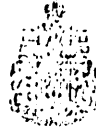


LEGISLATIVE ASSEMBLY OF THE
NORTHWEST TERRITORIES
7TH COUNCIL, 50TH SESSION

TABLED DOCUMENT NO. 2-50

TABLED ON OCTOBER 15, 1973



NORTHWEST TERRITORIES

Financial statements for the year ended March 31, 1973

together with the Auditor General's Certificate with respect thereto



AUDITOR GENERAL OF CANADA

Ottawa, August 16, 1973.

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

Sirs,

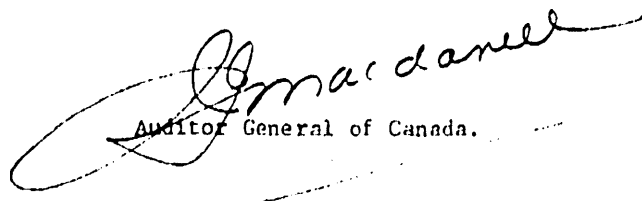
The accounts and financial transactions of the Northwest Territories have been examined for the year ended March 31, 1973. My examination included a general review of the accounting procedures and such tests of accounting records and supporting evidence as I considered necessary in the circumstances.

In compliance with the requirements of section 23(4) of the Northwest Territories Act I report 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, 1973

(with comparative figures for the year ended March 31, 1972)

<u>Expenditure</u>				<u>Revenue</u>	
	<u>1973</u>	<u>1972</u>		<u>1973</u>	<u>1972</u>
Operation and maintenance:			Operation and maintenance:		
Education	\$ 19,888,481	\$ 16,114,615	Taxation and general revenue -		
Public Works	16,661,911	15,367,019	Taxes	\$ 4,580,581	\$ 3,546,266
Administration	10,326,620	9,542,728	Liquor system - net profit (Schedule 2)	3,295,449	2,817,285
Local Government	9,051,048	5,433,814	Housing rental recoveries	2,748,754	2,260,640
Health	7,896,500	5,939,082	Bank interest and foreign exchange	1,132,767	529,290
Social Development	7,451,606	5,783,282	Heating fuel, power, water and sewer	1,078,904	851,479
Industry and Development	5,341,459	4,221,244	Industry and Development projects	1,012,308	644,040
Public Services	3,100,826	2,788,382	Licences and fees	890,305	751,898
Executive	2,863,997	2,000,712	Sundry	556,404	218,389
Information Services	428,839	278,968	Refund of previous years' expenditures	472,705	262,301
			Board, lodging, and sale of food	302,301	214,416
			Rental of buildings and equipment	197,837	257,073
			Sale of capital assets	155,243	82,906
				<u>16,423,558</u>	<u>12,415,953</u>
Interest on loans from Canada	<u>3,327,884</u>	<u>2,105,650</u>	Expenditure recoveries under Federal-Territorial		
	86,339,171	69,575,496	cost-sharing agreements -		
Capital	25,312,803	21,381,977	Health	\$ 5,228,687	3,838,108
			Indian and Eskimo Northern Housing		
			(Note 4)	2,622,300	2,353,717
			Public Works	1,717,299	1,333,136
			Public Services	1,678,624	21,656
			Social Development	966,294	1,155,198
			Education	827,124	323,155
			Local Government	293,602	69,202
			Industry and Development	48,568	2,000
			Transfer grants for additional		
			programs assumed during the year	-	32,000
				<u>13,382,498</u>	<u>9,178,192</u>
			Operating grants from Canada	51,526,000	48,864,800
			Grant in lieu of income taxes	5,049,000	-
			Grant from Canada for repayment of loans from Canada	4,937,309	3,040,343
			Interest on loans to municipalities and school		
			districts	<u>262,662</u>	<u>165,207</u>
				91,581,027	73,634,525
			Capital recoveries	<u>3,580,734</u>	<u>3,611,105</u>
				95,161,761	77,245,630
			Excess of expenditure over revenue	<u>16,490,213</u>	<u>13,711,843</u>
				<u>\$ 111,651,974</u>	<u>\$ 90,957,473</u>

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

Certified correct

C.M.E. Cuddy
Territorial Treasurer

Approved *M. J. ...*
Commissioner

The above Statement of Expenditure and Revenue has been examined in accordance with my certificate dated August 16, 1973.

James ...
Auditor General of Canada

NORTHWEST TERRITORIES
Statement of Assets and Liabilities

as at March 31, 1973

(with comparative figures as at March 31, 1972)

<u>Assets</u>	<u>1973</u>	<u>1972</u>	<u>Liabilities</u>	<u>1973</u>	<u>1972</u>
Current:			Current:		
Cash	\$ 14,665,150	\$ 11,864,212	Accounts payable	\$ 11,905,756	\$ 8,432,111
Accounts receivable	4,099,021	1,323,897	Contractors' holdbacks	1,062,777	612,411
Inventories, at cost	<u>1,550,357</u>	<u>981,977</u>	Unapplied balances of advances from Canada	110,433	31,411
	20,314,528	<u>14,170,086</u>	Other	<u>383,557</u>	<u>177,833</u>
Long-term receivables:			Deferred revenue	11,468,523	<u>9,253,911</u>
Loans to municipalities and school districts	\$ 5,252,128	3,666,818		1,079,120	<u>1,381,011</u>
Housing loans	668,758	612,307	Long-term debt:		
Other loans, less provision of \$10,940 for doubtful accounts (Note 2)	<u>234,819</u>	<u>259,564</u>	Loans from Canada -		
	6,155,705	<u>4,538,689</u>	General purpose	\$ 63,747,426	45,017,911
Capital (Note 3):			Housing	3,011,472	2,085,611
Land and buildings	36,713,254	24,810,197	Special	<u>338,265</u>	<u>412,811</u>
Vacant land	406,642	315,028	Loans from Central Mortgage and Housing Corporation	67,097,163	47,516,411
Vehicles	4,044,517	3,275,050		<u>1,517,031</u>	<u>764,311</u>
Other capital assets	<u>1,519,825</u>	<u>213,104</u>	Other:		
	42,684,238	<u>29,313,379</u>	In trust - Department of Public Services	426,526	374,111
Other:			Special reserve - Department of Public Services	9,467	6,911
In trust - Department of Public Services	435,993	381,052	Reserve for Workmen's Compensation Claims	<u>224,694</u>	<u>218,511</u>
Unrecovered development costs of land held for resale at Pine Point	<u>-</u>	<u>211,529</u>		660,687	599,611
	435,993	592,581	Current deficit (Schedule 1)	(56,916,298)	(40,214,511)
	<u>\$ 69,590,464</u>	<u>\$ 48,614,735</u>	Capital surplus	42,684,238	29,313,379
				<u>\$ 69,590,464</u>	<u>\$ 48,614,735</u>

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

Certified correct

C. M. Curly
Territorial Treasurer

Approved

John H. Wood
Commissioner

The above Statement of Assets and Liabilities has been examined in accordance with my certificate dated August 16, 1973.

J. Macdane
Auditor General of Canada

NORTHWEST TERRITORIES

Notes to Financial Statements
as at March 31, 1973

1. Statement presentation

Following reorganization of the Territorial administrative structure the Departments of Public Services, the Executive, and Information Services were established. As a consequence, certain 1972 figures have been restated in the Statement of Expenditure and Revenue for comparative purposes.

2. Long-term receivables - Other loans

Other loans include \$95,460 on which no payments have been received for three years. Although it is doubtful that the amount will be collected, no provision for loss has been made.

3. 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.

4. Federal advance - Northern Housing Program

Advances have been received from Canada for the operation and maintenance of the Federal Northern Housing Program for Indians and Eskimos for the past four years.

Since the Territorial records do not identify the related costs, the claims submitted to Canada in respect of advances received in previous years have been based on an allocation of costs.

While the claims submitted are in excess of the outstanding advances and a claim has not yet been prepared in respect of the advance received during the year, a liability could arise in the event that the claims are accepted by Canada in amounts less than the outstanding advances. As at March 31, 1973 the outstanding advances were as follows:

1970-71	\$2,332,000
1971-72 (For accounting purposes the advance of \$2,483,500 was charged with a refund of \$129,763 made during the year with respect to advances made in 1969-70)	2,483,500
1972-73	2,622,300

5. 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, 1973 the amount outstanding was \$139,076 of which \$50,000 has been recorded as a direct liability.

NORTHWEST TERRITORIESStatement of Current Deficit
for the year ended March 31, 1973

Balance, April 1, 1972	\$ 40,214,556
Excess of expenditure over revenue for the year per Statement of Expenditure and Revenue	16,490,213
Unrecovered development costs of land held for resale at Pine Point	<u>211,529</u>
Balance, March 31, 1973	<u>\$ 56,916,298</u>

NORTHWEST TERRITORIESStatement of Current Deficit
for the year ended March 31, 1973

Balance, April 1, 1972	\$ 40,214,556
Excess of expenditure over revenue for the year per Statement of Expenditure and Revenue	16,490,213
Unrecovered development costs of land held for resale at Pine Point	<u>211,529</u>
Balance, March 31, 1973	<u>\$ 56,916,298</u>

NORTHWEST TERRITORIES

Liquor Control System
Statement of Profit and Loss
for the year ended March 31, 1973

(with comparative figures for the year ended March 31, 1972)

	<u>1973</u>	<u>1972</u>
Sales:		
Spirits	\$ 3,626,024	\$ 3,152,274
Beer	3,183,669	2,792,384
Wine	<u>686,486</u>	<u>564,925</u>
	7,496,179	<u>6,509,583</u>
Cost of sales:		
Opening inventory, April 1, 1972	\$ 712,921	857,475
Purchases -		
Spirits	1,720,980	1,172,187
Beer	1,614,858	1,268,461
Wine	278,549	183,978
Freight	745,558	612,737
Storage allowance and warehouse rental	19,365	3,465
Stock insurance	<u>21,931</u>	<u>22,245</u>
	5,114,162	<u>4,120,548</u>
Less:		
Closing inventory, March 31, 1973	\$ 1,181,829	712,921
Claims and refunds	<u>21,330</u>	<u>5,071</u>
	<u>1,203,159</u>	<u>717,992</u>
Operating gross profit	<u>3,911,003</u>	<u>3,402,556</u>
	3,585,176	<u>3,107,027</u>
Other revenue:		
Licences	67,928	51,694
Import permits	57,249	50,893
Bank interest earned	19,903	8,464
Special licences	5,798	5,868
Rentals	960	960
Miscellaneous	<u>232</u>	<u>307</u>
	152,070	<u>118,186</u>
Gross profit	3,737,246	3,225,213
Less: Administration costs		
Stores and headquarters	<u>441,797</u>	<u>407,928</u>
Net profit	<u>\$ 3,295,449</u>	<u>\$ 2,817,285</u>