

**TOWN OF INUVIK
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

**TOWN OF INUVIK
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021
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Management Responsibility for the 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 Canadian public sector accounting standards.

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 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 EPR Yellowknife Accounting Professional Corporation, Chartered Professional Accountants. The auditor's report outlines the scope of their audit and their opinion on the presentation of the information included in the financial statements.



Senior Administrative Officer

May 2, 2022

Date



2021 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 Canadian Public Sector Accounting Standards.

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 2021 staff continued an ongoing review of all policies, bylaws and other operating documents with the main focus to determine relevancy 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 2022.

A presentation of the Year-end Financial Statements is made by the Town's Auditor to Council prior to issuance of the final Financial Statements for the acceptance by Council.

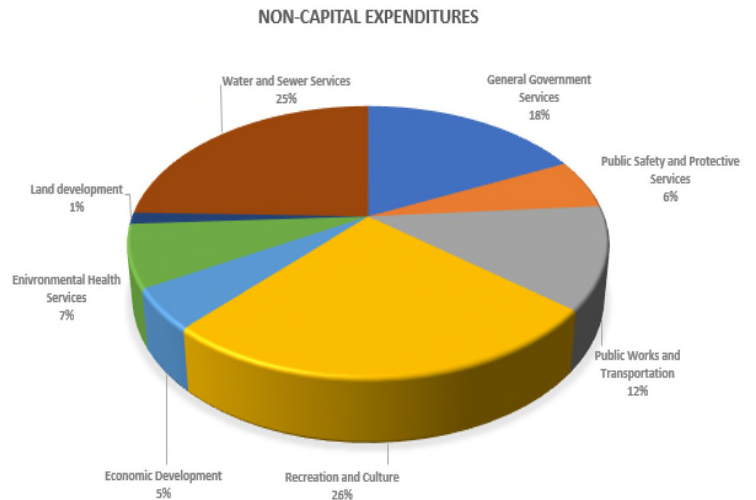
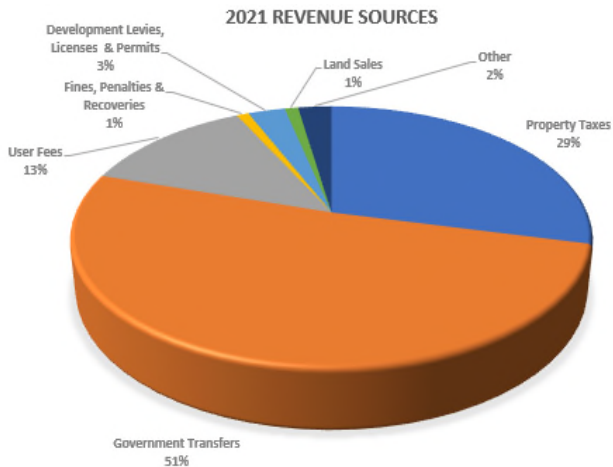
The following financial discussion and analysis has been prepared by management and should be read in conjunction with the audited consolidated Financial Statements and their accompanying notes and schedules.

Results from Operations

The Statement of Operations reports the Town of Inuvik's changes in economic resources and accumulated surpluses for 2021, on a comparative basis. On a combined fund basis, the annual excess of revenues over expenses was positive indicating that the Town of Inuvik increased its accumulated surplus during the year. In part, this surplus was a result of the Covid-19 pandemic where some programs and expenditures were either delayed until 2022 or not provided. Going forward, there will be continued increased pressures to maintain services while balancing revenue and expenses.

Overall, the annual surplus was \$1.133 million (Schedule 3) including the Capital transfers within the Water and Sewer less total Amortization. The breakdown is the land development fund with a surplus of \$0.034 million, a surplus in the operating fund of \$1.52 million and a surplus in the water and sewer services fund of \$3.017 million. The Town of Inuvik has established a positive cash flow during the year due mainly to the delay in Capital expenditures to 2022 and reduced operating costs for some facilities. The major delay to Capital Expenditures was the ongoing long-term Utilidor Replacement project which was reduced due to issues with location of gas lines. Also, the completion of Breynat road upgrade and Hidden lake Biomass are being carried forward to 2021 fiscal year. The Town will continue to monitor its cash flow to ensure that it maintains a positive cashflow.

A number of capital spending projects were completed in the given year. Progress continued on the multi-year Town Office energy upgrade with the replacement of windows and entrance doors with more energy efficient ones. The Town also completed re-shingling of the Warming Centre along with other minor projects. Some Capital expenditures are of a multi-year nature such as Utilidor Replacement, Arctic Market building construction, SCBA replacement, 2nd Water Tank commissioning and Firehall Exhaust System. The Biomass project being completed will also continue in 2022 with the project being fully funded though an agreement with the Government of Canada.

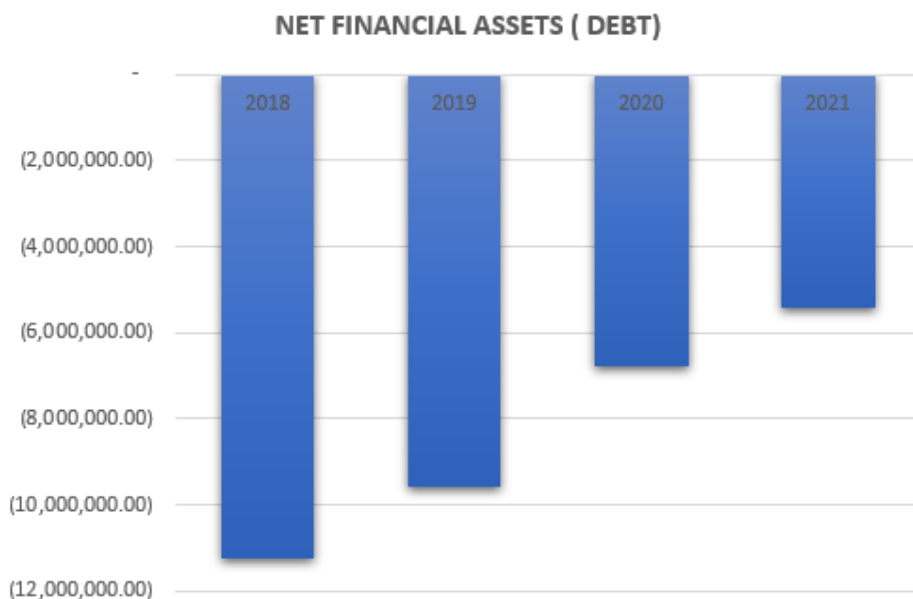


Financial Position

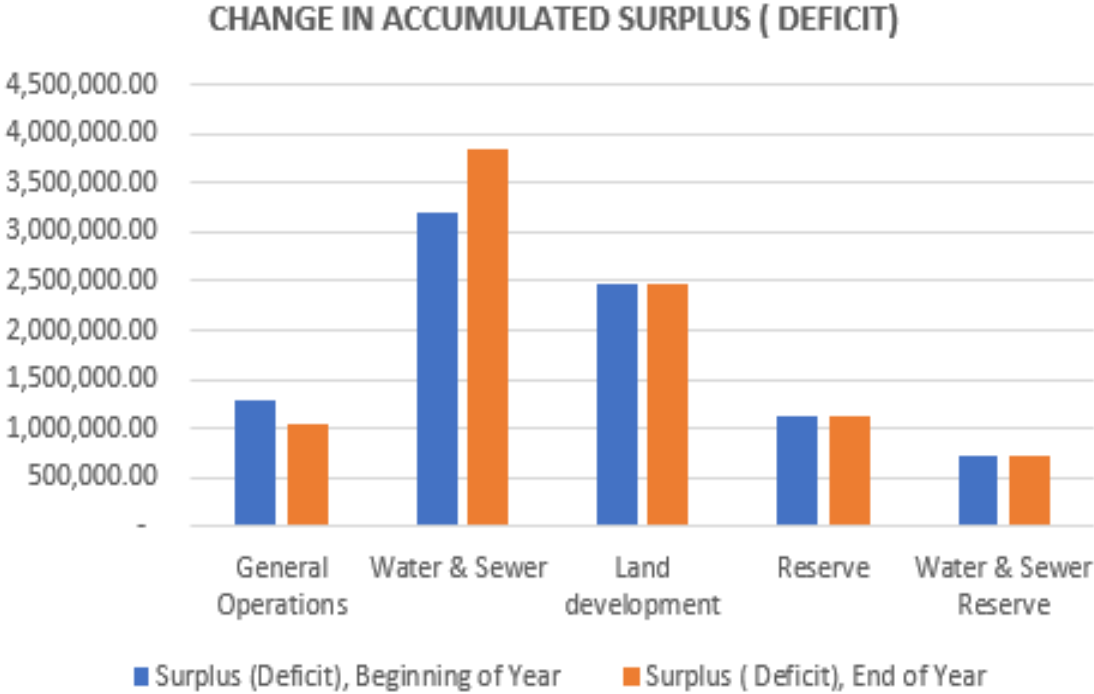
The Statement of Financial Position reports the Town of Inuvik’s financial and non-financial resources, obligations and accumulated surplus as at December 31, 2021, on a comparative basis. This statement is used to evaluate the Town of Inuvik’s ability to finance its activities and to meet its liabilities 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 increased its cash position during 2021. The Town’s cash position has changed from \$6.895 million to having cash in the bank of \$10.188 million. This reflects an increase of \$3.293 million from the prior year. This increase is the result of funding received for Capital expenditures that have been delayed due to the pandemic and the resulting availability of materials. The Town plans to maintain a positive cash position through continued 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 \$4.568 million. The following table shows how much the community’s financial position has changed. For details, please refer to the schedule of accumulated surplus (deficit).



Capital Assets

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. The Town will continue to evaluate its infrastructure and identify where the replacement of Capital assets is required while ensuring that there is sufficient financial resources to accomplish such replacements. Currently, the main priority is the Utilidor Replacement which is a long term project where there is an estimated \$80 million in costs yet to be completed. At the current availability of funding resources, this project will not be completed for 20 years.

Debt

Currently, the Town of Inuvik has no difficulty meeting either the principal or interest payments that come due monthly. The Town currently has a Long-term Debt for the Water Treatment Plant with a fixed principal repayment schedule of \$800,000 annually plus interest. For details, please refer to Note 10 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 environment of forced growth expenses along with the lasting effects from the pandemic where we have seen a significant rise in the cost of some

supplies. 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 face challenges in keeping pace with others without a constant review of its employment practices both with salaries/benefits and also the physical work environment.

A handwritten signature in black ink, appearing to be 'f-l'.

Senior Administrative Officer



**YELLOWKNIFE
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INDEPENDENT AUDITOR'S REPORT

To the Mayor and Members of Council:

Opinion

We have audited the financial statements of the Town of Inuvik, which comprise the statement of financial position as at December 31, 2021 and the statements of operations, statement of changes in net financial assets (debts) and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Town as at December 31, 2021, and its results of operations and its cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Town in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the Town's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Town or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Town's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

An Independent
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• **INDEPENDENT AUDITOR'S REPORT (CONT.)**

- Obtain an understanding of internal control relevant to the audit 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 Town's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Town's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Town to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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.

EPR Yellowknife Accounting Prof. Corp.

Yellowknife, NWT
May 2, 2022

EPR Yellowknife Accounting Professional Corporation
Chartered Professional Accountants

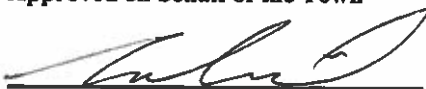
**TOWN OF INUVIK
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2021**

STATEMENT I

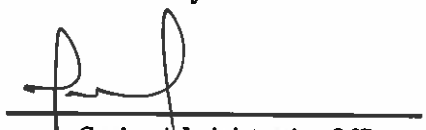
| | 2021 | 2020 |
|--|-----------------------|-----------------------|
| Financial Assets | | |
| Cash (Note 2) | \$ 7,330,695 | \$ 4,347,835 |
| Reserves deposits (Notes 11 and 3) | 2,857,775 | 2,547,345 |
| Taxes and grants in-lieu of taxes receivable (Note 4) | 1,108,790 | 2,534,240 |
| Other accounts receivable (Note 5) | 1,605,164 | 1,150,971 |
| Due from Children First Society - current (Note 7) | 120,000 | 120,000 |
| | 13,022,424 | 10,700,391 |
| Liabilities | | |
| Accounts payable and accrued liabilities (Note 8) | 2,086,254 | 1,663,149 |
| Deferred revenue (Note 1p, 9) | 3,700,861 | 2,618,615 |
| Landfill restoration liability (Note 14) | 160,000 | 140,000 |
| Long term debt (Note 10) | 12,266,664 | 13,066,664 |
| Capital lease obligation (Note 11) | 245,165 | - |
| | 18,458,944 | 17,488,428 |
| Net Financial Debt | (5,436,520) | (6,788,037) |
| Non - Financial Assets | | |
| Tangible capital assets (Note 12 and Schedule 1) | 138,525,455 | 134,923,080 |
| Land held for resale - non-current (Note 1f) | 1,680,097 | 1,898,497 |
| Due from Children First Society - non-current (Note 7) | 216,036 | 295,956 |
| Prepaid expenses (Note 6) | 89,261 | 77,954 |
| Inventory (Note 1f) | 129,140 | 228,129 |
| | 140,639,989 | 137,423,616 |
| Accumulated Surplus (Schedule 2) | \$ 135,203,469 | \$ 130,635,579 |

Commitments and contingencies (Notes 14, 15 and 17)
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 AND ACCUMULATED SURPLUS
FOR THE YEAR ENDED DECEMBER 31, 2021

STATEMENT II

| | 2021 Budget | 2021 Actual | 2020 Actual |
|---|-----------------------|-----------------------|-----------------------|
| | (Note 1n) | | |
| Revenues (Schedule 3) | | | |
| Property taxes | \$ 4,204,720 | \$ 4,111,029 | \$ 3,957,779 |
| Property taxes - education portion | 692,101 | 692,101 | 695,153 |
| Grants in lieu of property taxes - GNWT | 1,508,258 | 1,491,914 | 1,432,276 |
| Grants in lieu of property taxes - Canada | 327,330 | 367,478 | 366,155 |
| Less: Allowance for doubtful accounts | - | - | - |
| Education requisition | (692,101) | (692,101) | (695,153) |
| Net municipal property taxes | 6,040,308 | 5,970,421 | 5,756,210 |
| Government transfers (Schedule 4) | 11,514,803 | 10,581,819 | 12,664,579 |
| User fees and sales of goods | 2,592,863 | 2,669,344 | 3,141,237 |
| Fines, penalties and recoveries | 135,000 | 182,839 | (7,545) |
| Development levies, licenses and permits | 514,450 | 570,573 | 448,670 |
| Land revenue | 135,500 | 208,252 | 272,110 |
| Other | 490,590 | 514,880 | 202,413 |
| Total revenues | 21,423,514 | 20,698,128 | 22,477,674 |
| Expenses (Schedule 3) | | | |
| General government | 2,172,041 | 2,457,236 | 6,815,821 |
| Protective services | 772,030 | 914,918 | 813,215 |
| Public works & transportation services | 1,405,670 | 2,326,451 | 2,378,011 |
| Recreation services | 3,966,958 | 4,038,541 | 4,336,764 |
| Economic development | 526,205 | 622,596 | 653,119 |
| Environmental health services | 786,200 | 987,461 | 1,297,322 |
| Land expenditures | 111,300 | 173,327 | 221,276 |
| Water and sewage expenditures | 3,082,864 | 4,609,708 | 4,942,594 |
| Budgeted net capital expenditures (note 1n) | 7,467,060 | - | - |
| Total operating expenditures | 20,290,328 | 16,130,238 | 21,458,122 |
| Annual surplus | 1,133,186 | 4,567,890 | 1,019,552 |
| Accumulated surplus, beginning of year | 130,635,579 | 130,635,579 | 129,616,027 |
| Accumulated surplus, end of the year | \$ 131,768,765 | \$ 135,203,469 | \$ 130,635,579 |

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, 2021

STATEMENT III

| | 2021 Budget | 2021 Actual | 2020 Actual |
|---|----------------|----------------|----------------|
| | (Note 1n) | | |
| Annual surplus (deficit) | \$ 1,133,186 | \$ 4,567,890 | \$ 1,019,552 |
| Loss on disposal tangible capital assets | - | 56,651 | - |
| Amortization of tangible capital assets | - | 3,339,006 | 3,243,328 |
| Change in inventories and prepaid expenses | - | 87,684 | 206,033 |
| Change in land held for resale - non-current | - | 218,400 | 221,200 |
| Change in Due from Children First Society - non-current | - | 79,920 | 128,311 |
| Acquisition of tangible capital assets | - | (6,998,034) | (2,046,592) |
| Increase in net financial assets | 1,133,186 | 1,351,517 | 2,771,832 |
| Net financial debt beginning of year | (6,788,037) | (6,788,037) | (9,559,869) |
| Net financial debt at the end of year | \$ (5,654,851) | \$ (5,436,520) | \$ (6,788,037) |

See accompanying notes and schedules to the financial statements.

TOWN OF INUVIK
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2021

STATEMENT IV

| | 2021 | 2020 |
|--|----------------------|---------------------|
| NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES: | | |
| Operating Transactions | | |
| Annual surplus | \$ 4,567,890 | \$ 1,019,552 |
| Non-cash charges to operations: | | |
| Loss on disposal of tangible capital assets | 56,651 | - |
| Amortization of capital assets | 3,339,006 | 3,243,328 |
| Decrease (increase) in accounts receivable | 971,258 | (733,325) |
| Decrease in land held for resale | 218,400 | 221,200 |
| Decrease in inventory | 98,988 | 158,341 |
| Decrease in Due from Children First Society | 79,920 | 128,311 |
| Decrease in prepaid expenses | (11,305) | 47,691 |
| Increase (decrease) in accounts payable and other liabilities | 443,105 | 120,075 |
| Increase in deferred revenue | 1,082,246 | 764,381 |
| Net cash from operations | 10,846,159 | 4,969,554 |
| Financing Transactions | | |
| Repayment of long-term debt | (800,000) | (938,500) |
| Repayment of capital lease | (56,300) | - |
| | (856,300) | (938,500) |
| Capital Transactions | | |
| Acquisition of tangible capital assets | (6,696,569) | (2,046,592) |
| Increase in cash | 3,293,290 | 1,984,462 |
| Cash at beginning of year | 6,895,180 | 4,910,718 |
| Cash at end of year | \$ 10,188,470 | \$ 6,895,180 |
| Comprised of: | | |
| Cash | \$ 7,330,695 | \$ 4,347,835 |
| Restricted cash and reserves (Note below) | 2,857,775 | 2,547,345 |
| | \$ 10,188,470 | \$ 6,895,180 |
| Restricted cash and reserves is comprised as follow: | | |
| Reserve deposits (Note 3) | | |
| General operational reserve | \$ 2,129,192 | \$ 1,818,762 |
| Water & sewer reserve | 728,583 | 728,583 |
| | \$ 2,857,775 | \$ 2,547,345 |

Interest paid during the year amounted to \$349,708 (2020 - \$368,686) including interest on long-term debt and debentures. Interest received or receivable was \$31,925 (2020 - \$24,913).

See accompanying notes and schedules to the financial statements.

TOWN OF INUVIK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

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 Board and Chartered Professional Accountants Canada. Significant aspects of the accounting policies adopted by the Town 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) Cash

Cash consists of cash on hand and balances with banks.

d) 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 general revenues, general expenditures and other transactions not accounted for in other funds.

Water and sewage (utilities) fund – to account for water and sewage 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.

TOWN OF INUVIK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

1. SIGNIFICANT ACCOUNTING POLICIES (cont.)

e) 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, provided 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.

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.

Inventories held for resale are recorded at the lower of cost or net realizable value. Cost includes costs for land acquisition and improvements required to prepare land for servicing such as clearing, stripping and leveling charges. Related development costs incurred to provided infrastructure such as water and waste water 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. There is no indication of impairment. As at December 31, 2021, there were land sales of \$198,420 (2020 - \$260,325).

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 | 15-40 |
| Buildings | 25-50 |
| Engineered structures | |
| Water systems | 35-65 |
| Waste water systems | 35-65 |
| Other engineered structures | 15-40 |
| Machinery and equipment | 5-20 |
| Vehicles | 3-20 |
| Roads | 10-20 |
| Equipment under capital lease | 5 |

Assets under construction are not amortized until the asset is available for productive use.

When conditions indicate that a tangible capital asset no longer contributes to the Town's ability to provide goods and services, management will make that determination that the asset is impaired and write-down the carrying value of the asset to zero.

TOWN OF INUVIK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

1. SIGNIFICANT ACCOUNTING POLICIES (cont.)

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. 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.

k) Restricted Cash

Restricted cash is held for future expenditures restricted in use by the stipulations of the funder. Uses may include operational or capital expenditures. The Town maintains the following cash as restricted:

| | |
|---------------------------------|--|
| Gas tax | To fund qualifying infrastructure projects |
| Community Public Infrastructure | To fund or replace infrastructure related projects |

l) 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:

| | |
|------------------------|---|
| General reserves | To replace and repair various municipal assets, and provide a reserve for operations. |
| Water & sewage reserve | To replace and repair water & sewage assets. |

m) 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. Management estimates include assumptions used in estimating provisions for allowance for doubtful accounts, inventory, useful lives of tangible capital assets, accrued liabilities, and valuation of landfill restoration liability. Where measurement uncertainty exists, the financial statements have been prepared within reasonable limits of materiality. Actual results could differ from those estimates.

n) Budget

Budget figures are unaudited and are those approved by Council on June 7, 2021. The Town budgets for Capital Expenditures and not Amortization. The budget for Capital Expenditures is allocated to service divisions.

**TOWN OF INUVIK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

1. SIGNIFICANT ACCOUNTING POLICIES (cont.)

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, accounts receivable 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.

p) Deferred Revenue

Deferred revenue is comprised of government transfers for which the events giving rise to the transfer have not yet occurred. The deferred revenue will be recognized in the financial statements as revenue in the period in which the related expenses are incurred or related services are performed. The deferred revenue balances are fully funded as follows:

| | Deferred Balance 2021 | Cash Balance 2021 | Overage (Shortfall) | Deferred Balance 2020 |
|-----------------------------------|--------------------------|----------------------|------------------------|--------------------------|
| CA - Inuvik Guide | \$ - | \$ - | \$ - | \$ 37,150 |
| CA - Small Communities Employment | 53,166 | 53,166 | - | 57,657 |
| CPI Funding | 2,605,640 | 2,605,640 | - | 749,838 |
| WTP Heat Exchanger | 243,622 | 243,622 | - | - |
| Gas tax | 792,933 | 792,933 | - | 1,752,113 |
| CA - Covid Emergency Sport Fund | - | - | - | 21,857 |
| Other | 5,500 | 5,500 | - | - |
| | \$ 3,700,861 | \$ 3,700,861 | \$ - | \$ 2,618,615 |

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 contribution 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 year. 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 Town is required to make matching contributions. Total contributions by the Town to the program were \$229,549 (2020 - \$237,929). 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 are not intended for sale in the normal course of operations. The change in non-financial assets during the year, together with the annual surplus, provides the Change in Net Financial Assets (Debt) for the year.

TOWN OF INUVIK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

1. SIGNIFICANT ACCOUNTING POLICIES (cont.)

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 1d. Segmented financial information for certain departments are provided in Schedules 3a to 3h. 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.
- 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 Services provides services through recreation and cultural programs.
- Environmental which provides refuse removal services and landfill maintenance.
- Water and Sewage Services provides for operations and maintenance related to water distribution and sewage collection.

u) Liability for Landfill and Post-Closure Costs

The Town is required to fund the closure of its landfill site and sewage lagoons 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 and sewage lagoon sites (currently estimate at a further 50 years) based on usage.

v) Due from Children First Society

The balance due from the Children First Society was initially measured at the amount agreed between the Town and the Society, which was the fair value of the loan extended. The balance is subsequently recorded at cost which is measured as the balance less principal payments made. Interest paid by the Society is recorded as revenue in the period in which the interest payment is received.

2. CASH

| | 2021 | 2020 |
|------|--------------|--------------|
| Cash | \$ 7,330,695 | \$ 4,347,835 |

The Town has arranged an overall credit limit of \$17,750,000 (Operating Line \$1,500,000, Long-term financing for Water Treatment Plant \$16,000,000, and Corporate VISA \$250,000). The amount drawn on the line of credit at year end is \$363,204.

TOWN OF INUVIK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

3. RESERVE DEPOSITS

| | Reserve Balance 2021 | Cash Balance 2021 | Overage (Shortfall) | Cash Balance 2020 |
|--------------------------------------|-------------------------|----------------------|------------------------|----------------------|
| Reserve fund is comprised of: | | | | |
| General operational reserve | \$ 1,114,947 | \$ 2,129,192 | \$ 1,014,245 | \$ 1,818,762 |
| Water & sewer reserve | 728,583 | 728,583 | - | 728,583 |
| | \$ 1,843,530 | \$ 2,857,775 | \$ 1,014,245 | \$ 2,547,345 |

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.

4. TAXES AND GRANTS IN LIEU OF TAXES RECEIVABLE

| | 2021 | 2020 |
|---|---------------------|---------------------|
| Current taxes and grants in lieu of taxes | \$ - | \$ - |
| Less: allowance for doubtful accounts | - | - |
| | - | - |
| Non-current taxes | 1,778,284 | 3,083,776 |
| Less: Allowance for doubtful accounts | (669,494) | (549,536) |
| | \$ 1,108,790 | \$ 2,534,240 |

5. OTHER ACCOUNTS RECEIVABLE

| | 2021 | 2020 |
|---|---------------------|---------------------|
| Sundry | \$ 87,517 | \$ 41,716 |
| Goods & Service Tax | 64,685 | 158,933 |
| Municipal and Community Affairs (GNWT) - Covid 19 - reimbursement | - | 443,577 |
| Municipal and Community Affairs (GNWT) - ICIP - pool repairs | 289,448 | - |
| Government of Canada - Biomass Heating | 303,006 | 213,157 |
| Government of Canada (CANNOR) - CJKP upgrades | 535,000 | - |
| Less: allowance for doubtful accounts | (14,056) | (12,215) |
| | 1,265,600 | 845,168 |
| Land sales, rentals and leases | 2,595 | 2,828 |
| Less: allowance for doubtful accounts | - | - |
| | 2,595 | 2,828 |
| Utility | 336,969 | 302,975 |
| Less: allowance for doubtful accounts | - | - |
| | 336,969 | 302,975 |
| | \$ 1,605,164 | \$ 1,150,971 |

TOWN OF INUVIK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

6. PREPAID EXPENSES

| | 2021 | 2020 |
|-------------------|------------------|------------------|
| Prepaid insurance | \$ 65,339 | \$ 63,668 |
| Other | 23,922 | 14,286 |
| | \$ 89,261 | \$ 77,954 |

7. DUE FROM CHILDREN FIRST SOCIETY

| | 2021 | 2020 |
|--|-------------------|-------------------|
| Interim financing provided to Children First Society to be repaid over over ten years at a monthly rate of \$10,000, interest at prime plus 0.25% calculated monthly, unsecured. Long-term portion | \$ 216,036 | \$ 295,956 |
| Current portion | 120,000 | 120,000 |
| | \$ 336,036 | \$ 415,956 |

The Town entered into an agreement with the Children First Society ("CFS") with the intention to transfer title and interest in the land and building, known as the Children First Building, to the Town on March 31, 2014. At December 31, 2017, the Town acquired the interest in the building but, as of December 31, 2021, work is still proceeding on transfer of the land title. As at December 31, 2021 CFS was current in their monthly payments under the financing plan.

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

| | 2021 | 2020 |
|-------------------------|---------------------|---------------------|
| Trade accounts payables | \$ 809,454 | \$ 1,350,506 |
| Payroll liabilities | 197,210 | 122,219 |
| Deposits | 663,768 | 135,423 |
| Holdback payable | 415,822 | 55,001 |
| | \$ 2,086,254 | \$ 1,663,149 |

TOWN OF INUVIK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

9. DEFERRED REVENUE

| | 2020 | Externally Restricted Inflows | Funding returned | Revenue earned | 2021 |
|---|---------------------|-------------------------------------|---------------------|-----------------------|---------------------|
| CA - Inuvik Guide | \$ 37,150 | \$ - | \$ - | \$ (37,150) | \$ - |
| CA - Small Communities Employment Support | 57,657 | 226,000 | (19,798) | (210,693) | 53,166 |
| CPI Funding | 749,838 | 2,561,173 | - | (705,371) | 2,605,640 |
| CIRNAC - WTP heat exchanger | - | 282,722 | - | (39,100) | 243,622 |
| Gas Tax Funding | 1,752,113 | 2,091,825 | - | (3,051,005) | 792,933 |
| CA - Covid Emergency Sport Fund | 21,857 | - | - | (21,857) | - |
| Other | - | 5,500 | - | - | 5,500 |
| | \$ 2,618,615 | \$ 5,167,220 | \$ (19,798) | \$ (4,065,176) | \$ 3,700,861 |

10. LONG TERM DEBT

| | 2021 | 2020 |
|---|----------------------|----------------------|
| Canadian Imperial Bank of Commerce demand installment loan, with principal payments of \$12,931.04 plus variable interest at the CDOR +0.75% maturing November, 2027, secured by the Water Treatment Plant and a general assignment of property taxes receivable. | \$ 2,379,309 | \$ 2,534,481 |
| Canadian Imperial Bank of Commerce demand installment loan, with principal payments of \$53,735.63 plus fixed interest at 2.39% +0.75% , maturing November, 2027 , secured by the Water Treatment Plant and a general assignment of property taxes receivable. | 9,887,355 | 10,532,183 |
| | \$ 12,266,664 | \$ 13,066,664 |

The current portion of the long-term debt (principal and interest) amounts to \$1,130,229 (2020 - \$1,099,115).

Principal and interest repayments are as follows:

| | Principal | Interest | Total |
|------------|----------------------|---------------------|----------------------|
| 2022 | \$ 800,000 | \$ 330,229 | \$ 1,130,229 |
| 2023 | 800,000 | 308,016 | 1,108,016 |
| 2024 | 800,000 | 286,535 | 1,086,535 |
| 2025 | 800,000 | 263,592 | 1,063,592 |
| 2026 | 800,000 | 241,380 | 1,041,380 |
| Thereafter | 8,266,664 | 1,124,486 | 9,391,150 |
| | \$ 12,266,664 | \$ 2,554,238 | \$ 14,820,902 |

TOWN OF INUVIK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

11. CAPITAL LEASE OBLIGATION

On April 15, 2021, the Town entered into a capital lease to acquire a MSA G1 self-contained breathing apparatus. The financed amount was \$301,465. The capital lease is repayable in five annual payments of \$65,689 plus GST and bears interest at 4.39%. The lease term ends April 15, 2026. At the conclusion of the lease the Town has the option to purchase the asset for \$1. The cost of the leased asset is \$301,465. The net book value of the asset at the end of the year is \$241,172.

| | | |
|--------------------------|-------------------|-------------|
| | 2021 | 2020 |
| Capital lease obligation | \$ 245,165 | \$ - |
| Current portion | (58,247) | - |
| | \$ 186,918 | - |

The 4 year horizon of principal and interest repayments are as follows:

| | Principal | Interest | Total |
|------|-------------------|------------------|-------------------|
| 2022 | \$ 58,247 | \$ 7,444 | \$ 65,691 |
| 2023 | 60,259 | 5,431 | 65,690 |
| 2024 | 62,342 | 3,349 | 65,691 |
| 2025 | 64,317 | 1,195 | 65,512 |
| | \$ 245,165 | \$ 17,419 | \$ 262,584 |

12. TANGIBLE CAPITAL ASSETS

| | 2021 | 2020 |
|-------------------------------|-----------------------|-----------------------|
| | Net Book Value | Net Book Value |
| Land improvements | \$ 3,008,644 | \$ 2,978,931 |
| Buildings | 14,192,223 | 14,883,807 |
| Machinery and equipment | 1,652,898 | 1,485,789 |
| Roads, sidewalks and paving | 16,091,886 | 16,089,357 |
| Water and waste water | 99,403,851 | 97,878,790 |
| Vehicles | 1,013,437 | 1,137,584 |
| Assets under construction | 2,861,051 | 468,822 |
| | 138,223,990 | 134,923,080 |
| Equipment under capital lease | 301,465 | - |
| | \$ 138,525,455 | \$ 134,923,080 |

TOWN OF INUVIK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

13. EQUITY IN TANGIBLE CAPITAL ASSETS

| | 2021 | 2020 |
|---|-----------------------|-----------------------|
| Tangible capital assets (Schedule 1) | \$ 203,391,850 | \$ 202,833,841 |
| Accumulated amortization (Schedule 1) | (64,866,395) | (67,910,761) |
| | 138,525,455 | 134,923,080 |
| Long term debt | (12,266,664) | (13,066,664) |
| Capital lease | (245,165) | - |
| Equity in Tangible Capital Assets (Schedule 2) | \$ 126,013,626 | \$ 121,856,415 |

14. LANDFILL CLOSURE AND POST-CLOSURE LIABILITY

The Town is required to fund the closure of its landfill site 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 and sewage lagoon sites (currently estimate at a further 50 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 and 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, 2021. A provision for the landfill restoration liability of \$160,000 (2020 - \$140,000) has been made as at December 31, 2021, with the intention to increase the provision by \$20,000 annually during the life of the site (subject to annual review; 50 years of annual provisions would total \$1,140,000 by year 2070). Any liability in excess of the amount provided would be accounted for as a current transaction in the year determined.

15. CONTINGENCIES

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

During the year, a claim was brought against the Town. The outcome of the claim is not known at this time. Management is of the opinion that any possible judgment is not material to these financial statements.

In another matter, the Town received the remaining payments under the terms of a settlement agreement reached in a previous year. There are no further amounts receivable from the settlement. The matter is closed.

TOWN OF INUVIK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

16. COMPARATIVE AMOUNTS

The financial statements have been reclassified, where applicable to conform to the presentation used in the current year. The changes do not affect prior year earnings.

17. COMMITMENTS

a) Service Contracts

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

| | Total |
|------|---------------------|
| 2022 | \$ 363,892 |
| 2023 | 279,000 |
| 2024 | 279,000 |
| 2025 | 279,000 |
| 2026 | 279,000 |
| | \$ 1,479,892 |

b) Capital Contracts

The Town regularly enters into contracts related to capital projects. As at December 31, 2021, the amounts below represent uncompleted portions of contracts for: the tourism building, pool rehabilitation and the biomass heater. The expected minimum payments for these contracts are:

| | Total |
|------|--------------|
| 2022 | \$ 1,445,631 |

18. COVID-19

On March 11, 2020, the World Health Organization categorized COVID-19 as a pandemic. The potential economic effects within the company's environment and in the global markets due to the possible disruption in supply chains, and measures being introduced at various levels of government to curtail the spread of the virus (such as travel restrictions, closures of non-essential municipal and private operations, imposition of quarantines and social distancing) could have a material impact on the Town's operations.

The extent of the impact of this outbreak and related containment measures on the Town's operations cannot be reliably estimated at this time.

**TOWN OF INUVIK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

19. 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.

20. FINANCIAL INSTRUMENTS

The significant financial risks to which the City is exposed are credit risk and interest rate risk.

a) Credit risk

Credit risk is the risk that one party to the financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Town is exposed to credit risk in the event of non-performance by counterparties in connection with its accounts, utilities and taxes receivable. The Town does not obtain collateral or other security to support general accounts receivable subject to credit risk. However, credit risk is mitigated in that taxes and utilities receivable are ultimately collectable upon sale of the property.

b) Concentration of credit risk

Excluding grants-in-lieu of taxes, approximately 30% or \$1,445,008 (2020 - 31% or \$1,443,867) of the Town's annual tax revenue is from 6 major property owners. The concentration of credit risk is mitigated, in that these largest property owners are in stable industries which serve basic community needs.

c) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The long term debt bears interest at the variable CDOR. Changes in the CDOR rate can cause fluctuations in interest payments and cash flows. Management estimates that changes to CDOR will not cause material fluctuations to interest payments and cash flows. Other loans are taken at fixed rates to mitigate exposure to interest rate risk.

TOWN OF INUVIK
SCHEDULE OF TANGIBLE CAPITAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2021
(Schedule 1)

| | Land and Improvements | Buildings | Vehicles | Machinery & Equipment | Sewage Lagoon & Landfill | Roads | Water and Waste Water | Assets Under Construction | Equipment Under Capital lease | 2021 Total | 2020 Total |
|---|--------------------------|----------------------|---------------------|-----------------------------|--------------------------------|----------------------|--------------------------|------------------------------|-------------------------------------|-----------------------|-----------------------|
| Cost | | | | | | | | | | | |
| Balance, beginning of year | \$ 3,247,377 | \$ 33,112,381 | \$ 3,624,594 | \$ 4,194,154 | \$ 1,500,000 | \$ 27,267,493 | \$ 129,419,021 | \$ 468,822 | \$ - | \$ 202,833,842 | \$ 200,787,249 |
| Additions during year | 51,600 | 67,990 | - | 376,433 | - | 661,753 | 2,974,680 | 2,564,113 | 301,465 | 6,998,034 | 2,046,592 |
| Disposals during year | - | (14,170) | - | (238,431) | - | (504,212) | (5,683,211) | - | - | (6,440,024) | - |
| Transfer from assets under construction | - | - | - | 135,287 | - | - | 36,597 | (171,884) | - | - | - |
| Balance, end of year | 3,298,977 | 33,166,201 | 3,624,594 | 4,467,443 | 1,500,000 | 27,425,034 | 126,747,087 | 2,861,051 | 301,465 | 203,391,850 | 202,833,841 |
| Accumulated Amortization | | | | | | | | | | | |
| Balance, beginning of year | 268,446 | 18,228,573 | 2,487,010 | 2,708,365 | 1,500,000 | 11,178,136 | 31,540,231 | - | - | 67,910,761 | 64,667,433 |
| Additions during year | 21,887 | 759,574 | 124,147 | 245,711 | - | 659,224 | 1,468,170 | - | 60,293 | 3,339,006 | 3,243,328 |
| Disposals during year | - | (14,170) | - | (199,825) | - | (504,212) | (5,665,166) | - | - | (6,383,373) | - |
| Adjustments | - | - | - | - | - | - | - | - | - | - | - |
| Balance, end of year | 290,333 | 18,973,977 | 2,611,157 | 2,754,251 | 1,500,000 | 11,333,148 | 27,343,235 | - | 60,293 | 64,866,395 | 67,910,761 |
| Net Book Value | \$ 3,008,644 | \$ 14,192,224 | \$ 1,013,437 | \$ 1,713,192 | \$ - | \$ 16,091,886 | \$ 99,403,852 | \$ 2,861,051 | \$ 241,172 | \$ 138,525,455 | \$ 134,923,080 |

TOWN OF INUVIK
SCHEDULE OF CHANGES IN ACCUMULATED SURPLUS
FOR THE YEAR ENDED DECEMBER 31, 2021
(Schedule 2)

| | Operating Fund | Water and Sewer Fund | Land Fund | Operating Reserve Fund | Water and Sewer Reserve Fund | Equity in Tangible Capital Assets | 2021 Total | 2020 Total |
|-----------------------------|-----------------------|-----------------------------|---------------------|-------------------------------|-------------------------------------|--|-----------------------|-----------------------|
| Annual surplus | \$ 1,515,036 | \$ 3,017,929 | \$ 34,925 | \$ - | \$ - | \$ - | \$ 4,567,890 | \$ 1,019,552 |
| Net interfund transfers | 84,892 | - | (51,600) | - | - | (33,292) | - | - |
| Amortization | 1,870,836 | 1,468,170 | - | - | - | (3,339,006) | - | - |
| Capital additions | (3,688,546) | (3,041,314) | - | - | - | 6,729,860 | - | - |
| Loss on asset disposal | 38,606 | - | 18,045 | - | - | (56,651) | - | - |
| Capital lease repayment | (56,300) | - | - | - | - | 56,300 | - | - |
| Long-term debt repayment | - | (800,000) | - | - | - | 800,000 | - | - |
| | (235,476) | 644,785 | 1,370 | - | - | 4,157,211 | 4,567,890 | 1,019,552 |
| Balance, beginning of year | 1,279,112 | 3,190,082 | 2,466,440 | 1,114,947 | 728,583 | 121,856,415 | 130,635,579 | 129,616,027 |
| Balance, end of year | \$ 1,043,636 | \$ 3,834,867 | \$ 2,467,810 | \$ 1,114,947 | \$ 728,583 | \$ 126,013,626 | \$ 135,203,469 | \$ 130,635,579 |

TOWN OF INUVIK
STATEMENT OF REVENUE AND EXPENSES, BY SERVICE DIVISION
FOR THE YEAR ENDED DECEMBER 31, 2021
(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 2021 | Total 2020 |
|--|-----------------------------------|---|---------------------------------------|---------------------------|-------------------------|----------------------------------|----------------------------|-----------------------------|-------------------------------------|---------------------|---------------------|
| Revenue | (Schedule 3a) | (Schedule 3b) | (Schedule 3c) | (Schedule 3d) | (Schedule 3e) | (Schedule 3f) | | (Schedule 3g) | (Schedule 3h) | | |
| Property taxes | \$ 5,970,422 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 5,970,422 | \$ - | \$ - | \$ 5,970,422 | \$ 5,756,210 |
| User fees and sales of goods | 155,824 | - | 20,000 | 234,952 | 56,157 | 168,506 | 635,439 | - | 2,033,904 | 2,669,344 | 3,141,237 |
| Government transfers - ops | 2,977,316 | 102,689 | - | 155,610 | 99,729 | 84,892 | 3,420,236 | - | 1,385,000 | 4,805,236 | 10,453,766 |
| Government transfers - LTD | - | - | - | - | - | - | - | - | 800,000 | 800,000 | - |
| Fines, penalties & interest | 182,839 | - | - | - | - | - | 182,839 | - | - | 182,839 | (7,545) |
| Development levies, licenses & permits | 162,490 | 31,575 | - | - | - | 376,508 | 570,573 | - | - | 570,573 | 448,670 |
| Land sales/development | - | - | - | - | - | - | - | 208,252 | - | 208,252 | 272,110 |
| Other revenue | 431,925 | - | - | - | 82,954 | - | 514,879 | - | - | 514,880 | 202,413 |
| | 9,880,816 | 134,264 | 20,000 | 390,562 | 238,840 | 629,906 | 11,294,388 | 208,252 | 4,218,904 | 15,721,546 | 20,266,861 |
| Expense | | | | | | | | | | | |
| Wages and benefits | 1,021,297 | 446,112 | 367,207 | 2,067,229 | 332,203 | - | 4,234,048 | - | 542,402 | 4,776,450 | 4,849,992 |
| Mayor and Council | 161,888 | - | - | - | - | - | 161,888 | - | - | 161,888 | 171,382 |
| Office materials and supplies | 202,908 | 153,303 | 31,610 | 106,070 | 198,810 | - | 692,701 | - | 214,024 | 906,725 | 1,024,443 |
| Repairs and maintenance | 1,349 | 12,874 | 479,781 | 85,512 | - | 1,170 | 580,686 | - | 551,731 | 1,132,417 | 1,170,767 |
| Contracted services | 254,437 | - | 672,751 | - | - | 949,045 | 1,876,233 | - | 59,849 | 1,936,082 | 2,471,493 |
| Management fees | (278,000) | - | - | - | - | - | (278,000) | - | 250,000 | (28,000) | (28,000) |
| Interest on long-term debt | - | - | - | - | - | - | - | - | 349,708 | 349,708 | 368,686 |
| Grants | 226,219 | - | - | - | - | - | 226,219 | - | - | 226,219 | 203,721 |
| Cost of sales | - | - | - | - | - | - | - | 173,327 | - | 173,327 | 221,276 |
| Prov. for allowances (recov.) | 124,645 | - | - | - | - | - | 124,645 | - | - | 124,645 | - |
| Utilities - electricity | 53,668 | 44,357 | 671 | 642,287 | - | - | 740,983 | - | 714,248 | 1,455,231 | 1,552,094 |
| Utilities - fuel | 62,591 | 47,134 | - | 309,102 | - | - | 418,827 | - | 416,129 | 834,956 | 949,634 |
| Utilities - water and sewer | 2,390 | 4,200 | - | 15,304 | - | - | 21,894 | - | 257 | 22,151 | 58,009 |
| Vehicle O&M | - | 32,802 | 6,522 | 26,487 | - | - | 65,811 | - | 25,145 | 90,956 | 97,022 |
| Insurance | 259,942 | - | - | - | - | - | 259,942 | - | - | 259,942 | 206,003 |
| Interest | 44,389 | 9,389 | - | - | - | - | 53,778 | - | - | 53,778 | 43,743 |
| Contribution agreement | 132,365 | - | - | 34,158 | 62,800 | - | 229,323 | - | - | 229,323 | 205,891 |
| AET | - | - | - | - | 28,783 | - | 28,783 | - | - | 28,783 | - |
| Covid-19 expenses | - | - | - | - | - | - | - | - | - | - | 4,648,638 |
| | 2,270,088 | 750,171 | 1,558,542 | 3,286,149 | 622,596 | 950,215 | 9,437,761 | 173,327 | 3,123,493 | 12,734,581 | 18,214,794 |
| Excess (deficiency) of revenue over expenses before amortization | 7,610,728 | (615,907) | (1,538,542) | (2,895,587) | (383,756) | (320,309) | 1,856,627 | 34,925 | 1,095,411 | 2,986,965 | 2,052,067 |
| Gain (loss) on disposition of tangible capital assets | - | - | - | (38,606) | - | - | (38,606) | - | (18,045) | (56,651) | - |
| Government transfers capital | - | 19,683 | 100,890 | 569,954 | 877,324 | - | 1,567,851 | - | 3,408,733 | 4,976,584 | 2,210,813 |
| Amortization | (187,148) | (164,747) | (767,909) | (713,786) | - | (37,246) | (1,870,836) | - | (1,468,170) | (3,339,006) | (3,243,328) |
| Excess (deficiency) of revenue over expenses | \$ 7,423,580 | \$ (760,971) | \$ (2,205,561) | \$ (3,078,025) | \$ 493,568 | \$ (357,555) | \$ 1,515,036 | \$ 34,925 | \$ 3,017,929 | \$ 4,567,890 | \$ 1,019,552 |

TOWN OF INUVIK
SCHEDULE OF REVENUE AND EXPENSES, GENERAL GOVERNMENT SERVICES
FOR THE YEAR ENDED DECEMBER 31, 2021
(Schedule 3a)

| | Budget 2021 | Actual 2021 | Actual 2020 |
|---|---------------------|---------------------|---------------------|
| Revenues | | | |
| Property taxes | \$ 6,040,308 | \$ 5,970,422 | \$ 5,756,210 |
| User fees and sales of goods | 148,500 | 155,824 | 219,948 |
| Government transfers | 4,132,377 | 2,977,316 | 8,975,835 |
| Fines, penalties and interest | 135,000 | 182,839 | (7,545) |
| Development levies, licenses and permits | 108,450 | 162,490 | 65,020 |
| Other revenue | 478,840 | 431,925 | 180,213 |
| | 11,043,475 | 9,880,816 | 15,189,681 |
| Expenses | | | |
| Wages and benefits | 1,031,000 | 1,021,297 | 1,051,920 |
| Mayor and council | 206,370 | 161,888 | 171,382 |
| Office materials and supplies | 214,500 | 202,908 | 207,154 |
| Repairs and maintenance | 4,000 | 1,349 | - |
| Contracted services | 248,000 | 254,437 | 188,219 |
| Management Fees | (278,000) | (278,000) | (278,000) |
| Grants | 197,071 | 226,219 | 203,721 |
| Provision for allowances | 5,000 | 124,645 | - |
| Utilities - electricity | 49,100 | 53,668 | 56,412 |
| Utilities - fuel | 65,000 | 62,591 | 63,565 |
| Utilities - water and sewage | 2,000 | 2,390 | 1,727 |
| Insurance | 262,000 | 259,942 | 206,003 |
| Interest | 45,000 | 44,389 | 42,443 |
| Contribution agreement and other expense | 121,000 | 132,365 | 87,858 |
| Covid-19 expenses | - | - | 4,625,371 |
| | 2,172,041 | 2,270,088 | 6,627,775 |
| Excess (deficiency) of revenue over expenses before amortization | 8,871,434 | 7,610,728 | 8,561,906 |
| Amortization | - | (187,148) | (188,046) |
| Excess of revenue over expenses | \$ 8,871,434 | \$ 7,423,580 | \$ 8,373,860 |

TOWN OF INUVIK
SCHEDULE OF REVENUE AND EXPENSES, PROTECTIVE SERVICES
FOR THE YEAR ENDED DECEMBER 31, 2021
(Schedule 3b)

| | Budget 2021 | | Actual 2021 | | Actual 2020 |
|--|---------------------|--|---------------------|--|---------------------|
| Revenues | | | | | |
| Government transfers | \$ 37,000 | | \$ 102,689 | | \$ - |
| Development levies and permits | 41,000 | | 31,575 | | 50,443 |
| | 78,000 | | 134,264 | | 50,443 |
| Expenses | | | | | |
| Wages and benefits | 453,083 | | 446,112 | | 435,055 |
| Office materials and supplies | 177,900 | | 153,303 | | 130,362 |
| Repairs and maintenance | 13,500 | | 12,874 | | 14,911 |
| Utilities - electricity | 44,000 | | 44,357 | | 43,754 |
| Utilities - fuel | 46,500 | | 47,134 | | 45,419 |
| Utilities - water & sewage | 5,700 | | 4,200 | | 3,942 |
| Vehicle O & M | 31,347 | | 32,802 | | 20,564 |
| Interest | - | | 9,389 | | 1,300 |
| | 772,030 | | 750,171 | | 695,307 |
| Deficiency of revenue over expenses before amortization | (694,030) | | (615,907) | | (644,864) |
| Amortization | - | | (164,747) | | (117,908) |
| Government transfers - capital | - | | 19,683 | | - |
| Deficiency of revenue over expenses | \$ (694,030) | | \$ (760,971) | | \$ (762,772) |

TOWN OF INUVIK
SCHEDULE OF REVENUE AND EXPENSES, PUBLIC WORKS & TRANSPORTATION
FOR THE YEAR ENDED DECEMBER 31, 2021
(Schedule 3c)

| | Budget 2021 | | Actual 2021 | | Actual 2020 |
|--|------------------------|--|------------------------|--|------------------------|
| Revenues | | | | | |
| User fees and sales of goods | \$ 20,000 | | \$ 20,000 | | \$ 38,998 |
| Expenses | | | | | |
| Wages and benefits | 406,420 | | 367,207 | | 408,430 |
| Office materials and supplies | 26,150 | | 31,610 | | 22,956 |
| Repairs and maintenance | 220,000 | | 479,781 | | 236,968 |
| Contracted services | 741,000 | | 672,751 | | 926,314 |
| Utilities - electricity | 500 | | 671 | | 997 |
| Vehicle O & M | 11,600 | | 6,522 | | 17,681 |
| | 1,405,670 | | 1,558,542 | | 1,613,346 |
| Deficiency of revenue over expenses before amortization | (1,385,670) | | (1,538,542) | | (1,574,348) |
| Amortization | - | | (767,909) | | (764,665) |
| Government transfers - capital | - | | 100,890 | | - |
| Deficiency of revenue over expenses | \$ (1,385,670) | | \$ (2,205,561) | | \$ (2,339,013) |

TOWN OF INUVIK
SCHEDULE OF REVENUE AND EXPENSES, RECREATION SERVICES
FOR THE YEAR ENDED DECEMBER 31, 2021
(Schedule 3d)

| | Budget 2021 | | Actual 2021 | | Actual 2020 |
|--|-----------------------|--|-----------------------|--|-----------------------|
| Revenues | | | | | |
| User fees and sales of goods | \$ 284,800 | | \$ 234,952 | | \$ 222,568 |
| Government transfers | 170,870 | | 155,610 | | 148,984 |
| | 455,670 | | 390,562 | | 371,552 |
| Expenses | | | | | |
| Wages and benefits | 2,324,276 | | 2,067,229 | | 2,051,197 |
| Office materials and supplies | 124,025 | | 106,070 | | 152,909 |
| Repairs and maintenance | 130,350 | | 85,512 | | 163,694 |
| Utilities - electricity | 769,000 | | 642,287 | | 718,624 |
| Utilities - fuel | 445,000 | | 309,102 | | 451,494 |
| Utilities - water and sewage | 87,100 | | 15,304 | | 52,006 |
| Vehicle O & M | 22,350 | | 26,487 | | 19,823 |
| Contribution expense | 64,857 | | 34,158 | | 23,973 |
| | 3,966,958 | | 3,286,149 | | 3,633,720 |
| Deficiency of revenue over expenses before amortization | (3,511,288) | | (2,895,587) | | (3,262,168) |
| Amortization | - | | (713,786) | | (703,044) |
| Capital transfer - capital | 562,500 | | 569,954 | | - |
| Loss on disposal of assets | - | | (38,606) | | - |
| Deficiency of revenue over expenses | \$ (3,511,288) | | \$ (3,078,025) | | \$ (3,965,212) |

TOWN OF INUVIK
SCHEDULE OF REVENUE AND EXPENSES, ECONOMIC DEVELOPMENT
FOR THE YEAR ENDED DECEMBER 31, 2021
(Schedule 3e)

| | Budget 2021 | | Actual 2021 | | Actual 2020 |
|---|----------------|--|----------------|--|----------------|
| Revenues | | | | | |
| User fees and sales of goods | \$ 47,150 | | \$ 56,157 | | \$ 19,845 |
| Government transfers | 20,000 | | 99,729 | | 20,947 |
| Other revenue | 11,750 | | 82,954 | | 22,200 |
| | 78,900 | | 238,840 | | 62,992 |
| Expenses | | | | | |
| Wages and benefits | 331,055 | | 332,203 | | 324,779 |
| Office materials and supplies | 132,400 | | 198,810 | | 211,013 |
| Utilities | 19,000 | | - | | - |
| Contribution agreements | 20,000 | | 62,800 | | 94,060 |
| Arctic Energy & Emerging Technologies Conference | 23,750 | | 28,783 | | 23,267 |
| | 526,205 | | 622,596 | | 653,119 |
| Excess (deficiency) of revenue over expenses before amortization | (447,305) | | (383,756) | | (590,127) |
| Amortization | - | | - | | - |
| Government transfers - capital | 1,655,540 | | 877,324 | | 900,783 |
| Excess (deficiency) of revenue over expenses | \$ 1,208,235 | | \$ 493,568 | | \$ 310,656 |

TOWN OF INUVIK
SCHEDULE OF REVENUE AND EXPENSES, ENVIRONMENTAL SERVICES
FOR THE YEAR ENDED DECEMBER 31, 2021
(Schedule 3f)

| | Budget 2021 | | Actual 2021 | | Actual 2020 |
|--|----------------|--|----------------|--|----------------|
| Revenues | | | | | |
| User fees and sales of goods | \$ 100,000 | | \$ 168,506 | | \$ 638,895 |
| Government transfers | - | | 84,892 | | - |
| Development levies, licenses and fees | 365,000 | | 376,508 | | 333,207 |
| | 465,000 | | 629,906 | | 972,102 |
| Expenses | | | | | |
| Repairs and maintenance | 4,000 | | 1,170 | | - |
| Contracted services | 782,200 | | 949,045 | | 1,260,076 |
| | 786,200 | | 950,215 | | 1,260,076 |
| Deficiency of revenue over expenses before amortization | (321,200) | | (320,309) | | (287,974) |
| Amortization | - | | (37,246) | | (37,246) |
| Deficiency of revenue over expenses | \$ (321,200) | | \$ (357,555) | | \$ (325,220) |

TOWN OF INUVIK
SCHEDULE OF REVENUE AND EXPENSES, LAND DEVELOPMENT
FOR THE YEAR ENDED DECEMBER 31, 2021
(Schedule 3g)

| | Budget 2021 | | Actual 2021 | | Actual 2020 |
|--|------------------------|--|------------------------|--|------------------------|
| Revenues | | | | | |
| Land sales and leases | \$ 135,500 | | \$ 208,252 | | \$ 272,110 |
| Expenses | | | | | |
| Cost of sales | 111,300 | | 173,327 | | 221,276 |
| Excess of revenue over expenses before amortization | 24,200 | | 34,925 | | 50,834 |
| Amortization | - | | - | | - |
| Excess of revenue over expenses | \$ 24,200 | | \$ 34,925 | | \$ 50,834 |

TOWN OF INUVIK
SCHEDULE OF REVENUE AND EXPENSES, WATER & SEWAGE SERVICES
FOR THE YEAR ENDED DECEMBER 31, 2021
(Schedule 3h)

| | Budget 2021 | Actual 2021 | Actual 2020 |
|---|------------------------|------------------------|------------------------|
| Revenues | | | |
| User fees and sales of goods | \$ 1,992,413 | \$ 2,033,904 | \$ 2,000,983 |
| Government transfers - operations & maintenance | 5,661,597 | 1,385,000 | 1,308,000 |
| Government transfers - long term debt funding | - | 800,000 | - |
| | 7,654,010 | 4,218,904 | 3,308,983 |
| Expenses | | | |
| Wages and benefits | 606,684 | 542,402 | 578,611 |
| Office materials and supplies | 207,100 | 214,024 | 300,049 |
| Repairs and maintenance | 403,500 | 551,731 | 755,194 |
| Contracted services | 125,000 | 59,849 | 96,884 |
| Management fees | 250,000 | 250,000 | 250,000 |
| Interest on long-term debt | 350,000 | 349,708 | 368,686 |
| Utilities - electricity | 725,000 | 714,248 | 732,307 |
| Utilities - fuel | 390,000 | 416,129 | 389,157 |
| Utilities - water and sewer | 300 | 257 | 334 |
| Vehicle O & M | 25,280 | 25,145 | 38,953 |
| | 3,082,864 | 3,123,493 | 3,510,175 |
| Excess (deficiency) of revenue over expenses before amortization | 4,571,146 | 1,095,411 | (201,192) |
| Amortization | - | (1,468,170) | (1,432,419) |
| Government transfers - capital | 1,133,186 | 3,408,733 | 1,310,030 |
| Loss on disposal of assets | - | (18,045) | - |
| Excess (deficiency) of revenue over expenses | \$ 5,704,332 | \$ 3,017,929 | \$ (323,581) |

TOWN OF INUVIK
SCHEDULE OF GOVERNMENT TRANSFERS
FOR THE YEAR ENDED DECEMBER 31, 2021
(SCHEDULE 4)

| | Budget 2021 | Actual 2021 | Actual 2020 |
|--|------------------------|------------------------|------------------------|
| Territorial transfers | | | |
| Municipal & Community Affairs | | | |
| Formula based funding | \$ 2,627,000 | \$ 2,627,000 | \$ 2,627,000 |
| Water sewer subsidy program | 1,308,000 | 1,385,000 | 1,308,000 |
| Infrastructure (Capital Block Funding) | 1,166,663 | 2,554,000 | 1,491,000 |
| CWWF Funding | - | - | 82,025 |
| Canada-NWT Gas Tax Funding | 1,353,525 | 2,084,500 | 1,359,000 |
| Small Communities program | 401,334 | 401,334 | - |
| Senior Citizens Tax Grant | 98,535 | 109,360 | 95,969 |
| Recreation funding | 43,000 | 43,000 | 53,750 |
| Highway Rescue funding | 37,000 | 37,000 | - |
| Small Communities Employment program | 206,000 | 210,693 | 206,375 |
| Covid-19 reimbursement | - | - | 5,082,758 |
| | 7,241,057 | 9,451,887 | 12,305,877 |
| Transfer from (to) deferred revenue | - | (882,135) | (875,560) |
| ECE Library contribution | 49,000 | 55,000 | 61,000 |
| Literacy Funding | 23,000 | 11,740 | 23,000 |
| Other agreements and grants | 110,049 | 99,182 | 36,322 |
| Government of Canada - CERRC Bioheat | 1,487,937 | 689,759 | 213,157 |
| CanNor - Chief Jim Koe Park Enhancement | 733,750 | 535,500 | 351,250 |
| Heritage Canada - Chief Jim Koe Park Enhancement | 163,430 | 163,430 | 549,533 |
| Arctic Market/Visitor Centre supplies | - | 48,908 | - |
| Government of Canada - glycol heat exchanger | 385,720 | 39,100 | - |
| ICIP - Pool rehabilitation | 562,500 | 289,448 | - |
| ITI - Tourism Building Infrastructure | - | 80,000 | - |
| ICIP - Breynat Road Upgrade | 758,360 | - | - |
| | 4,273,746 | 1,129,932 | 358,702 |
| Total government transfers | \$ 11,514,803 | \$ 10,581,819 | \$ 12,664,579 |

TOWN OF INUVIK
SCHEDULE OF GAS TAX PROGRAM
FOR THE YEAR ENDED DECEMBER 31, 2021
(SCHEDULE 5)

| | 2005 to 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | Cumulative Total |
|---|-----------------|-------------|-------------|-------------|-------------|------------------|---------------------|---------------------|-------------------|---------------------|
| Funding | | | | | | | | | | |
| Opening Balance | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 57,514 | \$ 1,395,640 | \$ 1,752,113 | \$ - |
| Annual Allocation | 6,272,433 | 964,973 | 965,000 | 1,264,000 | 1,264,000 | 1,359,000 | 2,718,000 | 1,359,000 | 2,084,500 | 18,250,906 |
| Interest earned | - | - | - | - | - | - | - | 12,321 | 7,325 | 19,646 |
| | 6,272,433 | 964,973 | 965,000 | 1,264,000 | 1,264,000 | 1,359,000 | 2,775,514 | 2,766,961 | 3,843,938 | 30,875,418 |
| Eligible project expenses | | | | | | | | | | |
| Rec centre energy upgrade project | 60,000 | - | - | - | - | - | - | - | - | 60,000 |
| Water treatment plant (inc. debt repayment) | - | - | 884,151 | 1,264,000 | 1,264,000 | 1,100,981 | 1,233,696 | 800,000 | 800,000 | 7,346,828 |
| Utilidor replacements | 6,212,433 | 964,973 | 80,849 | - | - | - | - | 178,251 | 2,251,005 | 9,687,511 |
| MSC front entrance upgrade | - | - | - | - | - | 190,286 | 57,514 | - | - | 247,800 |
| MSC ice plant condenser | - | - | - | - | - | 10,219 | - | - | - | 10,219 |
| Waste water mixer motors | - | - | - | - | - | - | 46,490 | - | - | 46,490 |
| Beynat road upgrade | - | - | - | - | - | - | 42,174 | - | - | 42,174 |
| SCADA system | - | - | - | - | - | - | - | 36,597 | - | 36,597 |
| | 6,272,433 | 964,973 | 965,000 | 1,264,000 | 1,264,000 | 1,301,486 | 1,379,874 | 1,014,848 | 3,051,005 | 17,477,619 |
| Deferred Revenue | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 57,514 | \$ 1,395,640 | \$ 1,752,113 | \$ 792,933 | \$13,397,799 |

TOWN OF INUVIK
SCHEDULE OF COMMUNITY PUBLIC INFRASTRUCTURE
FOR THE YEAR ENDED DECEMBER 31, 2021
(SCHEDULE 6)

For the year ended December 31

| | 2005 to 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | Cumulative Total |
|----------------------------------|-----------------|-----------|-----------|-----------|-----------|------------|------------|------------|------------|---------------------|
| Funding | | | | | | | | | | |
| Opening balance | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 787,785 | \$ 239,286 | \$ 215,434 | \$ 749,838 | - |
| Annual allocation | 6,154,790 | 1,231,000 | 1,231,000 | 1,231,000 | 1,231,000 | 1,231,000 | 1,491,000 | 1,491,000 | 2,554,000 | \$15,440,580 |
| Interest earned | - | - | - | - | - | - | - | 2,997 | 7,163 | 10,160 |
| | 6,154,790 | 1,231,000 | 1,231,000 | 1,231,000 | 1,231,000 | 2,018,785 | 1,730,286 | 1,709,431 | 3,311,001 | 15,450,740 |
| Eligible project expenses | | | | | | | | | | |
| Water and waste water utilidor | 3,131,000 | 551,000 | 176,667 | - | - | - | 22,721 | - | - | 3,881,388 |
| New water treatment plant | - | - | - | 635,472 | - | - | - | - | - | 635,472 |
| CWWF sewer outfall | - | - | - | - | 203,626 | 633,497 | 808,827 | - | - | 1,645,950 |
| CWWF 2nd water tank | - | - | - | - | 23,438 | 277,288 | 162,712 | 8,780 | 27,535 | 499,753 |
| Roads | 2,493,790 | 100,000 | 352,139 | 30,000 | 119,785 | - | - | - | - | 3,095,714 |
| Sidewalks | - | - | - | 247,596 | - | - | - | 11,984 | 80,000 | 339,580 |
| Fire Dept. pumper truck | - | - | 424,795 | - | - | - | - | - | - | 424,795 |
| Fire Dept. vehicle & equipment | - | - | 44,334 | 12,993 | - | - | - | - | - | 57,327 |
| Fire Dept. special ops. trailer | - | - | - | - | 19,645 | - | - | - | - | 19,645 |
| Public Works Dept vehicle | - | - | - | 47,198 | - | - | - | - | - | 47,198 |
| Street sweeper | - | 236,445 | - | - | - | - | - | - | - | 236,445 |
| MSC LED lighting | - | 190,803 | - | - | - | - | - | - | - | 190,803 |
| MSC equipment | - | - | 118,840 | 34,528 | 68,160 | - | - | - | - | 221,528 |
| MSC card system | - | - | - | 73,755 | - | - | - | - | - | 73,755 |
| MSC microturbines | - | - | - | 63,339 | - | - | - | - | - | 63,339 |
| MSC electrical upgrades | - | - | - | - | 6,437 | 534,133 | 5,028 | - | - | 545,598 |
| MSC entrance upgrades | - | - | - | - | 2,124 | - | 124,145 | - | - | 126,269 |
| Ice plant compressor | - | - | - | 57,909 | - | - | - | - | - | 57,909 |
| Playground improvements | - | - | 61,231 | - | - | - | - | - | - | 61,231 |
| Town Hall upgrades | - | 152,752 | 52,994 | 16,425 | - | - | - | - | - | 222,171 |
| Library roof & improvements | 150,000 | - | - | 11,785 | - | - | - | - | - | 161,785 |
| Garbage bins | - | - | - | - | - | 142,103 | 94,606 | 102,152 | 84,892 | 423,753 |
| Youth Centre sewage tank | - | - | - | - | - | 46,306 | - | - | - | 46,306 |
| Tourism Gateway/welcome sign | - | - | - | - | - | 101,069 | 19,480 | - | - | 120,549 |
| MSC Ice plant condenser | - | - | - | - | - | 38,000 | - | - | - | 38,000 |
| Public works steamer | - | - | - | - | - | - | 62,930 | - | - | 62,930 |
| Conference equipment | - | - | - | - | - | - | 37,124 | 30,337 | - | 67,461 |
| Inspection cameras/monitor | - | - | - | - | - | - | 17,797 | - | - | 17,797 |
| MSC forklifts | - | - | - | - | - | - | 48,920 | - | - | 48,920 |
| Subtotal | 5,774,790 | 1,231,000 | 1,231,000 | 1,231,000 | 443,215 | 1,772,396 | 1,404,290 | 153,253 | 192,427 | 13,433,371 |

TOWN OF INUVIK
SCHEDULE OF COMMUNITY PUBLIC INFRASTRUCTURE (CONT.)
FOR THE YEAR ENDED DECEMBER 31, 2021
(SCHEDULE 6)

For the year ended December 31

| | 2005 to 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | Cumulative Total |
|---|-----------------|-----------|-----------|-----------|------------|------------|------------|------------|--------------|---------------------|
| Eligible project expenses, carry forward | 5,774,790 | 1,231,000 | 1,231,000 | 1,231,000 | 443,215 | 1,772,396 | 1,404,290 | 153,253 | 192,427 | 13,433,371 |
| Cargo/utility trailer | - | - | - | - | - | - | 19,544 | 9,939 | - | 29,483 |
| Firehall engineering project | - | - | - | - | - | - | 2,819 | - | - | 2,819 |
| Tent | - | - | - | - | - | - | 7,634 | - | - | 7,634 |
| MSC wireless upgrades | - | - | - | - | - | - | 19,370 | - | - | 19,370 |
| Pound outdoor fencing | - | - | - | - | - | - | 29,009 | - | - | 29,009 |
| MSC pool repairs | - | - | - | - | - | - | - | 63,963 | - | 63,963 |
| Homeless shelter roof | - | - | - | - | - | - | - | 27,900 | 20,890 | 48,790 |
| Chief Jim Koe Park upgrades | - | - | - | - | - | - | - | 657,445 | 98,394 | 755,839 |
| Network server | - | - | - | - | - | - | - | 33,770 | - | 33,770 |
| Firehall kitchen | - | - | - | - | - | - | - | 4,617 | - | 4,617 |
| Phone system upgrade | - | - | - | - | - | - | - | 6,571 | - | 6,571 |
| Firehouse exhaust system | - | - | - | - | - | - | - | - | 19,683 | 19,683 |
| SCBA replacements | - | - | - | - | - | - | - | - | 65,689 | 65,689 |
| Tourism office furniture | - | - | - | - | - | - | - | - | 10,281 | 10,281 |
| Brine piping & pump replacement | - | - | - | - | - | - | - | - | 221,578 | 221,578 |
| Frick controls panel | - | - | - | - | - | - | - | - | 58,928 | 58,928 |
| Arctic Market Visitors Centre | - | - | - | - | - | - | - | - | 17,491 | 17,491 |
| Capital expenditures & other | 380,000 | - | - | - | - | 7,103 | 32,186 | 2,135 | - | 421,424 |
| | 6,154,790 | 1,231,000 | 1,231,000 | 1,231,000 | 443,215 | 1,779,499 | 1,514,852 | 959,593 | 705,361 | 15,250,310 |
| Deferred Revenue | \$ - | \$ - | \$ - | \$ - | \$ 787,785 | \$ 239,286 | \$ 215,434 | \$ 749,838 | \$ 2,605,640 | \$ 2,605,640 |

TOWN OF INUVIK
SCHEDULE OF SMALL COMMUNITIES FUND PROGRAM
FOR THE YEAR ENDED DECEMBER 31, 2021
(SCHEDULE 7)

| Funding | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | Cumulative Total |
|---|------------------|----------------|-------------|-------------|-------------|----------------|-----------------------------|
| Opening balance | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Annual allocation | 3,531,261 | 364,405 | - | - | - | 401,334 | 4,297,000 |
| Interest earned | - | - | - | - | - | - | - |
| | <u>3,531,261</u> | <u>364,405</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>401,334</u> | <u>4,297,000</u> |
| Eligible project expenditures | | | | | | | |
| Water and waste water - utilidor | 3,531,261 | 364,405 | - | - | - | 401,334 | 4,297,000 |
| | <u>3,531,261</u> | <u>364,405</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>401,334</u> | <u>4,297,000</u> |
| Excess (deficiency) of revenue over expenditures | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |

TOWN OF INUVIK
SCHEDULE OF SALARIES, HONORARIA & TRAVEL
FOR THE YEAR ENDED DECEMBER 31, 2021
(SCHEDULE 8)

| Position | Salary | Honoraria | Travel Expenses |
|--------------------|-------------------|------------------|------------------------|
| Mayor | | | |
| Clarence Wood | \$ 15,921 | \$ - | \$ - |
| Natasha Kulikowski | 89,358 | - | - |
| | 105,279 | - | - |
| Councillors | | | |
| Natasha Kulikowski | - | 2,370 | - |
| Kurt Wainman | - | 3,750 | - |
| Alana Mero | - | 5,850 | - |
| Steve Baryluk | - | 4,725 | - |
| Dez Loreen | - | 3,825 | - |
| Paul MacDonald | - | 1,620 | - |
| Gary McBride | - | 1,575 | - |
| Raygan Solotki | - | 2,625 | - |
| Tony Devlin | - | 1,950 | - |
| Donavon Arey | - | 1,950 | - |
| Grant Gowan | - | 1,950 | - |
| Jesse Harder | - | 1,800 | - |
| | \$ 105,279 | \$ 33,990 | \$ - |

TOWN OF INUVIK
SCHEDULE OF CLEAN WATER AND WASTE WATER PROGRAM
FOR THE YEAR ENDED DECEMBER 31, 2021
(Schedule 9)

| | 2017 | 2018 | 2019 | 2020 | 2021 | Cumulative |
|---|----------------|------------------|------------------|---------------|-------------|-------------------|
| Funding | | | | | | |
| Opening balance | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Annual Allocation | 681,196 | 6,207,184 | 2,029,647 | 82,025 | - | 9,000,052 |
| Interest earned | - | - | - | - | - | - |
| | 681,196 | 6,207,184 | 2,029,647 | 82,025 | - | 9,000,052 |
| | | | | | | |
| Sewage outfall replacement | 610,882 | 5,265,635 | 1,541,510 | 82,025 | - | 7,500,052 |
| Second water tank | 70,314 | 941,549 | 488,137 | - | - | 1,500,000 |
| | - | - | - | - | - | - |
| | 681,196 | 6,207,184 | 2,029,647 | 82,025 | - | 9,000,052 |
| | | | | | | |
| Excess (deficiency) of revenue over expenses | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |

TOWN OF INUVIK
SCHEDULE OF GOVERNMENT OF CANADA - CANNOR
IDEANorth - Canadian Experience Fund - Chief Jim Koe Park
FOR THE YEAR ENDED DECEMBER 31, 2021
(Schedule 10)

| | 2019 | 2020 | 2021 | Cumulative |
|-----------------------------|------------|------------|---------|------------|
| Funding | | | | |
| Opening balance | \$ - | \$ 157,144 | \$ - | \$ - |
| Annual Allocation | 157,144 | 194,106 | 535,500 | 886,750 |
| Interest earned | - | - | - | - |
| | 157,144 | 351,250 | 535,500 | 886,750 |
| Chief Jim Koe Park upgrades | - | - | - | - |
| | - | 351,250 | 535,500 | 886,750 |
| | - | - | - | - |
| | - | 351,250 | 535,500 | 886,750 |
| Deferred revenue | \$ 157,144 | \$ - | \$ - | \$ - |

TOWN OF INUVIK
SCHEDULE OF GOVERNMENT OF CANADA - MINISTER FOR CANADIAN HERITAGE
Chief Jim Koe Park - Special Events Pavilion
FOR THE YEAR ENDED DECEMBER 31, 2021
(Schedule 11)

| | 2020 | 2021 | Cumulative |
|-----------------------------|---------|---------|------------|
| Funding | | | |
| Opening balance | \$ - | \$ - | \$ - |
| Annual Allocation | 549,533 | 163,430 | 712,963 |
| Interest earned | - | - | - |
| | 549,533 | 163,430 | 712,963 |
| Chief Jim Koe Park pavilion | - | - | - |
| | 549,533 | 163,430 | 712,963 |
| | - | - | - |
| | 549,533 | 163,430 | 712,963 |
| Deferred revenue | \$ - | \$ - | \$ - |

TOWN OF INUVIK
SCHEDULE OF WATER AND SEWAGE DATA
FOR THE YEAR ENDED DECEMBER 31, 2021
(Schedule 12)

Water and Sewage Rates:

| | |
|---|-------------|
| Economic Rate | \$0.00799/L |
| Residential Rate | \$0.00600/L |
| Commercial Rate | \$0.00799/L |
| Public Sector (including local government) Rate | \$0.01118/L |

By-Law #2660/UTIL/21

Water and Sewage Costs (dollars)

Total Water & Sewage Costs
for 2021 per Financial statements
\$ 3,123,493

Total Budgeted Costs Used
For Calculating Economic Rate (Note 1)
\$ 3,082,864

Water and Sewage Revenue:

Total Water & Sewage Revenue
\$ 2,033,904

Revenue -Residential
\$ 1,048,865

Revenue - Public Sector
\$ 770,852

Revenue - Commercial
\$ 199,164

Water and Sewage Consumption (in litres)

Actual Volume of Water Consumed
in 2021 (billed in litres)
377,561,000

Actual Consumption - Residential
(in litres)
270,410,000

Total Budgeted Consumption
for Calculating Economic Rate(in litres)
385,840,300

Actual Consumption -Commercial
(in litres)
24,361,000

Actual Consumption - Public Sector
(in litres)
82,790,000

Note:

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.