

TOWN OF INUVIK
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

TOWN OF INUVIK

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014**

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Management Responsibility for Financial Statements

Town Council, which is responsible for, among other things, the financial statements of the Town of Inuvik, delegates to Administration the responsibility of the financial statements. Town Council appoints independent auditors to examine and report directly to them on the financial statements. Administration prepared the financial statements. Accounting principles have been followed as recommended by the Department of Municipal and Community Affairs, based upon the requirements of the Cities, Towns and Villages Act of the Northwest Territories, and the Public Sector Accounting Recommendations of the Canadian Institute of Chartered Accountants.

Administration maintains a system of internal accounting controls to ensure that transactions are accurately recorded on a timely basis, are properly approved and result in reliable financial statements. There are limits inherent in all systems based on the recognition that the cost of such systems should not exceed the benefits to be derived. Administration believes its system provides the appropriate balance in this respect.

The Town Council carries out its responsibility for review of the financial statements primarily through the Administration Committee. This Committee meets regularly with Administration to discuss financial matters, including the results of audit examinations. The Committee reports its findings to Town Council for its consideration in approving the financial statements for issuance.

The financial statements have been reported on by Robert Stewart, Chartered Accountant. The auditor's report outlines the scope of their audit and their opinion on the presentation of the information included in the financial statements.

A handwritten signature in black ink, appearing to be "R. Stewart", is written over a faint rectangular background.

February 27, 2015

Senior Administrative Officer

Date



2014 Management Discussion and Analysis

The Council of the Town of Inuvik delegates the responsibility for the production of Financial Statements to the Administration. These Financial Statements are reviewed by the appointed auditors based on instructions from the Department of Municipal and Community Affairs, the requirements of the Cities, Towns and Villages Act and the principles established by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants.

To assist in meeting the Town's responsibilities, staff maintains various internal controls which provide reasonable assurances that all transactions are accurately recorded and appropriately authorized. Further, staff ensures that assets are properly accounted for and that the integrity of financial records is maintained. During 2014 staff continued an ongoing review of all policies, bylaws and other operating documents with the main focus to determine if still relevant and if they need to be updated to ensure proper and current controls and procedures are in place. Annual reviews of the policies, bylaws and other operating documents will continue through 2015.

The Administration Committee meets monthly to review financial statements and budget variances which are presented to the Council as a monthly Administration report, and yearly conducts a thorough review of the Year-end Financial Statements before presentation to Council and final acceptance.

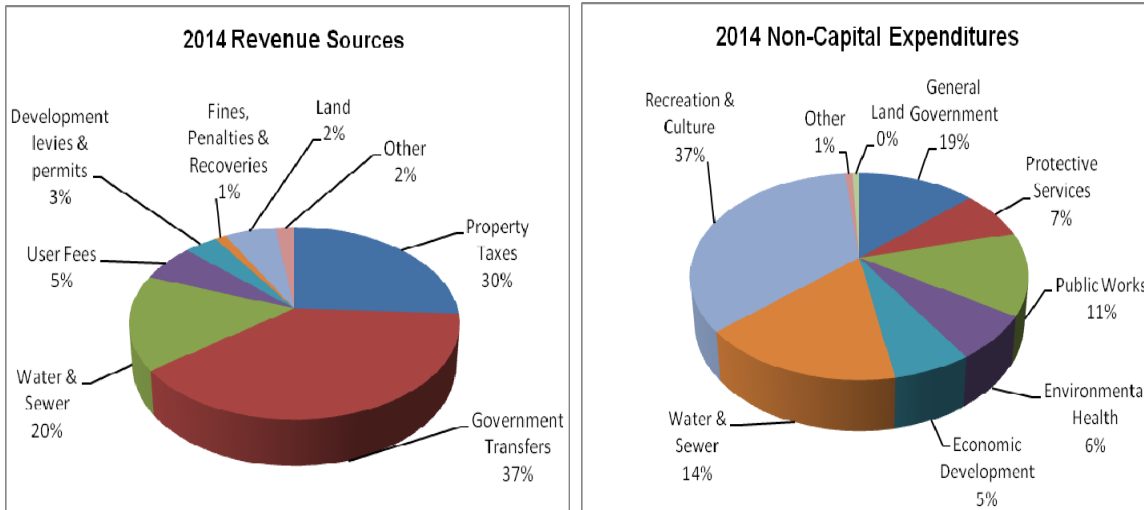
The following financial discussion and analysis has been prepared by management and should be read in conjunction with the audited consolidated financial statements and their accompanying notes and schedules.

Results from Operations

The Statement of Operations reports the Town of Inuvik's changes in economic resources and accumulated surpluses for 2014, on a comparative basis. On a combined fund basis the annual excess of revenues over expenses is positive indicating that the Town of Inuvik increased its accumulated surplus during the year. It should be noted that in recent years the general operating fund surplus has seen a decline as a result of minimal property tax increases. Council authorized a transfer of funds from the land fund to the general operating fund and the water and sewer fund for 2014. Going forward there will be increased pressures to maintain service while balancing revenue and expenses.

During 2014 the Town experienced a budget surplus as a result of some capital items such as the water treatment plant being deferred to 2015. The delay was due to reissuing the RFQ for a redesigned facility. Overall the budget surplus was \$1.5 million with \$1.3 million coming from the water sewer operations. The Town of Inuvik continues to manage its cash flow in a positive manner and, used the authorized operating line of credit sparingly.

Replacement of aging water and sewer infrastructure continued in 2014 and the engineering for a new water treatment plant continued in 2014. Water & Sewer was higher due to recognition of the deferred revenue for the new water treatment plant. Construction on the new water treatment plant building will occur in 2015 with the new water treatment plant becoming operational in 2016.

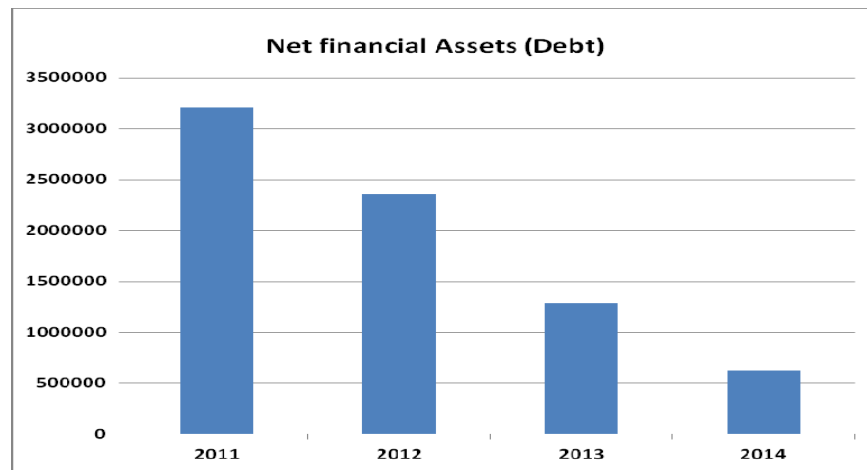


Financial Position

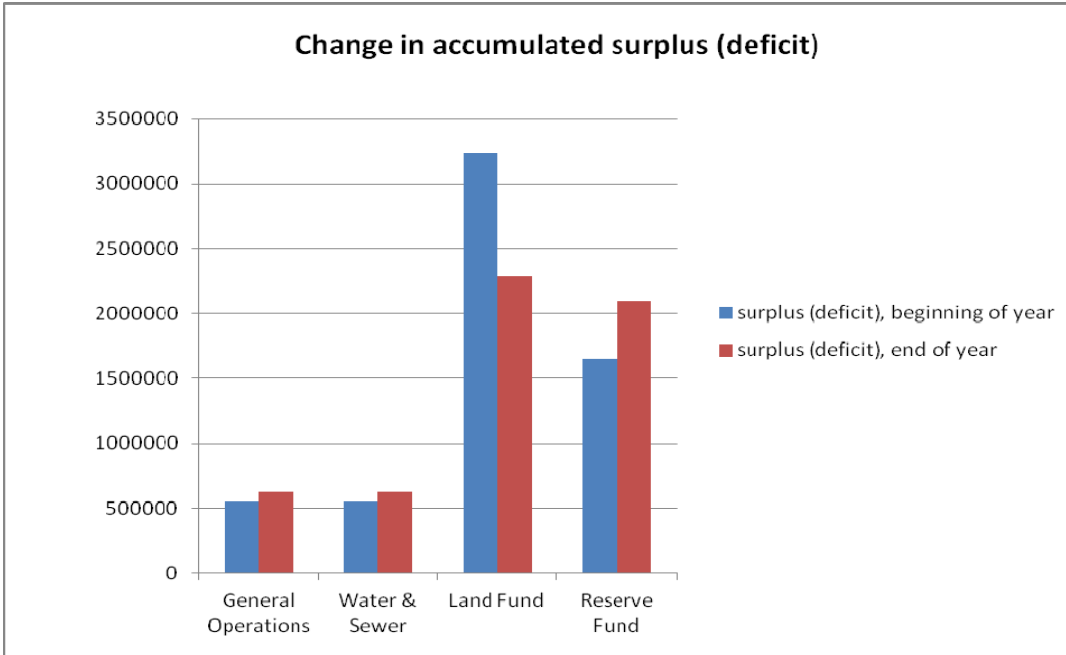
The Statement of Financial Position reports the Town of Inuvik's financial and non-financial resources, obligations and accumulated surplus as at December 31, 2014, on a comparative basis. This statement is used to evaluate the Town of Inuvik's ability to finance its activities and to meet its liabilities and commitments. An important indicator on the Statement of Financial Position is the Town's net financial assets. The net financial assets are the difference between financial assets and liabilities, which provides an indication of the affordability of additional spending.

Overall the Town of Inuvik remains in good financial shape. It has \$1.372 million in an interest bearing account to be used for various Town initiatives. It should be noted that the Town was able to finance internally the annual utilidor replacement project until the normal Gas Tax funding arrives. This shows the positive cash position the Town is in. The town's cash position of approximately \$2.570 million reflects a decrease of \$432K from the prior year. This reduction is the result of significant capital expenditures such as the progress payments on the new Water Treatment System.

The four-year trend for net financial assets (debt) is as follows:



The annual surplus, as reported on the statement of operations was \$1,475,954. Adjusting for items that affect the equity in tangible capital assets, (\$349,747) closed to the financial equity accounts. The following table shows how much the community's financial position has changed. All funds are in a surplus position. For details, please refer to the schedule of accumulated surplus (deficit).



The net book value of the community's capital assets is 70% of their historical costs. This means that, on average, 30% of the useful life of capital assets has been used. Significant capital projects for 2015 are the Water Treatment Plant (\$13.0 million), the annual Utilidor replacement (\$2 million) and the replacement of Pumper No. 2 for the Fire Department (\$420K).

Debt

The Town of Inuvik's debt is a Debenture with a fixed repayment schedule (\$333,360 plus interest). Interest on this debt is based on prime lending rates. Currently the Town of Inuvik has no problems meeting either the principal or interest payments that come due monthly. For details, please refer to Note 5 in the Audited Financial Statements.

Closing Comments

Council and staff continue to work hard to prevent significant increases in user fees and property taxes or reduction of services. This is becoming more challenging given the changes in utility cost and general increases in other operating costs. This can be seen with the budgeting of only relevant capital expenditures in future years and continued fiscal restraint wherever possible when it comes to overall operations. It is important, however, to be able to recruit and retain quality staff in the north and the Town will be challenged in keeping pace with others without a constant review of its employment practices both with salaries/benefits and also the physical work environment.

Senior Administrative Officer

Robert
Stewart

Chartered
Accountant/
Management
Consultants

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INDEPENDENT AUDITOR'S REPORT

To the Mayor and Members of Council:

We have audited the accompanying financial statements of Town of Inuvik, which comprise the statement of financial position as at December 31, 2014, and the statement of operations, statement of changes in net financial assets (debt) and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian Public Sector Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion

As described in Note 11 of these financial statements, the Town accounts for landfill closure and post-closure costs using estimates based on the remaining life of the landfill. Canadian public sector accounting standards require that landfill closure and post-closure care liabilities should be recognized based on capacity used. We were unable to determine what the landfill closure and post-closure care liability would be based on capacity used because the information needed to make this determination was unavailable. Consequently, we were unable to determine what adjustments to these financial statements were necessary, if any.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, these financial statements present fairly, in all material respects, the financial position of Town of Inuvik, as at December 31, 2014, and its financial performance and its cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The supplementary information included in the Schedules section is presented for purposes of additional analysis pursuant to the funding agreement between the Department of Municipal and Community Affairs and the Town. The schedules have been compiled by the management of the Town from their records. For the purposes of understanding our involvement with these schedules, the schedules have been subjected to the auditing procedures applied to the audit of the financial statements taken as a whole. However, no procedures have been carried out on these schedules in addition to those necessary to form an opinion on the financial statements. During the course of the aforementioned audit, we encountered no discrepancies on these schedules.

A handwritten signature in black ink, appearing to read "Robert Stewart", with a long horizontal flourish extending to the right.

CHARTERED ACCOUNTANT

February 27, 2015
Yellowknife, N.W.T.

Town of Inuvik
Statement of Financial Position
As at December 31, 2014

	2014	2013
Financial Assets		
Cash	\$ 771,253	\$ 35,104
Trust cash	1,372,486	2,535,103
Receivables		
Taxes and grants in lieu of taxes (Note 2)	764,569	1,037,731
Trade and other (Note 3)	511,962	1,116,344
Due from Children First Society – current (Note 9)	170,272	408,000
Land held for resale – current (Note 1f)	200,000	1,522,154
	3,790,542	6,654,436
Liabilities		
Accounts payable and accrued liabilities (Note 4)	1,250,486	2,315,641
Deferred revenue (Note 1p)	100,000	913,548
Landfill restoration liability (Note 11)	20,000	-
Long term debt (Note 5)	1,805,300	2,138,660
	3,175,786	5,367,849
Net Financial Assets (Debt)	614,756	1,286,587
Non-Financial Assets		
Tangible capital assets (Note 6 and Schedule 1)	110,774,029	109,281,689
Land held for resale - noncurrent (Note 1f)	2,194,863	972,464
Due from Children First Society – noncurrent (Note 9)	711,713	796,152
Prepaid expenses	90,200	72,715
Inventory (Note 1f)	215,775	715,775
	113,986,580	111,838,795
Accumulated Surplus (Schedule 2)	\$ 114,601,336	\$ 113,125,382

Commitments and contingencies (Notes 11, 12 and 13)
See accompanying notes and schedules to the financial statements.

Approved on behalf of the Town:

Mayor

Senior Administrative Officer

Town of Inuvik
Statement of Operations
For the Year ended December 31, 2014

	2014 Budget	2014 Actual	2013 Actual
	(Note 1,n)		
Revenues (Schedule 3)			
Property taxes	\$ 3,309,721	\$ 3,256,391	\$ 3,233,753
Property taxes – education portion	607,650	612,627	582,000
Grants in lieu of property taxes – GNWT	1,294,175	1,297,403	1,066,337
Grants in lieu of property taxes – Canada	320,980	325,849	289,255
Less: Allowance for doubtful collections	-	(366,000)	-
Education requisition	<u>(607,650)</u>	<u>(612,627)</u>	<u>(582,000)</u>
Net municipal property taxes	4,924,876	4,513,643	4,589,345
Government transfers (Schedule 4)	6,795,623	6,804,067	6,796,461
User fees and sales of goods	2,935,450	2,996,401	2,740,804
Development levies, licenses and permits	445,645	629,623	482,771
Fines, penalties and recoveries	150,000	217,693	168,395
Land revenue	1,017,950	1,019,032	312,733
Other	324,300	376,313	298,534
Total Revenues	16,556,772	16,525,798	15,389,043
Expenses (Schedule 3)			
General government	(2,338,733)	(2,153,634)	(2,095,685)
Protective services	(906,130)	(1,067,089)	(994,080)
Public works services	(1,283,030)	(1,810,772)	(1,497,757)
Environmental health services	(722,400)	(979,462)	(759,478)
Economic development	(760,385)	(889,060)	(728,360)
Recreation and culture	(4,400,889)	(4,865,481)	(4,936,961)
Land expenditures	(993,255)	(101,482)	(5,307)
Water and sewer expenditures	(1,864,715)	(3,213,839)	(3,247,815)
Budgeted capital expenditures (Note 1n)	(3,324,307)	(-)	(-)
Total operating expenditures	(16,593,844)	(15,080,818)	(14,265,443)
Excess revenues (expenses)	-	1,475,954	1,123,600
Accumulated surplus, beginning of year	113,125,382	113,125,382	112,001,782
Accumulated surplus, end of year	\$ 113,125,382	\$ 114,601,336	\$ 113,125,382

See accompanying notes and schedules to the financial statements.

**Town of Inuvik
Statement of Cash Flows
For the Year ended December 31, 2014**

	2014	2013
NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES:		
Operating Transactions		
Excess (deficiency) of revenues over expenditures	\$ 1,475,954	\$ 1,123,600
Non-cash charges to operations:		
Loss on disposal of tangible capital assets	-	408,857
Amortization of capital assets	3,066,110	2,905,146
Cash provided by operating transactions	4,542,064	4,437,603
Working capital transactions		
Decrease (increase) in accounts receivable	877,544	(1,091,279)
Decrease (increase) in other non-financial assets	482,515	172,747
Decrease (increase) in land held for sale	99,755	(74,167)
Increase (decrease) in accounts payable and other liabilities	(1,044,486)	1,268,873
Increase (decrease) in Due from Children First Society	322,167	(1,204,152)
Increase (decrease) in Deferred Revenue	(813,548)	(1,162,557)
Net cash (used for) from working capital transactions	(76,053)	(2,090,535)
Financing transactions		
Long-term debt (repaid)	(333,360)	(333,360)
Net cash (used for) from financing	(333,360)	(333,360)
Capital transactions		
Acquisition of Tangible Capital Assets	(4,559,119)	(4,807,727)
Net cash (used for) from capital transactions	(4,559,119)	(4,807,727)
Increase (decrease) in cash and cash equivalents	(426,468)	(2,794,019)
Net cash and temporary investments (bank indebtedness) at beginning of year	2,570,207	5,364,226
Net cash and temporary investments (bank indebtedness) at end of year	\$ 2,143,739	\$ 2,570,207
Comprised of:		
Cash in bank	\$ 771,253	\$ 35,104
Trust cash (Note below)	1,372,486	2,535,103
Short term investments	-	-
	\$ 2,143,739	\$ 2,570,207
Notes:		
Trust cash is comprised as follows:		
Building Canada Fund Deposit (Note 1p)	\$ -	\$ 887,603
Reserve Deposit (Note 10)	1,372,486	1,647,500
	\$ 1,372,486	\$ 2,535,103

Interest paid during the year amounted to \$91,799 (2013 - \$112,305). Interest and penalties received or receivable was \$217,693 (2013 - \$168,395).

See accompanying notes and schedules to the financial statements.

Town of Inuvik
Statement of Changes in Net Financial Assets (Debt)
For the Year ended December 31, 2014

	2014 Budget	2014 Actual	2013 Actual
	(Note 1,n)		
Excess (deficiency) of revenues over expenditures	\$ -	\$ 1,475,954	\$ 1,123,600
Loss on disposal of tangible capital assets	-	-	408,857
Amortization of tangible capital assets	3,324,307	3,066,110	2,905,146
Change in inventories and prepaid expenses	-	482,515	172,747
Change in Land held for resale - noncurrent	-	(1,222,399)	(75,000)
Change in Due from Children First Society - noncurrent	-	84,439	(796,152)
Acquisition of tangible capital assets	(3,324,307)	(4,559,119)	(4,807,727)
Other	-	669	-
Increase (decrease) in net financial assets	-	(671,831)	(1,068,529)
Net financial assets (debt) at beginning of year	1,286,587	1,286,587	2,355,116
Net financial assets (debt) at end of year	\$ 1,089,987	\$ 614,756	\$ 1,286,587

See accompanying notes and schedules to the financial statements.

Town of Inuvik
Notes to Financial Statements
For the Year ended December 31, 2014

1. SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Town of Inuvik are the representations of management prepared in accordance with local government accounting standards established by the Public Sector Accounting and Auditing Board of the Canadian Institute of Chartered Accountants. Significant aspects of the accounting policies adopted by the Town of Inuvik are as follows:

a) Reporting Entity

The financial statements reflect the assets, liabilities, revenues and expenditures, changes in fund balances, changes in net debt/financial assets and change in financial position of the reporting entity. This entity is comprised of all of the operations that are owned or controlled by the municipality and are, therefore, accountable to the Council for the administration of their financial affairs and resources.

The schedule of taxes levied also includes requisitions for education that are not part of the municipal reporting entity .

Interdepartmental transactions and balances are eliminated.

b) Basis of Accounting

The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting records revenue as it is earned and measurable. Expenses are recognized as they are incurred and measurable based upon receipt of goods or services and/or the legal obligation to pay.

Funds from external parties and earnings thereon restricted by agreement or legislation are accounted for as deferred revenue until used for the purpose specified.

Government transfers, contributions and other amounts are received from third parties pursuant to legislation, regulation or agreement and may only be used for certain programs, in the completion of specific work, or for the purchase of tangible capital assets. In addition, certain user charges and fees are collected for which the related services have yet to be performed. Revenue is recognized in the period when the related expenses are incurred, services performed or the tangible capital assets are acquired.

c) Fund Accounting

Management funds consist of the operating, utilities, land and reserve funds. Transfers between funds are recorded as adjustments to the appropriate equity account. The purpose of the funds are:

Operating fund – to account for tax and other general revenue, general expenditures other transactions not accounted for in other funds.

Utilities fund – to account for water and sewer charges and expenditures.

Land fund – to account for land sales and land development costs.

Reserve fund – to record reserves established at the discretion of Council to set aside funds for future operating and capital expenditures. Transfer to and or from reserves are reflected as an adjustment to the respective fund.

d) Government Transfers

Government transfers are the transfer of monetary assets or tangible capital assets from a government for which the government making the transfer does not:

- receive any goods or services directly in return;
- expect to be repaid in future; or
- expect a direct financial return.

Operating transfers are recognized as revenue in the period in which the events giving rise to the transaction occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be determined.

Capital transfers are initially recognized as deferred revenue and subsequently recognized as revenue when the related tangible capital assets are acquired or constructed.

**Town of Inuvik
Notes to Financial Statements
For the Year ended December 31, 2014**

1. SIGNIFICANT ACCOUNTING POLICIES (cont.)

e) Temporary Investments

Investments are recorded at cost. Investment premiums and discounts are amortized proportionately over the term of the respective investments.

f) Inventories and Land Held for Resale

Inventories (crushed rock and cold mix for road repair) held for consumption are recorded at the lower of cost and replacement cost.

Land held for resale is recorded at the lower of cost or net realizable value. Cost includes costs for land acquisition and improvements required to prepare the land for servicing such as clearing, stripping and levelling charges. Related development costs incurred to provide infrastructure such as water and wastewater services, roads, sidewalks and street lighting are recorded as physical assets under the respective function. Current land held for resale is based on an estimate.

g) Tangible Capital Assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets is amortized on a straight-line basis over the estimated useful life as follows:

	<u>YEARS</u>
Land Improvements	15-20
Buildings	25-50
Engineered structures	
Water system	35-65
Wastewater system	35-65
Other engineered structures	15-40
Machinery and equipment	5-20
Vehicles	3-20

One-half of the annual amortization is charged in the year of acquisition and in the year of disposal. Assets under construction are not amortized until the asset is available for productive use.

h) Contributions of Tangible Capital Assets

Tangible capital assets received as contributions are recorded at fair value at the date of receipt and also are recorded as revenue.

i) Equity in Tangible Capital Assets

Equity in Tangible capital assets represents the Town of Inuvik's net investment in its total Tangible capital assets, after deducting work in progress, the portion financed by third parties through debenture, mortgage debts, capital contributions, long term capital borrowings, capitalized leases and other capital liabilities.

j) Cultural and Historical Tangible Capital Assets

Works of art for display are not recorded as tangible capital assets but are disclosed.

k) Reserves for Future Expenditures

Reserves are established at the discretion of Council to set aside funds for future operating and capital expenditures. Transfers to and/or from reserves are reflected as an adjustment to the respective fund and not as revenue or expenditures in the statement of operations.

The Town maintains the following reserves:

<u>Name</u>	<u>Purpose</u>
General reserves	To replace and repair various municipal assets.

**Town of Inuvik
Notes to Financial Statements
For the Year ended December 31, 2014**

1. SIGNIFICANT ACCOUNTING POLICIES (cont.)

l) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenditure during the period. Where measurement uncertainty exists, the financial statements have been prepared within reasonable limits of materiality. Actual results could differ from those estimates.

m) Economic Dependence

The Town receives significant funding from the Government of the Northwest Territories, in the form of operating and capital grants. Administration is of the opinion that discontinuance of funding would significantly disrupt operations.

n) Budget

Budget figures are unaudited and are those approved by Council. The Town budgets for Capital Expenditures and not Amortization. The budget for Capital Expenditures is not allocated to service divisions.

o) Financial instruments

All significant financial assets, financial liabilities of the Town are either recognized or disclosed in the financial statements together with available information for a reasonable assessment of future cash flows, interest rate risk and credit risk.

For cash, taxes and grant-in-lieu receivables, and accounts payable, the carrying amounts of these financial instruments approximates their fair value due to their short-term maturity or capacity of prompt liquidation.

The Town is exposed to credit risk arising from the possibility that taxpayers may experience financial difficulty and be unable to pay outstanding taxes. Taxes receivable is initially recorded at historical cost and an allowance is made so the carrying value approximates the fair value. The Town regularly monitors the amounts of outstanding taxes and initiates collection procedures to minimize credit risk. Excluding grants-in-lieu of taxes, approximately 27% or \$879,000 of the Town's annual tax revenue is from 5 major property owners, each ranging from 2.5% to 6.0% of the tax roll.

p) Deferred Revenue

Deferred revenue is comprised of amounts received but not yet earned as a result of project completion dates extending beyond the fiscal year end, or conditions attached to the use of the funds as follows. The 2014 cash balance is included in the operating bank account.

	Deferred Balance 2014	Cash Balance 2014	Shortfall	Deferred Balance 2013
CA – Library	\$ -	\$ -	\$ -	\$ 5,499
Building Canada Fund Deposit	-	-	-	887,603
CA – Community Participation	-	-	-	20,446
Lions Club donation for Boot Lake Park	100,000	100,000	-	-
	\$ 100,000	\$ 100,000	\$ -	\$ 913,548

q) Employee Benefit Liabilities

Accounts payable and accrued liabilities include employee benefit liabilities which are future obligations of the Town to its employees for benefits earned but not taken as at the end of the fiscal year. The Town and its employees make contributions to a defined pension plan. These contributions represent the total liability of the Town, are recognized in the accounts on a current basis, and there was no significant change during the year affecting the comparability of the costs for the current and prior period. Employees are insured through the Northern Employee Benefits Services. This program is a multi employer contributory defined benefit program providing pension and disability benefits. Workers are currently required to make contributions of 8% of wages based on a regular work week. The community government is required to make matching contributions. Total contributions by the community government to the program in 2014 were \$212,165 (2013 - \$188,264). The Town is not liable for any future liabilities of this plan.

Town of Inuvik
Notes to Financial Statements
For the Year ended December 31, 2014

1. SIGNIFICANT ACCOUNTING POLICIES (cont.)

r) Non-Financial Assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and, except for Land Held For Resale, are not intended for sale in the normal course of operations. The change in non-financial assets during the year, together with the excess of revenues over expenses, provides the consolidated Change in Net Financial Assets (Debt) for the year.

s) Leases

Leases are classified as capital or operating leases. Leases which transfer substantially all the benefits and risks incidental to ownership of property are accounted for as capital leases. All other leases are accounted for as operating leases and the related lease payments are charged to expenses as incurred.

t) Segmented Information

Municipal services are provided by departments and their activities are reported in the community's funds as described in Note 1(b). Segmented financial information for certain departments is provided in Schedule 3. The accounting policies used in these segments are consistent with those followed in the preparation of the financial statements as disclosed in Note 1. Revenues not directly attributable to a specific segment are shown in General Government. The segments include:

- General Government which provides internal support to Council and other departments who provide direct services to its citizens. These internal departments include the Senior Administrative Officer, Financial Services, Information Technology Support, and Human Resources.
- Public Safety and Protective Services which provides services to maintain public order, uphold municipal bylaws and emergency and prevention services related to fire fighting and medical services.
- Public Works and Transportation which provides construction and maintenance of community assets and transportation planning.
- Recreation and Community Services provides services through recreation and cultural programs.
- Planning and Land Development creates plans programs and policies required for community planning, zoning and subdivision.
- Environmental which provides refuse removal services and landfill maintenance.
- Water and Sewer Services provides for operations and maintenance related to water distribution and sewage collection.

2. TAXES AND GRANTS IN LIEU OF TAXES RECEIVABLES

	2014	2013
Current taxes and grants in lieu of taxes	\$ -	\$ -
Less: allowance for doubtful accounts	(-)	(-)
	-	-
Non-current taxes	1,139,847	945,369
Non-current grants in lieu of taxes	180,722	282,362
Less: allowance for doubtful accounts	(556,000)	(190,000)
	764,569	1,037,731
	\$ 764,569	\$ 1,037,731

3. OTHER ACCOUNTS RECEIVABLE

	2014	2013
Sundry	\$ 147,549	\$ 125,413
Goods & Services Tax	139,850	218,892
Municipal & Community Affairs (GNWT)	-	525,486
Less: allowance for doubtful accounts	(40,177)	(40,177)
	247,222	829,614
Land sales, rentals and leases	2,607	1,892
Less: allowance for doubtful accounts	-	-
	2,607	1,892
Utility	262,133	284,838
Less: allowance for doubtful accounts	(-)	(-)
	262,133	284,838
	\$ 511,962	\$ 1,116,344

Town of Inuvik
Notes to Financial Statements
For the Year ended December 31, 2014

4. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2014	2013
Trade Accounts Payable	\$ 242,937	\$ 935,198
Accrued Liabilities	575,277	476,380
Education Property Tax Requisition Liability	-	582,000
Deposits	69,501	94,167
Payroll liabilities	362,771	227,896
	\$ 1,250,486	\$ 2,315,641

5. LONG TERM DEBT AND OPERATING LINE OF CREDIT

	2014	2013
Bank loan	\$ 1,805,300	\$ 2,138,660

The current portion of the long-term debt (principal and interest) amounts to \$380,407 (2013 -\$389,896).

Principal and interest repayments are as follows;

	Principal	Interest	Total
2015	\$ 333,360	\$ 47,047	\$ 380,407
2016	333,360	37,565	370,925
2017	333,360	28,067	361,427
2018	333,360	18,578	351,938
2019	333,360	9,089	342,449
Thereafter	138,500	989	139,489
	\$1,805,300	\$ 141,335	\$1,946,635

The Town has arranged an overall credit limit of \$6,000,000 (Demand Instalment Loan \$4,000,000, Operating Line \$1,750,000, and Corporate VISA \$250,000). The Loans are repayable on demand to the Canadian Imperial Bank of Commerce and bears interest at prime plus .25% per annum (currently approximately 2.80% per annum). Bank loans are repayable in monthly instalments of \$27,780 plus interest, amortized over fifteen years ending May 31, 2020. Debt is issued on the credit and security of the Family Recreation Centre and a general assignment of property taxes receivable.

6. TANGIBLE CAPITAL ASSETS

	2014	2013
	Net book Value	Net book value
Land	\$ 3,094,853	\$ 3,067,493
Buildings	17,639,483	15,379,025
Machinery and Equipment	1,296,882	962,532
Roads, sidewalks, paving	19,219,905	19,751,242
Water and waste water	68,228,944	66,235,464
Vehicles	1,293,962	1,425,079
Assets under construction (Note 9)	-	2,460,854
	\$ 110,774,029	\$ 109,281,689

The insured value of physical assets is \$62,703,972. For additional information see Schedule 1.

7. EQUITY IN TANGIBLE CAPITAL ASSETS

	2014	2013
Tangible capital assets (Schedule 1)	\$ 159,268,639	\$ 157,530,190
Accumulated amortization (Schedule 1)	(48,494,610)	(48,248,501)
	110,774,029	109,281,689
Long term debt	(1,805,300)	(2,138,660)
Debt charges recoverable	-	-
Equity in Tangible Capital Assets (Schedule 2)	\$ 108,968,729	\$ 107,143,029

Town of Inuvik
Notes to Financial Statements
For the Year ended December 31, 2014

8. PREPAID EXPENSES

	2014	2013
Prepaid insurance	\$ 49,840	\$ 47,172
Other	40,360	25,543
	\$ 90,200	\$ 72,715

9. DUE FROM CHILDREN FIRST SOCIETY

	2014	2013
Bridge financing provided to Children First Society, to be repaid in 2014 upon receipt of government funding, interest at 0.7% calculated monthly, unsecured.	\$ 50,272	\$ 288,000
Interim financing provided to Children First Society, to be repaid over ten years at a monthly rate of \$10,000, interest at prime plus 0.25% calculated monthly, unsecured.	831,712	916,152
	\$ 881,984	\$ 1,204,152

The Town entered into an Agreement with the Children First Society (“CFS”) with the intention to transfer title and interest in land and building known as the Children First Building March 31, 2014. As at December 31, 2014, the Town has acquired the interest in the building and work is proceeding on transfer of land title.

10. RESERVE DEPOSITS

	Reserve Balance 2014	Cash Balance 2014	Shortfall	Reserve Balance 2013
Reserve fund is comprised of:				
General building/equipment replacement	\$ 2,092,500	\$ 1,372,486	\$(720,014)	\$ 1,647,500
	\$ 2,092,500	\$ 1,372,486	\$(720,014)	\$ 1,647,500

Sufficient funds must be deposited to separate bank accounts to correspond with the respective reserve fund balances. The appropriate reserve is to be credited for interest earned on the account. As at December 31, 2014, the Town had not complied with these requirements.

11. LANDFILL CLOSURE AND POST-CLOSURE LIABILITY

The Town is required to fund the closure of its landfill site and provide for post-closure care of the facility. Closure and post-closure activities include the final clay cover, landscaping, as well as surface and ground water monitoring, leachate control, and visual inspection. The requirement will be provided for over the estimated remaining life of the landfill site (currently estimated at a further 55 years) based on usage. The accrued liability for closure and post-closure care of the Town's landfill has not been analysed, and is estimated to not be significant as at December 31, 2014. A provision for the landfill restoration liability of \$20,000 has been made in 2014. Any liability in excess of the amount provided would be accounted for as a current transaction in the year it is determined.

**Town of Inuvik
Notes to Financial Statements
For the Year ended December 31, 2014**

12. CONTINGENCIES AND SUBSEQUENT EVENTS

a) Insurance

The Town participates in the NWT Association of Communities insurance programs. Under these programs the Town could become liable for its proportionate share of any claim losses in excess of the funds held by the exchange. Any liability incurred would be accounted for as a current transaction in the year the losses are determined.

b) Lawsuit

There is one legal claim outstanding against the Town in litigation. It is not possible to determine the amount of any financial effect on the Town at this time. It is management's view, that there is no requirement to record a liability in the accounts and/or the item is adequately insured.

13. COMMITMENTS

In the course of normal operations the Town has entered into various multi-year contracts, as follows:

<u>Name</u>	<u>Purpose</u>	<u>Annual Amount</u>	<u>Term</u>
Haul All Leasing Ltd.	Garbage containers	\$ 47,619	December 31, 2015
Bob's Welding Ltd.	Garbage collection	\$307,808	December 31, 2018
Bob's Welding Ltd.	Solid Waste Facility	\$203,377	December 31, 2016

The Town is required, pursuant to federal legislation, to construct a new water treatment plant in 2015 – 2016. The current total estimated cost is approximately \$19,000,000. The Town is negotiating new borrowing limits to fund a major part of the construction. The Town is also negotiating the respective construction contracts.

Town of Inuvik
Schedule of Tangible Capital Assets
As at December 31, 2014
(Schedule 1)

	Land and Improvements	Buildings	Vehicles	Machinery Equipment	Sewage Lagoon & Landfill	Roads	Water and Waste Water	Assets under Construction	2014 Total	2013 Total
Cost										
Balance, beginning of year	\$ 3,180,814	\$27,503,203	\$2,901,593	\$2,088,094	\$1,500,000	\$26,372,809	\$ 91,522,823	\$ 2,460,854	\$ 157,530,190	\$153,881,380
Add – Additions during year	48,883	3,059,014	312,669	258,504		102,990	3,237,913	- 2,460,854	4,559,119	4,807,713
Less – Disposals during year							- 666,616		- 666,616	- 1,158,903
Adjustments		- 4,001,887	33,221	1,814,612					- 2,154,054	-
Balance, end of year	<u>3,229,697</u>	<u>26,560,330</u>	<u>3,247,483</u>	<u>4,161,210</u>	<u>1,500,000</u>	<u>26,475,799</u>	<u>94,094,120</u>	<u>-</u>	<u>159,268,639</u>	<u>157,530,190</u>
Accumulated Amortization										
Balance, beginning of year	113,321	12,124,178	1,476,514	1,125,562	1,500,000	6,621,567	25,287,359	-	\$ 48,248,501	\$46,093,415
Add – Additions during year	21,523	787,249	136,030	242,548		634,327	1,244,433	-	3,066,110	2,905,145
Less – Disposals during year							- 666,616	-	- 666,616	- 750,059
Adjustments		- 3,990,580	340,977	1,496,218					- 2,153,385	-
Balance, end of year	<u>134,844</u>	<u>8,920,847</u>	<u>1,953,521</u>	<u>2,864,328</u>	<u>1,500,000</u>	<u>7,255,894</u>	<u>25,865,176</u>	<u>-</u>	<u>48,494,610</u>	<u>48,248,501</u>
Net Book Value	\$ 3,094,853	\$ 17,639,483	\$ 1,293,962	\$ 1,296,882	\$ -	\$ 19,219,905	\$ 68,228,944	\$ -	\$ 110,774,029	\$ 109,281,689

Town of Inuvik
Schedule of Changes in Fund Balances & Accumulated Surplus
As at December 31, 2014
(Schedule 2)

	Operating fund	Water and sewer fund	Land fund	Reserve fund	Equity in Tangible Capital Assets	2014 Total	2013 Total
Excess revenues (expenditures)	-\$ 759,292	\$ 1,317,696	\$ 917,550	\$ -	\$ -	\$ 1,475,954	\$ 1,123,600
Net interfund transfers:							
Amortization	1,821,677	1,244,433			-3,066,110	0	
Loss on disposal of tangible capital assets						0	
Transfer to (from) fund	675,000	750,000	-1,870,000	445,000	0	0	
Additional capital expenditures	-1,321,206	-3,237,913			4,559,119	0	
Long-term debt repayment	-332,692				332,692	0	
	83,487	74,216	-952,450	445,000	1,825,701	1,475,954	1,123,600
Balance, beginning of year	546,572	553,358	3,234,924	1,647,500	107,143,029	113,125,382	112,001,782
Balance, end of year	\$630,059	\$627,574	\$2,282,474	\$2,092,500	\$108,968,730	\$114,601,336	\$ 113,125,382

Town of Inuvik
Schedule of Revenue and Expenses, by Service Division
As at December 31, 2014
(Schedule 3)

	General government services	Public safety and protective services	Public works and transportation	Recreation and culture	Economic development	Environmental health services	Total operating fund	Land development fund	Water and sewer services fund	Total 2014	Total 2013
	(Schedule 3a)	(Schedule 3b)	(Schedule 3c)	(Schedule 3d)	(Schedule 3e)	(Schedule 3f)		(Schedule 3g)	(Schedule 3h)		
Revenues											
Property taxes	\$4,513,643						\$4,513,643			\$4,513,643	\$4,589,345
User fees and sales of goods	16,726	\$ 8,568	\$ 20,000	\$ 630,081	\$ 93,799	\$ 323,268	1,092,443		\$1,903,958	2,996,401	2,740,804
Government transfers	3,960,206	30,974		144,178	41,132		4,176,490		2,627,577	6,804,067	6,796,461
Fines, penalties & interest	217,693						217,693			217,693	168,395
Development levies, licenses & permits	114,230	123,733					391,660			629,623	482,771
Land sales/development							0	\$1,019,032		1,019,032	312,733
Other revenue	36,734				339,579		376,313			376,313	298,534
	<u>8,859,233</u>	<u>163,275</u>	<u>20,000</u>	<u>774,259</u>	<u>474,510</u>	<u>714,928</u>	<u>11,006,205</u>	<u>1,019,032</u>	<u>4,531,535 ##</u>	<u>16,556,772</u>	<u>15,389,043</u>
Expenses											
Wages and benefits	867,012	520,936	184,478	2,456,709	291,343		4,320,479		529,549	4,850,028	4,295,570
Mayor and council	161,924						161,924			161,924	168,145
Office materials and supplies	188,031	221,858	21,146	210,253	197,813	313	839,415		90,028	929,443	910,712
Repairs and maintenance	3,317	12,862	142,168	141,988			300,335		285,250	585,585	692,562
Contracted services	256,106		1,157,959			827,496	2,241,562		52,673	2,294,235	1,732,254
Management fees	-278,000						-278,000		250,000	-28,000	-28,000
Grants	100,408						100,408			100,408	108,906
Cost of sales							0	101,482		101,482	5,307
Provision for allowances	4,673						4,673			4,673	14,924
Utilities - electricity	51,195	46,664		792,942			890,800		345,213	1,236,013	1,291,945
Utilities - fuel	51,204	45,413		352,034			448,650		388,812	837,462	912,404
Utilities - water and sewer	9,939	13,656		74,135	9,939		97,730		1,056	98,785	100,139
Vehicle O&M		40,480	24,655	22,423			87,558		26,826	114,384	130,588
Insurance	196,694						196,694			196,694	178,487
Interest	91,799						91,799			91,799	112,305
Contribution agreement & other expense	114,086			61,665			175,751			175,751	44,738
Inuvik Petroleum Show					262,248		262,248			262,248	278,655
Great Northern Arts Festival	1,794						1,795			1,795	1,799
	<u>1,820,182</u>	<u>901,869</u>	<u>1,530,406</u>	<u>4,112,148</u>	<u>751,405</u>	<u>827,810</u>	<u>9,943,820</u>	<u>101,482</u>	<u>1,969,406</u>	<u>12,014,708</u>	<u>10,951,441</u>
Excess (deficiency) of revenue over expenses before amortization	7,039,051 -	738,594 -	1,510,406 -	3,337,889 -	276,894 -	112,882	1,062,385	917,550	2,562,129	4,542,064	4,437,603
Loss on disposal of tangible capital assets							0			0	-408,857
Amortization	-333,452	-165,220	-280,366	-753,333	-137,655	-151,652	-1,821,677		-1,244,433	-3,066,110	-2,905,146
Excess (deficiency) of revenue over expenses after amortization	\$ 6,705,599 -	\$ 903,814 -	\$ 1,790,772 -	\$ 4,091,221 -	\$ 414,549 -	\$ 264,534 -	\$ 759,292	\$ 917,550	\$ 1,317,696	\$ 1,475,954	\$ 1,123,600

Town of Inuvik
Schedule of Revenue and Expenses, General Government Services
As at December 31, 2014
(Schedule 3a)

	Budget 2014	Actual 2014	Actual 2013
Revenues			
Property taxes	\$4,924,876	\$4,513,643	\$4,589,345
User fees and sales of goods	34,500	16,726	25,893
Government transfers	3,999,750	3,960,206	4,083,723
Fines, penalties & interest	150,000	217,693	168,395
Development levies, licenses & permits	60,645	114,230	87,000
Land sales/development			
Other revenue	5,000	36,734	28,765
	<u>9,174,771</u>	<u>8,859,232</u>	<u>8,983,121</u>
Expenses			
Wages and benefits	807,175	867,012	868,200
Mayor and council	177,783	161,924	168,145
Office materials and supplies	210,000	188,031	179,162
Repairs and maintenance	15,000	3,317	10,894
Contracted services	393,000	256,106	212,836
Management fees	-278,000	-278,000	-278,000
Grants	116,500	100,408	108,906
Cost of sales			
Provision for allowances	15,000	4,673	14,924
Utilities - electricity	48,375	51,195	46,855
Utilities - fuel	65,000	51,204	59,850
Utilities - water and sewer	12,500	9,939	10,938
Vehicle O&M			
Insurance	210,000	196,694	178,487
Interest	113,500	91,799	112,305
Contribution agreement & other expense	431,400	114,086	31,083
Inuvik Petroleum Show			
Great Northern Arts Festival	1,500	1,794	1,799
	<u>2,338,733</u>	<u>1,820,182</u>	<u>1,726,383</u>
Excess (deficiency) of revenue over expenses before amortization	6,836,038	7,039,050	7,256,738
Amortization	0	-333,452	-369,302
Excess (deficiency) of revenue over expenses after amortization	\$ 6,836,038	\$ 6,705,598	\$ 6,887,436

Town of Inuvik
Schedule of Revenue and Expenses, Public Safety & Protective Services
As at December 31, 2014
(Schedule 3b)

	Budget 2014	Actual 2014	Actual 2013
Revenues			
Property taxes			
User fees and sales of goods	\$ 6,500	\$ 8,568	\$ 8,315
Government transfers		30,974	
Fines, penalties & interest			
Development levies, licenses & permits	70,000	123,733	82,038
Land sales/development			
Other revenue			
	76,500	163,275	90,354
Expenses			
Wages and benefits	498,830	520,936	407,573
Mayor and council			
Office materials and supplies	209,600	221,858	222,860
Repairs and maintenance	26,500	12,862	27,948
Contracted services			
Management fees			
Grants			
Cost of sales			
Provision for allowances			
Utilities - electricity	51,200	46,664	50,382
Utilities - fuel	59,750	45,413	59,631
Utilities - water and sewer	17,750	13,656	12,327
Vehicle O&M	42,500	40,480	55,324
Insurance			
Interest			
Contribution agreement & other expense			
Inuvik Petroleum Show			
Great Northern Arts Festival			
	906,130	901,869	836,044
Excess (deficiency) of revenue over expenses before amortization	- 829,630	- 738,594	- 745,690
Amortization	0	-165,220	-158,036
Excess (deficiency) of revenue over expenses after amortization	-\$ 829,630	-\$ 903,814	-\$ 903,726

Town of Inuvik
Schedule of Revenue and Expenses, Public Works & Transportation
As at December 31, 2014
(Schedule 3c)

	Budget 2014	Actual 2014	Actual 2013
Revenues			
Property taxes			
User fees and sales of goods		\$ 20,000	
Government transfers			
Fines, penalties & interest			
Development levies, licenses & permits			
Land sales/development			
Other revenue			
	-	20,000	-
Expenses			
Wages and benefits	303,230	184,478	282,591
Mayor and council			
Office materials and supplies	30,050	21,146	20,687
Repairs and maintenance	122,500	142,168	84,114
Contracted services	795,250	1,157,959	870,922
Management fees			
Grants			
Cost of sales			
Provision for allowances			
Utilities - electricity			
Utilities - fuel			
Utilities - water and sewer			
Vehicle O&M	32,000	24,655	21,790
Insurance			
Interest			
Contribution agreement & other expense			
Inuvik Petroleum Show			
Great Northern Arts Festival			
	1,283,030	1,530,406	1,280,103
Excess (deficiency) of revenue over expenses before amortization	- 1,283,030	- 1,510,406	- 1,280,103
Amortization	0	-280,366	-217,654
Excess (deficiency) of revenue over expenses after amortization	-\$ 1,283,030	-\$ 1,790,772	-\$ 1,497,757

Town of Inuvik
Schedule of Revenue and Expenses, Recreation & Culture
As at December 31, 2014
(Schedule 3d)

	Budget 2014	Actual 2014	Actual 2013
Revenues			
Property taxes			
User fees and sales of goods	\$ 692,000	\$ 630,081	\$ 527,849
Government transfers	138,900	144,178	
Fines, penalties & interest			
Development levies, licenses & permits			
Land sales/development			
Other revenue			
	830,900	774,259	527,849
Expenses			
Wages and benefits	2,344,139	2,456,709	2,148,655
Mayor and council			
Office materials and supplies	354,325	210,253	240,012
Repairs and maintenance	207,500	141,988	383,518
Contracted services			
Management fees			
Grants			
Cost of sales			
Provision for allowances			
Utilities - electricity	802,700	792,942	802,603
Utilities - fuel	545,550	352,034	540,792
Utilities - water and sewer	70,175	74,135	70,165
Vehicle O&M	15,500	22,423	15,189
Insurance			
Interest			
Contribution agreement & other expense	61,000	61,665	13,655
Inuvik Petroleum Show			
Great Northern Arts Festival			
	4,400,889	4,112,148	4,214,589
Excess (deficiency) of revenue over expenses before amortization	- 3,569,989	- 3,337,889	- 3,686,740
Amortization	0	-753,333	-722,374
Excess (deficiency) of revenue over expenses after amortization	-\$ 3,569,989	-\$ 4,091,222	-\$ 4,409,114

Town of Inuvik
Schedule of Revenue and Expenses, Economic Development
As at December 31, 2014
(Schedule 3e)

	Budget 2014	Actual 2014	Actual 2013
Revenues			
Property taxes			
User fees and sales of goods	\$ 50,950	\$ 93,799	\$ 43,527
Government transfers	30,000	41,132	
Fines, penalties & interest			
Development levies, licenses & permits			
Land sales/development			
Other revenue	319,300	339,579	269,768
	<u>400,250</u>	<u>474,510</u>	<u>313,295</u>
Expenses			
Wages and benefits	250,135	291,343	176,517
Mayor and council			
Office materials and supplies	192,750	197,813	162,022
Repairs and maintenance			
Contracted services			
Management fees			
Grants			
Cost of sales			
Provision for allowances			
Utilities - electricity			
Utilities - fuel			
Utilities - water and sewer			
Vehicle O&M			
Insurance			
Interest			
Contribution agreement & other expense			
Inuvik Petroleum Show	317,500	262,248	278,655
Great Northern Arts Festival			
	<u>760,385</u>	<u>751,405</u>	<u>617,194</u>
Excess (deficiency) of revenue over expenses before amortization	- 360,135	- 276,894	- 303,898
Amortization	0	-137,655	-111,166
Excess (deficiency) of revenue over expenses after amortization	-\$ 360,135	-\$ 414,549	-\$ 415,064

Town of Inuvik
Schedule of Revenue and Expenses, Environmental Services
As at December 31, 2014
(Schedule 3f)

	Budget 2014	Actual 2014	Actual 2013
Revenues			
Property taxes			
User fees and sales of goods	\$ 202,500	\$ 323,268	\$ 202,081
Government transfers			
Fines, penalties & interest			
Development levies, licenses & permits	315,000	391,660	313,733
Land sales/development			
Other revenue			
	<u>517,500</u>	<u>714,928</u>	<u>515,814</u>
Expenses			
Wages and benefits			
Mayor and council			
Office materials and supplies	9,700	313	-1,500
Repairs and maintenance			
Contracted services	712,700	827,496	636,331
Management fees			
Grants			
Cost of sales			
Provision for allowances			
Utilities - electricity			
Utilities - fuel			
Utilities - water and sewer			
Vehicle O&M			
Insurance			
Interest			
Contribution agreement & other expense			
Inuvik Petroleum Show			
Great Northern Arts Festival			
	<u>722,400</u>	<u>827,810</u>	<u>634,831</u>
Excess (deficiency) of revenue over expenses before amortization	- 204,900	- 112,882	- 119,017
Amortization	0	-151,652	-124,647
Excess (deficiency) of revenue over expenses after amortization	-\$ 204,900	-\$ 264,534	-\$ 243,664

Town of Inuvik
Schedule of Revenue and Expenses, Land Development
As at December 31, 2014
(Schedule 3g)

	Budget 2014	Actual 2014	Actual 2013
Revenues			
Property taxes			
User fees and sales of goods			
Government transfers			
Fines, penalties & interest			
Development levies, licenses & permits			
Land sales/development	\$ 1,017,950	\$1,019,032	\$ 312,733
Other revenue			
	<u>1,017,950</u>	<u>1,019,032</u>	<u>312,733</u>
Expenses			
Wages and benefits			
Mayor and council			
Office materials and supplies			
Repairs and maintenance			
Contracted services			
Management fees			
Grants			
Cost of sales	993,255	101,482	5,307
Provision for allowances			
Utilities - electricity			
Utilities - fuel			
Utilities - water and sewer			
Vehicle O&M			
Insurance			
Interest			
Contribution agreement & other expense			
Inuvik Petroleum Show			
Great Northern Arts Festival			
	<u>993,255</u>	<u>101,482</u>	<u>5,307</u>
Excess (deficiency) of revenue over expenses before amortization	24,695	917,550	307,426
Amortization	0	0	0
Excess (deficiency) of revenue over expenses after amortization	\$ 24,695	\$ 917,550	\$ 307,426

Town of Inuvik
Schedule of Revenue and Expenses, Water & Sewer Services
As at December 31, 2014
(Schedule 3h)

	Budget 2014	Actual 2014	Actual 2013
Revenues			
Property taxes			
User fees and sales of goods	\$ 1,948,200	\$1,903,958	\$ 1,933,139
Government transfers	2,624,973	2,627,577	2,712,738
Fines, penalties & interest			
Development levies, licenses & permits			
Land sales/development			
Other revenue			
	4,573,173	4,531,535	4,645,877
Expenses			
Wages and benefits	454,515	529,549	412,036
Mayor and council			
Office materials and supplies	78,750	90,028	87,470
Repairs and maintenance	254,500	285,250	186,088
Contracted services	20,000	52,673	12,165
Management fees	250,000	250,000	250,000
Grants			
Cost of sales			
Provision for allowances			
Utilities - electricity	392,250	345,213	392,106
Utilities - fuel	372,500	388,812	252,131
Utilities - water and sewer	6,700	1,056	6,710
Vehicle O&M	35,500	26,826	38,284
Insurance			
Interest			
Contribution agreement & other expense			
Inuvik Petroleum Show			
Great Northern Arts Festival			
	1,864,715	1,969,406	1,636,990
Excess (deficiency) of revenue over expenses before amortization			
	2,708,458	2,562,129	3,008,888
Loss on disposal of tangible capital assets		0	-408,857
Amortization	0	-1,244,433	-1,201,968
Excess (deficiency) of revenue over expenses after amortization			
	\$ 2,708,458	\$ 1,317,696	\$ 1,398,063

Town of Inuvik
Schedule of Government Transfers
for the Year ended December 31, 2014
(Schedule 4)

	Budget	2014	2013
Territorial transfers (Note 1d)			
Municipal & Community Affairs			
Formula based funding	\$ 2,562,000	\$ 2,562,000	\$ 2,630,000
Water sewer subsidy program	775,000	775,000	616,444
Utilidor capital contribution	-	-	-
Infrastructure (Capital Block Funding)	1,231,000	1,231,000	1,231,000
GNWT miscellaneous	-	-	-
Canada-NWT Gas Tax Agreement	964,973	964,972	964,972
Other contributions	50,750	47,207	50,673
	5,583,723	5,580,179	5,493,089
Transfer from Deferred Revenue	925,000	887,602	1,131,322
ECE Library contribution	47,900	46,930	47,900
Literacy Funding	15,000	15,000	15,000
Other agreements and grants	224,000	274,356	109,150
	1,211,900	1,223,888	1,303,372
Total government transfers	\$ 6,795,623	\$ 6,804,067	\$ 6,796,461

Town of Inuvik
Schedule of Salaries, Honoraria and Travel
for the Year ended December 31, 2014
(Schedule 5)

Position	Salary	Honoraria	Travel
MAYOR:			
Floyd Roland	\$ 98,225	-	\$ 22,451
COUNCILLOR:			
Clarence Wood	-	\$ 11,700	3,192
Terry Halifax	-	5,775	-
Jim McDonald	-	8,800	-
Kurt Wainman	-	3,750	-
Alana Mero	-	4,950	-
Derek Lindsay	-	6,675	-
Joe Lavoie	-	5,775	-
Melinda Gillis	-	2,850	-
NWTAC Conference	-	-	3,500

Town of Inuvik
Schedule of Building Canada Fund Program
for the Year ended December 31, 2014
(Schedule 7)

**For the years ended
December 31**

Cumulative

	2008 to 2009	2010	2011	2012	2013	2014	Total
Funding							
Opening balance	-	\$ 2,018,925	\$ 2,018,925	\$ 2,018,925	\$ 2,018,925	\$ 887,603	-
Annual allocation	\$ 2,018,925	-	-	-	-	-	\$ 2,018,925
Interest earned	-	-	-	-	-	-	-
	<u>2,018,925</u>	<u>2,018,925</u>	<u>2,018,925</u>	<u>2,018,925</u>	<u>2,018,925</u>	<u>887,603</u>	<u>2,018,925</u>
Eligible project expenses							
Rec centre energy upgrade project	-	-	-	-	-	-	-
Administration expense	-	-	-	-	-	-	-
Water Treatment Plant	-	-	-	-	1,131,322	887,603	2,018,925
Chip sealing for dust control and other	-	-	-	-	-	-	-
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,131,322</u>	<u>887,603</u>	<u>2,018,925</u>
Excess (deficiency) of revenue over expenses	2,018,925	2,018,925	2,018,925	2,018,925	887,603	0	0

**Town of Inuvik
Water and Sewage Reporting Form
for the Year ended December 31, 2014
(Schedule 9)**

Water & Sewage Rates:

Economic Rate	\$.0081/L
Residential Rate	\$.0055/L
Commercial Rate	\$.0073/L
Public Sector (including local gov't) Rate	\$.0105/L

Bylaw: 2551/UTIL/13

Water & Sewage expenditures:

Total Water & Sewage Costs For 2014 Per Financial Statements \$ 3,213,839	Total Budgeted Expenditures Used For Calculating Economic Rate (note 1) \$ 1,935,000
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Water & Sewage Revenue:

Total Water and Sewage Revenue For 2014 Per Financial Statements \$ 4,531,535	Revenue - Residential \$ 888,234
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Revenue - Public Sector \$ 755,201	Revenue - Commercial \$ 260,524
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Water & Sewage Consumption (note 1):

Actual Volume Of Water Consumed In 2014 (Billed in litres) 266,435,000	Actual Consumption - Residential (in litres) 164,167,000
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Total Budgeted Consumption For Calculating Economic Rate (in litres) 239,624,000	Actual Consumption - Commercial (in litres) 38,536,000
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Actual Consumption - Public Sector (in litres) 63,732,000

Notes:

1. Budgets are the projections used for calculating Economic Rate and are unaudited. Consumption amounts are unaudited.
2. Town internal water and sewer charges (revenue) have been eliminated for consolidation purposes.