

**TOWN OF INUVIK**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

**TOWN OF INUVIK**

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31,2017**

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TOWN OF INUVIK, NT

### 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.

February 27, 2018

\_\_\_\_\_  
Senior Administrative Officer

\_\_\_\_\_  
Date



**TOWN OF INUVIK, NT**

## **2017 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 2017 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 2018.

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.

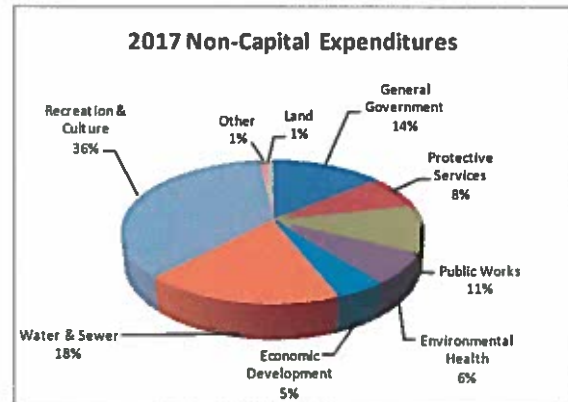
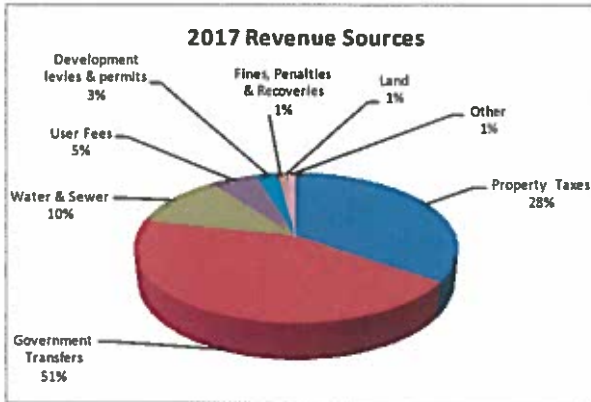
The following financial discussion and analysis has been prepared by management and should be read in conjunction with the audited consolidated financial statements and their accompanying notes and schedules.

### **Results from Operations**

The Statement of Operations reports the Town of Inuvik's changes in economic resources and accumulated surpluses for 2017, 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 2017 the Town experienced a budget surplus as a result of the positive effect of the Tangible Capital assets mainly within Water and Sewer. Overall the budget surplus was \$0.740 million with a surplus in the land development fund of \$0.015 million, a deficit in the operating fund of \$0.488 million and a surplus in the water and sewer services fund of \$1.213 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 the aging main sewer outfall infrastructure was started in 2017 with completion expected in 2018 as well as a 2<sup>nd</sup> Water Storage Tank will be constructed in 2018. 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. The new Water Treatment Plant has been fully operational in 2017 and the Town won the Canadian Association of Municipal Administrators Willis Award for Innovation for the plant.

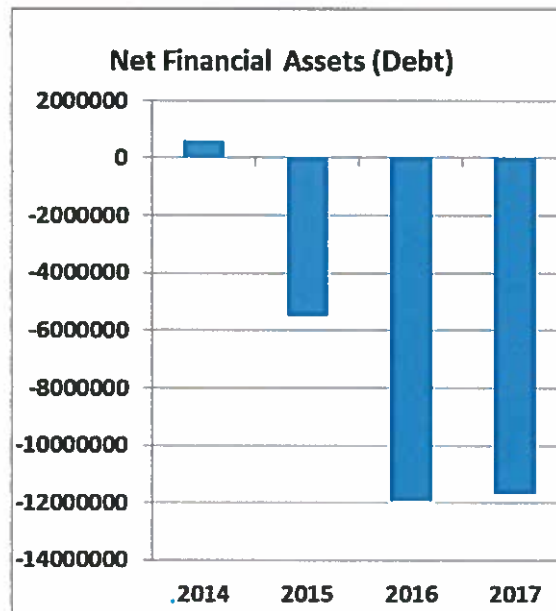


**Financial Position**

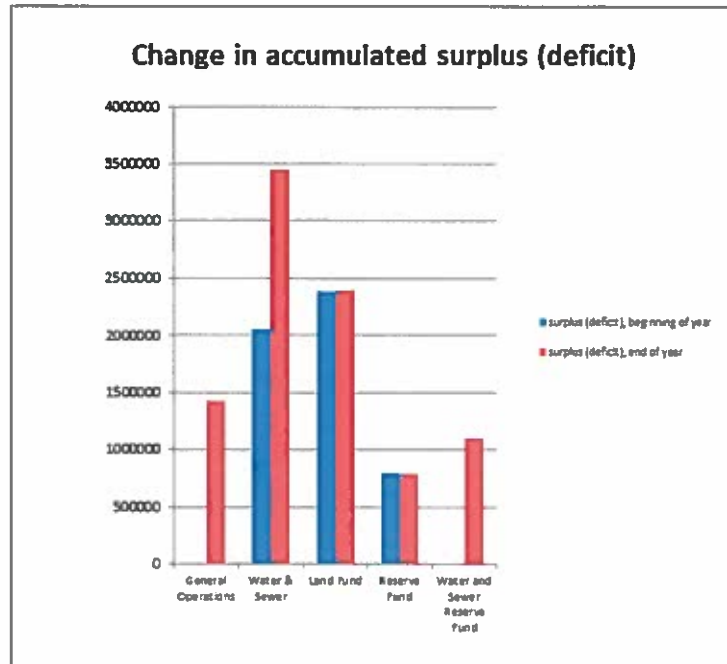
The Statement of Financial Position reports the Town of Inuvik's financial and non-financial resources, obligations and accumulated surplus as at December 31, 2017, on a comparative basis. This statement is used to evaluate the Town of Inuvik's ability to finance its activities and to meet its liabilities 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 2017. The town's cash position has changed from having cash in the bank of \$5.548 million reflects a increase of \$0.173 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 long term loan was 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 \$739,868. 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 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 2018 are the replacement of the main Sewer Outfall line (\$10.0 million) and the addition of a 2<sup>nd</sup> Water Storage Tank.

#### Debt

The Town of Inuvik's debt is a Debenture with a fixed repayment schedule (\$333,360 annually 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 2017 the Town incurred additional Long Term Debt for the Water Treatment Plant (\$15,466,664) which has been crystalized. 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.

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Senior Administrative Officer

Robert  
Stewart

Chartered  
Accountant/  
Management  
Consultants

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Yellowknife, N.W.T. X1A 2P6  
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## INDEPENDENT AUDITOR'S REPORT

To the Mayor and Members of Council:

We have audited the accompanying financial statements of Town of Inuvik, which comprise the statement of financial position as at December 31, 2017, 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, 2017, 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.

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*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 from the end of the signature.

CHARTERED ACCOUNTANT

February 26, 2018  
Yellowknife, N.W.T.

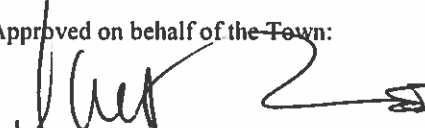


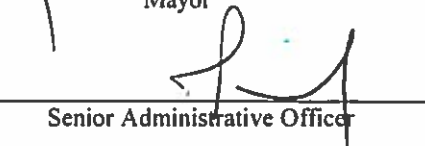
**Town of Inuvik**  
**Statement of Financial Position**  
**As at December 31, 2017**

	2017	2016
<b>Financial Assets</b>		
Cash	\$3,652,329	\$4,597,070
Restricted cash	1,896,000	788,000
Receivables		
Taxes and grants in lieu of taxes (Note 2)	759,327	749,936
Trade and other (Note 3)	803,610	1,568,782
Due from Children First Society – current (Note 9)	120,000	120,000
Land held for resale – current (Note 1f)	-	-
	<b>7,231,266</b>	<b>7,823,788</b>
<b>Liabilities</b>		
Bank indebtedness (Note 5)	-	-
Accounts payable and accrued liabilities (Note 4)	1,700,764	5,503,431
Deferred revenue (Note 1p)	837,588	61,833
Landfill restoration liability (Note 11)	80,000	60,000
Long term debt (Note 5)	16,271,884	14,115,553
	<b>18,890,236</b>	<b>19,740,817</b>
<b>Net Financial Assets (Debt)</b>	<b>( 11,658,970)</b>	<b>( 11,917,029)</b>
<b>Non-Financial Assets</b>		
Tangible capital assets (Note 6 and Schedule 1)	128,022,669	128,328,351
Land held for resale - noncurrent (Note 1f)	2,231,058	2,261,058
Due from Children First Society – noncurrent (Note 9)	604,642	671,171
Prepaid expenses	121,402	95,314
Inventory (Note 1f)	857,932	-
	<b>131,837,703</b>	<b>131,355,894</b>
<b>Accumulated Surplus (Schedule 2)</b>	<b>\$ 120,178,733</b>	<b>\$ 119,438,865</b>

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, 2017**

	2017 Budget (Note 1,n)	2017 Actual	2016 Actual
<b>Revenues (Schedule 3)</b>			
Property taxes	\$3,638,820	\$ 3,805,034	\$ 3,653,319
Property taxes – education portion	651,840	655,232	636,830
Grants in lieu of property taxes – GNWT	1,418,210	1,385,002	1,359,767
Grants in lieu of property taxes – Canada	283,460	311,105	314,470
Less: Allowance for doubtful collections	-	134,027	-
Education requisition	( 651,840)	(651,836)	(636,830)
Net municipal property taxes	5,340,490	5,638,564	5,327,556
Government transfers (Schedule 4)	11,021,880	7,069,383	10,002,457
User fees and sales of goods	2,862,050	2,763,705	2,946,346
Development levies, licenses and permits	384,150	431,255	575,573
Fines, penalties and recoveries	80,000	133,008	99,152
Land revenue	49,650	46,775	211,933
Other	213,000	154,065	153,513
<b>Total Revenues</b>	<b>19,951,220</b>	<b>16,236,755</b>	<b>19,316,532</b>
<b>Expenses (Schedule 3)</b>			
General government	(2,761,820)	(2,005,235)	(1,838,257)
Protective services	(979,070)	(976,289)	(1,090,186)
Public works services	(1,334,380)	(1,986,194)	(1,992,029)
Environmental health services	( 774,400)	( 776,934)	( 827,447)
Economic development	( 725,230)	( 621,193)	( 536,952)
Recreation and culture	(4,307,900)	(4,888,309)	(4,983,760)
Land expenditures	( 32,300)	( 31,115)	( 119,442)
Water and sewer expenditures	(2,356,120)	(4,211,618)	(3,264,594)
Budgeted net capital expenditures (Note 1n)	(6,680,000)	( -)	( -)
<b>Total operating expenditures</b>	<b>(19,951,220)</b>	<b>(15,496,887)</b>	<b>(14,652,667)</b>
<b>Excess revenues (expenses)</b>	<b>-</b>	<b>739,868</b>	<b>4,663,865</b>
<b>Accumulated surplus, beginning of year</b>	<b>119,438,865</b>	<b>119,438,865</b>	<b>114,775,000</b>
<b>Accumulated surplus, end of year</b>	<b>\$ 119,438,865</b>	<b>\$ 120,178,733</b>	<b>\$ 119,438,865</b>

See accompanying notes and schedules to the financial statements.

**Town of Inuvik  
Statement of Cash Flows  
For the Year ended December 31, 2017**

	2017	2016
<b>NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES:</b>		
<b>Operating Transactions</b>		
Excess (deficiency) of revenues over expenditures	\$ 739,868	\$ 4,663,865
Non-cash charges to operations:		
Loss on disposal of tangible capital assets	-	-
Amortization of capital assets	3,214,998	3,168,121
Cash provided by operating transactions	3,954,866	7,831,986
<b>Working capital transactions</b>		
Decrease (increase) in accounts receivable	755,781	( 784,042)
Decrease (increase) in land held for sale	30,000	113,805
Decrease (increase) in Due from Children First Society	66,529	115,951
Decrease (increase) in other non-financial assets	( 884,020)	( 24,434)
Increase (decrease) in accounts payable and other liabilities	(3,782,667)	2,950,750
Increase (decrease) in Deferred Revenue	775,755	46,410
Net cash from (used for) working capital transactions	(3,038,622)	2,418,440
<b>Financing transactions</b>		
Long-term debt (repaid)	2,156,331	10,323,917
Net cash from (used for) financing	2,156,331	10,323,917
<b>Capital transactions</b>		
Acquisition of Tangible Capital Assets	( 2,909,316)	( 14,561,158)
Net cash from (used for) capital transactions	( 2,909,316)	(14,561,158)
Increase (decrease) in cash and cash equivalents	163,259	6,013,185
Net cash and temporary investments (bank indebtedness) at beginning of year	5,385,070	( 628,115)
Net cash and temporary investments (bank indebtedness) at end of year	\$ 5,548,329	\$ 5,385,070
<b>Comprised of:</b>		
Cash in bank	\$ 3,652,329	\$ 4,597,070
Restricted cash (Note below)	1,896,000	788,000
Bank indebtedness (line of credit)	-	-
	\$5,548,329	\$5,385,070
Notes:		
Restricted cash is comprised as follows:		
Reserve Deposits (Note 10)		
Operating Reserve	\$ 788,000	\$ 788,000
Water/Sewer Reserve	1,108,000	-
	\$ 1,896,000	\$ 788,000

Interest paid during the year amounted to \$63,640 (2016 - \$73,968). Interest and penalties received or receivable was \$133,009 (2016 - \$99,152).

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, 2017**

	2017 Budget	2017 Actual	2016 Actual
	(Note 1,n)		
<b>Excess (deficiency) of revenues over expenditures</b>	\$ -	\$ 739,868	\$ 4,663,865
Loss on disposal of tangible capital assets	-	-	-
Amortization of tangible capital assets	6,680,000	3,214,998	3,168,121
Change in inventories and prepaid expenses	-	( 884,020)	( 24,434)
Change in Land held for resale - noncurrent	-	30,000	113,805
Change in Due from Children First Society - noncurrent	-	66,529	235,951
Acquisition of tangible capital assets	( 6,680,000)	( 2,909,316)	( 14,561,158)
Other	-	-	-
Increase (decrease) in net financial assets	-	258,059	( 6,403,850)
<b>Net financial assets (debt) at beginning of year</b>	<b>( 11,917,029)</b>	<b>(11,917,029)</b>	<b>(5,513,179)</b>
<b>Net financial assets (debt) at end of year</b>	<b>\$ ( 11,917,029)</b>	<b>\$ (11,658,970)</b>	<b>\$ ( 11,917,029)</b>

See accompanying notes and schedules to the financial statements.

**Town of Inuvik  
Notes to Financial Statements  
For the Year ended December 31, 2017**

**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, 2017**

**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, 2017.

*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, 2017, 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:

YEARS

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, 2017**

**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.
Water/sewer reserves	To fund major water/sewer capital projects.

**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 2017 cash balance is included in the operating bank account.

	<b>Deferred Balance 2017</b>	<b>Cash Balance 2017</b>	<b>Shortfall</b>	<b>Deferred Balance 2016</b>
CA – Library	\$ 12,075	\$ -	\$ ( 11,975)	\$ 11,975
CA – Community Tourism Infrastructure	-	-	-	19,087
CA – Canada 150 Celebration	18,511	-	( 18,511)	-
CPI Funding	787,785	-	(787,785)	-
Advertising – Inuvik Guide	395	-	( 27,385)	27,385
Other	18,822	-	( 3,386)	3,386
	<b>\$ 837,588</b>	<b>\$ -</b>	<b>\$ (837,588)</b>	<b>\$ 61,833</b>

**Town of Inuvik**  
**Notes to Financial Statements**  
**For the Year ended December 31, 2017**

**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 2017 were \$220,825 (2016 - \$222,528). 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**

	2017	2016
Current taxes and grants in lieu of taxes	\$ -	\$ -
Less: allowance for doubtful accounts	( - )	( - )
	-	-
Non-current taxes	1,277,887	1,416,355
Non-current grants in lieu of taxes	-	-
Less: allowance for doubtful accounts	( 518,560 )	( 666,419 )
	759,327	749,936
	<b>\$ 759,327</b>	<b>\$ 749,936</b>



**Town of Inuvik**  
**Notes to Financial Statements**  
**For the Year ended December 31, 2017**

**3. OTHER ACCOUNTS RECEIVABLE**

	2017	2016
Sundry	\$ 129,147	\$ 105,932
Goods & Services Tax	90,063	212,452
Natural Resources Canada	-	12,867
Municipal & Community Affairs (GNWT)	351,879	978,615
Less: allowance for doubtful accounts	( 3,643)	( 19,432)
	<b>567,446</b>	<b>1,290,434</b>
Land sales, rentals and leases	5,383	4,474
Less: allowance for doubtful accounts	-	-
	<b>5,383</b>	<b>4,474</b>
Utility	230,781	273,874
Less: allowance for doubtful accounts	( -)	( -)
	<b>230,781</b>	<b>273,874</b>
	<b>\$ 803,610</b>	<b>\$ 1,568,782</b>

**4. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	2017	2016
Trade Accounts Payable and Accrued Liabilities	\$ 1,247,804	\$ 2,456,088
Holdbacks Payable	132,000	2,118,143
Deposits	91,908	561,323
Payroll liabilities	229,052	365,877
	<b>\$ 1,700,764</b>	<b>\$ 5,503,431</b>

**5. LONG TERM DEBT AND OPERATING LINE OF CREDIT**

	2017	2016
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.	\$ 805,220	\$ 1,138,580
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.	15,466,664	12,976,973
	<b>\$ 16,271,884</b>	<b>\$ 14,115,553</b>

The current portion of the long-term debt (principal and interest) amounts to \$1,499,921 (2016 -\$361,427).

Principal and interest repayments are as follows:

	Principal	Interest	Total
2018	\$1,066,693	\$ 433,228	\$ 1,499,921
2019	1,133,360	440,963	1,574,323
2020	938,500	409,943	1,348,443
2021	800,000	383,770	1,183,770
2022	800,000	359,718	1,159,718
Thereafter	11,533,331	2,527,698	14,061,029
	<b>\$16,271,884</b>	<b>\$ 4,555,320</b>	<b>\$20,827,204</b>

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, 2017**

**6. TANGIBLE CAPITAL ASSETS**

	2017	2016
	Net book Value	Net book value
Land	\$ 3,045,504	\$ 3,067,847
Buildings	14,937,167	18,800,587
Machinery and Equipment	1,222,654	1,065,562
Roads, sidewalks, paving	18,015,127	18,551,323
Water and waste water	89,287,780	88,154,370
Vehicles	1,514,438	1,668,664
Assets under construction (Note 9)	-	-
	<b>\$ 128,022,670</b>	<b>\$ 128,328,351</b>

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

**7. EQUITY IN TANGIBLE CAPITAL ASSETS**

	2017	2016
Tangible capital assets (Schedule 1)	\$ 188,120,754	\$ 185,211,435
Accumulated amortization (Schedule 1)	(60,098,084)	(56,883,084)
	<b>128,022,670</b>	<b>128,328,351</b>
Long term debt	( 16,271,884)	( 14,115,553)
Debt charges recoverable	-	-
<b>Equity in Tangible Capital Assets (Schedule 2)</b>	<b>\$ 111,750,786</b>	<b>\$ 114,212,798</b>

**8. PREPAID EXPENSES**

	2017	2016
Prepaid insurance	\$ 56,384	\$ 51,672
Other	65,018	43,642
	<b>\$ 121,402</b>	<b>\$ 95,314</b>

**9. DUE FROM CHILDREN FIRST SOCIETY**

	2017	2016
Bridge financing provided to Children First Society, to be repaid in 2017 upon receipt of government funding, interest at 0.7% calculated monthly, unsecured.	\$ -	\$ 50,916
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.	724,642	740,255
	<b>\$ 724,642</b>	<b>\$ 791,171</b>

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, 2017, work is still proceeding on transfer of land title. As at December 31, 2017, 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, 2017**

**10. RESERVE DEPOSITS**

	Reserve Balance 2017	Cash Balance 2017	Shortfall	Reserve Balance 2016
<b>Reserve fund is comprised of:</b>				
General operational reserves	\$ 788,000	\$ 788,000	\$ -	\$ 788,000
Water/sewer reserves	1,108,000	1,108,000		
	<b>\$ 1,896,000</b>	<b>\$ 1,896,000</b>	<b>\$ -</b>	<b>\$ 788,000</b>

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.

**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, 2017. A provision for the landfill restoration liability of \$80,000 has been made as at December 31, 2017, with the intention to increase the provision by \$20,000 annually during the life of the site (subject to annual review; 55 years of annual provisions of \$20,000 would total \$1,100,000 by the year 2070). Any liability in excess of the amount provided would be accounted for as a current transaction in the year it is determined.

**12. CONTINGENCIES AND SUBSEQUENT EVENTS**

**a) Insurance**

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

**b) Lawsuit**

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

**Town of Inuvik  
Notes to Financial Statements  
For the Year ended December 31, 2017**

**13. COMMITMENTS**

**a) Service Contracts**

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

	<b>Total</b>
2018	\$ 520,786
2019	149,995
2020	149,995
2021	149,995
2022	-
Thereafter	-
	<b>\$970,771</b>

**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, 2017. The expected minimum payments for these contracts are:

	<b>Total</b>
2018	\$ 7,748,042
2019	-
2020	-
2021	-
2022	-
Thereafter	-
	<b>\$ 7,748,042</b>

The Town issued a contract to construct a new sewage outfall replacement in 2017 with the majority of the construction to be completed in 2018. The current total estimated cost is approximately \$7,748,042, to be spent in 2018. The Town entered into a contribution funding agreement for 75% of costs up to \$10,000,000 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, 2017  
(Schedule 1)

	Land and Improvements	Buildings	Vehicles	Machinery & Equipment	Sewage Lagoon & Landfill	Roads	Water and Waste Water	Assets under Construction	2017 Total	2016 Total
<b>Cost</b>										
Balance, beginning of year	\$ 3,247,377	\$30,619,953	\$3,696,252	\$2,872,724	\$1,500,000	\$27,105,535	\$ 116,169,597	-	\$ 185,211,438	\$171,267,427
Add - Additions during year		8,564		348,920		119,785	2,432,047		2,909,316	14,561,158
Less - Disposals during year									-	617,150
Adjustments									-	-
Balance, end of year	3,247,377	30,628,517	3,696,252	3,221,644	1,500,000	27,225,320	118,601,644	-	188,120,754	185,211,435
<b>Accumulated Amortization</b>										
Balance, beginning 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
Add - Additions during year	22,343	871,984	174,227	191,828		655,981	1,298,637		3,215,000	3,168,121
Less - Disposals during year									-	617,150
Adjustments									-	-
Balance, end of year	201,873	15,691,350	2,181,814	1,998,990	1,500,000	9,210,193	29,313,864	-	60,098,084	56,883,084
<b>Net Book Value</b>	<b>\$ 3,045,504</b>	<b>\$ 14,937,167</b>	<b>\$ 1,514,438</b>	<b>\$ 1,222,654</b>	<b>\$ -</b>	<b>\$ 18,015,127</b>	<b>\$ 89,287,780</b>	<b>\$ -</b>	<b>\$ 128,022,670</b>	<b>\$ 128,328,351</b>

Town of Inuvik  
Schedule of Changes in Fund Balances & Accumulated Surplus  
As at December 31, 2017  
(Schedule 2)

	Operating fund	Water and sewer fund	Land fund	Operating Reserve fund	Water/sewer Reserve fund	Equity in Tangible Capital Assets	2017 Total	2016 Total
<b>Excess revenues (expenditures)</b>	<b>- \$ 488,587</b>	<b>\$ 1,212,795</b>	<b>\$ 15,660</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 739,868</b>	<b>\$ 4,663,865</b>
Net interfund transfers								
Amortization	1,916,361	1,298,637				-3,214,998	0	0
Loss on disposal of tangible capital assets							0	0
Transfer to (from) fund		-1,108,000		0	1,108,000		0	0
Additional capital expenditures	-477,269	-2,432,047				2,909,316	0	0
Long-term debt addition (repayment)	-333,360	2,489,690				-2,156,330	0	0
	617,145	1,461,075	15,660	0	1,108,000	-2,462,012	739,868	5,207,465
Balance, beginning of year	633	2,052,861	2,384,574	788,000	0	114,212,798	119,438,865	114,775,000
<b>Balance, end of year</b>	<b>\$617,778</b>	<b>\$3,513,936</b>	<b>\$2,400,234</b>	<b>\$788,000</b>	<b>\$1,108,000</b>	<b>\$111,750,786</b>	<b>\$120,178,733</b>	<b>\$ 119,982,465</b>

**Town of Inuvik**  
**Schedule of Revenue and Expenses, by Service Division**  
**As at December 31, 2017**  
**(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 2017	Total 2016
	(Schedule 3a)	(Schedule 3b)	(Schedule 3c)	(Schedule 3d)	(Schedule 3e)	(Schedule 3f)	(Schedule 3g)	(Schedule 3h)			
<b>Revenues</b>											
Property taxes	\$ 5,638,564						\$ 5,638,564			\$ 5,638,564	\$ 5,327,556
User fees and sales of goods	10,897	\$ 23,910	\$ -	\$ 599,659	\$ 57,483	\$ 184,945	876,894		\$ 1,886,812	2,763,706	2,946,346
Government transfers	3,142,236	22,121	0	295,960	71,465	0	3,531,782		3,537,601	7,069,384	10,002,457
Fines, penalties & interest	133,008	0	0	0	0	0	133,008		0	133,008	99,152
Development levies, licenses & permits	78,530	46,152	0	0	0	306,573	431,255		0	431,255	575,573
Land sales/development	0	0	0	0	0	0	0	\$ 46,775	0	46,775	211,933
Other revenue	6,580	0	0	0	147,485	0	154,065	0	0	154,065	153,313
	<b>9,009,815</b>	<b>92,183</b>	<b>-</b>	<b>895,619</b>	<b>276,433</b>	<b>491,518</b>	<b>10,765,568</b>	<b>46,775</b>	<b>5,424,413</b>	<b>16,236,757</b>	<b>19,316,532</b>
<b>Expenses</b>											
Wages and benefits	950,754	486,523	318,883	2,258,756	267,005	0	4,281,921	0	524,686	4,806,607	4,937,223
Mayor and council	99,005	0	0	0	0	0	99,005	0	0	99,005	113,649
Office materials and supplies	210,130	175,328	34,365	192,737	177,246	0	789,806	0	468,260	1,258,066	912,960
Repairs and maintenance	4,019	17,995	159,436	218,078	0	9,019	408,547	0	523,891	932,438	844,550
Contracted services	290,499	0	701,602	0	0	739,437	1,731,538	0	55,168	1,786,706	1,648,845
Management fees	-278,000	0	0	0	0	0	-278,000	0	250,000	-28,000	-28,000
Grants	163,816	0	0	0	0	0	163,816	0	0	163,816	164,792
Cost of sales	0	0	0	0	0	0	0	31,115	0	31,115	119,442
Provision for allowances (recovery)	-789	0	0	0	0	0	-789	0	0	-789	-54,047
Utilities - electricity	58,462	49,933	0	774,856	0	0	883,251	0	557,503	1,440,754	1,310,078
Utilities - fuel	55,356	40,927	0	468,232	0	0	564,515	0	497,223	1,061,738	828,872
Utilities - water and sewer	5,099	6,309	0	83,010	0	0	94,418	0	232	94,650	134,804
Vehicle O&M	0	30,360	9,045	16,907	0	0	56,312	0	36,018	92,330	124,403
Insurance	220,825	0	0	0	0	0	220,825	0	0	220,825	206,536
Interest	63,642	0	0	0	0	0	63,642	0	0	63,642	73,968
Contribution agreement & other expense	0	22,121	0	58,960	51,465	0	132,546	0	0	132,546	54,798
Arctic Energy & Emerging Technologies C	0	0	0	0	125,477	0	125,477	0	0	125,477	89,939
Great Northern Arts Festival	963	0	0	0	0	0	964	0	0	964	1,733
	<b>1,833,781</b>	<b>829,496</b>	<b>1,223,331</b>	<b>4,071,536</b>	<b>621,193</b>	<b>748,456</b>	<b>9,337,794</b>	<b>31,115</b>	<b>2,012,981</b>	<b>12,281,890</b>	<b>11,484,546</b>
<b>Excess (deficiency) of revenue over expenses before amortization</b>	<b>7,166,034 -</b>	<b>737,313 -</b>	<b>1,223,331 -</b>	<b>3,175,917 -</b>	<b>344,760 -</b>	<b>256,938</b>	<b>1,427,774</b>	<b>15,660</b>	<b>2,511,432</b>	<b>3,954,866</b>	<b>7,831,986</b>
Loss on disposal of tangible capital assets							0			0	0
Amortization	-161,454	-146,793	-762,861	-816,773	0	-28,478	-1,016,361		-1,298,637	-3,214,998	-3,168,121
<b>Excess (deficiency) of revenue over expenses after amortization</b>	<b>\$ 7,004,580 -</b>	<b>\$ 884,106 -</b>	<b>\$ 1,986,194 -</b>	<b>\$ 3,992,690 -</b>	<b>\$ 344,760 -</b>	<b>\$ 285,416 -</b>	<b>\$ 488,587</b>	<b>\$ 15,660</b>	<b>\$ 1,212,795</b>	<b>\$ 739,868</b>	<b>\$ 4,663,865</b>

**Town of Inuvik**  
**Schedule of Revenue and Expenses, General Government Services**  
**As at December 31, 2017**  
**(Schedule 3a)**

	Budget 2017	Actual 2017	Actual 2016
<b>Revenues</b>			
Property taxes	\$ 5,340,490	\$ 5,638,564	\$ 5,327,556
User fees and sales of goods	29,500	10,897	52,393
Government transfers	3,909,580	3,142,236	3,890,498
Fines, penalties & interest	80,000	133,008	99,152
Development levies, licenses & permits	46,200	78,530	131,618
Land sales/development	-	-	-
Other revenue	3,000	6,580	2,601
	<u>9,408,770</u>	<u>9,009,815</u>	<u>9,503,818</u>
<b>Expenses</b>			
Wages and benefits	988,890	950,754	951,353
Mayor and council	128,090	99,005	113,649
Office materials and supplies	207,600	210,130	173,966
Repairs and maintenance	8,000	4,019	706
Contracted services	197,180	290,499	172,805
Management fees	-278,000	-278,000	-278,000
Grants	175,660	163,816	164,792
Cost of sales	-	-	-
Provision for allowances	15,000	-789	-54,047
Utilities - electricity	59,000	58,462	61,194
Utilities - fuel	60,000	55,356	61,789
Utilities - water and sewer	18,000	5,099	21,556
Vehicle O&M	-	-	-
Insurance	226,200	220,825	206,536
Interest	88,000	63,642	73,966
Contribution agreement & other expense	333,360	-	0
WTP Long Term Loan Payment	533,340	-	-
Great Northern Arts Festival	1,500	963	1,734
	<u>2,761,820</u>	<u>1,843,781</u>	<u>1,671,999</u>
<b>Excess (deficiency) of revenue over expenses before amortization</b>	<b>6,646,950</b>	<b>7,166,034</b>	<b>7,831,818</b>
Amortization	-	-161,454	-166,257
<b>Excess (deficiency) of revenue over expenses after amortization</b>	<b>\$ 6,646,950</b>	<b>\$ 7,004,580</b>	<b>\$ 7,665,561</b>



**Town of Inuvik**  
**Schedule of Revenue and Expenses, Public Safety & Protective Services**  
**As at December 31, 2017**  
**(Schedule 3b)**

	Budget 2017	Actual 2017	Actual 2016
<b>Revenues</b>			
Property taxes			
User fees and sales of goods	\$ 8,000	\$ 23,910	\$ 6,443
Government transfers	50,000	22,121	
Fines, penalties & interest			
Development levies, licenses & permits	53,450	46,152	68,218
Land sales/development			
Other revenue			
	111,450	92,183	74,661
<b>Expenses</b>			
Wages and benefits	552,590	486,523	495,876
Mayor and council			
Office materials and supplies	198,450	175,328	179,914
Repairs and maintenance	21,500	17,995	24,896
Contracted services			
Management fees			
Grants			
Cost of sales			
Provision for allowances			
Utilities - electricity	54,000	49,933	53,138
Utilities - fuel	46,000	40,927	45,098
Utilities - water and sewer	22,500	6,309	24,966
Vehicle O&M	34,030	30,360	60,787
Insurance			
Interest			
Contribution agreement & other expense	50,000	22,121	
Arctic Energy & Emerging Technologies Conference			
Great Northern Arts Festival			
	979,070	829,496	884,675
<b>Excess (deficiency) of revenue over expenses before amortization</b>	<b>- 867,620</b>	<b>- 737,313</b>	<b>- 810,014</b>
Amortization	0	-146,793	-205,511
<b>Excess (deficiency) of revenue over expenses after amortization</b>	<b>-\$ 867,620</b>	<b>-\$ 884,106</b>	<b>-\$ 1,015,525</b>

**Town of Inuvik**  
**Schedule of Revenue and Expenses, Public Works & Transportation**  
**As at December 31, 2017**  
**(Schedule 3c)**

	Budget 2017	Actual 2017	Actual 2016
<b>Revenues</b>			
Property taxes			
User fees and sales of goods	\$ -	\$ -	\$ -
Government transfers			
Fines, penalties & interest			
Development levies, licenses & permits			
Land sales/development			
Other revenue			
	-	-	-
<b>Expenses</b>			
Wages and benefits	371,030	318,883	347,592
Mayor and council			
Office materials and supplies	21,350	34,365	37,322
Repairs and maintenance	154,500	159,436	153,451
Contracted services	757,500	701,602	670,676
Management fees			
Grants			
Cost of sales			
Provision for allowances			
Utilities - electricity			
Utilities - fuel			
Utilities - water and sewer			
Vehicle O&M	30,000	9,045	21,564
Insurance			
Interest			
Contribution agreement & other expense			
Arctic Energy & Emerging Technologies Conference			
Great Northern Arts Festival			
	1,334,380	1,223,331	1,230,605
<b>Excess (deficiency) of revenue over expenses before amortization</b>	<b>- 1,334,380</b>	<b>- 1,223,331</b>	<b>- 1,230,605</b>
Amortization	0	-762,863	-761,424
<b>Excess (deficiency) of revenue over expenses after amortization</b>	<b>-\$ 1,334,380</b>	<b>-\$ 1,986,194</b>	<b>-\$ 1,992,029</b>

**Town of Inuvik**  
**Schedule of Revenue and Expenses, Recreation & Culture**  
**As at December 31, 2017**  
**(Schedule 3d)**

	Budget 2017	Actual 2017	Actual 2016
<b>Revenues</b>			
Property taxes			
User fees and sales of goods	\$ 554,050	\$ 599,659	\$ 562,752
Government transfers	300,900	295,960	109,056
Fines, penalties & interest			
Development levies, licenses & permits			
Land sales/development			
Other revenue			
	<u>854,950</u>	<u>895,619</u>	<u>671,808</u>
<b>Expenses</b>			
Wages and benefits	2,435,200	2,258,756	2,311,582
Mayor and council			
Office materials and supplies	249,700	192,737	203,997
Repairs and maintenance	217,500	218,078	247,445
Contracted services			
Management fees			
Grants			
Cost of sales			
Provision for allowances			
Utilities - electricity	783,600	774,856	768,117
Utilities - fuel	482,000	468,232	483,431
Utilities - water and sewer	81,400	83,010	87,886
Vehicle O&M	15,500	16,907	10,877
Insurance			
Interest			
Contribution agreement & other expense	43,000	58,960	46,155
Arctic Energy & Emerging Technologies Conference			
Great Northern Arts Festival			
	<u>4,307,900</u>	<u>4,071,536</u>	<u>4,159,489</u>
<b>Excess (deficiency) of revenue over expenses before amortization</b>	<b>- 3,452,950</b>	<b>- 3,175,917</b>	<b>- 3,487,681</b>
Amortization	0	-816,773	-824,271
<b>Excess (deficiency) of revenue over expenses after amortization</b>	<b>-\$ 3,452,950</b>	<b>-\$ 3,992,690</b>	<b>-\$ 4,311,952</b>

**Town of Inuvik**  
**Schedule of Revenue and Expenses, Economic Development**  
**As at December 31, 2017**  
**(Schedule 3e)**

	Budget 2017	Actual 2017	Actual 2016
<b>Revenues</b>			
Property taxes			
User fees and sales of goods	\$ 74,000	\$ 57,483	\$ 61,003
Government transfers	75,000	71,465	28,642
Fines, penalties & interest			
Development levies, licenses & permits			
Land sales/development			
Other revenue	210,000	147,485	150,912
	<u>359,000</u>	<u>276,433</u>	<u>240,557</u>
<b>Expenses</b>			
Wages and benefits	285,730	267,005	300,442
Mayor and council			
Office materials and supplies	216,000	177,246	137,929
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	55,000	51,465	8,642
Arctic Energy & Emerging Technologies Conference	168,500	125,477	89,939
Great Northern Arts Festival			
	<u>725,230</u>	<u>621,193</u>	<u>536,952</u>
<b>Excess (deficiency) of revenue over expenses before amortization</b>	<b>- 366,230</b>	<b>- 344,760</b>	<b>- 296,394</b>
Amortization	0	0	0
<b>Excess (deficiency) of revenue over expenses after amortization</b>	<b>-\$ 366,230</b>	<b>-\$ 344,760</b>	<b>-\$ 296,394</b>

**Town of Inuvik**  
**Schedule of Revenue and Expenses, Environmental Services**  
**As at December 31, 2017**  
**(Schedule 3f)**

	Budget 2017	Actual 2017	Actual 2016
<b>Revenues</b>			
Property taxes			
User fees and sales of goods	\$ 200,000	\$ 184,945	\$ 258,349
Government transfers			
Fines, penalties & interest			
Development levies, licenses & permits	284,500	306,573	375,737
Land sales/development			
Other revenue			
	<u>484,500</u>	<u>491,518</u>	<u>634,086</u>
<b>Expenses</b>			
Wages and benefits			
Mayor and council			
Office materials and supplies	1,700	0	206
Repairs and maintenance	8,000	9,019	27,015
Contracted services	764,700	739,437	771,748
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>774,400</u>	<u>748,456</u>	<u>798,969</u>
<b>Excess (deficiency) of revenue over expenses before amortization</b>	<b>- 289,900</b>	<b>- 256,938</b>	<b>- 164,883</b>
Amortization	0	-28,478	-28,478
<b>Excess (deficiency) of revenue over expenses after amortization</b>	<b>-\$ 289,900</b>	<b>-\$ 285,416</b>	<b>-\$ 193,361</b>

**Town of Inuvik**  
**Schedule of Revenue and Expenses, Land Development**  
**As at December 31, 2017**  
**(Schedule 3g)**

	Budget 2017	Actual 2017	Actual 2016
<b>Revenues</b>			
Property taxes			
User fees and sales of goods			
Government transfers			
Fines, penalties & interest			
Development levies, licenses & permits			
Land sales/development	\$ 49,650	\$ 46,775	\$ 211,933
Other revenue			
	<u>49,650</u>	<u>46,775</u>	<u>211,933</u>
<b>Expenses</b>			
Wages and benefits			
Mayor and council			
Office materials and supplies			
Repairs and maintenance			
Contracted services			
Management fees			
Grants			
Cost of sales	32,300	31,115	119,442
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>32,300</u>	<u>31,115</u>	<u>119,442</u>
<b>Excess (deficiency) of revenue over expenses before amortization</b>	<b>17,350</b>	<b>15,660</b>	<b>92,492</b>
Amortization	0	0	0
<b>Excess (deficiency) of revenue over expenses after amortization</b>	<b>\$ 17,350</b>	<b>\$ 15,660</b>	<b>\$ 92,492</b>

**Town of Inuvik**  
**Schedule of Revenue and Expenses, Water & Sewer Services**  
**As at December 31, 2017**  
**(Schedule 3h)**

	Budget 2017	Actual 2017	Actual 2016
<b>Revenues</b>			
Property taxes			
User fees and sales of goods	\$ 2,006,500	\$ 1,886,812	\$ 2,005,407
Government transfers	6,606,400	3,537,601	5,974,261
Fines, penalties & interest			
Development levies, licenses & permits			
Land sales/development			
Other revenue			
	8,612,900	5,424,413	7,979,668
<b>Expenses</b>			
Wages and benefits	539,840	524,686	530,378
Mayor and council			
Office materials and supplies	433,030	468,260	179,627
Repairs and maintenance	307,500	523,891	391,037
Contracted services	55,000	55,168	33,616
Management fees	250,000	250,000	250,000
Grants			
Cost of sales			
Provision for allowances			
Utilities - electricity	375,000	557,503	427,629
Utilities - fuel	365,000	497,223	238,554
Utilities - water and sewer	3,000	232	397
Vehicle O&M	27,750	36,018	31,175
Insurance			
Interest			
Contribution agreement & other expense			
Arctic Energy & Emerging Technologies Conference			
Great Northern Arts Festival			
	2,356,120	2,912,981	2,082,414
<b>Excess (deficiency) of revenue over expenses before amortization</b>	<b>6,256,780</b>	<b>2,511,432</b>	<b>5,897,254</b>
Loss on disposal of tangible capital assets		0	0
Amortization	0	-1,298,637	-1,182,180
<b>Excess (deficiency) of revenue over expenses after amortization</b>	<b>\$ 6,256,780</b>	<b>\$ 1,212,795</b>	<b>\$ 4,715,074</b>

**Town of Inuvik  
Schedule of Government Transfers  
for the Year ended December 31, 2017  
(Schedule 4)**

	Budget	2017	2016
<b>Territorial transfers (Note 1d)</b>			
Municipal & Community Affairs			
Formula based funding	\$ 2,581,000	\$ 2,581,000	\$ 2,562,000
Water sewer subsidy program	1,228,000	1,228,000	1,179,000
Infrastructure (Capital Block Funding)	1,231,000	1,231,000	1,231,000
CWWF Funding	3,750,000	681,196	-
Canada-NWT Gas Tax Agreement	1,264,000	1,264,000	1,264,000
Small Communities program	364,400	364,405	3,531,261
Senior Citizens Tax Grant	82,580	77,085	80,664
Recreation Funding	43,000	35,970	43,000
Community Tourism Infrastructure	-	20,000	22,300
Highway Rescue Funding	50,000	22,121	-
Other contributions	-	-	3,156
	<b>10,593,980</b>	<b>7,504,777</b>	<b>9,916,381</b>
Transfer from (to) Deferred Revenue	80,000	( 787,785)	( 19,087)
Natural Resources Canada contract	-	-	-
ECE Library contribution	47,900	47,900	47,900
Literacy Funding	15,000	15,000	15,000
CanNor Funding – Arena	195,000	197,090	-
Other agreements and grants	90,000	92,401	42,263
	<b>427,900</b>	<b>( 435,394)</b>	<b>86,076</b>
<b>Total government transfers</b>	<b>\$ 11,021,880</b>	<b>\$ 7,069,383</b>	<b>\$ 10,002,457</b>



**Town of Inuvik  
Schedule of Salaries, Honoraria and Travel  
for the Year ended December 31, 2017  
(Schedule 5)**

<b>Position</b>	<b>Salary</b>	<b>Honoraria</b>	<b>Travel</b>
<b>MAYOR:</b>			
Jim McDonald	\$ 48,009	\$-	\$ 10,052
<b>COUNCILLOR:</b>			
Clarence Wood		6,675	2,719
Natasha Kulikowski		8,850	4,961
Kurt Wainman		2,700	
Alana Mero		5,625	
Joe Lavoie		5,325	350
Steven Baryluk		7,680	
Darrell Christie		8,175	350
Vince Sharpe		3,975	
Student Council Representative		-	
<b>Totals</b>	<b>48,009</b>	<b>49,005</b>	<b>18,432</b>

**Town of Inuvik**  
**Schedule of Gas Tax Program**  
**for the Year ended December 31, 2017**  
**(Schedule 6)**

For the years ended December 31	2005 to 2011	2012	2013	2014	2015	2016	2017	Cumulative Total
<b>Funding</b>								
Opening balance	-	-	-	-	-	-	-	-
Annual allocation	\$ 4,342,487	\$ 964,973	\$ 964,972	\$ 964,972	\$ 965,000	\$ 1,264,000	\$ 1,264,000	\$ 10,730,404
Interest earned	-	-	-	-	-	-	-	-
	<u>4,342,487</u>	<u>964,973</u>	<u>964,972</u>	<u>964,972</u>	<u>965,000</u>	<u>1,264,000</u>	<u>1,264,000</u>	<u>10,730,404</u>
<b>Eligible project expenses</b>								
Rec centre energy upgrade project	60,000	-	-	-	-	-	-	60,000
Administration expense	-	-	-	-	-	-	-	0
Water treatment plant	-	-	-	-	884,151	1,264,000	1,264,000	3,412,151
Utilidor energy upgrades allocation	4,282,487	964,973	964,972	964,972	80,849	-	-	7,258,253
Other	-	-	-	-	-	-	-	0
	<u>4,342,487</u>	<u>964,973</u>	<u>964,972</u>	<u>964,972</u>	<u>965,000</u>	<u>1,264,000</u>	<u>1,264,000</u>	<u>10,730,404</u>
								0
<b>Excess (deficiency) of revenue over expenses</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Town of Inuvik**  
**Schedule of Community Public Infrastructure Program**  
**for the Year ended December 31, 2017**  
**(Schedule 7)**

For the years ended  
December 31

Cumulative

	2009 - 2011	2012	2013	2014	2015	2016	2017	Total
<b>Funding</b>								
Opening balance	-	-	-	-	-	-	-	-
Annual allocation	\$ 3,692,790	\$ 1,231,000	\$ 1,231,000	\$ 1,231,000	\$ 1,231,000	\$ 1,231,000	\$ 1,231,000	\$ 11,078,790
Interest earned	-	-	-	-	-	-	-	-
	<u>3,692,790</u>	<u>1,231,000</u>	<u>1,231,000</u>	<u>1,231,000</u>	<u>1,231,000</u>	<u>1,231,000</u>	<u>1,231,000</u>	<u>11,078,790</u>
<b>Eligible project expenses</b>								
Water and waste water - utilidor	2,010,000	570,000	551,000	551,000	176,667			3,858,667
New Water Treatment Plant						635,472		635,472
CWWF Sewer Outfall							203,626	203,626
CWWF 2nd Water Tank							23,438	23,438
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 Spcl Ops Trailer							19,645	19,645
Public Works 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	6,437
MSC Entrance Upgrades							2,124	2,124
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
Capital expenditures and other			380,000					380,000
	<u>3,692,790</u>	<u>1,231,000</u>	<u>1,231,000</u>	<u>1,231,000</u>	<u>1,231,000</u>	<u>1,231,000</u>	<u>443,215</u>	<u>10,291,005</u>
<b>Excess (deficiency) of revenue over expenses</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 787,785</b>

**Town of Inuvik**  
**Schedule of Small Communities Fund Program**  
**for the Year ended December 31, 2017**  
**(Schedule 8)**

For the years ended December 31	2015	2016	2017	Cumulative Total
<b>Funding</b>				
Opening balance	-	-	-	-
Annual allocation	\$ -	\$ 3,531,261	\$ 364,405	\$ 3,895,666
Interest earned	-	-	-	-
	0	3,531,261	364,405	3,895,666
<b>Eligible project expenses</b>				
Water and waste water - utilidor		3,531,261	364,405	3,895,666
Capital expenditures and other				0
	0	3,531,261	364,405	3,895,666
<b>Excess (deficiency) of revenue over expenses</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**Town of Inuvik  
Water and Sewage Reporting Form  
for the Year ended December 31, 2017  
(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 2017 Per Financial Statements \$2,912,981	Total Budgeted Expenditures Used For Calculating Economic Rate (note 1) \$2,356,120
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**Water & Sewage Revenue:**

Total Water and Sewage Revenue (User fees only) For 2017 Per Financial Statements \$1,886,812	Revenue - Residential \$956,124
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Revenue - Public Sector \$780,813	Revenue - Commercial \$229,875
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**Water & Sewage Consumption (note 1):**

Actual Volume Of Water Consumed In 2017 (Billed in litres) 264,550,000	Actual Consumption - Residential (in litres) 182,626,000
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Total Budgeted Consumption For Calculating Economic Rate (in litres) 273,201,000	Actual Consumption - Commercial (in litres) 30,904,000
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Actual Consumption - Public Sector (in litres) 51,020,000
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**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.

**Town of Inuvik**  
**Schedule of Clean Water and Waste Water Program**  
**for the Year ended December 31, 2017**  
**(Schedule 10)**

For the years ended December 31	2016 and prior	2017	Cumulative Total
<b>Funding</b>			
Opening balance	-	-	-
Annual allocation	\$ -	\$ 681,196	\$ 681,196
Interest earned	-	-	-
	<u>0</u>	<u>681,196</u>	<u>681,196</u>
<b>Eligible project expenses</b>			
	-	-	-
Administration expense	-	-	-
	-	610,882	610,882
Sewage outfall replacement	-	70,314	70,314
Second water reserve tank	-	-	-
Other	-	-	-
	<u>0</u>	<u>681,196</u>	<u>681,196</u>
<b>Excess (deficiency) of revenue over expenses</b>	<b>0</b>	<b>0</b>	<b>0</b>