

MACA Newsletter

December 2002

Reorganization of Financial Statements for PSAB

By Art Bungay, Chief Financial Officer, Town of Norman Wells

Like many communities, our chart of accounts had become convoluted by changes in Financial Statement layout and ad-hoc additions of new accounts. As a result, it became extremely frustrating and time consuming to prepare the Audited Financial Statements. Then came the **Public Sector Accounting Board (PSAB)** (see below), which completely changed the Financial Statement presentation.

At the Town of Norman Wells, our solution was to change the chart of accounts in order to eliminate the frustration of preparing our Audited Financial Statements. We made their preparation as simple as clicking "print" in our accounting system.

When we first looked at changing our chart of accounts to reflect the **PSAB** recommendations, we identified the final outputs we wanted - specifically, our internal statements and the Audited Financial Statements. With these outputs in mind, we developed a chart of accounts, which made it easy to produce them. We then organized our accounts so that they easily summarize into the format required for our Audited Financial Statements, while still giving us the detail we needed in our internal statements.

Once we were happy with the new chart of accounts, we prepared a journal entry to transfer the old account balances to the new accounts. This was the most time intensive part of the process, and it required quite a bit of fine-tuning. We then set up the format for the internal statements and the Audited Statements in our accounting system. Over the next several months, we made minor changes here and there, but, for the most part, the process was complete.

In retrospect, it is advisable to plan in detail before making any changes to the current system and leave enough separation between account numbers to allow for additions. Our system now produces Audited Statements efficiently and we are able to compare our internal statements to the Audited Statements with ease.



Art Bungay

Financial and Audit Reporting Standards - NEW!

by Andy Couvrette, Senior Financial Advisor

MACA's Community Financial Services division is developing new Financial and Audit Reporting Standards for the upcoming fiscal year-end. The guidelines are being developed in accordance with Generally Accepted Accounting Principles (GAAP), **Public Sector Accounting Board (PSAB)** and Accounting Standards Board (ASB) policies. These guidelines will help community governments and external auditors understand the requirements for the preparation and audit of year-end financial statements.

MACA has established these financial statement standards to develop consistent financial reporting documents for all municipal governments in the NWT. These will be the standard used by MACA to evaluate the financial health of all NWT Communities. A binder containing these guidelines will be provided to each community for ongoing use and reference. Amendments will be provided each time a change is made in the future.

MACA's Sahtu Regional Office

By Barry Harley, Superintendent, Sahtu Regional Office

The Municipal and Community Affairs (MACA) Regional Office in the Sahtu opened on April 1, 2000. Since then, we have provided advice, assistance and a number of programs and services directly to community governments and Aboriginal organizations in our region.

Like all MACA Regional Offices, the Sahtu office works under the premise that all Government of the Northwest Territories (GNWT) departments need to work together to better serve the community governments and Aboriginal organizations across the NWT.

To this end, the GNWT, along with the Sahtu Secretariat Inc. and the Sahtu Dene Council, sponsored, "Working Towards a Better Tomorrow" in Norman Wells in July 2002.

The goal of the conference was to find ways to work together more effectively and efficiently. Outcomes and recommendations included improving communications, creating partnerships, networking, building trust through communication and consultation, and maintaining a high level of respect and honesty amongst the three organizations.

Overall, the Sahtu Region expects to see numerous changes in the near future resulting from the evolution of self-government, the proposed pipeline down the Mackenzie River Valley, devolution and the transfer of further services to the Sahtu Region.



Standing from left to right: Penny Johnson/Yk; Elaine MacIntyre/Inuvik; June Pope/Sahtu; Dan Carmichael/Inuvik; Tony Grandjambe/Sahtu, and sitting from left to right: Perry Heath/Sahtu; Carol Beck/Yk; Barry Harley/Sahtu; Jean Ducasse/Sahtu

Wacky Bylaws Across Canada

A recent article in the National Post (November 23, 2002) highlighted the top "wacky" bylaws across Canada. As MACA works on revising the current municipal legislation – in part to move away from existing prescriptive bylaw making authority toward general spheres of jurisdiction - we like to keep these in mind. Here are some highlights:

Montreal: "According to a 1996 by-law, it is explicitly forbidden to make or store a nuclear weapon, under pain of a \$300 fine for a first offence, \$500 for a second, and up to \$1,000 for subsequent violations. This penalty scheme is identical to that for homeowners who allow weeds to grow in their yards."

Yellowknife: "Advertising in cemeteries here carries a \$50 fine, and people who hand out business cards can be fined up to \$2,000."

Halifax: "No person shall hold a picnic in a cemetery."

Winnipeg: "All cats who leave the property of their owners must do so on a leash shorter than six feet."

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For more information:

Contact your Regional Superintendent to learn more about MACA's programs and services.

Visit us on the web at:

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