

# **Municipality of Cambridge Bay**

## **Financial Statements**

**March 31, 2017**

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## Municipality of Cambridge Bay

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## **Administration's Report**

### **Mayor and Councilors**

#### **Municipality of Cambridge Bay, Nunavut**

Municipal Council, which is responsible for, among other things, the financial statements of the Municipality of Cambridge Bay, delegates to Administration the responsibility of the financial statements. Municipal Council appoints independent auditors to examine and report directly to them on the financial statements. Administration prepared the financial statements. Accounting principles have been followed as recommended by the Department of Community and Government Services, based upon the requirements of the *Hamlets Act* of Nunavut, and the Public Sector Accounting Standards of the Canadian Institute of Chartered Accountants.

Administration maintains a system of internal accounting controls to ensure that transactions are accurately recorded on a timely basis, are properly approved and result in reliable financial statements. There are limits inherent in all systems on the recognition that the cost of such systems should not exceed the benefits to be derived. Administration believes its system provides the appropriate balance in this respect.

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

The financial statements have been reported on by Crowe MacKay LLP, Chartered Accountants. The independent auditors' report outlines the scope of their audit and their opinion on the presentation of the information included in the financial statements.



**July 24, 2017**

**Senior Administrative Officer  
Municipality of Cambridge Bay**

## **Independent Auditors' Report**

### **Mayor and Councilors Municipality of Cambridge Bay, Nunavut**

We have audited the accompanying consolidated financial statements of the Municipality of Cambridge Bay, which comprises the consolidated statement of financial position as at March 31, 2017 and the consolidated statement of operations and accumulated surplus, changes in net financial assets, and cash flows, and the consolidated statement of changes in fund balances for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### *Administration's Responsibility for the Consolidated Financial Statements*

Administration is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the policies and standards prescribed for municipalities by the *Hamlets Act* of Nunavut and by the Department of Community and Government Services, Government of Nunavut, and for such internal control as administration determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

#### *Auditors' Responsibility*

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the entity's internal controls. An audit also included 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.

Except as identified in the following paragraph, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit qualified opinion.



*Basis for Qualified Opinion*

The Municipality derives revenue from bingos and other fundraising activities the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Municipality and we were not able to determine whether any adjustments might be necessary to contributions, excess of revenues over expenditures, current assets and net financial assets.

*Qualified Opinion*

In our opinion, except for the effect of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the revenues referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the Municipality as at March 31, 2017 and the results of its operations for the year then ended in accordance with the policies and standards prescribed for municipalities by the *Hamlets Act* of Nunavut and by the Department of Community and Government Services, Government of Nunavut.

*Report on Other Legal and Regulatory Requirements*

As required by Section 147 of the *Hamlets Act* we report that, in our opinion, these principles have been applied on a basis consistent with that of the preceding year. We further report in accordance with the *Hamlets Act* (Section 147.1) that, in our opinion, proper books of account have been kept by the Municipality, the consolidated 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 Municipality.

**Yellowknife, Canada  
July 24, 2017**

A handwritten signature in black ink that reads "Crowe MacKay LLP".

**Chartered Professional Accountants**

## STATEMENT I

## Municipality of Cambridge Bay

## Consolidated Statement of Financial Position

As at March 31,	2017	2016
<b>Financial Assets</b>		
Cash and cash equivalents (Note 3)	\$ 1,340,330	\$ 1,046,863
Reserve deposits (Note 3 and 4)	3,199,808	3,183,820
Accounts receivable (Note 5)	3,380,156	3,139,459
<b>Total Financial Assets</b>	<b>7,920,294</b>	<b>7,370,142</b>
<b>Liabilities</b>		
Accounts payable and accrued liabilities (Note 6)	742,000	338,658
Wages and benefits payable	318,159	286,770
Contributions repayable (Note 7)	193,741	143,145
Deferred revenue (Note 8)	158,788	25,000
Capital lease obligations (Note 9)	1,109,429	1,181,193
Annual, lieu and sick leave accrual	213,050	220,673
Post-employment benefits payable	44,935	19,553
<b>Total Liabilities</b>	<b>2,780,102</b>	<b>2,214,992</b>
<b>Net Financial Assets</b>	<b>5,140,192</b>	<b>5,155,150</b>
<b>Non-Financial Assets</b>		
Tangible capital assets (Schedule 15)	19,368,745	19,273,635
Inventory for consumption	178,787	195,206
Prepaid expenses	129,418	42,679
<b>Total Non-Financial Assets</b>	<b>19,676,950</b>	<b>19,511,520</b>

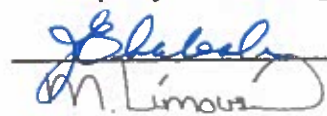
## Financial Position

<b>Accumulated surplus (Schedule 1)</b>	<b>\$ 24,817,142</b>	<b>\$ 24,666,670</b>
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Commitments (Note 11)

Contingent Liabilities (Note 12)

Approved on behalf of the  
Municipality of Cambridge Bay



Mayor

 Senior Administrative Officer

## Municipality of Cambridge Bay

## Consolidated Statement of Operations and Accumulated Surplus

For year ended March 31,	Budget	2017 Actual	2016 Actual
<b>GENERAL</b>			
<b>Revenue</b>			
Operating contribution	\$ 1,890,479	\$ 2,040,525	\$ 1,912,523
Water and sewage services (Schedule 2)	5,138,099	4,917,773	4,645,776
Land development and administration (Schedule 3)	389,973	706,059	289,501
Other revenue (Schedule 4)	1,125,240	1,318,123	1,357,682
Contract services (Schedule 10)	1,418,954	3,761,905	3,243,655
Community transfer initiative program (Schedule 11)	190,000	190,000	190,000
Minor Capital Block Funding (Schedule 12)	-	56,000	56,000
<b>Total revenue</b>	<b>10,152,745</b>	<b>12,990,385</b>	11,695,137
<b>Expenditures</b>			
Water and sewage services (Schedule 2)	4,829,487	4,439,145	3,922,525
Land development and administration (Schedule 3)	104,317	122,458	461,158
General government services (Schedule 5)	1,167,750	1,267,780	1,419,080
Protective services (Schedule 6)	306,611	348,720	293,089
Transportation and public works services (Schedule 7)	44,115	163,881	(54,527)
Environmental health services (Schedule 8)	269,000	222,702	184,333
Recreation services (Schedule 9)	804,734	1,011,785	837,458
Contract services (Schedule 10)	1,605,555	3,784,177	3,266,270
Community transfer initiative program (Schedule 11)	249,000	331,646	305,896
Depreciation (Schedule 15)	531,200	1,163,606	809,900
Loss on disposal of tangible capital asset	-	-	290,556
<b>Total operating expenditures</b>	<b>9,911,769</b>	<b>12,855,900</b>	11,735,738
<b>Net operating before the following</b>	<b>240,976</b>	<b>134,485</b>	(40,601)
<b>CGS Contributed Tangible Capital Asset</b>	-	-	11,084,300
<b>Excess (deficiency) of revenue over expenditures</b>	<b>240,976</b>	<b>134,485</b>	11,043,699
<b>Accumulated surplus, opening, as previously stated</b>	-	<b>24,666,670</b>	13,327,922
<b>Prior period adjustment</b>	-	-	278,566
<b>Accumulated surplus, opening, as restated</b>	-	<b>24,666,670</b>	13,606,488
<b>Reserve interest</b>	-	<b>15,987</b>	16,483
<b>Accumulated surplus, closing</b>	<b>\$ 240,976</b>	<b>\$24,817,142</b>	\$24,666,670

## Municipality of Cambridge Bay

## Consolidated Statement of Changes in Net Financial Assets

For year ended March 31,	2017	2016
<b>Excess (deficiency) of revenues over expenditures</b>	\$ 134,485	\$11,043,699
Acquisition of tangible capital assets (Schedule 15)	(1,258,716)	12,182,214)
Depreciation of tangible capital assets	1,163,606	809,900
Disposal of tangible capital assets	-	380,554
Reserve interest	15,987	16,483
	<b>55,362</b>	68,422
(Purchase) use of inventory for consumption	16,419	11,672
(Increase) use of prepaid expense	(86,739)	(4,084)
<b>Increase in Net Financial Assets</b>	<b>(14,958)</b>	76,010
<b>Net Financial Assets, beginning of year</b>	<b>5,155,150</b>	5,079,140
<b>Net Financial Assets, end of year</b>	<b>\$ 5,140,192</b>	\$ 5,155,150



## STATEMENT IV

## Municipality of Cambridge Bay

## Consolidated Statement of Cash Flows

For year ended March 31,	2017	2016
<b>Net inflow (outflow) of cash related to the following activities:</b>		
<b>Operating activities</b>		
Excess (deficiency) of revenue over expenditures	\$ 134,485	\$11,043,699
<b>Non-cash items included in excess (deficiency) of revenues over expenditures</b>		
Depreciation of tangible capital assets	1,163,606	809,900
Loss on disposal of tangible capital assets	-	290,556
CGS contributed tangible capital assets	-	11,084,300
<b>Change in non-cash working capital</b>		
Accounts receivable	(240,697)	1,727,433
Accounts payable and accrued liabilities	403,342	(259,701)
Wages and benefits payable	31,389	(50,922)
Contributions repayable	50,596	(75,920)
Deferred revenue	133,788	25,000
Annual, lieu and sick leave accrual	(7,623)	(133,024)
Post-employment benefits payable	25,382	(18,619)
Inventory for consumption	16,419	11,672
Prepaid expenses	(86,739)	(4,084)
	<b>1,623,948</b>	<b>2,281,690</b>
<b>Capital activity</b>		
Acquisition of tangible capital assets	(795,360)	(460,066)
Proceeds on sale of tangible capital assets	-	90,000
	<b>(795,360)</b>	<b>(370,066)</b>
<b>Investing activity</b>		
Reserve interest	15,987	16,483
<b>Financing activity</b>		
Repayment of capital lease obligations	(535,120)	(588,875)
<b>Change in cash and cash equivalents</b>	<b>309,455</b>	<b>1,339,232</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>4,230,683</b>	<b>2,891,451</b>
<b>Cash and cash equivalents, end of year</b>	<b>\$ 4,540,138</b>	<b>\$ 4,230,683</b>
<b>Cash and cash equivalents are comprised of:</b>		
Cash	\$ 1,340,330	\$ 1,046,863
Reserve deposits	3,199,808	3,183,820
	<b>\$ 4,540,138</b>	<b>\$ 4,230,683</b>

Capital assets acquired directly through capital leases totaled \$463,356 (2016 - \$666,106) for the year.

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## Municipality of Cambridge Bay

### Notes to Consolidated Financial Statements

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March 31, 2017

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#### 1. Significant Accounting Policies

The consolidated financial statements of the Municipality of Cambridge Bay ("the Municipality") are the representations of administration prepared in accordance with the policies and standards prescribed for municipalities by the *Hamlets Act* of Nunavut and by the Department of Community and Government Services, Government of Nunavut. Significant aspects of the accounting policies adopted by the Municipality of Cambridge Bay are as follows:

##### (a) Reporting entity

These consolidated financial statements reflect the assets, liabilities, revenues and expenditures, changes in fund balances, net financial assets and cash flows of the Municipality of Cambridge Bay and includes the activities of all committees of Council.

All inter-fund assets, liabilities, revenues, and expenditures have been eliminated, with the exception of Interdepartmental Administration Fees and Local Government Water and Sewage and Garbage Revenues and Expenditures.

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

##### (b) Basis of accounting

Revenues are accounted for in the period in which the transactions or events occurred that gave rise to the revenues. Expenditures are recognized in the period the goods and services were acquired and a liability is incurred or transfers are due.

Government transfers are recognized in the financial statements as revenues in the period that the events giving rise to the transfer occurred, providing the transfers are authorized, any eligibility criteria are met by the Municipality, and reasonable estimates of the amounts can be made.

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

##### (c) Use of estimates

The preparation of financial statements in conformity with the policies and standards prescribed for municipalities by the *Hamlets Act* of Nunavut and by the Department of Community and Government Services, Government of Nunavut requires management to make estimates and assumptions. These estimates and assumptions can 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 expenditures 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.

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## Municipality of Cambridge Bay

### Notes to Consolidated Financial Statements

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March 31, 2017

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#### 1. Significant Accounting Policies (continued)

##### (d) Fund accounting

The Municipality maintains the general operating, water and sewage, land development, equity in tangible capital assets, and the reserve funds. Transfers between funds are recorded as adjustments to the appropriate fund balance.

##### (i) General operating fund

Reports the excess of revenues over expenditures relating to the general operations of the Municipality excluding the provision of water and sewage services, land development and capital and equipment purchases.

##### (ii) Water and sewage fund

Reports the excess of revenues over expenditures relating specifically to the provision of water and sewage services to the residents and commercial enterprises of Cambridge Bay.

##### (iii) Land development fund

Reports the excess of revenues over expenditures relating to the development of land in the community of Cambridge Bay.

##### (iv) Equity in Tangible Capital Assets

Reports the investment in capital assets, less any related debt and accumulated depreciation.

##### (v) Reserve fund

Reports the funds held in reserve for purposes of equipment replacement, granular, land development, minor capital, water and sewer vehicle replacement reserve, and those increases and decreases directly related to those items.

##### (e) Budget

The 2017 budget amounts are unaudited and are approved by Council on April 5, 2016.

##### (f) Financial instruments

All significant financial assets, financial liabilities and equity instruments of the Municipality 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. Where practicable the fair values of financial assets and financial liabilities have been determined and disclosed; otherwise only available information pertinent to fair value has been disclosed.

##### (g) Inventory for consumption

Inventory is recorded at the lower of cost, determined on a weighted average basis, and net replacement cost. The weighted average is calculated using the landed cost, which includes the cost of freight.

Inventory of Land Under Development held for sale is recorded at the lower of cost and net realizable value.

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## Municipality of Cambridge Bay

### Notes to Consolidated Financial Statements

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March 31, 2017

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#### 1. Significant Accounting Policies (continued)

##### (h) Tangible capital assets

Tangible capital assets are recorded at cost. Depreciation is provided using methods and rates intended to depreciate the cost of assets over their estimated useful lives. Estimated useful life and depreciation methods are specified in the Tangible Capital Asset By-Law and Policy and set forth below:

Tangible capital asset category	Threshold	Estimated useful Life	Amortization
Buildings and building improvements	\$10,000	40 years	Straight-line
Computer hardware and software	\$ 5,000	3 years	Straight-line
Engineered structures, water infrastructure	\$10,000	30 years	Straight-line
Fire trucks	\$10,000	20 years	Straight-line
Heavy equipment	\$10,000	18 years	Straight-line
Land	All	Indefinite	N/A
Land improvements	\$10,000	18 years	Straight-line
Office furniture and equipment	\$ 5,000	5 years	Straight-line
Operating equipment	\$10,000	15 years	Straight-line
Road and culvert construction	All	30 years	Straight-line
Road other	All	30 years	Straight-line
Road repaving	All	10 years	Straight-line
System development	\$10,000	3 years	Straight-line
Vehicles	\$10,000	7 years	Straight-line

Tangible capital assets under construction are not depreciated until the asset is available for use. Contributed tangible capital assets are recorded at their fair value at the date of receipt and are also recorded as contributed asset revenue.

##### (i) Leases

Leases are classified as capital or operating leases. Leases which transfer substantially all of 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 expenditures as incurred.

##### (j) 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 or transfers of tangible capital assets are initially recognized as deferred revenue and subsequently recognized as revenue when the related tangible capital asset are recognized as acquired or built.

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## Municipality of Cambridge Bay

### Notes to Consolidated Financial Statements

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March 31, 2017

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#### 1. Significant Accounting Policies (continued)

##### (k) Reserves

Reserves are established at the direction of the Department of Community and Government Services, or at the discretion of Council, to set aside funds for future 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 revenue and expenditures.

**The Municipality maintains the following reserves:**

##### (i) Equipment replacement reserve

A reserve equal to 25% of the annual rental earned on machinery and equipment, including airports, is transferred to the Equipment Replacement Reserve from the Operating Fund balance. Any deficiency in the reserve is to be provided out of the Operating Fund balance. Funds relating to this reserve must be deposited to a separate bank account.

##### (ii) Granular reserve

Proceeds relating to granular material are deposited to a separate reserve for the purpose of future reclamation. Funds relating to this reserve must be deposited to a separate bank account.

##### (iii) Land development reserve

All Municipalities maintain a land development reserve for the purpose of acquiring or developing land by the Municipality. An amount equal to the levy revenue is set aside annually for this purpose with actual acquisitions/development costs being provided for from this reserve. Funds relating to this reserve must be deposited to a separate bank account.

##### (iv) Minor capital reserve

All Hamlets and Municipalities maintain a minor capital reserve for the purpose of acquiring or developing minor capital items by the Municipality. An amount equal to the excess funding revenue is set aside annually for this purpose with actual acquisitions/development costs being provided for from this reserve. Funds relating to this reserve must be deposited to a separate bank account.

##### (v) Water and sewer vehicle replacement reserve

All Municipalities that provide trucked water and sewage services with their own forces must implement rates that recover the capital cost of water and sewage vehicles. Municipalities implement new rates by amending their water and sewage rates by-law. All Municipalities are responsible for acquiring water and sewage vehicles. Funds relating to this reserve must be deposited in a separate bank account.

##### (l) Pension expenditures

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

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## Municipality of Cambridge Bay

### Notes to Consolidated Financial Statements

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March 31, 2017

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#### 1. Significant Accounting Policies (continued)

##### (m) Post-employment benefits

Under the terms and conditions of employment Municipality employees may earn benefits for retirement, severance and removal costs upon termination of employment. The estimated liability for these benefits is recorded as the benefits are earned by the employees. Severance liabilities are also recorded when employees are identified for lay-off.

##### (n) Sewage lagoon and solid waste landfill closure and post closure liabilities

The Municipality operates a sewage lagoon and a solid waste landfill site but their ownership has not been clarified with the Government of Nunavut. Site closure and post closure costs are recognized in full when information is available to estimate the liabilities for these facilities. To date the Municipality does not have complete information required to estimate the existing closure costs. As a result closure and post closure liabilities for these facilities are not recorded in the consolidated financial statements.

#### 2. Future Changes to Public Sector accounting Standards ("PSAS")

Although the Municipality's consolidated financial statements are prepared in accordance with the policies and standards prescribed for municipalities by the Hamlets Act of Nunavut and by the Department of Community and Government Services, Government of Nunavut, these policies and standards are derived from PSAS and as a result the following changes to PSAS may have an impact on the financial statements of the Municipality:

##### a) Financial Instruments, Section PS 3450 and related amendments to Financial Statement Presentation, Section PS 1200

In March of 2011, PSAB approved new Section PS 3450, Financial Instruments, and related amendments to existing PS 1200, Financial Statement Presentation. The effective date for Section PS3450 is April 1, 2012 for government organizations and April 1, 2019 for governments. Government and government organizations adopt Section PS 3450 in the same fiscal year Section PS 2601, Foreign Currency Translation, is adopted. This standard will establish what to account for and report all types of financial instruments including derivatives. Financial instruments include primary instruments and derivative financial instruments.

The impact of the transition to these accounting standards is being reviewed by management, however they are not expected to impact the results of operations significantly.

##### b) Foreign Currency Translation, Section PS 2601

In March of 2011, PSAB approved Section PS 2601, replacing existing Section PS 2600, Foreign Currency Translation. The effective date for Section PS 2601 is April 1, 2012 for government organizations and April 1, 2019 for governments. Earlier adoption is permitted. Governments and government organizations adopt Section PS 2601 in the same fiscal year Section PS 3450, *Financial Instruments*, is adopted.

The impact of the transition to these accounting standards has been reviewed by management, however they are not expected to impact the results of operations significantly.

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## **Municipality of Cambridge Bay**

### **Notes to Consolidated Financial Statements**

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**March 31, 2017**

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#### **2. Future Changes to Public Sector accounting Standards ("PSAS") (Continued)**

##### **c) Related Party Disclosures, Section PS 2200**

In December of 2014, PSAB approved Section PS 2200, Related Party Disclosures. The new section defines related parties and establishes disclosures required for related party transactions. It is expected that reasonable efforts would be made to identify related party transactions. This may involve adopting policies and procedures designed to ensure that these transactions are appropriately identified, measured and disclosed in the financial statements. Not all related party relationships or transactions occurring between related parties are required to be disclosed. Disclosure is generally required when related party transactions have occurred at a value different from that which would have been arrived at if the parties were unrelated. However, not all of these transactions are reportable under this Section. Only those transactions that have or could have a material financial effect on the financial statements are disclosed.

The effective date for Section PS 2200 is April 1, 2017. Earlier adoption is permitted. The impact of the transition to these accounting standards has been reviewed by management.

##### **d) Inter-entity Transactions, Section PS 3420**

In December of 2014, PSAB approved Section PS 3420, Inter-entity Transactions. This Section establishes standards on how to account for and report transactions between public sector entities that comprise a government's reporting entity from both a provider and recipient perspective. This section may be applied in conjunction with Related Party Disclosures, Section 2200.

The effective date for Section PS 3420 is April 1, 2017. Earlier adoption is permitted. The impact of the transition to these accounting standards has been reviewed by management.

##### **e) Portfolio Investments, Section PS 3041**

PSAB approved Section PS 3041 – Portfolio Investments. This Section is effective when Section PS 1201, Financial Statement Presentation, Section PS 2601, Foreign Currency Translation, and Section PS 3450, Financial Instruments are adopted. This Section establishes standards on how to account for and report portfolio investments in government financial statements.

The impact of the transition to this accounting standard has not yet been determined.

##### **f) Assets, Section PS 3210**

PSAB approved Section PS 3210, Assets. This Section is effective for fiscal periods beginning on or after April 1, 2017. Earlier adoption is permitted. This Section provides guidance on how to apply the definition of assets as set out in Section PS 1000, and establishes standards for disclosure of assets except certain specific types of assets, which are dealt with in other Sections.

The impact of the transition to this accounting standard has not yet been determined.

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## Municipality of Cambridge Bay

### Notes to Consolidated Financial Statements

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March 31, 2017

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#### 2. Future Changes to Public Sector accounting Standards ("PSAS") (Continued)

##### g) Contingent Assets, Section PS 3320

PSAB approved Section PS 3320, Contingent Assets. This Section is effective for fiscal periods beginning on or after April 1, 2017. Earlier adoption is permitted. This Section defines and establishes standards for disclosure of contingent assets except certain specific types of contingent assets.

The impact of the transition to this accounting standard has not yet been determined.

##### h) Contractual Rights, Section PS 3380

PSAB approved Section PS 3380, Contractual Rights. This Section is effective for fiscal periods beginning on or after April 1, 2017. Earlier adoption is permitted. This Section defines and establishes standards for disclosure of rights to economic resources arising from contracts or agreements that will result in both an asset and revenue in the future except certain specific types of contractual rights.

The impact of the transition to this accounting standard has not yet been determined.

##### i) Restructuring Transactions, Section PS 3430

PSAB approved Section PS 3430, Restructuring Transactions. This Section is effective for fiscal periods beginning on or after April 1, 2018. Earlier adoption is permitted. This Section establishes standards on how to account for and report restructuring transactions such as but not limited to amalgamations of entities or operations within the government entity, amalgamation of local governments, and shared service arrangements entered into by local governments in a region, by both transferors and recipients of assets and/or liabilities, together with related program or operating responsibilities.

The impact of the transition to this accounting standard has not yet been determined.

#### 3. Cash and Cash Equivalents

Cash and cash equivalents consist of bank balances and reserve balances. Cash and cash equivalents are all denominated in Canadian dollars and held with the Municipality's financial institution. Particulars of cash and cash equivalents are as follows:

	2017	2016
Cash	\$ 1,340,330	\$ 1,046,863
Reserve deposits	3,199,808	3,183,820
	<b>\$ 4,540,138</b>	<b>\$ 4,230,683</b>

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## Municipality of Cambridge Bay

### Notes to Consolidated Financial Statements

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March 31, 2017

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#### 4. Reserve Deposits

	2017 Required Reserve	2017 Reserve Deposit	2017 Deposit Excess (Deficiency)
Equipment replacement reserve	\$ 440,434	\$ 15,135	\$ (425,299)
Granular reserve	134,372	93,534	(40,838)
Land development reserve	3,357,025	2,634,968	(722,057)
Minor capital reserve	214,271	56,171	(158,100)
Water and sewer vehicle replacement reserve	400,000	400,000	-
	<b>\$ 4,546,102</b>	<b>\$ 3,199,808</b>	<b>\$ (1,346,294)</b>

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Sufficient funds must be deposited to separate bank accounts to correspond with the respective reserve fund balances. Interest earned on these accounts is credited to the appropriate reserve. As at March 31, 2017, the Municipality has not complied with this requirement.

#### 5. Accounts Receivable

	Accounts Receivable	Allowance	2017 Accounts Receivable (net)	2016 Accounts Receivable (net)
Government of Canada	\$ 710,554	\$ -	\$ 710,554	\$ 611,294
Government of Nunavut	1,824,233	1,050	1,823,183	1,508,986
Government of Nunavut - Housing	56,778	-	56,778	96,225
GST	30,431	-	30,431	47,899
Trade/Land	502,437	110,814	391,623	473,410
Water and Sewage - Cambridge Bay Housing Authority	1,316	-	1,316	3,518
Water and Sewage - Other	399,585	33,314	366,271	398,127
	<b>\$ 3,525,334</b>	<b>\$ 145,178</b>	<b>\$ 3,380,156</b>	<b>\$ 3,139,459</b>

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#### 6. Accounts Payable and Accrued Liabilities

	2017	2016
Accrued liabilities	\$ 493,774	\$ 174,288
Damage deposits	200	200
Trade and other	248,026	164,170
	<b>\$ 742,000</b>	<b>\$ 338,658</b>

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## Municipality of Cambridge Bay

### Notes to Consolidated Financial Statements

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March 31, 2017

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#### 7. Contributions Repayable

Contributions repayable consist of revenues in excess of expenditures for contribution agreements in which surpluses are repayable to the funding organization.

	2017	2016
Access Road - Department of Economic Development and Transportation	\$ 10,224	\$ 10,224
Early Childhood Program - HCI Funding	7,507	7,507
Other	2,470	2,470
DTFP	9,877	9,877
Community Support Program - Department of Health	55,581	55,581
Resolution Health Support Program - Minister of Health	32,160	32,160
Early Childhood Program - Start-up Funding	4,664	4,665
Community Action Program for Children	4,376	4,376
Youth Outreach Coordinator	15,440	15,440
Life Management Program	845	845
Youth Art/Welding Project	9,360	-
Men's Homeless Shelter	624	-
KIA - refund instalment paid twice	40,613	-
	<b>\$ 193,741</b>	<b>\$ 143,145</b>

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#### 8. Deferred Revenue

Deferred revenue consists of the unexpended portions of special accountable advances and contributions received as follows:

	2017	2016
Access Road	\$ 25,000	\$ 25,000
Seeds to Wellness Girls	28,000	-
Mental Health Crisis Int. Team	71,169	-
Mayor Youth Advisory Council	10,208	-
Food Bank	24,411	-
	<b>\$ 158,788</b>	<b>\$ 25,000</b>

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**Municipality of Cambridge Bay****Notes to Consolidated Financial Statements**

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**March 31, 2017**

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**9. Capital Lease Obligations**

Item	Lease Expiration	Rate	Monthly Payments	Net Book Value
2013 Freightliner Sewer Truck	July 2017	6.00%	\$ 3,675	\$ 85,719
2013 Freightliner Water Truck	July 2017	7.00%	\$ 4,005	\$ 59,447
2011 Caterpillar D6T Tractor	July 2018	7.90%	\$ 5,448	\$ 253,180
2015 Freightliner Water Truck	July 2018	6.25%	\$ 4,815	\$ 121,246
2015 Freightliner Vacuum Truck	July 2018	6.25%	\$ 3,728	\$ 154,093
2014 Ford F550	August 2018	6.25%	\$ 4,810	\$ 149,811
2016 Western Star Sewer Truck	August 2019	6.25%	\$ 5,346	\$ 137,263
2016 Western Star Water Truck	August 2019	6.25%	\$ 4,289	\$ 169,263
2016 Western Star Water Truck	August 2019	6.25%	\$ 5,346	\$ 169,263
2016 Western Star Vacuum Truck	July 2020	6.29%	\$ 4,360	\$ 169,589
2016 Western Star Water Truck	July 2020	6.33%	\$ 5,433	\$ 209,479
2016 Ford F250 XLT	June 2021	6.50%	\$ 900	\$ 44,373

Future minimum lease payments under capital leases together with the balance of the obligation due under the capital leases are as follows:

	Principal	Interest	Total
2017	\$ 511,687	\$ 54,725	\$ 566,412
2018	360,323	25,406	385,729
2019	183,052	8,244	191,296
2020	48,961	1,237	50,198
2021	5,406	55	5,461
Total	<b>\$ 1,109,429</b>	<b>\$ 89,667</b>	<b>\$ 1,199,096</b>

**10. Equity in Tangible Capital Assets**

	2017	2016	Change
Tangible capital assets (Schedule 15)	\$19,368,745	\$19,273,635	\$ 95,110
Capital lease obligations (Note 9)	(1,109,429)	(1,181,193)	71,764
Total	<b>\$18,259,316</b>	<b>\$18,092,442</b>	<b>\$ 166,874</b>

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## Municipality of Cambridge Bay

### Notes to Consolidated Financial Statements

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March 31, 2017

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#### 11. Commitments

The Municipality is committed to two leases for office equipment with Xerox with annual payments of \$8,011 each. They expire in June 2021.

#### 12. Contingent Liabilities

##### Insurance

The Municipality participates in the Nunavut Association of Municipalities insurance program under which it is insured for property, automotive and liability. Under the terms of membership, the Municipality 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.

#### 13. Municipal Pension Plan

As at January 1, 2017, the Northern Employee Benefits Services (NEBS) Pension Plan had a solvency ratio deficiency of (\$102,495,300) (2016 - \$90,903,100) and a solvency ratio of 64.0% (2016 - 64.0%). As of January 1, 2017, the excess (deficiency) of actuarial value of net assets over actuarial present value of defined benefits is estimated to be \$18,500,000.00 - Funded Ratio 111% (2016 - \$12,500,000 and 109%) on a going concern valuation basis.

The Plan serves 2,600 (2016 - 2,481) Employee Members and 99 (2016 - 93) Employer Members. Any potential deficiency in termination payments is guaranteed to be paid over the next 10 years or less, depending on the position of the fund. As of April 2004, the Office of the Superintendent of Financial Institutions (OSFI) has exempted NEBS from compliance with the Pension Benefits Standards Act (PBSA). Solvency is calculated for the purposes of determining obligations only in the event of a plan wrap up.

The contribution percentage remains the same at 16% (8% from the employees and 8% from the employer) up to a maximum of pensionable earnings of \$163,712 starting January 2016 and \$165,077 starting January 2017, with 16% of that maximum being \$26,194 (January 2016) and \$26,412 (January 2017) (\$13,097 - \$13,206 from the employer and \$13,097 - \$13,206 from the employees).

Total current service contributions by the Municipality of Cambridge Bay to the Northern Employee Benefits Services Pension Plan in 2017 were \$177,913 (2016 - \$211,707). Total current service contributions by the employees of the Municipality in 2017 were \$177,913 (2016 - \$211,707).

This is an employer owned program and as such the Municipality is liable for its portion of any shortfall.

The Municipality of Cambridge Bay is required to make current service contributions to the plan of 8% of pensionable earnings up to \$177,913 (2016 - \$211,707).

#### 14. Comparative figures

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

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## Municipality of Cambridge Bay

### Notes to Consolidated Financial Statements

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March 31, 2017

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#### 15. Water and Sewage Services Operating Statement

The Water and Sewage Fund is managed as a separate fund. The expenditures are to include all direct and indirect costs as outlined in the Community Water and Sewage Service Agreement. Under the terms and conditions of the Community Water and Sewage Services Agreement the Municipality is allowed to maintain a balance in the Water and Sewage Fund to an allowable margin of 10% of the Municipality's prior year audited expenditures for Water and Sewage services.

Actual Fund Balance (Schedule 1)	Change in Fund Balance (Schedule 1)	10% Allowable Margin	Over (Under)
\$ 117,130	\$ (81,887)	\$ 392,253	\$ (275,123)

#### 16. Financial Instruments

Financial instruments consist of recorded amounts of cash and cash equivalent, reserve deposits, and accounts receivable which will result in future cash receipts. They also consist of accounts payable and accrued liabilities, contribution repayable, capital lease obligations, annual leave accrual and leave and termination accrual which will result in future cash outlays. The Municipality is exposed to the following risks in respect of certain of the financial instruments held:

##### Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Municipality is exposed to a concentration of credit risk as the majority of their customers are located in the community of Cambridge Bay, Nunavut.

The Municipality has funds in excess of federally insured limits in one federally regulated financial institution. This risk has not changed from the prior year.

##### Interest rate risk

The Municipality has available a revolving operating line of credit of \$600,000 with an interest rate of Royal Bank prime rate plus 1%. This credit facility is secured by a general security agreement and authorized through a borrowing by-law.

#### 17. Economic Dependence

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

#### 18. Statutory Requirements

In accordance with Policies and Guidelines of the Department of Community and Government Services, Government of Nunavut ("CGS"), the Municipality is required to deposit sufficient funds into separate bank accounts to correspond with the respective reserve fund balances. The Municipality is in violation of this policy and guideline as it has a reserve deposit deficiency of \$1,346,294 (see note 4).

In accordance with Policies and Guidelines of CGS, the Municipality is required to approve the budget prior to the commencement of the new year. The Municipality approved the budget for the year commencing April 1, 2016 on April 5, 2016.

**Municipality of Cambridge Bay**  
**Consolidated Statement of Changes in Fund Balances**

For year ended March 31,

2017

2016

	General Operating	Water and Sewage	Land Development	Equity in Tangible Capital Assets	Reserves	Total	Total
<b>Excess (deficiency) of revenue over expenditures</b>	\$ (245,995)	\$ 3,754	\$ 376,726	\$ -	\$ -	\$ 134,485	\$ 11,043,699
<b>Net interfund transfers:</b>							
To (from) operating fund - Minor Capital Block Funding	(56,000)	-	-	-	56,000	-	-
To (from) land development fund	-	-	(630,336)	-	630,336	-	-
To (from) capital fund - additions	(51,768)	(442,244)	(764,704)	1,258,716	-	-	-
To (from) capital fund - depreciation	481,857	474,874	206,875	(1,163,606)	-	-	-
To (from) capital fund - capital lease additions	46,507	416,849	-	(463,356)	-	-	-
To (from) capital fund - capital lease payments	-	(535,120)	-	535,120	-	-	-
To (from) reserves - capital lease payments	73,481	-	-	-	(73,481)	-	-
To (from) reserves - Mobile equipment block funding	(104,670)	-	-	-	104,670	-	-
To (from) reserves - Land Development	-	-	751,329	-	(751,329)	-	-
Interest on reserves	-	-	-	-	15,987	15,987	16,483
<b>Change in fund balances</b>	143,412	(81,887)	(60,110)	166,874	(17,817)	150,472	11,060,182
<b>Fund balance, beginning of year, as previously stated</b>	1,138,096	199,017	673,196	18,092,442	4,563,919	24,666,670	13,327,922
<b>Prior period adjustment</b>	-	-	-	-	-	-	278,566
<b>Fund balance, beginning of year, as restated</b>	1,138,096	199,017	673,196	18,092,442	4,563,919	24,666,670	13,606,488
<b>Fund balance, end of year</b>	\$ 1,281,508	\$ 117,130	\$ 613,086	\$ 18,259,316	\$ 4,546,102	\$ 24,817,142	\$ 24,666,670
<b>Reserves consist of:</b>							
Equipment replacement reserve					\$ 440,434		
Granular reserve					134,372		
Land development reserve					3,357,025		
Minor capital reserve					214,271		
Water and sewer vehicle replacement reserve					400,000		
					<b>\$ 4,546,102</b>		

## Municipality of Cambridge Bay

## Water and Sewage Services

For year ended March 31,

	Budget	2017 Actual	2016 Actual
<b>Revenue</b>			
Customer charges	\$ 4,850,000	\$ 4,410,558	\$ 4,234,675
Government of Nunavut subsidy	280,099	280,099	280,099
Local government charges	-	108,988	131,002
Other revenue	8,000	118,128	-
<b>Total revenues</b>	<b>5,138,099</b>	<b>4,917,773</b>	<b>4,645,776</b>
<b>Expenditures</b>			
Salaries and benefits			
Administration	245,000	306,049	212,952
Water and sewer service vehicles	2,072,700	2,087,693	2,068,636
Works foreman	145,000	160,313	136,883
	2,462,700	2,554,055	2,418,471
Equipment			
Fuel	200,000	219,581	189,023
Leases	800,000	-	(2,507)
Operations and maintenance	233,193	349,224	195,953
Interest on lease obligations	70,000	62,176	92,882
	1,303,193	630,981	475,351
Building			
Electricity	90,000	121,693	99,738
Heating fuel	175,000	192,259	192,260
Insurance	102,000	84,647	83,942
Operations and maintenance	40,000	24,847	34,496
Water and sewage	1,500	-	3,248
	408,500	423,446	413,684
Road maintenance and snow clearing	180,094	230,885	230,885
Direct administration			
Bad debts	-	140,212	-
Communications	20,000	39,214	10,015
Contracted services - consulting IT	40,000	24,785	14,346
Freight	30,000	19,439	21,765
Materials and supplies	100,000	100,675	88,558
Professional services	45,000	38,728	31,207
Small equipment purchase and rental - non capital	-	9,618	-
Staff training	10,000	3,600	11,167
Travel	15,000	6,860	429
	260,000	383,131	177,487
Indirect administration chargeover	215,000	216,647	206,647
<b>Total expenditures</b>	<b>4,829,487</b>	<b>4,439,145</b>	<b>3,922,525</b>
<b>Excess of revenue over expenditures before depreciation</b>	<b>308,612</b>	<b>478,628</b>	<b>723,251</b>
<b>Depreciation</b>	<b>145,000</b>	<b>474,874</b>	<b>411,696</b>
<b>Loss on disposal of tangible capital assets</b>	<b>-</b>	<b>-</b>	<b>290,556</b>
<b>Excess (deficiency) of revenue over expenditures</b>	<b>\$ 163,612</b>	<b>\$ 3,754</b>	<b>\$ 20,999</b>

## Municipality of Cambridge Bay

## Land Development and Administration

For year ended March 31,

	Budget	2017 Actual	2016 Actual
<b>Revenue</b>			
Land administration operating contribution	\$ 74,973	\$ 75,723	\$ 74,973
Lot standard leases	300,000	630,336	201,695
Permits and fees	15,000	-	12,833
<b>Total revenues</b>	<b>389,973</b>	<b>706,059</b>	<b>289,501</b>
<b>Expenditures</b>			
Building operations and maintenance	-	790	300
Communications	3,500	8,752	1,753
Freight	200	123	97
Materials and supplies	5,250	6,111	306,681
Professional services	1,500	1,132	-
Salaries and benefits	91,367	103,183	103,715
Staff training	2,500	-	35,131
Travel	-	2,367	13,481
<b>Total expenditures</b>	<b>104,317</b>	<b>122,458</b>	<b>461,158</b>
<b>Excess of revenue over expenditures before depreciation</b>	<b>285,656</b>	<b>583,601</b>	<b>(171,657)</b>
<b>Depreciation</b>	<b>206,200</b>	<b>206,875</b>	<b>206,875</b>
<b>Excess (deficiency) of revenue over expenditures</b>	<b>\$ 79,456</b>	<b>\$ 376,726</b>	<b>\$ (378,532)</b>



## Municipality of Cambridge Bay

## Other Revenue

For year ended March 31,

	Budget	2017 Actual	2016 Actual
<b>General operations</b>			
Equipment rental	\$ 300	\$ 50	\$ 447
Garbage revenue	450,000	355,925	347,826
Government of Nunavut			
Capital block funding - mobile equipment	209,340	104,670	104,670
Community development block funding	10,000	10,000	10,000
Forced Growth	-	-	53,333
Interest - general	17,500	13,907	14,912
Licenses and permits	36,600	39,976	35,635
Medivac services	45,000	40,400	38,000
Other revenue and donations	10,000	28,083	3,998
Rental of buildings - external	109,000	267,093	266,173
Search and rescue	-	106	-
Travel reimbursement	15,000	35,222	35,980
Wellness revenue	-	2,815	32,107
<b>General operations revenue</b>	<b>902,740</b>	<b>898,247</b>	<b>943,081</b>
<b>Recreation</b>			
Bingos, lotteries and fundraising	65,000	42,442	67,709
Donations	1,000	1,260	1,725
Government of Nunavut			
Aquatics grant	20,000	-	-
Aquatics renovation	-	5,000	10,000
Dance camp - CLEY	-	10,000	10,000
Mad Science Camp	-	120,633	69,424
Youth canteen sales	8,000	2,166	11,524
Kitikmeot Summer Games	-	-	6,113
Special events and days	81,500	95,566	126,542
Sport skill	-	-	4,000
User fees	47,000	101,268	58,860
Torch Relay	-	4,242	9,618
Day Camp Salary Subsidy	-	37,299	39,086
<b>Recreation revenue</b>	<b>222,500</b>	<b>419,876</b>	<b>414,601</b>
<b>Total other revenue</b>	<b>\$ 1,125,240</b>	<b>\$ 1,318,123</b>	<b>\$ 1,357,682</b>

## Municipality of Cambridge Bay

## General Government Services Expenditures

For year ended March 31,	Budget	2017 Actual	2016 Actual
Advertising	\$ 8,000	\$ 7,890	\$ 8,147
Bad debt (recovery)	-	151,505	(16,210)
Bank and interest charges	13,000	19,057	11,727
Building			
Electricity	113,500	141,939	144,545
Heating fuel	130,000	180,935	151,332
Operations and maintenance	35,000	57,543	29,915
Water and sewage	70,000	48,102	66,373
Building rent	25,000	13,014	-
CDF expenses	-	10,000	10,000
Communications	55,750	41,579	71,790
Contract and general services - IT consulting	25,000	26,485	24,699
Council expenses - travel	50,000	32,673	53,100
Elections and census	2,000	160	-
Equipment			
Fuel	1,000	1,726	1,089
Leases	-	-	10,020
Operations and maintenance	5,000	1,603	12,006
Freight	8,000	5,920	8,096
Honoraria - council	-	22,392	37,250
Insurance	105,000	84,647	83,942
Grants to groups	2,000	500	1,371
Materials and supplies	46,500	67,061	48,375
Materials and supplies - Wellness	40,000	26,104	37,038
Mayor's expenses	15,000	7,731	13,001
Mayor's stipend	60,000	55,959	60,231
Membership fees	10,000	12,649	7,169
Professional services	45,000	30,040	37,156
Salaries and benefits	753,000	712,508	874,848
Share of administration charge allocated to contracts	(300,000)	(322,373)	(224,119)
Share of administration charge allocated to WSSSP	(215,000)	(216,647)	(206,647)
Share of administration charge allocated to Airport	-	-	-
Small equipment purchase and rental - non capital	25,000	9,296	31,175
Staff training	20,000	7,398	14,661
Translation services	-	-	7,837
Travel	20,000	30,384	9,163
	<b>1,167,750</b>	<b>1,267,780</b>	<b>1,419,080</b>
<b>Tangible capital asset transfer to contracts</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total expenditures before depreciation</b>	<b>1,167,750</b>	<b>1,267,780</b>	<b>1,419,080</b>
<b>Depreciation</b>	<b>60,000</b>	<b>355,212</b>	<b>70,871</b>
<b>Total expenditures</b>	<b>\$ 1,227,750</b>	<b>\$ 1,622,992</b>	<b>\$ 1,489,951</b>

## Municipality of Cambridge Bay

## Protective Services Expenditures

For year ended March 31,	Budget	2017 Actual	2016 Actual
Building			
Electricity	\$ 35,000	\$ 27,324	\$ 29,727
Heating fuel	52,500	58,153	52,363
Operations and maintenance	2,500	18,691	1,066
Water and sewage	500	-	88
Communications	6,700	7,652	3,810
Equipment			
Fuel	6,800	7,245	6,653
Operations and maintenance	9,000	13,012	11,944
Freight	250	-	-
Honoraria and fireman's fees	22,500	-	-
Materials and supplies	11,000	18,809	6,490
Salaries and benefits	159,861	193,034	174,502
Staff training	-	4,800	6,446
<b>Total expenditures before depreciation</b>	<b>306,611</b>	<b>348,720</b>	293,089
<b>Depreciation</b>	<b>22,800</b>	<b>22,821</b>	22,821
<b>Total expenditures</b>	<b>\$ 329,411</b>	<b>\$ 371,541</b>	315,910

## Municipality of Cambridge Bay

## Transportation and Public Works Services Expenditures

For year ended March 31,

	Budget	2017 Actual	2016 Actual
Building			
Water and sewage	\$ 3,000	\$ 4,386	\$ 2,288
Contract and general services - road maintenance	130,000	287,028	85,163
Equipment			
Fuel	30,000	9,038	7,385
Interest on lease obligations	20,000	9,498	12,888
Operations and maintenance	5,000	-	-
Materials and supplies	2,000	-	157
Share of road maintenance and snow clearing - WSSSP	(230,885)	(230,885)	(230,885)
Street lighting	85,000	84,816	68,477
<b>Total expenditures before depreciation</b>	<b>44,115</b>	<b>163,881</b>	<b>(54,527)</b>
<b>Depreciation</b>	<b>14,500</b>	<b>21,970</b>	<b>14,575</b>
<b>Total expenditures (recoveries)</b>	<b>\$ 58,615</b>	<b>\$ 185,851</b>	<b>\$ (39,952)</b>

## Municipality of Cambridge Bay

**Environmental Health Services Expenditures**

For year ended March 31,

	Budget	2017 Actual	2016 Actual
Building			
Electricity	\$ 8,000	\$ -	\$ 3,364
Contract and general services - cemeteries	1,000	-	-
Contract and general services - landfill maintenance	5,000	-	-
Equipment			
Fuel	10,000	10,015	9,504
Operations and maintenance	20,000	25,333	21,100
Materials and supplies	1,000	3,320	1,544
Salaries and benefits	224,000	184,034	148,821
<b>Total expenditures before depreciation</b>	<b>269,000</b>	<b>222,702</b>	184,333
<b>Depreciation</b>	<b>30,000</b>	<b>29,962</b>	29,962
<b>Total expenditures</b>	<b>\$ 299,000</b>	<b>\$ 252,664</b>	\$ 214,295

## Municipality of Cambridge Bay

## Recreation Services Expenditures

For year ended March 31,

	Budget	2017 Actual	2016 Actual
Building			
Electricity	\$ 77,000	\$ 87,922	\$ 67,579
Heating fuel	37,000	39,269	30,145
Operations and maintenance	35,000	47,585	22,455
Water and sewage	32,750	22,555	29,781
Communications	6,100	9,922	2,500
Equipment			
Fuel	14,500	14,520	13,862
Operations and maintenance	1,500	6,283	-
Freight	25,000	12,866	9,049
Materials and supplies	59,250	59,287	78,760
Materials and supplies - Youth centre canteen	10,000	504	3,473
Membership fees	-	143	150
Salaries and benefits	391,134	457,407	333,537
Small equipment purchase and rental - non capital	1,000	900	-
Special events and days	94,500	236,260	207,834
Travel	20,000	16,362	38,333
<b>Total expenditures before depreciation</b>	<b>804,734</b>	<b>1,011,785</b>	<b>837,458</b>
<b>Depreciation</b>	<b>47,400</b>	<b>46,667</b>	<b>46,667</b>
<b>Total expenditures</b>	<b>\$ 852,134</b>	<b>\$ 1,058,452</b>	<b>\$ 884,125</b>

**Municipality of Cambridge Bay**  
**Contract Services - Revenue and Expenditures - Summary**

**For year ended March 31, 2017**

	Total Contract	Deferred Contribution	Net Proceeds	Operating Expenditures	Capital Expenditures	Total Expenditures	Excess Revenue (Expenditures)
Trade show - Dept. 671	\$ 106,826	\$ -	\$ 106,826	\$ 153,628	\$ -	\$ 153,628	\$ (46,802)
Heritage Buildings - Dept. 601	45,000	-	45,000	50,814	-	50,814	(5,814)
Alcohol and Drug - Dept. 503	182,380	-	182,380	182,380	-	182,380	-
Healthy Children - Dept. 760	144,364	-	144,364	144,364	-	144,364	-
Crisis Shelter/FVPP - Dept. 502	320,000	-	320,000	320,000	-	320,000	-
CAPC/CPNP - Dept. 618	196,000	-	196,000	198,436	-	198,436	(2,436)
Makimantiksats Youth Camp							
Program - Dept. 670	13,442	-	13,442	13,442	-	13,442	-
Mayor's Youth Advisory							
Council - Dept. 619	19,706	(10,207)	9,499	9,499	-	9,499	-
Career Fair - Dept. 609	60,211	-	60,211	55,158	-	55,158	5,053
Mental Health Crisis Int.							
Team - Dept. 709	228,831	-	228,831	228,831	-	228,831	-
Tobacco Reduction - Dept. 784	27,390	-	27,390	27,390	-	27,390	-
Youth Centre - Dept. 764	15,930	-	15,930	31,392	-	31,392	(15,462)
Justice committee - Dept. 608	29,370	-	29,370	29,370	-	29,370	-
Job Readiness Program - Dept. 500	59,034	-	59,034	59,034	-	59,034	-
Youth Out Reach - Dept. 766	121,000	-	121,000	173,743	-	173,743	(52,743)
Start-up Funding for Early							
Childhood Program - Dept. 763	52,723	-	52,723	52,723	-	52,723	-
Omingmak Pre-school							
Program - Dept. 768	59,143	-	59,143	59,731	-	59,731	(588)
Mentorship - Dept. 761	56,500	-	56,500	56,500	-	56,500	-
Homelessness Dept. 702	298,156	-	298,156	298,156	-	298,156	-
Chronic Disease and Injury							
Prevention - Dept. 703	72,486	-	72,486	72,486	-	72,486	-
Cultural Support Program - Dept. 720	348,265	-	348,265	348,265	-	348,265	-
Community Readiness - Dept. 701	120,000	-	120,000	12,486	-	12,486	107,514
HCI Funding for Early Childhood							
Program - Dept. 772	24,360	-	24,360	24,360	-	24,360	-
Resolution Health Support							
Program - Dept. 710	463,743	-	463,743	463,743	-	463,743	-
Canadian High Arctic Research							
Station (CHARS) - Dept. 782	540,519	-	540,519	556,738	-	556,738	(16,219)
Youth Art/Welding Project - Dept. 614	109,890	-	109,890	109,890	-	109,890	-
Food Bank - Dept. 405	9,425	-	9,425	9,425	-	9,425	-
Mental Health and Addictions - Dept. 783	47,418	-	47,418	47,418	-	47,418	-
	\$ 3,772,112	\$ (10,207)	\$ 3,761,905	\$ 3,789,402	\$ -	\$ 3,789,402	\$ (27,497)

## Municipality of Cambridge Bay

## SCHEDULE 10 (continued)

## Contract Services - Revenue and Expenditures - Detail

For year ended March 31, 2017

		Trade Show Dept. 671	Heritage Buildings Dept. 601	Alcohol and Drug Dept. 503	Healthy Children Dept. 760	Crisis Shelter/FVPP Dept. 502	CAPC/ CPNP Dept. 618	Makimantiksats Youth Camp Program Dept. 670
<b>Revenue</b>								
Contract revenue	\$	106,826	\$ 45,000	\$ 182,380	\$ 144,364	\$ 320,000	\$ 196,000	\$ 13,442
<b>Total revenue</b>		<b>106,826</b>	<b>45,000</b>	<b>182,380</b>	<b>144,364</b>	<b>320,000</b>	<b>196,000</b>	<b>13,442</b>
<b>Expenditure</b>								
Administrative fee and shared costs		-	-	16,632	13,124	29,092	8,700	-
Advertising		4,225	-	-	-	-	-	-
Building								
Electricity		-	-	-	-	5,000	1,850	-
Heating fuel		-	-	-	-	5,001	1,360	-
Operations and maintenance		-	50,814	1,500	-	10,460	-	-
Water and sewage		-	-	-	-	9,000	3,790	-
Building rental		-	-	21,000	-	28,000	15,000	-
Communications		-	-	5,000	-	5,000	-	-
Equipment								
Fuel		-	-	-	-	6,000	-	-
Operations and maintenance		-	-	-	-	12,000	-	-
Equipment rental		-	-	-	-	-	2,680	-
Freight		48,772	-	-	-	-	-	-
Materials and supplies		100,631	-	14,999	2,000	21,789	27,598	13,442
Salaries and benefits		-	-	120,153	129,240	177,935	132,018	-
Training		-	-	1,200	-	735	-	-
Travel		-	-	1,896	-	9,988	5,440	-
<b>Total expenditures</b>		<b>153,628</b>	<b>50,814</b>	<b>182,380</b>	<b>144,364</b>	<b>320,000</b>	<b>198,436</b>	<b>13,442</b>
<b>Excess (deficiency) of revenues over expenditures before other items</b>		<b>(46,802)</b>	<b>(5,814)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,436)</b>	<b>-</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>\$</b>	<b>(46,802)</b>	<b>\$ (5,814)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (2,436)</b>	<b>\$ -</b>



## Municipality of Cambridge Bay

## SCHEDULE 10 (continued)

## Contract Services - Revenue and Expenditures - Detail

For year ended March 31, 2017

	Mayor's Youth Advisory Council Dept. 619		Career Fair Dept. 609		Mental Health Crisis Int. Team Dept. 709		Tobacco Reduction Dept. 784		Youth Centre Dept. 764		Justice Committee Dept. 608		Job Readiness Program Dept. 500	
<b>Revenue</b>														
Contract revenue	\$	19,706	\$	60,211	\$	228,831	\$	27,390	\$	15,930	\$	29,370	\$	59,034
Deferred closing		(10,207)		-		-		-		-		-		-
<b>Total revenue</b>		<b>9,499</b>		<b>60,211</b>		<b>228,831</b>		<b>27,390</b>		<b>15,930</b>		<b>29,370</b>		<b>59,034</b>
<b>Expenditure</b>														
Administrative fee and shared costs		-		-		39,130		2,490		-		2,670		5,367
Building														
Electricity		-		-		-		-		5,338		-		-
Heating fuel		-		-		-		-		14,476		-		-
Operations and maintenance		-		-		-		-		2,278		-		-
Water and sewage		-		-		-		-		2,721		-		-
Building rental		-		-		11,250		-		-		-		-
Communications		-		-		3,000		-		1,354		-		-
Contract and general services		-		-		-		-		-		-		28,400
Honoraria		2,640		-		6,000		-		-		2,686		-
Materials and supplies		2,383		53,834		6,290		24,900		-		12,014		5,045
Salaries and benefits		-		-		22,582		-		-		-		-
Training		-		-		117,715		-		-		12,000		-
Travel		4,476		1,324		22,864		-		-		-		20,222
<b>Total operating expenditures</b>		<b>9,499</b>		<b>55,158</b>		<b>228,831</b>		<b>27,390</b>		<b>26,167</b>		<b>29,370</b>		<b>59,034</b>
<b>Excess (deficiency) of revenues over expenditures before other</b>		<b>-</b>		<b>5,053</b>		<b>-</b>		<b>-</b>		<b>(10,237)</b>		<b>-</b>		<b>-</b>
<b>Depreciation</b>		<b>-</b>		<b>-</b>		<b>-</b>		<b>-</b>		<b>5,225</b>		<b>-</b>		<b>-</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>5,053</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>(15,462)</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>-</b>

**SCHEDULE 10 (continued)**

**Municipality of Cambridge Bay**

**Contract Services - Revenue and Expenditures - Detail**

**For year ended March 31, 2017**

	Youth Out Reach Dept. 766	Start-up Funding for Early Childhood Dept. 763	Omingmak Pre-School Program Dept. 768	Mentorship Dept. 761	Homelessness Dept. 702	Chronic Disease and Injury Prevention Dept. 703	Cultural Support Program Dept. 720	Community Readiness Dept. 701
<b>Revenue</b>								
Contract revenue	\$ 121,000	\$ 52,723	\$ 59,143	\$ 56,500	\$ 298,156	\$ 72,486	\$ 348,265	\$ 120,000
<b>Total revenue</b>	<b>121,000</b>	<b>52,723</b>	<b>59,143</b>	<b>56,500</b>	<b>298,156</b>	<b>72,486</b>	<b>348,265</b>	<b>120,000</b>
<b>Expenditure</b>								
Administrative fee and shared costs	11,000	4,794	-	5,499	27,162	6,626	44,447	-
Building								
Electricity	-	-	-	-	3,000	-	-	-
Heating fuel	-	-	-	-	3,000	-	-	-
Operations and maintenance	-	-	-	-	3,000	-	-	-
Water and sewage	-	-	-	-	4,500	-	-	-
Building rental	-	-	-	-	12,000	9,600	27,000	-
Communications	-	-	-	-	-	-	3,000	3,055
Contract and general services	-	-	-	11,500	16,500	-	-	-
Honoraria	-	-	-	-	-	-	15,000	-
Materials and supplies	25,317	3,342	8,981	9,795	34,648	27,119	58,451	-
Salaries and benefits	137,426	44,587	50,750	29,706	194,346	29,141	169,070	7,258
Travel	-	-	-	-	-	-	31,297	2,173
<b>Total operating expenditures</b>	<b>173,743</b>	<b>52,723</b>	<b>59,731</b>	<b>56,500</b>	<b>298,156</b>	<b>72,486</b>	<b>348,265</b>	<b>12,486</b>
<b>Deficiency of revenues over expenditures</b>	<b>\$ (52,743)</b>	<b>\$ -</b>	<b>\$ (588)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 107,514</b>

**SCHEDULE 10 (continued)**

**Municipality of Cambridge Bay**  
**Contract Services - Revenue and Expenditures - Detail**

For year ended March 31, 2017

	HCI Funding For Early Childhood Program Dept. 772	Resolution Health Support Program Dept. 710	Canadian High Arctic Research Station Dept. 782	Youth Art/Welding Project Dept. 614	Food Bank Dept. 501	Mental Health and Addictions Dept. 783	Total
<b>Revenue</b>							
Contract revenue	\$ 24,360	\$ 463,743	\$ 540,519	\$ 109,890	\$ 9,425	\$ 47,418	\$ 3,772,112
Deferred closing	-	-	-	-	-	-	(10,207)
<b>Total revenue</b>	<b>24,360</b>	<b>463,743</b>	<b>540,519</b>	<b>109,890</b>	<b>9,425</b>	<b>47,418</b>	<b>3,761,905</b>
<b>Expenditure</b>							
Administrative fee and shared costs	840	53,186	47,320	-	-	4,311	322,390
Advertising	-	-	-	-	-	-	4,225
Building							
Electricity	-	-	-	-	-	-	15,188
Heating fuel	-	-	-	-	-	-	23,837
Operations and maintenance	-	-	-	-	-	-	68,052
Water and sewage	-	-	-	-	-	-	20,011
Building rental	-	54,000	-	-	-	9,600	187,450
Communications	-	3,000	-	-	-	-	23,409
Contract and general services	-	43,508	509,418	46,310	-	-	655,636
Equipment							
Fuel	-	-	-	-	-	-	6,000
Operation and maintenance	-	-	-	-	-	-	12,000
Equipment rental	-	-	-	-	-	-	2,680
Freight	-	-	-	-	-	-	48,772
Honoraria	-	-	-	-	-	-	26,326
Materials and supplies	-	9,095	-	43,027	9,425	9,938	524,063
Salaries and benefits	23,520	254,997	-	-	-	23,569	1,546,298
Training	-	-	-	-	-	-	131,650
Travel	-	45,957	-	20,553	-	-	166,190
<b>Total operating expenditures</b>	<b>24,360</b>	<b>463,743</b>	<b>556,738</b>	<b>109,890</b>	<b>9,425</b>	<b>47,418</b>	<b>3,784,177</b>
<b>Excess (deficiency) of revenues before other items</b>	<b>-</b>	<b>-</b>	<b>(16,219)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(22,272)</b>
<b>Depreciation</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,225</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (16,219)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (27,497)</b>

## Municipality of Cambridge Bay

## Community Transfer Initiative Program - Community Capacity Building

For year ended March 31,

	Budget	2017 Actual	2016 Actual
<b>Revenue</b>			
Operating contribution	\$ 190,000	\$ 190,000	\$ 190,000
<b>Total revenues</b>	<b>190,000</b>	<b>190,000</b>	190,000
<b>Expenditures</b>			
Advertising	8,000	4,053	6,206
Building			
Electricity	-	4,983	-
Operations and maintenance	-	875	650
Water and sewage	-	13,935	17,309
Communications	1,000	243	-
Freight	-	1,282	934
Material and supplies	5,000	15,281	10,042
Salaries and benefits	215,000	271,913	248,762
Staff training	-	31	-
Travel	20,000	19,050	21,993
<b>Total expenditures</b>	<b>249,000</b>	<b>331,646</b>	305,896
<b>Deficiency of revenue over expenditures</b>	<b>\$ (59,000)</b>	<b>\$ (141,646)</b>	\$ (115,896)

**Municipality of Cambridge Bay****Minor Capital Block Funding**

For year ended March 31,

**2017  
Actual**2016  
Actual**Revenue**

Operating contribution

\$ 56,000

\$ 56,000

**Excess revenues over expenditures**

\$ 56,000

\$ 56,000

## Municipality of Cambridge Bay

## Consolidated Schedule of Revenue and Expenditures by Object

For year ended March 31,

	Actual Municipal	2017 Actual Contract	Actual Overall	2016 Actual Overall
<b>Revenues</b>				
Grants and contributions	\$ 2,563,316	\$ 246,000	\$ 2,809,316	\$ 2,740,684
Contracts	-	3,761,905	3,761,905	3,275,762
Other	6,419,164	-	6,419,164	5,678,691
<b>Total revenues</b>	<b>8,982,480</b>	<b>4,007,905</b>	<b>12,990,385</b>	<b>11,695,137</b>
<b>Expenditures</b>				
Administrative fee	(322,373)	322,390	17	(18,777)
Advertising	7,890	8,278	16,168	22,358
Bad debts	291,717	-	291,717	(16,210)
Bank and interest charges	19,057	-	19,057	11,727
Building				
Electricity	378,878	20,171	399,049	353,518
Heating fuel	470,616	23,837	494,453	442,908
Operations and maintenance	149,456	68,927	218,383	103,785
Water and sewage	75,043	33,945	108,988	131,003
Building rent	13,014	187,450	200,464	191,950
Communications	107,119	23,652	130,771	233,735
Community development fund	10,000	-	10,000	10,000
Contract and general services	338,298	655,636	993,934	441,720
Equipment				
Fuel	262,125	6,000	268,125	233,876
Interest on lease obligation	71,674	-	71,674	105,771
Leases	-	2,680	2,680	7,513
Operations and maintenance	395,455	12,000	407,455	244,821
Freight	38,349	50,053	88,402	74,806
Grants to groups	500	-	500	1,371
Honoraria	22,392	26,326	48,718	53,212
Insurance	169,294	-	169,294	167,884
Land development	-	-	-	302,334
Materials and supplies	281,871	539,344	821,215	949,154
Mayor and council expenses	40,564	-	40,564	66,101
Mayors' stipend	55,959	-	55,959	60,231
Membership fees	12,792	-	12,792	7,319
Professional services	69,900	-	69,900	68,363
Salaries and benefits	4,204,221	1,818,212	6,022,433	5,828,182
Small equipment purchase - non capital	19,814	-	19,814	31,175
Special events and days	236,260	-	236,260	207,834
Staff training	15,798	131,681	147,479	67,405
Street lighting	84,816	-	84,816	68,477
Travel	55,973	185,240	241,213	181,738
Loss on disposal	-	-	-	290,556
Depreciation	1,158,381	5,225	1,163,606	809,899
<b>Total expenditures</b>	<b>8,734,853</b>	<b>4,121,047</b>	<b>12,855,900</b>	<b>11,735,739</b>
Reserve interest	15,987	-	15,987	16,483
CGS Contributed Tangible Capital Asset	-	-	-	11,084,300
<b>Excess (deficiency) of revenues over expenditures</b>	<b>\$ 263,614</b>	<b>\$ (113,142)</b>	<b>\$ 150,472</b>	<b>\$ 11,060,181</b>

## Municipality of Cambridge Bay

## Additional Information

For year ended March 31, 2017

The following assets were acquired during the year:

Asset identification	By-law	Acquisition Cost	Sources of Funding	Amount
2016 Ford F250 XLT	283	\$ 51,768	Capital Lease	\$ 46,507
			Operations - freight	5,261
2016 Western Star - Vacuum	283	197,853	Capital Lease	185,624
			Operations - freight	12,229
2016 Western Star - Water	283	244,391	Capital Lease	231,225
			Operations - freight	13,166
Roads		764,704	Lands	764,704
		\$ 1,258,716		\$ 1,258,716

## Municipality of Cambridge Bay

## SCHEDULE 15

**Tangible Capital Assets****For year ended March 31, 2017**

	Land and Land Improvements	Roads	Office Equipment	Engineered Structures	Buildings	Heavy Equipment	Vehicles	Other Infrastructure	Total
Cost									
Balance, opening	\$ 16,001	\$ 6,179,591	\$62,635	\$ 4,057,814	\$16,453,923	\$ 911,495	\$ 2,768,686	\$ 330,415	\$30,780,560
Acquisitions	-	764,704	-	-	-	-	494,012	-	1,258,716
Balance, closing	16,001	6,944,295	62,635	4,057,814	16,453,923	911,495	3,262,698	330,415	<b>32,039,276</b>
Accumulated Depreciation									
Balance, opening	10,667	3,941,106	20,878	1,918,042	3,907,026	344,562	1,262,053	102,591	11,506,925
Annual depreciation	889	205,986	20,878	107,695	395,942	54,727	377,489	-	1,163,606
Disposals	-	-	-	-	-	-	-	-	-
Balance, closing	11,556	4,147,092	41,756	2,025,737	4,302,968	399,289	1,639,542	102,591	12,670,531
Net book value	\$ 4,445	\$ 2,797,203	\$20,879	\$ 2,032,077	\$12,150,955	\$ 512,206	\$ 1,623,156	\$ 227,824	<b>\$19,368,745</b>

A total of \$1,258,716 (2016 - \$740,812) assets were acquired in the year. The additions were financed directly through capital leases for \$461,338 (2016 - \$568,855), and the remaining additions were acquired using cash of \$797,378 (2016 - \$171,957).