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# ANNUAL REPORT

# 1979

NORTHWEST TERRITORIES CO-OPERATIVE SYSTEM

THE ANNUAL REPORT OF THE NORTHWEST TERRITORIES

CO-OPERATIVE SYSTEM

1979



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## PREFACE

I am pleased to present herein, the sixth Annual Report of the Supervisor of Co-operatives on the Northwest Territorial Co-operative System. This Report deals with co-operative activity in the N.W.T. during 1979 and provides what is hoped to be a balanced perspective on the operations and developments within the system during the year. It is also our hope that this Report will act as a guide to the system as it charts its way through the 1980's and a third decade of development and service to the people of the Northwest Territories .

Dalton L. Morrison,  
Acting Supervisor of  
Co-operatives.

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## 1. Introduction

This Report represents the sixth annual report on the Northwest Territorial Co-operative System as prepared by the Supervisor of Co-operatives. The Report is intended to highlight both the financial and organization position of co-operative enterprise in the N.W.T. during 1979, as well as providing an ongoing assessment of the industry in comparison to previous years' activities. The Report will highlight many areas where improvement and progress are evident while dealing with those areas which remain to be addressed before the system can be fully viable.

In addition, this Report concludes the second decade of co-operative development in the Northwest Territories. This year has afforded the co-operative system the opportunity to reflect on the past and chart its future direction into the 1980's. This theme is shared throughout this Report and it is our hope that it can serve as a positive assessment of the present position of co-operative activity in the Territories as well as point a direction for future activity. Clearly, co-operatives are emerging from the shadows and to an increasing degree, are accepting their position as a financial catalyst for economic development in the N.W.T. Certainly this Department supports this development, recognizing it as an integral part of this Government's desire to devolve economic, social, and political control to the community level.

## 2. Incorporations, Dissolutions, and Year End Changes in 1979

There were few changes in the status of the co-operatives during the reporting year. Table I presents an alphabetical listing of the 40 active co-operatives in the N.W.T classified according to standing as at 31 March 1980.

The six inactive co-operatives are presented in Table 2 according to classification as at 30 December 1979. During the year, the

TABLE 1

ALPHABETICAL LISTING OF ACTIVE CO-OPERATIVES IN THE NORTHWEST TERRITORIES  
CLASSIFIED BY STANDING AS AT MARCH 31, 1980

A. IN GOOD STANDING (All Reporting Requirements Complete)

1. Aklavik Fur Garment Co-operative Limited, Aklavik
2. Coppermine Eskimo Co-operative Limited, Coppermine
3. Fort Smith Home Builders Co-operative Limited, Fort Smith
4. Great Bear Co-operative Limited, Fort Franklin
5. Grise Fiord Eskimo Co-operative Limited, Grise Fiord
6. Hall Beach Eskimo Co-operative Association Limited, Hall Beach
7. Holman Eskimo Co-operative, Holman
8. Ikahuk Co-operative Association Limited, Sachs Harbour
9. Ikaluit Eskimo Co-operative Association Limited, Frobisher Bay
10. Ikaluktutiak Co-operative Limited, Cambridge Bay
11. Kamai Co-operative Association Limited, Colville Lake
12. Mikik Co-operative Association Limited, Baker Lake
13. Lac La Martre Fisherman's Co-operative Limited, Lac La Martre
14. Mitiq Co-operative Association Limited, Sanikiluaq
15. Padlei Co-operative Association Limited, Eskimo Point
16. Paleajook Eskimo Co-operative Limited, Spence Bay
17. Pangnirtung Eskimo Co-operative Limited, Pangnirtung
18. Paulatuk Co-operative Association, Paulatuk
19. Pitsuilak Co-operative Association Limited, Chesterfield Inlet
20. Raven Co-operative Association Limited, Yellowknife
21. Resolute Bay Eskimo Co-operative Limited, Resolute Bay
22. Sanavik Co-operative Association Limited, Baker Lake
23. Snowdrift Co-operative Association Limited, Snowdrift
24. Toonoonik-Sahoonik Co-operative Limited, Pond Inlet
25. Tulugak Co-operative Society Limited, Broughton Island
26. West Baffin Eskimo Co-operative Limited, Cape Dorset
27. Yellowknife Housing Co-operative Limited, Yellowknife

B. NOT IN GOOD STANDING (Annual Return Outstanding)

1. Igloolik Co-operative Limited, Igloolik
2. Issatik Eskimo Co-operative Limited, Whale Cove
3. Jean Marie River Community Co-operative Association Limited, Jean Marie River
4. Katudgevik Co-operative Association, Coral Harbour
5. Kekertak Co-operative Association Limited, Gjoa Haven
6. Kissarvik Co-operative Association Limited, Rankin Inlet
7. Koomiut Co-operative Association Limited, Pelly Bay
8. Kooneak Co-operative Association Limited, Arctic Bay
9. Nanuk Co-operative Association Limited, Tuktoyaktuk
10. Naujat Co-operative Association Limited, Repulse Bay
11. Petanea Co-operative Association Limited, Wrigley
12. Qakigiak Co-operative Association Limited, Clyde River
13. Tetlit Service Co-operative Limited, Fort McPherson

\* Financial statement not received for Naujat Co-operative.

TABLE 2

ALPHABETICAL LISTING OF INACTIVE CO-OPERATIVES, CO-OPERATIVES IN FINAL LIQUIDATION PROCESS OR LIQUIDATED IN THE NORTHWEST TERRITORIES AS AT DECEMBER 30, 1979

I. A. Inactive, not in dissolution process

1. Dene Co-operative Association Limited, Fort Simpson
2. Estaredi Co-operative Association Limited, Rae\*
3. Fitz-Smith Dene Non-Profit Housing Co-operative Limited, Fort Smith
4. Misquqvik Co-operative Association, Baker Lake

B. Inactive, dissolved and in final liquidation

1. Inuvik Housing Co-operative Association Limited, Inuvik
2. Res Logging Co-operative Limited, Fort Resolution

II. Liquidation procedure completed during 1979

1. Kikitoayak Eskimo Co-operative Limited, Port Burwell

\* Under administration to the C.A.C.F.L.

Inuvik Housing Co-operative Association was dissolved on October 5, 1979 while liquidation procedures were completed for the Kikitoayak Eskimo Co-operative Limited of Port Burwell. There were no new co-operative's incorporated during the reporting period.

In 1979, the Kooneak Co-operative in Arctic Bay registered a year end change, changing its year end from November 30th to July 31st in any year. This change resulted in only one statement, covering an eight month period, being filed. This statement was used in this report; averaging was, of course, not possible.

### 3. Methodology

The statistics presented in this Report were gathered from the Annual Returns and Financial Statements filed by each reporting co-operative with the Supervisor of Co-operatives. In all cases, the reporting year falls within the December 31, 1978 to the December 30, 1979 time parameter. As noted previously, all year end periods remained the same with the exception of the Kooneak Co-operative Association Limited of Arctic Bay.

The reports were compiled on the basis of the consolidated, average, savings, loss, common sales range and regional statements. This analysis is believed sufficient to facilitate an understanding of the operational and balance sheet position of the N.W.T. Co-operative System for 1979. No statistical information has been provided for individual co-operatives since the purpose of this report is to present information on the territorial co-operative system in its entirety; however, the statistical data is broken down into six regions so as to highlight the geographical and demographic characteristics common to the reporting co-operatives within these regions and thereby enables a closer comparison based on the commonalities of each region.

The Tables presented throughout this Report provide, where possible, comparative figures for one or more years. It must be emphasized however, that the comparative figures provided are as originally presented in the Annual Report for that year and the figures have not been adjusted in any manner in order to compensate for missing statements or for any restatements which may have subsequently been made to any particular statement during the following year. This latter point is of particular note as restatement of a previous year's statement rather than the use of a prior year adjustment to the current statement has been a common occurrence in the N.W.T. in the past and has been known to result in a large, cumulative net variance over that which may have been originally provided and hence would have been published in the Annual Report for that year. Therefore, the absoluteness of the comparative year's figures is negated to some extent, and the reader should use caution in utilizing the data for analytical and comparative purposes.

This Report follows the format of previous Reports in that the statistics presented deal only with those co-operatives engaged in commercial consumer-producer-service activities; it does not include the housing co-operatives except as noted in Tables 1, 2 and 3. Given the very real differences in the method and purpose of operation in the housing or "sweat equity" associations, no benefit, in statistical terms, would be obtained by their inclusion as they would distort the statistics for no useful purpose. This is not intended to down grade the purpose or function of the housing co-operatives in the N.W.T.

#### 4. Response in 1979

Financial statements were received from 39 of the 40 co-operatives active in 1979. This compares unfavourably to 1978

when all co-operatives in operation in the N.W.T. filed a financial statement. While it is recognized that operational problems resulted in the delay of the Nauyasat Co-operative statement, this situation causes concern to this office as we view the preparation of timely and accurate financial information as being an essential element in the N.W.T. co-operative development program. This area has been long regarded one of the major achievements of the co-operative system in the N.W.T. and, as such, it is not anticipated that this problem will occur in the coming year.

Annual returns were received from 27 of the 40 active Co-operatives. As a result, only 67% of the co-operatives have filed both a financial statement and annual return for the year. When compared to the response rate of 83% in 1978, this figure is unsatisfactory. It must be emphasized that all reporting requirements must be completed fully if a co-operative is to remain in "Good Standing" with this office. Therefore, Table 1 represents the increased number of co-operatives that are currently "Not in Good Standing". If there are no further improvements in this area during the coming year, sanctions may be imposed by the Supervisor if the co-operatives fail to comply with the reporting requirements under the Ordinance. The importance of full and timely reports can not be over-emphasized if the Annual Report is to present a complete and accurate consolidation of the data.

#### 5. Membership and Employment

The significance of the co-operative system to the economic development of the N.W.T. is of major importance to the thousands of Territorial residents who belong to and/or utilize the services and facilities provided by co-operative enterprise throughout the Territories. This significance is intensified by the recognition on the part of the co-operative member-owners that their co-operative industry is the largest economic sector

**TABLE 3**

**TABLE OF MEMBERSHIP AND EMPLOYMENT FOR N.W.T. CO-OPERATIVES  
CLASSIFIED ON A REGIONAL AND TERRITORIAL BASIS**

<u>NAME</u>	<u>MEMBERSHIP</u>	<u>EMPLOYMENT</u>
<u>Fort Smith Region (Great Slave)</u>		
1. Fort Smith Home Builders Co-operative	35	0
2. Jean Marie River Community Co-operative (2)	15	2
3. Lac Le Martre Fishermen's Co-operative	34	2
4. Petanea Co-operative (2)	27	5
5. Raven Co-operative	24	0
6. Snowdrift Co-operative	65	3
7. Yellowknife Housing Co-operative	95	0
<b>TOTAL</b>	<b>295</b>	<b>12</b>
<u>Fort Smith Region (High Arctic)</u>		
1. Coppermine Eskimo Co-operative	156	14
2. Holman Eskimo Co-operative	97	35
3. Ikaluktutiak Co-operative	70	12
4. Kakertak Co-operative	161	5
5. Koomiut Co-operative (2)	134	9
6. Paleajook Eskimo Co-operative	67	12
<b>TOTAL</b>	<b>685</b>	<b>87</b>
<u>Inuvik Region</u>		
1. Aklavik Fur Garment Co-operative (2)	35	0
2. Great Bear Co-operative	57	5
3. Ikahuk Co-operative	58	4
4. Kapami Co-operative	22	1
5. Nanuk Co-operative	38	0
6. Paulatuk Co-operative	35	3
7. Teelit Service Co-operative	309	4
<b>TOTAL</b>	<b>554</b>	<b>17</b>
<u>Keewatin Region</u>		
1. Issatik Co-operative	114	5
2. Katudgevik Co-operative (1)	193	7
3. Kissarvik Co-operative	228	4
4. Naujat Co-operative (1)	104	6
5. Padlei Co-operative	127	12
6. Pitsuilak Co-operative	50	4
7. Sanavik Co-operative	90	22
<b>TOTAL</b>	<b>906</b>	<b>60</b>
<u>Baffin Region (North)</u>		
1. Grise Fiord Eskimo Co-operative	34	5
2. Hall Beach Eskimo Co-operative	57	4
3. Igloolik Eskimo Co-operative	144	12
4. Kooneak Co-operative	59	4
5. Resolute Bay Eskimo Co-operative	47	3
6. Toonoonik-Sahoonik Co-operative	168	28
<b>TOTAL</b>	<b>509</b>	<b>56</b>
<u>Baffin Region (South)</u>		
1. Ikaluit Eskimo Co-operative (2)	84	4
2. Kimik Co-operative	114	2
3. Mitiq Co-operative	148	6
4. Pangnirtung Eskimo Co-operative	226	22
5. Tulugak Co-operative	126	4
6. West Baffin Eskimo Co-operative	140	42
7. Qakigiaq Co-operative (1)	93	9
<b>TOTAL</b>	<b>931</b>	<b>89</b>
<b>NORTHWEST TERRITORIES TOTAL:</b>	<b>3,880</b>	<b>321</b>

NOTES: (1) Based on 1978 Return (2) Estimation



controlled by the indigenous peoples of the Territories, as well as the understanding that co-operative enterprise is one of the major economic institutions which is adaptable and responsive to the socio-economic needs of the local communities. The continued expansion and diversification of co-operatives clearly demonstrates the vital role which co-operatives presently play in community life and it is indicative of the future direction which the member-owners have set for their co-operatives.

Co-operative activity in the N.W.T. is multi-discipline, often encompassing within a single entity the traditional producer-consumer-service functions of an individual co-operative enterprise. Given the multi-faceted nature of co-operative business operations in the Territories, the composition of member-ownership and employment opportunities is of significance to any analysis of co-operative industry in 1979. Therefore, Table 3 presents membership and employment in the N.W.T. Co-operative system segregated on an individual, regional, and Territorial basis.

Membership has increased by 5.89% over the 1978 figures and now approximates 3,880 members. By comparison, in 1978 membership increased by 4.29%. Employment has declined to 321 persons as compared to 360 in 1978. This decline is the result of a number of factors: the closer control on employment, the removal of the employment activities of the two fur co-operatives in the Inuvik Region, and the more accurate employment figures generated for the Keewatin by the removal of casual employees and fishermen from the figures.

Direct wages and employee benefits, as taken from Table 4, totalled \$2,784,107 for 1979. A simple average cost per employee for the period is \$8,673.23. This figure, however, is not completely accurate for comparative purposes. One co-operative did not meet reporting standards but has six employees listed while another co-operative with no employees listed shows

employee wages and benefits of \$346. Therefore, the adjusted figure places the average salary cost at \$8,837.34 as per Table 4. This is up considerably over the average cost reported in 1978 of \$6,930. However, it is to be noted as well that total wages must include those co-operatives engaged in production activities where the cost of labor is included as a component of the cost of goods sold. This cost is reflected in the statements filed for the co-operatives at Pangnirtung, Cape Dorset and Holman. Thus, the additional labor component for the three co-operatives in 1979 was \$416,429. Therefore a revised simple average cost of wages and benefits per employee can be calculated by dividing the total wages and benefits of \$3,200,536 by the 315 employees reported. The result is an average wage cost of \$10,160 per employee. This compares favorably with an average labor cost of \$9,370 \* for 1978.

It must be pointed out that the above figures are for direct labor costs only and they do not cover payments to suppliers of country food, carvers, artists and others who sell arts and crafts or natural resources to the co-operatives. Such payments are substantial and are of prime importance to the economy of many of the territorial settlements where wage employment opportunities are limited. Thus while the activities listed can not be valued from any of the information presented in the financial statements, they are estimated to be over three million dollars for the current year. Further, it is estimated that 1500 territorial residents may benefit from this source of revenue.

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\* 1978 figure has been restated. The figure reported in the 1978 report included 49 employees for the Aklavik Fur Garment Co-operative and the Nanuk Co-operatives. Since they were not paid Co-operative employees, no wages and benefits were reported for them.

There can be little doubt that co-operatives provide significant benefit to N.W.T. both in terms of the access it provides to its member-owners to the economic resources at its disposal and the employment opportunities it affords to community members either through direct wage employment or indirectly through producer or primary resource payments. However, this significance takes on an added dimension when it is recognized that this activity occurs, for the most part, outside of our major urban centers and in communities which have limited, community based economic enterprise. Also of major importance is the recognition that co-operatives are not designed to engage in large scale primary or commercial activity, rather they respond to the expressed needs of the local community for services, and employment opportunities. This fact becomes of even more importance when it is recognized that the unemployment and underemployment rates in small NWT communities are estimated to vary between two and eight times the national rates thus making any significant employment generator of considerable importance to the NWT economic and social structure. Certainly, it is not suggested that co-operatives are the only vehicle for this type of enterprise. However, it is recognized that co-operatives are the only vehicle outside of the native development corporations which provide broad control to all segments of the community and in particular they extend ownership rights to the more economically disadvantaged who could not participate in their communities economic development if left to do so on the basis of their own financial resources alone.

6. 1979 - Analysis of the Statements of Operation

Tables 4 to 25 represent the analysis of the operating results of all 37 reporting co-operatives in 1979 which were involved in commercial activities. However sufficient analysis is presented so that the reader may examine the operating results from all practical perspectives. The analysis follows the same format as

was used in previous years so that effective comparisons can be drawn. Of special consideration to the reader is that:

(a) Communications - include such items as telephone and postage where isolated and general travel. Freight charges are not included.

(b) Heat, Utilities and Municipal Services - include all normal charges such as fuel, oil and water delivery expenses as well as such northern peculiarities as sewage removal.

(c) Insurance - includes all general insurance, workers' compensation and fidelity bond premiums where isolated on the financial statements.

(d) Wages and Employee Benefits - includes all normal direct wage and benefit expenses but does not include any purchases from northern producers for handicrafts, carvings, etc. or purchases of renewable resources for resale.

(e) Office , store and camp supplies - includes such costs as packing and crating materials, outpost camp maintenance charges, the purchase of sewage bags for use in municipal service contracts, etc. in addition to such normal charges as stationary and office supplies.

(f) Unclassified Expenses - includes all other accounts not indicated separately and generally represent unusual items which are not consistently reported on all financial statements.

(g) Dividends - includes all dividends. In 1978 and 1979 both CAP and CACFL issued dividends; in all other years, the dividend figure represents CAP dividends only.

(h) Miscellaneous Income - basically represents all grant funds

and subsidies given by the Territorial and Federal Governments. This figure also includes training grants provided through various government sources.

Table 4 presents the consolidated statement for reporting co-operatives in 1979 with comparative figures for the years 1976 to 1978 inclusive. To facilitate this comparison for the reporting period, Table 5 expresses the same figures as a percentage of total revenues again with comparative figures for the years 1978 through 1976.

It is noted that the absoluteness of the growth reflected in Table 4 is subject to some qualification. The 1979 figures do not include the operations of the Naujat Co-operative in Repulse Bay while the 1978 and 1977 figures do not include the Sanavik Co-operative in Baker Lake (whose records were destroyed in a fire in 1978). As well, the 1979 figures reflect a considerable reduction in the activities of the two fur garment co-operatives. Thus subject to the above qualifications, the figures presented do illustrate the expansion of co-operative activity during the period, particularly in the consumer and producer sales areas. Also of note is the increase in contract and other income after a period of decline which was particularly evident in 1978. While the combined effect is to indicate growth, it has also to be recognized that the growth percentage is much less in "real" terms given the inflationary pressures evident in recent years and which are consequently reflected in the revenue figures. However, without accurate inflation figures for the N.W.T., a definitive assessment of absolute or "real" growth is impossible to determine in any but the most general terms.

From Table 4 we note that total revenues for the period amounted \$16,341,549. This indicates an increase of \$1,890,199 or 11.57%

for 1979 over the 1978 reporting period. This increase is the net effect of contract income increasing by \$374,312 or 15.17% to \$2,467,335 while sales revenue increased by \$1,515,887 or 11.16% to \$13,874,214. The total gross margin obtained for the year is \$5,503,642 while the total operating expenses amounted to \$5,700,166. This resulted in an operating loss of \$196,524, a decrease of 63.5% over the 1978 figure. The addition of other income totalling \$590,397 resulted in a net savings, before tax and patronage dividend, of \$393,873. This net savings represents a dollar increase of \$262,873 over the 1978 savings of \$131,000 or a percentage increase of 66.74%. In general terms, Table 4 indicates a continued trend towards operational improvement in the N.W.T. Co-operative system over the last three reporting periods.

From Table 4, it can be noted that CAP and CACFL divideneds have increased by \$47,160 or 67% over the 1978 year. Another item of interest is the growth in miscellaneous income from \$343,956 to \$446,921, a 23.04% increase over the previous year. It is believed that this increase is the combined result of the developmental programs being provided for N.W.T. co-operatives by Territorial and Federal Governments as well as the various training programs being funded. Such funding represents the Governmental recognition that development programs, such as the co-operative development program, are important to the overall development of the Territories and its peoples and it is not simply a means of subsidizing inefficient business operations. It is also to be noted that \$156,531 of the miscellaneous income or Government grant figure represents extraordinary assistance provided to the Sanavik Co-operative in Baker Lake from numerous government sources to assist the co-operative in recovering from the total loss of its facilities due to fire. Thus, were this amount isolated in Table 4, the effect would have actually been a reduction in such funding during the year in spite of a considerable upswing in training funds being provided.

TABLE 4

CONSOLIDATED STATEMENT FOR REPORTING CO-OPERATIVES  
FOR 1979 WITH COMPARATIVE FIGURES FOR 1978, 1977, AND 1976

	1979 Sales Revenue	Contract & Other Income	TOTAL	1978	1977	1976
Sales & Revenue	13,874,214	2,467,335	16,341,549	14,451,450	13,070,580	12,034,015
Cost of Sales	10,837,907		10,837,907	9,815,828	9,082,884	8,068,293
Gross Margin	3,036,307	2,467,335	5,503,642	4,635,522	3,987,696	3,965,722
<b>EXPENSES</b>						
Legal and Professional Fees			280,111	220,191	197,996	164,526
Advertising and Donations			19,749	24,717	8,135	27,258
Allowance, Bad Debts (Rec.)			113,148	104,216	96,780	116,532
Communications			200,077	154,548	147,834	108,161
Depreciation			356,570	338,072	305,562	259,312
Directors and Delegates			9,654	5,734	4,029	1,933
Exchange, Int. & Bk. Charges			591,212	478,253	334,421	173,345
Fees and Licences			6,390	13,437	3,569	3,088
Heat, Utilities, Mun. Services			472,708	451,323	323,890	286,740
Insurance			226,362	199,859	139,099	95,324
Office, Store/Camp Supplies			141,737	96,641	133,851	103,923
Rentals			38,251	64,318	30,025	21,492
Repairs & Maintenance			131,285	102,601	110,407	105,100
Wages & Employees Benefits			2,784,107	2,494,741	2,549,888	2,144,816
Unclassified Expenses			328,805	196,143	190,958	176,676
<b>TOTAL EXPENSES</b>			<b>5,700,166</b>	<b>4,944,794</b>	<b>4,576,444</b>	<b>3,788,226</b>
Operating Savings (loss)			(196,524)	(309,272)	(588,748)	177,496
Other Income - Dividends			143,476	96,316	121,245	170,085
- Miscellaneous			446,921	343,956	208,256	145,123
<b>Net Savings before Tax &amp; Patronage Dividends</b>			<b>393,873</b>	<b>131,000</b>	<b>(259,247)</b>	<b>492,704</b>
<b>Number of Reporting Co-operatives</b>			<b>37</b>	<b>37</b>	<b>37</b>	<b>38</b>

TABLE 5

CONSOLIDATED STATEMENT FOR REPORTING CO-OPERATIVES IN 1979 EXPRESSED AS A PERCENTAGE OF TOTAL REVENUES WITH COMPARATIVE FIGURES FOR 1978, 1977 and 1976.

	1979 Sales Revenue	Contract & Other Income	TOTAL	1978	1977	1976
Sales & Revenue	100.00	100.00	100.00	100.00	100.00	100.00
Cost of Sales	78.12		66.32	67.92	69.49	67.05
Gross Margin	21.88	100.00	33.68	32.08	30.51	32.95
<u>EXPENSES</u>						
Legal & Professional Fees			1.71	1.52	1.51	1.36
Advertising & Donations			.12	.17	.06	.23
Allowance for Bad Debts (Rec.)			.69	.72	.74	.97
Communications			1.22	1.07	1.13	.90
Depreciation			2.18	2.35	2.34	2.15
Directors & Delegates			.06	.04	.03	.02
Exchange, Int. & Bk. Charges			3.62	3.31	2.56	1.44
Fees & Licences			.04	.09	.03	.03
Heat, Util. & Mun. Services			2.89	3.12	2.48	2.38
Insurance			1.39	1.38	1.06	.79
Office, Store/Camp Supplies			.87	.67	1.02	.86
Rentals			.23	.45	.23	.18
Repairs & Maintenance			.81	.71	.85	.87
Wages & Employee Benefits			17.04	17.26	19.51	17.82
Unclassified Expenses			2.01	1.36	1.46	1.47
TOTAL EXPENSES			34.88	34.22	35.01	31.47
Operating Saving (Loss)			(1.20)	(2.14)	(4.50)	1.48
Other Income - Dividends			.88	.67	.93	1.41
- Miscellaneous			2.73	2.38	1.59	1.20
Net Savings before Tax and Patronage Dividends			2.41	.91	(1.98)	4.90



Table 5, which presents the percentage distribution of Table 4 when expressed in terms of total revenues, reflects the dollar improvements previously noted. The total gross margin can be seen to have improved to 33.68% in 1979 as compared to 32.08% in 1978 while expenses increased only slightly to 34.88% in 1979 as compared to 34.22% in 1978. This resulted in a reduced operating loss of (1.20)% in the current year as opposed to a loss of (2.14)% in 1978. Other income increased in 1979 to 3.61% from 3.05% in 1978 resulting in a net savings for the period of 2.41% as compared to the previous years savings of .91%.

In terms of the expense distribution presented in Table 5, several items deserve special comment. Exchange interest and bank charges again indicate a rise in percentage terms. This increase gives cause for considerable concern as this figure does not represent much of the record interest costs experienced during the latter part of 1979 and early 1980. As such, this expense is anticipated to increase significantly in the coming year and is expected to have a considerable negative impact on co-operative operations in 1980. As well, the small expense in repairs and maintenance is suggestive of false economy in this area which could also cause severe problems in future years. On the other hand, labour costs show a modest decline and suggest a stabilization trend in this area. As well, the reduction in utility costs, in spite of significant cost increases throughout the N.W.T. in 1979, would suggest closer control of such variable expenses and a greater awareness of cost control by the co-operative system.

Table 6 presents the average statement for the reporting co-operatives and it depicts the results of the hypothetical or "average" N.W.T. co-operative during the year. The comparative figures clearly show an improving operational trend with

TABLE 6

AVERAGE STATEMENT FOR REPORTING CO-OPERATIVES IN 1979 WITH COMPARATIVE FIGURES FOR 1978, 1977 and 1976 EXPRESSED IN DOLLAR VALUES

	1979 Sales Revenue	Contract & Other Income	TOTAL	1978	1977	1976
Sales & Revenue	374,979	66,685	441,664	390,577	353,259	316,685
Cost of Sales	292,917		292,917	265,293	245,483	212,324
Gross Margin	82,062	66,685	148,747	125,284	107,776	104,361
<u>EXPENSES</u>						
Legal & Professional Fees			7,570	5,951	5,351	4,330
Advertising & Donations			534	668	220	717
Allowance, Bad Debts (Rec.)			3,058	2,817	2,616	3,067
Communications			5,407	4,177	3,996	2,846
Depreciation			9,637	9,137	8,258	6,824
Directors & Delegates			260	155	109	51
Exchange, Int. & Bk. Charges			15,979	12,926	9,038	4,562
Fees & Licences			173	363	96	81
Heat, Utilities & Mun. Services			12,776	12,198	8,754	7,546
Insurance			6,118	5,402	3,759	2,508
Office, Store/Camp Supplies			3,831	2,612	3,618	2,735
Rentals			1,034	1,738	812	566
Repairs & Maintenance			3,548	2,773	2,984	2,766
Wages & Employee Benefits			75,246	67,425	68,916	56,442
Unclassified Expenses			8,887	5,301	5,161	4,649
TOTAL EXPENSES			154,058	133,643	123,688	99,690
Operating Savings (Loss)			(5,311)	(8,359)	(15,912)	4,671
Other Income - Dividends			3,877	2,603	3,277	4,476
- Miscellaneous			12,079	9,297	5,629	3,819
Net Savings Before Tax & Patronage Dividends			10,645	3,541	(7,006)	12,966

TABLE 7

SIX YEAR AVERAGE STATEMENT EXPRESSED AS A PERCENTAGE OF SALES AND REVENUE DOLLARS WITH COMPARATIVE FIVE AND FOUR YEAR AVERAGES

	Sales Revenue	Contracts & Other Income	TOTAL	5 Year Average	4 Year Average
Sales & Revenue	100.00	100.00	100.00	100.00	100.00
Cost of Sales	80.47		68.34	69.14	69.39
Gross Margin	19.53	100.00	31.66	30.86	30.61
<u>EXPENSES</u>					
Legal & Professional Fees			1.48	1.35	1.36
Advertising and Donations			.14	.14	.14
Allowance for Bad Debts (Rec.)			.70	.64	.69
Communications			.95	.82	.78
Depreciations			2.17	2.11	2.11
Directors & Delegates			.04	.03	.03
Exchange, Int. & Bk. Charges			2.51	2.03	1.72
Fees & Licences			.05	.05	.04
Heat, Util. & Mun. Services			2.64	2.53	2.35
Insurance			1.10	.98	.86
Office, Store/Camp Supplies			.83	.82	.87
Rentals			.35	.38	.37
Repairs & Maintenance			.81	.82	.85
Wages & Employee Benefits			18.13	18.74	18.94
Unclassified Expenses			1.52	1.30	1.36
TOTAL EXPENSES			33.42	32.74	32.47
Operating Savings (Loss)			(1.76)	(1.88)	(1.86)
Other Income - Dividends			1.00	1.00	1.19
- Miscellaneous			1.90	1.55	1.36
Net Savings before Tax & Patronage Dividends			1.14	.67	.69

TABLE 8

CONSOLIDATED STATEMENT FOR REPORTING CO-OPERATIVES  
WITH A NET SAVINGS IN 1979 WITH COMPARATIVE FIGURES  
FOR 1978, 1977 and 1976, EXPRESSED IN DOLLAR VALUES.

	1979 Sales Revenue	Contract & Other Income	TOTAL	1978	1977	1976
Sales & Revenues	10,079,581	2,004,086	12,083,667	9,689,082	6,351,893	8,321,462
Cost of Sales	7,621,107		7,621,107	6,324,466	4,346,771	5,220,453
Gross Margin	2,458,474	2,004,086	4,462,560	3,364,616	2,305,122	3,101,009
<b>EXPENSES</b>						
Legal and Professional Fees			196,665	139,995	102,494	120,505
Advertising & Donations			18,119	23,097	4,874	20,238
Allowance for Bad Debts (Rec.)			51,399	22,827	29,469	77,773
Communications			150,866	102,112	84,897	71,330
Depreciation			271,386	231,426	117,593	211,450
Directors & Delegates			6,184	3,880	1,779	535
Exchange, Int. & Bk. Charges			356,008	195,511	86,767	98,386
Fees & Licences			2,284	1,277	2,346	1,195
Heat, Util. & Mun. Services			362,339	325,748	163,869	216,236
Insurance			162,371	126,702	69,793	65,356
Office, Store/Camp Supplies			111,990	57,439	43,764	62,753
Rentals			19,955	16,970	22,852	17,933
Repairs & Maintenance			106,240	76,587	54,326	45,031
Wages & Employee Benefits			1,877,131	1,427,807	1,059,275	1,332,571
Unclassified Expenses			269,821	140,834	92,006	119,206
TOTAL EXPENSES			3,962,758	2,892,212	1,935,104	2,460,498
Operating Savings (Loss)			499,802	472,404	370,018	640,511
Other Income - Dividends			116,497	73,122	100,734	139,433
- Miscellaneous			301,185	127,073	75,446	64,233
Net Savings before Tax & Patronage Dividends			917,484	672,599	546,198	844,177
Number of Reporting Co-operatives			22	21	17	24

TABLE 9

CONSOLIDATED STATEMENT FOR CO-OPERATIVES WITH NET SAVINGS IN 1979 EXPRESSED AS A PERCENTAGE OF REVENUES WITH COMPARISON FIGURES FOR 1978, 1977 and 1976.

	1979 Sales Revenue	Contract & Other Income	TOTAL	1978	1977	1976
Sales & Revenues	100.00	100.00	100.00	100.00	100.00	100.00
Cost of Sales	75.61		63.07	65.27	63.71	62.73
Gross Margin	24.39	100.00	36.93	34.73	36.29	37.27
<b>EXPENSES</b>						
Legal & Professional Fees			1.63	1.44	1.61	1.45
Advertising & Donations			.15	.24	.08	.24
Allowance for Bad Debts (Rec.)			.43	.24	.46	.94
Communications			1.25	1.05	1.34	.86
Depreciation			2.24	2.39	1.85	2.54
Directors & Delegates			.05	.04	.03	.02
Exchange, Int. & Bk. Charges			2.95	2.02	1.37	1.17
Fees & Licences			.02	.01	.02	.01
Heat, Util. & Mun. Services			3.00	3.36	2.58	2.60
Insurance			1.34	1.31	1.09	.79
Office, Store/Camp Supplies			.93	.59	.69	.75
Rentals			.16	.18	.36	.22
Repairs & Maintenance			.88	.79	.86	.54
Wages & Employee Benefits			15.53	14.74	16.68	16.01
Unclassified Expenses			2.23	1.45	1.45	1.43
TOTAL EXPENSES			32.79	29.85	30.47	29.57
Operating Savings (Loss)			4.14	4.88	5.82	7.70
Other Income - Dividends			.96	.75	1.59	1.68
- Miscellaneous			2.49	1.31	1.19	.77
Net Savings before Tax & Patronage Dividends			7.59	6.94	8.60	10.15

TABLE 10

CONSOLIDATED STATEMENT FOR CO-OPERATIVES WITH A NET  
OPERATING LOSS IN 1979 EXPRESSED IN ACTUAL DOLLAR  
VALUES WITH COMPARATIVE FIGURES FOR 1978, 1977 and 1976.

	1979 Sales Revenue	Contract & Other Income	TOTAL	1978	1977	1976
Sales & Revenues	3,794,633	463,249	4,257,882	4,762,268	6,718,687	3,712,553
Cost of Sales	3,216,800		3,216,800	3,491,362	5,036,113	2,847,840
Gross Margin	577,833	463,249	1,041,082	1,270,906	1,682,574	864,713
<b>EXPENSES</b>						
Legal & Professional Fees			83,446	80,196	95,502	44,021
Advertising & Donations			1,630	1,620	3,261	7,020
Allowance Bad Debts (Rec.)			61,749	81,389	67,311	38,759
Communications			49,211	52,436	62,937	36,831
Depreciation			85,184	106,646	187,969	47,862
Directors & Delegates			3,470	1,854	2,250	1,398
Exchange, Int. & Bk. Charges			235,204	282,742	247,654	74,959
Fees & Licences			4,106	12,160	2,223	1,893
Heat, Util. & Mun. Services			110,369	125,575	160,021	70,504
Insurance			63,991	73,157	69,306	29,968
Office, Store/Camp Supplies			29,747	39,202	90,087	41,170
Rentals			18,296	47,348	7,173	3,559
Repairs & Maintenance			25,045	26,014	56,081	60,069
Wages & Employee Benefits			906,976	1,066,934	1,490,613	812,245
Unclassified Expenses			58,984	55,309	98,952	57,470
TOTAL EXPENSES			1,737,408	2,052,582	2,641,340	1,327,728
Operating Savings (Loss)			(696,326)	(781,676)	(958,766)	(463,015)
Other Income - Dividends			26,979	23,194	20,511	30,652
- Miscellaneous			145,736	216,883	132,810	80,890
Net Savings Before Tax and Patronage Dividends			(523,611)	(541,599)	(805,445)	(351,473)
No. of Reporting Co-operatives			15	16	20	15

TABLE 11

CONSOLIDATED STATEMENT FOR CO-OPERATIVES WITH A NET  
LOSS IN 1979 EXPRESSED AS A PERCENTAGE OF TOTAL  
REVENUES WITH COMPARATIVE FIGURES FOR 1978, 1977 and 1976.

	1979 Sales Revenue	Contract & Other Income	TOTAL	1978	1977	1976
Sales & Revenues	100.00	100.00	100.00	100.00	100.00	100.00
Cost of Sales	84.77		75.55	73.31	74.96	76.71
Gross Margin	15.23	100.00	24.45	26.69	25.04	23.29
<b>EXPENSES</b>						
Legal & Professional Fees			1.96	1.68	1.42	1.19
Advertising & Donations			.04	.03	.05	.19
Allowance for Bad Debts (Rec.)			1.45	1.71	1.00	1.04
Communications			1.16	1.10	.94	.99
Depreciation			2.00	2.24	2.80	1.29
Directors & Delegates			.08	.04	.03	.04
Exchange, Int. & Bank Charges			5.52	5.94	3.69	2.02
Fees & Licences			.09	.26	.03	.05
Heat, Util. & Mun. Services			2.59	2.64	2.38	1.90
Insurance			1.50	1.54	1.03	.81
Office, Store/Camp Supplies			.70	.82	1.34	1.11
Rentals			.43	.99	.11	.10
Repairs & Maintenance			.59	.55	.83	1.62
Wages & Employees Benefits			21.30	22.40	22.19	21.88
Unclassified Expenses			1.39	1.16	1.47	1.55
TOTAL EXPENSES			40.80	43.10	39.31	35.78
Operating Savings (Loss)			(16.35)	(16.41)	(14.27)	(12.49)
Other Income - Dividends			.63	.49	.31	.83
- Miscellaneous			3.42	4.55	1.98	2.18
Net Savings Before Tax & Patronage Dividends			(12.30)	(11.37)	(11.98)	(9.48)

increases in both revenues and the gross margin, a decrease in the operating loss and a net saving, before tax and patronage dividend, that has tripled. Sales have increased by 15.27% or \$51,087 with a matching increase in expenses of 15.28% or \$20,415. The operating loss decreased by 36.46% or \$3,048 with the result that the net savings shows an increase of 200.62% or \$7,104.

The six year average statement, expressed as a percentage of sales and revenue dollars, with comparative five and four year average statements is portrayed in Table 7. It also substantiates the trends pointed out previously. The Table shows that the biggest increase in expenses was for exchange, interest and bank charges, while wages and employee benefits have decreased. This resulted in the net saving, before tax and patronage dividends, having increased substantially.

Tables 8 through 11 contrasts the consolidated statements for those reporting co-operatives with a net savings to those co-operatives with a net loss during the year. Tables 8 and 10 present the consolidated statements in actual dollar values while Tables 9 and 11 present the consolidated statements when expressed as a percentage of total revenues. In both cases, comparative figures are presented for the last three years. In 1979, 22 co-operatives achieved a net savings while 15 out of 37 reporting co-operatives reported a net loss. By comparison, during 1978 there were 21 co-operatives with a net savings and 16 with a net loss out of the 37 reporting co-operatives in that year.

As noted, Tables 8 and 9 present the operational results of those co-operatives in a net savings position. While it can be seen from Table 8 that the dollar values have increased significantly over those of 1978, it is the percentage distribution as presented in Table 9 which allows us to actually measure the



change in terms of operational performance. This table indicates an improvement in the total gross margin for 1979 to 36.93% from 34.73% in 1978; however, this improvement is directly attributable to increased contract revenues which rose to \$2,004,086 from \$1,272,585, rather than as a result of any improvement in the margin on sales which actually indicates a small percentage decline from its 1978 percentage of 24.86% to its present 24.39%. Offsetting the increase in margins is a larger increase in total expenses to 32.79% from its 29.85% which in turn resulted in a .76% decline in the operating savings to 4.14% as compared to 4.88% in 1978. However, the addition of 3.45% in other income resulted in an improved net savings of 7.59% as opposed to the 6.94% achieved in 1978. It is, however, again stressed that \$156,531 of the miscellaneous other income figure represents extraordinary grants. Were this amount to be removed, the miscellaneous dollar and percentage figures would be more than halved, with the result that virtually no improvement would be evident in the net savings figure for 1978.

Tables 10 and 11 present the operational results of those co-operatives in a loss position. Table 11, which illustrates the percentage distribution is of particular interest. From this Table we actually see a reversal in the gross margin analysis over that noted for Table 9. Here, while the total gross margin declined from 26.69% in 1978 to its present 24.45%, this decline was actually the net result of an improvement in the margin on sales from 11.43% in 1978 to 15.23% and a significant 44% reduction in contract revenues. The decrease in the total gross margin was more that offset by a decline in the total expense percentage which in turn resulted in virtually no change, 0.06%, in the operating loss and, a 1.01% decline in Other Income combined to result in an increase in the net loss for 1979 to 12.30% as compared to a net loss of 11.37% in 1978.

From the foregoing analysis we can evidence little change in the

perating results of either savings or loss co-operatives, with changes in the gross margin being virtually offset by corresponding changes in expenses. Therefore, in terms of the net position of the co-operatives presented, the noted improvement or regression can be attributed to variations in the Other Income figures generated for the period. Thus, the improvement noted in the consolidations presented in Tables 4 and 5, becomes less evident when isolated in terms of those associations in a net savings or loss position when considered in terms of their operating performance.

Tables 12 to 17 denote co-operative activity in the N.W.T. when presented in terms of common total revenue ranges. Tables 12 and 13 represent the consolidated operating statements for all co-operatives while Tables 14 to 17 break down the operating statements according to net savings or losses in their respective revenue ranges. Presently, there are 14 co-operatives in the \$400,000 or greater ranges and 9 in the less than \$200,000 ranges. The "modal" classification remains in the "\$200,000 to \$400,000" range with 14 co-operatives, an increase of two co-operatives in the past year. Also of note is the fact that there are presently 14 co-operatives with total revenues in excess of \$400,000 as compared to 13, 11 and 5 for the years 1978 to 1975 respectively.

Tables 12 and 13 represent the consolidated statements classified according to the common revenue groups when expressed in actual dollar values and as a percentage of total revenue respectively, with comparative percentage figures for 1978 also being provided. The range of variation for gross margin for the year extends from (23.28% to 40.28%), which is higher and somewhat more compact than the 1978 gross margin range of (17.57% to 38.08%). The expense range continues to show a wider variation, ranging from (28.19 to 62.05%) which is not a significant increase over the

TABLE 12

COMBINED OPERATING STATEMENT CLASSIFIED ACCORDING TO  
TOTAL REVENUE GROUPS EXPRESSED IN ACTUAL DOLLAR VALUES.

REVENUE GROUP	Less than 100,000	100,000 to 150,000	150,000 to 200,000	200,000 to 400,000	400,000 to 800,000	800,000 or More	NWT TOTAL
No. of Reporting Co-ops	4	1	4	14	9	5	37
Sales & Revenues	34,729	100,033	730,592	4,009,683	5,172,984	6,293,528	16,341,549
Cost of Sales	24,696	76,644	550,389	2,785,224	3,642,577	3,758,377	10,837,907
Gross Margin	10,033	23,389	180,203	1,224,459	1,530,407	2,535,151	5,503,642
<b>EXPENSES</b>							
Legal & Prof. Fees	8,300	3,000	12,990	97,509	65,647	92,665	280,111
Advert. & Donations						3,095	19,749
Allow. Bad Debts (Rec.)		153	6,213	40,325	41,858	24,599	113,148
Communications	578	641	14,635	47,635	49,490	87,596	200,077
Depreciation	1,642	727	20,125	76,585	97,196	160,295	356,570
Directors & Delegates			2,715	3,645	2,090	1,204	9,654
Exch. Int. & Bk. Charges	1,016	4,695	46,162	193,247	174,278	171,814	591,212
Fees & Licences		60	136	3,011	2,480	703	6,390
Heat, Util. & Mun. Serv	901	457	24,671	99,115	152,478	195,086	472,708
Insurance	150	1,413	13,310	58,611	69,029	83,849	226,362
Office, Store/Cp Supp	225	375	5,904	20,338	42,403	72,492	141,737
Rentals	174	50	1,546	17,390	12,885	6,206	38,251
Repairs & Maint.	185	193	4,283	20,507	32,229	73,888	131,285
Wages & Emp. Benefits	8,370	14,160	163,292	781,433	854,643	962,209	2,784,107
Unclassified Expenses	10	2,273	7,940	58,847	35,439	224,296	328,805
TOTAL EXPENSES	21,551	28,197	323,922	1,517,700	1,635,240	2,173,556	5,700,166
Operating Savings (Loss)	(11,518)	(4,808)	(143,719)	(293,241)	(104,833)	361,595	(196,524)
Other Inc. - Div.	61	1,406	6,064	40,109	63,788	32,048	143,476
- Misc.	14,000	11,000	41,080	277,766	69,816	33,259	446,921
Net Savings before Taxes & Pat. Div.	2,543	7,598	(96,575)	24,634	28,771	426,902	393,873

TABLE 13

COMBINED OPERATING STATEMENT CLASSIFIED ACCORDING TO TOTAL REVENUE GROUPS EXPRESSED AS A PERCENTAGE OF TOTAL SALES AND REVENUE DOLLARS.

REVENUE GROUP	Less than 100,000		100,000 to 150,000		150,000 to 200,000		200,000 to 400,000		400,000 to 800,000		800,000 or More	
	1979	1978	1979	1978	1979	1978	1979	1978	1979	1978	1979	1978
Year	1979	1978	1979	1978	1979	1978	1979	1978	1979	1978	1979	1978
No. Reporting Co-ops	4	7	1	1	4	4	14	12	9	9	5	4
Sales & Revenue	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Cost of Sales	71.11	82.43	76.62	77.11	75.33	78.56	69.46	69.88	70.42	61.92	59.72	70.15
Gross Margin	28.89	17.57	23.98	22.89	24.66	21.44	30.54	30.12	29.58	38.08	40.28	29.85
<b>EXPENSES</b>												
Legal & Prof. Fees		4.48	3.00	4.85	1.78	2.16	2.43	1.29	1.27	1.07	1.47	1.80
Advertising & Don.	23.90							.04	.06	.07	.26	.42
Allow. Bad Debts (Rec.)		2.41	.15		.85	1.32	1.00	1.49	.81	.69	.39	.01
Communications	1.66	.92	.64	.80	2.00	.87	1.18	1.06	.96	1.27	1.39	.91
Depreciation		1.60	.73	4.04	2.75	3.20	1.91	1.83	1.88	2.75	2.55	2.14
Directors & Delegates	4.73				.37	.09	.09	.07	.04	.05	.02	
Exc. Int. & Bk. Charges	2.93	3.36	4.69	2.70	6.32	7.16	4.82	4.25	3.37	3.76	2.73	1.53
Fees & Licences		.02	.06		.02		.08	.02	.05	.23	.01	.01
Heat, Util. Mun Serv.	2.59	2.99	.46	5.00	3.37	2.68	2.47	2.56	2.95	3.83	3.10	2.79
Insurance	.43	.96	1.41	2.14	1.82	1.42	1.46	1.42	1.33	1.57	1.33	1.15
Offi. Store/Cp. Supply	.65	.39	.38	.18	.81	.25	.51	.45	.82	.86	1.15	.70
Rentals	.50	.01	.05		.21	.35	.43	.35	.25	.88	.10	.08
Repairs & Maint.	.53	.73	.19	1.18	.59	.41	.51	.72	.62	.50	1.18	.98
Wages & Emp. Ben.	24.10	18.88	14.16	36.58	22.35	17.35	19.49	19.34	16.52	20.64	15.29	11.47
Unclassified Exp.	.03	.04	2.27	1.45	1.09	1.58	1.47	.37	.68	1.13	3.56	2.39
TOTAL EXPENSES	62.05	36.79	28.19	58.92	44.33	38.84	37.85	35.26	31.61	39.30	34.53	26.38
Operating Savings (Loss)	(33.16)	(19.22)	(4.81)	(36.03)	(19.67)	(17.40)	(7.31)	(5.14)	(2.03)	(1.22)	5.75	3.47
Other Inc. - Div.	.17	.03	1.41	1.19	.83	.14	1.00	.74	1.23	.70	.51	.69
- Misc.	40.31	9.51	11.00	6.27	5.62	4.91	6.93	2.58	1.35	3.26	.52	.24
Net Savings before Taxes and Patronage Dividends	7.32	(9.68)	7.60	(28.57)	(13.22)	(12.35)	.62	(1.82)	.55	2.74	6.78	4.40

variation for 1978 which ranged from (26.38% to 58.92%). The net savings on the other hand varied from ((28.57%) to 4.40%) in 1978 while in 1979 the variation was much improved at ((13.22%) to 7.32%). Also of significance is the fact that the gross margin indicates varying degrees of improvement in all classifications except the "\$400,000 to \$800,000" range while total expense percentages tend to be erratic and indicate no such stabilizing trend. As a result we have a corresponding erratic effect on the operating saving (loss) percentage. Other Income, has increased to some degree for all classifications except the "\$400,000 to \$800,000" grouping, which in turn combined to achieve an improved net savings position in 4 of the 6 revenue classifications, with only the "\$150,000 to \$200,000" and "\$400,000 to \$800,000" classifications indicating a decline over that of 1978.

Tables 14 and 15 depict those co-operatives with a net savings, classified according to total revenue groups and expressed in dollar values and as a percentage of revenues respectively. An examination of the Tables reveals that of 22 co-operatives with a net savings, 18 were in the \$200,000 or over ranges while only 4 were in the less than \$150,000 revenue ranges. The ratio of cost of sales to sales and revenue is at a high of 1.67 to 1 in the "\$800,000 or more" classification to a low of 1.3 to 1 for the "\$100,000 to \$150,000" classification. This illustrates that those co-operatives in the higher revenue ranges, that is over \$400,000 in total revenues, are the most successful with the best overall performance percentages. This generalization can be easily verified by an examination of Table 15. The variation in the margin and total expense percentiles is distinctly greater for those co-operatives earning under \$400,000 in total revenue. As well, the operating savings (loss) in 1979 indicates a clear progression in improved operational position as revenues increase with a similar progression evident in 1978 except for "\$800,000 or more" classification. Miscellaneous Income, on the other

**TABLE 14**

**CO-OPERATIVES WITH A NET SAVINGS CLASSIFIED ACCORDING TO  
TOTAL REVENUE GROUPS AND EXPRESSED IN ACTUAL DOLLAR VALUES FOR 1979.**

REVENUE GROUP	Less than 100,000	100,000 to 150,000	150,000 to 200,000	200,000 to 400,000	400,000 to 800,000	800,000 or more	NWT TOTAL
No. Reporting Co-ops	3	1	0	7	6	5	22
Sales & Revenues	33,213	100,033		2,011,920	3,644,973	6,293,528	12,083,667
Cost of Sales	24,696	76,644		1,410,475	2,350,915	3,758,377	7,621,107
Gross Margin	8,517	23,389		601,445	1,294,058	2,535,151	4,462,560
<b>EXPENSES</b>							
Legal & Prof. Fees	5,500	3,000		58,291	37,209	92,665	196,665
Advert. & Donations					1,465	16,654	18,119
Allow. Bad Debts (Rec.)		153		19,183	7,464	24,599	51,399
Communications	30	641		26,410	36,189	87,596	150,866
Depreciation	1,642	727		37,395	71,327	160,295	271,386
Direc. & Delegates				2,990	1,990	1,204	6,184
Exch. Int. & Bk. charges	85	4,695		89,753	89,661	171,814	356,008
Fees & Licences		60		412	1,109	703	2,284
Heat, Util, & Mun. Serv.	901	457		45,105	120,790	195,086	362,339
Insurance	150	1,413		25,804	51,155	83,849	162,371
Off. Store/Camp Supplies	225	375		12,963	25,935	72,492	111,990
Rentals		50		11,341	2,358	6,206	19,955
Repairs & Maint.	185	193		6,745	25,229	73,888	106,240
Wages & Emp. Benefits	8,024	14,160		281,068	611,670	962,209	1,877,131
Unclassified Expenses	10	2,273		19,258	23,984	224,296	269,821
<b>TOTAL EXPENSES</b>	<b>16,752</b>	<b>28,197</b>		<b>636,718</b>	<b>1,107,535</b>	<b>2,173,556</b>	<b>3,962,758</b>
Operating Savings (Loss)	(8,235)	(4,808)		(35,273)	186,523	361,595	499,802
Other Inc. -Div.	61	1,406		27,299	55,683	32,048	116,497
-Misc.	11,500	11,000		197,615	47,811	33,259	301,185
<b>Net Savings before Taxes &amp; Pat. Div.</b>	<b>3,326</b>	<b>7,598</b>		<b>189,641</b>	<b>290,017</b>	<b>426,902</b>	<b>917,484</b>

TABLE 15

CO-OPERATIVES WITH A NET SAVINGS CLASSIFIED ACCORDING TO TOTAL SALES AND REVENUE GROUPS AND EXPRESSED AS A PERCENTAGE OF TOTAL SALES AND REVENUE DOLLARS.

REVENUE GROUP	Less than 100,000		100,000 to 150,000		150,000 to 200,000		200,000 to 400,000		400,000 to 800,000		800,000 or More	
	1979	1978	1979	1978	1979	1978	1979	1978	1979	1978	1979	1978
Year	1979	1978	1979	1978	1979	1978	1979	1978	1979	1978	1979	1978
No. Reporting Co-ops	3	4	1	0	0	2	7	6	6	5	5	4
Sales & Revenues	100.00	100.00	100.00			100.00	100.00	100.00	100.00	100.00	100.00	100.00
Cost of Sales	74.36	84.09	76.62			58.41	70.11	69.72	64.50	53.86	59.72	70.16
Gross Margin	25.64	15.91	23.38			41.59	29.89	30.28	35.50	46.14	40.28	29.84
<b>EXPENSES</b>												
Legal & Prof. Fees	16.56	4.82	3.00			1.75	2.90	1.01	1.02	.91	1.47	1.80
Advert. & Donations						.07		.07	.94	.07	.26	.42
Allow. Bad Debts (Rec)			.15			1.70	.95	.78	.20	.10	.39	(.01)
Communications	.09	.19	.64			.89	1.31	.96	.99	1.44	1.39	.91
Depreciation	4.94	1.98	.73			5.64	1.86	1.60	1.96	2.93	2.55	2.14
Directors & Delegates							.15	.08	.06	.09	.02	
Exch. Int. & Bk. Charges	.25	4.92	4.69			5.28	4.46	2.97	2.46	1.63	2.73	1.53
Fees & Licences		.04	.06			.01	.02	.02	.03	.01	.01	.01
Heat, Util. & Mun. Serv.	2.71	2.84	.46			3.40	2.24	2.15	3.31	5.18	3.10	2.79
Insurance	.45	1.18	1.41			1.45	1.28	1.03	1.40	1.75	1.33	1.15
Off. Store/Cp Supp.	.68	.46	.38			.39	.64	.61	.71	.41	1.15	.71
Rentals		.04	.05			.23	.56	.57	.07	.07	.10	.08
Repairs & Maint.	.56	.49	.19			.78	.34	.70	.69	.55	1.17	.98
Wages & Emp. Benefits	24.16	12.85	14.16			23.19	13.97	13.99	16.78	19.83	15.29	11.47
Unclassified Expenses	.03		2.27			.37	.96	.40	.66	.76	3.56	2.39
TOTAL EXPENSES	50.43	29.81	28.19			45.08	31.64	26.94	30.38	35.73	34.52	26.37
Operating Savings (Loss)	(24.79)	(13.90)	(4.81)			(3.49)	(1.75)	3.34	5.12	10.41	5.76	3.47
Other Inc. - Dividends	.18		1.41			.07	1.36	.87	1.53	.92	.51	.69
- Misc.	34.62	14.48	11.00			6.52	9.82	2.92	1.31	.74	.53	.24
Net Savings Before Taxes and Patronage Dividends	10.01	.58	7.60			3.10	9.42	7.13	7.96	12.07	6.80	4.40

**TABLE 16**

**CO-OPERATIVES WITH A NET LOSS IN 1979 CLASSIFIED ACCORDING TO  
TOTAL SALES AND REVENUE GROUPS AND EXPRESSED IN ACTUAL DOLLAR VALUES.**

REVENUE GROUP	Less than 100,000	100,000 to 150,000	150,000 to 200,000	200,000 to 400,000	400,000 to 800,000	800,000 or More	NWT TOTAL
No. Reporting Co-ops	1	0	4	7	3		15
Sales & Revenue	1,516		730,592	1,997,763	1,528,011		4,257,882
Cost of Sales			550,389	1,374,749	1,291,662		3,216,800
Gross Margin	1,516		180,203	623,014	236,349		1,041,082
<b>EXPENSES</b>							
Legal & Prof. Fees	2,800		12,990	39,218	28,438		83,446
Advert. & Donations					1,630		1,630
Allow. Bad Debts (Rec.)			6,213	21,142	34,394		61,749
Communications	548		14,635	20,727	13,301		49,211
Depreciation			20,125	39,190	25,869		85,184
Directors & Delegates			2,715	655	100		3,470
Exch. Int. & Bk. Charges	931		46,162	103,494	84,617		235,204
Fees & Licences			136	2,599	1,371		4,106
Heat, Util. & Mun. Ser.			24,671	54,010	31,688		110,369
Insurance			13,310	32,807	17,874		63,991
Off. Store/Cp Supplies			5,904	7,375	16,468		29,747
Rentals	174		1,546	6,049	10,527		18,296
Repairs & Maint.			4,283	13,762	7,000		25,045
Wages & Emp. Benefits	346		163,292	500,365	242,973		906,976
Unclassified Expenses			7,940	39,589	11,455		58,984
<b>TOTAL EXPENSES</b>	<b>4,799</b>		<b>323,922</b>	<b>880,982</b>	<b>527,705</b>		<b>1,737,408</b>
Operating Savings (Loss)	(3,283)		(143,719)	(257,968)	(291,356)		(696,326)
Other Inc. -Dividends			6,064	12,810	8,105		26,979
-Misc.	2,500		41,080	80,151	22,005		145,736
<b>Net Savings before Tax &amp; Pat. Dividends</b>	<b>(783)</b>		<b>(96,575)</b>	<b>(165,007)</b>	<b>(261,246)</b>		<b>(523,611)</b>



TABLE 17

CO-OPERATIVES WITH A NET LOSS IN 1979 CLASSIFIED ACCORDING TO TOTAL SALES & REVENUE GROUPS  
AND EXPRESSED AS A PERCENTAGE OF TOTAL SALES AND REVENUE DOLLARS WITH COMPARATIVE FIGURES FOR 1978.

REVENUE GROUP	Less than 100,000		100,000 to 150,000		150,000 to 200,000		200,000 to 400,000		400,000 to 800,000		800,000 or more	
Year	1979	1978	1979	1978	1979	1978	1979	1978	1979	1978	1979	1978
No. Reporting Co-ops	1	3	0	1	4	2	7	6	3	4	0	0
Sales & Revenue	100.00	100.00		100.00	100.00	100.00	100.00	100.00	100.00	100.00		
Cost of Sales		81.48		77.11	75.33	99.26	68.81	70.06	84.53	70.71		
Gross Margin	100.00	18.52		22.89	24.67	.74	31.19	29.94	15.47	29.29		
<b>EXPENSES</b>												
Legal & Prof. Fees	184.70	4.28		4.85	1.78	2.58	1.96	1.62	1.86	1.23		
Advert. & Donations									.11	.07		
Allow. Bad Debts (Rec)		3.80			.85	.92	1.06	2.28	2.25	1.33		
Communications	36.15	1.34		.80	2.00	.85	1.04	1.18	.87	1.08		
Depreciation		1.37		4.04	2.75	.69	1.96	2.09	1.69	2.57		
Direcotrs & Delegates					.37	.17	.03	.06	.01	.01		
Exch. Int. & Bk. Charges	61.41	2.45		2.70	6.32	9.10	5.18	5.69	5.54	6.09		
Fees & Licences					.02		.13	.04	.09	.46		
Heat. Util. & Mun. Serv.		3.08		5.00	3.38	1.95	2.71	3.02	2.07	2.35		
Insurance		.84		2.14	1.82	1.39	1.64	1.87	1.17	1.38		
Off. Store/Cp Supplies		.35		.18	.81	.12	.37	.26	1.08	1.36		
Rentals	11.48				.21	.46	.30	.11	.69	1.78		
Repairs & Maint.		.86		1.18	.59	.02	.69	.74	.46	.44		
Wages & Emp. Benefits	22.82	22.37		36.58	22.35	11.35	25.05	25.37	15.90	21.52		
Unclassified Expenses		.07		1.45	1.09	2.83	1.98	.33	.75	1.54		
<b>TOTAL EXPENSES</b>	<b>316.56</b>	<b>40.81</b>		<b>58.92</b>	<b>44.34</b>	<b>32.43</b>	<b>44.10</b>	<b>44.66</b>	<b>34.54</b>	<b>43.21</b>		
Operating Savings (Loss)	(216.56)	(22.29)		(36.03)	(19.67)	(31.69)	(12.91)	(14.72)	(19.07)	(13.92)		
Other Inc. - Dividends		.05		1.19	.83	.22	.64	.59	.53	.47		
- Misc.	164.90	6.64		6.27	5.62	3.25	4.01	2.18	1.44	6.02		
<b>Net Savings before Taxes &amp; Pat. Dividends</b>	<b>(51.66)</b>	<b>(15.60)</b>		<b>(28.57)</b>	<b>(13.22)</b>	<b>(28.22)</b>	<b>(8.26)</b>	<b>(11.95)</b>	<b>(17.10)</b>	<b>(7.43)</b>		

hand, indicates a regression being greatest in the "less than \$100,000" classification and the least for these co-operatives earning "\$800,000 or more". This is, of course, to be expected as Miscellaneous Income or Government Grants go, by their very nature, to the smaller and usually financially weaker co-operatives. The net savings percentages tend to be more erratic as a result of the above, but it is to be noted that more stability is evident this year as evidenced by the consolidation of the range of the net savings for 1979 of (6.80% to 10.01%) as compared to the 1978 range of (.58% to 12.07%).

Tables 16 and 17 on the other hand, exemplify those co-operatives with a net loss, classified according to total sales and revenue groups and presented in terms of actual dollar values or as a percentage of total revenue. Of the 15 co-operatives reporting a net loss for the year, 14 are in the \$150,000 to \$800,000 ranges as compared to 12 out of 16 in 1978. The table does, however, reflect the efforts to improve the gross margin in Territorial co-operatives; ranging from (15.47% to 31.19%) in 1979 as compared to (.74% to 29.29%) in 1978. This comparison excludes the "less than \$100,000" classification due to the peculiar nature of the one small co-operative in the range. Expenses indicate a similar trend varying from (34.54% to 44.34%) in 1979 as compared to (32.43% to 58.92%) in 1978 which in turn impacted on the operating loss to a similar extent with the current variation being in the ((12.91%) to (19.67%)) range versus a 1978 range of ((13.92%) to (31.69%)). Other Income again impacted more heavily in the smaller revenue classifications than in the high revenue classifications; however, it can still be noted that the level of the net loss for the co-operatives was smaller this year with a range of ((8.26%) to (17.10%)) versus ((7.43%) to (28.22%)) in 1978.

In summary, tables 14 to 17 inclusive, indicate varying degrees

of improvement for the year. Clearly, concern remains for the \$200,000 to \$400,000 ranges with general improvement noted in both the margins and expense control for both savings and loss co-operatives.

Tables 18 to 23 present a region by region analysis of the co-operatives in the N.W.T. The co-operatives are divided into six regions so as to more accurately reflect the geographical and operational realities intrinsic to the different areas. Each region's operating statement is expressed in actual dollar values and percentages with comparison figures provided for 1977 and 1978.

The Fort Smith (Great Slave) Region (Table 18) has shown considerable operational improvement this year when compared to that of 1978. The gross margin is now 26.42% of revenues, which is an improvement over 1978's figure of 21.81%, and the 1977 figure of 15.80% of revenues. In terms of expenses classifications, areas showing good improvement are interest and bank charges and wages and employee benefits. In total, expenses were 34.05%, an improvement of 16.6% over the 1978 total expense figure of 40.17%. This improvement resulted in the operating loss being diminished to 7.63% as compared to 18.90% in 1978. The net loss for the region of \$15,677 was \$64,572 less than in 1978 of \$80,249 or in percentage terms, the net loss for 1978 was 13.05% but is now only 1.98%. This region shows a great improvement and it is hoped that this trend will continue in the future.

Table 19 presents the consolidated operating statement for co-operatives reporting from the Fort Smith (High Arctic) Region. While the gross margin for 1979 increased by 2.03% over the 1978

TABLE 18

FORT SMITH REGION (GREAT SLAVE) STATEMENT FOR 1979 REPORTING CO-OPERATIVES  
 EXPRESSED ON A REGIONAL BASIS WITH COMPARATIVE FIGURES FOR 1978 AND 1977  
 EXPRESSED IN ACTUAL DOLLAR VALUES AND PERCENTAGES.

	Fort Smith Region (Great Slave) \$			Fort Smith Region (Great Slave) %		
	1979	1978	1977	1979	1978	1977
Sales & Revenues	791,067	615,212	544,851	100.00	100.00	100.00
Cost of Sales	582,030	481,025	458,752	73.58	78.19	84.20
Gross Margin	209,037	134,187	86,099	26.42	21.81	15.80
<u>EXPENSES</u>						
Legal & Professional Fees	13,792	11,532	8,283	1.74	1.87	1.52
Advertising & Donations						
Allowances Bad Debts (Rec)	1,490	3,407	1,166	.19	.55	.21
Communications	6,215	5,640	8,942	.78	.92	1.64
Depreciation	28,318	29,243	20,665	3.58	4.75	3.79
Directors & Delegates	2,250	1,545	1,965	.28	.25	.36
Exchange, Int. & Bk. Charges	41,864	49,425	23,122	5.29	8.03	4.24
Fees & Licences	163	30	279	.02		.05
Heat, Util. & Mun. Services	27,273	19,754	14,887	3.45	3.21	2.73
Insurance	12,947	12,819	9,957	1.64	2.10	1.83
Office, Store/Camp Supplies	2,523	1,992	2,182	.32	.32	.40
Rentals		287	994		.05	.19
Repairs & Maintenance	1,334	3,555	6,236	.17	.58	1.15
Wages & Employee Benefits	112,871	108,685	99,941	14.27	17.67	18.34
Unclassified Expenses	18,336	2,520	3,212	2.32	.41	.59
TOTAL EXPENSES	269,376	250,434	201,831	34.05	40.71	37.04
Operating Saving (Loss)	(60,339)	(116,247)	(115,732)	(7.63)	(18.90)	(21.24)
Other Income - Dividends	4,805	2,202		.61	.36	
- Miscellaneous	39,857	33,796	28,774	5.04	5.49	5.28
Net Savings before Tax & Patronage Dividends	(15,677)	(80,249)	(86,958)	(1.98)	(13.05)	(15.96)
Number of Reporting Co-ops	5	5	6	5	5	6

TABLE 19

FORT SMITH (HIGH ARCTIC) REGION STATEMENT FOR 1979 REPORTING  
CO-OPERATIVES EXPRESSED ON A REGIONAL BASIS WITH COMPARATIVE FIGURES FOR  
1978 and 1977 EXPRESSED IN ACTUAL DOLLAR VALUES AND PERCENTAGES.

	Fort Smith (High Arctic) \$			Fort Smith (High Arctic) %		
	1979	1978	1977	1979	1978	1977
Sales and Revenues	3,714,121	3,471,623	3,338,859	100.00	100.00	100.00
Cost of Sales	2,062,600	1,998,169	2,041,089	55.53	57.56	61.13
Gross Margin	1,651,521	1,473,454	1,297,770	44.47	42.44	38.87
<b>EXPENSES</b>						
Legal & Professional Fees	52,513	37,192	47,785	1.41	1.07	1.43
Advertising & Donations	2,090	1,625	74	.06	.05	.01
Allowances Bad Debts (Rec.)	14,816	10,782	27,928	.40	.31	.84
Communications	29,055	33,052	31,666	.78	.95	.95
Depreciation	111,179	100,063	82,707	2.99	2.88	2.48
Directors & Delegates	350	140		.01		
Exchange, Int. & Bk. Charges	114,994	100,204	103,386	3.10	2.89	3.10
Fees & Licences	3,205	544	807	.09	.02	.02
Heat, Util. & Mun. Services	154,142	163,653	95,763	4.15	4.71	2.87
Insurance	79,823	67,693	38,334	2.15	1.95	1.15
Office, Store/Camp Supplies	40,414	16,258	18,180	1.09	.47	.54
Rentals	8,969	1,178	9,071	.24	.03	.27
Repairs & Maintenance	25,571	18,641	27,172	.69	.54	.81
Wages & Employee Benefits	897,686	795,496	837,772	24.17	22.91	25.09
Unclassified Expenses	101,178	29,359	20,533	2.72	.85	.61
<b>TOTAL EXPENSES</b>	<b>1,635,985</b>	<b>1,375,880</b>	<b>1,341,178</b>	<b>44.05</b>	<b>39.63</b>	<b>40.17</b>
Operating Savings (Loss)	15,536	97,574	(43,408)	.42	2.81	(1.30)
Other Income - Dividends	42,597	25,192	16,760	1.15	.73	.50
- Miscellaneous	79,077	51,029	35,409	2.13	1.47	1.06
<b>Net Savings before Taxes and Patronage Dividends</b>	<b>137,210</b>	<b>173,795</b>	<b>8,761</b>	<b>3.70</b>	<b>5.01</b>	<b>.26</b>
Number of Reporting Co-ops	6	6	6	6	6	6

TABLE 20

INUVIK REGION STATEMENT FOR 1979 REPORTING CO-OPFRATIVES  
EXPRESSED ON A REGIONAL BASIS WITH COMPARATIVE FIGURES FOR 1978  
AND 1977 EXPRESSED IN ACTUAL DOLLAR VALUES AND PERCENTAGES.

	Inuvik Region \$			Inuvik Region %		
	1979	1978	1977	1979	1978	1977
Sales & Revenues	1,547,908	1,164,358	1,719,035	100.00	100.00	100.00
Cost of Sales	1,181,327	958,343	1,522,841	76.32	82.31	88.59
Gross Margin	366,581	206,015	196,194	23.68	17.69	11.41
<u>EXPENSES</u>						
Legal & Professional Fees	25,050	20,719	29,302	1.62	1.78	1.70
Advertising & Donations			1,754			.10
Allowances for Bad Debts (Rec.)	9,800	16,396	42,843	.63	1.42	2.49
Communications	16,614	11,483	17,499	1.07	.99	1.02
Depreciation	14,452	10,039	11,894	.93	.86	.69
Directors & Delegates	2,040	315	285	.13	.03	.01
Exchange, Int. & Bk. Charges	71,887	53,276	66,033	4.64	4.58	3.84
Fees & Licences	326	87	826	.02	.01	.05
Heat, Util. & Mun. Services	36,051	29,384	20,096	2.33	2.52	1.17
Insurance	17,714	11,234	12,035	1.15	.96	.70
Office, Store/Camp Supplies	10,917	6,198	7,196	.71	.53	.42
Rentals	1,910	3,895	2,122	.12	.33	.13
Repairs & Maintenance	7,432	9,090	5,723	.48	.78	.33
Wages & Employee Benefits	187,039	125,946	180,368	12.08	10.82	10.50
Unclassified Expenses	13,872	10,856	41,737	.90	.92	2.43
<b>TOTAL EXPENSES</b>	<b>415,104</b>	<b>308,918</b>	<b>439,713</b>	<b>26.81</b>	<b>26.53</b>	<b>25.58</b>
Operating Savings (Loss)	(48,523)	(102,903)	(243,519)	(3.13)	(8.84)	(14.17)
Other Income - Dividends	12,324	4,927	110	.80	.42	.01
- Miscellaneous	65,894	66,608	65,950	4.26	5.72	3.84
<b>Net Savings before Tax and Patronage Dividends</b>	<b>29,695</b>	<b>(31,368)</b>	<b>(177,459)</b>	<b>1.93</b>	<b>(2.70)</b>	<b>(10.32)</b>
Number of Reporting Co-ops	7	7	7	7	7	7

**TABLE 21**

**KEEWATIN REGION STATEMENT FOR 1979 REPORTING CO-OPERATIVES  
EXPRESSED ON A REGIONAL BASIS WITH COMPARATIVE FIGURES FOR  
1978 AND 1977 EXPRESSED IN ACTUAL DOLLAR VALUES AND PERCENTAGES.**

	Keewatin Region \$			Keewatin Region %		
	1979	1978	1977	1979	1978	1977
Sales & Revenues	2,334,419	2,671,475	2,478,891	100.00	100.00	100.00
Cost of Sales	1,788,178	1,798,186	1,741,650	76.60	67.31	70.26
Gross Margin	546,241	873,289	737,241	23.40	32.69	29.74
<b>EXPENSES</b>						
Legal & Professional Fees	65,638	34,177	28,026	2.81	1.28	1.13
Advertising & Donations		653	2,558		.02	.10
Allowance Bad Debts (Rec.)	44,919	42,743	5,453	1.92	1.60	.22
Communications	29,364	31,677	21,899	1.26	1.20	.88
Depreciation	42,214	40,870	40,227	1.81	1.53	1.62
Directors & Delegates	100	538		.004	.02	
Exchange, Int. & Bk. Charges	103,898	81,858	56,890	4.45	3.06	2.29
Fees & Licences	1,272	672	399	.05	.03	.02
Heat, Util. & Mun. Services	64,851	80,766	65,652	2.78	3.02	2.65
Insurance	26,292	31,743	27,322	1.13	1.19	1.10
Office, Store/Camp Supplies	10,984	12,532	25,474	.47	.47	1.03
Rentals	4,032	1,908	8,097	.17	.07	.33
Repairs & Maintenance	12,824	9,451	5,779	.55	.35	.24
Wages & Employee Benefits	429,995	538,209	548,587	18.42	20.15	22.13
Unclassified Expenses	20,913	6,008	67,161	.90	.22	2.71
<b>TOTAL EXPENSES</b>	<b>857,296</b>	<b>913,805</b>	<b>903,524</b>	<b>36.72</b>	<b>34.21</b>	<b>36.45</b>
Operating Saving (Loss)	(311,055)	(40,516)	(166,283)	(13.32)	(1.52)	(6.71)
Other Income- Dividends	16,462	8,704	9,586	.70	.33	.39
- Miscellaneous	196,270	31,150	25,838	8.41	1.17	1.04
<b>Net Savings before Tax and Patronage Dividends</b>	<b>(98,323)</b>	<b>(662)</b>	<b>(130,859)</b>	<b>(4.21)</b>	<b>(.02)</b>	<b>(5.28)</b>
Number of Reporting Co-ops	6	6	6	6	6	6

TABLE 22

BAFFIN REGION (NORTH) STATEMENT FOR 1979 REPORTING CO-OPERATIVES  
EXPRESSED ON A REGIONAL BASIS WITH COMPARATIVE FIGURES FOR 1978  
AND 1977 EXPRESSED IN ACTUAL FOLLAR VALUES AND PERCENTAGES.

	Baffin Region (North) \$			Baffin Region (North) %		
	1979	1978	1977	1979	1978	1977
Sales & Revenues	3,491,575	2,665,539	1,776,092	100.00	100.00	100.00
Cost of Sales	2,182,353	1,863,224	1,105,887	62.50	69.90	62.27
Gross Margin	1,309,222	802,315	670,205	37.50	30.10	37.73
<b>EXPENSES</b>						
Legal & Professional Fees	29,823	28,620	15,273	.85	1.07	.86
Advertising & Donations	392	640	195	.01	.02	.01
Allowance Bad Debts (Rec.)	16,601	15,589	3,673	.48	.59	.21
Communications	52,210	33,053	27,118	1.50	1.24	1.53
Depreciation	84,162	82,856	82,019	2.41	3.11	4.62
Directors & Delegates	1,204	309		.03	.01	
Exchange, Int. & Bk. Charges	177,529	136,008	42,912	5.08	5.10	2.42
Fees & Licences	935	11,762	818	.03	.44	.05
Heat, Util. & Mun. Services	92,762	76,490	56,528	2.66	2.87	3.18
Insurance	38,970	34,563	20,134	1.12	1.30	1.13
Office, Store/Camp Supplies	29,194	34,186	47,284	.84	1.29	2.66
Rentals	9,620	44,212	575	.27	1.66	.03
Repairs & Maintenance	41,908	25,867	25,456	1.20	.97	1.43
Wages & Employee Benefits	669,525	515,545	415,303	19.17	19.34	23.98
Unclassified Expenses	24,822	33,917	15,270	.71	1.27	.86
<b>TOTAL EXPENSES</b>	<b>1,269,657</b>	<b>1,073,617</b>	<b>752,558</b>	<b>36.36</b>	<b>40.28</b>	<b>42.37</b>
Operating Saving (Loss)	39,565	(271,302)	(82,353)	1.14	(10.18)	(4.64)
Other Income - Dividends	22,115	10,314	2,786	.63	.39	.16
- Miscellaneous	34,339	135,584	22,785	.98	5.09	1.28
<b>Net Savings before Taxes and Patronage Dividends</b>	<b>96,019</b>	<b>(125,404)</b>	<b>(56,782)</b>	<b>2.75</b>	<b>(4.70)</b>	<b>(3.20)</b>
Number of Reporting Co-ops	6	6	4	6	6	4



TABLE 23

BAFFIN REGION (SOUTH) STATEMENT FOR 1979 REPORTING CO-OPERATIVES  
EXPRESSED ON A REGIONAL BASIS WITH COMPARATIVE FIGURES FOR 1978  
AND 1977 EXPRESSED IN ACTUAL DOLLAR VALUES AND PERCENTAGES.

	Baffin Region (South) \$			Baffin Region (South) %		
	1979	1978	1977	1979	1978	1977
Sales & Revenues	4,462,459	3,863,143	3,212,852	100.00	100.00	100.00
Cost of Sales	3,041,419	2,716,881	2,212,665	68.16	70.33	68.87
Gross Margin	1,421,040	1,146,262	1,000,187	31.84	29.67	31.13
<b>EXPENSES</b>						
Legal & Professional Fees	93,295	87,951	69,327	2.09	2.28	2.16
Advertising & Donations	17,267	21,799	3,554	.39	.56	.11
Allowance Bad Debts (Rec.)	25,522	15,299	15,717	.57	.40	.49
Communications	66,619	39,643	40,710	1.49	1.03	1.27
Depreciation	76,245	75,001	68,050	1.71	1.94	2.12
Directors & Delegates	3,710	2,887	1,779	.08	.07	.06
Exchange, Int. & Bk. Charges	81,040	57,482	42,078	1.82	1.49	1.31
Fees & Licences	489	342	440	.01	.01	.01
Heat, Util. & Mun. Services	97,629	81,276	70,964	2.19	2.10	2.21
Insurance	50,616	41,807	31,317	1.13	1.08	.97
Office, Store/Camp Supplies	47,705	25,475	33,535	1.07	.66	1.04
Rentals	13,720	12,838	9,166	.31	.33	.29
Repairs & Maintenance	42,216	35,997	40,041	.95	.93	1.25
Wages & Employee Benefits	486,991	410,860	467,917	10.91	10.64	14.56
Unclassified Expenses	149,684	113,483	43,045	3.35	2.94	1.33
<b>TOTAL EXPENSES</b>	<b>1,252,748</b>	<b>1,022,140</b>	<b>937,640</b>	<b>28.07</b>	<b>26.46</b>	<b>29.18</b>
Operating Saving (Loss)	168,292	124,122	62,547	3.77	3.21	1.95
Other Income - Dividends	45,173	44,977	92,003	1.01	1.16	2.86
- Miscellaneous	31,484	25,789	29,500	.71	.67	.92
<b>Net Savings before Tax and Patronage Dividend</b>	<b>244,949</b>	<b>194,888</b>	<b>184,050</b>	<b>5.49</b>	<b>5.04</b>	<b>5.73</b>
Number of Reporting Co-ops	7	7	8	7	7	8

figure, this was more than offset by a 4.42% increase in total expenses, primarily as a result of increases in staff costs and unclassified expenses. The combined effect of the above was to reduce the operating savings in 1979 by .42% from its previous 2.81%. However, a 1.08% increase in Other Income negated this effect somewhat and reduced the impact to a 1.31% decrease in the net savings to 3.70% from 5.01%. The region requires increased cost control if it is to be truly viable and an acceptable level of operating savings is to be achieved.

The Inuvik Region statement is presented as Table 20. In assessing the results of this region, it must be recalled that the two fur garment co-operatives in the region have now entered into agreements with the Government of the Northwest Territories and their activities are now undertaken under Government auspices. However, in spite of this fact, revenues in the region increased by \$383,550 and the gross margin by \$160,566, a 5.99% increase over the 1978 figures. At the same time, expenses only increased by .28%, resulting in an operating loss for 1979 of (3.13%), which is an improvement over 1978's operating loss of (8.84%). Other Income, while increasing in dollar terms, actually decreased in percentage terms to 5.06% from 6.14%. However, Other Income was more than sufficient to offset the 1979 operating loss, resulting a net savings for 1979 of 1.93%, a notable improvement over 1978 and 1977 when a net loss of (2.70%) and (10.32%) respectively, was sustained. Clearly, with continued gross margin and expense control, operational viability is attainable.

Table 21 presents the results of 6 of the 7 Keewatin co-operatives. It is to be noted that while the number of co-operatives reporting remains unchanged in each of the years presented, the 1979 figures include the Sanavik Co-operative but

not the Naujat Co-operative, while the reverse is true for the years 1977 and 1978. The Table indicates considerable deterioration during the period and it is noted that this deterioration would have been even greater had Naujat reported. The Table vividly indicates a drop in the total gross margin and an increase in expenses which was partially offset by an extraordinary rise in miscellaneous or grant income due, as previously noted, to the fire and resultant grants for the rebuilding of the Sanavik Co-operative. More effort must be made in the Keewatin in order to improve the margins and to control expenses if the region is to show some hope of viability.

The Baffin Region - North statement (Table 22) indicates that Sales and revenue, gross margin, operating savings and net savings have all improved tremendously. Part of the reason for the comparative increase is due to the closure of the Kooneak Co-operative's Nanisivik store and its associated losses in 1978. It is also noted that this improvement is all the greater when it is considered that other income for 1979 decreased by \$89,444 over the 1978 figure. As in the other regions, most expenses have risen and those that will continue to require close monitoring are interest and bank charges, repairs and maintenance, and wages and employee benefits.

Baffin Region - South (Table 23) has improved its operations over last year's favorable position. Sales and revenue, gross margin, operating savings and net savings have all improved over last year's figures. This resulted in the operating savings increasing by \$44,170 and the net savings increasing by \$50,061, or a 20.44% increase over the previous year. This region remains the strongest, most viable region; a position it has consistently maintained over the years

due primarily to the excellent operations of the West Baffin Eskimo Co-operative in Cape Dorset.

In summary, Tables 18 to 23 present a geographical, comparative portrait of all of the six regions comprising the N.W.T. co-operative system. Five of the regions have showed varying degrees of improvement over the previous year. In terms of the expense classifications, those areas presenting problems are exchange, interest and bank charges, wages and employee benefits, repairs and maintenance, rentals and unclassified expenses. Thus, while total expenses have risen, the foregoing expense classifications account for major percentage increases. Therefore careful management and control of all expenses will be required if co-operatives are to show an improved net savings for the coming year.

Tables 24 and 25 depict the average statements for the reporting co-operatives when expressed on a regional basis with comparative figures for 1978. In five regions, the sales and revenues, the cost of sales, the gross margin and the total expense percentages have all increased while the converse is true for all the classifications in the Keewatin Region. As well, four regions have shown an improved operating saving while the Fort Smith - High Arctic Region and the Keewatin Region have shown substantial decreases. Other income was up in all regions except for the Baffin - North Region. This increase was the greatest in the case of the Keewatin Region which helped offset the high operating loss; however it still was not enough to prevent the region from having a record loss increment.

Tables 4 to 24 then summarize the operating statements of co-operatives in the N.W.T. according to savings and loss, revenue range, and regional distributions. Where convenient, figures have been presented both in terms of actual dollar values and in percentages, with comparative figures shown for previous years.

TABLE 24

FORT SMITH (GREAT SLAVE & HIGH ARCTIC) AND INUVIK AVERAGE  
STATEMENT FOR 1979 REPORTING CO-OPERATIVES EXPRESSED ON  
A REGIONAL BASIS WITH COMPARATIVE FIGURES FOR 1978

	Fort Smith Region (Great Slave)		Fort Smith Region (High Arctic)		Inuvik Region	
	1979	1978	1979	1978	1979	1978
Sales & Revenue	158,213	123,042	619,020	578,604	221,130	166,337
Cost of Sales	116,406	96,205	343,767	333,028	168,761	136,906
Gross Margin	41,807	26,837	275,253	245,576	52,369	29,431
<b>EXPENSES</b>						
Legal & Professional Fees	2,758	2,306	8,752	6,199	3,579	2,960
Advertising & Donations			348	270		
Allowance for Bad Debts (Rec)	298	681	2,469	1,797	1,400	2,343
Communications	1,243	1,128	4,843	5,509	2,372	1,640
Depreciation	5,663	5,849	18,530	16,677	2,064	1,434
Directors & Delegates	450	309	58	23	291	45
Exchange, Int. & Bk. Charges	8,373	9,885	19,166	16,701	10,270	7,611
Fees & Licences	33	6	534	91	46	12
Heat, Util. & Mun. Service	5,455	3,951	25,690	27,276	5,150	4,198
Insurance	2,589	2,564	13,304	11,282	2,531	1,605
Off. Store/Camp Supplies	505	398	6,736	2,710	1,560	885
Rentals		57	1,495	196	273	556
Repairs & Maintenance	267	711	4,262	3,107	1,062	1,299
Wages & Employee Benefits	22,574	21,737	149,614	132,583	26,720	17,992
Unclassified Expenses	3,667	504	16,863	4,893	1,982	1,551
<b>TOTAL EXPENSES</b>	<b>53,875</b>	<b>50,086</b>	<b>272,664</b>	<b>229,314</b>	<b>59,300</b>	<b>44,131</b>
Operating Saving (Loss)	(12,068)	(23,249)	2,589	16,262	(6,931)	(14,700)
Other Income - Dividends	961	440	7,099	4,199	1,760	704
- Miscellaneous	7,971	6,759	13,180	8,505	9,413	9,515
<b>Net Savings before Tax and Patronage Dividends</b>	<b>(3,136)</b>	<b>(16,050)</b>	<b>22,868</b>	<b>28,966</b>	<b>4,242</b>	<b>(4,481)</b>

TABLE 25

KEEWATIN AND BAFFIN (NORTH AND SOUTH) AVERAGE  
STATEMENT FOR 1979 REPORTING CO-OPERATIVES EXPRESSED  
ON A REGIONAL BASIS WITH COMPARATIVE FIGURES FOR 1978

	Keewatin Region		Baffin Region (North)		Baffin Region (South)	
	1979	1978	1979	1978	1979	1978
Sales & Revenues	389,070	445,246	581,929	444,256	637,494	551,878
Cost of Sales	298,030	299,698	363,725	310,537	434,488	388,126
Gross Margin	91,040	145,548	218,204	133,719	203,006	163,752
<b>EXPENSES</b>						
Legal & Professional Fees	10,940	5,696	4,970	4,770	13,328	12,564
Advertising & Donations	109	109	65	107	2,467	3,114
Allowance Bad Debts (Rec.)	7,486	7,124	2,767	2,598	3,646	2,186
Communications	4,894	5,279	8,702	5,509	9,517	5,663
Depreciation	7,036	6,812	14,027	13,809	10,892	10,714
Directors & Delegates	17	90	201	52	530	414
Exchange, Int. & Bk. Charges	17,316	13,643	29,588	22,668	11,577	8,212
Fees & Licences	212	112	156	1,960	70	49
Heat, Util. & Mun. Service	10,808	13,461	15,460	12,748	13,947	11,611
Insurance	4,382	5,291	6,495	5,761	7,231	5,972
Off. Store/Camp Supplies	1,831	2,089	4,866	5,698	6,815	3,639
Rentals	672	318	1,603	7,369	1,960	1,834
Repairs & Maintenance	2,137	1,575	6,985	4,310	6,031	5,142
Wages & Employee Benefits	71,666	89,701	111,587	85,924	69,570	58,694
Unclassified Expenses	3,485	1,001	4,137	5,653	21,383	16,212
<b>TOTAL EXPENSES</b>	<b>142,882</b>	<b>152,301</b>	<b>211,609</b>	<b>178,936</b>	<b>178,964</b>	<b>146,020</b>
Operating Saving (Loss)	(51,842)	(6,753)	6,595	(45,217)	24,042	17,732
Other Income - Dividends	2,744	1,451	3,686	1,719	6,453	6,425
- Miscellaneous	32,711	5,192	5,723	22,597	4,498	3,684
<b>Net Savings before Tax and Patronage Dividends</b>	<b>(16,387)</b>	<b>(110)</b>	<b>16,004</b>	<b>(20,901)</b>	<b>34,993</b>	<b>27,841</b>

In general, there has been a slight improvement in 1979. Revenue has increased, resulting in the gross margin increasing by 1.6% over 1978. Expense totals indicate some degree of control, increasing by only .66%. This in turn, resulted in a decrease in the operating loss which, when coupled with the increase in other income, resulted in an improved savings picture. The increase in total revenue translated into a slight upward shift in the number of co-operatives in the higher revenue ranges. The "\$800,000 or more" revenue range showed the greatest improvement while the "\$400,000 to \$800,000" revenue range group showed the greatest decrease with sales being lower, the operating loss increasing, other income down, and net savings declining. Four of the six regions indicate a higher savings or lower losses than those reported in 1978 with only the Fort Smith - High Arctic and the Keewatin Regions having declined. Expense classifications continue to rise in all regions with three in particular showing the greatest upward change; these were wages and employee benefits, exchange, interest and bank charges and repairs and maintenance. Careful monitoring and control of all expense accounts will be necessary if there is to be any substantial operational improvement.

#### 7. Balance Sheet Analysis

Tables 26 to 40 present the various balance sheet approaches undertaken in this Report in order to highlight the current financial position of the co-operative system in the N.W.T. An examination of the tables reveals ever increasing assets being held by Territorial co-operatives. It must be recognized that all the co-operatives are member-owned and that the assets represent economic benefits to the communities in which they are located. It must further be recognized that the majority of the

co-operatives are located in scattered communities throughout the N.W.T. where there is little activity from the private sector in terms of its investment in the local economy. Thus, the impact of the co-operative system can be exemplified by the fact that co-operative development in the N.W.T. is now entering its twenty-first year of continued diversification and expanding growth with an ever increasing investment being made by co-operatives into the future of the economy of the Northwest Territories.

The various headings used in compiling the tables are detailed below:

- 1) Accounts Receivable - all calculations are based on net amounts after an allowance for doubtful accounts. In instances where it was noted that no provision had been made for doubtful accounts in the financial statement, the figures presented were accepted as being collectable in full for the purposes of this analysis.
- 2) Inventory - includes goods out on consignment (ie. craft shipments).
- 3) Other current assets - includes all current assets not indicated separately but carried on the balance sheet such as prepaid insurance.
- 4) Investments - investments by N.W.T. co-operatives primarily occur in the Canadian Arctic Co-operative Federation Limited (C.A.C.F.L.) and the Canadian Arctic Producers (C.A.P.). Bank and other investments remain relatively unimportant.
- 5) Fixed assets - the figures presented are net amounts. While the accounting treatment of fixed assets is correct it must be noted that in many instances fixed assets



continue to be undervalued, tending to represent book values which have not been adjusted to reflect the current value of the assets.

- 6) Long term debt - predominately represents debts to the Eskimo Loan Fund (E.L.F.) and the Indian Economic Development Fund (I.E.D.F.) with the former comprising the larger portion of the total.
- 7) BMC Loans - this classification was introduced into the N.W.T. co-operative system in 1977. It represents funds made available to the Northwest Territories by the Government of Canada under the BMC Program. BMC loans are interest free and have varying repayment periods of up to 17 years depending upon a recipient co-operative's ability to repay the loan. (See Highlights of the Year, BMC Program on page 78 for more details on this program.)
- 8) Surplus (Deficit) - represents the net amount of all member equity accounts, other than those listed, including those accounts presented as deferred government assistance on the balance sheets.

- 9) All other Assets and Liabilities - the remaining classifications are self-explanatory in nature and require no detailed narrative.

Table 26 presents the consolidated balance sheet for the 37 reporting co-operatives during 1979. One active co-operative, the Naujat Co-operative Association of Repulse Bay, did not file any statements for the year. In spite of the omission, assets have risen by 13.43% as compared to an increase in 1978 of 15.02%. The average investment per member for 1979 is \$3,015 as compared to \$2,831 for 1978 and \$2,566 for 1977. Member equity, which is the total of all share capital, reserves and net of surplus - deficit accounts totalled \$1,918,667, an increase of \$142,898 or .05% over the 1978 figure. This resulted in a member equity, on an average per member basis, of \$494.50 as compared to \$487.31 in 1978. All liabilities increased; general liabilities increased by 16.52%, long term liabilities by 1.13% and BMC loans by 19.40%. Major factors influencing the level of the liability accounts is the borrowing of funds and the high interest rates for resupply purposes. While these debts are essential to the continuity of operations, their impact on total liabilities is evident.

With respect to the saving - deficit account, this amount differs from what would be the expected result of adding the year's net savings to the 1978 balance. However, it must be remembered that the net savings presented in the operating statements are taken as those savings before tax and patronage dividends while other factors influence the composition of this account throughout the year. Therefore, Table 27 is presented as a reconciliation of the savings - deficit account. As can be evidenced from an examination of the table, there continues to be considerable movement within this account which actually resulted in a minor increase in the account during the period in spite of the reported net savings achieved by the system as a whole during the year.

TABLE 26

CONSOLIDATED BALANCE SHEET FOR REPORTING CO-OPERATIVES  
IN 1979 WITH COMPARATIVE FIGURES FOR 1978, 1977 AND 1976

YEAR	1979	1978	1977	1976
Number of Reporting Co-operatives	37	38	38	39
Cash	682,057	757,091	591,042	658,803
Accounts Receivables	1,963,381	1,905,750	1,565,972	1,738,536
Inventory	5,019,482	4,469,670	3,694,268	3,318,703
Other Assets	459,937	266,826	183,287	231,587
Investments	631,946	602,464	542,280	341,039
Fixed Assets	2,943,091	2,312,573	2,390,913	2,118,182
<b>TOTAL ASSETS</b>	<b>11,699,894</b>	<b>10,314,374</b>	<b>8,967,762</b>	<b>8,406,850</b>
General Liabilities	7,490,938	6,428,797	5,315,061	4,277,202
Long Term Liabilities	1,267,428	1,253,201	1,298,512	1,333,980
BMC Loans	1,022,861	856,607	212,147	
Share Capital	1,860,576	1,760,549	1,569,334	1,424,460
Reserves	547,907	503,811	422,943	518,441
Savings (Deficit)	(489,816)	(488,591)	149,765	852,767

TABLE 27

RECONCILIATION OF THE 1979 SAVINGS-DEFICIT ACCOUNT WHEN  
COMPARED TO THE 1978 ACCOUNT AS PRESENTED IN THE MEMBER  
EQUITY PORTION OF THE CONSOLIDATED BALANCE SHEET.

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Deficit in 1978	\$ (488,591)
Net of savings before tax and dividends	393,873
Allocation for taxes	( 34,629)
Allocation to patronage dividends-Cash	( 73,144)
-Shares	(261,803)
Net of Deferred Government Assistance	299,981
Transfers to Reserves	(152,219)
Transfer from Reserve	8,572
Statement not filed (Naujat)	187,910
Net of all prior adjustments	51,054
Removal of appraisal increase	( 45,000)
1979 Deficit, as per Consolidated Balance Sheet	\$ <u>(489,816)</u>

**TABLE 28**

**BREAKDOWN OF N.W.T. CO-OPERATIVE INVESTMENT AND LONG TERM DEBT IN 1979, WITH COMPARATIVE FIGURES FOR 1978.**

<u>A. INVESTMENT:</u>	<u>1979</u>	<u>1978</u>
Investment in CAP	478,748	506,156
Investments in banks and non-co-op agencies	76	50,235
Investment in CACFL	<u>153,122</u>	<u>46,073</u>
Total Investment	631,946	602,464
 <u>B. ANALYSIS OF LONG-TERM DEBT:</u>		
<u>1. Principal and Interest Outstanding</u>		
(a) E.L.F. Loans	1,589,229	1,565,253
(b) I.E.D.F. Loans	149,102	109,004
(c) Bank and Other Loans	171,264	47,836
(d) BMC Loans	<u>1,089,265</u>	<u>880,907</u>
TOTAL	2,998,860	2,603,000
 <u>2. Less Current Portion</u>		
(a) E.L.F. Loans	526,999	428,819
(b) I.E.D.F. Loans	76,131	21,665
(c) Bank and Other Loans	39,037	16,008
(d) BMC Loans	<u>66,404</u>	<u>26,700</u>
TOTAL	708,571	493,192
 <u>3. Balance Remaining as per Balance Sheet</u>		
(a) E.L.F. Balance	1,062,230	1,135,134
(b) I.E.D.F. Balance	72,971	87,339
(c) Bank and Other Balance	132,227	30,728
(d) BMC Balance	<u>1,022,861</u>	<u>856,607</u>
TOTAL	<u>2,290,289</u>	<u>2,109,808</u>

TABLE 29

CONSOLIDATED BALANCE SHEET FOR REPORTING CO-OPERATIVES  
EXPRESSED AS A PERCENTAGE OF TOTAL ASSETS WITH  
COMPARATIVE FIGURES FOR 1978, 1977 AND 1976.

Year	1979	1978	1977	1976
Number of Reporting Co-operatives	37	38	38	39
Cash	5.83	7.34	6.59	7.84
Accounts Receivable	16.78	18.48	17.46	20.68
Inventory	42.90	43.33	41.20	39.48
Other Assets	3.93	2.59	2.04	2.75
Investments	5.40	5.84	6.05	4.05
Fixed Assets	25.16	22.42	26.66	25.20
<b>TOTAL ASSETS</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>
General Liabilities	64.03	62.33	59.27	50.88
Long Term Liabilities	10.83	12.15	14.48	15.87
BMC Loans	8.74	8.30	2.37	
Share Capital	15.90	17.07	17.50	16.94
Reserves	4.69	4.88	4.71	6.17
Savings (Deficit)	(4.19)	(4.73)	1.67	10.14

As presented in Table 26, investments have increased from \$602,464 in 1978 to their present level of \$631,946. Since the composition of the investment is of continuing interest to the co-operative system, Table 28 presents a breakdown of this investment. It is noted that while there has been a decrease in both CAP investments and investments in banks and other non-co-op agencies, investments in C.A.C.F.L. have increased by \$106,419 over the 1978 figures of \$46,073.

The same table, Table 28, also includes an analysis of the composition of the long-term debt in 1979, which is an item of considerable interest to any analysis of the financial position of the Northwest Territorial Co-operative system. The debt is segregated according to the lending agency involved with the loan. It should also be pointed out that long-term debt from traditional bank and Territorial lending agencies bear varying rates of interest and have fixed repayment periods while the BMC loans, on the other hand, are interest free with varying repayment periods which can be extended or even waived depending upon a co-operative's individual circumstances. For the year, general long-term debt which consists of E.L.F., I.E.D.F., bank, and other, equalled \$1,267,428 and the total of all B.M.C. loans equalled \$1,022,861 for a total long-term debt loan of \$2,290,289. This balance represents an increase of only 8.55% over the reported 1978 figure, an improvement over last year when an increase of 39.66% over the 1977 figure was reported.

Table 29 represents the dollar values presented in Table 26 when expressed as a percentage of total assets. Of special significance is the fact that this table reveals a decrease in accounts receivable and inventory while portraying an increase in the percentage of fixed assets. General liabilities on the other hand have continued their upward trend and remain at a highly unacceptable level, ranging from a low of 50.88% in

TABLE 30

AVERAGE BALANCE SHEET FOR REPORTING CO-OPPERATIVES  
IN 1979 WITH COMPARATIVE FIGURES FOR 1978, 1977  
AND 1976.

Year	1979	1978	1977	1976
Cash	18,434	19,923	15,554	16,892
Accounts Receivable	53,064	50,152	41,209	44,578
Inventory	135,661	117,623	97,218	85,095
Other Assets	12,431	7,022	4,823	5,938
Investments	17,080	15,854	14,271	8,745
Fixed Assets	79,543	60,857	62,919	54,312
<b>TOTAL ASSETS</b>	<b>316,213</b>	<b>271,431</b>	<b>235,994</b>	<b>215,560</b>
General Liabilities	202,457	169,179	139,870	109,672
Long Term Liabilities	34,255	32,979	34,171	34,204
BMC Loans	27,645	22,542	5,583	
Share Capital	50,286	46,331	41,298	36,525
Reserves	14,808	13,258	11,130	13,293
Savings (Deficit)	(13,238)	(12,858)	3,942	21,866



**TABLE 31**

**FINANCIAL STRUCTURE FOR REPORTING CO-OPERATIVES  
IN 1979 CLASSIFIED ACCORDING TO COMMON REVENUE RANGES  
WITH COMPARISON FIGURES FOR 1978.**

Range	Less than 100,000		100,000 to 150,000		150,000 200,000		200,000 to 400,000		400,000 to 800,000		800,000 or More	
	1979	1978	1979	1978	1979	1978	1979	1978	1979	1978	1979	1978
Cash	88,537	94,198	2,139	25,947	11,179	65,050	161,940	156,998	168,858	163,962	249,404	250,936
Accts. Rec.	107,229	138,257	6,672	27,236	108,377	68,116	441,362	529,346	585,578	709,242	714,163	433,553
Inventory	5,068	98,564	27,548	25,450	247,046	244,665	1,349,671	1,409,774	1,899,063	1,409,568	1,491,086	1,281,649
Other Assets		4,041	3,299	1,174	21,375	4,993	231,091	45,408	48,357	146,760	155,815	64,450
Investments	4,887	10,541	1,325	4,302	11,524	1,327	173,236	136,591	206,594	238,119	234,380	211,584
Fixed Assets	18,664	39,359	4,401	34,254	110,807	232,322	865,600	419,058	933,732	1,055,725	1,009,887	531,855
<b>TOTAL ASSETS</b>	<b>224,385</b>	<b>384,960</b>	<b>45,384</b>	<b>118,363</b>	<b>510,308</b>	<b>616,473</b>	<b>3,222,900</b>	<b>2,697,175</b>	<b>3,842,182</b>	<b>3,723,376</b>	<b>3,854,735</b>	<b>2,774,027</b>
Gen. Liab.	109,204	233,641	16,313	124,197	501,922	439,859	2,608,113	2,111,782	2,497,820	2,293,905	1,757,566	1,225,413
Lg. Tm. Liab.	59,489	68,196	700		7,298	96,683	397,636	263,904	390,172	686,940	412,133	137,478
BMC Loans		18,874			97,674	21,526	341,160	330,469	450,920	111,911	133,107	373,827
Share Capital	1,726	2,800	115	2,891	28,267	774	156,553	238,491	609,598	579,731	1,064,317	935,862
Reserves	15,870	27,549	13,458				86,814	100,633	172,169	213,974	259,596	162,655
Savings (Loss)	38,096	33,900	14,798	(8,725)	(124,853)	57,631	(367,376)	(348,104)	(278,497)	(162,083)	228,016	(61,208)

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TABLE 32

FINANCIAL STRUCTURE FOR REPORTING CO-OPERATIVES  
CLASSIFIED ACCORDING TO SALES VOLUME AND  
EXPRESSED AS A PERCENTAGE OF TOTAL ASSETS.

Range	Less than 100,000		100,000 to 150,000		150,000 to 200,000		200,000 to 400,000		400,000 to 800,000		800,000 or More	
	1979	1978	1979	1978	1979	1978	1979	1978	1979	1978	1979	1978
Cash	39.45	24.47	4.71	21.92	2.19	10.55	5.02	5.82	4.39	4.40	6.47	9.05
Accts. Receivable	47.79	35.92	14.70	23.01	21.24	11.05	13.69	19.63	15.24	19.05	18.53	15.63
Inventory	2.26	25.60	60.70	21.51	48.41	39.69	41.88	52.27	49.43	37.86	38.68	46.20
Other Assets		1.05	7.27	.99	4.19	.80	7.17	1.68	1.26	3.94	4.04	2.32
Investments	2.18	2.74	2.92	3.63	2.26	.22	5.38	5.06	5.38	6.40	6.08	7.63
Fixed Assets	8.32	10.22	9.70	28.94	21.71	37.69	26.86	15.54	24.30	28.35	26.20	19.17
<b>TOTAL ASSETS</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>
Gen. Liabil.	48.67	60.69	35.95	104.93	98.36	71.35	80.92	78.30	65.01	61.61	45.60	44.17
Lg. Tm. Liabil.	26.51	17.72	1.54		1.43	15.68	12.34	9.78	10.15	18.45	10.69	4.96
RMC Loans		4.90			19.14	3.49	10.59	12.25	11.74	3.00	3.45	13.48
Share Capital	.77	.73	.25	2.44	5.54	.13	4.86	8.84	15.87	15.57	27.61	33.74
Reserves	7.07	7.16	29.65				2.69	3.73	4.48	5.72	6.73	5.86
Savings (Loss)	16.98	8.80	32.61	(7.37)	(24.47)	9.35	(11.40)	(12.90)	(7.25)	(4.35)	5.92	(2.21)

1976 to its present level of 64.03%. The current ratio, which is determined by the ratio of current assets to current liabilities, stands at 1.08. This compares unfavorably to the 1978 current ratio of 1.15 or the ratio of 1.17 in 1977. This downward trend is viewed very seriously and takes on added significance when coupled with the declining percentages in the total member equity section. Both figures point out the continued need for good financial management and closer control of all facets of the co-operatives financial operations if a truly viable and stable co-operative system is to be achieved in the N.W.T.

The average balance sheet for co-operatives in 1979 is presented as Table 30 with comparative figures being presented for the years 1978 to 1976 inclusive. The level of growth in the system is clearly indicated by the increase of 16.5% in total assets. However, as noted in the preceding analysis, the composition of the asset and liability accounts must remain as a cause for concern for all co-operatives within the system.

A variant on Tables 26 and 29 is presented as Table 31 and 32 respectively with comparative figures from 1978. Both represent the balance sheet when classified according to total revenue classifications. Table 31 presents the actual dollar values while Table 32 presents the dollar values when expressed as a percentage of total assets. An examination of Table 31 reveals that the value of assets has decreased for those co-operatives in the less than \$200,000 ranges while the co-operatives in the \$200,000 or greater ranges have increased their total assets. When compared to 1978, the most significant deterioration occurred in those co-operatives in the "\$150,000 to \$200,000" revenue range, while the biggest improvement occurred for those co-operatives in the "\$800,000 or more" classification. It must also be noted that those co-operatives in the "\$400,000 to \$800,000" range also suffered a sizeable deterioration in their financial position. A closer

examination of the table however, reveals variations in all accounts with no trend which can be pointed out as being significant.

Tables 33 to 38 inclusive break down the consolidated balance sheet into the six regions used in this Report. The Tables are presented in actual dollar values and as a percentage of total assets, with comparative figures shown for the 1978 and 1977 years.

Table 33 presents the consolidated balance sheet for the Fort Smith (Great Slave) Region. Another decline in the total assets of the region is evident. In 1978 total assets declined by \$18,205 while this year the decline was \$42,532 or 7.24%. The account showing the greatest change is that of the BMC loans. It is now at 36.80% of total assets as compared to 7.14% last year. While the region still indicates an undistributed savings, the savings is considerably reduced, at \$3,664 when compared to \$87,899 for 1978 and \$117,633 for 1977. The ratio of current assets to current liabilities for the region has improved to 1.24, which is up over the (.91) and (.96) ratio reported in 1978 and 1977 respectively. This is directly the result of the BMC loans provided, as noted above.

Table 34 portrays the consolidated balance sheet for the Fort Smith (High Arctic) Region. The Table evidences improved growth during the year with total assets increasing by 6.67% as compared to a growth rate of 3.43% in 1978. Accounts receivable and inventory indicate small dollar growth and even smaller percentage growth. General liabilities on the other hand remained relatively unchanged in dollar terms while actually indicating a drop in percentage terms. Total member equity increased in both dollar and percentage terms with a notable decline in the deficit account. The Table also indicates an improvement in the current ratio to 1.33 as

**TABLE 33**

**FORT SMITH (GREAT SLAVE) CONSOLIDATED BALANCE SHEET FOR REPORTING  
CO-OPERATIVES IN 1979 WITH COMPARATIVE FIGURES FOR 1978 AND 1977  
EXPRESSED IN ACTUAL DOLLAR VALUES AND PERCENTAGES**

	Fort Smith (Great Slave) \$			Fort Smith (Great Slave) %		
	1979	1978	1977	1979..	1978	1977
Cash	78,580	62,487	64,057	14.42	10.64	10.58
Accounts Receivable	56,288	50,679	17,778	10.33	8.63	2.93
Inventory	176,484	196,519	189,108	32.38	33.45	31.22
Other Assets	6,152	4,727	29,431	1.13	.80	4.86
Investments	7,191	2,302	26,474	1.32	.39	4.37
Fixed Assets	220,325	270,818	278,889	40.42	46.09	46.04
<b>TOTAL ASSETS</b>	<b>545,920</b>	<b>587,532</b>	<b>605,737</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>
General Liabilities	255,430	344,275	311,664	46.87	58.60	51.45
Long Term Liabilities	78,931	107,407	169,723	14.48	18.28	28.02
BMC Loans	200,558	41,958		36.80	7.14	
Share Capital	562	661	1,387	.10	.11	.23
Reserves	5,875	5,332	5,330	1.08	.91	.88
Savings (Deficit)	3,664	87,899	117,633	.67	14.96	19.42
<b>Number of Reporting Co-operatives</b>	<b>5</b>	<b>5</b>	<b>6</b>	<b>5</b>	<b>5</b>	<b>6</b>

TABLE 34

**FORT SMITH (HIGH ARCTIC) CONSOLIDATED BALANCE SHEET  
FOR REPORTING CO-OPERATIVES IN 1979 WITH COMPARATIVE  
FIGURES FOR 1978 AND 1977 EXPRESSED IN ACTUAL DOLLAR  
VALUES AND PERCENTAGES**

	Fort Smith (High Arctic) \$			Fort Smith (High Arctic) %		
	1979	1978	1977	1979	1978	1977
Cash	91,864	106,657	32,872	3.32	4.12	1.31
Accounts Receivable	451,685	396,639	537,388	16.35	15.31	21.46
Inventory	1,252,337	1,171,774	891,976	45.33	45.24	35.61
Other Assets	68,457	69,290	33,594	2.48	2.67	1.34
Investments	131,600	147,760	126,628	4.76	5.70	5.06
Fixed Assets	766,941	698,350	882,087	27.76	26.96	35.22
<b>TOTAL ASSETS</b>	<b>2,762,884</b>	<b>2,590,470</b>	<b>2,504,545</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>
General Liabilities	1,400,240	1,407,908	1,412,957	50.68	54.35	56.41
Long Term Liabilities	361,399	279,944	297,228	13.08	10.81	11.86
BMC Loans	395,416	453,916	170,269	14.31	17.52	6.80
Share Capital	510,770	470,293	455,478	18.49	18.15	18.19
Reserves	142,714	122,784	100,412	5.16	4.74	4.01
Savings (Deficit)	(47,655)	(144,375)	68,201	(1.72)	(5.57)	2.73
<b>Number of Reporting Co-operatives</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>

TABLE 35

INUVIK CONSOLIDATED BALANCE SHEET FOR REPORTING CO-OPERATIVES  
 IN 1979 WITH COMPARATIVE FIGURES FOR 1978 AND 1977 EXPRESSED IN  
 ACTUAL DOLLAR VALUES AND PERCENTAGES

	INUVIK REGION \$			INUVIK REGION %		
	1979	1978	1977	1979	1978	1977
Cash	129,770	129,096	50,685	12.64	14.71	6.67
Accounts Receivable	226,162	225,423	185,206	22.03	25.68	24.36
Inventory	519,228	391,743	403,726	50.58	44.63	53.10
Other Assets	15,057	15,431	7,887	1.47	1.76	1.04
Investments	20,041	9,476	5,228	1.95	1.08	.68
Fixed Assets	116,281	106,518	107,544	11.33	12.14	14.15
<b>TOTAL ASSETS</b>	<b>1,026,539</b>	<b>877,687</b>	<b>760,276</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>
General Liabilities	825,993	710,657	736,669	80.46	80.97	96.89
Long Term Liabilities	86,859	94,663	123,923	8.46	10.79	16.30
BMC Loans	165,934	131,480	41,878	16.17	14.98	16.30
Share Capital	11,199	5,154	11,414	1.09	.59	1.50
Reserves	37,211	27,995	26,060	3.62	3.19	3.43
Savings (Deficit)	(100,657)	(92,262)	(179,668)	(9.80)	(10.52)	(23.63)
<b>Number of Reporting Co-operatives</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>7</b>

TABLE 36

KEEWATIN CONSOLIDATED BALANCE SHEET FOR REPORTING CO-OPERATIVES  
 IN 1979 EXPRESSED ON A REGIONAL BASIS WITH COMPARATIVE FIGURES  
 FOR 1978 AND 1977 EXPRESSED IN ACTUAL DOLLAR VALUES AND PERCENTAGES.

	Keewatin Region \$			Keewatin Region %		
	1979	1978	1977	1979	1978	1977
Cash	84,372	148,118	111,423	3.85	7.83	6.45
Account Receivable	287,532	346,956	331,257	13.11	18.33	19.19
Inventory	698,753	910,014	941,285	31.86	48.08	54.51
Other Assets	208,426	86,126	34,542	9.50	4.55	2.00
Investments	76,638	89,565	78,098	3.49	4.73	4.52
Fixed Assets	837,674	311,827	230,233	38.19	16.48	13.33
<b>TOTAL ASSETS</b>	<b>2,193,395</b>	<b>1,892,606</b>	<b>1,726,838</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>
General Liabilities	1,922,465	1,439,513	1,403,611	87.65	76.05	81.28
Long Term Liabilities	261,493	241,117	213,124	11.92	12.74	12.34
BMC Loans	174,441	204,141		7.95	10.79	
Share Capital	83,530	160,297	137,037	3.81	8.47	7.94
Reserves	53,225	119,580	96,413	2.43	6.32	5.58
Savings (Deficit)	(301,759)	(272,042)	(123,347)	(13.76)	(14.37)	(7.14)
<b>Number of Reporting Co-operatives</b>	<b>6</b>	<b>7</b>	<b>7</b>	<b>6</b>	<b>7</b>	<b>7</b>



TABLE 37

BAFFIN (NORTH) BALANCE SHEET FOR REPORTING CO-OPERATIVES IN 1979  
WITH COMPARATIVE FIGURES FOR 1978 AND 1977 EXPRESSED IN ACTUAL  
DOLLAR VALUES AND PERCENTAGES.

	Baffin Region (North) \$			Baffin Region (North) %		
	1979	1978	1977	1979	1978	1977
Cash	82,623	85,266	102,835	3.90	4.43	8.69
Accounts Receivable	436,460	488,866	221,375	20.58	25.38	18.71
Inventory	1,009,256	860,014	422,341	47.59	44.66	35.69
Other Assets	73,274	48,269	22,909	3.45	2.50	1.94
Investments	53,914	34,465	11,623	2.54	1.79	.98
Fixed Assets	465,234	408,982	402,226	21.94	21.24	33.99
<b>TOTAL ASSETS</b>	<b>2,120,761</b>	<b>1,925,862</b>	<b>1,183,309</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>
General Liabilities	1,823,889	1,694,133	695,865	86.00	87.97	58.81
Long Term Liabilities	327,904	356,818	313,865	15.46	18.53	26.51
BMC Loans	21,512	25,112		1.02	1.30	
Share Capital	156,517	161,324	133,276	7.38	8.38	11.26
Reserves	71,729	40,329	32,816	3.38	2.09	2.77
Savings (Deficit)	(280,790)	(351,854)	7,616	(13.24)	(18.27)	.65
<b>Number of Reporting Co-operatives</b>	<b>6</b>	<b>6</b>	<b>4</b>	<b>6</b>	<b>6</b>	<b>4</b>

TABLE 38

BAFFIN (SOUTH) BALANCE SHEET FOR REPORTING CO-OPERATIVES IN 1979  
WITH COMPARATIVE FIGURES FOR 1978 AND 1977 EXPRESSED IN ACTUAL  
DOLLAR VALUES AND PERCENTAGES.

	Baffin Region (South) \$			Baffin Region (South) %		
	1979	1978	1977	1979	1978	1977
Cash	214,848	225,467	229,170	7.04	9.24	10.48
Accounts Receivable	505,254	397,187	272,968	16.56	16.28	12.48
Inventory	1,363,424	939,606	845,832	44.68	38.50	38.68
Other Assets	88,571	42,983	54,924	2.90	1.76	2.51
Investments	342,562	318,896	294,229	11.23	13.07	13.45
Fixed Assets	536,636	516,078	489,934	17.59	21.15	22.40
<b>TOTAL ASSETS</b>	<b>3,051,295</b>	<b>2,440,217</b>	<b>2,187,057</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>
General Liabilities	1,262,921	832,311	754,295	41.39	34.10	34.49
Long Term Liabilities	150,842	173,252	180,778	4.95	7.10	8.27
BMC Loans	65,000			2.13		
Share Capital	1,097,998	962,820	830,742	35.98	39.46	37.98
Reserves	237,153	187,791	161,912	7.77	7.70	7.40
Savings (Deficit)	237,381	284,043	259,330	7.78	11.64	11.86
<b>Number of Reporting Co-operatives</b>	<b>7</b>	<b>7</b>	<b>8</b>	<b>7</b>	<b>7</b>	<b>8</b>

compared to 1.24 and 1.06 in 1978 and 1977 respectively. The Table clearly demonstrates an improved financial position for the region in spite of the minor operational decline noted in Table 29.

The co-operatives in the Inuvik Region are highlighted in Table 35. Total assets for 1979 increased by 16.96% continuing the growth trend evident in 1978 when total assets increased by 15.44%. Of note is the percentage decline in accounts receivables and the increase in inventory while general liabilities indicate a small dollar increase but a small percentage decrease. Also of interest is the shift in long term debt from the traditional lending sources to BMC loans. The equity section shows a modest improvement in the total deficit. The Table also indicates a minor improvement in the current ratio which increased from 1.04 in 1978 to 1.08 during the current period.

The Keewatin Region's consolidated balance sheet is shown as Table 36. Inter-year comparison is difficult given the non inclusion of the Naujat statement in the regional totals. However, in spite of this deficiency it is noted that total assets increased by 15.89%, largely as the result of the expanded operation of the Padlei Co-operative in Eskimo Point which is particularly noticeable in the growth in the fixed asset account. It is also to be noted that while general liabilities indicate a substantial dollar and percentage increase, this is largely the result of the inclusion of the cost of the new store built by the Padlei Co-operative for which funding was pending but not finalized at its year end. In view of the foregoing, the decline in the current ratio to (.66) as compared to the 1978 ratio of 1.04 is subject to considerable qualification.

The analysis of the Baffin Region (North) consolidated balance sheet, as presented as Table 37, indicates a 10.12% growth in total assets during 1979. The Table shows an encouraging

decline in the level of accounts receivable but a continuation of the inventory build up. General liabilities show a minor decline but still remain at an unacceptably high level. The deficit in the total of the member equity accounts indicates some improvement, declining to (2.48%) from (7.80%).

Table 38 highlights the results of the co-operatives in the Baffin Region South. While this region remains as the best region in terms of continued operational and financial performance, the Table does give cause for concern. It is noted that while total assets have increased by a significant 25.04% as compared to 11.58% in 1978, significant changes within the balance sheet accounts deserve comment. Of particular concern is the rise in the inventory and general liability accounts while the member equity accounts, in total, have declined. These changes are reflected in the current ratio which has declined from 1.93 to its present level of 1.72.

The balance sheet position of the co-operatives reporting a net savings or loss as presented in Tables 8 and 10 respectively, can be determined by an examination of Tables 39 and 40 with comparative figures for those co-operatives achieving a savings or loss in 1978. While it is recognized that the same group of co-operatives is not included for each year, the Tables highlight, in percentage terms especially, the financial structure of these associations.

From Table 39 we can note a reduction in inventory levels and an increase in fixed assets while, on the other hand, general liabilities have increased and total member equity has decreased. However, in spite of these shifts, these co-operatives remain financially stable and account for 78% of the assets controlled by the co-operatives system. It is however, noted that the current ratio for this year declined to 1.27 for the group as compared to a current ratio to 1.67 in 1978.

TABLE 39

CONSOLIDATED BALANCE SHEET FOR CO-OPERATIVES SHOWING A NET SAVINGS IN 1979  
EXPRESSED IN ACTUAL DOLLAR VALUES AND IN PERCENTAGES WITH COMPARATIVE FIGURES  
FOR 1978.

	Dollar Values		Percentages	
	1979	1978	1979	1978
Cash	485,476	532,875	5.35	7.97
Accounts Receivable	1,430,152	1,024,656	15.75	15.33
Inventory	3,803,426	2,977,011	41.90	44.53
Other Assets	411,286	231,900	4.53	3.47
Investments	549,635	453,327	6.05	6.78
Fixed Assets	2,398,016	1,465,462	26.42	21.92
<b>TOTAL ASSETS</b>	<b>9,077,991</b>	<b>6,685,231</b>	<b>100.00</b>	<b>100.00</b>
General Liabilities	4,814,651	2,860,206	53.04	42.78
Long Term Liabilities	942,794	541,552	10.39	8.10
BMC Loans	523,294	581,687	5.76	8.70
Share Capital	1,715,465	1,602,700	18.90	23.97
Reserves	518,489	443,493	5.71	6.64
Savings (Deficit)	563,298	655,593	6.20	9.81

**TABLE 40**

**CONSOLIDATED BALANCE SHEET FOR CO-OPERATIVES SHOWING A NET LOSS IN 1979  
EXPRESSED IN ACTUAL DOLLAR VALUES AND IN PERCENTAGES WITH COMPARATIVE FIGURES  
FOR 1978.**

	Dollar Values		Percentages	
	1979	1978	1979	1978
Cash	196,581	224,216	7.50	6.18
Accounts Receivable	533,229	881,094	20.34	24.28
Inventory	1,216,056	1,492,659	46.38	41.13
Other Assets	48,651	34,926	1.85	.96
Investments	82,311	149,137	3.14	4.11
Fixed Assets	545,075	847,111	20.79	23.34
<b>TOTAL ASSETS</b>	<b>2,621,903</b>	<b>3,629,143</b>	<b>100.00</b>	<b>100.00</b>
General Liabilities	2,676,287	3,568,591	102.07	98.33
Long Term Liabilities	324,634	711,649	12.38	19.61
BMC Loans	499,567	274,920	19.05	7.58
Share Capital	145,111	157,849	5.54	4.35
Reserves	29,418	60,318	1.12	1.66
Savings (Deficit)	(1,053,114)	(1,144,184)	(40.16)	(31.53)

Those co-operatives in a net loss position are presented as Table 40. This Table graphically illustrates the further deterioration evident for this group. While accounts receivables have been reduced; inventory levels are up, the general liability account has increased, loans have increased, and the total deficit in the member equity account has increased. As well, the negative current ratio of (.75) is only a very minor variation over the 1978 ratio of (.74).

In summary, an examination of the balance sheet analysis provided by Tables 27 to 40 inclusive reveals an increase in assets of \$1,385,520. Both the simple average investment per member and simple average equity per member have increased over the 1978 level. The long term debt has increased from \$578.98 per member to \$590.28 per member in 1979. All regions with the exception of the Fort Smith - Great Slave Region have shown an increase in total assets. Close examination reveals that, in most cases, where inventory has increased, so has general liabilities. While most accounts have increased in dollar values, the percentage distribution shows no strong discernible trends. Thus the Tables reveal that while total assets are increasing, there remains many areas of concern regarding the disposition of these assets and liability accounts.

#### 8. Financial Standards

Table 41 presents the 1979 financial standards for reporting co-operatives, classified according to sales volume with comparative figures from the 1978 report. It must again be stressed that the standards are presented for informational purposes only and they can only be treated as indicators of current performance. As yet, commonly accepted standards of performance have not been developed from which it would be possible to gauge or evaluate the system's performance in any given year or which could be used by an individual co-operative in order to assess its performance as being

TABLE 41

FINANCIAL STANDARDS FOR REPORTING CO-OPERATIVES, CLASSIFIED  
ACCORDING TO COMMON REVENUE RANGES WITH COMPARATIVE FIGURES FOR 1978

Range	Less than 100,000		100,000 to 150,000		150,000 to 200,000		200,000 to 400,000		400,000 to 800,000		800,000 or More		NWT Total	
	1979	1978	1979	1978	1979	1978	1979	1978	1979	1978	1979	1978	1979	1978
RATIO'S														
<u>Current Assets</u>														
<u>Current Liabilities</u>	1.84	1.43	1.43	.64	.77	.87	.84	1.01	1.08	1.06	1.48	1.66	1.08	1.15
<u>Sales</u>														
<u>Inventory</u>	6.85	3.62	3.63	4.05	2.96	3.00	2.97	2.41	2.72	3.67	4.22	4.15	3.26	3.23
<u>Sales</u>														
<u>Fixed Assets</u>	1.86	9.07	2.54	3.01	6.59	3.16	4.63	8.10	5.54	4.90	6.23	8.81	5.55	6.25
<u>Sales</u>														
<u>Total Assets</u>	.15	.93	.26	.58	1.43	1.19	1.24	1.26	1.35	1.39	1.63	1.69	1.40	1.40
<u>Total Assets</u>														
<u>Net Savings (Loss)</u>	88.24	(11.14)	5.97	(4.02)	(5.28)	(6.81)	130.83	(43.33)	133.54	26.25	9.02	13.47	29.70	78.74
<u>Debt</u>														
<u>Members Equity</u>	3.03	4.99	.60	(21.29)	21.29	9.56	26.99	(291.11)	6.63	4.90	1.48	1.67	5.10	4.81
PERCENTAGES														
<u>Accounts Receivable</u>														
<u>Sales</u>	308.76	38.71	6.67	26.42	14.83	9.28	11.01	15.59	11.32	13.70	11.35	9.25	12.01	13.19
<u>Members Equity</u>														
<u>Assets</u>	24.82	16.69	62.51	(4.93)	(18.93)	9.47	(3.85)	(.33)	13.10	16.94	40.26	37.39	16.40	17.23
<u>Savings (Loss)</u>														
<u>Members Equity</u>	4.57	(53.79)	26.78	(504.77)	(99.99)	(1008.56)	19.86	(173.17)	5.72	22.49	27.51	19.86	20.53	7.38



acceptable or not in terms of such standards. While the C.A.C.F.L. has undertaken to develop such standards for the N.W.T., this task was not completed as at the writing of this Report. It is expected that some basic standards will soon be issued. However, it will be some time before definitive standards will be developed which can be effectively utilized by all co-operatives in the N.W.T. system as measures against which their own performance can be quantified.

Table 41, presents very significant results for the year. The current asset to current liability ratio has declined from 1.15 to 1.08 for the total N.W.T. with considerable variation in all revenue ranges. The Inventory to sales ratio has increased slightly in total, with three revenue groups showing improvement while the others suffered a decreased ratio. The sales to fixed assets ratio has decreased from the 1978 level of 6.25 to 5.55 with the greatest decline, from 9.07 to 1.86, occurring for those co-operatives in the "less than \$100,000" revenue range. The ratio of sales to total assets remains unchanged at a ratio of 1.4; however, the ratio of total assets to net savings (loss) declined drastically from 78.74 to 29.70. While the co-operative system realized a net saving before tax and patronage dividends, a net loss resulted after amortization of government assistance, income tax and patronage dividends, all of which are reflected in the decline in the ratio. The debt to members equity ratio has also decreased. This is the result of increases in BMC loans and the net loss.

The final three financial standards are common operational percentages. Accounts receivables to sales improved again in 1979 with accounts receivable totals standing at 12.01% of sales. An examination of the Table reveals a significant increase in those co-operatives with revenue of "less than \$100,000" while co-operatives in the "100,000 to \$150,000" classification show a substantial improvement to 19.75%. The percentage of members equity to assets declined from 17.23% to

16.40%. Variation between the different revenue classifications varies from a change of 67.44% for those co-operatives in the "\$100,000 to \$150,000" revenue range to a variance of 2.87% for co-operatives in the "\$800,000 or more" revenue range. The percentage savings (loss) to members equity rose from (12.10%) in 1977, to 7.38% in 1978 to its present 20.53%. The greatest change from (1008.56%) to (99.99%) occurred for those co-operatives in the "\$150,000 to \$200,000" total revenue classification.

The financial standards presented in Table 41 further reinforce those improvements and deficiencies commented upon elsewhere in this Report. The efforts to maintain and improve these standards must be continued if the co-operative system is to become a viable entity in the financial fabric of the N.W.T.

#### 9. The Canadian Arctic Co-operative Federation Limited

An assessment of co-operative enterprise in the N.W.T. during 1979 would be incomplete without a review of the activities of the Canadian Arctic Co-operative Federation Limited. As the central voice of the Territorial Co-operative system, its presence provides a focal point for both the provision of support and service to its member co-operatives while at the same time providing the outward link by which the system as a whole is viewed by government, the Canadian co-operative system, and the general public.

Since its incorporation in 1972, the C.A.C.F.L. has continuously expanded its business and support programs to its member co-operatives. The scope of its merchandising or purchasing service has continued to grow steadily while its other business activity, the Northern Images stores, continue to provide a valued service to its producer co-operatives. The scope of these activities can be seen from Table 42, as can be seen the success with which this has been accomplished.

TABLE 42

THE CANADIAN ARCTIC CO-OPERATIVE FEDERATION LIMITED

STATEMENT OF SAVINGS AS AT DECEMBER 31, 1979

	<u>Year ended December 31</u>	
	<u>1979</u>	<u>1978</u>
Revenue:		
Merchandising division sales	\$6,997,597	\$6,272,341
Less: Cost of sales	<u>6,555,190</u>	<u>5,897,207</u>
	442,407	375,134
	<hr/>	<hr/>
Northern Images division sales	1,359,686	1,222,187
Less: Cost of sales	<u>819,812</u>	<u>795,479</u>
	539,874	426,708
	<hr/>	<hr/>
Operating Grants		
Government of Canada	309,300	301,000
Government of the Northwest Territories	<u>125,000</u>	<u>140,637</u>
	434,300	441,637
	<hr/>	<hr/>
Other Government Grants and miscellaneous revenue:		
Human Resources Development grants	330,308	210,474
Less: Related expenses for non-recurring programs	<u>(127,939)</u>	<u>(67,721)</u>
	202,369	142,753
Management and accounting services	214,198	172,042
Fees for service rendered	61,517	61,564
Training and management assistance grants	32,958	21,871
Special ARDA Education and Training grants	<u>352,794</u>	<u>-</u>
	863,836	398,230
	<hr/>	<hr/>
	2,280,417	1,641,709
Operating and administration expenses	<u>2,301,365</u>	<u>1,685,594</u>
Operating loss	(20,948)	(43,885)
Other income and charges	<u>39,755</u>	<u>199,579</u>
Savings for the year	<u>\$ 18,807</u>	<u>\$ 155,694</u>
	<hr/>	<hr/>

1979 was also to have seen the re-introduction of the Federation's transportation activities. However, shortly after the C.A.C.F.L.'s DC-4 aircraft was overhauled and once again operational, the aircraft was destroyed by fire in Thompson, Manitoba. In spite of this set back, the Federation is now exploring other avenues by which this service can be provided to its member co-operatives.

1979 also brought the continued devolution of the Federation's program of support services to its member co-operatives. The retail advisor program became more refined and the acceptance of this service became more evident given the reliance placed on the advisors by both the managers and boards of directors of Territorial co-operatives. The year was also a busy one for the Federation's management and board of director training program (see page 85 for more details). The audit and centralized accounting programs continued to grow with particular emphasis being placed on interim statements. As well, the Federation continued to implement its standardized bookkeeping system. During the year, the N.W.T. Operations Manual was completed and distributed across the N.W.T. with a very favourable acceptance being evident by the co-operative managers and trainees. The progress evident in these and other areas are expected to impact significantly on co-operative development throughout the N.W.T. in the coming year.

A review of Table 42, which presents the C.A.C.F.L.'s Statement of Savings for the period ending 31 December 1979,<sup>1</sup>

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<sup>1</sup> It is recognized that the December 31 financial statement presented for the C.A.C.F.L. does not coincide with the year ends for the co-operatives used throughout this Report. However, it was felt that this statement more accurately reflected the current position of the C.A.C.F.L. and its resultant impact on the N.W.T. co-operative system in 1979; as a result it is included as part of our Report.

graphically illustrates the expansion noted above, and the trend of increased revenues and expenditures noted in previous Reports. Merchandise sales increased by \$725,256 or 11.56%; this is down from that of 1978 when merchandise revenues rose by \$958,259 or 18.03%. Northern Images sales increased by \$137,494 or 11.27% which is considerably lower than the 26.60% increase evident in 1978; however, it must be remembered that in 1978, the Federation opened its retail store in Whitehorse and thus the figures reflect that expansion. On the foregoing revenues, the Federation realized a margin of \$442,407 which represents a \$113,166 or 26.52% increase over 1978. Grants and miscellaneous income increased by 54.56% or from \$839,867 in 1978 to \$1,298,136 in 1979 with a significant portion of this increase being directly attributable to the Federation's Special ARDA Education and Training grants. Operating and administration expenses increased by \$615,771 or 36.53% which resulted in an operative loss of \$20,948 which was only half of the operating loss in 1978. However, Other Income and charges decreased significantly from \$199,579 to \$39,753 with the result that a net savings of \$18,807 was achieved during the year versus a savings of \$155,694 in 1978. The reduction in Other Income however, deserves mention as it must be noted that most of this reduction is the result of high interest rates being paid by the Federation which were not passed on to its member co-operatives.

The last several years has seen the rapid growth of the Federation's activities, particularly with respect to member services. However, this rate of acceleration is expected to abate in 1980 as the Federation now has its major programs in place. This growth has been encouraged and supported by both the Federal and Territorial Governments as it is clearly recognized that the ultimate viability of the co-operative system in the N.W.T is predicated on the development of both the necessary support service programs and a commitment to promote co-operative education at all levels throughout the Territorial system. This recognition was followed by a commitment that the Federation was the logical and most ideal

entity by which this development should occur. There can be little doubt that we have and will continue to support this rationale and it is our belief that the progress achieved to date warrants this stance.

10. Highlights of the Year

This section is intended to highlight those achievements or programs which were undertaken by the N.W.T. Co-operative system during 1979 which deserve special comment. They are isolated in this Report because it is believed that they are highlights which have impacted significantly on Territorial co-operatives and that their benefit will be felt for years to come. These highlights are: (A) The Co-op 20 Program, (B) The BMC Program, Year Three, and (C) The CACFL Training and Member Education Program.

(A) The Co-op 20 Program

1979 marked the 20th anniversary of co-operative development in the Arctic. This event was celebrated by the co-operative system in the N.W.T. throughout the year. The program presented a unique opportunity for the co-operatives to reflect upon past developments and to chart a course of action for the future.

The program for the Territories was directed by the C.A.C.F.L. Its activities during the year included the provision of promotional material and merchandise, a children's poster contest, the issuance of Awards of Merit to those persons who contributed significantly to their community co-operative or to co-operative development across the N.W.T., and other related programs.

Local co-operatives were encouraged to participate in the program as well. To this end, many co-operatives sponsored

Co-op 20 celebrations in their respective communities with feasts, games, and special activities being promoted as part of the celebrations. These celebrations proved to be extremely successful and gave many Territorial co-operators the opportunity to express their pride in the achievements of their local co-operative.

The Co-op 20 Program culminated with a Pan Arctic Conference of all Arctic co-operatives in George River, Quebec, the location of the first co-operative incorporated in Arctic Canada. The Conference, which ran for the week of April 20, 1980, was attended by co-operatives from both Arctic Quebec and the N.W.T. It proved to be a lively forum for the exchange of ideas and proved to be a fitting end to the Co-op 20 Program.

(B) The B.M.C. Program - Year Three<sup>1</sup>

The B.M.C. Program entered its third year in 1979. This program was established as a result of the study "Northern Co-operative Systems, A Study for the Social Development Division" as prepared in 1976 by the Bureau of Management Consultants or B.M.C. (and hence the B.M.C. Program) on behalf of the Social and Cultural Development Division of the Department of Indians Affairs and Northern Development. This study was commissioned by the Division at the request of the C.A.C.F.L. and the Territorial Co-operative system and coincided with a similar request from Arctic Quebec. Using the Study as its basis, the B.M.C. Program was implemented in 1977 with the funding for the program being provided by the Federal Treasury Board through the Federal and Territorial Eskimo Loan Fund Advisory Boards for Arctic Quebec and Territorial co-operatives respectively. Under the N.W.T. program, the C.A.C.F.L. became the responsible agent for developing and implementing the various services and programs

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<sup>1</sup> See the 1977 and 1978 Annual Reports for details on the B.M.C. Program in years one and two.

in conjunction with both the Federal and Territorial Governments. As has been noted previously, the B.M.C. Program continues to be an outstanding example of the combined efforts of both the private sector and governments in identifying an area of real need and then addressing this need through the development and application of specific programs through the joint or collaborative efforts of all parties involved.

In 1979, the B.M.C. Program continued to be divided into four distinct areas of assistance. The areas were (i) Bank Loan Guarantee for the C.A.C.F.L. Resupply Program, (ii) Operating Contributions to the C.A.C.F.L., (iii) Working Capital Contributions to Member Co-operatives, and (iv) Funding for Supplemental Support (Human Resource Development) Programs. Through funding to these identified program areas, the B.M.C. Program attempts to provide financial assistance so that the most critical needs of the Territorial Co-operative system can be met as identified in the 1976 Federal Government Study. The program is monitored by this office on behalf of the N.W.T. Eskimo Loan Fund in consultation with, and actively supported by, the Federal Government through quarterly review meetings, quarterly financial and status reports, and periodic appraisal reports.

The following sections present a brief overview of the activities of the B.M.C. Program in each of the four funding areas during 1979.

(i) Bank Loan Guarantee: This program was instituted in order to allow the Federation to have the necessary financial backing in order to operate its Merchandising Division. This funding provides the Federation with the assistance necessary for it to deal directly in the market on behalf of all Territorial co-operatives so as to provide an effective



purchasing service for its members. In 1979 the level of the Guarantee was based on 87.5% of a maximum line of credit of \$4 million; this was a reduction over the 1978 level of 90% of a maximum line of credit of \$4.5 million. The program, in addition to the purchasing power it gives to the C.A.C.F.L., also allows the Federation to extend credit terms and lines of credit to its member co-operatives which utilize this service. Without the support of the Guarantee Program, it is questionable whether the C.A.C.F.L. or many of its individual co-operative members could continue to mount their annual resupply requirements or to be in a position to utilize the benefits which have accrued to the system through bulk purchase options, drop shipments, discounts, lower financing charges, etc. It is to be noted that sales through the Federation's Merchandising Division continued to grow, with sales in 1979 increasing to \$6,997,597, a rise of \$725,256 or 12% over its 1978 sales of \$6,272,341.

(ii) Operating Contribution: The C.A.C.F.L. was provided with an operating contribution totalling \$277,250 during the year. This funding represents a general contribution to the Federation so as to enable the C.A.C.F.L. to maintain and/or expand the range of the programs and services it provides to its member co-operatives as well as to defray a portion of the administrative costs. This contribution was primarily allocated to such areas as the audit and centralized accounting program, personnel services and the retail advisor program.

(iii) Contribution to Member Co-operatives: A contribution of \$595,000 was made to the N.W.T. Co-operative system in 1979. This contribution was given to the C.A.C.F.L.'s Co-operative Development Fund to be, in turn, lent out by the Federation to certain of its member co-operatives in the form

of interest free, long term, repayable loans. The loans were given in order to enable the co-operatives to refinance all or a portion of their overdue resupply accounts with the Federation which were overdue because of financial problems in these associations. The loans were granted with repayment periods extending up to 17 years and with the repayment terms being established upon the basis of the individual co-operative's ability to service the loan as determined by its annual operating budget. All repayments on the principal of the loans are then to return to the N.W.T. Co-operative Development Trust Fund.

The Co-operative Development Trust Fund was established in 1977 at the beginning of the B.M.C. Program and represents a unique application of contribution funding. This Fund is solely administered by the Board of Directors of the C.A.C.F.L. for the purpose of enabling Territorial Co-operatives to apply for interest free loans in the future. In this manner, the Fund serves as means to stabilize or expand a co-operative's operations when such funding is not available through traditional lending agencies or when such loans cannot be financed through the internal resources of a particular co-operative enterprise. Therefore, the Fund is expected to provide a greater degree of independence in the future when co-operatives require funding and thereby reduce the reliance on Governmental funding sources.

As at December 31, 1979, the C.A.C.F.L.'s balance sheet indicated that the total contribution to the Program over the last three years was \$2,260,000. The funds were accounted for as follows:

1. Notes Receivable	\$1,530,700
2. Allocations Pending Board Approval (1979 Contribution)	\$595,000
3. Cash in Bank and Term Deposits	<u>\$134,300</u>
Total	\$2,260,000

This program has proved to be most beneficial to the Co-operative system and given the extremely high interest rates during the period, it can be estimated the savings accruing to the co-operatives receiving this assistance would have approximated in excess of \$300,000 for the period.

(iv) Supplemental Support: The final component of the B.M.C. Program was the Human Resource or Supplemental Support Programs. These programs operate on the basis of negotiated Agreements with payment based on actual expenditures. During 1979, funding was provided for the following programs:

- 1) Retail Advisor Program: This service is viewed as being an essential element in the co-operative development program in the N.W.T. Given this recognition, the Agreement under this program provided travel funds for the Federation's 8 retail advisors, as well as funding the cost of one advisor. Under this program the C.A.C.F.L. provides day to day operational advice to co-operative managers and Boards of directors as well as providing specialized advice and assistance on special projects or territorial wide programs.
- 2) Standardized Accounting Program: As part of the N.W.T. Co-operative Operations Manual, a standardized accounting system was developed to meet the unique circumstances of co-operative operations in the N.W.T. This program

provided salary and travel funds in order to begin the introduction of this system across the Territories. The program is to take a minimum of two years in order to introduce the system on an individual co-operative basis.

- 3) President's Honorarium: Assistance was provided to the C.A.C.F.L. so that an honorarium could be paid to its' President in recognition of the time and dedication inherent in this position.
- 4) Director's Travel Program: This program was developed in recognition of the fact that if the C.A.C.F.L.'s Board of Directors are to be aware of the problems and aspirations of its member co-operatives, the Directors of the Federation must be able to visit the co-operatives in the district they represent. The program provided travel funds in recognition of this need.
- 5) Operations Manual: This program was carried forward from 1977 and 1978. Expenditures under the program in 1979 provided funds for the final printing and distribution of the manual. The program is now fully completed and the manual is in use across the Territories.

Under the above programs, a total of \$214,722 was available in Supplemental Support Funding during the year. By way of comparison, up to \$278,000 was available during 1978.

Year three of the B.M.C. Program continues to indicate progress in the N.W.T. Co-operative system. The program is addressing many of the critical needs of the co-operative system and is providing support in many areas. It is, however, to be noted that the results presented in this Report

do not coincide directly with the program given the one year parameter of financial statements. As such, the progress evident in this year's Report more directly relates to year two and thus more accurately represents the initial impact of the program.

Clearly this Report indicates areas of general improvement and other areas where continued effort is required. This is to be expected. A program and as such this is recognized to be a developmental program and, as such, its impact will not be immediate in many areas. It is, however, expected that a general move towards operational improvement and human development will occur with these benefits impacting far beyond the year in which the actual expenditures occurred. Continued effort will have to be expended, with the objectives of the program being measured over a protracted period of time.

(C) The C.A.C.F.L. Management Training and Member Education Program

1979 brought the beginning of the C.A.C.F.L.'s Management Training and Member Education Program. Funded under the D.R.E.E. - Special ARDA Program it operates on an annual basis, with approval in principle being given to the program for an initial three year period. Given the operational procedures of the Special ARDA Program, this program is a jointly sponsored Federal - Territorial Government program.

With the approval of the first year of the program in January of 1979, preparatory work was begun early in the year for the introduction of the program on April 1, 1979. The program consists of two distinct but inter-related elements; that is the training of Territorial residents so that they may assume

managerial positions within their co-operatives and a broad educational program for the members and, more specifically, the Boards of Directors of Territorial co-operatives so that they are in a position to understand and control their local co-operatives.

By December 31, 1979, 21 co-operatives were enrolled in the Management Training arm of the program. The program consists of on-the-job training with this facet using competency-based training techniques supplemented by seminars, course materials and teleconferencing seminars. The program is an innovative and ambitious program which will result in a tremendous impact on the N.W.T. co-operative system as more and more Territorial residents assume managerial roles in their co-operatives and the reliance on extra-territorial managers is lessened.

The Board of Directors and Member Training facet of the program also represents a major thrust by the C.A.C.F.L. in this area. Directed in 1979 by the Federation's President, Louis Tapardjuk, the program employs four education officers, three of whom are Inuit and one Dene. The officers offer educational programs in the native languages in the local communities. Portions of the program are based on Arctic Co-operative Education (ACE) manuals and C.A.C.F.L. produced audio-visual and written materials. The program is expected to increase the general level of understanding in the N.W.T. as relates to co-operative philosophy, operation, and control.

As the entire program develops and impacts on the Territorial co-operative system, it is anticipated that a significant shift in co-operative activity will occur in the N.W.T. This shift will result in the system being more directly controlled and influenced by Territorial residents in terms relevant to their own economic, social and political aspirations. The thrust is to be commended and is recognized as a significant

achievement during this year of co-operative celebration in the N.W.T.

(11) Conclusion

1979 continued the relatively rapid pace of co-operative development in the N.W.T. This Report has highlighted the many areas where progress is evident and it has also noted those areas where further effort must be made so that the degree of viability expected as the ultimate goal of the system can be attained. As such, this Report has tried to give a balanced perspective of the year's activities, both operationally and in terms of program and service evolution. However, it must be recognized that given the nature of the Report, this can only be accomplished in very general terms.

In assessing the year, we must also look to the future and what can be envisioned will be accomplished based on current results. Clearly, progress must continue to be evident within the system given the considerable funding being provided to co-operative enterprise while recognizing at the same time that the co-operative system in the N.W.T. is presently one of the largest systems in Canada controlled almost exclusively by indigenous peoples. Certainly the Pan Arctic Conference in George River has set the stage for more direct control of the co-operative industry in the Arctic with the clear expectation that this development will be in tune with both the economic and cultural orientation of co-operative members.

It must also be recognized that the co-operative system is private enterprise system as opposed to merely another form of government control. This can be clearly demonstrated by the numerous regional Presidents' and managers' conferences held across the N.W.T. in 1979 where the system met and considered its needs independent of governmental influence. While it can be argued to some degree that government funding does, in its

own right, result in influence, it must be recongized that such assistance is provided for program purposes and that once the programs are accepted by Government, the implementation and delivery of the programs is the responsibility of the system. As such, the tendency not to recognize the growing independence and self reliance of a private enterprise, co-operatively based, economic structure by some individuals and agencies, both within and without the N.W.T. co-operative system, is a perspective more rooted in the past than in the legitimate expectations of the future. As such, it will be a requirement in the future that the present evolutionary process whereby the mutual respect and co-operation exhibited by the system and both levels governments continue so that the co-operative enterprise system assumes its rightful role within the Territorial economy. This is particularly imperative as co-operative activity enters its third decade of operations and continues to grow both in terms of its own economic strength and the diversity of operations undertaken through co-operative enterprise.

This is a decade of promise for the N.W.T. and it must be capitalized upon by the co-operative system. Major land claims settlements can be anticipated and co-operatives must collaborate with all the agencies involved for the general betterment of the N.W.T. As well, continued resource development will occur and the system through co-operative effort must persue a share of the revenue earning possibilities this development will entail. Such initiatives can only improve the viability of co-operatives and provide greater employment and income possibilities for Territorial residents. Clearly this will be the challenge for the 1980's and it will require a viable and receptive co-operative industry to take advantage of these developments as they occur based on the provision of sound programs and support services which are receptive to the rapidly changing environment within the Territorial economy.



