

TOWN OF INUVIK
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

TOWN OF INUVIK

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015**

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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 stamp.

February 24, 2016

Senior Administrative Officer

Date



2015 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 2015 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 2016.

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.

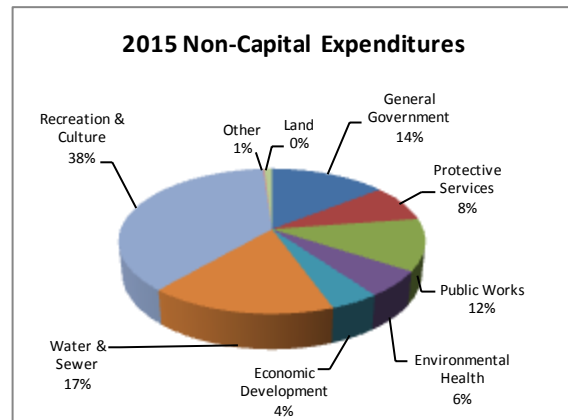
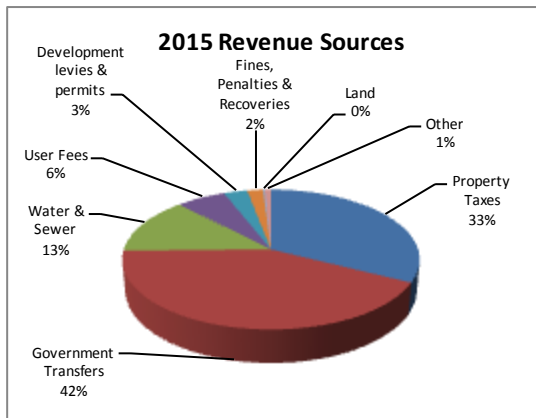
The following financial discussion and analysis has been prepared by management and should be read in conjunction with the audited consolidated financial statements and their accompanying notes and schedules.

Results from Operations

The Statement of Operations reports the Town of Inuvik's changes in economic resources and accumulated surpluses for 2015, on a comparative basis. On a combined fund basis the annual excess of revenues over expenses was a small 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. Going forward there will be continued increased pressures to maintain service while balancing revenue and expenses.

During 2015 the Town experienced a small budget surplus as a result of adjustment to the Tangible Capital assets effect on amortization. Overall the budget surplus was \$0.174 million with a surplus in the land development fund of \$0.010 million, a deficit in the operating fund of \$0.208 million and a surplus in the water and sewer services fund of \$0.372. The Town of Inuvik has seen a major reduction in its cash flow and used the authorized operating line of credit due mainly to the construction of the new water treatment plant. The Town continues to monitor this and will determine a plan to minimize the risk.

Replacement of aging water and sewer infrastructure was put on hold during 2015 to determine a better plan for replacement in 2016. Construction on the new water treatment plant building started in 2015 with the new water treatment plant becoming operational in 2016.

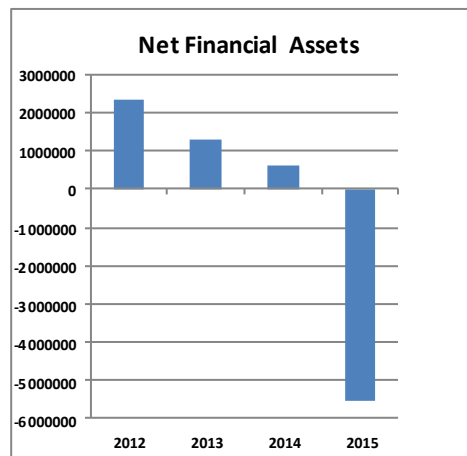


Financial Position

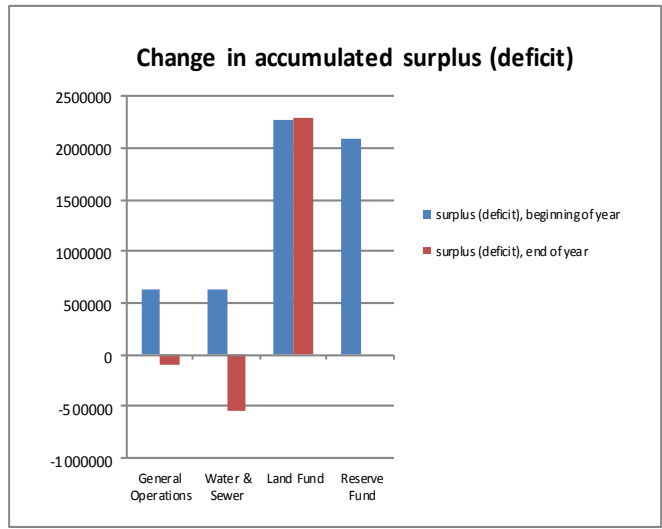
The Statement of Financial Position reports the Town of Inuvik’s financial and non-financial resources, obligations and accumulated surplus as at December 31, 2015, on a comparative basis. This statement is used to evaluate the Town of Inuvik’s ability to finance its activities and to meet its liabilities 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 has seen a decline in its cash position during 2015. The town’s cash position has changed from having cash in the bank to bank indebtedness of \$628K reflects a decrease of \$2.772 million 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 Town was required to fund the Water Treatment Plant over \$4 million internally. The Town plans to re-establish its positive cash position over the next few years through more fiscal prudence.

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



The annual surplus, as reported on the statement of operations was \$173,664. The following table shows how much the community’s financial position has changed. The General Operations and Water & Sewer funds are in a deficit position with the Reserves Fund fully exhausted. For details, please refer to the schedule of accumulated surplus (deficit).



The net book value of the community’s capital assets is 68% of their historical costs. This means that, on average, 32% of the useful life of capital assets has been used. Significant capital projects for 2016 are the completion of the Water Treatment Plant (\$9.0 million) and the annual Utilidor replacement (\$5 million).

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. In 2015 the Town had incurred the Long Term Debt for the Water Treatment Plant (\$2,319,696). 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, 2015, and the statement of operations, statement of changes in net financial assets (debt) and statement of cash flows for the year then ended, and notes comprised of 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 audit opinion.

Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of Town of Inuvik as at December 31, 2015, and the results of its operations 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.

Report on Other Legal and Regulatory Requirements

We further report, in accordance with the Cities, Towns and Villages Act of the Northwest Territories, that proper books and records of account have been kept, that the financial statements are in agreement therewith, and that the transactions that have come under our notice have been, in all material respects, within the statutory powers of the Town.

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

CHARTERED ACCOUNTANT

February 24, 2016
Yellowknife, N.W.T.

Town of Inuvik
Statement of Financial Position
As at December 31, 2015

	2015	2014
Financial Assets		
Cash	\$ -	\$ 771,253
Trust cash	-	1,372,486
Receivables		
Taxes and grants in lieu of taxes (Note 2)	871,295	764,569
Trade and other (Note 3)	663,381	511,962
Due from Children First Society – current (Note 9)	-	170,272
Land held for resale – current (Note 1f)	-	200,000
	1,534,676	3,790,542
Liabilities		
Bank indebtedness (Note 5)	628,115	-
Accounts payable and accrued liabilities (Note 4)	2,572,681	1,250,486
Deferred revenue (Note 1p)	15,423	100,000
Landfill restoration liability (Note 11)	40,000	20,000
Long term debt (Note 5)	3,791,636	1,805,300
	7,047,855	3,175,786
Net Financial Assets (Debt)	(5,513,179)	614,756
Non-Financial Assets		
Tangible capital assets (Note 6 and Schedule 1)	116,935,314	110,774,029
Land held for resale - noncurrent (Note 1f)	2,374,863	2,194,863
Due from Children First Society – noncurrent (Note 9)	907,122	711,713
Prepaid expenses	66,133	90,200
Inventory (Note 1f)	4,747	215,775
	120,288,179	113,986,580
Accumulated Surplus (Schedule 2)	\$ 114,775,000	\$ 114,601,336

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, 2015

	2015 Budget	2015 Actual	2014 Actual
	(Note 1,n)		
Revenues (Schedule 3)			
Property taxes	\$ 3,418,314	\$ 3,363,515	\$ 3,256,391
Property taxes – education portion	657,766	615,124	612,627
Grants in lieu of property taxes – GNWT	1,271,587	1,273,145	1,297,403
Grants in lieu of property taxes – Canada	328,086	330,062	325,849
Less: Allowance for doubtful collections	-	(194,000)	(366,000)
Education requisition	<u>(657,766)</u>	<u>(615,124)</u>	<u>(612,627)</u>
Net municipal property taxes	5,017,987	4,772,722	4,513,643
Government transfers (Schedule 4)	6,306,873	6,192,296	6,804,067
User fees and sales of goods	2,843,425	2,843,327	2,996,401
Development levies, licenses and permits	429,500	433,576	629,623
Fines, penalties and recoveries	170,000	290,202	217,693
Land revenue	101,600	34,443	1,019,032
Other	45,000	110,903	376,313
Total Revenues	14,914,385	14,677,468	16,556,772
Expenses (Schedule 3)			
General government	(2,119,073)	(1,905,138)	(2,153,634)
Protective services	(909,473)	(1,092,171)	(1,067,089)
Public works services	(1,376,158)	(1,784,356)	(1,810,772)
Environmental health services	(772,400)	(705,938)	(979,462)
Economic development	(547,125)	(527,380)	(889,060)
Recreation and culture	(4,214,084)	(4,874,775)	(4,865,481)
Land expenditures	(60,880)	(24,835)	(101,482)
Water and sewer expenditures	(2,002,217)	(3,589,211)	(3,213,839)
Budgeted net capital expenditures (Note 1n)	(2,901,000)	(-)	(-)
Total operating expenditures	(14,902,410)	(14,503,804)	(15,080,818)
Excess revenues (expenses)	11,975	173,664	1,475,954
Accumulated surplus, beginning of year	114,601,336	114,601,336	113,125,382
Accumulated surplus, end of year	\$ 114,613,311	\$ 114,775,000	\$ 114,601,336

See accompanying notes and schedules to the financial statements.

Town of Inuvik
Statement of Cash Flows
For the Year ended December 31, 2015

	2015	2014
NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES:		
Operating Transactions		
Excess (deficiency) of revenues over expenditures	\$ 173,664	\$ 1,475,954
Non-cash charges to operations:		
Loss on disposal of tangible capital assets	-	-
Amortization of capital assets	2,650,411	3,066,110
Cash provided by operating transactions	2,824,075	4,542,064
Working capital transactions		
Decrease (increase) in accounts receivable	(258,145)	877,544
Decrease (increase) in other non-financial assets	235,096	482,515
Decrease (increase) in land held for sale	20,000	99,755
Increase (decrease) in accounts payable and other liabilities	1,342,194	(1,044,486)
Increase (decrease) in Due from Children First Society	(25,137)	322,167
Increase (decrease) in Deferred Revenue	(84,577)	(813,548)
Net cash (used for) from working capital transactions	1,229,431	(76,053)
Financing transactions		
Long-term debt (repaid)	1,986,336	(333,360)
Net cash (used for) from financing	1,986,336	(333,360)
Capital transactions		
Acquisition of Tangible Capital Assets	(8,811,696)	(4,559,119)
Net cash (used for) from capital transactions	(8,811,696)	(4,559,119)
Increase (decrease) in cash and cash equivalents	(2,771,854)	(426,468)
Net cash and temporary investments (bank indebtedness) at beginning of year	2,143,739	2,570,207
Net cash and temporary investments (bank indebtedness) at end of year	\$ (628,115)	\$ 2,143,739
Comprised of:		
Cash in bank	\$ -	\$ 771,253
Trust cash (Note below)	-	1,372,486
Bank indebtedness (line of credit)	(628,115)	-
	\$ (628,115)	\$ 2,143,739
Notes:		
Trust cash is comprised as follows:		
Building Canada Fund Deposit (Note 1p)	\$ -	\$ -
Reserve Deposit (Note 10)	-	1,372,486
	\$ -	\$ 1,372,486

Interest paid during the year amounted to \$93,187 (2014 - \$91,799). Interest and penalties received or receivable was \$290,202 (2014 - \$217,693).

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, 2015

	2015 Budget	2015 Actual	2014 Actual
	(Note 1,n)		
Excess (deficiency) of revenues over expenditures	\$ 11,975	\$ 173,664	\$ 1,475,954
Loss on disposal of tangible capital assets	-	-	-
Amortization of tangible capital assets	2,901,000	2,650,411	3,066,110
Change in inventories and prepaid expenses	-	235,095	482,515
Change in Land held for resale - noncurrent	-	(180,000)	(1,222,399)
Change in Due from Children First Society - noncurrent	-	(195,409)	84,439
Acquisition of tangible capital assets	(12,301,000)	(8,811,696)	(4,559,119)
Other	-	-	669
Increase (decrease) in net financial assets	(9,388,025)	(6,127,935)	(671,831)
Net financial assets (debt) at beginning of year	614,756	614,756	1,286,587
Net financial assets (debt) at end of year	\$ (8,773,269)	\$ (5,513,179)	\$ 614,756

See accompanying notes and schedules to the financial statements.

Town of Inuvik
Notes to Financial Statements
For the Year ended December 31, 2015

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, 2015

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. There was no material amount of inventory on hand at December 31, 2015.

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. As at December 31, 2015, there was no indications of any material land sales in the current period.

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 and Intangible Assets

Works of art for display are not recorded as tangible capital assets but are disclosed. All intangibles, and items inherited by right of the Crown, such as Crown lands, forests, water, and mineral resources, are not recognized in government financial statements.

Town of Inuvik
Notes to Financial Statements
For the Year ended December 31, 2015

1. SIGNIFICANT ACCOUNTING POLICIES (cont.)

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.

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 30% or \$1,145,000 of the Town's annual tax revenue is from 5 major property owners, each ranging from 4.9% to 8.8% 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 2015 cash balance is included in the operating bank account.

	Deferred Balance 2015	Cash Balance 2015	Shortfall	Deferred Balance 2014
CA – Library	\$ 11,975	\$ -	\$ (11,975)	\$ -
CA – Community Participation	3,448	-	(3,448)	-
Lions Club donation for Boot Lake Park	-	-	-	100,000
	\$ 15,423	\$ -	\$ (15,423)	\$ 100,000

Town of Inuvik
Notes to Financial Statements
For the Year ended December 31, 2015

1. SIGNIFICANT ACCOUNTING POLICIES (cont.)

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 2015 were \$203,772 (2014 - \$212,165). The Town is not liable for any future liabilities of this plan.

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

	2015	2014
Current taxes and grants in lieu of taxes	\$ -	\$ -
Less: allowance for doubtful accounts	(-)	(-)
	-	-
Non-current taxes	1,214,284	1,139,847
Non-current grants in lieu of taxes	323,430	180,722
Less: allowance for doubtful accounts	(666,419)	(556,000)
	871,295	764,569
	\$ 871,295	\$ 764,569

Town of Inuvik
Notes to Financial Statements
For the Year ended December 31, 2015

3. OTHER ACCOUNTS RECEIVABLE

	2015	2014
Sundry	\$ 186,001	\$ 147,549
Goods & Services Tax	181,741	139,850
Natural Resources Canada	70,636	-
Municipal & Community Affairs (GNWT)	4,478	-
Less: allowance for doubtful accounts	(73,479)	(40,177)
	369,377	247,222
Land sales, rentals and leases	3,738	2,607
Less: allowance for doubtful accounts	-	-
	3,738	2,607
Utility	290,266	262,133
Less: allowance for doubtful accounts	(-)	(-)
	290,266	262,133
	\$ 663,381	\$ 511,962

4. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2015	2014
Trade Accounts Payable and Accrued Liabilities	\$ 1,438,362	\$ 818,214
Holdbacks Payable	708,806	-
Deposits	75,602	69,501
Payroll liabilities	349,909	362,771
	\$ 2,572,679	\$ 1,250,486

5. LONG TERM DEBT AND OPERATING LINE OF CREDIT

	2015	2014
Canadian Imperial Bank of Commerce demand instalment loan, interest at prime rate, payable \$27,780 monthly plus interest, maturing May 1, 2020, secured by the Family Recreation Centre and a general assignment of property taxes receivable.	\$ 1,471,940	\$ 1,805,300
Canadian Imperial Bank of Commerce demand instalment loan/Bridge Long-term financing, interest at prime rate, no set repayment terms until construction complete, maturing 20 years after completion, secured by the new Water Treatment Plant and a general assignment of property taxes receivable.	2,319,696	-
	\$ 3,791,636	\$ 1,805,300

The current portion of the long-term debt (principal and interest) amounts to \$370,925 (2014 -\$380,407).

Principal and interest repayments are as follows:

	Principal	Interest	Total
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
	\$1,471,940	\$ 94,288	\$1,566,228

The Town has arranged an overall credit limit of \$18,250,000 (Demand Instalment Loan for Inuvik Family Centre \$2,249,780, Operating Line \$1,500,000, Instalment Loan/Bridge Long-term financing for Water Treatment Plant \$13,000,000, Contingent Liability for Interest Rate Swap US\$1,250,000 and Corporate VISA \$250,000).

Town of Inuvik
Notes to Financial Statements
For the Year ended December 31, 2015

6. TANGIBLE CAPITAL ASSETS

	2015	2014
	Net book Value	Net book value
Land	\$ 3,088,885	\$ 3,094,853
Buildings	16,536,078	17,639,483
Machinery and Equipment	1,174,321	1,296,882
Roads, sidewalks, paving	18,927,312	19,219,905
Water and waste water	68,023,528	68,228,944
Vehicles	1,820,452	1,293,962
Assets under construction (Note 9)	7,364,739	-
	\$ 116,935,314	\$ 110,774,029

The insured value of physical assets is \$74,217,910. For additional information see Schedule 1.

7. EQUITY IN TANGIBLE CAPITAL ASSETS

	2015	2014
Tangible capital assets (Schedule 1)	\$ 171,267,427	\$ 159,268,639
Accumulated amortization (Schedule 1)	(54,332,113)	(48,494,610)
	116,935,314	110,774,029
Long term debt	(3,791,636)	(1,805,300)
Debt charges recoverable	-	-
Equity in Tangible Capital Assets (Schedule 2)	\$ 113,143,678	\$ 108,968,729

8. PREPAID EXPENSES

	2015	2014
Prepaid insurance	\$ 51,044	\$ 49,840
Other	15,088	40,360
	\$ 66,132	\$ 90,200

9. DUE FROM CHILDREN FIRST SOCIETY

	2015	2014
Bridge financing provided to Children First Society, to be repaid in 2015 upon receipt of government funding, interest at 0.7% calculated monthly, unsecured.	\$ 50,600	\$ 50,272
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.	856,562	831,712
	\$ 907,122	\$ 881,984

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 had acquired the interest in the building and, as at December 31, 2015, work is still proceeding on transfer of land title. As at December 31, 2015, CFS was in default on their monthly payments (\$120,000 plus interest of \$25,138). Subsequent to year end a payment of \$30,000 was received towards the defaulted payments. The Town is currently working with CFS to determine a plan and timeline to ensure payments can be received on a regular basis, including providing support to access funding sources from the Federal and Territorial governments. Should for any reason the building become vacant the Town will utilize it for their own use, seek another tenant or sell it on the open market.

Town of Inuvik
Notes to Financial Statements
For the Year ended December 31, 2015

10. RESERVE DEPOSITS

	Reserve Balance 2015	Cash Balance 2015	Shortfall	Reserve Balance 2014
Reserve fund is comprised of:				
General building/equipment replacement	\$ -	\$ -	\$ -	\$ 2,092,500
	\$ -	\$ -	\$ -	\$ 2,092,500

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, 2015, the Town had no reserves.

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.

Estimates of future landfill closure costs are subject to significant measurement uncertainty. Northwest Territories landfill closure standards have not been established. The accuracy of the estimated closure costs is expected to improve when engineers determine standards for closing a section of the landfill. Technology related to landfill sites and reclamation is also expected to improve. The main components of the landfill closure plan are final capping using selected specific layers of earthen and synthetic materials based on engineered cap design and implementation of a drainage management plan. The post-closure care requirements will involve cap maintenance, installation of monitoring wells, groundwater monitoring, and inspections.

The accrued liability for closure and post-closure care of the Town's landfill has been analysed by management, and is estimated to not be significant as at December 31, 2015. A provision for the landfill restoration liability of \$40,000 has been made as at December 31, 2015, with the intention to increase the provision by \$20,000 annually during the life of the site (subject to annual review; 55 years of annual provisions of \$20,000 would total \$1,100,000 by the year 2070). Any liability in excess of the amount provided would be accounted for as a current transaction in the year it is determined.

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.

Town of Inuvik
Notes to Financial Statements
For the Year ended December 31, 2015

13. COMMITMENTS

a) Service Contracts

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

	Total
2016	\$ 457,803
2017	457,803
2018	457,803
2019	149,995
2020	149,995
Thereafter	149,995
	\$1,823,394

b) Capital Contracts

The City regularly enters into contracts related to capital projects. The amounts below represent the uncompleted portions of these contracts as of December 31, 2015. The expected minimum payments for these contracts are:

	Total
2016	\$ 11,635,000
2017	-
2018	-
2019	-
2020	-
Thereafter	-
	\$ 11,635,000

The Town is required, pursuant to federal legislation, to construct a new water treatment plant in 2015 – 2016. Construction commenced in 2015, and is expected to be completed in 2016. The current total estimated cost is approximately \$19,000,000, with \$11,635,000 to be spent in 2016 (the difference having been spent in 2015). The Town is negotiating an additional \$3,000,000 borrowing limit to fund a major part of the construction.

Town of Inuvik
Schedule of Tangible Capital Assets
As at December 31, 2015
(Schedule 1)

	Land and Improvements	Buildings	Vehicles	Machinery & Equipment	Sewage Lagoon & Landfill	Roads	Water and Waste Water	Assets under Construction	2015 Total	2014 Total
Cost										
Balance, beginning of year	\$ 3,229,697	\$26,560,330	\$3,247,483	\$4,161,210	\$1,500,000	\$26,475,799	\$ 94,094,120	\$ -	\$ 159,268,639	\$157,530,190
Add – Additions during year	16,375	52,994	469,129	370,608		352,140	185,712	7,364,739	8,811,696	4,559,119
Less – Disposals during year									-	666,616
Adjustments		3,870,137	-	67,603	-	1,809,335	1,193,893		3,187,092	-
Balance, end of year	<u>3,246,072</u>	<u>30,483,461</u>	<u>3,649,009</u>	<u>2,722,483</u>	<u>1,500,000</u>	<u>26,827,939</u>	<u>95,473,725</u>	<u>7,364,739</u>	<u>171,267,427</u>	<u>159,268,639</u>
Accumulated Amortization										
Balance, beginning of year	134,844	8,920,847	1,953,521	2,864,328	1,500,000	7,255,894	25,865,176	-	\$ 48,494,610	\$48,248,501
Add – Additions during year	22,343	366,611	153,709	195,035		327,692	1,585,021		2,650,411	3,066,110
Less – Disposals during year									-	666,616
Adjustments		4,659,925	-	278,673	-	1,511,201	317,041	0	3,187,092	-
Balance, end of year	<u>157,187</u>	<u>13,947,383</u>	<u>1,828,557</u>	<u>1,548,162</u>	<u>1,500,000</u>	<u>7,900,627</u>	<u>27,450,197</u>	<u>-</u>	<u>54,332,113</u>	<u>48,494,610</u>
Net Book Value	\$ 3,088,885	\$ 16,536,078	\$ 1,820,452	\$ 1,174,321	\$ -	\$ 18,927,312	\$ 68,023,528	\$ 7,364,739	\$ 116,935,314	\$ 110,774,029

Town of Inuvik
Schedule of Changes in Fund Balances & Accumulated Surplus
As at December 31, 2015
(Schedule 2)

	Operating fund	Water and sewer fund	Land fund	Reserve fund	Equity in Tangible Capital Assets	2015 Total	2014 Total
Excess revenues (expenditures)	-\$ 208,215	\$ 372,272	\$ 9,608	\$ -	\$ -	\$ 173,664	\$ 1,475,954
Net interfund transfers:							
Amortization	1,065,390	1,585,021			-2,650,411	0	0
Loss on disposal of tangible capital assets						0	0
Transfer to (from) fund		2,092,500		-2,092,500	0	0	0
Additional capital expenditures	-1,261,245	-7,550,451			8,811,696	0	0
Long-term debt addition (repayment)	-333,360	2,319,697			-1,986,337	0	0
	-737,430	-1,180,961	9,608	-2,092,500	4,174,948	173,664	1,475,954
Balance, beginning of year	630,059	627,574	2,282,474	2,092,500	108,968,730	114,601,336	113,125,382
Balance, end of year	-\$107,371	-\$553,387	\$2,292,082	\$0	\$113,143,678	\$114,775,000	\$ 114,601,336

Town of Inuvik
Schedule of Revenue and Expenses, by Service Division
As at December 31, 2015
(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 2015	Total 2014
	(Schedule 3a)	(Schedule 3b)	(Schedule 3c)	(Schedule 3d)	(Schedule 3e)	(Schedule 3f)	(Schedule 3g)	(Schedule 3h)			
Revenues											
Property taxes	\$4,772,722						\$4,772,722			\$4,772,722	\$4,513,643
User fees and sales of goods	28,313	\$ 11,094		\$ 634,005	\$ 58,477	\$ 175,955	907,844		\$1,935,482	2,843,327	2,996,401
Government transfers	3,938,574	30,079		149,909	47,734		4,166,296		2,026,000	6,192,296	6,804,067
Fines, penalties & interest	290,202						290,202			290,202	217,693
Development levies, licenses & permits	84,701	49,386					433,576			433,576	629,623
Land sales/development							0	\$34,443		34,443	1,019,032
Other revenue	109,903				1,000		110,903			110,903	376,313
	<u>9,224,416</u>	<u>90,559</u>	<u>-</u>	<u>783,914</u>	<u>107,211</u>	<u>475,444</u>	<u>10,681,543</u>	<u>34,443</u>	<u>3,961,482</u>	<u>14,677,468</u>	<u>16,556,772</u>
Expenses											
Wages and benefits	811,727	539,158	276,407	2,355,037	242,099		4,224,428		529,102	4,753,531	4,850,028
Mayor and council	133,782						133,782			133,782	161,924
Office materials and supplies	185,868	223,313	26,420	204,244	275,281	52	915,178		47,803	962,980	929,443
Repairs and maintenance	3,432	26,736	178,648	264,669			473,485		254,271	727,756	585,585
Contracted services	341,137		865,936			689,599	1,896,673		8,723	1,905,396	2,294,235
Management fees	-278,000						-278,000		250,000	-28,000	-28,000
Grants	121,880						121,880			121,880	100,408
Cost of sales							0	24,835		24,835	101,482
Provision for allowances	33,602						33,602			33,602	4,673
Utilities - electricity	53,139	54,619		920,644			1,028,402		441,305	1,469,707	1,236,013
Utilities - fuel	47,423	44,797		571,406			663,625		437,617	1,101,242	837,462
Utilities - water and sewer	16,796	20,047		68,694			105,536		8,090	113,626	98,785
Vehicle O&M		36,460	24,724	11,246			72,430		27,279	99,709	114,384
Insurance	202,522						202,522			202,522	196,694
Interest	93,188						93,188			93,188	91,799
Contribution agreement & other expense	47,294	30,079		48,614	10,000		135,987			135,987	175,751
Inuvik Petroleum Show							0			0	262,248
Great Northern Arts Festival	1,650						1,651			1,651	1,795
	<u>1,815,439</u>	<u>975,208</u>	<u>1,372,135</u>	<u>4,444,553</u>	<u>527,380</u>	<u>689,651</u>	<u>9,824,368</u>	<u>24,835</u>	<u>2,004,189</u>	<u>11,853,393</u>	<u>12,014,708</u>
Excess (deficiency) of revenue over expenses before amortization	7,408,976 -	884,650 -	1,372,135 -	3,660,639 -	420,169 -	214,208	857,175	9,608	1,957,293	2,824,075	4,542,064
Loss on disposal of tangible capital assets							0			0	0
Amortization	-89,699	-116,963	-412,221	-430,220	0	-16,287	-1,065,390		-1,585,021	-2,650,411	-3,066,110
Excess (deficiency) of revenue over expenses after amortization	\$ 7,319,277 -	\$ 1,001,613 -	\$ 1,784,356 -	\$ 4,090,859 -	\$ 420,169 -	\$ 230,495 -	\$ 208,215	\$ 9,608	\$ 372,272	\$ 173,664	\$ 1,475,954

Town of Inuvik
Schedule of Revenue and Expenses, General Government Services
As at December 31, 2015
(Schedule 3a)

	Budget 2015	Actual 2015	Actual 2014
Revenues			
Property taxes	\$5,017,987	\$4,772,722	\$4,513,643
User fees and sales of goods	59,500	28,313	16,726
Government transfers	4,098,000	3,938,574	3,960,206
Fines, penalties & interest	170,000	290,202	217,693
Development levies, licenses & permits	74,000	84,701	114,230
Land sales/development			
Other revenue	45,000	109,903	36,734
	<u>9,464,487</u>	<u>9,224,416</u>	<u>8,859,232</u>
Expenses			
Wages and benefits	787,208	811,727	867,012
Mayor and council	177,605	133,782	161,924
Office materials and supplies	225,400	185,868	188,031
Repairs and maintenance	8,000	3,432	3,317
Contracted services	299,000	341,137	256,106
Management fees	-278,000	-278,000	-278,000
Grants	96,000	121,880	100,408
Cost of sales			
Provision for allowances	15,000	33,602	4,673
Utilities - electricity	50,000	53,139	51,195
Utilities - fuel	60,000	47,423	51,204
Utilities - water and sewer	10,500	16,796	9,939
Vehicle O&M			
Insurance	205,000	202,522	196,694
Interest	100,500	93,188	91,799
Contribution agreement & other expense	361,360	47,294	114,086
Inuvik Petroleum Show			
Great Northern Arts Festival	1,500	1,650	1,794
	<u>2,119,073</u>	<u>1,815,439</u>	<u>1,820,182</u>
Excess (deficiency) of revenue over expenses before amortization	7,345,414	7,408,976	7,039,050
Amortization	-	-89,699	-333,452
Excess (deficiency) of revenue over expenses after amortization	\$ 7,345,414	\$ 7,319,277	\$ 6,705,598

Town of Inuvik
Schedule of Revenue and Expenses, Public Safety & Protective Services
As at December 31, 2015
(Schedule 3b)

	Budget 2015	Actual 2015	Actual 2014
Revenues			
Property taxes			
User fees and sales of goods	\$ 8,000	\$ 11,094	\$ 8,568
Government transfers		30,079	30,974
Fines, penalties & interest			
Development levies, licenses & permits	71,000	49,386	123,733
Land sales/development			
Other revenue			
	<u>79,000</u>	<u>90,559</u>	<u>163,275</u>
Expenses			
Wages and benefits	523,745	539,158	520,936
Mayor and council			
Office materials and supplies	212,000	223,313	221,858
Repairs and maintenance	22,000	26,736	12,862
Contracted services			
Management fees			
Grants			
Cost of sales			
Provision for allowances			
Utilities - electricity	51,200	54,619	46,664
Utilities - fuel	49,750	44,797	45,413
Utilities - water and sewer	14,750	20,047	13,656
Vehicle O&M	36,028	36,460	40,480
Insurance			
Interest			
Contribution agreement & other expense		30,079	
Inuvik Petroleum Show			
Great Northern Arts Festival			
	<u>909,473</u>	<u>975,209</u>	<u>901,869</u>
Excess (deficiency) of revenue over expenses before amortization	- 830,473	- 884,650	- 738,594
Amortization	0	-116,963	-165,220
Excess (deficiency) of revenue over expenses after amortization	-\$ 830,473	-\$ 1,001,613	-\$ 903,814

Town of Inuvik
Schedule of Revenue and Expenses, Public Works & Transportation
As at December 31, 2015
(Schedule 3c)

	Budget 2015	Actual 2015	Actual 2014
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	405,608	276,407	184,478
Mayor and council			
Office materials and supplies	29,050	26,420	21,146
Repairs and maintenance	145,500	178,648	142,168
Contracted services	766,000	865,936	1,157,959
Management fees			
Grants			
Cost of sales			
Provision for allowances			
Utilities - electricity			
Utilities - fuel			
Utilities - water and sewer			
Vehicle O&M	30,000	24,724	24,655
Insurance			
Interest			
Contribution agreement & other expense			
Inuvik Petroleum Show			
Great Northern Arts Festival			
	1,376,158	1,372,135	1,530,406
Excess (deficiency) of revenue over expenses before amortization	- 1,376,158	- 1,372,135	- 1,510,406
Amortization	0	-412,221	-280,366
Excess (deficiency) of revenue over expenses after amortization	-\$ 1,376,158	-\$ 1,784,356	-\$ 1,790,772

Town of Inuvik
Schedule of Revenue and Expenses, Recreation & Culture
As at December 31, 2015
(Schedule 3d)

	Budget 2015	Actual 2015	Actual 2014
Revenues			
Property taxes			
User fees and sales of goods	\$ 561,800	\$ 634,005	\$ 630,081
Government transfers	135,900	149,909	144,178
Fines, penalties & interest			
Development levies, licenses & permits			
Land sales/development			
Other revenue			
	697,700	783,914	774,259
Expenses			
Wages and benefits	2,273,284	2,355,037	2,456,709
Mayor and council			
Office materials and supplies	295,075	204,244	210,253
Repairs and maintenance	157,500	264,669	141,988
Contracted services			
Management fees			
Grants			
Cost of sales			
Provision for allowances			
Utilities - electricity	793,600	920,644	792,942
Utilities - fuel	545,450	571,406	352,034
Utilities - water and sewer	70,175	68,694	74,135
Vehicle O&M	15,500	11,246	22,423
Insurance			
Interest			
Contribution agreement & other expense	63,500	48,614	61,665
Inuvik Petroleum Show			
Great Northern Arts Festival			
	4,214,084	4,444,553	4,112,148
Excess (deficiency) of revenue over expenses before amortization	- 3,516,384	- 3,660,639	- 3,337,889
Amortization	0	-430,220	-753,333
Excess (deficiency) of revenue over expenses after amortization	-\$ 3,516,384	-\$ 4,090,859	-\$ 4,091,222

Town of Inuvik
Schedule of Revenue and Expenses, Economic Development
As at December 31, 2015
(Schedule 3e)

	Budget 2015	Actual 2015	Actual 2014
Revenues			
Property taxes			
User fees and sales of goods	\$ 72,125	\$ 58,477	\$ 93,799
Government transfers	48,000	47,734	41,132
Fines, penalties & interest			
Development levies, licenses & permits			
Land sales/development			
Other revenue		1,000	339,579
	<u>120,125</u>	<u>107,211</u>	<u>474,510</u>
Expenses			
Wages and benefits	279,125	242,099	291,343
Mayor and council			
Office materials and supplies	268,000	275,281	197,813
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	0	10,000	262,248
Great Northern Arts Festival			
	<u>547,125</u>	<u>527,380</u>	<u>751,405</u>
Excess (deficiency) of revenue over expenses before amortization	- 427,000	- 420,169	- 276,894
Amortization	0	0	-137,655
Excess (deficiency) of revenue over expenses after amortization	-\$ 427,000	-\$ 420,169	-\$ 414,549

Town of Inuvik
Schedule of Revenue and Expenses, Environmental Services
As at December 31, 2015
(Schedule 3f)

	Budget 2015	Actual 2015	Actual 2014
Revenues			
Property taxes			
User fees and sales of goods	\$ 250,000	\$ 175,955	\$ 323,268
Government transfers			
Fines, penalties & interest			
Development levies, licenses & permits	284,500	299,489	391,660
Land sales/development			
Other revenue			
	<u>534,500</u>	<u>475,444</u>	<u>714,928</u>
Expenses			
Wages and benefits			
Mayor and council			
Office materials and supplies	9,700	52	313
Repairs and maintenance			
Contracted services	762,700	689,599	827,496
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>772,400</u>	<u>689,651</u>	<u>827,810</u>
Excess (deficiency) of revenue over expenses before amortization	- 237,900	- 214,208	- 112,882
Amortization	0	-16,287	-151,652
Excess (deficiency) of revenue over expenses after amortization	-\$ 237,900	-\$ 230,495	-\$ 264,534

Town of Inuvik
Schedule of Revenue and Expenses, Land Development
As at December 31, 2015
(Schedule 3g)

	Budget 2015	Actual 2015	Actual 2014
Revenues			
Property taxes			
User fees and sales of goods			
Government transfers			
Fines, penalties & interest			
Development levies, licenses & permits			
Land sales/development	\$ 101,600	\$34,443	\$ 1,019,032
Other revenue			
	<u>101,600</u>	<u>34,443</u>	<u>1,019,032</u>
Expenses			
Wages and benefits			
Mayor and council			
Office materials and supplies			
Repairs and maintenance			
Contracted services			
Management fees			
Grants			
Cost of sales	60,880	24,835	101,482
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>60,880</u>	<u>24,835</u>	<u>101,482</u>
Excess (deficiency) of revenue over expenses before amortization	40,720	9,608	917,550
Amortization	0	0	0
Excess (deficiency) of revenue over expenses after amortization	\$ 40,720	\$ 9,608	\$ 917,550

Town of Inuvik
Schedule of Revenue and Expenses, Water & Sewer Services
As at December 31, 2015
(Schedule 3h)

	Budget 2015	Actual 2015	Actual 2014
Revenues			
Property taxes			
User fees and sales of goods	\$ 1,892,000	\$1,935,482	\$ 1,903,958
Government transfers	2,024,973	2,026,000	2,627,577
Fines, penalties & interest			
Development levies, licenses & permits			
Land sales/development			
Other revenue			
	3,916,973	3,961,482	4,531,535
Expenses			
Wages and benefits	498,215	529,102	529,549
Mayor and council			
Office materials and supplies	71,250	47,803	90,028
Repairs and maintenance	247,500	254,271	285,250
Contracted services	55,000	8,723	52,673
Management fees	250,000	250,000	250,000
Grants			
Cost of sales			
Provision for allowances			
Utilities - electricity	375,000	441,305	345,213
Utilities - fuel	467,500	437,617	388,812
Utilities - water and sewer	10,000	8,090	1,056
Vehicle O&M	27,752	27,279	26,826
Insurance			
Interest			
Contribution agreement & other expense			
Inuvik Petroleum Show			
Great Northern Arts Festival			
	2,002,217	2,004,190	1,969,406
Excess (deficiency) of revenue over expenses before amortization			
	1,914,756	1,957,293	2,562,129
Loss on disposal of tangible capital assets		0	0
Amortization	0	-1,585,021	-1,244,433
Excess (deficiency) of revenue over expenses after amortization			
	\$ 1,914,756	\$ 372,272	\$ 1,317,696

Town of Inuvik
Schedule of Government Transfers
for the Year ended December 31, 2015
(Schedule 4)

	Budget	2015	2014
Territorial transfers (Note 1d)			
Municipal & Community Affairs			
Formula based funding	\$ 2,527,000	\$ 2,527,000	\$ 2,562,000
Water sewer subsidy program	1,060,000	1,061,000	775,000
Infrastructure (Capital Block Funding)	1,231,000	1,231,000	1,231,000
Canada-NWT Gas Tax Agreement	964,973	965,000	964,972
Senior Citizens Tax Grant	45,000	57,279	47,207
Highway Rescue Funding		30,079	30,974
Recreation Funding	43,000	43,000	43,000
Children & Youth Resiliency Funding	15,000	15,000	-
Other contributions	-	-	-
	5,885,973	5,929,358	5,654,153
Transfer from Deferred Revenue	295,000	-	887,602
Natural Resources Canada contract		111,307	-
ECE Library contribution	47,900	60,845	46,930
Literacy Funding	15,000	15,000	15,000
Other agreements and grants	63,000	75,786	200,382
	420,900	262,938	1,149,914
Total government transfers	\$ 6,306,873	\$ 6,192,296	\$ 6,804,067

Town of Inuvik
Schedule of Salaries, Honoraria and Travel
for the Year ended December 31, 2015
(Schedule 5)

Position	Salary	Honoraria	Travel
MAYOR:			
Floyd Roland	\$ 69,963		\$ 19,860
Jim McDonald	8,646	\$ 9,200	2,635
COUNCILLOR:			
Clarence Wood		6,525	6,915
Terry Halifax		975	3,383
Natasha Kulikowski		4,800	
Kurt Wainman		2,850	
Alana Mero		5,850	
Derek Lindsay		2,775	
Joe Lavoie		4,800	
Melinda Gillis		2,700	
Steven Baryluk		2,010	
Darrell Christie		1,725	
Vince Sharpe		750	

Town of Inuvik
Water and Sewage Reporting Form
for the Year ended December 31, 2015
(Schedule 8)

Water & Sewage Rates:

Economic Rate	\$.00767/L
Residential Rate	\$.00578/L
Commercial Rate	\$.00767/L
Public Sector (including local gov't) Rate	\$.01103/L

Bylaw: 2576/UTIL/14

Water & Sewage expenditures:

Total Water & Sewage Costs For 2015 Per Financial Statements \$ 3,032,074	Total Budgeted Expenditures Used For Calculating Economic Rate (note 1) \$ 2,002,217
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Water & Sewage Revenue:

Total Water and Sewage Revenue For 2015 Per Financial Statements \$ 3,961,482	Revenue - Residential \$ 883,606
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Revenue - Public Sector \$ 764,016	Revenue - Commercial \$ 287,860
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Water & Sewage Consumption (note 1):

Actual Volume Of Water Consumed In 2015 (Billed in litres) 255,795,000	Actual Consumption - Residential (in litres) 143,680,000
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Total Budgeted Consumption For Calculating Economic Rate (in litres) 263,660,000	Actual Consumption - Commercial (in litres) 53,871,000
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Actual Consumption - Public Sector (in litres) 58,244,000

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.