

6 CONTINGENT LIABILITY

On April 15, 1993 a production contract was awarded to a company which quoted on the basis of a firm price per unit. The company has indicated that subsequent to this award, a number of events beyond its control significantly altered its production costs. The company was able eventually to resolve these difficulties, but has decided to claim against the Passport Office for the additional costs. The best estimate of the amount of the claim is \$84,500.

Passport Office Revolving Fund

Statement of Operations for the year ended March 31, 1996

(\$)	1996	1995
Revenue		
Fees earned	53,083,595	49,352,492
Miscellaneous revenue	72,142	257,253
	53,155,737	49,609,745
Operating expenses		
Salaries and employee benefits	20,960,761	20,635,744
Provision for employee termination benefits	447,205	488,560
Passport materials and application forms	6,019,640	5,416,506
Passport operations at missions abroad	4,447,460	4,447,460
Accommodation	3,374,598	3,418,141
Professional and special services	2,457,517	2,696,859
Freight, express and cartage	1,833,196	1,612,551
Amortization	1,344,056	1,287,396
Telecommunications	941,761	1,155,411
Printing, stationery and supplies	779,041	724,155
Travel and removal	408,114	323,218
Miscellaneous expenses	376,478	115,585
Repair and maintenance	330,454	274,123
Information	183,041	52,613
Rentals	123,261	101,004
Postal services and postage	72,355	79,770
Loss on disposal of capital assets	60,783	22,150
	44,159,721	42,851,246
Net profit	8,996,016	6,758,499