

TOWN OF INUVIK
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

TOWN OF INUVIK

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016**

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Management Responsibility for Financial Statements

Town Council, which is responsible for, among other things, the financial statements of the Town of Inuvik, delegates to Administration the responsibility of the financial statements. Town Council appoints independent auditors to examine and report directly to them on the financial statements. Administration prepared the financial statements. Accounting principles have been followed as recommended by the Department of Municipal and Community Affairs, based upon the requirements of the Cities, Towns and Villages Act of the Northwest Territories, and 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 the benefits to be derived. Administration believes its system provides the appropriate balance in this respect.

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

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

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

February 27, 2017

Senior Administrative Officer

Date



TOWN OF INUVIK, NT

2016 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 2016 staff continued an ongoing review of all policies, bylaws and other operating documents with the main focus to determine if still relevant and if they need to be updated to ensure proper and current controls and procedures are in place. Annual reviews of the policies, bylaws and other operating documents will continue through 2017.

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.

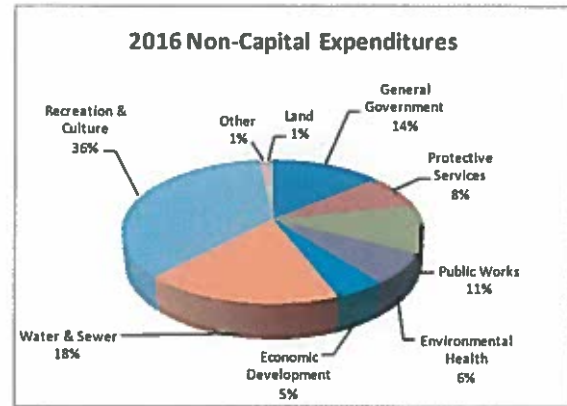
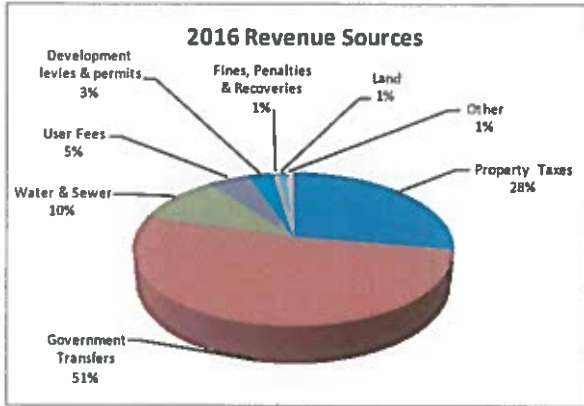
The following financial discussion and analysis has been prepared by management and should be read in conjunction with the audited consolidated financial statements and their accompanying notes and schedules.

Results from Operations

The Statement of Operations reports the Town of Inuvik's changes in economic resources and accumulated surpluses for 2016, on a comparative basis. On a combined fund basis the annual excess of revenues over expenses was a 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 2016 the Town experienced a budget surplus as a result of the positive effect of the Tangible Capital assets mainly on the Water and Sewer. Overall the budget surplus was \$4.664 million with a surplus in the land development fund of \$0.092 million, a deficit in the operating fund of \$0.143 million and a surplus in the water and sewer services fund of \$4.715 million. The Town of Inuvik has established a positive cash flow during the year. The Town will continue to monitor its cash flow.

Replacement of aging water and sewer infrastructure (Utilidor) was restarted in 2016 after 2015 was used to determine a better plan for 2016 replacement. Construction on the new water treatment plant building continued in 2016 with main plant commissioned and producing water for the distribution system in November 2016 with substantial completion in early 2017.

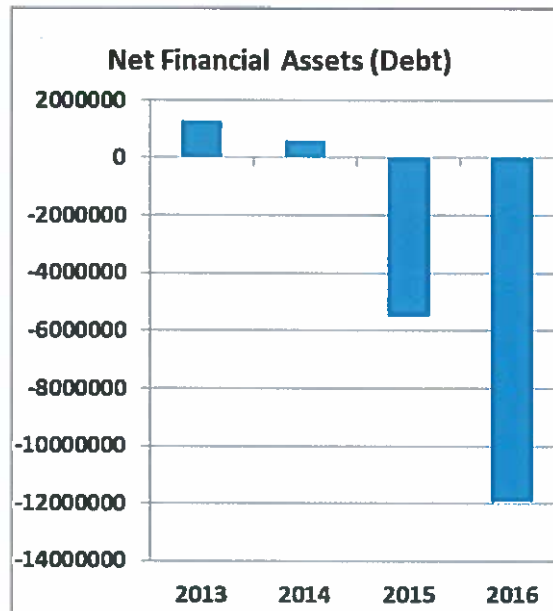


Financial Position

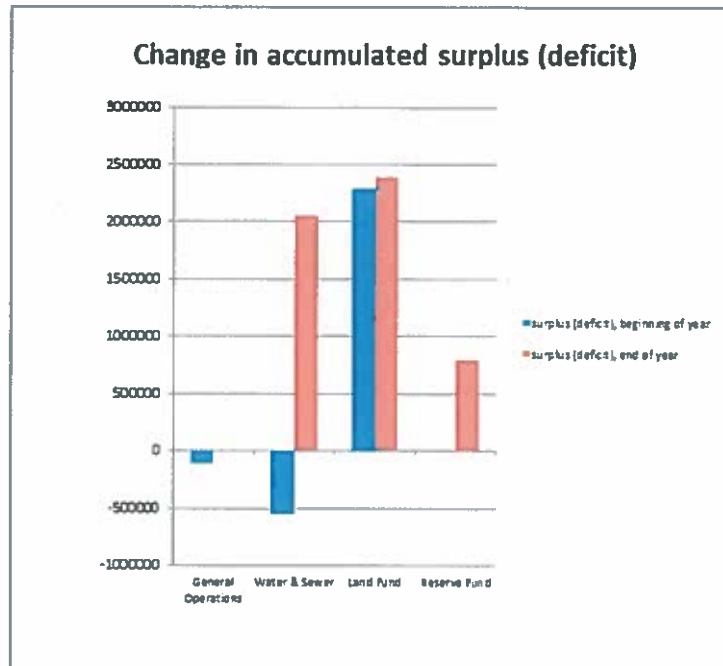
The Statement of Financial Position reports the Town of Inuvik's financial and non-financial resources, obligations and accumulated surplus as at December 31, 2016, on a comparative basis. This statement is used to evaluate the Town of Inuvik's ability to finance its activities and to meet its liabilities 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 regained its cash position during 2016. The town's cash position has changed from to having cash in the bank of \$5.385 million reflects an increase of \$6.013 million from the prior year. This increase is the result of significant capital expenditures such as the progress payments on the new Water Treatment System being paid for by temporary loan payments until the debenture is crystalized. The Town plans to maintain its 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 \$4,663,865. The following table shows how much the community's financial position has changed. The General Operations, Water & Sewer and Land funds are in a surplus position with the Reserve Fund re-established. For details, please refer to the schedule of accumulated surplus (deficit).



The net book value of the community's capital assets is 69% of their historical costs. This means that, on average, 31% of the useful life of capital assets has been used. Significant capital project for 2017 is the replacement of the main Sewer Outfall line (\$10.0 million).

Debt

The Town of Inuvik's debt is a Debenture with a fixed repayment schedule (\$333,360 plus interest). Interest on this debt is based on prime lending rates. Currently the Town of Inuvik has no problems meeting either the principal or interest payments that come due monthly. In 2016 the Town had continued to incur additional Long Term Debt for the Water Treatment Plant (\$12,976,973). For details, please refer to Note 5 in the Audited Financial Statements.

Closing Comments

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

Senior Administrative Officer

Robert
Stewart

Chartered
Accountant/
Management
Consultants

Box 2196
Yellowknife, N.W.T. X1A 2P6
Tel (867) 873-5595
Fax (309) 407-6576
Email: stewartr@peace.ca

INDEPENDENT AUDITOR'S REPORT

To the Mayor and Members of Council:

We have audited the accompanying financial statements of Town of Inuvik, which comprise the statement of financial position as at December 31, 2016, and the statement of operations, statement of changes in net financial assets (debt) and statement of cash flows for the year then ended, and notes comprised of a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of Town of Inuvik as at December 31, 2016, and the results of its operations, changes in net financial assets (debt) and its cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

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

Other Matters

Report on Other Legal and Regulatory Requirements

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

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

CHARTERED ACCOUNTANT


February 27, 2017
Yellowknife, N.W.T.

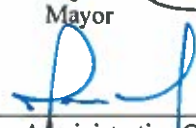
Town of Inuvik
Statement of Financial Position
As at December 31, 2016

	2016	2015
Financial Assets		
Cash	\$ 4,597,070	\$ -
Trust cash	788,000	-
Receivables		
Taxes and grants in lieu of taxes (Note 2)	749,936	871,295
Trade and other (Note 3)	1,568,782	663,381
Due from Children First Society – current (Note 9)	120,000	-
Land held for resale – current (Note 1f)	-	-
	7,823,788	1,534,676
Liabilities		
Bank indebtedness (Note 5)	-	628,115
Accounts payable and accrued liabilities (Note 4)	5,503,431	2,572,681
Deferred revenue (Note 1p)	61,833	15,423
Landfill restoration liability (Note 11)	60,000	40,000
Long term debt (Note 5)	14,115,553	3,791,636
	19,740,817	7,047,855
Net Financial Assets (Debt)	(11,917,029)	(5,513,179)
Non-Financial Assets		
Tangible capital assets (Note 6 and Schedule 1)	128,328,351	116,935,314
Land held for resale - noncurrent (Note 1f)	2,261,058	2,374,863
Due from Children First Society – noncurrent (Note 9)	671,171	907,122
Prepaid expenses	95,314	66,133
Inventory (Note 1f)	-	4,747
	131,355,894	120,288,179
Accumulated Surplus (Schedule 2)	\$ 119,438,865	\$ 114,775,000

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

Approved on behalf of the Town:



Mayor


Senior Administrative Officer

Town of Inuvik
Statement of Operations
For the Year ended December 31, 2016

	2016 Budget	2016 Actual	2015 Actual
	(Note 1,n)		
Revenues (Schedule 3)			
Property taxes	\$ 3,579,860	\$ 3,653,319	\$ 3,363,515
Property taxes – education portion	636,830	636,830	615,124
Grants in lieu of property taxes – GNWT	1,389,290	1,359,767	1,273,145
Grants in lieu of property taxes – Canada	293,840	314,470	330,062
Less: Allowance for doubtful collections	-	-	(194,000)
Education requisition	(636,830)	(636,830)	(615,124)
Net municipal property taxes	5,262,990	5,327,556	4,772,722
Government transfers (Schedule 4)	13,673,330	10,002,457	6,192,296
User fees and sales of goods	2,765,300	2,946,346	2,843,327
Development levies, licenses and permits	383,300	575,573	433,576
Fines, penalties and recoveries	170,000	99,152	290,202
Land revenue	219,250	211,933	34,443
Other	415,700	153,513	110,903
Total Revenues	22,889,870	19,316,532	14,677,468
Expenses (Schedule 3)			
General government	(2,140,780)	(1,838,257)	(1,905,138)
Protective services	(1,005,180)	(1,090,186)	(1,092,171)
Public works services	(1,414,970)	(1,992,029)	(1,784,356)
Environmental health services	(747,400)	(827,447)	(705,938)
Economic development	(815,750)	(536,952)	(527,380)
Recreation and culture	(4,370,990)	(4,983,760)	(4,874,775)
Land expenditures	(126,750)	(119,442)	(24,835)
Water and sewer expenditures	(2,095,450)	(3,264,594)	(3,589,211)
Budgeted net capital expenditures (Note 1n)	(10,172,600)	(-)	(-)
Total operating expenditures	(22,889,870)	(14,652,667)	(14,503,804)
Excess revenues (expenses)	-	4,663,865	173,664
Accumulated surplus, beginning of year	114,775,000	114,775,000	114,601,336
Accumulated surplus, end of year	\$ 114,775,000	\$ 119,438,865	\$ 114,775,000

See accompanying notes and schedules to the financial statements.

**Town of Inuvik
Statement of Cash Flows
For the Year ended December 31, 2016**

	2016	2015
NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES:		
Operating Transactions		
Excess (deficiency) of revenues over expenditures	\$ 4,663,865	\$ 173,664
Non-cash charges to operations:		
Loss on disposal of tangible capital assets	-	-
Amortization of capital assets	3,168,121	2,650,411
Cash provided by operating transactions	7,831,986	2,824,075
Working capital transactions		
Decrease (increase) in accounts receivable	(784,042)	(258,145)
Decrease (increase) in land held for sale	113,805	20,000
Decrease (increase) in Due from Children First Society	115,951	(25,137)
Decrease (increase) in other non-financial assets	(24,434)	235,096
Increase (decrease) in accounts payable and other liabilities	2,950,750	1,342,194
Increase (decrease) in Deferred Revenue	46,410	(84,577)
Net cash from (used for) working capital transactions	2,418,440	1,229,431
Financing transactions		
Long-term debt (repaid)	10,323,917	1,986,336
Net cash from (used for) financing	10,323,917	1,986,336
Capital transactions		
Acquisition of Tangible Capital Assets	(14,561,158)	(8,811,696)
Net cash from (used for) capital transactions	(14,561,158)	(8,811,696)
Increase (decrease) in cash and cash equivalents	6,013,185	(2,771,854)
Net cash and temporary investments (bank indebtedness) at beginning of year	(628,115)	2,143,739
Net cash and temporary investments (bank indebtedness) at end of year	\$ 5,385,070	\$ (628,115)
Comprised of:		
Cash in bank	\$ 4,597,070	\$ -
Trust cash (Note below)	788,000	-
Bank indebtedness (line of credit)	-	(628,115)
	\$ 5,385,070	\$ (628,115)
Notes:		
Trust cash is comprised as follows:		
Reserve Deposit (Note 10)	\$ 788,000	\$ -
	\$ 788,000	\$ -

Interest paid during the year amounted to \$73,968 (2015 - \$93,187). Interest and penalties received or receivable was \$99,152 (2015 - \$290,202).

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, 2016

	2016 Budget (Note 1,n)	2016 Actual	2015 Actual
Excess (deficiency) of revenues over expenditures	\$ -	\$ 4,663,865	\$ 173,664
Loss on disposal of tangible capital assets	-	-	-
Amortization of tangible capital assets	10,172,600	3,168,121	2,650,411
Change in inventories and prepaid expenses	-	(24,434)	235,095
Change in Land held for resale - noncurrent	-	113,805	(180,000)
Change in Due from Children First Society - noncurrent	-	235,951	(195,409)
Acquisition of tangible capital assets	(10,172,600)	(14,561,158)	(8,811,696)
Other	-	-	-
Increase (decrease) in net financial assets	-	(6,403,850)	(6,127,935)
Net financial assets (debt) at beginning of year	(5,513,179)	(5,513,179)	614,756
Net financial assets (debt) at end of year	\$ (5,513,179)	\$ (11,917,029)	\$ (5,513,179)

See accompanying notes and schedules to the financial statements.

Town of Inuvik
Notes to Financial Statements
For the Year ended December 31, 2016

1. SIGNIFICANT ACCOUNTING POLICIES

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

a) Reporting Entity

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

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

Interdepartmental transactions and balances are eliminated.

b) Basis of Accounting

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

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

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

c) Fund Accounting

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

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

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

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

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

d) Government Transfers

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

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

Operating transfers are recognized as revenue in the period in which the events giving rise to the transaction occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be determined. Capital transfers are initially recognized as deferred revenue and subsequently recognized as revenue when the related tangible capital assets are acquired or constructed.

Town of Inuvik
Notes to Financial Statements
For the Year ended December 31, 2016

1. SIGNIFICANT ACCOUNTING POLICIES (cont.)

e) Temporary Investments

Investments are recorded at cost. Investment premiums and discounts are amortized proportionately over the term of the respective investments. There was no material amount of inventory on hand at December 31, 2016.

f) Inventories and Land Held for Resale

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

Land held for resale is recorded at the lower of cost or net realizable value. Cost includes costs for land acquisition and improvements required to prepare the land for servicing such as clearing, stripping and levelling charges. Related development costs incurred to provide infrastructure such as water and wastewater services, roads, sidewalks and street lighting are recorded as physical assets under the respective function. Current land held for resale is based on an estimate. As at December 31, 2016, there was no indications of any material land sales in the current period.

g) Tangible Capital Assets

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

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

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

h) Contributions of Tangible Capital Assets

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

i) Equity in Tangible Capital Assets

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

j) Cultural and Historical Tangible Capital Assets and Intangible Assets

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

Town of Inuvik
Notes to Financial Statements
For the Year ended December 31, 2016

1. SIGNIFICANT ACCOUNTING POLICIES (cont.)

k) Reserves for Future Expenditures

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

<u>Name</u>	<u>Purpose</u>
General reserves	To replace and repair various municipal assets, and provide a reserve for operations.

l) Use of Estimates

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

m) Economic Dependence

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

n) Budget

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

o) Financial instruments

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

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

The Town is exposed to credit risk arising from the possibility that taxpayers may experience financial difficulty and be unable to pay outstanding taxes. Taxes receivable is initially recorded at historical cost and an allowance is made so the carrying value approximates the fair value. The Town regularly monitors the amounts of outstanding taxes and initiates collection procedures to minimize credit risk. Excluding grants-in-lieu of taxes, approximately 28% or \$1,187,000 of the Town's annual tax revenue is from 5 major property owners, each ranging from 4.5% to 8.1% of the tax roll.

p) Deferred Revenue

Deferred revenue is comprised of amounts received but not yet earned as a result of project completion dates extending beyond the fiscal year end, or conditions attached to the use of the funds as follows. The 2016 cash balance is included in the operating bank account.

	Deferred Balance 2016	Cash Balance 2016	Shortfall	Deferred Balance 2015
CA – Library	\$ 11,975	\$ -	\$ (11,975)	\$ 11,975
CA – Community Tourism Infrastructure	19,087	-	(19,087)	-
CA – Community Participation	-	-	-	3,448
Advertising – Inuvik Guide	27,385	-	(27,385)	-
Other	3,386	-	(3,386)	-
	\$ 61,833	\$ -	\$ (61,833)	\$ 15,423

Town of Inuvik
Notes to Financial Statements
For the Year ended December 31, 2016

1. SIGNIFICANT ACCOUNTING POLICIES (cont.)

q) Employee Benefit Liabilities

Accounts payable and accrued liabilities include employee benefit liabilities which are future obligations of the Town to its employees for benefits earned but not taken as at the end of the fiscal year. The Town and its employees make contributions to a defined pension plan. These contributions represent the total liability of the Town, are recognized in the accounts on a current basis, and there was no significant change during the year affecting the comparability of the costs for the current and prior period. Employees are insured through the Northern Employee Benefits Services. This program is a multi-employer contributory defined benefit program providing pension and disability benefits. Workers are currently required to make contributions of 8% of wages based on a regular work week. The community government is required to make matching contributions. Total contributions by the community government to the program in 2016 were \$222,528 (2015 - \$203,772). The Town is not liable for any future liabilities of this plan.

r) Non-Financial Assets

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

s) Leases

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

t) Segmented Information

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

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

2. TAXES AND GRANTS IN LIEU OF TAXES RECEIVABLES

	2016	2015
Current taxes and grants in lieu of taxes	\$ -	\$ -
Less: allowance for doubtful accounts	(-)	(-)
	-	-
Non-current taxes	1,416,355	1,214,284
Non-current grants in lieu of taxes	-	323,430
Less: allowance for doubtful accounts	(666,419)	(666,419)
	749,936	871,295
	\$ 749,936	\$ 871,295

Town of Inuvik
Notes to Financial Statements
For the Year ended December 31, 2016

3. OTHER ACCOUNTS RECEIVABLE

	2016	2015
Sundry	\$ 105,932	\$ 186,001
Goods & Services Tax	212,452	181,741
Natural Resources Canada	12,867	70,636
Municipal & Community Affairs (GNWT)	978,615	4,478
Less: allowance for doubtful accounts	(19,432)	(73,479)
	1,290,434	369,377
Land sales, rentals and leases	4,474	3,738
Less: allowance for doubtful accounts	-	-
	4,474	3,738
Utility	273,874	290,266
Less: allowance for doubtful accounts	(-)	(-)
	273,874	290,266
	\$ 1,568,782	\$ 663,381

4. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2016	2015
Trade Accounts Payable and Accrued Liabilities	\$ 2,458,088	\$ 1,438,362
Holdbacks Payable	2,118,143	708,806
Deposits	561,323	75,602
Payroll liabilities	365,877	349,909
	\$ 5,503,431	\$ 2,572,679

5. LONG TERM DEBT AND OPERATING LINE OF CREDIT

	2016	2015
Canadian Imperial Bank of Commerce demand instalment loan, interest at prime rate, payable \$27,780 monthly plus interest, maturing May 1, 2020, secured by the Family Recreation Centre and a general assignment of property taxes receivable.	\$ 1,138,580	\$ 1,471,940
Canadian Imperial Bank of Commerce demand instalment loan/Bridge Long-term financing, interest at prime rate, no set repayment terms until construction complete, maturing 20 years after completion, secured by the new Water Treatment Plant and a general assignment of property taxes receivable.	12,976,973	2,319,696
	\$ 14,115,553	\$ 3,791,636

The current portion of the long-term debt (principal and interest) amounts to \$361,427 (2015 -\$370,925).

Principal and interest repayments are as follows:

	Principal	Interest	Total
2017	\$ 333,360	\$ 28,067	\$ 361,427
2018	333,360	18,578	351,938
2019	333,360	9,089	342,449
2020	138,500	989	139,489
Thereafter	-	-	-
	\$1,138,580	\$ 56,723	\$1,195,303

The Town has arranged an overall credit limit of \$20,388,600 (Demand Instalment Loan for Inuvik Family Centre \$1,388,600, Operating Line \$1,500,000, Instalment 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, 2016

6. TANGIBLE CAPITAL ASSETS

	2016 Net book Value	2015 Net book value
Land	\$ 3,067,847	\$ 3,088,885
Buildings	15,800,587	16,536,078
Machinery and Equipment	1,065,562	1,174,321
Roads, sidewalks, paving	18,551,323	18,927,312
Water and waste water	88,154,370	68,023,528
Vehicles	1,688,664	1,820,452
Assets under construction (Note 9)	-	7,364,739
	\$ 128,328,351	\$ 116,935,314

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

7. EQUITY IN TANGIBLE CAPITAL ASSETS

	2016	2015
Tangible capital assets (Schedule 1)	\$ 185,211,435	\$ 171,267,427
Accumulated amortization (Schedule 1)	(56,883,084)	(54,332,113)
	128,328,351	116,935,314
Long term debt	(14,115,553)	(3,791,636)
Debt charges recoverable	-	-
Equity in Tangible Capital Assets (Schedule 2)	\$ 114,212,798	\$ 113,143,678

8. PREPAID EXPENSES

	2016	2015
Prepaid insurance	\$ 51,672	\$ 51,044
Other	43,642	15,088
	\$ 95,314	\$ 66,132

9. DUE FROM CHILDREN FIRST SOCIETY

	2016	2015
Bridge financing provided to Children First Society, to be repaid in 2016 upon receipt of government funding, interest at 0.7% calculated monthly, unsecured.	\$ 50,916	\$ 50,600
Interim financing provided to Children First Society, to be repaid over ten years at a monthly rate of \$10,000, interest at prime plus 0.25% calculated monthly, unsecured.	740,255	856,562
	\$ 791,171	\$ 907,122

The Town entered into an Agreement with the Children First Society ("CFS") with the intention to transfer title and interest in land and building known as the Children First Building March 31, 2014 to the Town. As at December 31, 2014, the Town had acquired the interest in the building and, as at December 31, 2016, work is still proceeding on transfer of land title. As at December 31, 2016, CFS was current in their monthly payments under a new financial plan. The Town is currently working with CFS to ensure payments are received on a regular basis. The effect on CFS of the GNWT introduction of junior kindergarten is unknown at the time of 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.

**Town of Inuvik
Notes to Financial Statements
For the Year ended December 31, 2016**

10. RESERVE DEPOSITS

	Reserve Balance 2016	Cash Balance 2016	Shortfall	Reserve Balance 2015
Reserve fund is comprised of:				
General operational reserves	\$ 788,000	\$ 788,000	\$ -	\$ -
	\$ 788,000	\$ 788,000	\$ -	\$ -

Sufficient funds must be deposited to separate bank accounts to correspond with the respective reserve fund balances. The appropriate reserve is to be credited for interest earned on the account. As at December 31, 2015, the Town had no reserves.

11. LANDFILL CLOSURE AND POST-CLOSURE LIABILITY

The Town is required to fund the closure of its landfill site and provide for post-closure care of the facility. Closure and post-closure activities include the final clay cover, landscaping, as well as surface and ground water monitoring, leachate control, and visual inspection. The requirement will be provided for over the estimated remaining life of the landfill site (currently estimated at a further 55 years) based on usage.

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

The accrued liability for closure and post-closure care of the Town's landfill has been analysed by management, and is estimated to not be significant as at December 31, 2016. A provision for the landfill restoration liability of \$60,000 has been made as at December 31, 2016, with the intention to increase the provision by \$20,000 annually during the life of the site (subject to annual review; 55 years of annual provisions of \$20,000 would total \$1,100,000 by the year 2070). Any liability in excess of the amount provided would be accounted for as a current transaction in the year it is determined.

12. CONTINGENCIES AND SUBSEQUENT EVENTS

a) Insurance

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

b) Lawsuit

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

A construction supplier has brought a matter forward during 2016 for arbitration seeking approximately \$1,800,000. It is management's view that there is no requirement to record a liability in the accounts.

Town of Inuvik
Notes to Financial Statements
For the Year ended December 31, 2016

13. COMMITMENTS

a) Service Contracts

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

	Total
2017	\$ 520,786
2018	520,786
2019	149,995
2020	149,995
2021	149,995
Thereafter	-
	\$1,491,557

b) Capital Contracts

The Town regularly enters into contracts related to capital projects. The amounts below represent the uncompleted portions of these contracts as of December 31, 2016. The expected minimum payments for these contracts are:

	Total
2017	\$ 800,000
2018	-
2019	-
2020	-
2021	-
Thereafter	-
	\$ 800,000

The Town is in the process of issuing tender requests to construct a new sewage outfall in 2017. The current total estimated cost is approximately \$10,000,000, to be spent in 2017. The Town is negotiating contribution funding of approximately \$7,500,000 pursuant to the federal Clean Water and Waste Water Program, to be funded through the territorial Department of Municipal and Community Affairs.

Town of Inuvik
Schedule of Tangible Capital Assets
As at December 31, 2016
(Schedule 1)

	Land and Improvements	Buildings	Vehicles	Machinery & Equipment	Sewage Lagoon & Landfill	Roads	Water and Waste Water	Assets under Construction	2016 Total	2015 Total
Cost										
Balance, beginning of year	\$ 3,246,072	\$30,483,461	\$3,649,009	\$2,722,483	\$1,500,000	\$26,827,939	\$ 95,473,725	\$ 7,364,739	\$ 171,267,427	\$159,268,639
Add – Additions during year	1,305	136,492	47,242	150,241		277,596	13,948,283		14,561,158	8,811,696
Less – Disposals during year							617,150		617,150	
Adjustments							7,364,739	- 7,364,739		3,187,092
Balance, end of year	3,247,377	30,619,953	3,696,251	2,872,724	1,500,000	27,105,535	116,169,597	-	185,211,435	171,267,427
Accumulated Amortization										
Balance, beginning of year	157,187	13,947,383	1,828,557	1,548,162	1,500,000	7,900,627	27,450,197	-	\$ 54,332,113	\$48,494,610
Add – Additions during year	22,343	871,983	179,030	259,000		653,585	1,182,180		3,168,121	2,650,411
Less – Disposals during year							617,150		617,150	
Adjustments										3,187,092
Balance, end of year	179,530	14,819,366	2,007,587	1,807,162	1,500,000	8,554,212	28,015,227	-	56,883,084	54,332,113
Net Book Value	\$ 3,067,847	\$ 15,800,587	\$ 1,688,664	\$ 1,065,562	\$ -	\$ 18,551,323	\$ 88,154,370	\$ -	\$ 128,328,351	\$ 116,935,314

Town of Inuvik
Schedule of Changes in Fund Balances & Accumulated Surplus
As at December 31, 2016
(Schedule 2)

	Operating fund	Water and sewer fund	Land fund	Reserve fund	Equity in Tangible Capital Assets	2016 Total	2015 Total
Excess revenues (expenditures)	-\$ 143,701	\$ 4,715,074	\$ 92,492	\$ -	\$ -	\$ 4,663,865	\$ 173,664
Net interfund transfers:							
Amortization	1,985,941	1,182,180			-3,168,121	0	0
Loss on disposal of tangible capital assets						0	0
Transfer to (from) fund	-788,000			788,000	0	0	0
Additional capital expenditures	-612,876	-13,948,282			14,561,157	0	0
Long-term debt addition (repayment)	-333,360	10,657,276			-10,323,916	0	0
	108,004	2,606,248	92,492	788,000	1,069,120	4,663,865	173,664
Balance, beginning of year	-107,371	-553,387	2,292,082	0	113,143,678	114,775,000	114,601,336
Balance, end of year	\$633	\$2,052,861	\$2,384,574	\$788,000	\$114,212,798	\$119,438,865	\$ 114,775,000

Town of Inuvik
Schedule of Revenue and Expenses, by Service Division
As at December 31, 2016
(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 2016	Total 2015
	(Schedule 3a)	(Schedule 3b)	(Schedule 3c)	(Schedule 3d)	(Schedule 3e)	(Schedule 3f)		(Schedule 3g)	(Schedule 3h)		
Revenues											
Property taxes	\$5,327,556						\$5,327,556			\$5,327,556	\$4,772,722
User fees and sales of goods	52,393	\$ 6,443		\$ 562,752	\$ 61,003	\$ 258,349	940,939		\$2,005,407	2,946,346	2,843,327
Government transfers	3,890,498			109,056	28,642		4,028,196		5,974,261	10,002,457	6,192,296
Fines, penalties & interest	99,152						99,152			99,152	290,202
Development levies, licenses & permits	131,618	68,218					575,573			575,573	433,576
Land sales/development							0	\$211,933		211,933	34,443
Other revenue	2,601				150,912		153,513			153,513	110,903
	9,503,818	74,661	-	671,808	240,557	634,086	11,124,930	211,933	7,979,668	19,316,532	14,677,468
Expenses											
Wages and benefits	951,353	495,876	347,591	2,311,582	300,442		4,406,845		530,378	4,937,223	4,753,531
Mayor and council	113,649						113,649			113,649	133,782
Office materials and supplies	173,966	179,914	37,322	203,997	137,929	206	733,333		179,627	912,960	962,980
Repairs and maintenance	706	24,896	153,451	247,445		27,015	453,513		391,037	844,550	727,756
Contracted services	172,805		670,676			771,748	1,615,228		33,616	1,648,845	1,905,396
Management fees	-278,000						-278,000		250,000	-28,000	-28,000
Grants	164,792						164,792			164,792	121,880
Cost of sales							0	119,442		119,442	24,835
Provision for allowances (recovery)	-54,047						-54,047			-54,047	33,602
Utilities - electricity	61,194	53,138		768,117			882,449		427,629	1,310,078	1,469,707
Utilities - fuel	61,789	45,098		483,431			590,318		238,554	828,872	1,101,242
Utilities - water and sewer	21,556	24,966		87,886			134,407		397	134,804	113,626
Vehicle O&M		60,787	21,564	10,877			93,228		31,175	124,403	99,709
Insurance	206,536						206,536			206,536	205,522
Interest	73,968						73,968			73,968	93,188
Contribution agreement & other expense	0	0		46,156	8,642		54,798			54,798	135,987
Arctic Energy & Emerging Technologies Conference					89,939		89,939			89,939	0
Great Northern Arts Festival	1,734						1,735			1,735	1,651
	1,671,999	884,675	1,230,605	4,159,489	536,952	798,969	9,282,690	119,442	2,082,414	11,484,546	11,853,393
Excess (deficiency) of revenue over expenses before amortization	7,831,818	- 810,014	- 1,230,605	- 3,487,681	- 296,394	- 164,883	1,842,240	92,492	5,897,254	7,831,986	2,824,075
Loss on disposal of tangible capital assets							0			0	0
Amortization	-166,257	-205,511	-761,424	-824,271	0	-28,478	-1,985,941		-1,182,180	-3,168,121	-2,650,411
Excess (deficiency) of revenue over expenses after amortization	\$ 7,665,561	-\$ 1,015,525	-\$ 1,992,029	-\$ 4,311,952	-\$ 296,394	-\$ 193,361	\$ 143,701	\$ 92,492	\$ 4,715,074	\$ 4,663,865	\$ 173,664

Town of Inuvik
Schedule of Revenue and Expenses, General Government Services
As at December 31, 2016
(Schedule 3a)

	Budget 2016	Actual 2016	Actual 2015
Revenues			
Property taxes	\$ 5,262,990	\$ 5,327,556	\$ 4,772,722
User fees and sales of goods	34,500	52,393	28,313
Government transfers	3,823,430	3,890,498	3,938,574
Fines, penalties & interest	170,000	99,152	290,202
Development levies, licenses & permits	49,000	131,618	84,701
Land sales/development			
Other revenue	3,000	2,601	109,903
	<u>9,342,920</u>	<u>9,503,818</u>	<u>9,224,416</u>
Expenses			
Wages and benefits	931,900	951,353	811,727
Mayor and council	186,560	113,649	133,782
Office materials and supplies	199,100	173,966	185,868
Repairs and maintenance	8,000	706	3,432
Contracted services	207,000	172,805	341,137
Management fees	-278,000	-278,000	-278,000
Grants	110,860	164,792	121,880
Cost of sales			
Provision for allowances	15,000	-54,047	33,602
Utilities - electricity	50,000	61,194	53,139
Utilities - fuel	60,000	61,789	47,423
Utilities - water and sewer	10,500	21,556	16,796
Vehicle O&M			
Insurance	207,000	206,536	202,522
Interest	98,000	73,968	93,188
Contribution agreement & other expense	333,360		47,294
Arctic Energy & Emerging Technologies Conference			
Great Northern Arts Festival	1,500	1,734	1,650
	<u>2,140,780</u>	<u>1,671,999</u>	<u>1,815,439</u>
Excess (deficiency) of revenue over expenses before amortization	7,202,140	7,831,818	7,408,976
Amortization	-	-166,257	-89,699
Excess (deficiency) of revenue over expenses after amortization	\$ 7,202,140	\$ 7,665,561	\$ 7,319,277

Town of Inuvik
Schedule of Revenue and Expenses, Public Safety & Protective Services
As at December 31, 2016
(Schedule 3b)

	Budget 2016	Actual 2016	Actual 2015
Revenues			
Property taxes			
User fees and sales of goods	\$ 8,000	\$ 6,443	\$ 11,094
Government transfers	50,000		30,079
Fines, penalties & interest			
Development levies, licenses & permits	49,800	68,218	49,386
Land sales/development			
Other revenue			
	<u>107,800</u>	<u>74,661</u>	<u>90,559</u>
Expenses			
Wages and benefits	582,650	495,876	539,158
Mayor and council			
Office materials and supplies	204,000	179,914	223,313
Repairs and maintenance	21,500	24,896	26,736
Contracted services			
Management fees			
Grants			
Cost of sales			
Provision for allowances			
Utilities - electricity	51,000	53,138	54,619
Utilities - fuel	47,500	45,098	44,797
Utilities - water and sewer	14,500	24,966	20,047
Vehicle O&M	34,030	60,787	36,460
Insurance			
Interest			
Contribution agreement & other expense	50,000		30,079
Arctic Energy & Emerging Technologies Conference			
Great Northern Arts Festival			
	<u>1,005,180</u>	<u>884,675</u>	<u>975,209</u>
Excess (deficiency) of revenue over expenses before amortization			
	- 897,380	- 810,014	- 884,650
Amortization	0	-205,511	-116,963
Excess (deficiency) of revenue over expenses after amortization			
	-\$ 897,380	-\$ 1,015,525	-\$ 1,001,613

Town of Inuvik
Schedule of Revenue and Expenses, Public Works & Transportation
As at December 31, 2016
(Schedule 3c)

	Budget 2016	Actual 2016	Actual 2015
Revenues			
Property taxes			
User fees and sales of goods	\$ -	\$ -	\$ -
Government transfers			
Fines, penalties & interest			
Development levies, licenses & permits			
Land sales/development			
Other revenue			
	-	-	-
Expenses			
Wages and benefits	423,950	347,591	276,407
Mayor and council			
Office materials and supplies	22,300	37,322	26,420
Repairs and maintenance	145,500	153,451	178,648
Contracted services	793,220	670,676	865,936
Management fees			
Grants			
Cost of sales			
Provision for allowances			
Utilities - electricity			
Utilities - fuel			
Utilities - water and sewer			
Vehicle O&M	30,000	21,564	24,724
Insurance			
Interest			
Contribution agreement & other expense			
Arctic Energy & Emerging Technologies Conference			
Great Northern Arts Festival			
	1,414,970	1,230,605	1,372,135
Excess (deficiency) of revenue over expenses before amortization			
	- 1,414,970	- 1,230,605	- 1,372,135
Amortization	0	-761,424	-412,221
Excess (deficiency) of revenue over expenses after amortization			
	-\$ 1,414,970	-\$ 1,992,029	-\$ 1,784,356

Town of Inuvik
Schedule of Revenue and Expenses, Recreation & Culture
As at December 31, 2016
(Schedule 3d)

	Budget 2016	Actual 2016	Actual 2015
Revenues			
Property taxes			
User fees and sales of goods	\$ 556,800	\$ 562,752	\$ 634,005
Government transfers	105,900	109,056	149,909
Fines, penalties & interest			
Development levies, licenses & permits			
Land sales/development			
Other revenue			
	<u>662,700</u>	<u>671,808</u>	<u>783,914</u>
Expenses			
Wages and benefits	2,447,340	2,311,582	2,355,037
Mayor and council			
Office materials and supplies	261,650	203,997	204,244
Repairs and maintenance	197,500	247,445	264,669
Contracted services			
Management fees			
Grants			
Cost of sales			
Provision for allowances			
Utilities - electricity	793,600	768,117	920,644
Utilities - fuel	542,450	483,431	571,406
Utilities - water and sewer	69,950	87,886	68,694
Vehicle O&M	15,500	10,877	11,246
Insurance			
Interest			
Contribution agreement & other expense	43,000	46,156	48,614
Arctic Energy & Emerging Technologies Conference			
Great Northern Arts Festival			
	<u>4,370,990</u>	<u>4,159,489</u>	<u>4,444,553</u>
Excess (deficiency) of revenue over expenses before amortization	- 3,708,290	- 3,487,681	- 3,660,639
Amortization	0	-824,271	-430,220
Excess (deficiency) of revenue over expenses after amortization	-\$ 3,708,290	-\$ 4,311,952	-\$ 4,090,859

Town of Inuvik
Schedule of Revenue and Expenses, Economic Development
As at December 31, 2016
(Schedule 3e)

	Budget 2016	Actual 2016	Actual 2015
Revenues			
Property taxes			
User fees and sales of goods	\$ 74,000	\$ 61,003	\$ 58,477
Government transfers	20,000	28,642	47,734
Fines, penalties & interest			
Development levies, licenses & permits			
Land sales/development			
Other revenue	412,700	150,912	1,000
	<u>506,700</u>	<u>240,557</u>	<u>107,211</u>
Expenses			
Wages and benefits	310,950	300,442	242,099
Mayor and council			
Office materials and supplies	211,800	137,929	275,281
Repairs and maintenance			
Contracted services			
Management fees			
Grants			
Cost of sales			
Provision for allowances			
Utilities - electricity			
Utilities - fuel			
Utilities - water and sewer			
Vehicle O&M			
Insurance			
Interest			
Contribution agreement & other expense		8,642	
Arctic Energy & Emerging Technologies Conference	293,000	89,939	10,000
Great Northern Arts Festival			
	<u>815,750</u>	<u>536,952</u>	<u>527,379</u>
Excess (deficiency) of revenue over expenses before amortization	- 309,050	- 296,394	- 420,169
Amortization	0	0	0
Excess (deficiency) of revenue over expenses after amortization	-\$ 309,050	-\$ 296,394	-\$ 420,169

Town of Inuvik
Schedule of Revenue and Expenses, Environmental Services
As at December 31, 2016
(Schedule 3f)

	Budget 2016	Actual 2016	Actual 2015
Revenues			
Property taxes			
User fees and sales of goods	\$ 200,000	\$ 258,349	\$ 175,955
Government transfers			
Fines, penalties & interest			
Development levies, licenses & permits	284,500	375,737	299,489
Land sales/development			
Other revenue			
	<u>484,500</u>	<u>634,086</u>	<u>475,444</u>
Expenses			
Wages and benefits			
Mayor and council			
Office materials and supplies	9,700	206	52
Repairs and maintenance		27,015	
Contracted services	737,700	771,748	689,599
Management fees			
Grants			
Cost of sales			
Provision for allowances			
Utilities - electricity			
Utilities - fuel			
Utilities - water and sewer			
Vehicle O&M			
Insurance			
Interest			
Contribution agreement & other expense			
Arctic Energy & Emerging Technologies Conference			
Great Northern Arts Festival			
	<u>747,400</u>	<u>798,969</u>	<u>689,651</u>
Excess (deficiency) of revenue over expenses before amortization	- 262,900	- 164,883	- 214,208
Amortization	0	-28,478	-16,287
Excess (deficiency) of revenue over expenses after amortization	-\$ 262,900	-\$ 193,361	-\$ 230,495

Town of Inuvik
Schedule of Revenue and Expenses, Land Development
As at December 31, 2016
(Schedule 3g)

	Budget 2016	Actual 2016	Actual 2015
Revenues			
Property taxes			
User fees and sales of goods			
Government transfers			
Fines, penalties & interest			
Development levies, licenses & permits			
Land sales/development	\$ 219,250	\$ 211,933	\$ 34,443
Other revenue			
	<u>219,250</u>	<u>211,933</u>	<u>34,443</u>
Expenses			
Wages and benefits			
Mayor and council			
Office materials and supplies			
Repairs and maintenance			
Contracted services			
Management fees			
Grants			
Cost of sales	126,750	119,442	24,835
Provision for allowances			
Utilities - electricity			
Utilities - fuel			
Utilities - water and sewer			
Vehicle O&M			
Insurance			
Interest			
Contribution agreement & other expense			
Arctic Energy & Emerging Technologies Conference			
Great Northern Arts Festival			
	<u>126,750</u>	<u>119,442</u>	<u>24,835</u>
Excess (deficiency) of revenue over expenses before amortization	92,500	92,492	9,608
Amortization	0	0	0
Excess (deficiency) of revenue over expenses after amortization	\$ 92,500	\$ 92,492	\$ 9,608

Town of Inuvik
Schedule of Revenue and Expenses, Water & Sewer Services
As at December 31, 2016
(Schedule 3h)

	Budget 2016	Actual 2016	Actual 2015
Revenues			
Property taxes			
User fees and sales of goods	\$ 1,892,000	\$ 2,005,407	\$ 1,935,482
Government transfers	9,674,000	5,974,261	2,026,000
Fines, penalties & interest			
Development levies, licenses & permits			
Land sales/development			
Other revenue			
	<u>11,566,000</u>	<u>7,979,668</u>	<u>3,961,482</u>
Expenses			
Wages and benefits	555,850	530,378	529,102
Mayor and council			
Office materials and supplies	74,350	179,627	47,803
Repairs and maintenance	247,500	391,037	254,271
Contracted services	55,000	33,616	8,723
Management fees	250,000	250,000	250,000
Grants			
Cost of sales			
Provision for allowances			
Utilities - electricity	450,000	427,629	441,305
Utilities - fuel	425,000	238,554	437,617
Utilities - water and sewer	10,000	397	8,090
Vehicle O&M	27,750	31,175	27,279
Insurance			
Interest			
Contribution agreement & other expense			
Arctic Energy & Emerging Technologies Conference			
Great Northern Arts Festival			
	<u>2,095,450</u>	<u>2,082,414</u>	<u>2,004,190</u>
Excess (deficiency) of revenue over expenses before amortization	<u>9,470,550</u>	<u>5,897,254</u>	<u>1,957,293</u>
Loss on disposal of tangible capital assets		0	0
Amortization	0	-1,182,180	-1,585,021
Excess (deficiency) of revenue over expenses after amortization	<u>\$ 9,470,550</u>	<u>\$ 4,715,074</u>	<u>\$ 372,272</u>

Town of Inuvik
Schedule of Government Transfers
for the Year ended December 31, 2016
(Schedule 4)

	Budget	2016	2015
Territorial transfers (Note 1d)			
Municipal & Community Affairs			
Formula based funding	\$ 2,527,000	\$ 2,562,000	\$ 2,527,000
Water sewer subsidy program	1,060,000	1,179,000	1,061,000
Infrastructure (Capital Block Funding)	1,231,000	1,231,000	1,231,000
Canada-NWT Gas Tax Agreement	1,264,000	1,264,000	965,000
Small Communities program	3,750,000	3,531,261	-
Water Treatment Plant program	3,600,000	-	-
Senior Citizens Tax Grant	50,430	80,664	57,279
Recreation Funding	43,000	43,000	43,000
Community Tourism Infrastructure	-	22,500	-
Highway Rescue Funding	50,000	-	30,079
Children & Youth Resiliency Funding	-	-	15,000
Other contributions	-	3,156	-
	13,575,430	9,916,581	5,929,358
Transfer from (to) Deferred Revenue	-	(19,087)	-
Natural Resources Canada contract	-	-	111,307
ECE Library contribution	47,900	47,900	60,845
Literacy Funding	15,000	15,000	15,000
Other agreements and grants	35,000	42,063	75,786
	97,900	85,876	262,938
Total government transfers	\$ 13,673,330	\$ 10,002,457	\$ 6,192,296

Town of Inuvik
Schedule of Salaries, Honoraria and Travel
for the Year ended December 31, 2016
(Schedule 5)

Position	Salary	Honoraria	Travel
MAYOR:			
Jim McDonald	\$ 48,303	\$ -	\$ 9,667
COUNCILLOR:			
Clarence Wood		10,125	5,457
Natasha Kulikowski		10,200	2,734
Kurt Wainman		2,550	
Alana Mero		6,450	
Joe Lavoie		6,975	
Steven Baryluk		9,420	
Darrell Christie		8,700	2,167
Vince Sharpe		4,950	
Student Council Representative		2,850	
NWTAC Conference			1,470
FCM Conference			2,495
Totals	48,303	62,220	23,991

Town of Inuvik
Schedule of Small Communities Fund Program
for the Year ended December 31, 2016
(Schedule 8)

For the years ended December 31	2015	2016	Cumulative Total
Funding			
Opening balance	-	-	-
Annual allocation	\$ -	\$ 3,531,261	\$ 3,531,261
Interest earned	-	-	-
	<u>0</u>	<u>3,531,261</u>	<u>3,531,261</u>
Eligible project expenses			
Water and waste water - utilidor		3,531,261	3,531,261
Capital expenditures and other			0
	<u>0</u>	<u>3,531,261</u>	<u>3,531,261</u>
Excess (deficiency) of revenue over expenses	<u>0</u>	<u>0</u>	<u>0</u>

**Town of Inuvik
Water and Sewage Reporting Form
for the Year ended December 31, 2016
(Schedule 9)**

Water & Sewage Rates:

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

Bylaw: 2588/UTIL/16

Water & Sewage expenditures:

Total Water & Sewage Costs (excl. amortization) For 2016 Per Financial Statements \$ 2,082,414	Total Budgeted Expenditures Used For Calculating Economic Rate (note 1) \$ 2,095,450
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Water & Sewage Revenue:

Total Water and Sewage Revenue (User fees only) For 2016 Per Financial Statements \$ 2,005,407	Revenue - Residential \$ 917,685
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Revenue - Public Sector \$ 780,966	Revenue - Commercial \$ 306,756
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Water & Sewage Consumption (note 1):

Actual Volume Of Water Consumed In 2016 (Billed in litres) 244,397,000	Actual Consumption - Residential (in litres) 144,183,000
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Total Budgeted Consumption For Calculating Economic Rate (in litres) 273,201,000	Actual Consumption - Commercial (in litres) 40,962,000
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Actual Consumption - Public Sector (in litres) 59,252,000

Notes:

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