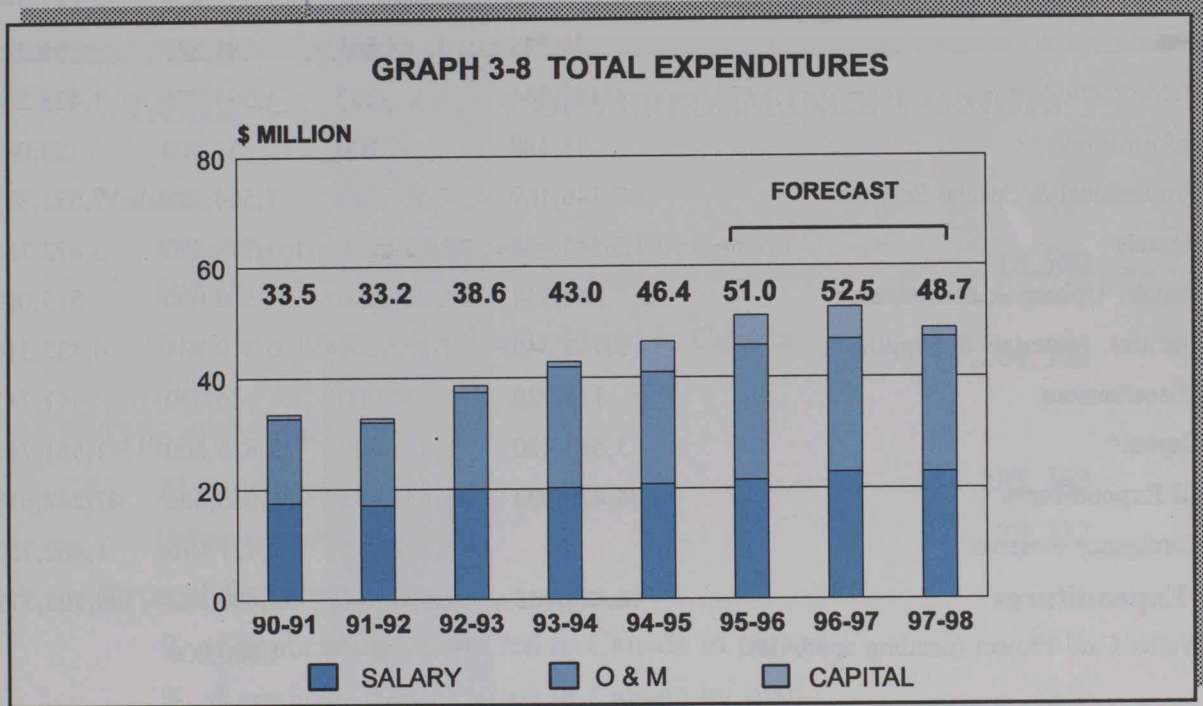




Expenditures

The total expenditures forecast for 1995-96 and subsequent years are illustrated in Graph 3-8. We estimate that in 1995-96 expenditures will reach \$49.6 million (excluding a contingency reserve of \$1.4 million) which represents an increase of \$3.2 million. This increase is due primarily to increases in operating expenditures such as passport inventory, telecommunications and postage. The contingency reserve was established to offset any unanticipated drops in revenues (see Table 3.5).

The total expenditures for 1995-96 are made up as follows: salaries \$21.5 million (43.3%), operating expenditures \$22.8 million (46%), and capital expenditures \$5.3 million (10.7%).



Net Requirements

Table 3-5 shows the Passport Office's net requirements for the period 1994-95 to 1997-98.