

LEGISLATIVE ASSEMBLY OF THE
NORTHWEST TERRITORIES
7TH COUNCIL, 47TH SESSION

TABLED DOCUMENT NO. 19-47

TABLED ON OCTOBER 11, 1972



NORTHWEST TERRITORIES

Financial statements for the year ended March 31, 1972

together with the Auditor General's Certificate with respect thereto



AUDITOR GENERAL OF CANADA

Ottawa, August 18, 1972.

The Council of the Northwest Territories,
Yellowknife, N.W.T.

Sirs,

The accounts and financial transactions of the Northwest Territories have been examined for the year ended March 31, 1972. My examination included a general review of the accounting procedures and such tests of accounting records and supporting evidence as I considered necessary in the circumstances.

Administration expenditure includes expenditure during the year on removal, medical and annual leave assistance which in the previous year had been included in the expenditure of the departments concerned. Similarly the Territorial Treasurer expenditure includes all expenditure on freight and express which in the previous year had been included in the expenditure of the departments concerned. The amounts for the previous year have not been adjusted because the required details were not available. There have been minor changes in the classification of revenue and the revenue figures for the previous year have been adjusted for purposes of comparison.

Subject to the foregoing, I report in compliance with the requirements of section 23(4) of the Northwest Territories Act that in my opinion:

- (a) proper books of account have been kept by the Territories;
- (b) the financial statements of the Territories
 - (i) were prepared on a basis consistent with that of the preceding fiscal year and are in agreement with the books of account,
 - (ii) in the case of the statement of expenditure and revenue, give a true and fair view of the expenditures and revenues of the Territories for the fiscal year, and
 - (iii) in the case of the statement of assets and liabilities, give a true and fair view of the affairs of the Territories at the end of the fiscal year; and
- (c) the transactions of the Territories that have come under my notice have been within the powers of the Territories under the Northwest Territories Act and any other Act applicable to the Territories.

Yours faithfully,



Auditor General of Canada.

NORTHWEST TERRITORIES
Statement of Expenditure and Revenue
for the year ended March 31, 1972

(with comparative figures for the year ended March 31, 1971)

<u>Expenditure</u>	<u>1972</u>	<u>1971</u>	<u>Revenue</u>	<u>1972</u>	<u>1971</u>
Operation and maintenance			Operation and maintenance		
Education	\$ 16,114,615	\$ 13,363,609	Taxation and general revenue		
Public Works	15,465,702	15,563,764	Taxes	\$ 3,546,266	\$ 2,879,455
Administration	8,781,694	7,766,031	Liquor system - net profit (Schedule 2)	2,817,285	2,400,792
Health	5,939,082	3,891,588	Housing rental recoveries	2,260,640	1,850,182
Social Development	5,783,282	4,848,947	Heating fuel, power, water and sewer	851,479	748,300
Local Government	5,275,171	4,760,908	Licences and fees	751,898	510,389
Industry and Development	4,221,244	3,598,124	Industry and Development projects	644,040	523,290
Territorial Treasurer	3,891,217	1,270,491	Bank interest and foreign exchange	529,290	390,707
Territorial Secretary	1,997,839	1,557,169	Refund of previous years' expenditures	262,301	134,347
Centennial	-	364,822	Rental of buildings and equipment	257,073	60,232
			Sundry	218,389	134,472
			Board, lodging, and sale of food	214,416	108,410
			Sale of capital assets	82,906	143,510
				<u>12,435,983</u>	<u>9,884,086</u>
			Expenditure recoveries under Federal-Territorial		
Interest on loans from Canada	<u>2,105,650</u>	<u>1,312,910</u>	cost-sharing agreements		
			Health	\$ 3,838,108	2,290,136
	69,575,496	58,298,363	Indian and Eskimo Northern Housing,		
Capital	21,381,977	13,939,101	less \$129,763 repaid with respect		
			to advance received in 1969-70		
			(Note 3)	2,353,737	2,332,000
			Public Works	1,333,136	1,080,025
			Social Development	1,155,198	536,437
			Education	323,155	363,971
			Local Government	69,202	51,999
			Transfer grants for additional		
			programs assumed during the year	32,000	13,718,031
			Public Services	21,656	-
			Industry and Development	2,000	22,500
			Personnel	-	2,410
				<u>9,128,192</u>	<u>20,397,509</u>
			Operating grants from Canada	48,864,800	26,598,000
			Grant from Canada for loan interest	3,040,343	2,068,421
			Interest on municipal and housing loans	165,207	98,698
				<u>73,634,525</u>	<u>59,046,714</u>
			Capital recoveries	<u>3,611,105</u>	<u>2,802,256</u>
				77,245,630	61,848,970
			Excess of expenditure over revenue	<u>13,711,843</u>	<u>10,388,494</u>
				<u>\$ 90,957,473</u>	<u>\$ 72,237,464</u>

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

Certified correct

C.M.E. Cuddy
 Territorial Treasurer

Approved

J. Stewart
 Commissioner

The above Statement of Expenditure and Revenue has been examined in accordance with my certificate dated August 18, 1972.

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 Auditor General of Canada

NORTHWEST TERRITORIES

Statement of Assets and Liabilities

as at March 31, 1972

(with comparative figures as at March 31, 1971)

<u>Assets</u>			<u>Liabilities</u>		
	<u>1972</u>	<u>1971</u>		<u>1972</u>	<u>1971</u>
Current			Current		
Cash	\$ 11,864,212	\$ 8,966,275	Accounts payable	\$ 8,432,153	\$ 9,324,226
Accounts receivable	1,323,897	2,196,998	Contractors' holdbacks	612,436	299,852
Inventories, at cost (Note 1)	<u>981,977</u>	<u>1,275,249</u>	Unapplied balances of advances from Canada	31,492	419,672
	14,170,086	<u>12,438,522</u>	Other	<u>177,876</u>	<u>262,230</u>
Long-term receivables				9,253,957	10,305,980
Loans to municipalities and school districts	\$ 3,666,818	2,412,458	Deferred revenue	1,381,086	993,323
Housing loans	612,307	519,784	Long-term debt		
Other loans (less provision of \$10,940 for doubtful accounts)	<u>259,564</u>	<u>252,079</u>	Loans from Canada		
	4,538,689	<u>3,184,321</u>	General purpose	\$ 45,017,907	28,412,177
Capital (Note 2)			Housing	2,085,687	1,132,157
Land and buildings	24,810,197	14,582,539	Special	<u>412,832</u>	<u>482,443</u>
Vacant land	315,028	139,961		47,516,426	30,026,777
Vehicles	3,275,050	2,666,805	Loans from Central Mortgage and Housing Corporation	<u>764,810</u>	<u>764,640</u>
Other capital assets	<u>913,104</u>	<u>749,705</u>		48,281,236	<u>30,791,417</u>
	29,313,379	<u>18,139,010</u>	Other		
Other			In trust - Department of Public Services	374,118	375,127
Unrecovered development costs of land held for resale at Pine Point	211,529	204,359	Special reserve - Department of Public Services	6,934	2,870
In trust - Department of Public Services	<u>381,052</u>	<u>377,997</u>	Reserve for Workmen's Compensation Claims	<u>218,581</u>	<u>239,195</u>
	592,581	582,356		599,633	<u>617,192</u>
			Current deficit (Schedule 1)	(40,214,556)	(26,502,713)
			Capital surplus	<u>29,313,379</u>	<u>18,139,010</u>
	<u>\$ 48,614,735</u>	<u>\$ 34,344,209</u>		<u>\$ 48,614,735</u>	<u>\$ 34,344,209</u>

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

Certified correct

C.R.M. Curdy
Territorial Treasurer

Approved

Michael W. Hodgson
Commissioner

The above Statement of Assets and Liabilities has been examined
in accordance with my certificate dated August 18, 1972.

Amc...
Auditor General of Canada

NORTHWEST TERRITORIES

Notes to Financial Statements
as at March 31, 1972

1. Inventories

Included in inventories is lumber purchased during the previous year at a cost of \$118,295. As a physical count of the lumber was not carried out during the year and there is some question as to its quality, the valuation of \$118,295 based on cost could be in excess of the market value.

2. Capital assets

Capital assets purchased by the Northwest Territories are recorded at cost. Assets acquired by transfer from Canada are recorded at a current valuation based upon a fair market value.

3. Federal advance - Northern Housing Program

Advances of \$2,483,500 in the year ended March 31, 1972 and \$2,332,000 in the previous year were received from Canada for the operation and maintenance of the Federal Northern Housing Program for Indians and Eskimos.

Since the Territorial records do not identify the related costs, the claims submitted to Canada have been based on an allocation of costs.

While the claims submitted are in excess of the outstanding advances, a liability could arise in the event that the claims are accepted by Canada in amounts less than the outstanding advances.

During the year a refund of \$129,763 was made to Canada with respect to advances received in 1969-70. A dispute exists with respect to this refund which was made under protest.

4. Contingent liability - Fishermen's loans

The Northwest Territories have guaranteed repayment of commercial bank loans made to certain fishermen for the purchase of boats and equipment. At March 31, 1972 the amount outstanding was \$171,403 of which \$50,000 has been recorded as a direct liability.

NORTHWEST TERRITORIESStatement of Current Deficit
for the year ended March 31, 1972

Balance, April 1, 1971	\$ 26,502,713
Excess of expenditure over revenue for the year per Statement of Expenditure and Revenue	<u>13,711,843</u>
Balance, March 31, 1972	<u>\$ 40,214,556</u>

NORTHWEST TERRITORIES
Liquor Control System
Statement of Profit and Loss
for the year ended March 31, 1972

(with comparative figures for the year ended March 31, 1971)

	<u>1972</u>	<u>1971</u>
Sales		
Spirits	\$ 3,152,274	\$ 2,694,905
Beer	2,792,384	2,409,971
Wine	<u>564,925</u>	<u>484,316</u>
	<u>6,509,583</u>	<u>5,589,192</u>
Cost of sales		
Opening inventory, April 1, 1971	\$ 857,475	526,289
Purchases:		
Spirits	1,172,187	1,400,532
Beer	1,268,461	1,099,525
Wine	183,978	181,377
Freight	612,737	512,249
Discounts and allowances	3,465	40,646
Stock insurance	<u>22,245</u>	<u>18,907</u>
	4,120,548	3,779,525
Less:		
Closing inventory, March 31, 1972	\$ 712,921	857,475
Claims and refunds	<u>5,071</u>	<u>6,494</u>
	<u>717,992</u>	<u>863,969</u>
	<u>3,402,556</u>	<u>2,915,556</u>
Operating gross profit	3,107,027	2,673,636
Less: Commissions	<u>74,725</u>	<u>22,710</u>
	3,032,302	2,650,926
Other revenue		
Import permits	50,893	56,662
Commercial licences	48,857	35,486
Bank interest earned	8,464	13,549
Special licences	5,868	7,965
Club licences	1,637	1,250
Annual special licences	1,200	28
Rentals	960	960
Miscellaneous revenue	<u>307</u>	<u>2,956</u>
	118,196	118,856
Gross profit	3,150,488	2,769,782
Less: Administration costs		
Stores and headquarters	<u>333,203</u>	<u>368,990</u>
Net profit	<u>\$ 2,817,285</u>	<u>\$ 2,400,792</u>