

Town of Norman Wells
Financial Statements
December 31, 2020

Town of Norman Wells

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For the year ended December 31, 2020

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Management's Responsibility

To the Members of Council of the Town of Norman Wells:

The accompanying financial statements of the Town of Norman Wells are the responsibility of management and have been approved by the Mayor and Council.

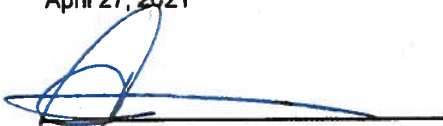
Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian Public Sector Accounting Standards. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting, systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Council is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial statements. The Council fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Council is also responsible for recommending the appointment of the Town's external auditors.

MNP LLP is appointed by the Council to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Council and management to discuss their audit findings.

April 27, 2021



Senior Administrative Officer

Independent Auditor's Report

To the Members of Council of the Town of Norman Wells:

Qualified Opinion

We have audited the financial statements of Town of Norman Wells (the "Town"), which comprise the statement of financial position as at December 31, 2020, and the statements of operations and accumulated surplus, changes in net financial assets, cash flows and the related schedules for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Town as at December 31, 2020, and the results of its operations, changes in its net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Qualified Opinion

As discussed in Note 8 to the financial statements, the Town was not able to provide reasonable estimates on the future reclamation costs associated with solid waste landfills. We were unable to satisfy ourselves concerning those reclamation liabilities by alternative means. Therefore, we were not able to determine whether any adjustments might be necessary to restoration liabilities, total liabilities, net financial assets, expenses, and excess (deficiency) of revenue over expenses for the years-ended December 31, 2020 and 2019, and accumulated surplus as at January 1 and December 31, 2020 and 2019.

As discussed in Note 5 to the financial statements, inventory consists of crushed gravel. In the current year, it could not be confirmed whether the inventory count included all stockpiles held as at year-end, and satisfaction concerning the amount of inventory at year-end was not possible by alternative means. Further, the Town was unable to provide satisfactory audit evidence regarding inventory valuation and satisfaction concerning valuation was not possible by alternative means. Therefore, we were not able to determine whether any adjustments might be necessary to inventory, and non-financial assets for the year-ended December 31, 2020, expenses, and excess (deficiency) of revenue over expenses for the year-ended December 31, 2020 and accumulated surplus as at December 31, 2020.

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Town's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Town to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Grande Prairie, Alberta

April 27, 2021

MNP LLP

Chartered Professional Accountants

MNP

Town of Norman Wells
Statement of Financial Position
For the year ended December 31, 2020

	2020	2019
Financial assets		
Cash and cash equivalents	2,052,426	3,113,950
Restricted deposits (Note 3)	6,235,025	4,892,296
Accounts receivable (Note 4)	2,255,043	2,160,048
Total financial assets	10,542,494	10,166,294
Financial liabilities		
Accounts payable and accrued liabilities (Note 6)	1,477,749	1,141,594
Deferred revenue (Note 7)	5,149,474	4,218,442
Land restoration liability (Note 8)	2,231,340	2,231,340
Total financial liabilities	8,858,563	7,591,376
Net financial assets	1,683,931	2,574,918
Commitments and contingencies (Note 10)		
Non-financial assets		
Tangible capital assets (Schedule 13)	29,082,404	28,875,711
Prepaid expenses	164,817	239,006
Inventory (Note 5)	538,228	612,247
Total non-financial assets	29,785,449	29,726,964
Accumulated surplus (Note 11) (Schedule 1)	31,469,380	32,301,882

Approved on behalf of Council


 Mayor **Frank Pope**


 Councillor **Pascal Audet**

The accompanying notes are an integral part of these financial statements.

Town of Norman Wells
Statement of Operations and Accumulated Surplus

For the year ended December 31, 2020

	<i>Schedules</i>	2020 Budget	2020	2019
Revenue				
Government transfers (Note 12)		2,564,397	5,247,865	4,796,684
Property taxes	2	3,639,654	3,628,406	3,089,866
Water and sewer customer charges	3	1,351,220	1,163,450	1,175,536
Garbage fees	8	106,349	113,121	114,190
Quarry sales	9	413,807	289,840	335,753
Other revenue	11	660,000	283,876	204,780
Deferred revenue opening (Note 7)		-	4,218,442	2,278,924
Deferred revenue closing (Note 7)		-	(5,149,474)	(4,218,442)
Total revenue		8,735,427	9,795,526	7,777,291
Expenses				
General Government Services	2	1,720,900	2,133,094	1,572,904
Water and Sewage Services	3	2,415,850	3,035,263	3,310,885
Protective Services	4	444,750	541,842	389,391
Transportation and Public Works Services	5	1,246,600	1,839,562	1,728,193
Recreation Services	6	1,063,900	1,160,417	1,354,739
Land Development and Administration	7	294,775	245,613	129,815
Environmental and Public Health Services	8	499,000	182,283	254,502
Quarry Operations	9	154,500	1,244,509	331,592
Contract Services	10	-	245,444	145,884
Total expenses	12	7,840,275	10,628,028	9,217,906
Excess (Deficiency) of revenue over expenses		895,153	(832,502)	(1,440,615)
Accumulated surplus, beginning of year as previously stated		32,301,882	32,301,882	33,571,740
Prior period adjustment		-	-	170,758
Accumulated surplus, restated beginning of year		32,301,882	32,301,882	33,742,498
Accumulated surplus, restated end of year		33,197,035	31,469,380	32,301,882

The accompanying notes are an integral part of these financial statements.

Town of Norman Wells
Statement of Changes in Net Financial Assets
For the year ended December 31, 2020

	2020 Budget	2020	2019
Excess (Deficiency) of revenue over expenses	895,153	(832,502)	(1,440,615)
Acquisition of tangible capital assets	-	(2,154,392)	(375,905)
Depreciation of tangible capital assets	-	1,947,699	1,884,914
Acquisition of prepaid expenses	-	(164,817)	(239,006)
Use of prepaid expenses	-	239,006	24,725
Change in quarry inventory	-	74,019	111,937
	-	(58,485)	1,406,665
Decrease in net financial assets	895,153	(890,987)	(33,950)
Net financial assets, beginning of year	2,574,918	2,574,918	2,608,869
Net financial assets, end of year	3,470,072	1,683,931	2,574,918

The accompanying notes are an integral part of these financial statements.

Town of Norman Wells
Statement of Cash Flows
For the year ended December 31, 2020

	2020	2019
Net inflow (outflow) of cash related to the following activities:		
Operating activities		
Excess (Deficiency) of revenue over expenses	(832,502)	(1,440,615)
Amortization of tangible capital assets	1,947,699	1,884,914
	1,115,197	444,299
Changes in working capital accounts:		
Accounts receivable	(94,995)	280,162
Prepaid expenses	74,189	(214,282)
Inventory	74,019	111,937
Accounts payable and Accrued Liabilities	336,157	463,517
Deferred revenue	931,032	1,956,335
	2,435,599	3,041,970
Capital activities		
Acquisition of tangible capital assets	(2,154,392)	(375,905)
Proceeds on disposal of capital assets	-	-
	(2,154,392)	(375,905)
Increase in cash resources	281,207	2,666,065
Cash resources, beginning of year	8,006,246	5,340,183
Cash resources, end of year	8,287,451	8,006,246
Cash resources are composed of:		
Cash	2,052,426	3,113,950
Restricted deposits	6,235,025	4,892,296
	8,287,451	8,006,246

The accompanying notes are an integral part of these financial statements.

1. Operations

The Town of Norman Wells ("the Town") is located in the Northwest Territories, and provides various services to its community. The Town of Norman Wells includes the government and all related entities that are controlled by the Town.

In early March 2020 the impact of the global outbreak of COVID-19 (coronavirus) began to have a significant impact on businesses through the restrictions put in place by the Canadian, territorial and municipal governments regarding travel, business operations and isolation/quarantine orders.

The Town's operations were impacted by COVID-19 due to closure of operations, added cleaning and supply costs, cancellation of events, and lay-off of staff.

At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Town as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus. While the extent of the impact is unknown, we anticipate this outbreak may cause closure of operations and increased government regulations, all of which may negatively impact the Town's operations and financial condition.

2. Summary of significant accounting policies

The financial statements of the Town are prepared in accordance with Canadian public sector accounting standards established by the Public Sector Accounting Board of CPA Canada, except for the following:

Landfill liability

The Town is required to fund the closure of its landfill and solid waste landfill 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, control and visual inspection. The requirement has not been satisfied as described in Note 8.

The Town has applied the following significant accounting policies in accordance with Canadian Public Sector Accounting Standards.

Reporting entity

The financial statements reflect the assets, liabilities, revenue and expenses, changes in financial position of the reporting entity. This entity is comprised of the municipal operations.

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

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.

Measurement uncertainty (use of estimates)

The preparation of financial statements in conformity with Canadian public sector accounting standards 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 expenses during the year.

2. Summary of significant accounting policies (continued)

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where necessary. Amortization is based on the estimated useful lives of tangible capital assets.

Cash and cash equivalents

Cash and Cash equivalents include balances with banks and short term investments with maturities of three months or less. Cash subject to restrictions that prevent its use for current purposes is included in restricted deposits.

Non-Financial Assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the normal course of operations. The change in non-financial assets during the year, together with the excess of revenue over expenses, provides the change in net financial assets for the year.

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

Amortization rates are as follows:

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

ii. 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.

iii. Inventories

Inventories held for consumption are recorded at the lower of cost and replacement cost. Inventories held for sale are recorded at the lower of cost and net realizable value.

Impairment of long-lived assets

The Town reviews its long-lived assets for impairment on a regular basis or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Recoverability is assessed by comparing the carrying amount to the projected future net cash flows the long-lived assets are expected to generate. No impairment has been identified and, thus, no impairment has been recognized in these financial statements.

Government Transfers

Government transfers are the transfer of assets from senior levels of government that are not the result of a transaction, are not expected to be repaid in the future, or the result of a direct financial return.

Government transfers are recognized in the financial statements as revenue in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be determined.

2. Summary of significant accounting policies (continued)

Other revenue and contract services

Other revenue and contract services are recognized when received or as they become receivable, other revenue is determined receivable once the services have been performed, the amount to be received can be reasonably estimated and collection can be reasonably assured.

Pension expenses

Contributions for current and past service pension benefits are recorded as expenses in the year in which they become due.

Segments

The Town conducts its business through nine (nine in 2019) reportable segments: General Government, Protective Services, Water and Sewage Services, Transportation and Public Works Services, Recreation Services, Contract Services, Environmental and Public Health Services, Land Development, and Quarry Operations. These operating segments are established by senior management to facilitate the achievement of the Town's long-term objectives to aid in resource allocation decisions, and to assess operational performance.

For each reported segment, revenue and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Therefore, certain allocation methodologies are employed in the preparation of segmented financial information. Administration fees have been apportioned based on a percentage of budgeted revenue, where permitted by the funder.

The accounting policies used in these segments are consistent with those followed in the preparation of the financial statements as disclosed in the *Significant Accounting Policies*.

Financial instruments

The Town initially measures its financial assets and liabilities at fair value. The Town subsequently measures its financial assets and financial liabilities at amortized cost.

Financial assets are reviewed at the end of each accounting period to determine whether any impairment has occurred. Any associated impairment losses are reported on the statement of operations.

3. Restricted deposits

	2020 Reserves	2020 Deferred Revenue	2020 Restricted Deposit	2020 Receivable	2020 Deposit surplus (deficit)
Federal Gas Tax	-	3,508,156	3,715,319	606,000	813,163
Community Public Infrastructure	-	1,630,117	1,929,267	231,000	530,150
Other services	-	11,201	-	-	(11,201)
General Reserve	998,437	-	590,438	-	(407,999)
	998,437	5,149,474	6,235,025	837,000	924,114

In 2019 total reserves were \$998,444, deferred revenue was \$4,218,442, restricted deposits were \$4,892,296, receivables were \$1,041,000 and the deposit surplus was \$716,410.

Sufficient funds must be deposited to a separate bank account to correspond with their respective restricted balances.

Restricted deposits bear interest at 0.65% (2019 - 2.15%).

Town of Norman Wells
Notes to the Financial Statements
For the year ended December 31, 2020

4. Accounts receivable

	2020	2019
Trade and other receivables	457,236	278,554
Allowance for doubtful accounts	(198,729)	(56,326)
	258,506	222,228
Utilities receivables	444,729	285,986
Allowance for doubtful accounts	(12,511)	(85,273)
	432,218	200,713
Property tax receivable	169,351	294,833
Allowance for doubtful accounts	(54,456)	(82,699)
	114,895	212,134
Clean water and wastewater funding receivable	-	39,128
Community public infrastructure receivable	231,000	1,041,000
Gas tax funding receivable	606,000	-
Goods and services tax receivable	612,423	215,370
Grants in lieu	-	99,748
Other funding receivable	-	129,728
	2,255,043	2,160,048

5. Inventory

Inventory consists of crushed gravel to be used for either future road upgrades and repairs or for sale.

6. Accounts payable and accrued liabilities

	2020	2019
Trade accounts payable and accruals	1,098,193	927,057
Funding repayable	76,166	-
Wages and benefits payable	303,390	214,537
	1,477,749	1,141,594

7. Deferred revenue

	2020	2019
Community public infrastructure	1,630,117	733,379
Gas tax	3,508,156	3,466,728
Other services	11,201	18,335
	5,149,474	4,218,442

8. Landfill closure and solid waste landfill liability

The total liability to reclaim the landfill and the solid waste landfills cannot be reasonably estimated at this time due to the uncertainty of future costs. When costs can be reasonably estimated a liability will be accrued to record the future cost.

9. Equity in tangible capital assets

	2020	2019
Tangible capital assets (Schedule 13)	66,814,075	64,659,682
Accumulated amortization (Schedule 13)	(37,731,701)	(35,784,002)
	29,082,404	28,875,711

Town of Norman Wells
Notes to the Financial Statements
For the year ended December 31, 2020

10. Commitments

The Town has entered into agreements with outside contractors for the provision of garbage collection and disposal services, water delivery and sewage collection and animal control services.

Future payments are as follows:

2021	359,067
2022	-
2023	-
2024	-
2025	-

The Town has entered into agreements with outside contractors for the rental of office equipment, janitorial services, and information technology services. Future payments are as follows:

2021	94,320
2022	75,120
2023	20,448
2024	-
2025	-

11. Accumulated surplus

Accumulated surplus consists of restricted and unrestricted amounts and equity in tangible capital assets as follows:

	2020	2019
Unrestricted surplus	4,866,351	5,764,821
Water and Sewage operations	(3,477,780)	(3,337,056)
Equity in tangible capital assets (Note 9)	29,082,404	28,875,711
Reserves	998,437	998,437
Total	31,469,380	32,301,882

12. Government transfers

	2020	2019
Operating Transfers		
Operating and Maintenance Funding	1,171,000	1,171,000
Water and Sewer Funding (Schedule 3)	944,000	944,000
Sports, Recreation and Youth Contributions	78,527	84,994
COVID-19 Relief Funding	102,225	-
CANNOR Funding	-	14,000
Geotechnical Road Survey Funding	-	129,728
Support for Entrepreneurs and Economic Development	24,000	-
Property tax	172,938	137,779
Total	2,492,690	2,481,501
Capital Transfers		
Community Public Infrastructure (Schedule 15)	1,272,000	1,041,000
Community Water and Wastewater Funding (Schedule 17)	13,140	62,183
Investing in Canada Infrastructure Program	864,035	-
Federal Gas Tax (Schedule 14)	606,000	1,212,000
Total	2,755,175	2,315,183
Total	5,247,865	4,796,684

13. Northern employee benefits services

Employees of the Town participate in the Northern Employee Benefits Services. In 2019 the plan serviced about 3,202 (2018 - 3,202) people and 147 (2018 - 107) employers. It is financed by employer and employee contributions and investment earnings of the Northern Employee Benefits Services fund.

The Town is required to make current service contributions to the plan of 8% of pensionable earnings up to \$171,368 in 2019 (2018 - \$166,787), and 0% for the excess.

The current service contributions by the Town of Norman Wells of the Northern Employee Benefits Services in 2020 were \$244,542. Total current service contributions by the employees of the Town in 2020 were \$247,139.

At January 1, 2019 the Plan disclosed an actuarial deficiency of \$25,300,000 (\$24,000,000 in 2018) on a going concern basis and \$128,900,000 (2018 - \$110,840,600) on a solvency valuation basis. The solvency ratio used is 64.0% (2018 - 66.0%).

The 2020 Northern Employee Benefits Services annual report was not available at the date of these financial statements.

14. Economic dependence

Town receives a substantial portion of its revenue from the Minister of Municipal and Community Affairs (MACA). The ability of the Town to continue operations is dependent upon the Government of Northwest Territories continued financial commitments.

15. Financial Instruments

The Town of Norman Wells financial instruments consist of cash and cash equivalents, trade and other receivables, accounts payable and accrued liabilities, and wages and benefits payable.

It is administration's opinion that the Town of Norman Wells is not exposed to significant interest or currency risks arising from these financial statements.

The Town of Norman Wells is subject to credit risk with respect to accounts receivable. Credit risk arises from the possibility that customers to which the Town of Norman Wells provides services may experience financial difficulty and be unable to fulfill their obligations. The large number and diversity of customers minimize the credit risk.

16. Related party transactions

Included in expense is \$1,265,478 (2019 - \$1,251,360) for trucked water expense, \$209,309 (2019 - \$nil) for supplies expense and \$57,816 (2019 - \$nil) for repairs and maintenance expense paid to Northridge Contracting Ltd., a company owned by a council member of the Town. These transactions were conducted in the normal course of operations and measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

17. Approval of financial statements

Council and Management have approved these financial statements on April 27, 2021.

18. Approval of budget

The budget prepared by management and disclosed in these financial statements was approved by Council December 3, 2019.

19. Comparative Figures

Certain comparative figures have been reclassified to conform with current year presentation.

Town of Norman Wells
Schedule 1 - Schedule of Change in Accumulated Surplus (Deficit)
For the year ended December 31, 2020

	<i>Unrestricted Surplus</i>	<i>Water and Sewage</i>	<i>Land Development</i>	<i>Equity in Tangible Capital Assets</i>	<i>Reserve</i>	2020	2019
Accumulated surplus (deficit), beginning of year as previously stated	5,764,821	(3,337,056)	-	28,875,711	998,437	32,301,882	33,571,740
Prior period adjustments	-	-	-	-	-	-	170,758
Accumulated surplus (deficit), restated beginning of year	5,764,821	(3,337,056)	-	28,875,711	998,437	32,301,882	33,742,498
Excess (deficiency) of revenue over expenses	95,311	(927,813)	-	-	-	(832,502)	(1,440,615)
Purchases of tangible capital assets	(2,154,392)	-	-	2,154,392	-	-	-
Amortization expense	1,160,610	787,089	-	(1,947,699)	-	-	-
Change in accumulated surplus (deficit)	(898,471)	(140,724)	-	206,693	-	(832,502)	(1,440,615)
Accumulated surplus (deficit), end of year	4,866,351	(3,477,780)	-	29,082,404	998,437	31,469,380	32,301,882

Town of Norman Wells
General Government Services
Schedule 2 - Schedule of Revenue and Expenses
For the year ended December 31, 2020

	2020	2020	2019
	<i>Budget</i>		
Revenue			
Property taxes	3,624,654	3,607,111	3,098,735
School taxes	15,000	21,295	(8,869)
Government transfers (Note 12)	1,401,009	4,225,338	3,753,690
Other revenue	337,000	195,669	106,527
Deferred revenue - opening	-	4,200,106	2,257,316
Deferred revenue - closing	-	(5,138,273)	(4,200,106)
	5,377,663	7,111,247	5,007,293
Expenses			
Advertising and donation	12,600	9,929	4,938
Bad debts (recovery)	-	41,398	(70,655)
Bank charges and interest	50,000	23,478	20,359
Contract services	100,000	207,150	42,501
Donations	30,000	21,208	34,250
Fuel	3,500	5,569	4,688
Insurance	110,000	106,410	106,828
Mayor and council	174,000	145,912	166,340
Office Expenses	218,600	125,648	103,433
Professional fees	140,000	341,157	425,287
Recruitment	1,000	-	10,505
Repairs and maintenance	3,000	9,212	11,707
Salaries and benefits	690,000	804,799	504,338
Staff housing	-	22,876	-
Supplies	32,250	52,578	32,328
Telephone	20,000	56,703	31,734
Training	10,000	2,534	11,089
Travel	95,000	45,474	32,166
Utilities - Electricity	15,250	18,256	14,545
Utilities - Fuel	13,700	15,308	14,129
Water and sewer	2,000	1,125	2,523
	1,720,900	2,056,723	1,503,031
Excess of revenue over expenses before other items and amortization	3,656,763	5,054,524	3,504,262
Amortization	-	76,371	69,873
Excess of revenue over expenses	3,656,763	4,978,153	3,434,387

Town of Norman Wells
Water and Sewage Services
Schedule 3 - Schedule of Revenue and Expenses
For the year ended December 31, 2020

	2020	2020	2019
	<i>Budget</i>		
Revenue			
Water and sewer - public sector	245,000	178,936	232,109
Water and sewer - commercial and industrial	574,780	501,980	574,816
Water and sewer - residential	443,840	399,245	272,726
Water and sewer - town	87,600	79,403	95,885
Other revenue	-	3,886	-
Government transfers (Note 12)	913,000	944,000	944,000
	2,264,220	2,107,450	2,119,536
Expenses			
Administration	100,000	-	-
Contract services	60,000	41,787	75,206
Fuel	12,000	12,714	14,295
Office expense	500	720	663
Repairs and maintenance	85,000	65,344	68,215
Salaries and benefits	400,000	452,386	366,350
Supplies	70,000	71,291	60,191
Telephone	9,000	7,904	8,599
Training	2,000	248	78
Trucked Water	1,260,000	1,269,306	1,446,840
Utilities - Electricity	177,350	170,552	155,383
Utilities - Fuel	180,000	139,751	250,718
Water and sewer	60,000	16,173	70,730
	2,415,850	2,248,174	2,517,267
Deficiency of revenue over expenses before amortization	(151,630)	(140,724)	(397,731)
Amortization	-	787,089	793,618
Deficiency of revenue over expenses	(151,630)	(927,813)	(1,191,348)

Town of Norman Wells
Protective Services
Schedule 4 - Schedule of Expenses
For the year ended December 31, 2020

	2020	2020	2019
	Budget		
Revenue			
Other revenue	20,000	730	270
Government transfers (Note 12)	7,500	-	-
	27,500	730	270
Expenses			
Contract services	3,000	13,729	9,297
Fuel	7,000	617	2,813
Honorarium	200,000	80,085	110,502
Repairs and maintenance	62,500	27,544	46,001
Salaries and benefits	18,000	164,767	24,959
Staff housing	-	13,601	-
Supplies	78,500	35,862	10,015
Telephone	11,750	11,449	11,588
Training	20,000	7,030	12,322
Utilities - Electricity	18,000	21,958	16,049
Utilities - Fuel	21,000	26,283	25,161
Water and sewer	5,000	5,633	32,092
	444,750	408,557	300,799
Deficiency of revenue over expenses before amortization	(417,250)	(407,827)	(300,529)
Amortization	-	133,284	88,592
Deficiency of revenue over expenses	(417,250)	(541,112)	(389,121)

Town of Norman Wells
Transportation and Public Works Services
Schedule 5 - Schedule of Revenue and Expenses
For the year ended December 31, 2020

	2020	2020	2019
	<i>Budget</i>		
Expenses			
Contract services	-	70,223	140,478
Fuel	18,000	34,683	23,620
Office expense	10,000	9,558	-
Repairs and maintenance	53,000	71,687	50,524
Salaries and benefits	529,692	348,423	380,333
Staff housing	15,000	16,724	61,825
Supplies	572,000	605,694	430,178
Telephone	-	5,196	3,718
Training	10,000	-	128
Travel	6,000	605	3,560
Utilities - Electricity	-	9,049	5,622
Utilities - Fuel	-	14,447	13,545
Water and sewer	32,908	4,772	3,727
	1,246,600	1,191,060	1,117,257
Deficiency of revenue over expenses before amortization	(1,246,600)	(1,191,060)	(1,117,257)
Amortization	-	648,502	610,936
Deficiency of revenue over expenses	(1,246,600)	(1,839,562)	(1,728,193)

Town of Norman Wells
Recreation Services
Schedule 6 - Schedule of Revenue and Expenses
For the year ended December 31, 2020

	2020	2020	2019
	Budget		
Revenue			
Other revenue	228,000	50,457	70,147
Government transfers (Note 12)	167,888	78,527	98,994
Deferred revenue - opening	-	18,336	21,608
Deferred revenue - closing	-	(11,201)	(18,336)
	395,888	136,118	172,413
Expenses			
Community events	56,000	3,333	45,373
Contracted services	-	16,050	-
Fuel	3,000	3,257	3,161
Office expenses	4,000	3,504	1,043
Repairs and maintenance	92,000	42,109	149,929
Salaries and benefits	510,000	510,518	499,170
Staff housing	(5,900)	11,043	-
Supplies	84,500	45,504	69,679
Telephone	13,200	8,755	9,792
Training	14,000	1,577	4,612
Travel	23,200	6,645	25,195
Utilities - Electricity	106,000	103,077	90,550
Utilities - Fuel	132,200	115,765	129,571
Water and sewer	31,700	13,086	41,824
	1,063,900	884,224	1,069,899
Deficiency of revenue over expenses before amortization	(668,012)	(748,106)	(897,486)
Amortization	-	276,193	284,840
Deficiency of revenue over expenses	(668,012)	(1,024,299)	(1,182,326)

Town of Norman Wells
Land Development and Administration
Schedule 7 - Schedule of Revenue and Expenses
For the year ended December 31, 2020

	2020	2020	2019
	<i>Budget</i>		
Revenue			
Land sales	-	1,000	173
Government transfers	75,000	-	-
Other revenue	75,000	36,020	27,663
	150,000	37,020	27,836
Expenses			
Advertising	2,500	-	-
Professional fees	6,000	426	271
Repairs and maintenance	140,000	80,498	-
Salaries and benefits	134,875	155,278	129,187
Staff housing	-	9,146	-
Supplies	5,000	266	358
Training	3,000	-	-
Travel	3,400	-	-
	294,775	245,613	129,815
Deficiency of revenue over expenses	(144,775)	(208,593)	(101,979)

Town of Norman Wells
Environmental and Public Health Services
Schedule 8 - Schedule of Revenue and Expenses
For the year ended December 31, 2020

	2020	2020	2019
	<i>Budget</i>		
Revenue			
Garbage fees	106,349	113,121	114,190
Expenses			
Contracted services	342,000	130,832	222,712
Repairs and maintenance	157,000	21,227	3,870
Supplies	-	13,100	-
	499,000	165,159	226,582
Deficiency of revenue over expenses before amortization	(392,651)	(52,038)	(112,392)
Amortization	-	17,124	27,920
Deficiency of revenue over expenses	(392,651)	(69,162)	(140,312)

Town of Norman Wells
Quarry Operations
Schedule 9 - Schedule of Revenue and Expenses
For the year ended December 31, 2020

	2020	2020	2019
	Budget		
Revenue			
Quarry sales	413,807	289,840	335,753
Expenses			
Repairs and maintenance	43,000	20,930	187
Salaries and benefits	-	-	48,372
Supplies	103,000	1,204,734	263,073
Utilities - Electricity	4,400	6,461	4,317
Utilities - Fuel	3,500	3,022	5,465
Water and sewage	600	226	1,043
	154,500	1,235,373	322,456
Excess (deficiency) of revenue over expenses before amortization	259,307	(945,533)	13,297
Amortization	-	9,136	9,136
Excess (deficiency) of revenue over expenses	259,307	(954,669)	4,161

Town of Norman Wells
Contract Services
Schedule 10 - Schedule of Revenue and Expenses
For the year ended December 31, 2020

	Investing in Canada Infrastructure	Community Water and Wastewater	Federal Gas Tax	Community Public Infrastructure	2020 Budget	2020	2019
Revenue							
Government transfers (Note 12)	864,035	13,140	606,000	1,272,000	-	2,755,175	2,315,183
Other revenue	-	-	44,247	9,054	-	53,301	68,596
Deferred revenue opening	-	-	3,466,728	733,377	-	4,200,105	2,257,316
Deferred revenue closing	-	-	(3,508,156)	(1,630,117)	-	(5,138,273)	(4,200,105)
	864,035	13,140	608,819	384,314	-	1,870,308	440,990
Expenses							
Water and sewage	-	-	34,090	16,835	-	50,925	-
Transportation and public works	-	-	194,520	-	-	194,520	145,884
	-	-	228,609	16,835	-	245,444	145,884
Excess of revenue over expenses	864,035	13,140	380,210	367,479	-	1,624,864	295,106
Additional information:							
Capital expenditures	864,035	13,140	380,210	367,479	-	1,624,864	292,878
Total	864,035	13,140	380,210	367,479	-	1,624,864	292,878

Town of Norman Wells
Schedule 11 - Schedule of Other Revenue
For the year ended December 31, 2020

	2020 Budget	2020	2019
Administration	425,700	40,327	60,724
Arena	2,000	-	-
Commission	10,000	-	-
Community hall rental	6,000	2,285	7,103
Fitness centre	15,000	14,309	17,878
House rental	20,000	49,773	26,574
Interest income	75,900	129,103	72,060
Leases	75,000	37,020	27,836
Licenses and permits	30,400	11,059	11,200
	660,000	283,876	223,374

Town of Norman Wells
Schedule 12 - Schedule of Expenses by Object
For the year ended December 31, 2020

	2020 Budget	2020	2019
Adminstration	100,000	-	-
Advertising	15,100	9,929	4,938
Amortization	-	1,947,699	1,884,915
Bad debts	-	41,398	(70,655)
Bank charges and interest	50,000	23,478	20,359
Community events	56,000	3,333	45,373
Contract services	505,000	724,755	636,078
Donations	30,000	21,208	34,250
Fuel	43,500	56,840	48,577
Honorarium	200,000	80,085	110,502
Insurance	110,000	106,410	106,828
Mayor and council	174,000	145,912	166,340
Office expense	233,100	139,430	105,139
Professional fees	146,000	341,582	425,558
Recruitment	200	-	10,505
Repairs and maintenance	635,500	338,551	330,433
Salaries and benefits	2,282,567	2,436,172	1,952,709
Staff housing	9,100	73,390	61,825
Supplies	945,250	2,029,490	865,822
Telephone	53,950	90,007	65,431
Training	59,800	11,389	28,229
Trucked Water	1,260,000	1,269,306	1,446,840
Travel	127,600	52,724	60,921
Utilities - Electricity	321,000	329,352	286,466
Utilities - Fuel	350,400	314,577	438,589
Water and sewer	132,208	41,014	151,938
	7,840,275	10,628,028	9,217,906

Town of Norman Wells
Schedule 13 - Schedule of Tangible Capital Assets
For the year ended December 31, 2020

	<i>Land Improvements</i>	<i>Buildings</i>	<i>Vehicles</i>	<i>Machinery and Equipment</i>	<i>Roads</i>	<i>Engineering Structures - W&S</i>	<i>Assets Under Construction</i>	2020	2019
Cost:									
Balance, beginning of year	3,758,517	19,704,668	1,608,360	1,260,405	19,349,228	18,845,704	132,831	64,659,682	64,283,777
Acquisition of tangible capital assets	-	98,297	179,551	194,229	1,483,235	199,080	-	2,154,392	375,905
Transfers from Construction-in-progress	-	-	-	-	27,881	104,940	(132,831)	-	-
Balance, end of year	3,758,517	19,802,965	1,787,911	1,454,634	20,860,344	19,149,724	-	66,814,075	64,659,682
Accumulated amortization:									
Balance, beginning of year	-	11,305,644	1,121,862	947,124	12,702,578	9,706,794	-	35,784,002	33,899,088
Annual amortization	-	534,813	66,693	111,246	607,725	627,222	-	1,947,699	1,884,914
Balance, end of year	-	11,840,457	1,188,555	1,058,370	13,310,303	10,334,016	-	37,731,701	35,784,002
Net book value of tangible capital assets	3,758,517	7,962,508	599,356	396,263	7,550,041	8,815,708	-	29,082,404	28,875,711
2019 Net book value of tangible capital assets	3,758,517	8,399,024	486,498	313,281	6,646,650	9,138,910	132,831	28,875,711	

Town of Norman Wells
Schedule 14 - Schedule of Gas Tax Expenditure Report
For the year ended December 31, 2020

	2016	2017	2018	2019	2020	Cumulative
Funding						
Opening balance	746,314	1,250,969	1,794,407	2,222,609	3,466,728	9,481,027
Interest Income	492	438	36,782	63,951	44,247	145,910
Government Transfers (Note 12)	543,000	543,000	606,000	1,212,000	606,000	3,510,000
	1,289,806	1,794,407	2,437,189	3,498,560	4,116,975	13,136,937
Eligible expenditures						
Dust Suppression - Roads	-	-	-	-	-	-
Laboratory Water Plant	38,837	-	-	-	-	38,837
Water plant transformer replacement	-	-	10,235	10,537	-	20,772
Wastewater Lift Station	-	-	204,345	21,295	-	225,640
Filter Underdrain Retrofit	-	-	-	-	137,075	137,075
Jackfish Community Trail	-	-	-	-	66,855	66,855
Ptarmigan Baseball Field	-	-	-	-	18,980	18,980
Brownfield Redevelopment - Public Park	-	-	-	-	194,520	194,520
Landfill Project	-	-	-	-	34,090	34,090
Equipment	-	-	-	-	157,300	157,300
	38,837	-	214,580	31,832	608,819	894,068
Accumulated excess of funding over expenditures	1,250,969	1,794,407	2,222,609	3,466,728	3,508,156	12,242,869

Town of Norman Wells
Schedule 15 - Schedule of Community Public Infrastructure Funding
For the year ended December 31, 2020

	2016	2017	2018	2019	2020	Cumulative
Funding						
Opening balance	1,724,243	915,349	443,134	34,708	733,379	3,850,813
Government Transfers (Note 12)	869,000	869,000	869,000	1,041,000	1,272,000	4,920,000
Interest earned	14,012	19,216	25,335	4,645	9,054	72,262
	2,607,255	1,803,565	1,337,469	1,080,353	2,014,433	8,843,075
Eligible expenditures						
Sewage Lagoon Desludging	146,852	-	-	-	-	146,852
Arena Rehabilitation	13,287	-	-	-	-	13,287
Fire Department Air Packs/Equipment	48,982	-	-	-	-	48,982
Sewer Main Replacement/Rehab.	130,939	322,117	500,535	-	-	953,591
Garbage Bins	-	-	-	-	-	-
Fire Hall Renovations	64,796	-	-	-	-	64,796
Second Water Storage Tank	-	-	-	-	-	-
Cemetery	-	-	-	-	-	-
Vehicles	-	-	-	157,300	(157,300)	-
Chip Seal/Roads & Paths	896,462	840,686	-	-	-	1,737,148
Parking Areas Paving	236,243	-	-	-	-	236,243
Furniture & Equipment	-	-	-	-	-	-
Solid Waste Site	-	20,357	-	-	-	20,357
Buildings	48,483	116,860	-	-	-	165,343
Boiler Replacement	33,522	-	82,588	-	-	116,110
Computer & Network Upgrades	21,756	-	-	-	-	21,756
Wastewater Lift Station	-	29,098	582,125	7,098	-	618,321
Hazardous waste haul	-	-	98,890	-	-	98,890
Water & wastewater infrastructure assessment	-	-	6,423	-	-	6,423
Wet well lid replacement	-	-	23,459	-	-	23,459
Other Minor	50,584	31,313	8,743	29,007	-	119,647
Geotech study	-	-	-	145,884	-	145,884
Lagoon upgrades and improvements	-	-	-	7,685	17,422	25,107
Dump Truck with Snow Plow	-	-	-	-	155,842	155,842
Hydrant Valve and Box Replacement	-	-	-	-	39,762	39,762
Utility Terrain Vehicle	-	-	-	-	23,742	23,742
Roadway Drainage Improvements	-	-	-	-	288,011	288,011
Industrial Pump Corp	-	-	-	-	16,835	16,835
	1,691,906	1,360,431	1,302,763	346,974	384,315	5,086,390
Accumulated excess of funding over expenditures	915,349	443,134	34,706	733,379	1,630,117	3,756,685

Town of Norman Wells
Schedule 16 - Schedule of Small Communities Program Funding
For the year ended December 31, 2020

	2017	2018	2019	2020	Cumulative
Funding					
Government Transfers	20,911	-	-	-	20,911
Eligible expenditures					
Chip Seal Road Project Phase 2	20,911	-	-	-	20,911
Accumulated excess of funding over expenditures	-	-	-	-	-

Town of Norman Wells
Schedule 17 - Schedule of Community Water and Wastewater Funding
For the year ended December 31, 2020

	2017	2018	2019	2020	Cumulative
Funding					
Government Transfers	1,020,540	3,152,430	62,183	13,140	4,248,293
Eligible expenditures					
Water & Wastewater Assessment	74,378	19,260	-	-	93,638
Lift Station Improvements	112,372	1,500,128	-	-	1,612,500
Sewer Main Replacement	833,790	1,633,042	-	-	2,466,832
Lagoon Upgrade	-	-	62,183	13,140	75,323
	1,020,540	3,152,430	62,183	13,140	4,248,293
Accumulated excess of funding over expenditures		-	-	-	-

Town of Norman Wells
Schedule 18 - Schedule of Investing in Canada Infrastructure Funding
For the year ended December 31, 2020

	2017	2018	2019	2020	Cumulative
Funding					
Government Transfers	-	-	-	864,035	864,035
Eligible expenditures					
Roadway and Drainage Improvements	-	-	-	864,035	864,035
Accumulated excess of funding over expenditures		-	-	-	-

Town of Norman Wells
Schedule 19 - Schedule of Salaries, Honoraria, Per-diem and Travel
For the year ended December 31, 2020

				2020	2019
Position	<i>Salary</i>	<i>Honoraria</i>	<i>Travel</i>		
Frank Pope - Mayor	-	21,000	6,741	27,741	40,624
Trevor Smith - Councillor	-	15,000	1,383	16,383	21,511
David Weaver - Councillor	-	15,000	7,558	22,558	21,511
Jim Boyle - Councillor	-	15,000	-	15,000	22,173
Pascal Audet - Councillor	-	15,000	1,647	16,647	21,011
Jean-Paul Bernard - Councillor	-	15,000	3,039	18,039	21,511
Alexis Peachey - Deputy Mayor	-	18,000	-	18,000	24,511
Total Remuneration	-	114,000	20,368	134,368	172,851

Town of Norman Wells
Schedule 20 - Schedule of Water and Sewage Reporting
For the year ended December 31, 2020

Water and Sewage Rates

Economic Rate	\$0.0363/L
Residential Rate	\$0.0090/L
Commercial Rate	\$0.0280/L
Public Sector Rate	\$0.0363/L

Water and Sewage Costs (dollars)

	<u>2020</u>	<u>2019</u>
Total Audited Water and Sewage Costs less Amortization	\$ 2,248,174	\$ 2,517,267

Water and Sewage Revenue (dollars)

Government transfers	\$ 944,000	\$ 944,000
Other revenue	\$ 83,289	\$ 95,885
Revenue - Public Sector	\$ 178,936	\$ 232,109
Revenue - Residential	\$ 399,245	\$ 272,726
Revenue - Commercial	\$ 501,980	\$ 574,816
Total Audited Water & Sewage Revenue	<u>\$ 2,107,450</u>	<u>\$ 2,119,536</u>

Water and Sewage Consumption (in litres)

Actual Consumption - Residential	44,360,503	30,302,927
Actual Consumption - Public Sector	4,929,379	14,253,418
Actual Consumption - Commercial	17,927,846	10,340,228
Actual Volume of Water Consumed/Billed	<u>67,217,728</u>	<u>54,896,573</u>

