

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

TOWN OF NORMAN WELLS

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

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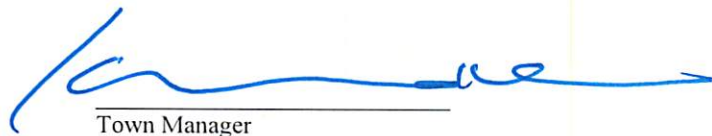
Management Responsibility for Financial Statements

Town Council, which is responsible for, among other things, the financial statements of the Town of Norman Wells, 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 is responsible for preparation of the financial statements. Accounting principles have been followed as recommended by the Department of Municipal and Community Affairs, based upon the requirements of the Cities, Towns and Villages Act of the Northwest Territories, and the Public Sector Accounting Recommendations of the Canadian Institute of Chartered Accountants.

Administration is responsible to maintain 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. The new Administration is working to improve its systems to provide the appropriate balance in this respect.

The Town Council carries out its responsibility for review of the financial statements primarily through the Audit and Efficiency 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.



Town Manager

March 8, 2016

Date

Robert
Stewart

Chartered
Accountant/
Management
Consultants

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INDEPENDENT AUDITOR'S REPORT

To the Mayor and Members of Council, Town of Norman Wells:

Report on the Financial Statements

I have audited the accompanying financial statements of the Town of Norman Wells, which comprise the Statement of Financial Position as at December 31, 2015, and the Statement of Operations, Statement of Changes in Net Financial Assets and Statement of Cash Flows for the year then ended, and 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

My responsibility is to express an opinion on these financial statements based on our audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I 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.

Because of the matters described in the Basis for Disclaimer of Opinion paragraph, I was not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

My examination indicated serious deficiencies in the accounting records and in the system of internal control. As a consequence, I was unable to satisfy myself that all revenues and expenditures of the Town had been recorded and/or recorded correctly.

Independent Auditor's Report (continued)

Management was unable to provide appropriate audit evidence to support a significant number of transactions which were recorded as contract or other expenses, revenue, assets, or liabilities. In addition, management was unable to support the valuation of quarry inventory and land for resale at December 31, 2015 totaling \$2,703,797 and \$1,162,882, respectively, and management was unable to support the valuation of the landfill restoration liability of \$314,000 as referenced in Note 10 to the financial statements.

Accordingly, I was not able to obtain sufficient audit evidence to satisfy myself that the assets and liabilities are not materially misstated. As of the date of our audit report, management was still in the process of investigating these items. As a result of these matters, we were unable to determine whether any adjustments might have been necessary in respect of assets, liabilities, accumulated surplus, revenues, expenses or cash flows.

Disclaimer of Opinion

Because of the significance of the matters described in the Basis for Disclaimer of Opinion paragraph, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, I do not express an opinion on the financial statements.

Report on Other Legal and Regulatory Requirements

I further report that I do not express an opinion that these financial statements are prepared in accordance with the policies and standards prescribed for municipalities by the Cities, Town & Villages Act and by the department of Municipal and Community Affairs, Government of the Northwest Territories, or that proper books of account have been maintained by the Town, the financial statements are in agreement therewith, and the transactions that have come under our notice have, in all significant respects, been within the statutory powers of the Town, or that these principles have been applied on a basis consistent with that of the preceding year.

Other Matters

My 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 the same issues related to these schedules.

The comparative figures were audited by another auditor who issued an unqualified opinion dated April 17, 2015.

March 8, 2016
updated April 26, 2016
Yellowknife, N.W.T.



CHARTERED ACCOUNTANT

**Town of Norman Wells
Statement of Financial Position
As at December 31, 2015**

	2015	2014
Financial Assets		
Cash	\$ 828,973	\$ 1,923,252
Reserve cash	4,000,063	3,960,579
Restricted cash for deferred revenues	2,638,119	2,189,089
Receivables		
Taxes and grants in lieu of taxes (Note 2)	72,734	68,311
Trade and other (Note 3)	463,454	669,223
Quarry inventory for resale – current (Note 1f)	500,000	500,000
Land held for resale – current (Note 1f)	200,000	40,000
	8,703,343	9,350,454
Liabilities		
Accounts payable and accrued liabilities (Note 4)	668,550	583,812
Deferred revenue (Note 1p)	2,758,927	2,035,240
Landfill restoration liability (Note 10)	314,000	314,000
	3,741,477	2,933,052
Net Financial Assets	4,961,866	6,417,402
Non-Financial Assets (Note 1r)		
Tangible capital assets (Note 6 and Schedule 1)	27,014,814	28,290,138
Inventory of supplies – noncurrent (Notes 1f and 8)	68,883	68,883
Quarry Inventory for resale - noncurrent (Note 1f)	2,203,797	1,446,679
Land held for resale - noncurrent (Note 1f)	962,882	1,477,473
	30,250,376	31,283,173
Accumulated Surplus (Schedule 2)	\$ 35,212,242	\$ 37,700,575

Commitments and contingencies (Notes 10, 11 and 12)
See accompanying notes and schedules to the financial statements.

Approved on behalf of the Town:

Mayor

Senior Administrative Officer

**Town of Norman Wells
Statement of Operations
For the Year ended December 31, 2015**

	2015 Budget	2015 Actual	2014 Actual
	(Note 1,n)		
Revenues (Schedule 3)			
Property taxes	\$ 2,725,160	\$ 2,726,893	\$ 2,702,133
Property taxes – education portion	599,940	615,535	594,941
Grants in lieu of property taxes – GNWT	67,880	59,679	67,723
Grants in lieu of property taxes – Canada	22,570	29,359	22,565
Less: Allowance for doubtful collections	-	-	-
Education requisition	<u>(607,880)</u>	<u>(623,618)</u>	<u>(602,879)</u>
Net municipal property taxes	2,807,670	2,807,848	2,784,483
Government transfers (Schedule 4)	3,211,170	2,478,012	2,564,670
User fees and sales of goods	2,043,200	1,343,568	3,858,438
Development levies, licenses and permits	33,800	22,499	41,674
Fines, penalties and recoveries	30,000	1,028	4,615
Land revenue	770,000	259,003	324,223
Other	181,000	83,975	29,545
Total Revenues	9,076,840	6,995,933	9,607,648
Expenditures (Schedule 3)			
General government	(1,520,600)	(1,752,205)	(1,455,485)
Protective services	(357,300)	(348,436)	(251,934)
Public works services	(1,315,000)	(1,870,035)	(1,761,826)
Environmental health services	(300,000)	(381,065)	(273,295)
Quarry operations	(866,500)	(562,891)	(728,798)
Recreation and culture	(1,183,560)	(1,294,528)	(1,524,877)
Land expenditures	(464,290)	(471,185)	(301,553)
Natural gas expenditures	(22,530)	(28,757)	(3,072,084)
Water and sewer expenditures	(2,094,500)	(2,775,165)	(2,408,031)
Budgeted capital expenditures/ amortization (Note 1n)	(3,030,000)	(-)	(-)
Total operating expenditures	(11,154,280)	(9,484,266)	(11,777,883)
Excess revenues (expenditures)	(2,077,440)	(2,488,333)	(2,170,235)
Accumulated surplus, beginning of year	37,700,575	37,700,575	39,870,810
Accumulated surplus, end of year	\$ 35,623,135	\$ 35,212,242	\$ 37,700,575

See accompanying notes and schedules to the financial statements.

**Town of Norman Wells
Statement of Cash Flows
For the Year ended December 31, 2015**

	2015	2014
NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES:		
Operating Transactions		
Excess (deficiency) of revenues over expenditures	\$ (2,488,333)	\$ (2,170,235)
Non-cash charges to operations:		
Loss on disposal of tangible capital assets	-	1,189,805
Amortization of capital assets	1,738,448	1,618,685
Cash provided by operating transactions	(749,885)	638,255
Working capital transactions		
Decrease (increase) in accounts receivable	201,346	878,047
Decrease (increase) in land held for sale	354,591	(870,356)
Increase (decrease) in accounts payable and other liabilities	84,734	(579,976)
Increase (decrease) in Quarry Inventory	(757,118)	(1,336,586)
Increase (decrease) in Landfill Closure liability	-	66,000
Increase (decrease) in Deferred Revenue	723,687	488,100
Net cash (used for) from working capital transactions	607,240	(1,354,771)
Capital transactions		
Acquisition of Tangible Capital Assets	(463,120)	(491,973)
Net cash (used for) from capital transactions	(463,120)	(491,973)
Increase (decrease) in cash and cash equivalents	(605,765)	(1,208,489)
Net cash and temporary investments (bank indebtedness) at beginning of year	8,072,920	9,281,409
Net cash and temporary investments (bank indebtedness) at end of year	\$ 7,467,155	\$ 8,072,920
Comprised of:		
Cash in bank	\$ 828,973	\$ 1,923,252
Restricted Cash for reserves	4,000,063	3,960,579
Restricted Cash for deferred revenue	2,638,119	2,189,089
	\$ 7,467,155	\$ 8,072,920
Notes:		
Restricted Cash for deferred revenue is comprised as follows:		
Gas Tax Fund Deposit (Note 1p)	\$ 746,314	\$ 402,852
Capital Infrastructure (CPI) Deposit (Note 10)	1,891,805	1,786,237
	\$ 2,638,119	\$ 2,189,089

Interest paid during the year amounted to \$91,799 (2014 - \$112,305). Interest and penalties received or receivable was \$217,693 (2014 - \$168,395).

See accompanying notes and schedules to the financial statements.

Town of Norman Wells
Statement of Changes in Net Financial Assets
For the Year ended December 31, 2015

	2015 Budget	2015 Actual	2014 Actual
	(Note 1,n)		
Excess (deficiency) of revenues over expenditures	\$ -	\$ (2,488,333)	\$ (2,170,235)
Loss on disposal of tangible capital assets	-	-	1,189,805
Amortization of tangible capital assets	3,030,000	1,738,447	1,618,684
Acquisition of tangible capital assets	(3,030,000)	(463,122)	(491,973)
Increase (decrease) in net financial assets from operations	-	(1,213,008)	146,281
Change in non-current quarry inventory and prepaid expenses	-	(757,119)	(1,336,580)
Change in Land held for resale - noncurrent	-	514,591	(870,356)
Other	-	-	-
Increase (decrease) in net financial assets	-	(1,455,536)	(2,060,655)
Net financial assets at beginning of year	6,417,402	6,417,402	8,478,057
Net financial assets at end of year	\$ 6,417,402	\$ 4,961,866	\$ 6,417,402

See accompanying notes and schedules to the financial statements.

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

1. SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Town of Norman Wells 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 Norman Wells 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 Norman Wells
Notes to Financial Statements
For the Year ended December 31, 2015**

1. SIGNIFICANT ACCOUNTING POLICIES (cont.)

e) Temporary Investments

Investments are recorded at cost. Investment premiums and discounts are amortized proportionately over the term of the respective investments.

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.

PS1201.055 states “An asset held for sale should be recognized as a financial asset when all of the following criteria are met: ... (f) it is reasonably anticipated that the sale to a purchaser external to the government reporting entity will be completed within one year of the financial statement date.” Because the Town has Inventories of Supplies, Quarry Inventory and Land Held For Resale which will not be completed within 2016, that proportion has been classified as noncurrent Non-Financial Assets.

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 Norman Wells’s net investment in its total Tangible capital assets, after deducting work in progress, the portion financed by third parties through debenture, mortgage debts, capital contributions, long term capital borrowings, capitalized leases and other capital liabilities.

j) Cultural and Historical Tangible Capital Assets

Works of art for display are not recorded as tangible capital assets but are disclosed.

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

1. SIGNIFICANT ACCOUNTING POLICIES (cont.)

k) Reserves for Future Expenditures

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

The Town maintains the following reserves:

- i) Diversification – to facilitate the retention, development and attraction of businesses to enhance the Town’s economic diversity.
- ii) Environmental – to facilitate the rehabilitation, maintenance and improvement of the environment.
- iii) Quarry Restoration – to ensure adequate funds are available to restore the quarry.
- iv) Equipment – to receive and disburse funds that may be necessary for equipment purchases.
- v) Capital – for the eventual replacement or retrofitting of the Town’s capital infrastructure, plant and facilities.
- vi) Water and Sewer – to have adequate funds available for unanticipated expenses that may occur in the operation, maintenance or capital expansion of the Water and Sewage system.
- vii) Natural Gas – to have adequate funds available for unanticipated expenses that may occur in the operation, maintenance or capital expansion of the Natural Gas Distribution system.

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. In order for the budget in the Statement of Operations to match that approved by Council, the budget for Capital Expenditures has been effectively recognized as 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 75% or \$2,513,000 of the Town’s annual tax revenue is from 1 major property owner (Imperial Oil Resources Ltd.).

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

1. SIGNIFICANT ACCOUNTING POLICIES (cont.)

p) Deferred Revenue

Deferred revenue is comprised of amounts received but not yet earned as a result of project completion dates extending beyond the fiscal year end, or conditions attached to the use of the funds as follows. The 2015 cash balance is included in the operating bank account.

	Deferred Balance 2015	Cash Balance 2015	Overage (Shortfall)	Deferred Balance 2014
Gas Tax Fund	\$ 746,314	\$ 746,314	\$ -	\$ 402,739
Building Canada Fund Deposit	282,731	-	(282,731)	282,731
CPI – Capital Infrastructure	1,724,243	1,891,804	167,561	1,301,233
Other	5,639	-	(5,639)	48,537
	\$ 2,758,927	\$ 2,638,118	\$ (120,809)	\$ 2,035,240

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. 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. PS1201.055 states “An asset held for sale should be recognized as a financial asset when all of the following criteria are met: ... (f) it is reasonably anticipated that the sale to a purchaser external to the government reporting entity will be completed within one year of the financial statement date.” Because the Town has Inventories of Supplies, Quarry Inventory and Land Held For Resale which will not be completed within 2016, that proportion has been classified as noncurrent Non-Financial Assets.

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 Town Manager, 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.

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

1. SIGNIFICANT ACCOUNTING POLICIES (cont.)

- 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.
- Quarry operation provides for the operation of the quarry.

2. TAXES AND GRANTS IN LIEU OF TAXES RECEIVABLES

	2015	2014
Current taxes and grants in lieu of taxes	\$ -	\$ -
Less: allowance for doubtful accounts	(-)	(-)
	-	-
Non-current taxes	137,328	130,203
Non-current grants in lieu of taxes	-	2,702
Less: allowance for doubtful accounts	(64,594)	(64,594)
	72,734	68,312
	\$ 72,734	\$ 68,312

3. OTHER ACCOUNTS RECEIVABLE

	2015	2014
Sundry	\$ 133,583	\$ 345,477
Goods & Services Tax	171,042	263,037
Municipal & Community Affairs (GNWT)	-	-
Less: allowance for doubtful accounts	(98,045)	(1,723)
	206,580	606,791
Land sales, rentals and leases	-	-
Less: allowance for doubtful accounts	-	-
	-	-
Utility	122,435	98,184
Less: allowance for doubtful accounts	(35,752)	(35,752)
	86,683	62,432
	\$ 293,263	\$ 669,223

4. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2015	2014
Trade Accounts Payable and Accrued Liabilities	\$ 388,972	\$ 383,315
Education Property Tax Requisition Liability	43,158	-
Deposits	67,881	66,681
Employee removal liability	50,000	-
Payroll liabilities	118,539	133,820
	\$ 668,550	\$ 583,816

5. OPERATING LINE OF CREDIT

The Town has arranged an overall credit limit of \$20,000 (Demand Instalment Loan \$Nil, Operating Line \$Nil, and Corporate Credit Cards \$20,000).

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

6. TANGIBLE CAPITAL ASSETS

	2015	2014
	Net book Value	Net book value
Land	\$ 3,727,667	\$ 3,586,250
Buildings	7,314,873	7,543,943
Machinery and Equipment	655,734	701,717
Roads, sidewalks, paving	7,066,859	7,591,393
Water and waste water	7,619,921	7,613,918
Vehicles	629,760	677,314
Assets under construction	-	575,603
	\$ 27,014,814	\$ 28,290,138

The insured value of physical assets is \$48,579,240. For additional information see Schedule 1.

7. EQUITY IN TANGIBLE CAPITAL ASSETS

	2015	2014
Tangible capital assets (Schedule 1)	\$ 55,473,846	\$ 55,010,725
Accumulated amortization (Schedule 1)	(28,459,032)	(26,720,585)
	27,014,814	28,290,140
Long term debt	-	-
Debt charges recoverable	-	-
Equity in Tangible Capital Assets (Schedule 2)	\$ 27,014,814	\$ 28,290,140

8. INVENTORY OF SUPPLIES

	2015	2014
Pipe leftover from Underground water rehab 2010	\$ 68,883	\$ 68,883
Other	-	-
	\$ 68,883	\$ 68,883

9. RESERVE DEPOSITS

	Reserve	Cash	Overage	Reserve
	Balance 2015	Balance 2015	(Shortfall)	Balance 2014
Reserve fund is comprised of:				
Diversification Reserve	\$ 713,896			\$ 713,896
Environmental Reserve	441,139			441,139
Quarry Restoration Reserve	726,744			726,744
Equipment Reserve	803,311			803,311
Capital Reserve	804,033			804,033
Water and Sewer Reserve	66,856			66,856
Natural Gas Fund Reserve	101,118			101,118
	\$ 3,657,097	\$ 4,000,063	\$ 342,966	\$ 3,657,097

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, while the Town deposits all reserve funds to one bank account and hence does not break down the cash balance by reserve item, effectively the Town had complied with these requirements. The \$314,000 deposit for Landfill Closure and Post-Closure Liability is also included above. These funds have been set aside for the Landfill Closure and Post-Closure Liability described in Note 10.

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

10. 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. According to generally accepted accounting principles, the requirement should be provided for over the estimated remaining life of the landfill site (currently estimated at a further 1 year) based on usage.

The accrued liability for closure and post-closure care of the Town's landfill has not been analysed, and is estimated to be significant as at December 31, 2015. A study was partially done in 2015, however a final report has not been received at the time of preparation of these financial statements. Tentative estimates indicate that there is a liability for removal of toxic wastes and decommissioning of the current site in the order of \$2.5 million more or less. Current plans are in abeyance awaiting clarification of sources of funding for the liability. A provision for the landfill restoration liability of \$NIL has been made in 2015 (2014 - \$66,000). Any liability in excess of the amount provided (i.e. \$314,000) would be accounted for as a current transaction in the year it is determined.

11. 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.

c) Economic Uncertainty

The Town's economy is very resource-based and it is very reactive to what's going on in the resource industry. Imperial Oil Resources Ltd. is the largest primary employer and payer of property taxes, but their oil field production has been declining since 1992. With many uncertainties, it is not possible to determine the amount of any financial effect on the Town at this time.

12. COMMITMENTS

a) Service Contracts

In the course of normal operations the Town has entered into various multi-year contracts. As at the current year end, the annual commitment has not been determined and cannot be provided.

b) Capital Contracts

The City regularly enters into contracts related to capital projects. As at the current year end, the annual commitment has not been determined and cannot be provided

13. COMPARATIVE AMOUNTS

Certain amounts in the prior year's presentations have been reclassified to conform to the current presentation. These reclassifications had no effect on previously reported net income.

**Town of Norman Wells
Schedule of Tangible Capital Assets
As at December 31, 2015
(Schedule 1)**

	Land and Improvements	Buildings	Vehicles	Other	Roads	Water and Waste Water	Assets under Construction	2015 Total	2014 Total
Cost									
Balance, beginning of year	\$ 3,586,250	\$16,059,624	\$1,464,048	\$1,563,597	\$17,484,517	\$ 14,277,085	\$ 575,603	\$ 55,010,724	\$57,252,623
Add – Additions during year	141,417	225,528	51,537	45,642	-	574,602	- 575,603	463,122	491,973
Less – Disposals during year								-	2,733,872
Adjustments								-	-
Balance, end of year	<u>3,727,667</u>	<u>16,285,152</u>	<u>1,515,585</u>	<u>1,609,239</u>	<u>17,484,517</u>	<u>14,851,687</u>	<u>- 0</u>	<u>55,473,846</u>	<u>55,010,724</u>
Accumulated Amortization									
Balance, beginning of year	-	8,515,681	786,734	861,880	9,893,124	6,663,167	-	\$ 26,720,586	\$26,645,968
Add – Additions during year	-	454,598	99,091	91,624	524,534	568,599	-	1,738,446	1,618,685
Less – Disposals during year								-	1,544,067
Adjustments								-	-
Balance, end of year	<u>-</u>	<u>8,970,279</u>	<u>885,825</u>	<u>953,504</u>	<u>10,417,658</u>	<u>7,231,766</u>	<u>-</u>	<u>28,459,032</u>	<u>26,720,586</u>
Net Book Value	\$ 3,727,667	\$ 7,314,873	\$ 629,760	\$ 655,734	\$ 7,066,859	\$ 7,619,921	-\$ 0	\$ 27,014,814	\$ 28,290,138

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

	Operating fund	Water and sewer fund	Land fund	Natural gas fund	Reserve fund	Equity in Tangible Capital Assets	2015 Total	2014 Total
Excess revenues (expenditures)	-\$ 767,831	-\$ 1,479,563	-\$ 212,182	-\$ 28,757	\$ \$	-	-\$ 2,488,333	-\$ 2,170,235
Net interfund transfers:								
Amortization	1,071,105	667,343				-1,738,447	0	0
Loss on disposal of tangible capital assets							0	0
Transfer to (from) fund						0	0	0
Additional capital expenditures	-463,120					463,120	0	0
	<u>-159,846</u>	<u>-812,220</u>	<u>-212,182</u>	<u>-28,757</u>	<u>0</u>	<u>-1,275,327</u>	<u>-2,488,333</u>	<u>-2,170,235</u>
Balance, beginning of year	4,028,407	-228,575	1,686,629	266,875	3,657,098	28,290,141	37,700,575	39,870,810
Balance, end of year	\$3,868,561	-\$1,040,795	\$1,474,447	\$238,118	\$3,657,098	\$27,014,814	\$35,212,242	\$ 37,700,575

Town of Norman Wells
Schedule of Revenue and Expenses, by Service Division
As at December 31, 2015
(Schedule 3)

	General government services	Public safety and protective services	Public works and transportation	Recreation and culture	Quarry operations	Environmental health services	Total operating fund	Land development fund	Water and sewer services fund	Natural Gas fund	Total 2015	Total 2014
	(Schedule 3a)	(Schedule 3b)	(Schedule 3c)	(Schedule 3d)	(Schedule 3e)	(Schedule 3f)	(Schedule 3g)	(Schedule 3h)	(Schedule 3i)	(Schedule 3j)		
Revenues												
Property taxes	\$2,807,848						\$2,807,848				\$2,807,848	\$2,784,483
User fees and sales of goods	57,298			\$ 36,624	\$ 600,266	\$ 85,779	779,967		\$563,601		1,343,568	3,858,438
Government transfers	1,702,372			43,640			1,746,012		732,000		2,478,012	2,564,670
Fines, penalties & interest	1,028						1,028				1,028	4,615
Development levies, licenses & Land sales/development	22,499						22,499				22,499	41,674
Other revenue	70,175			13,800			83,975	\$259,003			259,003	324,223
	4,661,221	-	-	94,064	600,266	85,779	5,441,329	259,003	1,295,601	-	6,995,933	9,607,648
Expenses												
Wages and benefits	990,292	121,070	546,632	489,829	66,607		2,214,430	103,606	351,350		2,669,386	2,565,205
Mayor and council	132,403						132,403				132,403	134,312
Materials and supplies	29,116	47,608	455,067	57,608	469,049		1,058,447	1,047	68,373		1,127,868	1,350,303
Repairs and maintenance	7,772	13,131	71,671	153,002	8,921	11,458	265,955		229,589		495,544	1,043,842
Contracted services	150,358		97,140			341,687	589,185	11,192	1,072,355		1,672,732	1,128,997
Management fees							0				0	0
Grants	28,685						28,685				28,685	55,287
Cost of sales							0	355,341			355,341	726,703
Provision for allowances	142,183						142,183			2,243	144,426	-44,695
Utilities - electricity	14,589	17,793	73,829	119,306	4,072		229,589		172,721		402,310	368,051
Utilities - fuel	45,631	19,550	13,270	99,676	4,148		182,275		170,597		352,872	318,018
Utilities - water and sewer	4,066	485	979	16,300	445		22,275		-21,353		922	18,107
Telephone	24,915	27,376	7,197	17,526	513		77,527		5,923		83,450	59,944
Vehicle O&M	1,476	7,927	19,160	8,417			36,980		27,165		64,145	87,927
Insurance	72,010						72,010		30,861	1,500	104,371	110,875
Interest	4,858						4,858				4,858	3,244
Travel	2,708			12,240			14,948				14,948	25,364
Office expenses	20,799			410			21,209		240		21,449	29,169
Contribution agreement & other expenses (recoveries)	12,791			32,304			45,094			25,014	70,108	1,053,560
	1,684,651	254,942	1,284,944	1,006,619	553,755	353,145	5,138,055	471,185	2,107,822	28,757	7,745,819	9,034,213
Excess (deficiency) of revenue over expenses before amortization	2,976,569	- 254,942	- 1,284,944	- 912,555	46,511	- 267,366	303,274	- 212,182	- 812,221	- 28,757	- 749,886	573,435
Loss on disposal of tangible capital assets							0			0	0	-1,124,986
Amortization	-67,554	-93,494	-585,092	-287,909	-9,136	-27,920	-1,071,105		-667,343	0	-1,738,447	-1,618,684
Excess (deficiency) of revenue over expenses after amortization	\$ 2,909,016	-\$ 348,436	-\$ 1,870,035	-\$ 1,200,464	\$ 37,375	-\$ 295,286	-\$ 767,831	-\$ 212,182	-\$ 1,479,563	-\$ 28,757	-\$ 2,488,333	-\$ 2,170,235

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

	Budget 2015	Actual 2015	Actual 2014
Revenues			
Property taxes	\$2,807,670	\$2,807,848	\$2,784,483
User fees and sales of goods	88,200	57,298	23,024
Government transfers	2,420,170	1,702,372	2,009,119
Fines, penalties & interest	30,000	1,028	4,615
Development levies, licenses & permits	33,800	22,499	41,674
Land sales/development			
Other revenue	123,000	70,175	22,612
	<u>5,502,840</u>	<u>4,661,221</u>	<u>4,885,527</u>
Expenses			
Wages and benefits	905,800	990,292	779,886
Mayor and council	141,800	132,403	134,312
Materials and supplies	30,000	29,116	49,387
Repairs and maintenance	5,000	7,772	80,784
Contracted services	177,000	150,358	203,113
Management fees			
Grants	34,000	28,685	55,287
Cost of sales			
Provision for allowances	-10,000	142,183	-44,793
Utilities - electricity	20,000	14,589	18,673
Utilities - fuel	50,000	45,631	16,438
Utilities - water and sewer	7,000	4,066	7,075
Telephone	18,000	24,915	12,445
Vehicle O&M	4,000	1,476	2,532
Insurance	68,000	72,010	68,197
Interest	3,000	4,858	3,244
Travel	12,000	2,708	7,132
Office Expenses	41,000	20,799	26,994
Contribution agreement & other expense	14,000	12,791	-32,242
	<u>1,520,600</u>	<u>1,684,651</u>	<u>1,388,464</u>
Excess (deficiency) of revenue over expenses before amortization	3,982,240	2,976,569	3,497,063
Amortization	-	-67,554	-333,452
Excess (deficiency) of revenue over expenses after amortization	\$ 3,982,240	\$ 2,909,016	\$ 3,163,612

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

	Budget 2015	Actual 2015	Actual 2014
Revenues			
Property taxes			
User fees and sales of goods			
Government transfers			
Fines, penalties & interest			
Development levies, licenses & permits			
Land sales/development			
Other revenue			
	-	-	-
Expenses			
Wages and benefits	\$ 250,800	\$ 121,070	\$ 48,589
Mayor and council			
Materials and supplies	34,500	47,608	32,754
Repairs and maintenance	14,000	13,131	8,563
Contracted services			
Management fees			
Grants			
Cost of sales			
Provision for allowances			
Utilities - electricity	12,000	17,793	13,593
Utilities - fuel	30,000	19,550	24,743
Utilities - water and sewer	1,000	485	534
Telephone	11,000	27,376	20,464
Vehicle O&M	4,000	7,927	23,689
Insurance			
Interest			
Travel			
Office Expenses			
Contribution agreement & other expense			-11,866
	357,300	254,942	161,063
Excess (deficiency) of revenue over expenses before amortization	- 357,300	- 254,942	- 161,063
Amortization	0	-93,494	-165,220
Excess (deficiency) of revenue over expenses after amortization	-\$ 357,300	-\$ 348,436	-\$ 326,283

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

	Budget 2015	Actual 2015	Actual 2014
Revenues			
Property taxes			
User fees and sales of goods			
Government transfers			
Fines, penalties & interest			
Development levies, licenses & permits			
Land sales/development			
Other revenue			
	-	-	-
Expenses			
Wages and benefits	\$ 574,500	\$ 546,632	\$ 489,957
Mayor and council			
Materials and supplies	425,000	455,067	423,141
Repairs and maintenance	80,000	71,671	173,007
Contracted services	100,000	97,140	80,732
Management fees			
Grants			
Cost of sales			
Provision for allowances			
Utilities - electricity	72,000	73,829	78,190
Utilities - fuel	15,000	13,270	10,902
Utilities - water and sewer	1,500	979	1,149
Telephone	5,000	7,197	4,669
Vehicle O&M	30,000	19,160	34,642
Insurance			
Interest			
Travel	12,000		4,686
Office Expenses			
Contribution agreement & other expense			-10,262
	1,315,000	1,284,944	1,290,813
Excess (deficiency) of revenue over expenses before amortization	- 1,315,000	- 1,284,944	- 1,290,813
Amortization	0	-585,092	-280,366
Excess (deficiency) of revenue over expenses after amortization	-\$ 1,315,000	-\$ 1,870,035	-\$ 1,571,178

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

	Budget 2015	Actual 2015	Actual 2014
Revenues			
Property taxes			
User fees and sales of goods	\$ 39,000	\$ 36,624	\$ 47,055
Government transfers	59,000	43,640	51,551
Fines, penalties & interest			
Development levies, licenses & permits			
Land sales/development			
Other revenue	9,000	13,800	6,933
	<u>107,000</u>	<u>94,064</u>	<u>105,539</u>
Expenses			
Wages and benefits	538,200	489,829	499,621
Mayor and council			
Materials and supplies	106,400	57,608	109,745
Repairs and maintenance	171,500	153,002	444,926
Contracted services			
Management fees			
Grants			
Cost of sales			
Provision for allowances			
Utilities - electricity	93,700	119,306	95,000
Utilities - fuel	191,000	99,676	89,456
Utilities - water and sewer	14,060	16,300	9,349
Telephone	15,700	17,526	12,179
Vehicle O&M	9,000	8,417	5,471
Insurance			
Interest			
Travel	30,500	12,240	12,813
Office Expenses	1,000	410	1,223
Contribution agreement & other expense	12,500	32,304	-40,415
	<u>1,183,560</u>	<u>1,006,619</u>	<u>1,239,368</u>
Excess (deficiency) of revenue over expenses before amortization	- 1,076,560	- 912,555	- 1,133,829
Amortization	0	-287,909	-753,333
Excess (deficiency) of revenue over expenses after amortization	-\$ 1,076,560	-\$ 1,200,464	-\$ 1,887,162

Town of Norman Wells
Schedule of Revenue and Expenses, Quarry Operations
As at December 31, 2015
(Schedule 3e)

	Budget 2015	Actual 2015	Actual 2014
Revenues			
Property taxes			
User fees and sales of goods	\$ 1,235,000	\$ 600,266	\$ 1,347,343
Government transfers			
Fines, penalties & interest			
Development levies, licenses & permits			
Land sales/development			
Other revenue			
	<u>1,235,000</u>	<u>600,266</u>	<u>1,347,343</u>
Expenses			
Wages and benefits	85,700	66,607	53,959
Mayor and council			
Materials and supplies	750,500	469,049	652,825
Repairs and maintenance	19,000	8,921	2,165
Contracted services			
Management fees			
Grants			
Cost of sales			
Provision for allowances			
Utilities - electricity	5,000	4,072	3,604
Utilities - fuel	5,000	4,148	4,818
Utilities - water and sewer	500	445	
Telephone	800	513	519
Vehicle O&M			
Insurance			
Interest			
Travel			
Office Expenses			
Contribution agreement & other expense			
	<u>866,500</u>	<u>553,755</u>	<u>717,890</u>
Excess (deficiency) of revenue over expenses before amortization	368,500	46,511	629,453
Amortization	0	-9,136	-137,655
Excess (deficiency) of revenue over expenses after amortization	\$ 368,500	\$ 37,375	\$ 491,798

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

	Budget 2015	Actual 2015	Actual 2014
Revenues			
Property taxes			
User fees and sales of goods	\$ 100,000	\$ 85,779	\$ 85,724
Government transfers			
Fines, penalties & interest			
Development levies, licenses & permits			
Land sales/development			
Other revenue			
	100,000	85,779	85,724
Expenses			
Wages and benefits			
Mayor and council			
Materials and supplies			
Repairs and maintenance	40,000	11,458	116,310
Contracted services	260,000	341,687	139,642
Management fees			
Grants			
Cost of sales			
Provision for allowances			
Utilities - electricity			
Utilities - fuel			
Utilities - water and sewer			
Telephone			
Vehicle O&M			
Insurance			
Interest			
Travel			
Office Expenses			
Contribution agreement & other expense			-5,790
	300,000	353,145	250,162
Excess (deficiency) of revenue over expenses before amortization	- 200,000	- 267,366	- 164,438
Amortization	0	-27,920	-151,652
Excess (deficiency) of revenue over expenses after amortization	-\$ 200,000	-\$ 295,286	-\$ 316,090

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

	Budget 2015	Actual 2015	Actual 2014
Revenues			
Property taxes			
User fees and sales of goods			
Government transfers			
Fines, penalties & interest			
Development levies, licenses & permits			
Land sales/development	\$ 770,000	\$ 259,003	\$ 324,223
Other revenue			
	<u>770,000</u>	<u>259,003</u>	<u>324,223</u>
Expenses			
Wages and benefits	126,900	103,606	215,986
Mayor and council			
Materials and supplies	5,000	1,047	14,471
Repairs and maintenance			
Contracted services	15,000	11,192	
Management fees			
Grants			
Cost of sales	317,390	355,341	71,096
Provision for allowances			
Utilities - electricity			
Utilities - fuel			
Utilities - water and sewer			
Telephone			
Vehicle O&M			
Insurance			
Interest			
Travel			
Office Expenses			
Contribution agreement & other expense			
	<u>464,290</u>	<u>471,185</u>	<u>301,553</u>
Excess (deficiency) of revenue over expenses before amortization	305,710 -	212,183	22,670
Amortization	0	0	0
Excess (deficiency) of revenue over expenses after amortization	\$ 305,710 -	\$ 212,183	\$ 22,670

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

	Budget 2015	Actual 2015	Actual 2014
Revenues			
Property taxes			
User fees and sales of goods	\$581,000	\$563,601	\$ 634,459
Government transfers	732,000	732,000	504,000
Fines, penalties & interest			
Development levies, licenses & permits			
Land sales/development			
Other revenue			
	1,313,000	1,295,601	1,138,459
Expenses			
Wages and benefits	412,500	351,350	426,715
Mayor and council			
Materials and supplies	60,000	68,373	64,404
Repairs and maintenance	228,000	229,589	215,853
Contracted services	969,000	1,072,355	705,510
Management fees			
Grants			
Cost of sales			
Provision for allowances	5,000		
Utilities - electricity	160,000	172,721	100
Utilities - fuel	200,000	170,597	158,991
Utilities - water and sewer	-17,000	-21,353	171,661
Telephone	7,000	5,923	7,157
Vehicle O&M	32,000	27,165	19,224
Insurance	30,000	30,861	29,373
Interest			
Travel	6,000		733
Office Expenses	2,000	240	837
Contribution agreement & other expense			
	2,094,500	2,107,822	1,800,558
Excess (deficiency) of revenue over expenses before amortization			
	- 781,500	- 812,221	- 662,099
Loss on disposal of tangible capital assets		0	0
Amortization	0	-667,343	-1,244,433
Excess (deficiency) of revenue over expenses after amortization			
	-\$ 781,500	-\$ 1,479,563	-\$ 1,906,531

Town of Norman Wells
Schedule of Revenue and Expenses, Natural Gas Fund
As at December 31, 2015
(Schedule 3i)

	8	Budget 2015	Actual 2015	Actual 2014
Revenues				
Property taxes				
User fees and sales of goods				\$ 1,720,833
Government transfers				
Fines, penalties & interest				
Development levies, licenses & permits				
Land sales/development				
Other revenue				
		-	-	1,720,833
Expenses				
Wages and benefits				50,492
Mayor and council				
Materials and supplies				3,576
Repairs and maintenance				2,234
Contracted services				
Management fees				
Grants				
Cost of sales				655,607
Provision for allowances		0	\$ 2,243	-2
Utilities - electricity				
Utilities - fuel				
Utilities - water and sewer				
Telephone				2,511
Vehicle O&M				2,369
Insurance		12,530	1,500	13,305
Interest				
Travel				
Office Expenses				115
Contribution agreement & other expense		10,000	25,014	1,154,135
		22,530	28,757	1,884,342
Excess (deficiency) of revenue over expenses before amortization				
	-	22,530	-	28,757
				163,509
Amortization		0	0	-137,655
Excess (deficiency) of revenue over expenses after amortization				
	-\$	22,530	-\$	28,757
				-\$ 25,854

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

	Budget	2015	2014
Territorial transfers (Note 1d)			
Municipal & Community Affairs			
Formula based funding	\$ 1,170,000	\$ 1,171,000	\$ 1,170,000
Water sewer subsidy program	732,000	732,000	504,000
Infrastructure (Capital Block Funding)	869,000	869,000	869,000
Canada-NWT Gas Tax Agreement	342,870	343,000	342,873
Other contributions	59,000	43,640	51,551
	3,172,870	3,158,640	2,937,424
GNWT miscellaneous	38,300	63,300	107,894
Transfer from (to) Deferred Revenue	-	(743,928)	(505,648)
Other agreements and grants	-	-	25,000
	38,300	(680,628)	(372,754)
Total government transfers	\$ 3,211,170	\$ 2,478,012	\$ 2,564,670

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

Position	Salary	Honoraria	Travel
MAYOR:			
Mayor McGregor	\$ -	\$ 20,093	\$ -
COUNCILLOR:			
Deputy Mayor Watson	-	18,873	1,192
Councillor Closs	-	12,814	-
Councillor Hodgson	-	15,373	-
Councillor Melnyk	-	15,873	-
Councillor Pope	-	12,587	-
Councillor Tout	-	12,500	-
Councillor Deschene	-	2,557	-
Councillor Grey	-	2,557	-
Councillor Dolen	-	2,557	-
Various	-	-	9,906
Total	-	115,784	11,098

**Town of Norman Wells
Schedule of Gas Tax Program
for the Year ended December 31, 2015
(Schedule 6)**

For the years ended December 31	2005 to 2009	2010	2011	2012	2013	2014	2015	Cumulative Total
Funding								
Opening balance	\$ -	\$ 257,887	\$ 256,497	\$ 137,135	\$ 160,155	\$ 281,070	\$ 402,739	\$ -
Annual allocation	848,238	342,873	342,873	342,873	342,873	342,873	\$ 343,000	2,905,603
Interest earned	21,639	434	4,230	1,991	13,299	2,338	575	32,536
	<u>869,877</u>	<u>601,194</u>	<u>603,600</u>	<u>481,999</u>	<u>504,357</u>	<u>626,281</u>	<u>746,314</u>	<u>2,938,139</u>
Eligible project expenses								
Landfill Expansion	347,406	50,098	-	-	-	-	-	397,504
Raw Water River Tie-in	201,609	-	-	20,078	-	-	-	221,687
Underground Water Rehabilitation	21,659	-	225,000	-	-	-	-	246,659
Utilidor Study	41,316	-	-	-	-	-	-	41,316
Sewage Lagoon Aerator Cells	-	43,945	-	-	-	-	-	43,945
Dust Suppression - Roads	-	250,654	241,465	301,766	223,287	223,542	-	1,240,714
	<u>611,990</u>	<u>344,697</u>	<u>466,465</u>	<u>321,844</u>	<u>223,287</u>	<u>223,542</u>	<u>0</u>	<u>2,191,825</u>
Excess (deficiency) of revenue over expenses	\$ 257,887	\$ 256,497	\$ 137,135	\$ 160,155	\$ 281,070	\$ 402,739	\$ 746,314	\$ 746,314

Town of Norman Wells
Schedule of Community Public Infrastructure Program
for the Year ended December 31, 2015
(Schedule 7)

**For the years ended
December 31**

Cumulative

	2007 to 2009	2010	2011	2012	2013	2014	2015	Total
Funding								
Opening balance	\$ -	\$ 1,486,087	\$ 1,695,685	\$ 527,917	\$ 685,769	\$ 902,269	\$ 1,301,233	\$ -
Annual allocation	2,437,785	868,510	868,510	869,000	869,000	869,000	869,000	7,650,805
Interest earned	18,579	2,985	31,332	15,502	9,380	12,648	17,132	107,558
	<u>2,456,364</u>	<u>2,357,582</u>	<u>2,595,527</u>	<u>1,412,419</u>	<u>1,564,149</u>	<u>1,783,917</u>	<u>2,187,365</u>	<u>7,758,363</u>
Eligible project expenses								
Water and Sewage costs for Trucking	151,371	51,400	51,400	51,400	51,400			356,971
Sewage Lagoon Desludging							184,618	184,618
Arena Rehabilitation	90,281	266,756		72,305			31,287	460,629
Fire Department Air Packs	68,182	58,853	46,098					173,133
Generator for EMO	85,887	41,497						127,384
Sewer Rehabilitation		223,260						223,260
Fitness Centre Building		20,131	122,158					142,289
Walking Path Bridges	61,283							61,283
Security System for Recreation Facilities	51,234							51,234
Swimming Pool Boiler	88,411							88,411
Water Storage Tank & Control Panel	172,683							172,683
Garbage Bins	26,808					32,332		59,140
Arena Roof Repair & Extension			674,588					674,588
Underground Water			1,138,457					1,138,457
8A & 8B Ptarmigan Duplex				283,000				283,000
Sewage Lagoon Cell Arms				252,811				252,811
Diesel Fuel Tanks					131,183			131,183
Fire Utility Truck					242,091			242,091
Skid Steer					67,688			67,688
Water Storage Tank (Second)						228,056	6,572	234,628
Cemetery					30,850	45,643		76,493
Vehicles					35,788	92,344	51,537	179,669
Roads & Paths					78,230	3,434		81,664
Furniture & Equipment	53,164		34,909	21,418		62,675	69,301	241,467
Solid Waste Site	43,867				24,650			68,517
Buildings	48,805			45,716			91,769	186,290
Other Minor	28,301					18,200	28,038	74,539
	<u>970,277</u>	<u>661,897</u>	<u>2,067,610</u>	<u>726,650</u>	<u>661,880</u>	<u>482,684</u>	<u>463,122</u>	<u>6,034,120</u>
Excess (deficiency) of revenue over expenses	\$ 1,486,087	\$ 1,695,685	\$ 527,917	\$ 685,769	\$ 902,269	\$ 1,301,233	\$ 1,724,243	\$ 1,724,243

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

Water & Sewage Rates:

Economic Rate	\$.0209/L
Residential Rate	\$.0039/L
Commercial Rate	\$.0122/L
Public Sector (including local gov't) Rate	\$.0209/L

Bylaw: 14-06 (August 8, 2014)

Water & Sewage expenditures:

Total Water & Sewage Costs For 2015 Per Financial Statements \$ 2,775,165	Total Budgeted Expenditures Used For Calculating Economic Rate (note 1) \$ 2,094,500
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Water & Sewage Revenue:

Total Water and Sewage Revenue For 2015 Per Financial Statements \$ 1,295,601	Revenue - Residential \$ 163,283
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Revenue - Public Sector \$ 162,713	Revenue - Commercial \$ 237,605
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Water & Sewage Consumption (note 1):

Actual Volume Of Water Consumed In 2015 (Billed in litres) 68,786,000	Actual Consumption - Residential (in litres) 35,835,000
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Total Budgeted Consumption For Calculating Economic Rate (in litres) 100,215,000	Actual Consumption - Commercial (in litres) 22,367,000
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Actual Consumption - Public Sector (in litres) 10,585,000

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.