

**TOWN OF INUVIK
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

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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 auditors' 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 4, 2020

Date



2019 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 2019 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 2020.

The Administration Committee meets monthly to review financial statements and budget variances which are presented to the Council as a monthly Administration report. 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.

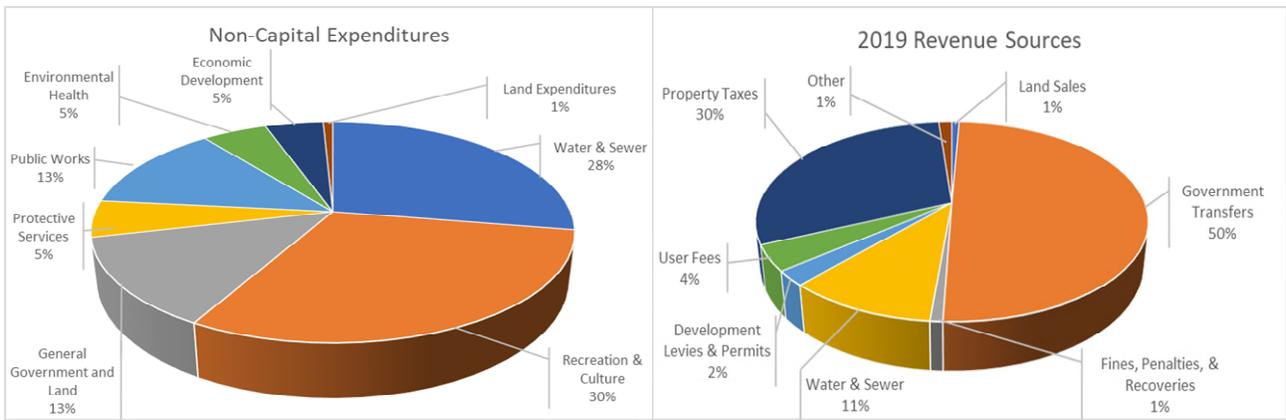
The following financial discussion and analysis has been prepared by management and should be read in conjunction with the audited consolidated financial statements and their accompanying notes and schedules.

Results from Operations

The Statement of Operations reports the Town of Inuvik's changes in economic resources and accumulated surpluses for 2019, 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. Going forward there will be continued increased pressures to maintain service while balancing revenue and expenses.

During 2019 the Town experienced a fairly substantial budget surplus as a result of the positive effect of Capital transfers. Overall the budget surplus was \$2.237 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 \$.0070 million, a surplus in the operating fund of \$6.985 million and a surplus in the water and sewer services fund of \$3.422 million and a deficit in all remaining departments of \$8.175 million. The Town of Inuvik has established a positive cash flow during the year due mainly to the receipt of the Clean Water and Wastewater funding for claims filed in 2018 (see Note 5). The Town will continue to monitor its cash flow.

Replacement of the aging main sewer outfall infrastructure was started in 2017 and completed in 2019 with the sewage lagoon work. The construction of the 2nd Water Storage Tank started 2018 with and has been completed 2019, connection to the main system is scheduled to happen in 2020. These 2 projects are being funded through a contribution agreement with the Federal Clean Water and Waste Water Program at a 75/25 cost sharing split which is managed by the territorial Department of Municipal and Community Affairs.

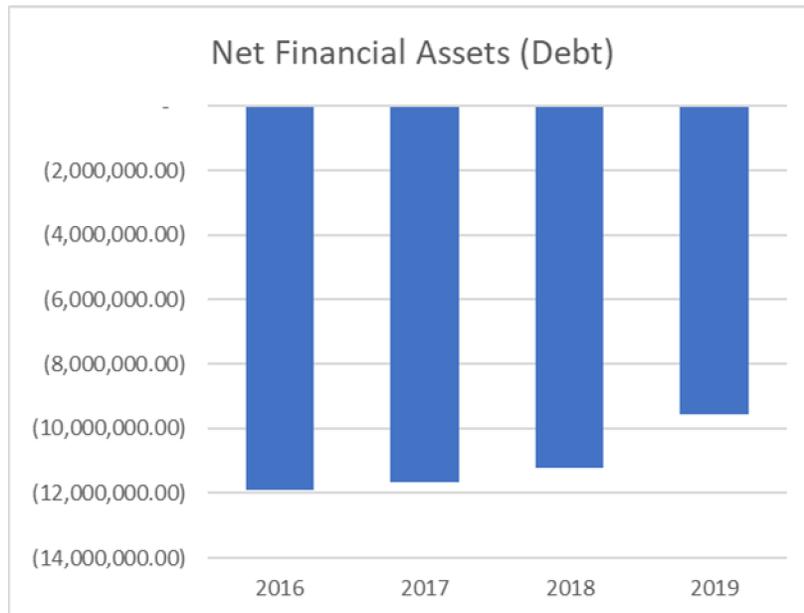


Financial Position

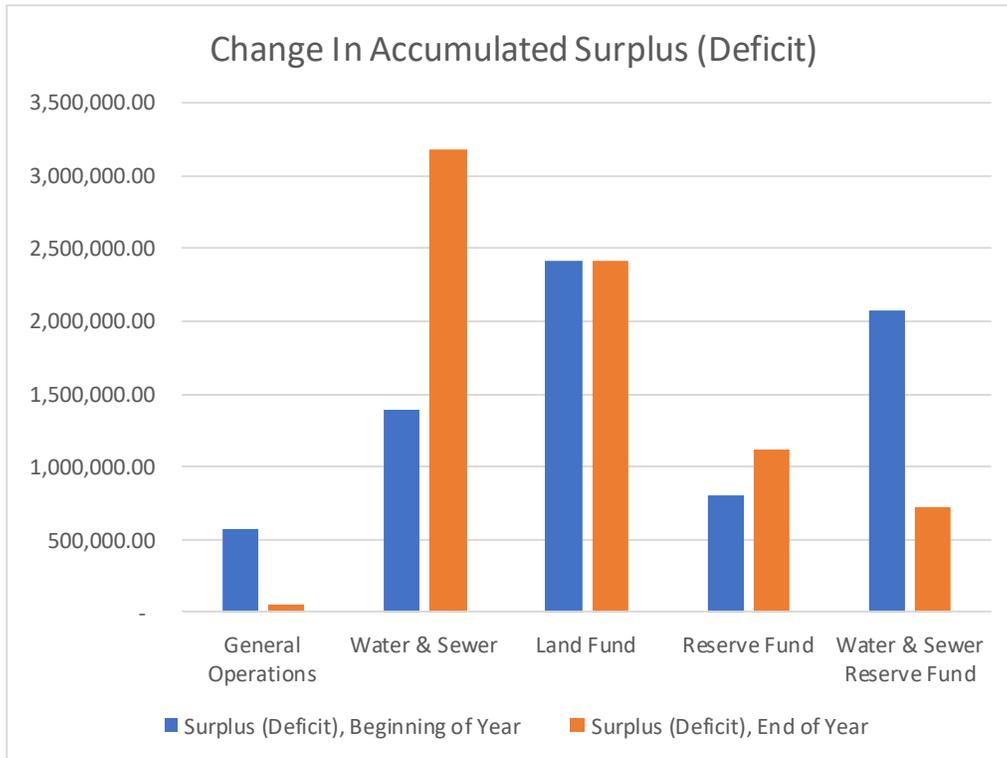
The Statement of Financial Position reports the Town of Inuvik’s financial and non-financial resources, obligations and accumulated surplus as at December 31, 2019, on a comparative basis. This statement is used to evaluate the Town of Inuvik’s ability to finance its activities and to meet its liabilities 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 2019. The town’s cash position has changed from \$3.956 million to having cash in the bank of \$4.911 million. This reflects an increase of \$0.955 million from the prior year. This increase is the result of funding received for the progress payments on the Sewer Outfall project being paid to the town in 2019 while the expenses were paid out in 2018. 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 \$2,236,844. The following table shows how much the community’s financial position has changed. All funds are in a surplus position. For details, please refer to the schedule of accumulated surplus (deficit).



The net book value of the community's capital assets is 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 2019 are the re-vitalizing of the Sewage Lagoon and the addition of a 2nd Water Storage Tank.

Debt

The Town of Inuvik's debt is a Debenture with a fixed repayment schedule (\$138,500 plus interest). The debenture will be fully paid in 2020. 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 2018 the Town incurred additional Long Term Debt for the Water Treatment Plant with a fixed repayment schedule (\$800,000 annually plus interest) as of December 31, 2019. For details, please refer to Note 9 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

INDEPENDENT AUDITOR'S REPORT



YELLOWKNIFE
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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, 2019, 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, 2019, 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
Canadian Member
of AGN International



- 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 5, 2020

EPR Yellowknife Accounting Professional Corporation
Chartered Professional Accountants

TOWN OF INUVIK
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2019

STATEMENT I

	2019	2018
Financial Assets		
Cash and equivalents (Note 2)	\$ 1,963,188	\$ 1,081,355
Reserves deposits (Notes 11 and 3)	2,947,530	2,874,746
Taxes and grants in-lieu of Taxes (Note 4)	2,423,378	878,687
Other accounts receivable (Note 5)	528,508	2,921,103
Due from Children First Society - current (Note 7)	120,000	120,000
Land held for resale - Current (Note 1f)	-	-
	7,982,604	7,875,891
Liabilities		
Accounts payable and accrued liabilities (Note 8)	1,563,075	3,475,139
Deferred revenue (Note 1q)	1,854,234	400,561
Landfill restoration liability (Note 12)	120,000	100,000
Long term debt (Note 9)	14,005,164	15,138,524
	17,542,473	19,114,224
Net Financial Assets (Debt)	(9,559,869)	(11,238,333)
Non - Financial Assets		
Tangible capital assets (Note 10 and Schedule 1)	136,119,815	135,271,592
Land held for resale - non-current (Note 1f)	2,119,700	2,231,058
Due from Children First Society - non-current (Note 7)	424,267	500,201
Prepaid expenses (Note 6)	125,646	143,010
Inventory (Note 1f)	386,468	471,655
	139,175,896	138,617,516
Accumulated Surplus (Schedule 2)	\$ 129,616,027	\$ 127,379,183

Commitments and contingencies (Notes 12, 13 and 14)
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, 2019

STATEMENT II

	2019 Budget	2019 Actual	2018 Actual
	(Note 1o)		
Revenues (Schedule 3)			
Property taxes	\$ 4,019,535	\$ 4,006,706	\$ 3,935,282
Property taxes - education portion	683,550	684,172	670,785
Grants in lieu of property taxes - GNWT	1,411,585	1,413,898	1,414,533
Grants in lieu of property taxes - Canada	318,150	321,048	316,361
Less: Allowance for doubtful accounts	-	(30,975)	-
Education requisition	(683,550)	(684,172)	(670,785)
Net municipal property taxes	5,749,270	5,710,677	5,666,176
Government transfers (Schedule 4)	9,377,753	9,403,475	13,473,275
User fees and sales of goods	2,683,171	2,744,960	2,775,326
Fines, penalties and recoveries	140,000	164,973	147,466
Development levies, licenses and permits	372,100	447,547	459,636
Land revenue	11,000	135,460	12,838
Other	40,000	242,865	220,425
Total revenues	18,373,294	18,849,957	22,755,142
Expenses (Schedule 3)			
General government	3,049,620	2,185,543	2,103,483
Protective services	858,040	893,032	921,435
Public works & transportation services	1,357,470	2,116,393	2,149,310
Recreation services	4,430,600	5,065,747	4,827,985
Economic development	756,840	773,378	660,730
Environmental health services	754,050	859,103	751,123
Land expenditures	-	128,494	4,432
Water and sewage expenditures	2,728,745	4,591,423	4,136,194
Budgeted net capital expenditures (note 1o)	-	-	-
Total operating expenditures	13,935,365	16,613,113	15,554,692
Annual surplus	4,437,929	2,236,844	7,200,450
Accumulated surplus, beginning of year	127,379,183	127,379,183	120,178,733
Accumulated surplus, end of the year	\$ 131,817,112	\$ 129,616,027	\$ 127,379,183

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, 2019

STATEMENT III

	2019 Budget	2019 Actual	2018 Actual
	(Note 1o)		
Annual surplus	\$ 4,437,929	\$ 2,236,844	\$ 7,200,450
Loss on disposal tangible capital assets	-	212,593	-
Amortization of tangible capital assets	-	3,410,043	3,344,135
Change in inventories and prepaid expenses	-	102,547	364,669
Change in land held for resale - non-current	-	111,362	-
Change in Due from Children First Society - non-current	-	75,933	104,441
Acquisition of tangible capital assets	(15,102,680)	(4,470,858)	(10,593,058)
Increase (decrease) in net financial assets	(10,664,751)	1,678,464	420,637
Net financial assets (debt at beginning of year)	(11,238,333)	(11,238,333)	(11,658,970)
Net financial assets (debt) at the end of year	\$ (21,903,084)	\$ (9,559,869)	\$ (11,238,333)

See accompanying notes and schedules to the financial statements.

TOWN OF INUVIK
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2019

STATEMENT IV

2019 2018

NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES:

Operating Transactions

Annual surplus	\$ 2,236,844	\$ 7,200,450
Non-cash charges to operations:		
Loss on disposal of tangible capital assets	212,593	-
Amortization of capital assets	3,410,043	3,344,135
Decrease (increase) in accounts receivable	847,904	(2,236,853)
Decrease (increase) in land held for resale	111,362	-
Decrease (increase) in inventory	85,187	386,275
Decrease (increase) in Due from Children First Society	75,933	104,441
Decrease (increase) in prepaid expenses	17,362	(21,607)
Increase (decrease) in accounts payable and other liabilities	(1,892,066)	1,794,376
Increase (decrease) in deferred revenue	1,453,673	(437,027)
Net cash from operations	6,558,835	10,134,190

Financing Transactions

Long-term debt (repaid)	(1,133,360)	(1,133,360)
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Capital Transactions

Acquisition of tangible capital assets	(4,470,858)	(10,593,058)
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Increase (decrease) in cash	954,617	(1,592,228)
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Cash at beginning of year	3,956,101	5,548,329
Cash at end of year	\$ 4,910,718	\$ 3,956,101

Comprised of:

Cash	\$ 1,963,188	\$ 1,081,355
Restricted cash and reserves (Note below)	2,947,530	2,874,746
	\$ 4,910,718	\$ 3,956,101

Notes:

Restricted cash and reserves is comprised as follow:

Reserve deposits (Note 3)		
General operational reserve	\$ 2,218,947	\$ 803,091
Water & sewer reserve	728,583	2,071,655
	\$ 2,947,530	\$ 2,874,746

Interest paid during the year amounted to \$440,963 (2018 - \$490,019) including interest on long-term debt and debentures. Interest received or receivable was \$164,973 (2018 - \$147,466). See accompanying notes and schedules to the financial statements.

TOWN OF INUVIK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

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 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 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, 2019

1. SIGNIFICANT ACCOUNTING POLICIES (cont.)

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, 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.

e) Temporary Investments

Investments are recorded at cost. Investment premiums and discounts are amortized proportionately over the term of the respective investments. There were no investments during the year.

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. As at December 31, 2019, there was no indication of any material land sales.

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

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

TOWN OF INUVIK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

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. Where measurement uncertainty exists, the financial statements have been prepared within reasonable limits of materiality. Actual results could differ from those estimates.

n) 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.

o) Budget

Budget figures are unaudited and are those approved by Council May 22, 2019. The Town budgets for Capital Expenditures and not Amortization. The budget for Capital Expenditures is not allocated to service divisions.

**TOWN OF INUVIK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

1. SIGNIFICANT ACCOUNTING POLICIES (cont.)

p) 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.

The Town is exposed to credit risk arising from the possibility that tax payers may experience financial difficulty and may be unable to pay outstanding taxes. Taxes receivable is initially recorded at historical cost and an allowance is made so the carrying value approximates 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 26% or \$1,477,496 of the Town's annual tax revenue is from 7 major property owners.

q) 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.

	Deferred Balance 2019	Cash Balance 2019	Overage (Shortfall)	Deferred Balance 2018
CA - Library	\$ -	\$ -	\$ -	\$ 12,000
CA - Small Communities Employment	63,032	-	(63,032)	46,790
CA - Canada 150 Celebration	11,234	-	(11,234)	11,234
CPI Funding	215,434	-	(215,434)	239,286
CanNor - Cheif Jim Koe Park	157,144	-	(157,144)	-
Gas tax	1,395,640	-	(1,395,640)	57,514
CA - GNWT MACA Recreation & Sport	10,750	-	(10,750)	-
Other	1,000	-	(1,000)	33,737
	\$ 1,854,234	\$ -	\$ (1,854,234)	\$ 400,561

r) 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 \$231,428 (2018 - \$217,935). The Town is not liable for any future liabilities of this plan.

s) 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 excess of revenues over expenses, provides the consolidated Change in Net Financial Assets (Debt) for the year.

TOWN OF INUVIK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

1. SIGNIFICANT ACCOUNTING POLICIES (cont.)

t) 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.

u) Segmented Information

Municipal services are provided by departments and their activities are reported in the community's funds as described in Note 1c. 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.

2. CASH AND CASH EQUIVALENTS

	2019	2018
Cash	\$ 1,963,188	\$ 1,081,349
Cash equivalents	-	-
	\$ 1,963,188	\$ 1,081,349

Cash equivalents are short-term deposits with maturities of three months or less

3. RESERVE DEPOSITS

	Reserve Balance 2019	Cash Balance 2019	Overage (Shortfall)	Reserve Balance 2018
Reserve fund is comprised of:				
General operational reserve	\$ 1,114,947	\$ 2,218,947	\$ 1,104,000	\$ 803,091
Water & sewer reserve	728,583	728,583	-	2,071,655
	\$ 1,843,530	\$ 2,947,530	\$ 1,104,000	\$ 2,874,746

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.

TOWN OF INUVIK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

4. TAXES AND GRANTS IN LIEU OF TAXES RECEIVABLES

	2019	2018
Current taxes and grants in lieu of taxes	\$ -	\$ -
Less: allowance for doubtful accounts	-	-
	-	-
Non-current taxes	2,972,914	1,397,247
Non-current taxes in lieu of taxes	-	-
Less: Allowance for doubtful accounts	(549,536)	(518,560)
	\$ 2,423,378	\$ 878,687

5. OTHER ACCOUNTS RECEIVABLE

	2019	2018
Sundry	\$ 90,426	\$ 87,016
Goods & Service Tax	65,526	105,746
Municipal and Community Affairs (GNWT)	49,459	2,430,463
Less: allowance for doubtful accounts	(12,215)	(3,925)
	193,196	2,619,300
Land sales, rentals and leases	735	3,014
Less: allowance for doubtful accounts	-	-
	735	3,014
Utility	334,577	298,789
Less: Allowance for doubtful accounts	-	-
	334,577	298,789
	\$ 528,508	\$ 2,921,103

6. PREPAID EXPENSES

	2019	2018
Prepaid insurance	\$ 63,305	\$ 59,629
Other	62,341	83,381
	\$ 125,646	\$ 143,010

TOWN OF INUVIK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

7. DUE FROM CHILDREN FIRST SOCIETY

	2019	2018
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	\$ 424,267	\$ 500,201
Current portion	120,000	120,000
	\$ 544,267	\$ 620,201

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, to the Town on March 31, 2014. As at December 31, 2017, the Town had acquired the interest in the building and, as at December 31, 2019, work is still proceeding on transfer of land title. As at December 31, 2019 CFS was current in their monthly payments under the financing plan. The Town is currently working with CFS to ensure payments are received on a regular basis. The effect on CFS of the GNWT's introduction of junior kindergarten is unknown at the time of the preparation of these statements. 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.

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2019	2018
Trade accounts payables	\$ 1,281,414	\$ 1,339,871
Payroll liabilities	89,486	90,012
Deposits	137,174	984,424
Holdback payable	55,001	1,060,832
	\$ 1,563,075	\$ 3,475,139

TOWN OF INUVIK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

9. LONG TERM DEBT

	2019	2018
Canadian Imperial Bank of Commerce demand installment 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.	\$ 138,500	\$ 471,860
Canadian Imperial Bank of Commerce demand installment loan, with principal payments of \$12,931.04 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.	2,689,654	2,844,827
Canadian Imperial Bank of Commerce demand installment loan, with principal payments of \$53,735.63 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.	11,177,010	11,821,837
	\$ 14,005,164	\$ 15,138,524

The current portion of the long-term debt (principal and interest) amounts \$1,356,338 (2018-\$1,574,323).

Principal and interest repayments are as follows:

	Principal	Interest	Total
2020	\$ 938,500	\$ 417,838	\$ 1,356,338
2021	800,000	378,197	1,178,197
2022	800,000	357,714	1,157,714
2023	800,000	333,662	1,133,662
2024	800,000	310,474	1,110,474
Thereafter	9,866,664	1,687,581	11,554,245
	\$ 14,005,164	\$ 3,485,466	\$ 17,490,630

The Town has arranged an overall credit limit of \$20,388,600 (Demand Installment Loan for Inuvik Family Centre \$1,388,600, Operating Line \$1,500,000, Installment Loan/Bridge Long-term financing for Water Treatment Plant \$16,000,000, 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, 2019

10. TANGIBLE CAPITAL ASSETS

	2019	2018
	Net Book Value	Net Book Value
Land improvements	\$ 3,000,818	\$ 3,023,161
Buildings	14,161,308	14,836,493
Machinery and equipment	1,688,461	1,548,561
Roads, sidewalks and paving	16,745,338	17,359,145
Water and waste water	99,311,209	97,146,616
Vehicles	1,212,681	1,357,616
	\$ 136,119,815	\$ 135,271,592

11. EQUITY IN TANGIBLE CAPITAL ASSETS

	2019	2018
Tangible capital assets (Schedule 1)	\$ 200,787,248	\$ 198,713,809
Accumulated amortization (Schedule 1)	(64,667,433)	(63,442,217)
	136,119,815	135,271,592
Long term debt	(14,005,164)	(15,138,524)
Equity in Tangible Capital Assets (Schedule 2)	\$ 122,114,651	\$ 120,133,068

**TOWN OF INUVIK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

12. LANDFILL AND SEWAGE LAGOON 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 53 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, 2019. A provision for the landfill restoration liability of \$120,000 (2018 - \$100,000) has been made as at December 31, 2019, with the intention to increase the provision by \$20,000 annually during the life of the site (subject to annual review; 53 years of annual provisions would total \$1,100,000 by year 2070). Any liability in excess of the amount provided would be accounted for as a current transaction in the year determined.

13. 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

During the year a settlement was reached in the Town's litigation against a contractor. The settlement will see the Town receive payments in instalments. The amount of the settlement is confidential.

TOWN OF INUVIK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

14. COMMITMENTS

a) Service Contracts

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

	Total
2020	\$ 149,995
2021	149,995
2022	-
2023	-
Thereafter	-
	\$ 299,990

b) Capital Contracts

The Town regularly enters into contracts related to capital projects. The amounts below represent uncompleted portions of these contracts as at December 31, 2019. The expected minimum payments for these contracts are:

	Total
2020	\$ 107,545
2021	-
2022	-
2023	-
Thereafter	-
	\$ 107,545

The Town issued a contract to update facilities at the Chief Jim Koe Park; the value of the contract is estimated to be \$75,545. Further, the Town issued a contract for the replacement of the Town Gateway sign at a cost of \$32,000. In 2017, the Town entered into a contribution funding agreement for 75% of costs up to \$12,000,000 pursuant to the federal Clean Water and Waste Water Program, to be funded through the territorial department of Municipal and Community Affairs. The project is on going into 2020 but no contracts have been signed yet for completion of the project.

TOWN OF INUVIK
SCHEDULE OF TANGIBLE CAPITAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2019
(Schedule 1)

	Land and Improvements	Buildings	Vehicles	Machinery & Equipment	Sewage Lagoon & Landfill	Roads	Water and Waste Water	2019 Total	2018 Total
Cost									
Balance, beginning of year	\$ 3,247,377	\$ 31,399,825	\$ 3,696,251	\$ 3,769,799	\$ 1,500,000	\$ 27,225,319	\$ 127,875,238	\$ 198,713,809	\$ 188,120,751
Additions during year	-	235,066	-	384,014	-	42,174	3,809,604	4,470,858	10,593,058
Disposals during year	-	-	(131,597)	-	-	-	(2,265,822)	(2,397,419)	-
Adjustments	-	-	-	-	-	-	-	-	-
Balance, end of year	3,247,377	31,634,891	3,564,654	4,153,813	1,500,000	27,267,493	129,419,020	200,787,248	198,713,809
Accumulated Amortization									
Balance, beginning of year	224,216	16,563,331	2,338,635	2,221,238	1,500,000	9,866,174	30,728,622	63,442,216	60,098,081
Additions during year	22,343	910,251	144,935	244,114	-	655,981	1,432,419	3,410,043	3,344,135
Disposals during year	-	-	(131,597)	-	-	-	(2,053,229)	(2,184,826)	-
Adjustments	-	-	-	-	-	-	-	-	-
Balance, end of year	246,559	17,473,582	2,351,973	2,465,352	1,500,000	10,522,155	30,107,812	64,667,433	63,442,216
Net Book Value	\$ 3,000,818	\$ 14,161,309	\$ 1,212,681	\$ 1,688,461	\$ -	\$ 16,745,338	\$ 99,311,208	\$ 136,119,815	\$ 135,271,592

TOWN OF INUVIK
SCHEDULE OF CHANGES IN ACCUMULATED SURPLUS
FOR THE YEAR ENDED DECEMBER 31, 2019
(Schedule 2)

	Operating Fund	Water and Sewer Fund	Land Fund	Operating Reserve Fund	Water and Sewer Reserve Fund	Equity in Tangible Capital Assets	2019 Total	2018 Total
Excess revenue (expenditures)	\$ (1,191,662)	\$ 3,421,540	\$ 6,966	\$ -	\$ -	\$ -	\$ 2,236,844	\$ 7,200,450
Net interfund transfers	-	1,343,072	-	-	(1,343,072)	-	-	-
Amortization	1,977,624	1,432,419	-	-	-	(3,410,043)	-	-
Loss on disposal of tangible capital assets	-	212,593	-	-	-	(212,593)	-	-
Transfer to (from) fund	(309,947)	-	-	309,947	-	-	-	-
Additional capital expenditures	(661,254)	(3,809,604)	-	-	-	4,470,858	-	-
Long-term debt addition (repayment)	(333,360)	(800,000)	-	-	-	1,133,360	-	-
	(518,599)	1,800,020	6,966	309,947	(1,343,072)	1,981,582	2,236,844	7,200,450
Balance, beginning of year	575,688	1,385,132	2,408,640	805,000	2,071,655	120,133,069	127,379,183	120,178,733
Balance, end of year	\$ 57,089	\$ 3,185,152	\$ 2,415,606	\$ 1,114,947	\$ 728,583	\$ 122,114,651	\$ 129,616,027	\$ 127,379,183

TOWN OF INUVIK
STATEMENT OF REVENUE AND EXPENSES, BY SERVICE DIVISION
FOR THE YEAR ENDED DECEMBER 31, 2019
(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 2019	Total 2018
Revenue	(Schedule 3a)	(Schedule 3b)	(Schedule 3c)	(Schedule 3d)	(Schedule 3e)	(Schedule 3f)		(Schedule 3g)	(Schedule 3h)		
Property taxes	\$ 5,710,676	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,710,676	\$ -	\$ -	\$ 5,710,676	\$ 5,666,176
User fees and sales of goods	10,460	1,844	-	527,697	52,299	195,290	787,590	-	1,957,370	2,744,960	2,775,326
Government transfers	3,096,021	68,000	-	126,061	57,801	-	3,347,883	-	1,308,000	4,655,883	5,964,605
Fines, penalties & interest	164,973	-	-	-	-	-	164,973	-	-	164,973	147,466
Development levies, licenses & permits	102,948	25,955	-	-	-	318,644	447,547	-	-	447,547	459,636
Land sales/development	-	-	-	-	-	-	-	135,460	-	135,460	12,838
Other revenue	85,125	-	-	-	157,740	-	242,865	-	-	242,865	220,425
	9,170,203	95,799	-	653,758	267,840	513,934	10,701,534	135,460	3,265,370	14,102,364	15,246,472
Expense											
Wages and benefits	983,873	440,950	392,292	2,256,362	356,271	-	4,429,748	-	483,880	4,913,628	4,636,172
Mayor and Council	162,176	-	-	-	-	-	162,176	-	-	162,176	113,663
Office materials and supplies	204,796	187,481	35,453	157,171	227,398	-	812,299	-	609,744	1,422,043	1,393,866
Repairs and maintenance	666	10,243	187,178	202,883	-	837	401,807	-	439,497	841,304	971,796
Contracted services	266,772	-	716,048	-	-	821,020	1,803,840	-	64,033	1,867,873	1,898,027
Management fees	(278,000)	-	-	-	-	-	(278,000)	-	250,000	(28,000)	(28,000)
Grants	179,274	-	-	-	-	-	179,274	-	-	179,274	167,269
Cost of sales	-	-	-	-	-	-	-	128,494	-	128,494	4,432
Prov. for allowances (recov.)	8,290	-	-	-	-	-	8,290	-	-	8,290	282
Utilities - electricity	58,226	45,845	-	1,017,781	-	-	1,121,852	-	682,823	1,804,675	1,417,772
Utilities - fuel	57,628	44,142	-	433,412	-	-	535,182	-	383,867	919,049	905,957
Utilities - water and sewer	1,762	5,411	-	84,367	-	-	91,540	-	364	91,904	89,495
Vehicle O&M	-	26,096	12,849	22,062	-	-	61,007	-	32,203	93,210	85,008
Insurance	239,349	-	-	-	-	-	239,349	-	-	239,349	235,271
Interest	55,797	-	-	-	-	-	55,797	-	-	55,797	58,345
Contribution agreement	78,361	-	-	22,537	31,369	-	132,267	-	-	132,267	139,820
AEET	-	-	-	-	158,340	-	158,340	-	-	158,340	120,439
Great Northern Arts Festival	804	-	-	-	-	-	804	-	-	804	943
	2,019,774	760,168	1,343,820	4,196,575	773,378	821,857	9,915,572	128,494	2,946,411	12,990,477	12,210,557
Excess (deficiency) of revenue over expenses before amortization	7,150,429	(664,369)	(1,343,820)	(3,542,817)	(505,538)	(307,923)	785,962	6,966	318,959	1,111,887	3,035,915
Gain (loss) on disposition of tangible capital assets	-	-	-	-	-	-	-	-	(212,593)	(212,593)	-
Capital transfers (W&S)	-	-	-	-	-	-	-	-	4,747,593	4,747,593	7,508,670
Amortization	(165,769)	(132,864)	(772,573)	(869,172)	-	(37,246)	(1,977,624)	-	(1,432,419)	(3,410,043)	(3,344,135)
Excess (deficiency) of revenue over expenses	\$ 6,984,660	\$ (797,233)	\$ (2,116,393)	\$ (4,411,989)	\$ (505,538)	\$ (345,169)	\$ (1,191,662)	\$ 6,966	\$ 3,421,540	\$ 2,236,844	\$ 7,200,450

TOWN OF INUVIK
SCHEDULE OF REVENUE AND EXPENSES, GENERAL GOVERNMENT SERVICES
FOR THE YEAR ENDED DECEMBER 31, 2019
(Schedule 3a)

	Budget 2019	Actual 2019	Actual 2018
Revenues			
Property taxes	\$ 5,749,270	\$ 5,710,676	\$ 5,666,176
User fees and sales of goods	10,500	10,460	34,815
Government transfers	4,466,457	3,096,021	4,513,372
Fines, penalties & interest	140,000	164,973	147,465
Development levies, licenses & permits	46,600	102,948	80,487
Land sales/development	-	-	-
Other revenue	40,000	85,125	63,223
	10,452,827	9,170,203	10,505,538
Expenses			
Wages and benefits	1,010,195	983,873	1,002,397
Mayor and council	173,380	162,176	113,663
Office materials and supplies	216,000	204,796	189,194
Repairs and maintenance	4,000	666	2,199
Contracted services	207,000	266,772	277,970
Management Fees	(278,000)	(278,000)	(278,000)
Grants	158,985	179,274	167,269
Cost of sales	-	-	-
Provision for allowances	10,000	8,290	282
Utilities - electricity	61,400	58,226	62,525
Utilities - fuel	60,000	57,628	66,063
Utilities - water and sewage	8,000	1,762	2,523
Vehicle O & M	-	-	-
Insurance	233,000	239,349	235,271
Interest	1,184,160	55,797	58,345
Contribution agreement & other expense	-	78,361	41,385
Great Northern Arts Festival	1,500	804	943
	3,049,620	2,019,774	1,942,029
Excess (deficiency) of revenue over expenses before amortization	7,403,207	7,150,429	8,563,509
Amortization	-	(165,769)	(161,454)
Loss on disposal of assets	-	-	-
Excess of revenue over expenses	\$ 7,403,207	\$ 6,984,660	\$ 8,402,055

TOWN OF INUVIK
SCHEDULE OF REVENUE AND EXPENSES, PROTECTIVE SERVICES
FOR THE YEAR ENDED DECEMBER 31, 2019
(Schedule 3b)

	Budget 2019	Actual 2019	Actual 2018
Revenues			
User fees and sales of goods	\$ -	\$ 1,844	\$ 7,869
Government transfers	-	68,000	-
Fines, penalties & interest	-	-	-
Development levies and permits	25,500	25,955	77,098
	25,500	95,799	84,967
Expenses			
Wages and benefits	489,610	440,950	433,464
Office Materials & supplies	204,700	187,481	187,005
Repairs and maintenance	21,000	10,243	23,088
Utilities - electricity	54,900	45,845	52,773
Utilities - fuel	45,100	44,142	48,448
Utilities - water and sewage	6,200	5,411	5,163
Vehicle O & M	36,530	26,096	35,131
	858,040	760,168	785,072
Excess (deficiency) of revenue over expenses before amortization	(832,540)	(664,369)	(700,105)
Amortization	-	(132,864)	(136,362)
Excess (deficiency) of revenue over expenses	\$ (832,540)	\$ (797,233)	\$ (836,467)

TOWN OF INUVIK
SCHEDULE OF REVENUE AND EXPENSES, PUBLIC WORKS & TRANSPORTATION
FOR THE YEAR ENDED DECEMBER 31, 2019
(Schedule 3c)

	Budget 2019	Actual 2019	Actual 2018
Revenues			
User fees and sales of goods	\$ -	\$ -	\$ -
Government transfers	-	-	21,500
Fines, penalties & interest	-	-	-
	-	-	21,500
Expenses			
Wages and benefits	394,620	392,292	360,485
Office materials & supplies	41,350	35,453	37,330
Repairs and maintenance	151,500	187,178	151,586
Contracted services	740,500	716,048	829,493
Vehicle O & M	29,500	12,849	5,054
	1,357,470	1,343,820	1,383,948
Excess (deficiency) of revenue over expenses before amortization	(1,357,470)	(1,343,820)	(1,362,448)
Amortization	-	(772,573)	(765,362)
Excess (deficiency) of revenue over expenses	\$ (1,357,470)	\$ (2,116,393)	\$ (2,127,810)

TOWN OF INUVIK
SCHEDULE OF REVENUE AND EXPENSES, RECREATION SERVICES
FOR THE YEAR ENDED DECEMBER 31, 2019
(Schedule 3d)

	Budget 2019	Actual 2019	Actual 2018
Revenues			
	\$ -	\$ -	\$ -
User fees and sales of goods	577,600	527,697	624,437
Government transfers	107,000	126,061	97,660
Fines, penalties & interest	-	-	-
	684,600	653,758	722,097
Expenses			
Wages and benefits	2,516,100	2,256,362	2,122,166
Office Materials & supplies	185,700	157,171	166,863
Repairs and maintenance	229,500	202,883	451,322
Contracted services	-	-	-
Management fees	-	-	-
Grants	-	-	-
Cost of sales	-	-	-
Provision for allowances	-	-	-
Utilities - electricity	879,600	1,017,781	717,484
Utilities - fuel	480,000	433,412	391,929
Utilities - water and sewage	72,700	84,367	81,610
Vehicle O & M	24,000	22,062	25,296
Insurance	-	-	-
Interest	-	-	-
Contribution expense	43,000	22,537	42,362
	4,430,600	4,196,575	3,999,032
Excess (deficiency) of revenue over expenses before amortization	(3,746,000)	(3,542,817)	(3,276,935)
Amortization	-	(869,172)	(828,953)
Excess (deficiency) of revenue over expenses	\$ (3,746,000)	\$ (4,411,989)	\$ (4,105,888)

TOWN OF INUVIK
SCHEDULE OF REVENUE AND EXPENSES, ECONOMIC DEVELOPMENT
FOR THE YEAR ENDED DECEMBER 31, 2019
(Schedule 3e)

	Budget 2019		Actual 2019		Actual 2018
Revenues					
User fees and sales of goods	\$ 53,000		\$ 52,299		\$ 62,459
Government transfers	50,000		57,801		56,073
Other revenue	-		157,740		157,201
	103,000		267,840		275,733
Expenses					
Wages and benefits	302,340		356,271		264,456
Office Materials & supplies	233,000		227,398		219,762
Contribution agreements	50,000		31,369		56,073
Arctic Energy & Emerging Technologies Conference	171,500		158,340		120,439
	756,840		773,378		660,730
Excess (deficiency) of revenue over expenses before amortization	(653,840)		(505,538)		(384,997)
Amortization	-		-		-
Excess (deficiency) of revenue over expenses	\$ (653,840)		\$ (505,538)		\$ (384,997)

TOWN OF INUVIK
SCHEDULE OF REVENUE AND EXPENSES, ENVIRONMENTAL SERVICES
FOR THE YEAR ENDED DECEMBER 31, 2019
(Schedule 3f)

	Budget 2019		Actual 2019		Actual 2018
Revenues					
User fees and sales of goods	\$ 166,800		\$ 195,290		\$ 164,190
Development levies, licenses & fees	300,000		318,644		302,051
	466,800		513,934		466,241
Expenses					
Repairs and maintenance	8,850		837		250
Contracted services	745,200		821,020		713,627
	754,050		821,857		713,877
Excess (deficiency) of revenue over expenses before amortization	(287,250)		(307,923)		(247,636)
Amortization	-		(37,246)		(37,246)
Excess (deficiency) of revenue over expenses	\$ (287,250)		\$ (345,169)		\$ (284,882)

TOWN OF INUVIK
SCHEDULE OF REVENUE AND EXPENSES, LAND DEVELOPMENT
FOR THE YEAR ENDED DECEMBER 31, 2019
(Schedule 3g)

	Budget 2019		Actual 2019		Actual 2018
Revenues					
Land sales	\$ 11,000		\$ 135,460		\$ 12,838
	11,000		135,460		12,838
Expenses					
Cost of sales	-		128,494		4,432
	-		128,494		4,432
Excess (deficiency) of revenue over expenses before amortization	11,000		6,966		8,406
Amortization	-		-		-
Excess (deficiency) of revenue over expenses	\$ 11,000		\$ 6,966		\$ 8,406

TOWN OF INUVIK
SCHEDULE OF REVENUE AND EXPENSES, WATER & SEWAGE SERVICES
FOR THE YEAR ENDED DECEMBER 31, 2019
(Schedule 3h)

	Budget 2019	Actual 2019	Actual 2018
Revenues			
User fees and sales of goods	\$ 1,875,271	\$ 1,957,370	\$ 1,881,556
Government transfers	3,272,708	1,308,000	1,276,000
	5,147,979	3,265,370	3,157,556
Expenses			
Wages and benefits	544,680	483,880	453,203
Office Materials & supplies	583,901	609,744	593,712
Repairs and maintenance	319,500	439,497	343,351
Contracted services	55,000	64,033	76,937
Management fees	250,000	250,000	250,000
Utilities - electricity	528,000	682,823	584,990
Utilities - fuel	420,000	383,867	399,517
Utilities - water and sewer	364	364	199
Vehicle O & M	27,300	32,203	19,527
	2,728,745	2,946,411	2,721,436
Excess (deficiency) of revenue over expenses before amortization	2,419,234	318,959	436,120
Amortization	-	(1,432,419)	(1,414,758)
Capital transfers	3,044,962	4,747,593	7,508,670
Loss on disposal of assets	-	(212,593)	-
Excess (deficiency) of revenue over expenses	\$ 5,464,196	\$ 3,421,540	\$ 6,530,032

TOWN OF INUVIK
SCHEDULE OF GOVERNMENT TRANSFERS
FOR THE YEAR ENDED DECEMBER 31, 2019
(SCHEDULE 4)

	Budget 2019	Actual 2019	Actual 2018
Territorial transfers			
Municipal & Community Affairs			
Formula based funding	\$ 2,627,000	\$ 2,627,000	\$ 2,610,000
Water sewer subsidy program	1,308,000	1,308,000	1,276,000
Infrastructure (Capital Block Funding)	1,698,839	1,491,000	1,231,000
CWWF Funding	1,227,343	2,029,593	6,207,184
Canada-NWT Gas Tax Funding	1,817,619	2,718,000	1,359,000
Small Communities program	401,334	-	-
Senior Citizens Tax Grant	68,828	80,948	69,004
Recreation funding	43,000	47,487	35,085
Highway Rescue Funding	-	68,000	-
Small Communities Employment program	46,790	204,858	41,385
Reuse & Recycle Inuvik	-	-	21,500
	9,238,753	10,574,886	12,850,158
Transfer from (to) deferred revenue	-	(1,314,274)	490,985
ECE Library contribution	49,000	63,574	48,075
Literacy Funding	15,000	15,000	14,500
Other agreements and grants	75,000	64,289	69,557
	139,000	(1,171,411)	623,117
Total government transfers	\$ 9,377,753	\$ 9,403,475	\$ 13,473,275

TOWN OF INUVIK
SCHEDULE OF GAS TAX PROGRAM
FOR THE YEAR ENDED DECEMBER 31, 2019
(SCHEDULE 5)

	2005 to 2011	2012	2013	2014	2015	2016	2017	2018	2019	Cumulative Total
Funding										
Opening Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 57,514	\$ -
Annual Allocation	4,342,487	964,973	964,973	964,973	965,000	1,264,000	1,264,000	1,359,000	2,718,000	14,807,406
Interest earned	-	-	-	-	-	-	-	-	-	-
	4,342,487	964,973	964,973	964,973	965,000	1,264,000	1,264,000	1,359,000	2,775,514	14,807,406
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	5,746,828
Utilidor energy upgrades allocation	4,282,487	964,973	964,973	964,973	80,849	-	-	-	-	7,258,255
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
	4,342,487	964,973	964,973	964,973	965,000	1,264,000	1,264,000	1,301,486	1,379,874	13,411,766
Deferred Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 57,514	\$ 1,395,640	\$ 1,395,640

TOWN OF INUVIK
SCHEDULE OF COMMUNITY PUBLIC INFRASTRUCTURE
FOR THE YEAR ENDED DECEMBER 31, 2019
(SCHEDULE 6)

For the year ended March 31

	2005 to 2011	2012	2013	2014	2015	2016	2017	2018	2019	Cumulative Total
Funding										
Opening balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 787,785	\$ 239,286	-
Annual allocation	3,692,790	1,231,000	1,231,000	1,231,000	1,231,000	1,231,000	1,231,000	1,231,000	1,491,000	\$13,800,790
Interest earned	-	-	-	-	-	-	-	-	-	-
	3,692,790	1,231,000	1,231,000	1,231,000	1,231,000	1,231,000	1,231,000	2,018,785	1,730,286	13,800,790
Eligible project expenses										
Water and waste water utilidor	2,010,000	570,000	551,000	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	463,438
Roads	1,532,790	661,000	300,000	100,000	352,139	30,000	119,785	-	-	3,095,714
Sidewalks	-	-	-	-	-	247,596	-	-	-	247,596
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	236,709
Youth Centre sewage tank	-	-	-	-	-	-	-	46,306	-	46,306
Tourism Gateway/welcome sign	-	-	-	-	-	-	-	101,069	-	101,069
MSC Ice plant condenser	-	-	-	-	-	-	-	38,000	-	38,000
Public works steamer	-	-	-	-	-	-	-	-	62,930	62,930
Conference equipment	-	-	-	-	-	-	-	-	37,124	37,124
Inspection cameras/monitor	-	-	-	-	-	-	-	-	17,797	17,797
MSC forklifts	-	-	-	-	-	-	-	-	48,920	48,920
Subtotal	3,692,790	1,231,000	851,000	1,231,000	1,231,000	1,231,000	443,215	1,772,396	1,384,810	13,068,211

TOWN OF INUVIK
SCHEDULE OF COMMUNITY PUBLIC INFRASTRUCTURE (CONT'D.)
FOR THE YEAR ENDED DECEMBER 31, 2019
(SCHEDULE 6)

Carryforward	3,692,790	1,231,000	851,000	1,231,000	1,231,000	1,231,000	443,215	1,772,396	1,384,810	13,068,211
Cargo trailer	-	-	-	-	-	-	-	-	19,544	19,544
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
Tourism gateway/welcome sign	-	-	-	-	-	-	-	-	19,480	19,480
Capital expenditures & other	-	-	380,000	-	-	-	-	7,103	32,186	13,585,356
	3,692,790	1,231,000	1,231,000	1,231,000	1,231,000	1,231,000	443,215	1,779,499	1,514,852	13,585,356
Deferred Revenue	\$ -	\$ 787,785	\$ 239,286	\$ 215,434	\$ 215,434					

TOWN OF INUVIK
SCHEDULE OF SMALL COMMUNITIES FUND PROGRAM
FOR THE YEAR ENDED DECEMBER 31, 2019
(SCHEDULE 7)

Funding	2016	2017	2018	2019	Cumulative Total
Opening balance	\$ -	\$ -	\$ -	\$ -	\$ -
Annual allocation	3,531,261	364,405	-	-	3,895,666
Interest earned	-	-	-	-	-
	<u>3,531,261</u>	<u>364,405</u>	<u>-</u>	<u>-</u>	<u>3,895,666</u>
Eligible project expenditures					
Water and waste water - utilidor	3,531,261	364,405	-	-	3,895,666
	<u>3,531,261</u>	<u>364,405</u>	<u>-</u>	<u>-</u>	<u>3,895,666</u>
Excess (deficiency) of revenue over expenditures	\$ -	\$ -	\$ -	\$ -	\$ -

TOWN OF INUVIK
SCHEDULE OF SALARIES, HONORARIA & TRAVEL
FOR THE YEAR ENDED DECEMBER 31, 2019
(SCHEDULE 8)

Position	Salary	Honoraria	Travel Expenses
Mayor			
Natasha Kulikowski	\$ 99,086	\$ -	\$ -
Councillors			
Steve Baryluk	-	6,360	-
Clarence Wood	-	7,500	-
Alena Mero	-	4,800	-
Kurt Wainman	-	3,900	-
Gary McBride	-	6,975	-
Paul MacDonald	-	6,675	-
Dez Loreen	-	7,275	-
Raygan Solotki	-	5,100	-
	\$ 99,086	\$ 48,585	\$ -

TOWN OF INUVIK
SCHEDULE OF CLEAN WATER AND WASTE WATER PROGRAM
FOR THE YEAR ENDED DECEMBER 31, 2019
(Schedule 9)

	2017	2018	2019	Cumulative
Funding				
Opening balance	\$ -	\$ -	\$ -	\$ -
Annual Allocation	681,196	6,207,184	2,029,647	8,918,027
Interest earned	-	-	-	-
	681,196	6,207,184	2,029,647	8,918,027
Sewage outfall replacement	610,882	5,265,635	1,541,510	7,418,027
Second water tank	70,314	941,549	488,137	1,500,000
	681,196	6,207,184	2,029,647	8,918,027
Excess (deficiency) of revenue over expenses	\$ -	\$ -	\$ -	\$ -

TOWN OF INUVIK
SCHEDULE OF WATER AND SEWAGE DATA
FOR THE YEAR ENDED DECEMBER 31, 2019
(Schedule 10)

Water and Sewage Rates:

Economic Rate	\$0.00767/L
Residential Rate	\$0.00578/L
Commercial Rate	\$0.00767/L
Public Sector (including local government) Rate	\$0.01103/L

By-Law #2588/UTIL/16

Water and Sewage Costs (dollars)

Total Water & Sewage Costs
for 2019 per Financial statements
\$ 2,946,411

Total Budgeted Costs Used
For Calculating Economic Rate (Note 1)
\$ 2,728,745

Water and Sewage Revenue:

Total Water & Sewage Revenue
\$ 1,957,370

Revenue -Residential
\$ 973,269

Revenue - Public Sector
\$ 761,332

Revenue - Commercial
\$ 222,769

Water and Sewage Consumption (in litres)

Actual Volume of Water Consumed
in 2019 (billed in litres)
256,592,000

Actual Consumption - Residential
(in litres)
165,161,000

Total Budgeted Consumption
for Calculating Economic Rate(in litres)
367,908,000

Actual Consumption -Commercial
(in litres)
26,817,000

Actual Consumption - Public Sector
(in litres)
64,614,000

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.