28,797	2,792	26,005	30,786
Staff housing	677	57	620	463
Construction in progress	14,763	-	14,763	30,485
	<u>\$276,965</u>	<u>\$106,679</u>	<u>\$170,286</u>	<u>\$191,311</u>

5. Investments in housing projects - mortgages receivable

	1997	1996
	(thousands of dollars)	
First mortgages, rural and remote housing, bearing interest at rates varying between 0% and 14.25% per annum, repayable over a maximum period of 25 years	\$ 1,894	\$ 532
Less: allowance	(939)	(457)
	955	75
Other mortgages, bearing interest at rates varying between 6% and 14.25% per annum, repayable over a maximum period of 25 years	17,645	4,454
Less: allowance	(6,172)	(838)
	11,473	3,616
Interim financing, direct lending and land acquisition loans bearing interest at rates varying between 7.75% and 13.25% per annum, repayable over a maximum period of 25 years	4,495	3,007
Less: allowance	(249)	(222)
	4,246	2,785
	<u>\$ 16,674</u>	<u>\$ 6,476</u>

The recorded value of those mortgages specifically identified as being impaired is \$7,360,000 (1996 - \$1,517,000).

NORTHWEST TERRITORIES HOUSING CORPORATION

Notes to Financial Statements
March 31, 1997

6. Property and equipment

	1997		1996	
	Cost	Accumulated Amortization	Net	Net
	(thousands of dollars)			
Warehouses	\$14,103	\$ 5,174	\$ 8,929	\$ 8,530
Office furniture and equipment	2,683	1,637	1,046	360
Staff housing	532	462	70	96
Office buildings	162	158	4	13
Construction in progress	21	-	21	580
	<u>\$17,501</u>	<u>\$ 7,431</u>	<u>\$10,070</u>	<u>\$ 9,579</u>

7. Due to the Government of the Northwest Territories

	1997	1996
	(thousands of dollars)	
Balance at beginning of the year	\$ 1,739	\$ 101
Operating contributions	58,206	62,329
Contributions provided for loan principal repayments of long-term debt	(531)	(512)
Capital contributions used for repairs, maintenance, grants and other cost (note 8)	18,269	12,298
	75,944	74,115
Cost of operations net of unfunded items	72,245	72,477
	3,699	1,638
Balance at end of year	<u>\$ 5,438</u>	<u>\$ 1,739</u>

The Government of the Northwest Territories makes advances to the Corporation for funding operations, principal repayments of long-term debt and repairs, maintenance grants and other costs. Approved contributions recorded in the financial statements are dependent upon actual expenditures incurred for the year. Amounts advanced in excess of actual expenditures are due to the Government of the Northwest Territories at year end carried forward as a non-interest bearing advance for the following year.

NORTHWEST TERRITORIES HOUSING CORPORATION

Notes to Financial Statements
March 31, 1997

8. Unapplied capital contributions

	<u>1997</u>	<u>1996</u>
	(thousands of dollars)	
Balance at beginning of the year	\$19,566	\$19,208
Repayment	-	(4,000)
Capital contributions received	<u>47,011</u>	<u>49,635</u>
	<u>66,577</u>	<u>64,843</u>
Capital expenditures	19,869	32,979
Capital contributions used for repairs, maintenance, grants and other costs (note 7)	<u>18,269</u>	<u>12,298</u>
	<u>38,138</u>	<u>45,277</u>
Balance at end of the year	<u>\$28,439</u>	<u>\$19,566</u>
Representing unapplied capital contributions for		
1997	\$17,131	\$ -
1996	10,878	15,076
1995	430	1,227
1994	-	2,660
1993	-	603
	<u>\$28,439</u>	<u>\$19,566</u>

NORTHWEST TERRITORIES HOUSING CORPORATION

Notes to Financial Statements
March 31, 1997

9. Long-term debt

	<u>1997</u>	<u>1996</u>
	(thousands of dollars)	
NHA Section 82 loans from Canada Mortgage and Housing Corporation, repayable in annual instalments until the year 2033, bearing interest at an average weighted rate of 7.0% (1996 - 7.0%)	\$ 89,669	\$ 90,864
NHA Section 81 loans from Canada Mortgage and Housing Corporation for use in financing costs of land development, repayable when land is removed from inventory, bearing interest at an average weighted rate of 10.9% (1996 - 10.9%)	<u>49</u>	<u>49</u>
	89,718	90,913
Loan from the Government of the Northwest Territories for the provision of Direct Lending Mortgages which is repayable when the program is terminated	1,000	1,000
Loans from the Government of the Northwest Territories for the provision of Interim Financing which is repayable when the program is terminated	<u>1,100</u>	<u>1,100</u>
	91,818	93,013
Portion included in current liabilities	<u>1,279</u>	<u>1,195</u>
	<u>\$ 90,539</u>	<u>\$ 91,818</u>

The loans are guaranteed by the Government of the Northwest Territories.

Principal repayments and interest requirements over the next three years on outstanding loans are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
	(thousands of dollars)		
1998	\$1,279	\$6,364	\$7,643
1999	1,370	6,273	7,643
2000	1,467	6,176	7,643

Long-term debt will be renegotiated in the year 2000.

NORTHWEST TERRITORIES HOUSING CORPORATION

Notes to Financial Statements
March 31, 1997

10. Fair value of financial instruments

The fair value of cash and short-term investments, accounts receivable and accounts payable and accruals approximates the carrying amount of these instruments due to the short period to maturity. Accounts receivable other consists of amounts due from Local Housing Organizations, which represents 60% of the outstanding balance.

The carrying amounts of mortgages of \$16,674,000 (1996 - \$6,476,000), which is based on discounted cash flows, approximates fair value. This should not be interpreted as the realizable value on immediate settlement of these mortgages due to the uncertainty associated with such a settlement.

For other financial instruments, the carrying amounts and the fair values are as follows:

	1997		1996	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Long-term debt	\$90,539	\$93,132	\$91,818	\$85,132

The fair value of long-term debt is based on the present value of future cash flows discounted at the March 31, 1997 average market rate of interest for the Province of Newfoundland and Government of Canada debt instruments with a similar maturity date, as applicable. These rates are applied because the Government of the Northwest Territories does not issue debt.

11. Recoveries from Canada Mortgage and Housing Corporation

	1997	1996
	(thousands of dollars)	
Recoveries in respect of:		
Operations and maintenance		
Contributions to local housing organizations including interest expense	\$ 44,563	\$ 46,323
Repairs, maintenance, grants and other costs	<u>5,296</u>	<u>4,316</u>
	<u>\$ 49,859</u>	<u>\$ 50,639</u>
Capital		
Additions to land and buildings	<u>\$ 14,906</u>	<u>\$ 12,296</u>

NORTHWEST TERRITORIES HOUSING CORPORATION

Notes to Financial Statements
March 31, 1997

12. Excess of expenses over revenues and recoveries

The excess is represented by the following unfunded expenses:

	<u>1997</u>	<u>1996</u>
	(thousands of dollars)	
Mortgage write-off	\$ 30,681	\$ 8,562
Amortization	9,140	9,187
Provision for mortgage impairment (Principal portion)	5,843	(379)
Long-term portion of leave and termination benefits	(625)	154
Recovery of small capital program grants	(193)	(578)
Recovery of prior year grants	(607)	(261)
Gain on disposal of land and buildings	(13,070)	(324)
	<u>\$ 31,169</u>	<u>\$ 16,361</u>

13. Commitments

- (a) The Corporation leases office space and rent supplement public housing units under long-term operating lease agreements and is committed to basic rental payments over the next five years. The leases contain escalation clauses for operating costs and property taxes which may cause the payments to exceed the basic rental. Of this amount, Canada Mortgage and Housing Corporation will share in the costs of the rent supplement public housing units. The basic rental payments and cost sharing of those payments is as follows:

	<u>Total</u>	<u>CMHC portion</u>
	(thousands of dollars)	
1998	\$9,888	\$2,245
1999	8,971	1,845
2000	7,471	1,316
2001	7,127	1,165
2002	7,063	1,123

Rent Supplement leases are renewable after five years for three further five year periods at rates to be determined when renewing.

- (b) At March 31, 1997 the estimated cost to complete housing projects in progress was \$11,004,000 of which Canada Mortgage and Housing Corporation will share in the approved cost to the extent of \$706,000.

NORTHWEST TERRITORIES HOUSING CORPORATION

Notes to Financial Statements
March 31, 1997

14. Related party transactions

In addition to those related party transactions disclosed elsewhere in these financial statements, the Corporation is related in terms of common ownership to all Government of the Northwest Territories created departments, agencies and Crown Corporations. The Corporation enters into transactions with these entities in the normal course of business.

15. Subsequent events

On April 24, 1997, the Corporation signed a new Social Housing Agreement with Canada Mortgage and Housing Corporation which will consolidate the management and administration of the social housing programs under the control of the Corporation effective April 1, 1997. This agreement replaces all existing agreements and transfers to the Corporation the management of Canada Mortgage and Housing Corporation Unilateral Programs. The approved funding transferred to the Corporation in 1998 is \$91,140,290 and funding will be provided each year subject to the funding expiration date of each project.

16. Comparison with prior year

Certain of the 1996 figures have been reclassified to conform to the presentation adopted.

SCHEDULE

NORTHWEST TERRITORIES HOUSING CORPORATION

Schedule of Administration Expenses
For the year ended March 31, 1997

	<u>1997</u>	<u>1996</u>
	(thousands of dollars)	
Salaries and benefits	\$ 11,411	\$ 13,106
Building and equipment rentals	1,582	1,730
Travel and relocation	1,535	3,693
Professional and special services	715	543
Communications	374	426
Materials and supplies	253	379
Computer services	199	170
Land title fees and expenses	56	64
Miscellaneous	<u>2</u>	<u>1</u>
	<u>\$ 16,127</u>	<u>\$ 20,112</u>

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Financial Statements of

**NORTHWEST TERRITORIES
LIQUOR COMMISSION**

Year ended March 31, 1997

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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The Northwest Territories Liquor Commission ("the Commission") maintains internal financial and management systems and practices which are designed to provide reasonable assurance that reliable financial and non-financial information is available on a timely basis and that the Commission acts in accordance with the laws of the Northwest Territories and Canada. The Commission's management recognizes its responsibility for conducting the Commission's affairs in accordance with the requirements of applicable laws and sound business principles, and for maintaining standards of conduct that are appropriate to a Territorial agency.

The accompanying financial statements were prepared by management in conformity with generally accepted accounting principles appropriate in the circumstances.

The Auditor General of Canada annually provides an independent, objective audit for the purpose of expressing an opinion on the financial statements. He also considers whether the transactions which come to his notice in the course of this audit are, in all significant respects, in accordance with the specified legislation.

R.J. Courtoreille
General Manager

K. Reid
Manager, Finance and Administration

May 28, 1997

AUDITOR'S REPORT

To the Minister of Finance

I have audited the balance sheet of the Northwest Territories Liquor Commission as at March 31, 1997 and the statements of income, amount due to the Government of the Northwest Territories and changes in financial position for the year then ended. These financial statements are the responsibility of the Commission's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with 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 management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Commission as at 31 March 1997 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles. As required by the Financial Administration 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 and the financial statements are in agreement therewith and the transactions of the Commission that have come to my notice during my audit of the financial statements have, in all significant respects, been in accordance with the Financial Administration Act and regulations, and the Northwest Territories Liquor Act and regulations.

Raymond Dubois, FCA
Deputy Auditor General
for the Auditor General of Canada

Ottawa, Canada
28 May 1997

NORTHWEST TERRITORIES LIQUOR COMMISSION

Balance Sheet

March 31, 1997, with comparative figures for 1996

	1997	1996
	(\$000's)	(\$000's)
Assets		
Current assets:		
Cash	\$ 587	\$ 497
Accounts receivable	51	3
Prepaid expenses	37	21
Inventories (note 3)	2,566	2,544
	<u>3,241</u>	<u>3,065</u>
Capital assets (note 4)	115	133
	<u>\$ 3,356</u>	<u>\$ 3,198</u>
Liabilities		
Current liabilities:		
Accounts payable	\$ 1,219	\$ 1,156
Accrued employee leave and termination benefits	186	147
Due to the Government of the Northwest Territories	1,951	1,895
Commitment (note 6)		
	<u>\$ 3,356</u>	<u>\$ 3,198</u>

See accompanying notes to financial statements.

Approved by Management:

R. Courtoreille
General Manager

K. Reid
Manager, Finance and Administration

NORTHWEST TERRITORIES LIQUOR COMMISSION

Statement of Income

Year ended March 31, 1997, with comparative figures for 1996

	1997	1996
	(\$000's)	(\$000's)
Sales:		
Beer	\$ 15,135	\$ 15,348
Spirits	12,370	12,531
Wine	2,543	2,536
	<u>30,048</u>	<u>30,415</u>
Cost of goods sold:		
Beer	6,265	6,368
Spirits	3,795	3,836
Wine	971	939
	<u>11,031</u>	<u>11,143</u>
Gross profit on sales	19,017	19,272
Other income:		
License fees and permits	619	622
Import fees and other income	303	261
	<u>922</u>	<u>883</u>
	<u>19,939</u>	<u>20,155</u>
Expenses:		
Commissions to agents	2,271	2,327
Salaries, wages and employee benefits	1,132	1,137
Rent	322	333
Travel	124	85
Office supplies	58	42
Communications	47	44
Grants in lieu of taxes	38	38
Computer services	34	37
Utilities	30	29
Inspectors' fees	29	9
Amortization of capital assets	26	27
Insurance	20	21
Advertising	15	21
Board member honoraria	14	19
Losses due to breakage, spoilage and theft	14	52
Miscellaneous	9	17
Repairs and maintenance	1	12
	<u>4,184</u>	<u>4,250</u>
Net income	<u>\$ 15,755</u>	<u>\$ 15,905</u>

See accompanying notes to financial statements.

NORTHWEST TERRITORIES LIQUOR COMMISSION

Statement of Amount Due to the Government of the Northwest Territories

Year ended March 31, 1997, with comparative figures for 1996

	1997	1996
	(\$000's)	(\$000's)
Balance, beginning of year	\$ 1,895	\$ 1,922
Net income	15,755	15,905
Salaries, wages and benefits paid by the Government	1,085	1,047
	18,735	18,874
Net transfer of funds to the Government	16,784	16,979
Balance, end of year	\$ 1,951	\$ 1,895

See accompanying notes to financial statements.

NORTHWEST TERRITORIES LIQUOR COMMISSION

Statement of Changes in Financial Position

Year ended March 31, 1997, with comparative figures for 1996

	1997	1996
	(\$000's)	(\$000's)
Cash provided by (used in):		
Operations:		
Net income	\$ 15,755	\$ 15,905
Salaries, wages and benefits paid by the Government of the Northwest Territories	1,085	1,047
Amortization which does not affect cash	26	27
Changes in non-cash operating working capital:		
Increase in accounts receivable	(48)	(1)
Increase in prepaid expenses	(16)	(10)
Increase in inventories	(22)	(209)
Increase (decrease) in accounts payable	63	(65)
Increase (decrease) in accrued employee leave and termination benefits	39	55
	<u>16,882</u>	<u>16,749</u>
Financing:		
Purchase of capital assets	(8)	(65)
Cash transferred to the Government of the Northwest Territories	(16,784)	(16,979)
	<u>(16,792)</u>	<u>(17,044)</u>
Increase (decrease) in cash	90	(295)
Cash, beginning of year	497	792
Cash, end of year	<u>\$ 587</u>	<u>\$ 497</u>

See accompanying notes to financial statements.

NORTHWEST TERRITORIES LIQUOR COMMISSION

Notes to Financial Statements, continued

Year ended March 31, 1997

1. Authority and operations:

The Northwest Territories Liquor Commission is responsible for the operation of liquor stores and the purchase and distribution of liquor in the Northwest Territories under Part II of the Northwest Territories Liquor Act. It is named in Schedule A to the Financial Administration Act. The Commission is authorized by the Legislative Assembly to receive interest free working capital advances from time to time not exceeding \$6,500,000 to finance its operations. The Northwest Territories Liquor Commission also operates the Liquor Licensing Board of the Northwest Territories.

Net income for the year is to be transferred to the Government of the Northwest Territories in accordance with the Liquor Act.

2. Significant accounting policies:

(a) Inventories:

Inventories are valued at replacement cost which is not materially different than cost. Cost includes invoiced cost, freight, duties and taxes.

(b) Capital assets:

Recycling equipment is stated at cost. Amortization is provided on cost less estimated salvage value on the straight-line basis at an annual rate of 10%.

Leasehold improvements are stated at cost. Amortization is provided on the straight-line basis at an annual rate of 20%.

Furniture and fixtures are stated at cost. Amortization is provided on cost less estimated salvage value on the straight-line basis at an annual rate of 20%.

(c) Employee leave and termination benefits:

Under their conditions of employment, employees qualify for annual leave of varying lengths depending on their length of service. Employees also earn retirement and severance remuneration based on the number of years of service. Annual leave is payable within one fiscal year. The payment of the other amounts is dependent on employees leaving the Commission.

NORTHWEST TERRITORIES LIQUOR COMMISSION

Notes to Financial Statements, continued

Year ended March 31, 1997

2. Significant accounting policies, continued:

(d) Pension Contributions

The Commission and its employees, who are deemed to be employees of the Government of the Northwest Territories, make contributions to the Public Service Superannuation Plan administered by the Government of Canada. Contributions to the Plan are required from both the employees and the Commission. These contributions represent the total liability of the Commission and are recognized in the accounts on a current basis. The Commission is not required under present legislation to make contributions with respect to actuarial deficiencies of the Public Service Superannuation Account.

3. Inventories:

	1997	1996
	(\$000's)	(\$000's)
Spirits	\$ 1,299	\$ 1,234
Wine	543	516
Beer	724	794
	\$ 2,566	\$ 2,544

4. Capital assets:

	1997		1996	
	Cost	Accumulated amortization	Net book value	Net book value
	(\$000's)	(\$000's)	(\$000's)	(\$000's)
Recycling equipment	\$ 151	\$ 82	\$ 69	\$ 83
Leasehold improvements	39	15	24	29
Furniture and fixtures	31	9	22	21
	\$ 221	\$ 106	\$ 115	\$ 133

5. Related party transactions:

The Commission is related in terms of common ownership to all Government of the Northwest Territories created departments, agencies and corporations. The Commission enters into transactions with these entities in the normal course of business.

NORTHWEST TERRITORIES LIQUOR COMMISSION

Notes to Financial Statements, continued

Year ended March 31, 1997

5. Related party transactions, continued:

Certain warehouses are owned by the Government of the Northwest Territories. These are provided for the use of the Commission, the cost of which is reflected as a portion of rent in the financial statements.

	1997	1996
	(\$000's)	(\$000's)
Warehouse rent	\$ 281	\$ 272

The Government of the Northwest Territories provides the Commission with various administrative services, the value of which are not reflected in these financial statements.

6. Commitment:

The Commission has entered into a lease agreement for premises that commenced on September 1, 1996 for an initial term of five years to August 31, 2000. The Commission has an option to renew for one additional term. The minimum annual lease payments are:

March 31:		
1998	\$	49,938
1999		49,938
2000		49,938
2001		20,808
	\$	170,622

Annual lease payments include operating costs which are subject to annual increases based on the consumer price index and adjustments for tax assessments.

7. Financial Instruments:

The fair value of the Commission's cash, accounts receivable, accounts payable and amount due to the Government of the Northwest Territories approximates their carrying amounts due to their short-term nature.

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Financial Statements of the
PETROLEUM PRODUCTS REVOLVING FUND
of the Government of the Northwest Territories
for the year ended March 31, 1997

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PETROLEUM PRODUCTS REVOLVING FUND

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The preparation of the financial statements of the Petroleum Products Revolving Fund (the "Fund") is the responsibility of the Fund's management.

The financial statements have been prepared in accordance with generally accepted accounting principles. The financial statements include some amounts that are necessarily based on management's best estimates and judgement.

In discharging its responsibility for the integrity and fairness of the financial statements, management maintains financial and management control systems and practices designed to provide reasonable assurance that transactions are authorized, assets are safeguarded and proper records are maintained. The system of internal control is augmented by the Territorial Audit Bureau which conducts periodic reviews of different aspects of the Fund's operations.

The independent auditor, the Auditor General of Canada, is responsible for auditing the transactions and financial statements of the Fund and for issuing his report thereon.

Brian Austin
Director
Petroleum Products Division

Rankin Inlet, NWT
June 20, 1997

AUDITOR'S REPORT

To the Minister of Public Works and Services

I have audited the balance sheet of the Petroleum Products Revolving Fund of the Government of the Northwest Territories as at March 31, 1997 and the statements of operations and amount due to the Government of the Northwest Territories for the year then ended. These financial statements are the responsibility of the Fund's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with 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 management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Fund as at March 31, 1997 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles. As required by the Northwest Territories *Financial Administration 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 Fund and the financial statements are in agreement therewith and the transactions of the Fund that have come to my notice during my audit of the financial statements have, in all significant respects, been in accordance with the Northwest Territories *Financial Administration Act* and regulations and the *Revolving Funds Act*.

Raymond Dubois, FCA
Deputy Auditor General
for the Auditor General of Canada

Ottawa, Canada
June 20, 1997

Petroleum Products Revolving Fund

Balance Sheet

as at March 31

1997

1996

(thousands of dollars)

Assets

Current

Accounts receivable (Note 3)	\$ 12,688	\$ 12,333
Inventories (Note 4)	27,634	26,775
Deferred charges	167	--
	\$ 40,489	\$ 39,108

Liabilities

Current

Accounts payable and accrued liabilities (Note 5)	\$ 3,704	\$ 3,808
Employee leave and termination benefits	87	247
	3,791	4,055

Long-Term

Employee termination benefits	126	135
Due to the Government of the Northwest Territories	36,572	34,918
	36,698	35,053
	\$ 40,489	\$ 39,108

Commitments and contingencies (Note 10)

The accompanying notes are an integral part of the financial statements.

Approved by management:

Brian Austin
Director

Petroleum Products Revolving Fund

Statement of Operations

for the year ended March 31 (thousands of dollars)	1997	1996
Revenue		
Sale of petroleum products (Note 6)	\$ 68,945	\$ 52,686
Cost of goods sold	55,161	39,315
Gross profit	13,784	13,371
Interest and other revenue	185	93
	13,969	13,464
Expenses		
Distribution charges	\$ 8,622	\$ 8,371
Salaries, wages and employee benefits	2,363	2,760
Maintenance, supplies & utilities	1,383	1,127
Insurance and consulting fees	562	295
Travel	408	427
Computer services	358	465
Office and equipment rentals	299	303
Communication and equipment rentals	235	256
Miscellaneous	115	230
	14,345	14,234
Net loss from operations	\$ (376)	\$ (770)

The accompanying notes are an integral part of the financial statements.

Petroleum Products Revolving Fund

Statement of Amount Due to the Government of the Northwest Territories

for the year ended March 31
(thousands of dollars)

1997

1996

Balance, beginning of year (Note 1)	\$ 34,918	\$ 33,471
Payments made by the Government:		
Purchases of petroleum products	56,160	38,815
Operating expenses	14,478	14,351
Transfers to the Government:		
Sales proceeds	(68,608)	(50,949)
Net Loss from operations	(376)	(770)
Balance, end of year	\$ 36,572	\$ 34,918

The accompanying notes are an integral part of the financial statements.

Petroleum Products Revolving Fund

Notes to the Financial Statements

March 31, 1997

1. Authority and Operations

The Petroleum Products Revolving Fund (the "Fund") was established in 1973 and operates under the authority of the Revolving Funds Act (the "Act") and the Northwest Territories Financial Administration Act. The Petroleum Products Division of the Department of Public Works and Services of the Government of the Northwest Territories (the "Government") is responsible for the administration of the Fund.

Under the Act, the Fund receives working capital advances from the Consolidated Revenue Fund (the "CRF") to finance inventory, accounts receivable and operating expenses required for the distribution of petroleum products in the Northwest Territories. The Fund's purchases of petroleum products and operating expenses are paid from the CRF and funds received by the Fund are deposited in the CRF. Under the Act, the authorized limit of the Fund, being the maximum amount by which the assets may exceed the liabilities, is \$55 million.

The prices for the Fund's petroleum products are approved by the Government. It is the expectation of the Government that the Fund's cost of goods sold and operating expenses will be recovered through the price structure to achieve a break-even operation. Under the Act, there is a special account in the CRF called the Petroleum Products Stabilization Fund to which profits of the Fund shall be credited and losses shall be charged. The purpose of the Stabilization Fund is to stabilize the prices of petroleum products that are purchased, sold and distributed by the Government. The debit or credit amount in the Stabilization Fund shall not exceed \$5,000,000 at the end of any fiscal year. The credit balance in the Stabilization Fund at March 31, 1997 is (\$3,030,000) (1996 - (\$2,654,000)).

In February 1996, the Government announced its intention to evaluate the privatization of the Fund's operations. The Government has also entered into an agreement to divide the Northwest Territories into two separate territories. The eastern territory will be known as Nunavut Territory. The date for the division is April 1, 1999. The creation of a new territory will involve the transfer of Government assets and liabilities. The full impact of the privatization study and/or the division has not yet been determined. The Government is currently evaluating the costs involved and the different options available for privatizing the Fund's operations.

Petroleum Products Revolving Fund

Notes to the Financial Statements

March 31, 1997

2. Significant Accounting Policies

These financial statements have been prepared by management in accordance with generally accepted accounting principles. A summary of significant accounting policies of the Fund are as follows:

a. Inventories

Inventories are valued at the lower of weighted average cost and net realizable value.

b. Services Provided Without Charge

Capital Assets and Environmental Restoration Costs

The Fund does not record the value of the capital assets used in its operations and any related environmental restoration costs. The capital assets include fuel storage facilities and fuel delivery equipment. The capital assets are provided without charge to the Fund by the Government. The Fund is responsible for the maintenance of the capital assets used in its operations.

Financing Costs

The Fund does not record the financing cost on the working capital advances provided from the CRF.

Other Services Provided Without Charge

The Fund does not record the following services provided without charge by the Government: the procurement of goods and services, the processing of payroll, personnel services, legal counsel, internal audit and translation services. Furthermore, the Fund receives audit services without charge from the Auditor General of Canada.

Further information on capital assets and environmental restoration costs and financing costs is provided in Note 7.

c. Pensions

The Fund and its employees, who are deemed to be employees of the Government, make contributions to the Public Service Superannuation Plan administered by the Government of Canada. The Fund and the employees contribute equally to the cost of the Plan. These contributions represent the total pension obligations of the Fund and are expensed on a current year basis. The Fund is not required under present legislation to make contributions with respect to actuarial deficiencies to the Public Service Superannuation Account.

d. Employee Leave and Termination Benefits

Under the terms and conditions of employment, employees may qualify and earn employment benefits for annual leave, retirement, severance and removal costs. The estimated liability for these benefits is recorded as the benefits are earned by the employees.

e. Deferred Charges

Consulting fees relating to the leasing of the fuel storage facilities in Iqaluit are amortized on a straight-line basis over the 10 year term of the lease agreement.

Petroleum Products Revolving Fund

Notes to the Financial Statements

March 31, 1997

3. Accounts Receivable

(thousands of dollars)	1997	1996
Territorial Municipalities & Housing Associations	\$ 4,638	\$ 3,911
Commercial/Private	4,135	4,205
Government of the Northwest Territories:		
Northwest Territories Power Corporation	2,271	2,262
Departments and Agencies	1,365	1,650
	<u>3,636</u>	<u>3,912</u>
Government of Canada	359	487
	<u>12,768</u>	<u>12,515</u>
Less: Allowance for Doubtful Accounts	(80)	(182)
	<u>\$ 12,688</u>	<u>\$ 12,333</u>

4. Inventories

(thousands of dollars)	1997	1996
Heating fuel	\$ 16,365	\$ 16,844
Other fuel	6,360	4,730
Gasoline	4,909	5,201
	<u>\$ 27,634</u>	<u>\$ 26,775</u>

5. Accounts Payable and Accrued Liabilities

(thousands of dollars)	1997	1996
Accounts payable and accrued liabilities	\$ 1,664	\$ 1,806
Distribution charges payable	1,120	1,142
Fuel and sales taxes payable	920	860
	<u>\$ 3,704</u>	<u>\$ 3,808</u>

6. Revenue

(thousands of dollars)	1997	1996
Commercial/Private	\$ 22,373	\$ 21,318
Iqaluit Resupply	14,929	--
Territorial Municipalities & Housing Associations	14,421	12,877
Government of the Northwest Territories:		
Northwest Territories Power Corporation	10,658	10,652
Departments and Agencies	5,119	6,468
Government of Canada	1,445	1,371
	<u>\$ 68,945</u>	<u>\$ 52,686</u>

Petroleum Products Revolving Fund

Notes to the Financial Statements

March 31, 1997

7. Services Provided Without Charge

a. Capital Assets and Environmental Restoration Costs

The capital assets are valued at laid down cost and amortized on a notional basis over their estimated useful lives at the following annual rates:

Fuel storage facilities	10% declining balance
Fuel delivery equipment	30% declining balance

(thousands of dollars)	1997			1996
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Fuel storage facilities	\$86,350	46,246	40,104	\$ 41,253
Fuel delivery equipment	4,923	4,199	724	1,035
	<u>\$91,273</u>	<u>50,445</u>	<u>40,828</u>	<u>\$ 42,288</u>

Further information on environmental restoration costs is provided in Note 10.

b. Financing Costs

Management estimated that the Fund required up to \$50 million in working capital with an estimated financing cost of \$1,688,000 (1996 - \$52 million and \$2,737,000 respectively) for the year. The financing cost is based upon the average monthly balance due to the Government at a monthly average borrowing rate applicable to the Government ranging from 3.4% to 5.4% (1996 - 5.50% to 8.55%).

8. Fair Value of Financial Instruments

Accounts receivable, accounts payable and accrued liabilities are valued at their carrying values included in the balance sheet, which are reasonable estimates of fair value due to the relatively short period to maturity of the financial instruments.

9. Related Party Transactions

In addition to those transactions with related parties disclosed elsewhere in the financial statements, the Fund is related in terms of common ownership to all Government created departments, agencies and Crown corporations. The Fund enters into transactions with these entities in the normal course of business, with the exception of the Northwest Territories Power Corporation (NTPC). In accordance with an agreement with the Government, NTPC is charged the cost to purchase and deliver the petroleum products to its facilities in the Northwest Territories.

Petroleum Products Revolving Fund

Notes to the Financial Statements

March 31, 1997

10. Commitments and Contingencies

a. Fuel Resupply Contracts

The Government has entered into contracts for the resupply of petroleum products with Imperial Oil for the Western Arctic and with Northern Transportation Company Ltd. for the Eastern Arctic, both of which expire in 1998. Under the terms of the contracts, the Government has committed to purchase certain volumes of petroleum products for each year.

b. Community Fuel Delivery Contracts

The Fund provides community fuel delivery services in forty-five communities in the Northwest Territories. These services are carried out through formal fuel delivery contracts which are awarded by the Government to individuals residing in the community or local businesses. All contracts expire by 2006 and under the contracts, fixed commission rates are paid. The value of this commitment cannot reasonably be determined.

c. Iqaluit Resupply Contract

The Government has entered into a 10 year agreement with a group of private contractors to lease the fuel storage facilities in Iqaluit and to purchase and deliver the annual fuel resupply under the existing fuel resupply contract for the Eastern Arctic. The contractors are charged the landed cost of the petroleum products.

d. Northwest Territories Power Corporation

The Government has agreed to compensate the Northwest Territories Power Corporation over the next three years for benefits achieved through the Western Arctic fuel resupply. The last payment is due on October 1, 1998 providing there are no significant changes in the fuel resupply volumes or in the supply and transportation agreements.

e. Environmental Restoration Costs

During 1996-97, the Government undertook an inventory of sites where possible environmental contamination may exist. The sites identified included the fuel storage facilities used in the Fund's operations. The Government has not estimated the future possible environmental restoration costs related to the fuel storage facilities.

The Government is currently evaluating the costs to assess the future possible environmental restoration costs related to the fuel storage facilities, as part of its evaluation of privatizing the Fund's operations.

The Government recognizes that there could be a liability for future possible environmental restoration costs related to the fuel storage facilities used in the Fund's operations. However, the ultimate responsibility for these costs is uncertain and may rest with different levels of government and the private sector. Therefore, a reasonable estimate of costs attributable to the Government cannot be fully determined at this time.

Petroleum Products Revolving Fund

Notes to the Financial Statements

March 31, 1997

11. Significant Events

a. Eastern Arctic Resupply

The contract between the Government and the Government of Canada, to utilize the fuel storage facilities at Churchill, Manitoba, for the purposes of resupplying the Eastern Arctic, expires on March 31, 1998.

The Government has entered into negotiations with the Government of Canada to extend the existing contract until such time as the fuel storage facilities are no longer required. The Government is presently investigating the option of directly resupplying the communities in the Eastern Arctic.

b. Resolute Bay

Effective September 1, 1997, the Government of Canada will devolve the Resolute Bay fuel storage facilities to the Government, as part of the Arctic "A" Airports agreement. The Government is currently negotiating with the existing operator to continue to operate the facilities for a period of one year, at which time the contract will be tendered.

c. Cambridge Bay

The Government has entered into negotiations with a private contractor to commercialize the Cambridge Bay tank fuel storage facilities.

12. Statement of Changes in Financial Position

A statement of changes in financial position has not been prepared since the Fund operates through the Government's CRF. The Fund's activities are disclosed in the Statement of Amount Due to the Government of the Northwest Territories.

13. Comparative Figures

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

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**Report to the Commissioner of the
Northwest Territories
on the examination of the accounts
and financial statements of the**

**PUBLIC TRUSTEE FOR THE
NORTHWEST TERRITORIES**

For the Year Ended March 31, 1997

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AUDITORS' REPORT

Commissioner

We have audited the Balance Sheets of the Estate and Trust Fund and the Special Reserve Fund as at March 31, 1997, the Statements of Operations for both funds and Changes in Fund Balance for the Estate and Trust Fund for the year then ended. These financial statements are the responsibility of the Office of the Public Trustee. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we 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 management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly in all material respects, the financial positions of the Funds as at March 31, 1997, the results of operations and the changes in the Estate and Trust Fund Balance and the results of operations of the Special Reserve Fund for the year then ended in accordance with accounting policies of the Public Trustee as outlined in Note 2 to the financial statements and as required by the Public Trustee Act and Regulations.

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

AVERY, COOPER & CO.
Certified General Accountants
Yellowknife, N.W.T.

May 29, 1997

**PUBLIC TRUSTEE FOR THE NORTHWEST TERRITORIES
ESTATE AND TRUST FUND**

**BALANCE SHEET
March 31, 1997**

ASSETS

	<u>1997</u>	<u>1996</u>
Cash in bank (Note 3)	\$4,177,229	\$4,484,434
Other assets at nominal value	<u>1</u>	<u>1</u>
	<u>\$4,177,230</u>	<u>\$4,484,435</u>

LIABILITIES

Due to Government of the Northwest Territories Consolidated Revenue Fund	\$	-	\$ 14,854
Undistributed Common Fund earnings per Statement II (Note 4)		77,131	115,275
Estate and Trust Fund per Statement III (Note 5)		<u>4,100,099</u>	<u>4,354,306</u>
		<u>\$4,177,230</u>	<u>\$4,484,435</u>

APPROVED:

Larry Pontus
Public Trustee for the Northwest Territories

See the accompanying notes.

**PUBLIC TRUSTEE FOR THE NORTHWEST TERRITORIES
ESTATE AND TRUST FUND**

STATEMENT OF OPERATIONS
For the year ended March 31, 1997

	<u>1997</u>	<u>1996</u>
Undistributed Common Fund earnings, opening	\$ 115,275	\$ 124,881
Add		
Common Fund earnings	<u>219,250</u>	<u>303,963</u>
	<u>334,525</u>	<u>428,844</u>
Less		
Interest paid to estates and trusts	209,248	255,781
Management fees	43,199	42,403
Excess interest paid into the Special Reserve Fund	<u>4,947</u>	<u>15,385</u>
	<u>257,394</u>	<u>313,569</u>
Undistributed Common Fund earnings, closing	<u>\$ 77,131</u>	<u>\$ 115,275</u>

See the accompanying notes.

**PUBLIC TRUSTEE FOR THE NORTHWEST TERRITORIES
ESTATE AND TRUST FUND**

**STATEMENT OF CHANGES IN ESTATE AND TRUST
FUND BALANCE**

For the year ended March 31, 1997

	<u>1997</u>	<u>1996</u>
Estate and trust funds provided:		
Estate and trust assets received	\$1,360,148	\$1,689,443
Common Fund interest paid to estates and trusts	<u>209,248</u>	<u>255,781</u>
	<u>1,569,396</u>	<u>1,945,224</u>
Estate and trust funds applied:		
Payments to beneficiaries	1,532,382	1,396,131
Disbursements made on behalf of estates and trusts	171,020	264,114
Administration fees	117,886	130,066
Court fees	<u>2,315</u>	<u>2,685</u>
	<u>1,823,603</u>	<u>1,792,996</u>
Increase (Decrease) in Estate and Trust Fund balance	(254,207)	152,228
Estate and Trust Fund balance, opening	<u>4,354,306</u>	<u>4,202,078</u>
Estate and Trust Fund balance, closing	<u>\$4,100,099</u>	<u>\$4,354,306</u>

See the accompanying notes.

**PUBLIC TRUSTEE FOR THE NORTHWEST TERRITORIES
SPECIAL RESERVE FUND**

**BALANCE SHEET
March 31, 1997**

ASSETS

	<u>1997</u>	<u>1996</u>
Cash in bank	\$ <u> -</u>	<u>\$636,519</u>

LIABILITIES

Due to Government of the Northwest Territories Consolidated Revenue Fund	\$ -	\$ 78,966
---	----------------	-----------

SURPLUS

Special Reserve Fund per Statement V	<u> -</u>	<u>557,553</u>
	<u>\$ -</u>	<u>\$636,519</u>

APPROVED:

Larry Pontus
Public Trustee for the Northwest Territories

See the accompanying notes.

**PUBLIC TRUSTEE FOR THE NORTHWEST TERRITORIES
SPECIAL RESERVE FUND**

STATEMENT OF OPERATIONS
For the year ended March 31, 1997

	<u>1997</u>	<u>1996</u>
Surplus, opening	\$557,553	\$578,515
Add		
Bank interest	19,707	42,619
Excess interest from the Common Fund	<u>4,947</u>	<u>15,385</u>
	582,207	636,519
Less		
Bank interest transferred to the Government of the Northwest Territories Consolidated Revenue Fund	<u>-</u>	<u>78,966</u>
	582,207	557,553
Less		
Transferred to the Government of the Northwest Territories Consolidated Revenue Fund upon closure of the Special Reserve Fund (Note 6)	<u>582,207</u>	<u>-</u>
Surplus, closing	<u>\$ -</u>	<u>\$557,553</u>

See the accompanying notes.

PUBLIC TRUSTEE FOR THE NORTHWEST TERRITORIES

NOTES TO THE FINANCIAL STATEMENTS

March 31, 1997

NOTE 1 Authority

The Public Trustee operates under the authority of the Public Trustee Act, Revised Statutes of the Northwest Territories 1988, Chapter P-19 as amended.

NOTE 2 Accounting policies

- a) These financial statements have been prepared on the cash basis of accounting except as otherwise stated.
- b) All Estate and Trust Fund assets other than cash, which include business interests, mortgages, stocks, bonds, term deposits, real estate and other assets, are carried at a nominal value of one dollar (\$1).
- c) Expenditures for the operation of the Office of the Public Trustee are paid from the Consolidated Revenue Fund of the Government of the Northwest Territories and, except for \$161,085 (1996 - \$251,435) paid to the Consolidated Revenue Fund as administration fees, management fees, and the transfer of interest earned by the Special Reserve Fund, are not reflected in these financial statements.

NOTE 3 Cash in bank

The Office of the Public Trustee is a member of the Government of the Northwest Territories investment pool.

The Government of the Northwest Territories consolidates and invests the cash balances of all investment pool participants in money market securities. The monies for these investments flow out of the Government of the Northwest Territories main revenue account and accordingly do not affect the cash balances of the participants. Investment pool revenues are prorated and paid to participants weekly.

PUBLIC TRUSTEE FOR THE NORTHWEST TERRITORIES

NOTES TO THE FINANCIAL STATEMENTS

March 31, 1997

NOTE 4 Undistributed Common Fund earnings

Common Fund earnings are distributed half-yearly, on April 30 and October 31 each year, as interest paid to estates and trusts, management fees and excess interest paid into the Special Reserve Fund.

As described in Note 6, amendments to the Public Trustee Act and regulations eliminated the Special Reserve Fund. Effective November 1, 1996, interest earned on the Common Fund will be utilized to pay prescribed interest on estates and trusts, prescribed management fees and any deficiency between the aggregate amount of sums invested in the Common Fund and the actual value of the investments of the Common Fund. Where the interest earned on investment of the Common Fund exceeds the amount required to make these payments, the excess shall be paid to the Consolidated Revenue Fund of the Government of the Northwest Territories.

The balance of Undistributed Common Fund earnings represents the cumulative earnings of the Common Fund between November 1 and March 31 which will be distributed on April 30 of the next fiscal year.

NOTE 5 Estate and Trust Fund

The Estate and Trust Fund reflects all known assets of the estates and trusts administered by the Public Trustee. The Estate and Trust Fund is comprised of the following amounts:

	<u>1997</u>	<u>1996</u>
Common Fund	\$4,100,098	\$4,354,305
Other assets, at nominal value	<u>1</u>	<u>1</u>
	<u>\$4,100,099</u>	<u>\$4,354,306</u>

NOTE 6 Special Reserve Fund

Pursuant to former Subsection 32(3)(b) of the Public Trustee Act, the Special Reserve Fund was utilized to reimburse deficiencies between the aggregate amount of sums invested in the Common Fund and the realized value of the investments of the Common Fund. No transfers were undertaken in the current or prior fiscal year.

During the year, approved amendments to the Public Trustee Act required that the Special Reserve Fund be eliminated with the remaining surplus transferred to the Government of the Northwest Territories Consolidated Revenue Fund. Any future deficiencies arising within the Common Fund are reimbursed from Common Fund excess earnings. Any remaining deficiencies are the responsibility of the Government of the Northwest Territories.

**Northwest Territories
Business Credit Corporation**

Financial Statements

**for the year ended
March 31, 1997**

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NORTHWEST TERRITORIES BUSINESS CREDIT CORPORATION

Management's Responsibility for Financial Reporting

The accompanying financial statements of the Northwest Territories Business Credit Corporation were prepared by management in accordance with generally accepted accounting principles as described in the notes to the financial statements. When alternative accounting policies exist, management has chosen those it deems most appropriate in the circumstances. Financial statements include amounts requiring estimates, which have been made based upon informed judgment as to the expected results of current transactions and events. Management has prepared the financial information presented elsewhere in this annual report and has ensured that it is consistent with the financial statements.

The Corporation maintains internal financial and management systems and practices which are designed to provide reasonable assurance that reliable financial and non-financial information is available on a timely basis, and that assets are acquired prudently, used to further the Corporation's aims, and are protected from loss.

The Corporation is subject to the Northwest Territories Business Credit Corporation Act and the Financial Administration Act. It also receives ministerial directives establishing policy guidelines. Management recognizes its responsibility for conducting the Corporation's affairs in accordance with the requirements of applicable legislation and for maintaining standards of conduct that are appropriate to a territorial Crown corporation.

The Board of Directors appoints certain of its members to serve on the Management Sub-Committee. This Sub-Committee oversees management's responsibility for financial reporting and reviews and recommends the financial statements to the Board for approval.

The Auditor General of Canada annually provides an independent objective audit for the purpose of expressing his opinion on the financial statements. He also considers whether the transactions that come to his notice in the course of this audit are, in all significant aspects, in accordance with the specified legislation.

Afzal Currimbhoy,
Chief Executive Officer.

July 4, 1997

AUDITOR'S REPORT

To the Minister responsible for the
Northwest Territories Business Credit Corporation

I have audited the balance sheet of the Northwest Territories Business Credit Corporation as at March 31, 1997 and the statements of operations and deficit and changes in financial position for the year then ended. These financial statements are the responsibility of the Corporation's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with 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 management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Corporation as at March 31, 1997 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles. As required by the Financial Administration 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 Corporation and the financial statements are in agreement therewith and the transactions of the Corporation that have come to my notice during my audit of the financial statements have, in all significant respects, been in accordance with the Financial Administration Act and regulations, the Northwest Territories Business Credit Corporation Act and by-laws of the Corporation.

Raymond Dubois, FCA
Deputy Auditor General
for the Auditor General of Canada

Ottawa, Canada
July 4, 1997

NORTHWEST TERRITORIES BUSINESS CREDIT CORPORATION

**BALANCE SHEET
MARCH 31, 1997
(Thousands of Dollars)**

ASSETS	<u>1997</u>	<u>1996</u>
Cash (Note 3)	\$ 282	\$ 134
Loans Receivable (Note 4)	26,677	23,438
Accrued Interest Receivable (Note 4)	296	265
	<u>26,973</u>	<u>23,703</u>
Less: Allowance for Losses on Impaired Loans (Note 4)	5,069	4,775
	<u>21,904</u>	<u>18,928</u>
Capital Assets (net of accumulated amortization of \$42 (1996: \$28))	12	27
	<u>\$ 22,198</u>	<u>\$ 19,089</u>
LIABILITIES		
Accounts Payable	\$ 11	\$ 26
Advance from the Government of the Northwest Territories (Note 5)	24,237	21,180
	<u>24,248</u>	<u>21,206</u>
DEFICIT		
Deficit	<u>(2,050)</u>	<u>(2,117)</u>
	<u>\$ 22,198</u>	<u>\$ 19,089</u>

STATUTORY LIMIT (NOTE 5)

CONTINGENT LIABILITIES (NOTE 6)

APPROVED:

Kimberly Staples
Chairperson of the Board of Directors

Afzal Currimbhoy
Chief Executive Officer

The accompanying notes form an integral part of the financial statements.

NORTHWEST TERRITORIES BUSINESS CREDIT CORPORATION

STATEMENT OF OPERATIONS AND DEFICIT

For the Year Ended March 31, 1997

(Thousands of Dollars)

LOANS	<u>1997</u>	<u>1996</u>
Interest Revenue on Loans Receivable	\$ 1,861	\$ 1,726
Interest Expense on Advance from the Government of the Northwest Territories (Note 5)	<u>1,238</u>	<u>1,284</u>
Net Interest Revenue	623	442
 (Provision for) Recovery of Losses on Impaired Loans (Note 4)	 <u>(556)</u>	 <u>154</u>
 Net Revenue on Lending Activities	 <u>67</u>	 <u>596</u>
 ADMINISTRATIVE EXPENSES		
Salaries and Benefits	643	601
Computer Services	35	45
Board Meetings	35	65
Professional Fees	25	44
Office	25	53
Communications	15	15
Amortization	<u>14</u>	<u>16</u>
	792	839
 Less: Administrative Contribution - Government of the Northwest Territories	 792	 839
Additional Contribution	<u>-</u>	<u>68</u>
	792	907
 Net Administrative Contribution	 <u>-</u>	 <u>68</u>
 NET INCOME FOR THE YEAR	 67	 664
 DEFICIT AT THE BEGINNING OF THE YEAR	 <u>(2,117)</u>	 <u>(2,781)</u>
 DEFICIT AT THE END OF THE YEAR	 <u>\$ (2,050)</u>	 <u>\$ (2,117)</u>

The accompanying notes form an integral part of the financial statements.

NORTHWEST TERRITORIES BUSINESS CREDIT CORPORATION

STATEMENT OF CHANGES IN FINANCIAL POSITION

**For the Year Ended March 31, 1997
(Thousands of Dollars)**

	<u>1997</u>	<u>1996</u>
OPERATING ACTIVITIES		
Net Income for the Year	\$ 67	\$ 664
Items Not Affecting Treasury Position		
Provision for (Recovery of) Losses on Impaired Loans	556	(154)
Amortization	14	16
	<u>637</u>	<u>526</u>
Increase (Decrease) in Treasury Position		
Accrued Interest Receivable	(31)	26
Accrued Interest Written-off or Forgiven	(16)	(2)
Accounts Payable	(15)	(74)
	<u>(62)</u>	<u>(120)</u>
Cash Generated by Operating Activities	<u>575</u>	<u>476</u>
INVESTING ACTIVITIES		
Loans Receivable Disbursed	(8,123)	(9,297)
Loans Receivable Repaid	4,639	4,681
Purchase of Capital Assets	-	(12)
	<u>(3,484)</u>	<u>(4,628)</u>
Cash Used by Investing Activities	<u>(3,484)</u>	<u>(4,628)</u>
DECREASE IN TREASURY POSITION FOR THE YEAR	(2,909)	(4,152)
TREASURY POSITION AT BEGINNING OF THE YEAR	(21,046)	(16,894)
TREASURY POSITION AT END OF THE YEAR	<u>\$ (23,955)</u>	<u>\$ (21,046)</u>
Advance from the Government of the Northwest Territories	\$ (24,237)	\$ (21,180)
Cash	282	134
	<u>282</u>	<u>134</u>
TREASURY POSITION AT END OF THE YEAR	<u>\$ (23,955)</u>	<u>\$ (21,046)</u>

The accompanying notes form an integral part of the financial statements.

NORTHWEST TERRITORIES BUSINESS CREDIT CORPORATION

NOTES TO FINANCIAL STATEMENTS

March 31, 1997

1. AUTHORITY, OBJECTIVE AND OPERATION

The Corporation was established in 1991 pursuant to the Northwest Territories Business Credit Corporation Act. It is subject to the Financial Administration Act and is a Crown corporation of the Government of the Northwest Territories (the Government).

The Corporation's objective is to stimulate economic development and employment in the Northwest Territories, by making loans to resident business enterprises, guaranteeing loans made by financial institutions to resident business enterprises, providing bonds to resident business enterprises and indemnifying bonding companies which have provided bonds to resident business enterprises. In addition, the Corporation is responsible for making business development loans to Northern businesses to create economic development opportunities in communities where conventional lending institutions are not prepared to participate, and its role, therefore, is a blend of being a last resort lender and a developmental agency for higher risk entrepreneurial ventures.

Economic dependency

The Corporation is economically dependent upon the Government's continuing contributions for administrative expenses and advances.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Corporation have been prepared in accordance with generally accepted accounting principles. The significant accounting policies followed by the Corporation in the preparation of these financial statements are summarized below.

Loans

Loans are stated at the lower of principal amounts or estimated realizable amounts receivable. Accrued interest receivable and an allowance for loan impairment are recorded separately.

Allowance for loan impairment

The allowance for loan impairment represents management's best estimate of probable losses on loans at the end of the fiscal year. The allowance has a specific and general component.

NORTHWEST TERRITORIES BUSINESS CREDIT CORPORATION

NOTES TO FINANCIAL STATEMENTS

March 31, 1997

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Allowance for loan impairment (cont'd)

a) Specific allowance: A loan is classified as impaired when one or more of the following conditions exist:

- in the opinion of management, there is reasonable doubt to the ultimate collectability of principal or interest, or
- principal or interest is six months past due, unless the loan is well secured, or
- the loan has been previously restructured and principal or interest is three months past due, or
- principal or interest is twelve months past due regardless of whether or not the loan is well secured.

When a loan is considered to be impaired, the carrying amount of the loan is reduced to its estimated realizable amount. This is the lower of the recorded amount of the loan or the estimated net fair value of the underlying security of the loan. The amount of initial impairment and any subsequent changes resulting from revised net fair values of previously identified impaired loans are recorded through the provision for impaired loans as an adjustment to the specific allowance.

b) General allowance: In addition to the specific allowance, the Corporation maintains a general allowance, established at two percent (2%) of loans receivable, net of the specific provision, to reflect management's estimate for losses on those impaired loans which cannot yet be specifically identified. The general allowance is determined based on historical loss experience, aggregate exposure in particular industries or geographical regions, and prevailing economic conditions.

Revenue recognition

Interest is generally recognized on an accrual basis. The Corporation ceases to accrue interest once a loan is classified as impaired. Cash received on impaired loans is recognized as income only when the related allowance for impairment has been reversed. Cash receipts on any previously written off loans are recorded on a cash basis.

NORTHWEST TERRITORIES BUSINESS CREDIT CORPORATION

NOTES TO FINANCIAL STATEMENTS

March 31, 1997

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Capital assets

Capital assets are recorded at cost. Amortization is calculated on a straight line basis over the estimated useful life of the assets as follows:

Computers	3 years
Furniture and Equipment	4 years

Administrative contribution

Under the terms of administrative agreements between the Corporation and the Government, direct administrative expenses paid by the Government are recorded by the Corporation as an administrative contribution from the Government.

Direct administrative expenses include salaries and benefits, computer services, cost of board meetings, professional fees, office, communications and amortization of capital assets; and exclude costs of lending activities.

Services provided without charge

The Corporation does not record the value of capital assets or services provided by the Government without charge in these financial statements. Services provided by the Government include accounting support, employee long term benefits, regional and personnel services as well as office accommodation and some capital assets. Furthermore, the Corporation receives audit services without charge from the Office of the Auditor General of Canada.

Pension contributions

Employees participate in the Public Service Superannuation Plan administered by the Government of Canada. The Corporation matches employees' contributions for current or prior service. These contributions are expensed during the year in which the services are rendered and represent the total pension obligations of the Corporation.

NORTHWEST TERRITORIES BUSINESS CREDIT CORPORATION

NOTES TO FINANCIAL STATEMENTS

March 31, 1997

3. CASH

The Corporation's cash is pooled with the Government's surplus cash that invest in a diversified portfolio of high grade, short-term income producing assets. The cash can be withdrawn at any time, and is not restricted by maturity dates on investments made by the Government. The eligible classes of securities, categories of issuers, limits and terms are approved by the Department of Finance. All instruments depending on the investment class, are rated R-2 High or better from the Dominion Bond Rating Service or A-3 or better from the Canadian Bond Rating Service. The Corporation's investment yield as at March 31, 1997 was 3.40% (1996: 5.83%).

Net interest income of \$16,000 (1996: \$19,000) is included in Interest Revenue on Loans Receivable.

4. LOANS RECEIVABLE

Loans and allowance for losses on impaired loans

In 1997, the Sahtu Region was added as a result of the amalgamation of Government Departments.

<u>Region</u>	<u>Range of Annual Interest Rates</u>		<u>Principal or Estimated Realizable Balance</u>	
	<u>1997</u>	<u>1996</u>	<u>1997</u>	<u>1996</u>
			(thousands of dollars)	
Baffin	6.75-11.75%	7.50-11.75%	\$ 1,967	\$ 2,130
Deh Cho	6.75-14.25%	7.50-14.25%	2,121	1,783
Inuvik	6.75-10.75%	7.50-10.75%	983	907
Keewatin	7.50-11.50%	7.50-11.50%	2,555	2,839
Kitikmeot	8.00-10.75%	7.50-10.75%	2,907	2,636
North Slave	7.50-12.00%	7.50-12.00%	8,270	7,479
Sahtu	6.75-10.00%	7.75-10.00%	616	470
South Slave	6.75-10.75%	7.50-13.25%	<u>7,258</u>	<u>5,194</u>
Loans Receivable			26,677	23,438
Accrued Interest Receivable			<u>296</u>	<u>265</u>
			<u>\$ 26,973</u>	<u>\$ 23,703</u>

NORTHWEST TERRITORIES BUSINESS CREDIT CORPORATION

NOTES TO FINANCIAL STATEMENTS

March 31, 1997

4. LOANS RECEIVABLE (CONT'D)

Loans and allowance for losses on impaired loans (cont'd)

	Principal or Estimated Realizable Balance	
	1997	1996
	(thousands of dollars)	
Less Allowance for Losses on Impaired Loans:		
Specific	\$ 4,627	\$ 4,393
General	442	382
	5,069	4,775
Loans Receivable Net of Allowance for Losses on Impaired Loans	\$ 21,904	\$ 18,928
Accrued interest receivable		
Current	\$ 137	\$ 109
Arrears	159	156
	\$ 296	\$ 265

Loans receivable and accrued interest include loans of \$6,496,000 (1996: \$5,350,000) that the Corporation has specifically classified as impaired.

In 1997, interest not accrued on impaired loans totalled \$576,000 (1996: \$641,000).

Allowance for losses on impaired loans

Balance at beginning of year	\$ 4,775	\$ 5,240
Less: write-offs	-	72
forgiveness	262	239
	4,513	4,929
Provision for (Recovery of) losses on impaired loans		
Specific	496	176
General	60	(330)
	556	(154)
Balance at end of year	\$ 5,069	\$ 4,775

NORTHWEST TERRITORIES BUSINESS CREDIT CORPORATION

NOTES TO FINANCIAL STATEMENTS

March 31, 1997

4. LOANS RECEIVABLE (CONT'D)

Write-offs

Under the provisions of the Financial Administration Act, a loan (outstanding principal and interest) can only be approved for write-off by either the Legislative Assembly (over \$20,000) or the Board of Directors (\$20,000 or less). A loan written off is still subject to collection action.

In 1997, no loans were approved for write-off by the Board of Directors (1996: four loans totalling \$34,700) or the Legislative Assembly (1996: one loan in the amount of \$34,000). Recoveries on loans written off in previous years totalled \$22,000 (1996: \$54,000).

Forgiveness

Under the provisions of the Financial Administration Act, a loan can only be approved for forgiveness by either the Legislative Assembly (over \$1,000) or the Financial Management Board (\$1,000 or less). Once a loan has been forgiven, no further collection action is possible.

In 1997, eleven accounts representing six borrowers totalling \$624,000 were forgiven by the Legislative Assembly (1996: ten accounts representing seven borrowers totalling \$161,000). No accounts were forgiven by the Financial Management Board (1996: one loan in the amount of \$425).

5. STATUTORY LIMIT AND ADVANCE FROM THE GOVERNMENT OF THE NORTHWEST TERRITORIES

The Northwest Territories Business Credit Corporation Act authorizes the Corporation to have outstanding loans, guarantees, bonds, and bond indemnities to borrowers up to \$50 million. Funding is made available through advance from the Government. The balance of the advance fluctuates based on the need of the Corporation, but is not to exceed \$28 million, as approved by the Financial Management Board.

Interest is calculated at a rate of selected Government of Canada 3 year bond rates at the end of each month. The rates are applied to the advance outstanding at the end of the month, compounded annually.

NORTHWEST TERRITORIES BUSINESS CREDIT CORPORATION

NOTES TO FINANCIAL STATEMENTS

March 31, 1997

6. CONTINGENT LIABILITIES

Three legal proceedings are pending which challenge certain practices or actions of the Corporation. These proceedings are loan related and are in reaction to steps taken by it to call delinquent loans and enforce rights in collateral security of such loans. The total of the proceedings claimed is \$1,227,000 plus costs. The Corporation believes it will be successful in two of the proceedings. The outcome of the third is unknown at this time.

7. SERVICES PROVIDED WITHOUT CHARGE

The value of services provided without charge by the Government of the Northwest Territories is estimated as follows:

	<u>1997</u>	<u>1996</u>
	(thousands of dollars)	
Staff support	\$ 145	\$ 172
Accommodation	47	47
Employee long term benefits	<u>2</u>	<u>4</u>
	<u>\$ 194</u>	<u>\$ 223</u>

8. RELATED PARTY TRANSACTIONS

In addition to those related party transactions disclosed elsewhere in these financial statements, the Corporation is related in terms of common ownership to all Government of the Northwest Territories created departments, agencies and Crown corporations. The Corporation enters into transactions with these entities in the normal course of business.

9. FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair value of cash and accounts payable approximates the carrying amount of these instruments owing to the short period to maturity.

NORTHWEST TERRITORIES BUSINESS CREDIT CORPORATION

NOTES TO FINANCIAL STATEMENTS

March 31, 1997

9. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONT'D)

The carrying amounts of loans receivable of \$21,904,000 (1996: \$18,928,000) and advance from the Government of the Northwest Territories of \$24,237,000 (1996: \$21,180,000) approximate fair value. The aggregate fair value of loans receivable should not be interpreted as being realizable in an immediate settlement.

10. COMPARATIVE FIGURES

Certain of the 1996 comparative figures have been reclassified to conform with the presentation adopted in 1997.

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**LEGISLATIVE ASSEMBLY
RETIRING ALLOWANCES FUND
(Northwest Territories)
Financial Statements
March 31, 1997**

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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

Legislative Assembly management are responsible for the preparation, integrity and objectivity of the financial statements. The financial statements have been prepared in accordance with generally accepted accounting principles considered appropriate in the circumstances and have been approved by the Management and Services Board. Where appropriate, the preparation of financial information contained in this report includes estimates and judgments based on careful consideration of information available to management.

Legislative Assembly management have developed and maintain books of account, records, financial and management controls and management practices. These are designed to provide reasonable assurance as to the reliability of financial information in accordance with the Legislative Assembly Retiring Allowances Act. The Management and Services Board ensures that the Legislative Assembly's management fulfill their responsibilities for financial reporting, internal control and safeguarding assets.

Beginning April 1, 1997 (1996 and prior years - The Auditor General of Canada) a public auditing firm has been hired to provide an independent, objective audit for the purpose of expressing its opinion on the financial statements. It also considers whether the transaction which come to its notice in the course of this audit are, in all significant respects, in accordance with the specified legislation.

The Coles Group, an independent firm of consulting actuaries, has been engaged to provide an opinion on the adequacy and appropriateness of actuarial valuations of accrued pension benefits of the Fund.

On behalf of the Management and Services Board

Sam Gargan
Chair

David M. Hamilton
Secretary

May 20, 1997

LEGISLATIVE ASSEMBLY RETIRING ALLOWANCE FUND
(Northwest Territories)

AUDITOR'S REPORT

To the Legislative Assembly of the Northwest Territories

I have audited the statement of accrued pension benefits and net assets available for benefits of the Legislative Assembly Retiring Allowances Fund (Northwest Territories) as at March 31, 1997 and the statement of changes in net assets available for benefits for the year then ended. These financial statements are the responsibility of the Fund's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with 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 management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the accrued pension benefits and net assets available for benefits of the Fund as at March 31, 1997 and the changes in its net assets available for benefits for the year then ended in accordance with generally accepted accounting principles. As required by the Legislative Assembly Retirement Allowances 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 in respect of the Fund and the transactions that have come to my notice during my audit of the financial statements have, in all significant respects, been in accordance with the Legislative Assembly Retiring Allowances Act.

Lewis A. Borgford
CERTIFIED GENERAL ACCOUNTANT

Yellowknife, Northwest Territories
May 20, 1997

LEGISLATIVE ASSEMBLY RETIRING ALLOWANCE FUND
(Northwest Territories)

Statement of Accrued Pension Benefits
and Net Assets Available for Benefits
as at March 31, 1997

	<u>1997</u>	<u>1996</u>
ACCRUED PENSION BENEFITS (Pension Obligations)		
Actuarial value of accrued pension benefits (Note 3)	\$ <u>9,549,000</u>	\$ <u>8,759,000</u>
NET ASSETS AVAILABLE FOR BENEFITS		
ASSETS		
Investments (Note 4)	13,205,407	11,665,753
Accounts receivable and accrued investment income	<u>69,379</u>	<u>39,844</u>
	13,274,786	11,705,597
LIABILITIES		
Accounts payable and accrued liabilities	<u>116,144</u>	<u>142,601</u>
Net assets available for benefits	<u>13,158,642</u>	<u>11,562,996</u>
Excess of net assets over actuarial value of accrued pension benefits	<u>\$ 3,609,642</u>	<u>\$ 2,803,996</u>

Approved by the Management and Services Board:

Sam Gargan
Chair

David M Hamilton
Secretary

LEGISLATIVE ASSEMBLY RETIRING ALLOWANCE FUND
(Northwest Territories)

Statement of Changes in Net Assets Available for Benefits
for the year ended March 31, 1997

	<u>1997</u>	<u>1996</u>
INCREASE IN ASSETS		
Investment income	\$ 1,418,198	\$ 640,672
Current year change in fair value of investments	<u>447,291</u>	<u>883,805</u>
	<u>1,865,489</u>	<u>1,524,477</u>
Contributions		
Members	67,837	153,612
Government of the Northwest Territories	<u>58,925</u>	<u>39,623</u>
	<u>226,762</u>	<u>193,235</u>
Total increase in assets	<u>2,092,251</u>	<u>1,717,712</u>
DECREASE IN ASSETS		
Expenses		
Investment management fees	53,358	52,807
Actuary fees	<u>58,925</u>	<u>39,623</u>
	<u>112,283</u>	<u>92,430</u>
Benefits and refunds		
Benefits paid	382,623	259,604
Refund of contributions	<u>1,699</u>	<u>130,020</u>
	<u>384,322</u>	<u>389,624</u>
Total decrease in assets	<u>496,605</u>	<u>482,054</u>
INCREASE IN NET ASSETS	1,595,646	1,235,658
Net assets available for benefits at beginning of year	<u>11,562,996</u>	<u>10,327,338</u>
Net assets available for benefits at end of year	<u>\$ 13,158,642</u>	<u>\$ 11,562,996</u>

LEGISLATIVE ASSEMBLY RETIRING ALLOWANCE FUND
(Northwest Territories)

Notes to Financial Statements
March 31, 1997

1. Description of the Plan

(a) General

The fund was established pursuant to the Legislative Assembly Retiring Allowances Act and is administered by the Management and Services Board. The Act provides retiring allowances on a contributory, defined benefit basis to Members of the Legislative Assembly who have been Members at any time for six or more years prior to October 16, 1995 or four or more years after October 16, 1995, commencing March 10, 1975, the date of the first fully elected Legislative Assembly.

(b) Funding policy

Under the Act, Members are required to contribute 9 percent of their biweekly earnings and per diem allowances to the plan. In order to keep the plan fully funded, the Government of the Northwest Territories contributes the balance of the plan's funding requirements.

(c) Refunds of contributions

Members who cease to be Members on or before October 16, 1995 with less than six years service or after October 16, 1995 with less than four years of service are refunded their contributions with interest.

(d) Retirement benefits

A Member with six or more years of service prior to October 16, 1995 or a member with four years of service or a full term as a member of the Legislative Assembly after October 16, 1995 is entitled to a retirement benefit of:

- i) 2 percent of the average annual pensionable remuneration multiplied by years of service and
- ii) 2 percent of the average best earnings as a Minister, Speaker, Deputy Speaker Committee Chairperson multiplied by years of service. A position must be held for at least one year to be eligible for pension.

In both cases, the average earnings are calculated on any four year period of service selected by the member. Service is limited to 15 years. Members eligible for a pension may receive it after reaching 55 years of age. Members who elect to begin benefits prior to age 55 will have their allowance payable adjusted to the actuarial equivalent of the allowance payable from the age of 55 years. Benefits may be deferred until the age of 71.

(e) Death benefits

The spouse of a Member who dies is entitled to an allowance of 75 percent of the Member's entitlement. Children are entitled to an allowance of 10 percent of the Member's entitlement or 25 percent if there is no surviving spouse. Children's death benefits are

LEGISLATIVE ASSEMBLY RETIRING ALLOWANCE FUND
(Northwest Territories)

Notes to Financial Statements
March 31, 1997

1. Description of the Plan (continued)

(e) Death benefits (continued)

payable to the age of 18, or 25 if the child is a full time student and unmarried. There are limits on the total death benefits which can be received by more than one surviving child.

(f) Indexing

In order to protect the pension benefits against inflation, pension entitlements are indexed by the Benefit Index in the Supplementary Retirement Benefits Act (Canada).

(g) Income Taxes

The Fund is a registered pension plan under the Income Tax Act and is therefore not subject to income taxes.

2. Accounting policies

(a) Basis of presentation

These financial statements represent only the financial position of the Legislative Assembly Retiring Allowances Fund (LARAF) established for Members of the Legislative Assembly under the Legislative Assembly Retiring Allowances Act. They do not include any other pension benefits which Members may receive under other plans. They do not portray the funding of the plan, or the benefit security of individual Members.

(b) Investments

Investments are valued at fair value. Actively traded investments are valued at market value based on the closing quotation as at the last business day of the year. Non-traded bonds are valued by internal assessment. Real Estate investments are valued on the basis of appraisal.

3. Actuarial value of accrued pension benefits

The present value of accrued pensions benefits was calculated as of March 31, 1997 by the Coles Group, the Fund's actuaries, using best estimate assumptions and the projected benefit method prorated on years of service.

The actuarial value of net assets available for benefits as at March 31, 1997 was \$12,479,000 (1996 - \$11,205,000). The actuaries determine this amount using a four year moving average market method, rather than the fair values used in these financial statements.

The actuarial present value of pension at March 31, 1997 and the principal components of changes in actuarial present values during are as follows:

LEGISLATIVE ASSEMBLY RETIRING ALLOWANCE FUND
(Northwest Territories)

Notes to Financial Statements
March 31, 1997

	<u>1997</u>	<u>1996</u>
Actuarial present value of accrued pension benefits at beginning of year	\$ 8,759,000	\$ 9,418,000
Interest on accrued benefits	724,000	781,000
Cost of benefits accrued	517,000	542,000
Benefits paid out	(451,000)	(386,000)
Change in management's best estimate assumptions		1,279,000
Experience (gain) loss		<u>(2,875,000)</u>
Actuarial present value of accrued pension benefits at end of year	<u>\$ 9,549,000</u>	<u>\$ 8,759,000</u>

4. Investments

The assets of the Fund are managed by Canada Trust and are invested in RT Capital Management Inc. Balanced Fund, Confederation Life Real Estate Fund and NWT Legislative Assembly Building Society Bonds (see Note 5)

The proportionate asset mix as at March 31 is as follows

	<u>1997</u>	<u>1996</u>
Balanced Fund	93.88	92.83
Building Society Bonds	2.99	3.85
Real Estate Fund	2.83	3.04
Cash	0.30	0.28
Total	100.00	100.00

5. Related party transactions

Included in the investments described in Note 4 are NWT Legislative Assembly Building Society (the "Society") Bonds with a value of \$404,974 (1996 - \$453,230), which represent 2.99% (1996 - 3.85%) of the portfolio's value. The Legislative Assembly leases a building from the Society.

The Fund receives various management and administrative services from the Government of the Northwest Territories at no charge.

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Northwest Territories Development Corporation

Consolidated Financial Statements

March 31, 1997

(unaudited)

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Northwest Territories Development Corporation

Management's Responsibility for Financial Reporting

September 30, 1997

To the Minister Responsible for the Northwest Territories Development Corporation

Management is responsible for the preparation and presentation of the consolidated financial statements. The accompanying consolidated financial statements were prepared by management in accordance with generally accepted accounting principles appropriate in the circumstances. Where appropriate, the preparation of financial information includes estimates and judgements based on careful consideration of information available to management.

The Corporation maintains internal financial and management systems and practices which are designed to provide reasonable assurance that reliable financial and non-financial information is available on a timely basis and that the Corporation acts in accordance with the laws of the Northwest Territories and Canada. The Corporation's management recognizes its responsibility for conducting the Corporation's affairs in accordance with the requirements of applicable laws and sound business principles and for maintaining standards of conduct that are appropriate to a Territorial Crown Corporation.

The Board of Directors, through the Audit Committee which is comprised of Directors who are not employees of the Corporation, is responsible for reviewing and approving the audited annual financial statements and oversees management's responsibilities for financial reporting. The Audit Committee meets with management to discuss the financial reporting process as well as accounting and reporting issues. The external auditors have full and free access to the Audit Committee.

The Auditor General of Canada annually provides an independent, objective audit for the purpose of expressing an opinion on the financial statements. He also considers whether transactions which come to his notice in the course of this audit are, in all significant respects, in accordance with the specified legislation.

Glenn Soloy
President

Kerry Gavan
Comptroller

Northwest Territories Development Corporation

Consolidated Statement of Operations

For the years ended March 31,	1997	1996
Revenue		
Sales	\$ 9,015,158	\$ 6,365,383
Cost of goods sold	8,290,175	6,724,185
Gross margin	724,983	(358,802)
Interest	106,148	176,026
Other	157,918	(80,121)
	989,049	(262,897)
Expenses		
Selling and administrative (Schedule 1)	6,501,928	5,986,630
Amortization	4,770,196	5,724,172
Provision for loss on investments	10,250	73,600
Business development	37,236	98,523
	11,319,610	11,882,925
Net loss from operations	(10,330,561)	(12,145,822)
Other items		
Minority interest	(85,200)	(40,000)
Net loss before government contributions	(10,245,361)	(12,105,822)
Government operating contributions		
Government of the Northwest Territories		
Contribution for subsidies to subsidiaries	4,148,833	3,678,168
Operating contribution to head office	1,153,918	987,492
Contribution for business development expenses	37,236	98,523
Project contributions	133,263	352,406
Federal and territorial subsidies to subsidiaries	410,680	480,594
	5,883,930	5,597,183
Net loss	\$ (4,361,431)	\$ (6,508,639)

Northwest Territories Development Corporation

Consolidated Statement of Deficit and Contributed Equity

For the years ended March 31, 1997 1996

Deficit

Balance, beginning of year \$ (17,941,544) \$ (11,432,905)

Net loss (4,361,431) (6,508,639)

Balance, end of year **\$ (22,302,975)** **\$ (17,941,544)**

Contributed Equity - Capital Investments

Balance, beginning of year \$ 21,530,078 \$ 20,817,298

Contribution from Government of the
Northwest Territories 663,515 712,780

Balance, end of year **\$ 22,193,593** **\$ 21,530,078**

Contributed Equity - Venture Investments

Balance, beginning of year \$ 4,159,676 \$ 3,797,890

Contribution from Government of the
Northwest Territories 45,100 361,786

Balance, end of year **\$ 4,204,776** **\$ 4,159,676**

Northwest Territories Development Corporation

Consolidated Balance Sheet

As at March 31,	1997	1996
Assets		
Current		
Cash	\$ 1,444,119	\$ 633,057
Accounts receivable	773,825	1,015,064
Due from the Government of the Northwest Territories	-	15,000
Deferred contributions (Note 3)	-	1,147,523
Inventory	3,697,840	3,362,950
Deposits and prepaid expenses	66,940	64,577
	5,982,724	6,238,171
Reserve funds (Note 4)	312,508	426,736
Venture investments (Note 5)	989,125	958,375
Capital assets (Note 6)	918,091	4,712,993
	\$ 8,202,448	\$ 12,336,275
Liabilities		
Current		
Bank indebtedness (Note 7)	\$ 1,070,000	\$ 1,190,000
Accounts payable and accrued liabilities	2,248,363	2,471,300
Deferred subsidy contribution from Government of the Northwest Territories	73,438	248,796
	3,391,801	3,910,096
Equity		
Government of the Northwest Territories Contributed surplus (Note 8)	715,253	677,969
Contributed equity - Capital Investments	22,193,593	21,530,078
Contributed equity - Venture Investments	4,204,776	4,159,676
Deficit	(22,302,975)	(17,941,544)
	4,095,394	7,748,210
	4,810,647	8,426,179
	\$ 8,202,448	\$ 12,336,275

Approved by the Board

Bob Leonard
Chairman of the Board

Ernie Daniels
Chairman of the Audit Committee

Northwest Territories Development Corporation**Consolidated Statement of Changes in Financial Position**

For the years ended March 31,	1997	1996
Operating activities		
Net loss	\$ (4,361,431)	\$ (6,508,639)
Items not affecting cash		
Amortization	4,770,196	5,724,172
Minority interest	(85,200)	(40,000)
Provision for loss on investments	10,250	73,600
Change in non-cash operating working capital (Note 9)	843,572	841,579
Cash for operating activities	1,177,387	90,712
Financing activities		
Contribution from the Government of the Northwest Territories	618,457	646,904
Contributed surplus	37,284	8,341
Cash from financing activities	655,741	655,245
Investing activities		
Investment in venture investments	(41,000)	(294,350)
Investment in capital assets	(975,294)	(2,687,886)
Cash for investing activities	(1,016,294)	(2,982,236)
Increase (Decrease) in cash	816,834	(2,236,279)
Cash, beginning of year	(130,207)	2,106,072
Cash, end of year	\$ 686,627	\$ (130,207)
Represented by		
Cash	\$ 1,444,119	\$ 633,057
Reserve funds	312,508	426,736
Bank indebtedness	(1,070,000)	(1,190,000)
	\$ 686,627	\$ (130,207)

Northwest Territories Development Corporation

Notes to Consolidated Financial Statements

March 31, 1997

1. Authority and operations

(a) Authority

The Corporation is a Crown corporation of the Government of the Northwest Territories and operates under the authority of the Northwest Territories Development Corporation Act which came into effect August 24, 1990 and the Financial Administration Act.

(b) Operations

The Corporation directly invests in or operates business enterprises in accordance with the economic objectives of the Government of the Northwest Territories through equity investments, loans and subsidies. These economic objectives are to create employment and income opportunities for residents of the Northwest Territories, primarily in small communities, to stimulate growth of businesses in the Northwest Territories and to promote economic diversification and stability. It is the intention of the Corporation to divest itself of its subsidiary investments once the subsidiary has attained a sustainable level of profitability.

(c) Economic dependency

The Corporation is economically dependent upon the Government of the Northwest Territories continuing contributions for operations and investments.

(d) Taxes

The Corporation and its subsidiaries are exempt from municipal and territorial taxes pursuant to section 27 of the Northwest Territories Development Corporation Act. Furthermore, the Corporation and its subsidiaries are exempt from federal income taxes, pursuant to Paragraph 149(1)(d) of the Income Tax Act (Canada).

Northwest Territories Development Corporation

Notes to Consolidated Financial Statements

March 31, 1997

2. Accounting Policies

(a) Principles of consolidation

These consolidated financial statements include the accounts of the parent company, Northwest Territories Development Corporation, and its subsidiaries. At March 31, 1997 these subsidiaries were:

Subsidiary	Location	Percentage Ownership	Incorporation Date
Arctic Foods			
Keewatin Meat & Fish Ltd.	Rankin Inlet, NWT	100%	October 2, 1992
Kitikmeot Foods Ltd.	Cambridge Bay, NWT	98%	April 9, 1992
Pangnirtung Fisheries Ltd.	Pangnirtung, NWT	51%	September 11, 1992
933261 N.W.T. Ltd. (Whale Cove)	Whale Cove, NWT	100%	February 1, 1993
Light Manufacturing			
913044 N.W.T. Ltd. (Fort McPherson Tent & Canvas)	Fort McPherson, NWT	100%	September 25, 1991
Ivalu Ltd.	Rankin Inlet, NWT	100%	October 2, 1992
Jessie Oonark Ltd.	Baker Lake, NWT	100%	September 25, 1991
Aklavik Furs Ltd.	Aklavik, NWT	100%	January 16, 1995
Tuktoyaktuk Furs Ltd.	Tuktoyaktuk, NWT	100%	January 16, 1995
Fine Arts and Souvenirs			
Acho Dene Crafts Ltd.	Fort Liard, NWT	100%	October 15, 1992
Beaufort-Delta Ltd.	MacKenzie Delta	100%	September 7, 1993
Uqurmiut (1993) Ltd.	Pangnirtung, NWT	51%	March 1, 1994
Taluq Designs Ltd.	Taloyoak, NWT	100%	April 12, 1995
Lumber			
Great Slave Lake Forest Products Ltd.	Ft Resolution, NWT	100%	December 13, 1993
Northern Forest Products Ltd.	N W T	100%	September 7, 1993
Wholesale/Retail Stores			
Arctic Canada Foods Ltd.	N W T	100%	November 24, 1993
Arctic Canada Gift Boutique Ltd.	Toronto, ON	100%	October 2, 1992
Arctic Canada Wholesale Ltd.	N W T	100%	September 7, 1993
Nahanni Butte General Store Ltd.	Nahanni Butte, NWT	51%	October 15, 1992
Rae Lakes General Store Ltd.	Rae Lakes, NWT	100%	October 14, 1992

These statements include the assets and liabilities of the above named subsidiaries as at December 31, 1995 and the results of their operations for the year then ended and the assets, liabilities and equity of the Northwest Territories Development Corporation as at March 31, 1996 and the results of its operations for the year then ended.

The subsidiaries changed their year end to March 31st, effective for 1997.

Northwest Territories Development Corporation

Notes to Consolidated Financial Statements

March 31, 1997

2. Accounting Policies (continued)

(b) Inventory

Inventory is valued at the lower of cost and net realizable value, with cost being determined on a first-in, first-out basis.

(c) Venture investments

Forgivable loans which relate to capital items are carried at the amount of the funds advanced less accumulated forgiveness. When conditions of the loan agreement are not met, the loan becomes due and receivable.

Investments in preferred shares are carried at cost, or at cost less an allowance for loss on realization where there has been a decline in value.

Investments in which the Corporation exercises significant influence are accounted for using the equity method.

Provision for loss on realization of venture investments is determined following a detailed review of the investments and specific provisions are made for those investments known to be in difficulty.

(d) Capital assets

Capital assets are carried at cost less accumulated amortization. Amortization is recorded by the straight line method at rates set out below:

Buildings	5-20%
Trailers	30%
Equipment	10-50%
Office furniture and equipment	10-25%
Leasehold improvements	20-50%
Computer equipment	20-50%
Vehicles	20-30%
Vessel	20%

Additional amortization on capital assets used in those subsidiaries which are reliant on subsidies from the Corporation to maintain operations is provided for in order to fully amortize the asset over five years or the period of approved subsidy, whichever is less.

(e) Revenue

Revenue is recognized on an accrual basis.

Northwest Territories Development Corporation

Notes to Consolidated Financial Statements

March 31, 1997

2. Accounting Policies (continued)

(f) Business Development Expenses

Business Development expenses include spending on feasibility studies, business plans, investigations, due diligence assessments and appraisals which have been approved by the Board of Directors in accordance with the Corporation's Investment Guidelines. It is the Corporation's policy to charge these expenses to current year operations. The expenses are offset by the capital contribution received.

(g) Contributions from the Government of the Northwest Territories

The Corporation receives two types of contributions from the Government of the Northwest Territories as set out below.

The **operating contribution** is used for the purpose of financing the day-to-day operations of the Corporation. The operating contribution is recognized as revenue in the year in which it is approved by the Legislative Assembly of the Government of the Northwest Territories.

The **capital contribution** is allocated at the discretion of the Board of Directors for the purposes of acquiring capital and venture investments, purchasing capital assets for the Corporation, providing operating subsidies to approved investments based on need, providing project contributions to approved incorporated investments and for paying business development expenses.

The amount of the capital contribution approved by the Board for investment in majority-owned subsidiaries and for acquisition of capital assets for the Corporation is recorded as Contributed Equity - Capital Investments and is recognized when approved by the Legislative Assembly of the Government of the Northwest Territories.

The amount of the capital contribution approved by the Board for investment in loans receivable, preferred shares or non-controlling interests in common shares is recorded as Contributed Equity - Venture Investments and is recognized when approved by the Legislative Assembly of the Government of the Northwest Territories.

The amount of the capital contribution approved by the Board for providing operating subsidies to the investments is recognized as revenue in the year that the operating subsidy is paid to the subsidiary. A subsidy contribution which has not been expended at year end may be carried forward to the following year and is recorded as Deferred Subsidy Contribution.

(h) Employee leave and termination benefits

Under their conditions of employment, employees qualify for annual leave. Annual leave is accrued as earned by employees and is payable within one fiscal year.

(i) Pension contributions

The Corporation and its employees make contributions to a pension plan. The Corporation matches contributions made by employees up to established limits. These contributions represent the total liability of the Corporation and are recognized in the accounts on a current basis.

Northwest Territories Development Corporation

Notes to Consolidated Financial Statements

March 31, 1997

3. Deferred Contributions

This amount represents subsidy and capital contributions from the Northwest Territories Development Corporation to its subsidiaries during the period January 1, 1996 to March 31, 1996. Subsidiary year ends are not coterminous with that of the Corporation (as explained in Note 2(a)). Accordingly, contributions made in this period have been recognized in the records of the parent as at March 31, 1996, but not in the subsidiaries' financial statements as at December 31, 1995.

4. Reserve Funds

Pursuant to sections 16 and 17 of the Northwest Territories Development Corporation Act, the Corporation is required to establish a Capital Reserve Fund and a Venture Reserve Fund, respectively. The Corporation is to deposit to the Funds an amount equal to 10% of each capital and venture investment, up to a prescribed maximum of \$1 million each.

The Corporation may use the Funds for further investment or financing for its subsidiaries and venture investments. The Corporation is required to return amounts in the Capital Reserve Fund that exceed the prescribed maximum of \$1 million to the Consolidated Revenue Fund of the Government of the Northwest Territories. The Corporation is only required to contribute to the Venture Reserve Fund until it reaches the prescribed maximum of \$1 million.

	1997	1996
Capital Reserve Fund		
Opening reserve	\$ 208,470	\$ 370,583
Current reserve	563,960	237,887
Approved reserve drawdown	(682,288)	(400,000)
Ending reserve	90,142	208,470
Venture Reserve Fund		
Opening reserve	218,266	188,831
Current reserve	4,100	29,435
Approved reserve drawdown	-	-
Ending reserve	222,366	218,266
	\$ 312,508	\$ 426,736

Northwest Territories Development Corporation

Notes to Consolidated Financial Statements

March 31, 1997

5. Venture Investments

	1997	1996
Loan receivable		
Uqurmiut Inuit Artists Association, non-interest bearing, for the purpose of financing building costs, maturing April 1, 2001	\$ 679,000	\$ 679,000
Less: Allowance for loss	(679,000)	(679,000)
	-	-
Investments in preferred shares		
NCSTV Ltd.	650,000	650,000
Marathon Waterworks Ltd.	437,401	437,401
953801 N.W.T. Ltd. (Rae-Edzo)	294,350	294,350
175119 Canada Inc. (Norweta Cruises)	238,311	238,311
923095 N.W.T. Ltd. (Branson's Lodge)	263,500	263,500
902848 N.W.T. Ltd (Great Bear Lake Lodges)	250,000	250,000
933273 N.W.T. Ltd. (West Baffin)	250,000	250,000
Wekweti Development Ltd.	220,000	220,000
Red River Incorporated Band Ltd.	100,000	100,000
Great Circle Entertainment Ltd.	41,000	-
	2,744,562	2,703,562
Less: Allowance for loss	(1,755,437)	(1,745,187)
	989,125	958,375
Investments in common shares		
Kakivak Fisher Foods Ltd. 30% of common shares	1	1
Less: Share of losses	(1)	(1)
	-	-
Marathon Waterworks Ltd. 49.7% common shares (99)	99	99
Less: Share of losses	(99)	(99)
	-	-
	\$ 989,125	\$ 958,375

Investments in preferred shares carry the right of conversion to common shares. This right may result in the holding of a controlling interest under certain circumstances. Preferred shares are redeemable at the option of the Corporation, and earn dividends at variable rates. Dividends have been waived for the first three years for certain of the investments.

Northwest Territories Development Corporation

Notes to Consolidated Financial Statements

March 31, 1997

6. Capital Assets

			1997	1996
	Cost	Accumulated Amorization	Net Book Value	Net Book Value
Land	\$ 3,197	\$ -	\$ 3,197	\$ 3,197
Buildings	12,781,187	11,978,947	802,240	3,553,679
Trailers	181,265	181,265	-	30,932
Equipment	3,113,033	3,105,937	7,096	589,151
Office and equipment	460,777	427,741	33,036	160,352
Leasehold improvements	692,885	692,885	-	161,360
Computer equipment	373,608	301,086	72,522	105,824
Vehicles	183,244	183,244	-	38,698
Vessel	152,751	152,751	-	69,800
	\$ 17,941,947	\$ 17,023,856	\$ 918,091	\$ 4,712,993

7. Bank Indebtedness

Bank indebtedness represents a demand loan secured by a debenture over inventory and capital assets. Interest is at prime plus 2%.

8. Contributed Surplus

Contributed surplus arose on the transfer of net assets from the Government of the Northwest Territories.

	1997	1996
913044 N.W.T. Ltd.	\$ 277,377	\$ 277,377
Acho Dene Crafts Ltd.	141,057	141,057
Nahanni Butte General Store Ltd.	105,495	105,495
Aklavik Furs Ltd.	14,392	14,392
Rae Lakes General Store Ltd.	176,932	139,648
	\$ 715,253	\$ 677,969

Northwest Territories Development Corporation

Notes to Consolidated Financial Statements

March 31, 1997

9. Change in Non-cash Operating Working Capital

	1997	1996
Accounts receivable	\$ 241,239	\$ 461,838
Due from the Government of the Northwest Territories	15,000	(7,951)
Deferred contributions	1,147,523	388,771
Inventory	(334,890)	(936,076)
Deposits and prepaid expenses	(2,363)	133,827
Accounts payable and accrued liabilities	(222,937)	801,170
	<hr/>	<hr/>
	\$ 843,572	\$ 841,579

10. Commitments

Prior to March 1997, the Corporation entered into an agreement with Nuni (YE) Forest Products Ltd. to acquire certain buildings and equipment at market value, appraised at \$260,196, to be owned and operated by a subsidiary company, Great Slave Lake Forest Products Ltd. During September 1993, Great Slave Lake Forest Products Ltd. began using the buildings and equipment in its operations. Consideration for these assets was to be satisfied by the issuance of Class B non-voting shares in Great Slave Lake Forest Products Ltd. At March 31, 1997 these shares had not been issued. These consolidated financial statements include the buildings and equipment in capital assets with the corresponding liability in accounts payable.

The Corporation is committed under an operating lease for rental of office space at the future minimum payments as set out below:

	1997	1996
1997	\$ -	\$ 84,515
1998	80,181	80,181
1999	74,536	74,536
2000	62,860	62,860
2001	62,188	62,188
2002	62,188	-
	<hr/>	<hr/>
	\$ 341,953	\$ 364,280

11. Related Party Transactions

The Corporation is related in terms of common ownership to all Government of the Northwest Territories created departments, agencies and Crown corporations. The Corporation enters into transactions with these entities in the normal course of business.

Northwest Territories Development Corporation

Notes to Consolidated Financial Statements

March 31, 1997

11. Segmented Information

	Arctic Foods	Light Manufacturing	Fine Arts & Souvenirs	Lumber	Wholesale Retail Stores	Subsidiaries Total	Inter- Segment	Corporate	1997 TOTAL	1996 TOTAL
Sales	\$ 2,679,234	\$ 1,050,653	\$ 631,774	\$ 1,629,491	\$ 4,177,123	\$ 10,168,275	\$ (1,153,117)	\$ -	\$ 9,015,158	\$ 6,365,383
Net loss from operations	\$ 4,357,332	\$ 1,447,965	\$ 1,356,384	\$ 648,530	\$ 1,393,421	\$ 9,203,632	-	\$ 1,126,929	\$ 10,330,561	\$ 12,145,822
Amortization	\$ 3,399,318	\$ 386,615	\$ 440,408	\$ (306,192)	\$ 678,996	\$ 4,599,145	-	\$ 171,051	\$ 4,770,196	\$ 5,724,172
Assets										
Current	\$ 1,005,308	\$ 951,059	\$ 377,252	\$ 514,784	\$ 1,695,480	\$ 4,543,883	-	\$ 1,438,841	\$ 5,982,724	\$ 6,238,171
Capital	-	-	3,197	-	-	3,197	-	2,216,527	2,219,724	6,098,104
	\$ 1,005,308	\$ 951,059	\$ 380,449	\$ 514,784	\$ 1,695,480	\$ 4,547,080	-	\$ 3,655,368	\$ 8,202,448	\$ 12,336,275
Capital expenditures	\$ 1,036,211	\$ 104,375	\$ (31,058)	\$ (306,192)	\$ 146,276	\$ 949,612	-	\$ 25,682	\$ 975,294	\$ 2,687,886

Inter-segment sales are accounted for at prices comparable to open market prices for similar products and services.

Northwest Territories Development Corporation

Schedule 1 - Consolidated Selling and Administrative Expenses

For the years ended March 31,	1997	1996
Salaries and wages	\$ 3,219,599	\$ 2,835,159
Office and general	835,150	652,120
Professional fees	591,614	431,292
Travel	379,770	450,267
Advertising and promotion	232,234	347,372
Utilities	378,217	404,359
Rent	352,950	230,814
Telephone	221,664	200,753
Board members	68,662	141,505
Workshops	133,110	213,887
Bad debts	88,958	79,102
	\$ 6,501,928	\$ 5,986,630

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DEPARTMENT OF PUBLIC WORKS & SERVICES
GRANULAR PROGRAM REVOLVING FUND
FOR THE YEAR ENDED MARCH 31, 1997
(unaudited)

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GOVERNMENT OF THE NORTHWEST TERRITORIES

Granular Program Revolving Fund

Balance Sheet
as at March 31, 1997

	ASSETS	
	1997	1996
Current		
Accounts receivable		
Government of the Northwest Territories departments	\$ 14,820	\$ 354,534
Northwest Territories Housing Corporation	1,815	559
Commercial enterprises	36,082	74,598
Municipalities	187,143	130,522
Individuals	<u>1,132</u>	<u>2,132</u>
	240,992	562,344
Prepaid expenses	<u>0</u>	<u>0</u>
	240,992	562,344
Fixed assets		
Screeners	425,533	425,533
Less: Accumulated Depreciation (Note 1)	<u>192,136</u>	<u>166,202</u>
	233,397	259,331
Granular Inventories (Note 2)	<u>6,196,150</u>	<u>8,157,215</u>
	<u>\$ 6,671,339</u>	<u>\$ 8,978,890</u>
	LIABILITIES	
Current		
Accounts payable accrued liabilities	4,496	12,354
Holdback payable	<u>0</u>	<u>0</u>
	4,496	12,354
Long-term		
Retained earnings	61,822	34,561
Due to the Government of the Northwest Territories	<u>6,605,021</u>	<u>8,931,975</u>
	6,666,843	8,966,536
	<u>\$ 6,671,339</u>	<u>\$ 8,978,890</u>

Approved by Management:

Gay Kennedy
Director, Corporate Services

Ken Lovely
Deputy Minister

GOVERNMENT OF THE NORTHWEST TERRITORIES

Granular Program Revolving Fund

Income Statement
for the year ended March 31, 1997

	1997	1996
Sales		
Government of the Northwest Territories departments	\$ 267,785	\$ 750,847
Northwest Territories Housing Corporation	706	0
Commercial enterprises	54,836	70,655
Municipalities	257,376	128,352
Individuals	<u>0</u>	<u>1,111</u>
	<u>580,253</u>	<u>950,965</u>
Opening inventory	8,157,215	7,438,763
Operating costs		
Freight	0	1,866
Salaries	0	3,700
Site cleanup	0	5,522
Signage	1,214	2,335
Computer Services Charge back	1,807	3,126
Material and supplies	638	2,368
Agent fees	5,623	39,834
Casual wages	0	8,810
Depreciation of screeners	25,933	28,815
Surveys	0	1,546
Rental of equipment	0	6,182
Duty travel - Investigations & surveys/Production costs	9,927	38,720
Production costs	<u>(38,221)</u>	<u>1,492,031</u>
	<u>6,921</u>	<u>1,634,856</u>
Cost of Goods Available for Sale	8,164,136	9,073,619
Less inventory revaluation	1,414,194	0
Less closing inventory	<u>6,196,950</u>	<u>8,157,215</u>
Cost of goods sold	<u>552,992</u>	<u>916,404</u>
Net operating profit (loss) (Note 3)	<u>\$ 27,261</u>	<u>\$ 34,561</u>

GOVERNMENT OF THE NORTHWEST TERRITORIES

Granular Program Revolving Fund

**Notes to Financial Statements
March 31, 1997**

Significant accounting policies

1. Fixed assets (screeners) are depreciated at the rate of 10% per year.
2. Inventories are valued at market value less sales which is assumed to equal net realizable value.
3. A calculated profit of \$27,261 on the years operations has been credited to a revenue account in accordance with Section 60 of the Financial Administration Act.

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DEPARTMENT OF EDUCATION, CULTURE AND EMPLOYMENT

STUDENT LOAN REVOLVING FUND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 1997

(unaudited)

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GOVERNMENT OF THE NORTHWEST TERRITORIES

**Student Loan Revolving Fund
for the year ending March 31, 1997**

STATEMENT OF OPERATIONS

	<u>1997</u>	<u>1996</u>
	(thousands of dollars)	(thousands of dollars)
Loans receivable, opening balance	\$ 16,597	\$ 14,820
Add: Loans granted during the year	4,119	3,820
Reversal of previous loan remissions	<u>-</u>	<u>11</u>
	20,716	18,651
Less: Principal amount of loans repaid	975	927
Principal amount of loans written off	53	132
Principal amount of loan remissions	<u>1,276</u>	<u>995</u>
Loans receivable, closing balance	18,412	16,597
Less: Estimated provision for remission and written off accounts	<u>10,017</u>	<u>8,965</u>
Net loans receivable, closing balance	<u>\$ 8,395</u>	<u>\$ 7,632</u>

**Effect of Student Loan Revolving Fund
on Government Operations**

Interest earned and credited to general revenues	269	290
Less: Financial Collection Agency fees	13	9
Estimated provision for remission and written off accounts	<u>2,382</u>	<u>2,204</u>
Operating deficiency for the year	<u>\$ 2,126</u>	<u>\$ 1,923</u>

- (1) During the fiscal year the allowance for remission and written off accounts was increased by \$2,382,000 (1995-96 - \$2,204,000). These allowances represent estimated accrued expenses charged against the Consolidated Revenue Fund. These expenses represent loans that are unlikely to be collected, or loans which qualify for remission.
- (2) During the fiscal year, loans totalling \$53,474 (1995-96 - \$131,923) were written off due to uncollectability, \$1,276,453 (1995-96 - \$995,037) were remitted, and \$37,049 (1995-96 - \$26,593) were funds collected by the FCA.
- (3) No costs for administration of the Student Loan Fund are included.

APPROVED:

Mark Cleveland
A/Deputy Minister
Department of Education, Culture and Employment

Paul Devitt
Director, Financial & Mgmt. Services
Department of Education, Culture and Employment

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DEPARTMENT OF RESOURCES, WILDLIFE AND ECONOMIC DEVELOPMENT

FUR MARKETING SERVICE REVOLVING FUND

FOR THE YEAR ENDED MARCH 31, 1997

(unaudited)

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GOVERNMENT OF THE NORTHWEST TERRITORIES

Fur Marketing Service Revolving Fund
March 31, 1997

	<u>1997</u>	<u>1996</u>
Receivable balance, beginning of the year	\$ 384,913	\$ 183,142
Add: Fur Price Program	315,218	375,486
Total amount of fur advances issued	1,540,339	752,145
Total amount of other adjustments	10,368	-
Less: Total amount of fur advances repaid	1,551,798	898,798
Total amount of fur advances written off	4,136	280
Total amount of other adjustments	<u>-</u>	<u>26,782</u>
Receivable balance, end of the year	<u>\$ 694,904</u>	<u>\$ 384,913</u>

Note: The purpose of this fund is to provide working capital for the operation of a fur advance system. Trappers receive interest free advances on fur sent to southern auction houses. The authorized limit of the fund is \$900,000 (1996 - \$900,000).

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**DEPARTMENT OF PUBLIC WORKS AND SERVICES
PUBLIC STORES REVOLVING FUND INVENTORIES
FOR THE YEAR ENDED MARCH 31, 1997**

(unaudited)

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GOVERNMENT OF THE NORTHWEST TERRITORIES

**Schedule of Public Stores Revolving Fund Inventories
for the year ended March 31, 1997**

<u>Public Stores</u>	<u>Balance March 31, 1996</u>	<u>Net Receipts</u>	<u>Net Issues</u>	<u>Board of Survey</u>	<u>Inventory (Write-downs) Write-ups</u>	<u>Balance March 31, 1997</u>
Yellowknife	\$ 185,582	\$ 338,669	\$ 393,837	-	\$ 1,179	\$ 131,593
Fort Smith	13,369	4,723	18,599	-	507	-
Inuvik	21,118	1,154	18,893	-	1,140	4,519
Iqaluit	30,497	25,997	24,700	\$ (9,911)	-	21,883
Rankin Inlet	77,284	11,770	78,403	-	-	10,651
Cambridge Bay	62,111	8,247	70,358	-	-	-
	\$ 389,961	\$ 390,560	\$ 604,790	\$ (9,911)	\$ 2,826	\$ 168,646

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