

Municipality of Cambridge Bay

Consolidated Financial Statements

March 31, 2019

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 consolidated financial statements of the Municipality of Cambridge Bay, delegates to Administration the responsibility of the consolidated financial statements. Municipal Council appoints independent auditors to examine and report directly to them on the consolidated financial statements. Administration prepared the consolidated 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 consolidated 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 consolidated 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 consolidated financial statements for issuance.

The consolidated 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 consolidated financial statements.



Senior Administrative Officer
Municipality of Cambridge Bay

July 19, 2019

Independent Auditors' Report

Mayor and Councilors
Municipality of Cambridge Bay, Nunavut

Report on the Audit of the consolidated financial statements

Qualified Opinion

We have audited the accompanying consolidated consolidated financial statements of the Municipality of Cambridge Bay, which comprise the consolidated statement of financial position as at March 31, 2019, and the consolidated statements of operations and accumulated surplus, changes in net financial assets, and cash flows and schedule of changes in fund balances for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified opinion section of our report, the accompanying consolidated financial statements present fairly, in all material aspects, the financial position of the Municipality of Cambridge Bay as at March 31, 2019, 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.

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.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Municipality in accordance with the ethical requirements that are relevant to our audit of the consolidated 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 consolidated financial statements
Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Municipality'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 Municipality or to cease operations, or has no realistic alternative but to do so.

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

Independent Auditors' Report (continued)

Auditors's Responsibilities for the Audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 consolidated 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 consolidated 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 Municipality'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 Municipality's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated 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 auditors' report. However, future events or conditions may cause the Municipality to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated 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.

Report on Other Legal and Regulatory Requirements

As required by Section 147 of the *Hamlets Act* of Nunavut 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) of Nunavut that, in our opinion, proper books of account have been kept by the Municipal Government, 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 Municipal Government.



STATEMENT I

Municipality of Cambridge Bay

Consolidated Statement of Financial Position

As at March 31,	2019	2018
Financial Assets		
Cash and cash equivalents (Note 3)	\$ 2,444,472	\$ 2,456,750
Reserve deposits and guaranteed investment certificates (Note 3 and 4)	5,741,281	4,667,753
Accounts receivable (Note 5)	2,445,233	2,527,494
Total Financial Assets	10,630,986	9,651,997
Liabilities		
Accounts payable and accrued liabilities (Note 6)	644,669	699,729
Wages and benefits payable	269,293	338,783
Contributions repayable (Note 7)	131,024	192,854
Deferred revenue (Note 8)	469,218	289,146
Capital lease obligations (Note 9)	237,269	597,592
Annual, lieu and sick leave accrual	214,543	169,466
Post-employment benefits payable	70,783	44,935
Total Liabilities	2,036,799	2,332,505
Net Financial Assets	8,594,187	7,319,492
Non-Financial Assets		
Tangible capital assets (Schedule 15)	35,236,814	34,662,596
Inventory for consumption	116,473	108,012
Prepaid expenses	123,181	60,973
Total Non-Financial Assets	35,476,468	34,831,581
Financial Position		
Accumulated surplus (Schedule 1)	\$ 44,070,655	\$ 42,151,073
Commitments (Note 11)		
Contingent Liabilities (Note 13)		
Approved on behalf of the Municipality of Cambridge Bay		
 <u>Pam On</u>	Mayor	
 <u>M. Limasew</u>	Senior Administrative Officer	

STATEMENT II

Municipality of Cambridge Bay

Consolidated Statement of Operations and Accumulated Surplus

For year ended March 31,	Budget	2019 Actual	2018 Actual
GENERAL			
Revenue			
Operating contribution	\$ 2,040,523	\$ 2,076,667	\$ 2,040,523
Water and sewage services (Schedule 2)	5,229,882	5,082,496	5,011,214
Land development and administration (Schedule 3)	1,594,776	544,694	716,895
Other revenue (Schedule 4)	1,392,515	1,695,587	1,240,393
Contract services (Schedule 10)	4,950,434	3,915,206	3,849,595
Community transfer initiative program (Schedule 11)	170,614	170,614	183,362
Minor Capital Block Funding (Schedule 12)	-	56,000	56,000
Total revenue	15,378,744	13,541,264	13,097,982
Expenditures			
Water and sewage services (Schedule 2)	4,297,871	4,369,225	4,134,859
Land development and administration (Schedule 3)	1,329,482	130,021	149,236
General government services (Schedule 5)	1,388,524	1,131,291	1,091,988
Protective services (Schedule 6)	296,050	326,863	264,022
Transportation and public works services (Schedule 7)	129,860	47,449	249,476
Environmental health services (Schedule 8)	244,348	211,463	247,118
Recreation services (Schedule 9)	777,353	633,276	682,602
Contract services (Schedule 10)	4,946,631	3,938,519	3,910,287
Community transfer initiative program (Schedule 11)	170,614	199,589	188,940
Depreciation (Schedule 15)	1,589,549	1,530,896	1,405,627
Gain on disposal of tangible capital asset	-	-	(22,377)
Total operating expenditures	15,170,282	12,518,592	12,301,778
Net operating before the following	208,462	1,022,672	796,204
CGS contributed tangible capital assets	-	-	14,500,000
Capital contributions	-	804,229	2,010,509
Excess (deficiency) of revenue over expenditures	208,462	1,826,901	17,306,713
Accumulated surplus, opening	42,151,073	42,151,073	24,817,123
Reserve interest	-	92,681	27,237
Accumulated surplus, closing	\$ 42,359,535	\$ 44,070,655	\$ 42,151,073

STATEMENT III**Municipality of Cambridge Bay****Consolidated Statement of Changes in Net Financial Assets**

For year ended March 31,	2019	2018
Excess (deficiency) of revenues over expenditures	\$ 1,826,901	\$ 17,306,713
Acquisition of tangible capital assets (Schedule 15)	(2,105,114)	(16,861,759)
Depreciation of tangible capital assets	1,530,896	1,405,627
Disposal of tangible capital assets	-	162,281
Reserve interest	92,681	27,237
	1,345,364	2,040,099
(Purchase) use of inventory for consumption	(8,461)	70,775
(Increase) use of prepaid expense	(62,208)	68,445
Increase in Net Financial Assets	1,274,695	2,179,319
Net Financial Assets, beginning of year	7,319,492	5,140,173
Net Financial Assets, end of year	\$ 8,594,187	\$ 7,319,492

STATEMENT IV**Municipality of Cambridge Bay****Consolidated Statement of Cash Flows**

For year ended March 31,	2019	2018
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Net inflow (outflow) of cash related to the following activities:**Operating activities**

Excess (deficiency) of revenue over expenditures	\$ 1,826,901	\$ 17,306,713
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Non-cash items included in excess (deficiency)**of revenues over expenditures**

Depreciation of tangible capital assets	1,530,896	1,405,627
Loss on disposal of tangible capital assets	-	(22,377)
CGS contributed tangible capital assets	-	(14,500,000)

Change in non-cash working capital

Accounts receivable	82,261	852,662
Accounts payable and accrued liabilities	(55,060)	(42,271)
Wages and benefits payable	(69,490)	20,624
Contributions repayable	(61,830)	(887)
Deferred revenue	180,072	130,358
Annual, lieu and sick leave accrual	45,077	(43,584)
Post-employment benefits payable	25,848	-
Inventory for consumption	(8,461)	70,775
Prepaid expenses	(62,208)	68,445

	3,434,006	5,246,085
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Capital activity

Acquisition of tangible capital assets	(2,105,114)	(2,361,797)
Proceeds on sale of tangible capital assets	-	184,677

	(2,105,114)	(2,177,120)
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Investing activity

Reserve interest	92,681	27,237
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Financing activity

Repayment of capital lease obligations	(360,323)	(511,837)
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Change in cash and cash equivalents

	1,061,250	2,584,365
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Cash and cash equivalents, beginning of year

	7,124,503	4,540,138
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Cash and cash equivalents, end of year

\$ 8,185,753	\$ 7,124,503
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Cash and cash equivalents are comprised of:

Cash	\$ 2,444,472	\$ 2,456,750
Reserve deposits and guaranteed investment certificates	5,741,281	4,667,753
	\$ 8,185,753	\$ 7,124,503

Municipality of Cambridge Bay

Notes to Consolidated Financial Statements

March 31, 2019

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, 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 consolidated 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 consolidated 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 consolidated financial statements, and the reported amounts of revenue and expenditures during the period. Where measurement uncertainty exists, the consolidated financial statements have been prepared within reasonable limits of materiality. Actual results could differ from those estimates.

Municipality of Cambridge Bay

Notes to Consolidated Financial Statements

March 31, 2019

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 2019 budget amounts are unaudited and were approved by Council on March 28, 2018.

(f) Financial instruments

Financial assets originated or acquired or financial liabilities issued or assumed in an arm's length transaction are initially measured at their fair value. In the case of a financial asset or financial liability not subsequently measured at its fair value, the initial value is adjusted for financing fees and transactions costs that are directly attributable to its origination, acquisition, issuance or assumption. Such fees and costs in respect of financial assets and liabilities subsequently measured at fair value are expensed.

The Municipality subsequently measures all its financial assets and financial liabilities at amortized cost using the effective interest rate method, less any impairment losses on financial assets.

Financial instruments measured at amortized cost include cash and cash equivalents, reserve deposits, accounts receivable, accounts payable and accrued liabilities, wages and benefits payable, and contributions repayable.

There are no financial instruments subsequently measured at fair value.

Municipality of Cambridge Bay

Notes to Consolidated Financial Statements

March 31, 2019

1. Significant Accounting Policies (continued)

(f) Financial instruments (continued)

At the end of each reporting period, management assesses whether there are any indications that financial assets measured at cost or amortized cost may be impaired. If there is an indication of impairment, management determines whether a significant adverse change has occurred in the expected timing or the amount of future cash flows from the asset, in which case the asset's carrying amount is reduced to the highest expected value that is recoverable by either holding the asset, selling the asset or by exercising the right to any collateral. The carrying amount of the asset is reduced directly or through the use of an allowance account and the amount of the reduction is recognized as an impairment loss in operations. Previously recognized impairment losses may be reversed to the extent of any improvement. The amount of the reversal, to a maximum of the related accumulated impairment charges recorded in respect of the particular asset is recognized in operations.

(g) Inventory

Inventory for consumption 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.

(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.

Municipality of Cambridge Bay

Notes to Consolidated Financial Statements

March 31, 2019

1. Significant Accounting Policies (continued)

(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.

(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.

Municipality of Cambridge Bay

Notes to Consolidated Financial Statements

March 31, 2019

1. Significant Accounting Policies (continued)

(k) Reserves (continued)

(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.

(vi) Multi-use complex

The Municipality created this reserve to set aside funds for the future construction of a new multi-use complex.

(l) Pension expenditures

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

(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.

Municipality of Cambridge Bay

Notes to Consolidated Financial Statements

March 31, 2019

1. Significant Accounting Policies (continued)

(o) Liability for contaminated sites

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. The liability is recorded net of any expected recoveries. A liability for remediation of contaminated sites is recognized when a site is not in productive use and all the following criteria are met:

- an environmental standard exists,
- contamination exceeds the environmental standard,
- the Fund is directly responsible or accepts responsibility;
- it is expected that future economic benefits will be given up, and
- a reasonable estimate of the amount can be made.

The liability is recognized as management's estimate of the cost of post-remediation including operation, maintenance and monitoring that are an integral part of the remediation strategy for a contaminated site. There are no liabilities to be recorded as at March 31, 2019.

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 consolidated financial statements of the Municipality:

a) Asset Retirement Obligations, proposed section PS 3280

This section will be effective for fiscal years beginning on or after April 1, 2021 and is intended to enhance comparability of consolidated financial statements among public sector entities by establishing uniform criteria for recognition and measurement of asset retirement obligations, including obligations that may not have previously been reported. This section would require public sector entities to review existing contract, legislation, regulations, and other sources to identify retirement activities associated with its controlled tangible capital assets. The impact of the transition to this proposed accounting standard, if any, has not yet been determined.

b) Revenue, Section PS 3400

This section establishes standards on how to account for and report on revenue. Specifically, it differentiates between revenue arising from transactions that include performance obligations, referred to as "exchange transactions", and transactions that do not have performance obligations, referred to as "non-exchange transactions". This section applies to fiscal years beginning on or after April 1, 2022. Earlier adoption is permitted. The impact of the transition to this proposed accounting standard, if any, has not yet been determined.

Municipality of Cambridge Bay

Notes to Consolidated Financial Statements

March 31, 2019

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:

	2019	2018
Cash	\$ 2,444,472	\$ 2,456,750
Reserve deposits and guaranteed investment certificates	5,741,283	4,667,753
	\$ 8,185,755	\$ 7,124,503

4. Reserve Deposits and Guaranteed Investment Certificates

	2019	2019	2019
	Required Reserve	Reserve Deposit	Deposit Excess (Deficiency)
Equipment replacement reserve	\$ 585,092	\$ 500,872	\$ (84,220)
Granular reserve	137,563	138,508	945
Land development reserve	3,138,084	4,333,770	1,195,686
Minor capital reserve	330,844	218,844	(112,000)
Water and sewer vehicle replacement reserve	400,000	428,080	28,080
Multi-use complex facility reserve	147,748	121,207	(26,541)
	\$ 4,739,331	\$ 5,741,281	\$ 1,001,950

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.

Required land reserve is represented by Land Development Reserve of \$3,557,931 less balance equity lease receivable of \$419,847.

5. Accounts Receivable

	Accounts Receivable	Allowance	2019 Accounts Receivable (net)	2018 Accounts Receivable (net)
Government of Canada	\$ 2,730	\$ 2,730	\$ -	\$ 158,335
Government of Nunavut	985,801	23,954	961,847	991,546
Government of Nunavut - Housing	362,561	-	362,561	529,835
GST	39,056	-	39,056	95,797
Trade/Land	752,704	70,762	681,942	569,249
Water and sewage - Cambridge Bay				
Housing Authority	958	-	958	958
Water and Sewage - Other	398,869	-	398,869	181,774
	\$ 2,542,679	\$ 97,446	\$ 2,445,233	\$ 2,527,494

Municipality of Cambridge Bay

Notes to Consolidated Financial Statements

March 31, 2019

6. Accounts Payable and Accrued Liabilities

	2019	2018
Accrued liabilities	\$ 229,069	\$ 149,613
Damage deposits	500	350
Trade and other	415,100	549,766
	\$ 644,669	\$ 699,729

7. Contributions Repayable

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

	2019	2018
Early Childhood Program - HCI Funding	\$ 7,507	\$ 7,507
Other	-	2,470
DTFP	9,877	9,877
Community Arts Studio - Department of Culture and Heritage	-	50,000
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	4,664
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
Alcohol and Drug Program - Department of Health	574	574
	\$ 131,024	\$ 192,854

Municipality of Cambridge Bay

Notes to Consolidated Financial Statements

March 31, 2019

8. Deferred Revenue

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

	2019	2018
Access road	\$ 25,000	\$ 25,000
Food bank	29,565	44,564
Gym equipment	5,659	-
Mayor Youth advisory council	34,608	29,715
Government of Nunavut		
Arctic inspiration prize	39,050	-
Elder palace	5,144	-
Leading the way	5,943	-
Men's shelter renovations	-	171,140
Mental health crisis int. team	18,727	18,727
Tobacco reduction	7,610	-
Wellness - core funding	202,461	-
Government of Canada		
Brighter Future	73,540	-
CHARS	9,111	-
Omingmak Frolics	12,800	-
	\$ 469,218	\$ 289,146

9. Capital Lease Obligations

Item	Lease Expiration	Rate	Monthly Payments	Net Book Value
2016 Western Star Sewer Truck	August 2019	6.25%	\$ 4,289	\$ 82,358
2016 Western Star Water Truck	August 2019	6.25%	\$ 5,346	\$ 101,558
2016 Western Star Water Truck	August 2019	6.25%	\$ 5,346	\$ 101,558
2016 Western Star Vacuum Truck	July 2020	6.29%	\$ 4,360	\$ 113,060
2016 Western Star Water Truck	July 2020	6.33%	\$ 5,433	\$ 139,653
2016 Ford F250 XLT	June 2021	6.50%	\$ 900	\$ 25,582

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
2020	\$ 183,052	\$ 8,244	\$ 191,296
2021	50,961	1,016	51,977
2022	3,256	55	3,311
Total	\$ 237,269	\$ 9,315	\$ 246,584

Municipality of Cambridge Bay

Notes to Consolidated Financial Statements

March 31, 2019

10. Equity in Tangible Capital Assets

	2019	2018	Change
Tangible capital assets (Schedule 15)	\$35,236,814	\$34,662,596	\$ 574,218
Capital lease obligations (Note 9)	(237,269)	(597,592)	360,323
Total	\$34,999,545	\$34,065,004	\$ 934,541

11. Commitments

The Municipality is committed to two leases for office equipment with Xerox with annual payments of \$10,681 each. They expire in June 2021.

The municipality is also committed to completing the construction of the Cambridge Bay Freshwater Bridge with an expected cost of \$65,120 in 2020.

Future minimum lease payments are as follows:

Year	Amount
2020	\$ 86,483
2021	10,681
2022	10,681
Total	\$ 107,845

12. Contract reporting

The number and value of goods and services contracts the Municipality had during the year in excess of \$150,000 and construction contracts in excess of \$500,000 were as follows:

Contract Type	Prior Year Expenditures	Future Year Commitments	Current Year Expenditures	Total Contract Value
Goods and services	\$ -	\$ -	\$ -	\$ -
Construction	\$ -	\$ -	\$ 840,688	\$ 840,688

13. 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.

Litigations

The Municipality is involved in a claim for which a decision has yet to be reached. The amount of damages, if any, is unknown at this time. A liability, if any, will be accounted for as a current transaction in the year the losses are determined.

14. Municipal Pension Plan

Municipality of Cambridge Bay

Notes to Consolidated Financial Statements

March 31, 2019

14. Municipal Pension Plan (Continued)

As at January 1, 2019, the Northern Employee Benefits Services (NEBS) Pension Plan had a solvency ratio deficiency of (\$128,900,000) (2018 - \$110,840,600) and a solvency ratio of 64.0% (2018 - 66.0%). As of January 1, 2019, the excess (deficiency) of actuarial value of net assets over actuarial present value of defined benefits is estimated to be \$25,300,000.00 - Funded Ratio 112.0% (2018 - \$24,000,000 and 112.8%) on a going concern valuation basis.

The Plan serves 3,202 (2018 - 3,033) Employee Members and 107 (2018 - 107) 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 \$166,787 starting January 2018 and \$171,368 starting January 2019, with 16% of that maximum being \$26,686 (January 2018) and \$27,418 (January 2019) (\$13,343 - \$13,709 from the employer and \$13,343 - \$13,709 from the employees).

Total current service contributions by the Municipality of Cambridge Bay to the Northern Employee Benefits Services Pension Plan in 2019 were \$177,969 (2018 - \$180,470). Total current service contributions by the employees of the Municipality in 2019 were \$177,969 (2018 - \$180,470).

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 \$177,969 (2018 - \$180,470).

15. Comparative figures

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

16. 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)
\$ 637,928	\$ 352,948	\$ 413,486	\$ 224,442

Municipality of Cambridge Bay

Notes to Consolidated Financial Statements

March 31, 2019

17. Financial Instruments

The Municipality is exposed to credit, interest rate and liquidity risks from its financial instruments. Qualitative and quantitative analysis of the significant risks from the Municipality's financial instruments is provided by type of risk below.

Credit risk

Credit risk is the risk of financial loss to the Municipality if a debtor fails to make payments of interest and principal when due. The Municipality is exposed to this risk relating to its cash and cash equivalent, reserve deposits and accounts receivable.

The Municipality's maximum exposure to credit risk is represented by the financial assets balance for a total of \$10,630,986 (2018 - \$9,651,997). Accounts receivable due from the Government of Nunavut, which is considered to be low credit risk as a reputable government with a good credit score, represent 54% (2018 - 60%) of all accounts receivable. The remainder is due from the Government of Canada, various corporations, and residents. Credit risk related to accounts receivable is mitigated by internal controls as well as policies and oversight over arrears for ultimate collection.

At March 31, 2019, the accounts receivable past due are as follows:

	30 days	60 days	90 days	Over 120 days	Total
Accounts receivable	\$ 61,212	\$ 133,096	\$ 13,362	\$ 1,071,360	\$ 1,279,030
Allowance for doubtful accounts	-	-	-	(97,446)	(97,446)
	\$ 61,212	\$ 133,096	\$ 13,362	\$ 973,914	\$ 1,181,584

Concentration of credit risk

Concentration of credit risk is the risk that a customer(s) has a significant portion of the total accounts receivable balance and thus there is a higher risk to the Municipality in the event of a default. The Municipality does have concentration risk. At March 31, 2019, receivables from the Government of Nunavut comprised 54% (2018 - 60%) of the total outstanding accounts receivables. The Municipality reduces this risk by monitoring overdue balances. The Municipality also has concentration risk related to the amount in cash and cash equivalent and reserve deposits in excess of insured limits in one federally regulated financial institution. The risk has not changed from prior year.

Liquidity risk

Liquidity risk is the risk that the Municipality will not be able to meet all cash outflow obligations as they come due. The Municipality mitigates this risk by monitoring cash activities and expected outflows through budgeting and maintaining an adequate amount of cash to cover unexpected cash outflows should they arise.

The Municipality's maximum exposure to liquidity risk is represented by its financial liabilities for a total of \$1,044,986 (2018 - \$1,231,366). Financial liabilities consist of accounts payable and accrued liabilities, wages and benefits payable, and contribution repayable. Municipality's financial assets and financial liabilities as at March 31, 2019 mature within the next six months.

The Municipality has disclosed future financial liabilities and commitments in Note 11.

Municipality of Cambridge Bay

Notes to Consolidated Financial Statements

March 31, 2019

17. Financial Instruments (Continued)

Interest rate risk

Interest rate risk is the potential for financial loss caused by fluctuations in future cash flow of financial instruments because of changes in market interest rates. The Municipality is exposed to this risk through its 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. The operating line of credit remained unused at March 31, 2019 and March 31, 2018.

18. 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.

19. 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 \$222,761 (see note 4).

Municipality of Cambridge Bay
Consolidated Statement of Changes in Fund Balances

SCHEDULE 1

For year ended March 31,

2019

2018

	General Operating	Water and Sewage	Land Development	Equity in Tangible Capital Assets	Reserves	Total	Total
Excess (deficiency) of revenue over expenditures	\$ 1,724,401	\$ (79,808)	\$ 182,308	\$ -	\$ -	\$ 1,826,901	\$ 17,306,713
Net interfund transfers:							
To (from) operating fund - Minor Capital Block Funding	(56,000)	-	-	-	56,000	-	-
To (from) land development fund	-	-	(426,104)	-	426,104	-	-
To (from) equipment replacement reserve	(423)	-	-	-	423	-	-
To (from) capital fund - additions	(1,164,308)	-	(940,806)	2,105,114	-	-	-
To (from) capital fund - depreciation	505,452	793,079	232,365	(1,530,896)	-	-	-
To (from) capital fund - capital lease payments	-	(360,323)	-	360,323	-	-	-
To (from) reserves - Mobile equipment block funding	(104,670)	-	-	-	104,670	-	-
To (from) reserves - Multi-use complex	(3,664)	-	-	-	3,664	-	-
To (from) reserves - Land Development - New Subdivision	-	-	940,806	-	(940,806)	-	-
Interest on reserves	-	-	-	-	92,681	92,681	27,237
Change in fund balances	900,788	352,948	(11,431)	934,541	(257,264)	1,919,582	17,333,950
Fund balance, beginning of year	1,818,149	284,980	566,498	34,065,004	5,416,442	42,151,073	24,817,123
Fund balance, end of year	\$ 2,718,937	\$ 637,928	\$ 555,067	\$ 34,999,545	\$ 5,159,178	\$ 44,070,655	\$ 42,151,073

Reserves consist of:

Equipment replacement reserve	\$ 585,092
Granular reserve	137,563
Land development reserve	3,557,931
Minor capital reserve	330,844
Multi-use complex reserve	147,748
Water and sewer vehicle replacement reserve	400,000
	\$ 5,159,178

SCHEDULE 2

Municipality of Cambridge Bay

Water and Sewage Services

For year ended March 31,	Budget	2019 Actual	2018 Actual
Revenue			
Customer charges	\$ 4,778,281	\$ 4,668,540	\$ 4,565,331
Government of Nunavut subsidy	280,099	285,178	280,099
Local government charges	147,502	137,936	130,142
Other revenue (charges)	24,000	(9,158)	35,642
Total revenues	5,229,882	5,082,496	5,011,214
Expenditures			
Salaries and benefits			
Administration	480,132	412,895	394,536
Water and sewer service vehicles	2,115,236	2,194,877	2,130,212
Works foreman	119,192	115,990	123,220
	2,714,560	2,723,762	2,647,968
Equipment			
Fuel	175,000	186,244	194,695
Operations and maintenance	263,200	283,313	266,430
Interest on lease obligations	46,992	25,671	47,397
	485,192	495,228	508,522
Building			
Electricity	143,000	151,037	142,910
Heating fuel	125,000	181,441	128,929
Insurance	97,356	94,341	73,754
Operations and maintenance	30,000	19,882	28,122
Water and sewage	9,000	6,265	8,112
Garbage services	600	600	225
	404,956	453,566	382,052
Road maintenance and snow clearing	235,834	256,707	235,834
Direct administration			
Bad debts	20,000	4,049	(54,411)
Communications	34,800	51,716	36,977
Contracted services - IT consulting	15,000	9,762	26,919
Freight	15,000	16,912	7,884
Materials and supplies	90,950	85,791	75,849
Professional services	32,500	25,414	28,327
Small equipment purchase and rental - non capital	7,500	5,669	5,078
Staff training	6,000	10,105	4,193
Travel	8,100	3,065	1,839
	229,850	212,483	132,655
Indirect administration charge	227,479	227,479	227,828
Total expenditures	4,297,871	4,369,225	4,134,859
Excess of revenue over expenditures before depreciation	932,011	713,271	876,355
Depreciation	879,659	793,079	698,968
Loss on disposal of tangible capital assets	-	-	155,401
Excess (deficiency) of revenue over expenditures	\$ 52,352	\$ (79,808)	\$ 21,986

Municipality of Cambridge Bay

Land Development and Administration

For year ended March 31,	Budget	2019 Actual	2018 Actual
Revenue			
Land administration operating contribution	\$ 75,723	\$ 78,167	\$ 76,847
Lot equity leases	1,250,000	206,896	374,285
Lot standard leases	262,053	219,208	259,413
Permits and fees	7,000	-	6,350
Other revenue	-	40,423	-
Total revenues	1,594,776	544,694	716,895
Expenditures			
Bad debt recovery	-	(2,425)	-
Building operations and maintenance	-	350	570
Communications	6,500	9,238	6,242
Freight	200	-	25
Land development costs	-	-	19,453
Materials and supplies	1,205,000	19,586	3,920
Professional services	1,500	766	2,007
Salaries and benefits	114,282	101,909	117,019
Staff training	2,000	597	-
Total expenditures	1,329,482	130,021	149,236
Excess of revenue over expenditures before depreciation	265,294	414,673	567,659
Depreciation	232,365	232,365	232,365
Excess of revenue over expenditures	\$ 32,929	\$ 182,308	\$ 335,294

Municipality of Cambridge Bay**Other Revenue**

For year ended March 31,	Budget	2019 Actual	2018 Actual
General operations			
Equipment rental	\$ 1,000	\$ 1,692	\$ 1,149
Garbage revenue	507,390	703,135	389,325
Government of Nunavut			
Capital block funding - mobile equipment	160,670	104,670	104,670
Community development block funding	10,000	10,000	10,000
Elder's program	-	4,577	-
Interest - general	25,000	54,724	27,240
Licenses and permits	35,400	75,557	28,725
Medivac services	40,000	54,800	41,200
Other revenue and donations	35,500	4,205	73,835
Rental of buildings - external	247,500	263,061	275,628
Travel reimbursement	15,000	23,458	17,887
Wellness revenue	2,500	34,928	5,550
General operations revenue	1,079,960	1,334,807	975,209
Recreation			
Bingos, lotteries and fundraising	84,336	151,635	34,110
Donations	5,000	-	6,397
Government of Nunavut			
Active living	10,000	10,000	12,372
Aquatics renovation	52,719	10,000	15,283
Recreation	-	58,231	-
Mad Science Camp	-	-	21,649
Traditional programs	24,600	24,600	21,500
Volunteer recognition	1,500	1,500	1,500
Interest	-	2,580	-
Building rentals	5,000	31,274	3,250
Special events and days	48,400	38,759	80,872
User fees	81,000	32,201	68,251
Recreation revenue	312,555	360,780	265,184
Total other revenue	\$ 1,392,515	\$ 1,695,587	\$ 1,240,393

Municipality of Cambridge Bay

General Government Services Expenditures

For year ended March 31,	Budget	2019 Actual	2018 Actual
Advertising	\$ 1,000	\$ -	\$ -
Bad debt (recovery)	-	2,109	(142,491)
Bank and interest charges	15,000	18,719	14,969
Building			
Electricity	138,000	120,549	149,874
Heating fuel	157,000	137,734	139,688
Operations and maintenance	45,000	37,388	32,542
Water and sewage	108,000	65,363	81,412
Garbage services	7,475	12,600	7,475
Building rent	32,500	-	28,486
Community Development Fund (CDF) expenses	-	10,000	10,000
Communications	35,177	38,629	31,585
Contract and general services - IT consulting	15,000	13,094	15,081
Council expenses - travel	20,000	6,635	8,558
Elections and census	500	-	485
Equipment			
Fuel	9,000	8,363	6,123
Operations and maintenance	5,000	1,633	12,650
Freight	6,000	5,628	5,443
Honoraria - council	40,000	41,409	53,556
Insurance	88,505	91,341	72,629
Materials and supplies	55,250	46,775	7,809
Materials and supplies - Wellness	23,000	24,969	11,067
Mayor's expenses	15,000	11,619	10,965
Mayor's stipend	60,000	60,000	50,307
Membership fees	12,500	5,494	12,469
Professional services	29,000	20,052	12,642
Salaries and benefits	999,575	950,274	1,001,582
Share of administration charge allocated to contracts	(325,479)	(387,056)	(336,448)
Share of administration charge allocated to WSSSP	(227,479)	(227,479)	(227,828)
Small equipment purchase and rental - non capital	9,000	9,000	12,141
Staff training	5,000	6,449	1,392
Travel	10,000	-	7,825
	1,388,524	1,131,291	1,091,988
Tangible capital asset transfer to contracts	-	-	-
Total expenditures before depreciation	1,388,524	1,131,291	1,091,988
Depreciation	338,215	300,637	349,186
Gain on disposal of tangible capital assets	-	-	(177,778)
Total expenditures	\$ 1,726,739	\$ 1,431,928	\$ 1,263,396

SCHEDULE 6**Municipality of Cambridge Bay****Protective Services Expenditures**

For year ended March 31,	Budget	2019 Actual	2018 Actual
Building			
Electricity	\$ 25,000	\$ 23,441	\$ 35,010
Heating fuel	32,000	43,016	24,717
Operations and maintenance	3,500	21,036	1,940
Water and sewage	500	-	-
Communications	8,332	8,692	8,341
Equipment			
Fuel	6,250	5,143	6,249
Operations and maintenance	12,000	17,683	17,123
Freight	250	-	-
Materials and supplies	8,500	8,811	3,857
Salaries and benefits	199,718	199,041	166,785
Total expenditures before depreciation	296,050	326,863	264,022
Depreciation	27,613	44,404	18,584
Total expenditures	\$ 323,663	\$ 371,267	\$ 282,606

Municipality of Cambridge Bay**Transportation and Public Works Services Expenditures**

For year ended March 31,	Budget	2019 Actual	2018 Actual
Building			
Water and sewage	\$ 5,000	\$ -	\$ -
Contract and general services - road maintenance	250,000	192,984	370,709
Equipment			
Fuel	6,500	1,819	6,426
Interest on lease obligations	846	177	2,980
Operations and maintenance	2,000	150	-
Materials and supplies	1,500	8,905	5,356
Salaries and benefits	29,848	32,439	30,870
Share of road maintenance and snow clearing - WSSSP	(235,834)	(256,707)	(235,834)
Street lighting	70,000	67,682	68,969
Total expenditures before depreciation	129,860	47,449	249,476
Depreciation	21,970	29,831	21,970
Total expenditures	\$ 151,830	\$ 77,280	\$ 271,446

Municipality of Cambridge Bay

Environmental Health Services Expenditures

For year ended March 31,	Budget	2019 Actual	2018 Actual
Building			
Electricity	\$ 18,000	\$ 14,145	\$ 15,967
Heating fuel	6,000	5,345	4,840
Communications	-	222	44
Equipment			
Fuel	10,000	9,287	8,672
Operations and maintenance	25,000	2,823	33,328
Materials and supplies	1,000	-	119
Salaries and benefits	184,348	179,641	184,148
Total expenditures before depreciation	244,348	211,463	247,118
Depreciation	40,903	29,962	29,962
Total expenditures	\$ 285,251	\$ 241,425	\$ 277,080

Municipality of Cambridge Bay

Recreation Services Expenditures

For year ended March 31,	Budget	2019 Actual	2018 Actual
Building			
Electricity	\$ 74,000	\$ 63,295	\$ 69,227
Heating fuel	44,000	39,887	37,818
Operations and maintenance	23,500	45,456	10,131
Water and sewage	17,000	31,096	25,340
Garbage services	600	-	-
Communications	8,700	11,604	8,780
Consultants	8,100	9,000	8,100
Equipment			
Fuel	10,000	4,817	11,502
Operations and maintenance	3,400	1,135	-
Freight	4,000	13,970	3,010
Honoraria	2,000	-	1,350
Materials and supplies	40,250	23,847	46,727
Membership fees	500	500	1,287
Salaries and benefits	398,041	293,859	299,735
Special events and days	121,127	77,154	141,553
Staff training	1,200	3,000	300
Travel	20,935	14,656	17,742
Total expenditures before depreciation	777,353	633,276	682,602
Depreciation	43,599	91,272	47,453
Total expenditures	\$ 820,952	\$ 724,548	\$ 730,055

Municipality of Cambridge Bay

Contract Services - Revenue and Expenditures - Summary

For year ended March 31, 2019

	Total Contract	Deferred Contribution	Net Proceeds	Operating Expenditures	Capital Expenditures	Total Expenditures	Excess Revenue (Expenditures)
Trade show - Dept. 671	\$ 182,993	\$ -	\$ 182,993	\$ 151,929	\$ -	\$ 151,929	\$ 31,064
Heritage Buildings - Dept. 601	-	-	-	2,373	-	2,373	(2,373)
Alcohol and Drug - Dept. 503	174,610	-	174,610	174,610	-	174,610	-
Healthy Children - Dept. 760	151,800	-	151,800	207,930	-	207,930	(56,130)
Crisis Shelter/FVPP - Dept. 502	341,192	-	341,192	342,438	-	342,438	(1,246)
CAPC - Dept. 618	92,000	-	92,000	92,026	-	92,026	(26)
Thrift Shop - Dept. 785	-	-	-	5,789	-	5,789	(5,789)
Community Health & Wellness - Dept. 400	10,000	-	10,000	10,000	-	10,000	-
Mayor's Youth Advisory Council - Dept. 619	14,924	-	14,924	14,924	-	14,924	-
Cooking Made Easy Program - Dept. 650	12,078	-	12,078	12,078	-	12,078	-
Mental Health Crisis Intervention Team - Dept. 709	650,000	-	650,000	654,585	-	654,585	(4,585)
Tobacco Reduction - Dept. 784	33,846	-	33,846	33,846	-	33,846	-
Youth Centre - Dept. 764	34,883	-	34,883	39,164	-	39,164	(4,281)
Justice committee - Dept. 608	37,400	-	37,400	37,400	-	37,400	-
Job Readiness Program - Dept. 500	82,348	-	82,348	82,348	-	82,348	-
Cambridge Bay Coalition - Dept. 602	24,727	-	24,727	24,727	-	24,727	-
Youth Outreach - Dept. 766	23,980	-	23,980	8,189	-	8,189	15,791
DEA - Early Childhood Program - Dept. 763	50,350	-	50,350	50,350	-	50,350	-
Omingmak Pre-school - Dept. 768	72,547	-	72,547	60,842	-	60,842	11,705
Community Comprehensive Planning - Dept. 617	61,433	-	61,433	61,433	-	61,433	-
Homelessness Dept. 702	510,500	-	510,500	511,118	-	511,118	(618)
Breakfast for Learning - Dept. 703	62,370	-	62,370	62,370	-	62,370	-
Cultural Support Program - Dept. 720	348,265	-	348,265	348,265	-	348,265	-
CPNP - Dept. 615	104,000	-	104,000	104,108	-	104,108	(108)
Digital Art Studio - Dept. 401	61,000	-	61,000	61,000	-	61,000	-
28 Day Connection - Dept. 707	45,000	-	45,000	45,047	-	45,047	(47)
Youth Programming - Dept. 719	21,505	-	21,505	21,505	-	21,505	-
Breakfast Program Kiliuk - Dept. 770	23,287	-	23,287	23,287	-	23,287	-
Breakfast Program Kullik - Dept. 781	23,287	-	23,287	23,287	-	23,287	-
Tourism - Dept. 613	-	-	-	3,576	-	3,576	(3,576)
Waste Management and Recycling Program - Dept. 603	7,000	-	7,000	11,377	-	11,377	(4,377)
Arctic Inspiration Prize - Dept. 606	56,950	-	56,950	56,950	-	56,950	-
HCI Funding for Early Childhood Program - Dept. 772	24,360	-	24,360	24,360	-	24,360	-
Resolution Health Support - Dept. 710	423,916	-	423,916	423,916	-	423,916	-
Canadian High Arctic Research Station (CHARS) - Dept. 782	6,087	-	6,087	6,087	-	6,087	-
Youth Art/Welding Project - Dept. 614	72,577	-	72,577	81,389	-	81,389	(8,812)
Food Bank - Dept. 501	16,619	-	16,619	15,637	-	15,637	982
Youth Life Readiness - Dept. 783	21,505	-	21,505	21,505	-	21,505	-
Community Arts Studio - Dept. 780	34,650	-	34,650	34,650	-	34,650	-
Leading The Way - Dept. 674	1,217	-	1,217	1,217	-	1,217	-
	\$ 3,915,206	\$ -	\$ 3,915,206	\$ 3,947,632	\$ -	\$ 3,947,632	\$ (32,426)

SCHEDULE 10 (continued)

Municipality of Cambridge Bay

Contract Services - Revenue and Expenditures - Detail

For year ended March 31, 2019

	Trade Show Dept. 671	Heritage Buildings Dept. 601	Alcohol and Drug Dept. 503	Director of Healthy Living Dept. 760	St. Michel Safe Shelter FVPP Dept. 502	CAPC Dept. 618	Thrift Shop Dept. 785	CHWC Dept. 400
Revenue								
Contract revenue	\$ 182,993	\$ -	\$ 174,610	\$ 151,800	\$ 341,192	\$ 92,000	\$ -	\$ 10,000
Total revenue								
Expenditure								
Administrative fee and shared costs	-	-	15,873	13,800	44,503	11,580	-	-
Advertising	17,515	-	-	-	-	-	-	-
Building								
Electricity	-	-	-	-	4,649	2,000	-	-
Garbage	-	-	-	-	1,200	-	-	-
Heating fuel	-	-	-	-	6,097	2,000	699	-
Operations and maintenance	-	2,373	1,500	-	6,411	2,800	5,090	-
Water and sewage	-	-	-	-	11,338	2,029	-	-
Building rental	-	-	21,000	-	28,000	-	-	-
Communications	-	-	1,800	-	4,293	-	-	-
Contract and general services	49,393	-	-	-	-	-	-	-
Equipment								
Fuel	-	-	-	-	6,945	-	-	-
Operations and maintenance	-	-	-	-	11,855	-	-	-
Freight	85	-	-	-	-	-	-	-
Materials and supplies	66,936	-	18,927	-	12,227	12,806	-	10,000
Salaries and benefits	-	-	115,510	194,130	202,016	58,331	-	-
Training	-	-	-	-	2,203	-	-	-
Travel	18,000	-	-	-	701	480	-	-
Total expenditures								
Excess (deficiency) of revenues over expenditures before other items	31,064	(2,373)	-	(56,130)	(1,246)	(26)	(5,789)	-
Excess (deficiency) of revenues over expenditures	\$ 31,064	\$ (2,373)	\$ -	\$ (56,130)	\$ (1,246)	\$ (26)	\$ (5,789)	\$ -

Municipality of Cambridge Bay

SCHEDULE 10 (continued)

Contract Services - Revenue and Expenditures - Detail

For year ended March 31, 2019

	Mayor's Youth Advisory Council Dept. 619	Expensive Cooking Made Easy Dept. 650	Mental Health Crisis Int. Team Dept. 709	Tobacco Reduction Dept. 784	Youth Centre Dept. 764	Justice Committee Dept. 608	Job Readiness Program Dept. 500	Cambridge Bay Coalition Dept. 602
Revenue								
Contract revenue	\$ 14,924	\$ 12,078	\$ 650,000	\$ 33,846	\$ 34,883	\$ 37,400	\$ 82,348	\$ 24,727
Total revenue	14,924	12,078	650,000	33,846	34,883	37,400	82,348	24,727
Expenditure								
Administrative fee and shared costs	-	1,098	59,007	3,077	-	3,400	6,741	-
Building								
Electricity	-	-	-	-	8,076	-	-	-
Garbage	-	-	-	-	1,200	-	-	-
Heating fuel	-	-	-	-	9,268	-	-	-
Operations and maintenance	-	-	-	-	2,256	-	-	-
Water and sewage	-	-	-	-	7,113	-	-	-
Building rental	-	-	11,250	6,500	-	-	21,643	2,400
Communications	-	-	3,000	-	273	-	-	-
Contract and general services	-	-	91,219	-	-	-	35,640	-
Honoraria	2,000	-	2,540	-	-	2,300	-	-
Materials and supplies	12,924	4,380	127,279	24,269	-	15,059	4,603	-
Salaries and benefits	-	6,600	223,310	-	1,865	-	-	22,327
Training	-	-	13,758	-	-	16,641	-	-
Travel	-	-	123,222	-	-	-	13,721	-
Total operating expenditures	14,924	12,078	654,585	33,846	30,051	37,400	82,348	24,727
Excess (deficiency) of revenues over expenditures before other	-	-	(4,585)	-	4,832	-	-	-
Depreciation	-	-	-	-	9,113	-	-	-
Excess (deficiency) of revenues over expenditures	\$ -	\$ -	\$ (4,585)	\$ -	\$ (4,281)	\$ -	\$ -	\$ -

Municipality of Cambridge Bay

SCHEDULE 10 (continued)

Contract Services - Revenue and Expenditures - Detail

For year ended March 31, 2019

	Youth Outreach Dept. 766	DEA - Early Childhood Dept. 763	Omingmak Pre-School Program Dept. 768	Comprehensive Community Plan Dept. 617	Homelessness Dept. 702	Breakfast for Learning Dept. 703	Cultural Support Program Dept. 720	Arctic Inspiration Prize Dept. 606
Revenue								
Contract revenue	\$ 23,980	\$ 50,350	\$ 72,547	\$ 61,433	\$ 510,500	\$ 62,370	\$ 348,265	\$ 56,950
Total revenue								
Expenditure								
Administrative fee and shared costs	-	-	-	-	46,478	5,670	44,447	-
Building								
Electricity	-	-	-	-	7,037	-	-	-
Heating fuel	-	-	-	-	6,987	-	-	-
Operations and maintenance	-	-	-	-	4,200	-	-	-
Water and sewage	-	-	-	-	14,647	-	-	-
Building rental	-	-	-	2,400	24,000	9,600	27,000	-
Communications	-	-	-	-	2,917	-	2,250	-
Contract and general services	-	-	-	16,490	16,500	-	20,700	-
Honoraria	-	-	-	13,075	-	-	10,070	-
Materials and supplies	-	3,226	2,331	4,166	23,190	2,508	54,245	19,093
Salaries and benefits	8,189	47,124	58,511	14,316	365,162	44,592	156,103	-
Training	-	-	-	-	-	-	3,764	-
Travel	-	-	-	10,986	-	-	29,686	37,857
Total operating expenditures								
Deficiency of revenues over expenditures	\$ 15,791	\$ -	\$ 11,705	\$ -	\$ (618)	\$ -	\$ -	\$ -

SCHEDULE 10 (continued)

Municipality of Cambridge Bay

Contract Services - Revenue and Expenditures - Detail

For year ended March 31, 2019

	CPNP Dept. 615	Digital Art Studio Dept. 401	28 Day Connections Program Dept. 707	Youth Programming Dept. 719	Healthy Breakfast Program - Kililnik Dept. 770	Healthy Breakfast Program - Kullik Dept. 781	Tourism Dept. 613	Waste Management and Recycling Program Dept. 603
Revenue								
Contract revenue	\$ 104,000	\$ 61,000	\$ 45,000	\$ 21,505	\$ 23,287	\$ 23,287	-	\$ 7,000
Total revenue	104,000	61,000	45,000	21,505	23,287	23,287	-	7,000
Expenditure								
Administrative fee and shared costs	11,580	-	-	1,955	2,117	2,117	-	-
Building								
Electricity	2,000	-	-	-	-	-	-	-
Heating fuel	2,000	-	-	-	-	-	-	-
Operations and maintenance	2,800	-	-	-	-	-	-	-
Water and sewage	2,029	-	-	-	-	-	-	-
Building rental	-	-	1,500	4,800	-	-	-	-
Contract and general services	-	-	28,200	-	-	-	-	-
Honoraria	-	-	-	250	-	-	-	-
Materials and supplies	13,082	61,000	2,031	1,981	21,170	21,170	3,576	-
Salaries and benefits	70,331	-	-	12,519	-	-	-	-
Travel	286	-	13,316	-	-	-	-	11,377
Total operating expenditures	104,108	61,000	45,047	21,505	23,287	23,287	3,576	11,377
Deficiency of revenues over expenditures	\$ (108)	\$ -	\$ (47)	\$ -	\$ -	\$ -	\$ (3,576)	\$ (4,377)

SCHEDULE 10 (continued)

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

For year ended March 31, 2019

	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	Youth Readiness Dept. 783	Community Arts Studio Dept. 780	Leading The Way - ASP Dept. 674	Total
Revenue									
Contract revenue	\$ 24,360	\$ 423,916	\$ 6,087	\$ 72,577	\$ 16,619	\$ 21,505	\$ 34,650	\$ 1,217	\$ 3,915,206
Total revenue	24,360	423,916	6,087	72,577	16,619	21,505	34,650	1,217	3,915,206
Expenditure									
Administrative fee and shared costs	2,215	55,293	-	-	-	1,955	34,650	-	367,556
Advertising	-	-	-	-	-	-	-	-	17,515
Building	-	-	-	-	-	-	-	-	-
Electricity	-	-	-	-	-	-	-	-	23,762
Garbage	-	-	-	-	-	-	-	-	2,400
Heating fuel	-	-	-	-	-	-	-	-	27,051
Operations and maintenance	-	-	-	-	-	-	-	-	27,430
Water and sewage	-	-	-	-	-	-	-	-	37,156
Building rental	-	54,000	-	-	-	4,800	-	-	218,893
Communications	-	2,250	-	-	-	-	-	-	16,783
Contract and general services	-	10,556	6,087	62,025	-	1,062	-	-	337,872
Equipment	-	-	-	-	-	-	-	-	-
Fuel	-	-	-	-	-	-	-	-	6,945
Operation and maintenance	-	-	-	-	-	-	-	-	11,855
Equipment rental	-	-	-	5,600	-	-	-	-	5,600
Freight	-	-	-	-	-	-	-	-	85
Honoraria	-	-	-	-	-	-	-	-	30,235
Materials and supplies	-	38,031	-	5,499	15,637	4,108	-	-	605,454
Salaries and benefits	22,145	202,636	-	-	-	9,580	-	1,217	1,836,514
Training	-	10,727	-	-	-	-	-	-	47,093
Travel	-	50,423	-	8,265	-	-	-	-	318,320
Total operating expenditures	24,360	423,916	6,087	81,389	15,637	21,505	34,650	1,217	3,938,519
Excess (deficiency) of revenues before other items	-	-	-	(8,812)	982	-	-	-	(23,313)
Depreciation	-	-	-	-	-	-	-	-	9,113
Excess (deficiency) of revenues over expenditures	\$ -	\$ -	\$ -	\$ (8,812)	\$ 982	\$ -	\$ -	\$ -	\$ (32,426)

SCHEDULE 11**Municipality of Cambridge Bay****Community Transfer Initiative Program - Community Capacity Building**

For year ended March 31,	Budget	2019 Actual	2018 Actual
Revenue			
Operating contribution	\$ 170,614	\$ 170,614	\$ 183,362
Total revenues	170,614	170,614	183,362
Expenditures			
Advertising	12,775	9,415	7,861
Building			
Operations and maintenance	-	-	2,700
Building rental	-	3,600	3,600
Communications	-	2,912	1,401
Material and supplies	5,000	6,093	419
Salaries and benefits	152,839	164,555	159,958
Staff training	-	60	-
Travel	-	12,954	13,001
Total expenditures	170,614	199,589	188,940
Deficiency of revenue over expenditures	\$ -	\$ (28,975)	\$ (5,578)

SCHEDULE 12**Municipality of Cambridge Bay****Minor Capital Block Funding**

For year ended March 31,	2019 Actual	2018 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	2019 Actual Contract	Actual Overall	2018 Actual Overall
Revenues				
Grants and contributions	\$ 2,576,182	\$ 226,614	\$ 2,802,796	\$ 2,780,656
Contracts	-	3,915,206	3,915,206	3,849,594
Other	6,823,262	-	6,823,262	6,467,731
Total revenues	9,399,444	4,141,820	13,541,264	13,097,981
Expenditures				
Administrative fee	(387,056)	367,556	(19,500)	(6,093)
Advertising	-	26,930	26,930	7,861
Bad debts	3,734	-	3,734	(196,902)
Bank and interest charges	18,719	-	18,719	14,969
Building				
Electricity	372,467	23,762	396,229	432,128
Garbage	13,200	2,400	15,600	8,300
Heating fuel	407,423	27,051	434,474	364,293
Operations and maintenance	124,112	27,430	151,542	202,872
Water and sewage	102,724	37,156	139,880	134,991
Building rent	-	222,493	222,493	229,286
Communications	120,102	19,695	139,797	113,784
Community development fund	10,000	-	10,000	10,000
Contract and general services	215,840	337,872	553,712	864,624
Elections and census	-	-	-	485
Equipment				
Fuel	215,672	6,945	222,617	239,901
Interest on lease obligation	25,848	-	25,848	50,377
Leases	-	5,600	5,600	-
Operations and maintenance	306,737	11,855	318,592	341,532
Freight	36,510	85	36,595	17,601
Honoraria	41,409	30,235	71,644	80,721
Insurance	185,682	-	185,682	146,383
Land development	-	-	-	19,453
Materials and supplies	218,684	611,547	830,231	799,567
Mayor and council expenses	18,253	-	18,253	19,523
Mayors' stipend	60,000	-	60,000	50,307
Membership fees	5,994	-	5,994	13,756
Professional services	55,232	-	55,232	51,076
Salaries and benefits	4,480,927	2,001,069	6,481,996	6,403,943
Small equipment purchase - non capital	14,668	-	14,668	17,219
Special events and days	77,154	-	77,154	141,553
Staff training	20,151	47,153	67,304	134,052
Street lighting	67,682	-	67,682	68,969
Travel	17,720	331,274	348,994	141,996
Loss on disposal	-	-	-	(22,377)
Depreciation	1,521,783	9,113	1,530,896	1,405,626
Total expenditures	8,371,371	4,147,221	12,518,592	12,301,776
Reserve interest	92,681	-	92,681	27,237
Capital contributions	804,229	-	804,229	2,010,509
CGS Contributed Tangible Capital Asset	-	-	-	14,500,000
Excess (deficiency) of revenues over expenditures	\$ 1,924,983	\$ (5,401)	\$ 1,919,582	\$ 17,333,951

Municipality of Cambridge Bay

Additional InformationFor year ended March 31, 2019

The following assets were acquired during the year:

Asset identification	By-law	Acquisition Cost	Sources of Funding	Amount
New residential and industrial subdivision		\$ 940,806	Land Reserve Fund	\$ 940,806
Three Ford F150s	303	137,922	General Operating Fund	137,922
Community Art Studio		362,282	Government of Nunavut - Economic Development and Transportation	250,000
			Government of Nunavut - Health	18,350
Caterpillar Skid Steer	304	152,559	CanNor	93,932
Men's Shelter Renovations		171,677	General Operating Fund	152,559
Men's Shelter Renovations		171,677	Service Canada	171,677
Bridge Construction		319,700	General Operating Fund	19,700
			Government of Nunavut - Economic Development and Transportation	300,000
Freight for fire truck		20,168	General Operating Fund	10,168
		-	Northern Affairs Canada - CHARS	10,000
Total		\$ 2,105,114		\$ 2,105,114

Municipality of Cambridge Bay

Tangible Capital Assets

For year ended March 31, 2019

Cost	Land and Land Improvements	Roads	Office Equipment	Engineered Structures	Buildings	Heavy Equipment	Vehicles	Other Infrastructure	Work in Progress	Total
Balance, opening	\$ 16,001	\$ 6,944,295	\$ 62,635	\$ 3,639,625	\$ 31,109,456	\$ 911,495	\$ 3,091,433	\$ 102,591	\$ 2,219,504	\$ 48,097,035
Acquisitions	-	-	-	-	-	-	172,727	-	1,932,387	2,105,114
Allocation of work in progress	-	-	-	-	-	-	1,120,000	-	(1,120,000)	-
Balance, closing	16,001	6,944,295	62,635	3,639,625	31,109,456	911,495	4,384,160	102,591	3,031,891	50,202,149
Accumulated Depreciation										
Balance, opening	12,444	4,378,569	62,635	1,715,244	4,968,385	447,988	1,746,583	102,591	-	13,434,439
Annual depreciation	889	231,476	-	107,695	762,331	48,699	379,806	-	-	1,530,896
Disposals	-	-	-	-	-	-	-	-	-	-
Balance, closing	13,333	4,610,045	62,635	1,822,939	5,730,716	496,687	2,126,389	102,591	-	14,965,335
Net book value	\$ 2,668	\$ 2,334,250	\$ -	\$ 1,816,686	\$ 25,378,740	\$ 414,808	\$ 2,257,771	\$ -	\$ 3,031,891	\$ 35,236,814

A total \$2,105,114 (2018 - \$16,861,759) of assets were acquired in the year. The additions were financed directly through capital leases for \$nil (2018 - \$-), capital contributions of \$804,229 (2018 - \$16,510,509), and the remaining additions were acquired using operating cash of \$1,300,885 (2018 - \$351,250).