

**Municipality of Cambridge Bay**

**Financial Statements**

**March 31, 2016**

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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.

**August 22, 2016**

**Senior Administrative Officer  
Municipality of Cambridge Bay**

## Independent Auditors' Report

### Mayor and Councillors 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, 2016 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, 2016 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  
August 22, 2016**

*Crowe MacKay LLP*

**Chartered Accountants**

## Municipality of Cambridge Bay

## Consolidated Statement of Financial Position

As at March 31,	2016	2015 <i>(Restated - note 18)</i>
<b>Financial Assets</b>		
Cash and cash equivalents	\$ 1,046,863	\$ 1,008,512
Reserve deposits (Note 4)	3,183,820	1,882,939
Accounts receivable (Note 5)	3,139,459	4,866,892
<b>Total Financial Assets</b>	<b>7,370,142</b>	7,758,343
<b>Liabilities</b>		
Accounts payable and accrued liabilities (Note 6)	338,658	598,359
Wages and benefits payable	286,770	337,692
Contributions repayable (Note 7)	143,145	219,065
Deferred revenue (Note 8)	25,000	-
Capital lease obligations (Note 9)	1,181,193	1,132,218
Annual, lieu and sick leave accrual	220,673	353,697
Post-employment benefits payable	19,553	38,172
<b>Total Liabilities</b>	<b>2,214,992</b>	2,679,203
<b>Net Financial Assets</b>	<b>5,155,150</b>	5,079,140
<b>Non-Financial Assets</b>		
Tangible capital assets (Schedule 15)	19,273,635	8,281,875
Inventory for consumption	195,206	206,878
Prepaid expenses	42,679	38,595
<b>Total Non-Financial Assets</b>	<b>19,511,520</b>	8,527,348
<b>Financial Position</b>		
<b>Accumulated surplus (Schedule 1)</b>	<b>\$ 24,666,670</b>	<b>\$ 13,606,488</b>

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	2016 Actual	2015 Actual <i>(Restated - note 18)</i>
<b>GENERAL</b>			
<b>Revenue</b>			
Operating contribution	\$ 1,890,479	\$ 1,912,523	\$ 1,890,480
Water and sewage services (Schedule 2)	4,327,852	4,645,776	4,119,350
Land development and administration (Schedule 3)	1,830,596	289,501	2,195,358
Other revenue (Schedule 4)	1,524,404	1,357,682	1,284,425
Contract services (Schedule 10)	1,055,600	3,077,023	3,566,320
Community transfer initiative program (Schedule 11)	190,000	356,632	299,748
Minor Capital Block Funding (Schedule 12)	-	56,000	56,000
<b>Total revenue</b>	<b>10,818,931</b>	<b>11,695,137</b>	13,411,681
<b>Expenditures</b>			
Water and sewage services (Schedule 2)	4,041,217	3,922,525	3,945,029
Land development and administration (Schedule 3)	95,300	461,158	149,916
General government services (Schedule 5)	1,392,050	1,419,080	1,125,938
Protective services (Schedule 6)	307,830	293,089	283,129
Transportation and public works services (Schedule 7)	37,840	(54,527)	54,684
Environmental health services (Schedule 8)	441,500	184,333	237,139
Recreation services (Schedule 9)	808,750	837,458	839,123
Contract services (Schedule 10)	1,104,599	3,143,082	3,503,384
Community transfer initiative program (Schedule 11)	279,300	429,084	398,207
Depreciation (Schedule 15)	768,200	809,900	733,781
Loss on disposal of tangible capital asset	-	290,556	-
<b>Total operating expenditures</b>	<b>9,276,586</b>	<b>11,735,738</b>	11,270,330
<b>Net operating before the following</b>	<b>1,542,345</b>	<b>(40,601)</b>	2,141,351
<b>CGS Contributed Tangible Capital Asset</b>	<b>-</b>	<b>11,084,300</b>	-
<b>Excess (deficiency) of revenue over expenditures</b>	<b>1,542,345</b>	<b>11,043,699</b>	2,141,351
<b>Accumulated surplus, opening, as previously stated</b>	<b>-</b>	<b>13,327,922</b>	11,413,690
<b>Prior period adjustment</b>	<b>-</b>	<b>278,566</b>	40,490
<b>Accumulated surplus, opening, as restated</b>	<b>-</b>	<b>13,606,488</b>	11,454,180
<b>Reserve interest</b>	<b>-</b>	<b>16,483</b>	10,957
<b>Accumulated surplus, closing</b>	<b>\$ 1,542,345</b>	<b>\$24,666,670</b>	\$13,606,488

## Municipality of Cambridge Bay

**Consolidated Statement of Changes in Net Financial Assets**

For year ended March 31,	2016	2015 <i>(Restated - note 18)</i>
<b>Excess (deficiency) of revenues over expenditures</b>	\$11,043,699	\$ 2,141,351
Acquisition of tangible capital assets (Schedule 15)	(12,182,214)	(740,813)
Depreciation of tangible capital assets	809,900	733,781
Disposal of tangible capital assets	380,554	-
Reserve interest	16,483	10,957
	<b>68,422</b>	2,145,276
(Purchase) use of inventory for consumption	11,672	(127,830)
(Increase) use of prepaid expense	(4,084)	(6,790)
<b>Increase in Net Financial Assets</b>	<b>76,010</b>	2,010,656
<b>Net Financial Assets, beginning of year</b>	<b>5,079,140</b>	3,068,484
<b>Net Financial Assets, end of year</b>	<b>\$ 5,155,150</b>	<b>\$ 5,079,140</b>



## Municipality of Cambridge Bay

## Consolidated Statement of Cash Flows

For year ended March 31,	2016	2015 <i>(Restated - note 18)</i>
<b>Net inflow (outflow) of cash related to the following activities:</b>		
<b>Operating activities</b>		
Excess (deficiency) of revenue over expenditures	\$11,043,699	\$ 2,141,351
<b>Non-cash items included in excess (deficiency) of revenues over expenditures</b>		
Depreciation of tangible capital assets	809,900	733,781
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	1,727,433	(2,680,144)
Accounts payable and accrued liabilities	(259,701)	75,862
Wages and benefits payable	(50,922)	64,380
Contributions repayable	(75,920)	28,993
Deferred revenue	25,000	(53,280)
Annual, lieu and sick leave accrual	(133,024)	(22,758)
Post-employment benefits payable	(18,619)	(11,240)
Inventory for consumption	11,672	(127,830)
Prepaid expenses	(4,084)	(6,790)
	<b>2,281,690</b>	<b>142,325</b>
<b>Capital activity</b>		
Acquisition of tangible capital assets	<b>(460,066)</b>	(171,958)
Proceeds on sale of tangible capital assets	<b>90,000</b>	-
	<b>(370,066)</b>	(171,958)
<b>Investing activity</b>		
Reserve interest	<b>16,483</b>	10,957
<b>Financing activity</b>		
Repayment of capital lease obligations	<b>(588,875)</b>	(425,058)
<b>Change in cash and cash equivalents</b>	<b>1,339,232</b>	(443,734)
<b>Cash and cash equivalents, beginning of year</b>	<b>2,891,451</b>	3,335,185
<b>Cash and cash equivalents, end of year</b>	<b>\$ 4,230,683</b>	<b>\$ 2,891,451</b>
<b>Cash and cash equivalents are comprised of:</b>		
Cash	\$ 1,046,863	\$ 1,008,512
Reserve deposits	3,183,820	1,882,939
	<b>\$ 4,230,683</b>	<b>\$ 2,891,451</b>

Capital assets acquired directly through capital leases totaled \$666,106 (2015 - \$568,855) for the year.

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## Municipality of Cambridge Bay

### Notes to Consolidated Financial Statements

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March 31, 2016

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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, 2016

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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 2016 budget amounts are unaudited and are approved by Council on March 13, 2015.

##### (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, 2016

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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, 2016

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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, 2016

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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, 2016

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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, 2016

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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:

	2016	2015
Cash	\$ 1,046,863	\$ 1,008,512
Reserve deposits	3,183,820	1,882,939
	<b>\$ 4,230,683</b>	<b>\$ 2,891,451</b>

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**Municipality of Cambridge Bay**

**Notes to Consolidated Financial Statements**

**March 31, 2016**

**4. Reserve Deposits**

	2016 Required Reserve	2016 Reserve Deposit	2016 Deposit Excess (Deficiency)
Equipment replacement reserve	\$ 409,223	\$ 15,113	\$ (394,110)
Granular reserve	134,232	93,393	(40,839)
Land development reserve	3,462,197	2,619,147	(843,050)
Minor capital reserve	158,267	56,167	(102,100)
Water and sewer vehicle replacement reserve	400,000	400,000	-
	<b>\$ 4,563,919</b>	<b>\$ 3,183,820</b>	<b>\$(1,380,099)</b>

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, 2016, the Municipality has not complied with this requirement.

**5. Accounts Receivable**

	Accounts Receivable	Allowance	2016 Accounts Receivable (net)	2015 Accounts Receivable (net) <i>(Restated - note 18)</i>
Government of Canada	\$ 611,294	\$ -	\$ 611,294	\$ 2,450,050
Government of Nunavut	1,510,036	1,050	1,508,986	1,591,371
Government of Nunavut - Housing	96,225	-	96,225	197,572
GST	47,899	-	47,899	67,939
Trade/Land	507,245	33,835	473,410	345,675
Water and Sewage - Cambridge Bay Housing Authority	3,518	-	3,518	633
Water and Sewage - Other	411,078	12,951	398,127	213,652
	<b>\$ 3,187,295</b>	<b>\$ 47,836</b>	<b>\$ 3,139,459</b>	<b>\$ 4,866,892</b>

**6. Accounts Payable and Accrued Liabilities**

	2016	2015
Accrued liabilities	\$ 174,288	\$ 54,602
Damage deposits	200	200
Trade and other	164,170	543,557
	<b>\$ 338,658</b>	<b>\$ 598,359</b>

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## Municipality of Cambridge Bay

### Notes to Consolidated Financial Statements

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March 31, 2016

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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.

	<b>2016</b>		2015
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
Floating Dock - Department of Economic Development and Transportation	-		75,920
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	4,665		4,665
Community Action Program for Children	4,376		4,376
Youth Outreach Coordinator	15,440		15,440
Life Management Program	845		845
	<b>\$ 143,145</b>	<b>\$</b>	<b>219,065</b>

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#### 8. Deferred Revenue

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

	<b>2016</b>		2015
Access Road	25,000		-
	<b>\$ 25,000</b>	<b>\$</b>	<b>-</b>

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

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**March 31, 2016**

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**9. Capital Lease Obligations**

<b>Item</b>	<b>Lease Expiration</b>	<b>Rate</b>	<b>Monthly Payments</b>	<b>Net Book Value</b>
2011 Ford F150 4x4	August 2016	6.75%	\$ 635	\$ 21,484
2011 Ford F150 4x4	August 2016	6.75%	\$ 635	\$ 21,484
2011 Caterpillar D6T Tractor	July 2018	7.90%	\$ 5,448	\$ 273,434
2011 Ford Explorer	August 2016	6.75%	\$ 835	\$ 19,592
2013 Freightliner Vacuum Truck	July 2016	7.00%	\$ 3,737	\$ 107,186
2013 Freightliner Water Truck	July 2017	7.00%	\$ 4,005	\$ 83,226
2013 F150 SuperCrew	July 2017	6.00%	\$ 1,038	\$ 24,496
2013 Freightliner Sewer Truck	July 2017	6.00%	\$ 3,675	\$ 110,211
2016 Western Star Sewer Truck	August 2019	6.25%	\$ 5,346	\$ 164,716
2016 Western Star Water Truck	August 2019	6.25%	\$ 5,346	\$ 203,116
2016 Western Star Water Truck	August 2019	6.25%	\$ 4,289	\$ 203,116

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

	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2017	\$ 466,978	\$ 62,080	\$ 529,058
2018	405,161	32,975	438,136
2019	246,859	10,545	257,404
2020	62,195	773	62,968
<b>Total</b>	<b>\$ 1,181,193</b>	<b>\$ 106,373</b>	<b>\$ 1,287,566</b>

**10. Equity in Tangible Capital Assets**

	<b>2016</b>	<b>2015</b>	<b>Change</b>
Tangible capital assets (Schedule 15)	\$19,273,635	\$ 8,281,875	\$10,991,760
Capital lease obligations (Note 9)	(1,181,193)	(1,132,218)	(48,975)
<b>Total</b>	<b>\$18,092,442</b>	<b>\$ 7,149,657</b>	<b>\$10,942,785</b>

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## Municipality of Cambridge Bay

### Notes to Consolidated Financial Statements

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March 31, 2016

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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

Total current service contributions by the Municipality of Cambridge Bay to the Northern Employee Benefits Services Pension Plan in 2016 were \$211,707 (2015 - \$197,240). Total current service contributions by the employees of the Municipality in 2016 were \$211,707 (2015 - \$197,240).

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 \$211,707 (2015 - \$197,240).

As at January 1, 2016, the NEBS Pension Plan had a \$71,296,000 deficiency on a solvency basis and a solvency ratio of 64%. The Plan serves 2,481 Employee Members and 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 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.

#### 14. 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.

<b>Actual Fund Balance (Schedule 1)</b>	<b>Change in Fund Balance (Schedule 1)</b>	<b>10% Allowable Margin</b>	<b>Over (Under)</b>
\$ 199,017	\$ 196,118	\$ 394,503	\$ (195,486)

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## Municipality of Cambridge Bay

### Notes to Consolidated Financial Statements

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March 31, 2016

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#### 15. 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.

##### 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.

#### 16. 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.

#### 17. Statutory Requirements

In accordance with Policies and Guidelines of the Department of Community and Government Services, Government of Nunavut, 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 \$1,380,099 (see note 4).

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## Municipality of Cambridge Bay

### Notes to Consolidated Financial Statements

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March 31, 2016

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#### 18. Restatement

From the period 2013 to 2015 the Municipality charged the incorrect rate to a Government customer for water and sewer charges. The subsidy was incorrectly applied to the billing resulting in undercharging the customer. There was also a billing error for water and sewer charges billed to a customer based on gallons as opposed to litres. The correction was made in the water and sewer billings in the 2016 fiscal year and the customer was charged an additional amount for the incorrect billings for prior periods. The comparative amounts were restated to reflect the nature of the transaction.

	2016		2015	
Increase - opening balance accounts receivable	\$	278,566	\$	49,490
Increase - closing balance accounts receivable	\$	-	\$	278,566
Increase - opening balance - Water and Sewage fund	\$	278,566	\$	40,490
Increase - closing balance - Water and Sewage fund	\$	-	\$	278,566
Increase - Water and Sewer revenue	\$	-	\$	238,076

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

For year ended March 31,

2016  
(Restated - note 18) 2015

	General Operating	Water and Sewage	Land Development	Equity in Tangible Capital Assets	Reserves	Total	Total
<b>Excess (deficiency) of revenue over expenditures</b>	\$ 11,401,232	\$ 20,999	\$ (378,532)	\$ -	\$ -	\$ 11,043,699	\$ 2,141,351
<b>Net interfund transfers:</b>							
To (from) operating fund	(56,000)	-	-	-	56,000	-	-
To (from) land development fund	-	-	(201,695)	-	201,695	-	-
To (from) capital fund - disposal	-	380,554	-	(380,554)	-	-	-
To (from) equipment replacement reserve	(112)	-	-	-	112	-	-
To (from) capital fund - additions	(11,516,108)	(666,106)	-	12,182,214	-	-	-
To (from) capital fund - depreciation	191,329	411,696	206,875	(809,900)	-	-	-
To (from) capital fund - capital lease additions	-	637,850	-	(637,850)	-	-	-
To (from) capital fund - capital lease payments	-	(588,875)	-	588,875	-	-	-
To (from) reserves - capital lease payments	65,380	-	-	-	(65,380)	-	-
To (from) reserves - Mobile equipment block funding	(104,670)	-	-	-	104,670	-	-
To (from) reserves - Land Development	-	-	302,334	-	(302,334)	-	-
Interest on reserves	-	-	-	-	16,483	16,483	10,957
<b>Change in fund balances</b>	(18,949)	196,118	(71,018)	10,942,785	11,246	<b>11,060,182</b>	2,152,308
<b>Fund balance, beginning of year, as previously stated</b>	1,157,045	(275,667)	744,214	7,149,657	4,552,673	<b>13,327,922</b>	11,413,690
<b>Prior period adjustment</b>	-	278,566	-	-	-	<b>278,566</b>	40,490
<b>Fund balance, beginning of year, as restated</b>	1,157,045	2,899	744,214	7,149,657	4,552,673	<b>13,606,488</b>	11,454,180
<b>Fund balance, end of year</b>	\$ 1,138,096	\$ 199,017	\$ 673,196	\$ 18,092,442	\$ 4,563,919	\$ 24,666,670	\$ 13,606,488
<b>Reserves consist of:</b>							
Equipment replacement reserve					\$ 409,223		
Granular reserve					134,232		
Land development reserve					3,462,197		
Minor capital reserve					158,267		
Water and sewer vehicle replacement reserve					400,000		
					\$ 4,563,919		

## Municipality of Cambridge Bay

## Water and Sewage Services

For year ended March 31,	Budget	2016 Actual	2015 Actual <i>(Restated - note 18)</i>
<b>Revenue</b>			
Customer charges	\$ 3,925,000	\$ 4,234,675	\$ 3,480,388
Government of Nunavut - Forced Growth	-	-	6,247
Government of Nunavut subsidy	273,852	280,099	511,928
Local government charges	120,000	131,002	112,772
Other revenue	9,000	-	8,015
<b>Total revenues</b>	<b>4,327,852</b>	<b>4,645,776</b>	<b>4,119,350</b>
<b>Expenditures</b>			
Salaries and benefits			
Administration	250,000	212,952	212,952
Water and sewer service vehicles	2,078,332	2,068,636	2,048,034
Works foreman	115,000	136,883	136,883
	2,443,332	2,418,471	2,397,869
Equipment			
Fuel	200,000	189,023	209,770
Leases	-	(2,507)	9,564
Operations and maintenance	200,000	195,953	244,396
Interest on lease obligations	75,000	92,882	58,085
	475,000	475,351	521,815
Building			
Electricity	90,000	99,738	87,971
Heating fuel	175,000	192,260	185,839
Insurance	102,000	83,942	101,973
Operations and maintenance	45,000	34,496	19,328
Water and sewage	3,000	3,248	15,964
	415,000	413,684	411,075
Road maintenance and snow clearing	230,885	230,885	230,885
Direct administration			
Communications	26,000	10,015	24,744
Contracted services - consulting	50,000	14,346	22,466
Freight	32,000	21,765	15,468
Materials and supplies	80,000	88,558	68,665
Professional services	50,000	31,207	41,022
Staff training	4,000	11,167	811
Travel	20,000	429	11,105
	262,000	177,487	184,281
Indirect administration chargeover	215,000	206,647	199,104
<b>Total expenditures</b>	<b>4,041,217</b>	<b>3,922,525</b>	<b>3,945,029</b>
<b>Excess of revenue over expenditures before depreciation</b>	<b>286,635</b>	<b>723,251</b>	<b>174,321</b>
<b>Depreciation</b>	<b>376,000</b>	<b>411,696</b>	<b>379,447</b>
<b>Loss on disposal of tangible capital assets</b>	<b>-</b>	<b>290,556</b>	<b>-</b>
<b>Excess (deficiency) of revenue over expenditures</b>	<b>\$ (89,365)</b>	<b>\$ 20,999</b>	<b>\$ (205,126)</b>



## Municipality of Cambridge Bay

## Land Development and Administration

For year ended March 31,	Budget	2016 Actual	2015 Actual
<b>Revenue</b>			
Land administration operating contribution	\$ 70,596	\$ 74,973	\$ 74,973
Lot standard leases	250,000	201,695	305,096
Lot sale	1,500,000	-	1,591,600
Permits and fees	10,000	12,833	223,689
<b>Total revenues</b>	<b>1,830,596</b>	<b>289,501</b>	<b>2,195,358</b>
<b>Expenditures</b>			
Building operations and maintenance	-	300	-
Communications	4,650	1,753	4,277
Freight	200	97	-
Land development costs	-	302,334	-
Materials and supplies	5,250	4,347	-
Professional services	1,500	-	56,942
Salaries and benefits	81,200	103,715	88,697
Staff training	2,500	35,131	-
Travel	-	13,481	-
<b>Total expenditures</b>	<b>95,300</b>	<b>461,158</b>	<b>149,916</b>
<b>Excess of revenue over expenditures before depreciation</b>	<b>1,735,296</b>	<b>(171,657)</b>	<b>2,045,442</b>
<b>Depreciation</b>	<b>206,200</b>	<b>206,875</b>	<b>206,209</b>
<b>Excess (deficiency) of revenue over expenditures</b>	<b>\$ 1,529,096</b>	<b>\$ (378,532)</b>	<b>\$ 1,839,233</b>

## Municipality of Cambridge Bay

## Other Revenue

For year ended March 31,	2016		2015 Actual
	Budget	Actual	
<b>General operations</b>			
Equipment rental	\$ 200	\$ 447	\$ 291
Garbage revenue	500,000	347,826	329,060
Government of Nunavut			
Capital block funding	56,000	-	-
Capital block funding - mobile equipment	104,670	104,670	104,670
Community development block funding	10,000	10,000	10,000
Forced Growth	-	53,333	22,044
Interest - general	25,000	14,912	20,647
Labour revenue	56,435	-	-
Licenses and permits	34,600	35,635	34,477
Medivac services	45,000	38,000	44,600
Other revenue and donations	54,299	3,998	24,949
Rental of buildings - external	235,750	266,173	250,917
Travel reimbursement	10,000	35,980	1,925
Wellness revenue	30,000	32,107	44,070
<b>General operations revenue</b>	<b>1,161,954</b>	<b>943,081</b>	<b>887,650</b>
<b>Recreation</b>			
Bingos, lotteries and fundraising	65,500	67,709	63,853
Donations	50,000	1,725	83,262
Government of Nunavut			
Aquatics grant	20,000	-	29,511
Aquatics renovation	-	10,000	-
Dance camp - CLEY	-	10,000	-
Mad Science Camp	-	69,424	49,910
Youth canteen sales	22,500	11,524	5,464
Kitikmeot Summer Games	-	6,113	-
Special events and days	146,450	126,542	121,575
Sport skill	5,000	4,000	-
User fees	53,000	58,860	43,200
Torch Relay	-	9,618	-
Day Camp Salary Subsidy	-	39,086	-
<b>Recreation revenue</b>	<b>362,450</b>	<b>414,601</b>	<b>396,775</b>
<b>Total other revenue</b>	<b>\$ 1,524,404</b>	<b>\$ 1,357,682</b>	<b>\$ 1,284,425</b>

## Municipality of Cambridge Bay

## General Government Services Expenditures

For year ended March 31,	2016		2015 Actual
	Budget	Actual	
Advertising	\$ 8,000	\$ 8,147	\$ 7,388
Bad debt (recovery)	-	(16,210)	(39,176)
Bank and interest charges	11,500	11,727	11,724
Building			
Electricity	131,000	144,545	118,536
Heating fuel	165,000	151,332	144,382
Operations and maintenance	66,000	29,915	46,026
Water and sewage	47,800	66,373	60,751
CDF expenses	-	10,000	10,000
Communications	54,500	79,627	39,331
Contract and general services - IT consulting	50,000	24,699	56,428
Council expenses - travel	50,000	53,100	63,229
Elections and census	2,000	-	-
Equipment			
Fuel	1,250	1,089	5,382
Leases	-	10,020	12,096
Operations and maintenance	4,500	12,006	2,327
Freight	8,000	8,096	4,408
Honoraria - council	45,000	37,250	24,672
Insurance	102,000	83,942	101,973
Grants to groups	2,500	1,371	1,881
Materials and supplies	43,800	48,375	25,501
Materials and supplies - Wellness	47,000	37,038	28,629
Mayor's expenses	15,000	13,001	9,734
Mayor's stipend	60,000	60,231	60,231
Membership fees	10,000	7,169	13,378
Professional services	50,000	37,156	49,022
Removal	8,000	-	-
Salaries and benefits	779,200	874,848	675,057
Share of administration charge allocated to contracts	(225,000)	(224,119)	(220,584)
Share of administration charge allocated to WSSSP	(215,000)	(206,647)	(199,104)
Share of administration charge allocated to Airport	-	-	(30,000)
Small equipment purchase and rental - non capital	20,000	31,175	14,149
Staff training	30,000	14,661	9,209
Travel	20,000	9,163	19,358
<b>Total expenditures before depreciation</b>	<b>1,392,050</b>	<b>1,419,080</b>	1,125,938
<b>Depreciation</b>	<b>66,000</b>	<b>70,871</b>	57,629
<b>Total expenditures</b>	<b>\$ 1,458,050</b>	<b>\$ 1,489,951</b>	\$ 1,183,567

## Municipality of Cambridge Bay

## Protective Services Expenditures

For year ended March 31,	Budget	2016 Actual	2015 Actual
Building			
Electricity	\$ 37,500	\$ 29,727	\$ 41,503
Heating fuel	52,500	52,363	58,152
Operations and maintenance	4,500	1,066	140
Water and sewage	700	88	678
Communications	6,900	3,810	7,042
Equipment			
Fuel	6,800	6,653	7,047
Operations and maintenance	6,200	11,944	8,997
Freight	250	-	-
Honoraria and fireman's fees	22,500	-	10,000
Materials and supplies	17,250	6,490	6,204
Salaries and benefits	152,730	174,502	143,366
Staff training	-	6,446	-
<b>Total expenditures before depreciation</b>	<b>307,830</b>	<b>293,089</b>	283,129
<b>Depreciation</b>	<b>22,800</b>	<b>22,821</b>	22,821
<b>Total expenditures</b>	<b>\$ 330,630</b>	<b>\$ 315,910</b>	305,950

## Municipality of Cambridge Bay

**Transportation and Public Works Services Expenditures**

For year ended March 31,	Budget	2016 Actual	2015 Actual
Building			
Water and sewage	\$ -	\$ 2,288	\$ -
Contract and general services - road maintenance	130,000	85,163	172,105
Equipment			
Fuel	15,000	7,385	10,744
Interest on lease obligations	26,000	12,888	17,698
Operations and maintenance	4,000	-	1,854
Materials and supplies	3,725	157	842
Share of road maintenance and snow clearing - WSSSP	(230,885)	(230,885)	(230,885)
Street lighting	90,000	68,477	82,326
<b>Total expenditures before depreciation</b>	<b>37,840</b>	<b>(54,527)</b>	54,684
<b>Depreciation</b>	<b>14,500</b>	<b>14,575</b>	14,575
<b>Total expenditures (recoveries)</b>	<b>\$ 52,340</b>	<b>\$ (39,952)</b>	\$ 69,259

## Municipality of Cambridge Bay

**Environmental Health Services Expenditures**

For year ended March 31,	Budget	2016 Actual	2015 Actual
Building			
Electricity	\$ 10,000	\$ 3,364	\$ 15,915
Contract and general services - cemeteries	1,000	-	-
Contract and general services - landfill maintenance	5,000	-	-
Equipment			
Fuel	10,000	9,504	10,472
Operations and maintenance	15,000	21,100	14,760
Materials and supplies	500	1,544	2,246
Salaries and benefits	400,000	148,821	193,746
<b>Total expenditures before depreciation</b>	<b>441,500</b>	<b>184,333</b>	237,139
<b>Depreciation</b>	<b>30,000</b>	<b>29,962</b>	-
<b>Total expenditures</b>	<b>\$ 471,500</b>	<b>\$ 214,295</b>	\$ 237,139

## Municipality of Cambridge Bay

## Recreation Services Expenditures

For year ended March 31,	Budget	2016 Actual	2015 Actual
Building			
Electricity	\$ 93,000	\$ 67,579	\$ 91,212
Heating fuel	41,500	30,145	39,270
Operations and maintenance	45,500	22,455	17,202
Water and sewage	21,000	29,781	24,364
Communications	7,300	2,500	7,378
Equipment			
Fuel	12,000	13,862	15,129
Operations and maintenance	2,500	-	595
Freight	15,000	9,049	18,287
Honoraria	-	-	1,980
Materials and supplies	57,950	78,760	22,517
Materials and supplies - Youth centre canteen	20,000	3,473	4,575
Membership fees	-	150	-
Salaries and benefits	360,500	333,537	399,234
Small equipment purchase and rental - non capital	1,000	-	-
Special events and days	111,500	207,834	175,711
Travel	20,000	38,333	21,669
<b>Total expenditures before depreciation</b>	<b>808,750</b>	<b>837,458</b>	839,123
<b>Depreciation</b>	<b>47,400</b>	<b>46,667</b>	46,668
<b>Total expenditures</b>	<b>\$ 856,150</b>	<b>\$ 884,125</b>	\$ 885,791

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

For year ended March 31, 2016

	Total Contract	Miscellaneous	Net Proceeds	Operating Expenditures	Capital Expenditures	Total Expenditures	Excess Revenue (Expenditures)
Floating Dock - Dept. 401	\$ 135,000	\$ -	\$ 135,000	\$ -	\$ 252,950	\$ 252,950	\$ (117,950)
Alcohol and Drug - Dept. 503	182,954	-	182,954	182,941	-	182,941	13
Healthy Children - Dept. 760	189,464	-	189,464	190,930	-	190,930	(1,466)
Crisis Shelter/FVPP - Dept. 502	269,064	-	269,064	287,140	-	287,140	(18,076)
CAPC/CPNP - Dept. 618	196,000	-	196,000	196,886	-	196,886	(886)
Women's Cultural Healing - Dept. 781	14,788	-	14,788	14,788	-	14,788	-
Climate Control - Dept. 611	26,125	-	26,125	26,125	-	26,125	-
Hoswell Committee - Dept. 400	10,000	-	10,000	10,130	-	10,130	(130)
Youth Centre - Dept. 764	-	-	-	43,129	-	43,129	(43,129)
Inuit Health Survey - Dept. 608	24,750	-	24,750	24,808	-	24,808	(58)
Job Readiness Program - Dept. 500	75,044	-	75,044	75,339	-	75,339	(295)
Youth Out Reach - Dept. 766	121,000	-	121,000	144,450	-	144,450	(23,450)
Start-up Funding for Early Childhood Program - Dept. 763	48,719	-	48,719	49,008	-	49,008	(289)
Omingmak Pre-school Program - Dept. 768	39,648	-	39,648	39,803	-	39,803	(155)
Mentorship - Dept. 761	24,002	-	24,002	24,002	-	24,002	-
Homelessness Dept. 702	73,324	-	73,324	73,324	-	73,324	-
Chronic Disease and Injury Prevention - Dept. 703	111,032	-	111,032	111,096	-	111,096	(64)
Cultural Support Program - Dept. 720	148,821	-	148,821	150,569	-	150,569	(1,748)
Community Readiness - Dept. 701	80,000	-	80,000	190,971	-	190,971	(110,971)
HCI Funding for Early Childhood Program - Dept. 772	24,360	-	24,360	24,360	-	24,360	-
Resolution Health Support Program - Dept. 710	534,790	-	534,790	534,790	-	534,790	-
Canadian High Arctic Research Station (CHARS) - Dept. 782	660,632	-	660,632	667,410	-	667,410	(6,778)
Men's Cultural Healing - Dept. 785	14,788	-	14,788	14,788	-	14,788	-
Community Access Road - Dept. 405	55,000	-	55,000	55,000	-	55,000	-
Mental Health and Addictions - Dept. 783	17,718	-	17,718	17,726	-	17,726	(8)
	\$ 3,077,023	\$ -	\$ 3,077,023	\$ 3,149,513	\$ 252,950	\$ 3,402,463	\$ (325,440)



Municipality of Cambridge Bay

Contract Services - Revenue and Expenditures - Detail

For year ended March 31, 2016

	Floating Dock Dept. 401	Alcohol and Drug Dept. 503	Healthy Children Dept. 760	Crisis Shelter/FVPP Dept. 502	CAPC/ CPNP Dept. 618	Women's Cultural Healing Dept. 781
<b>Revenue</b>						
Contract revenue	\$ 135,000	\$ 182,954	\$ 189,464	\$ 269,064	\$ 196,000	\$ 14,788
<b>Total revenue</b>	<b>135,000</b>	<b>182,954</b>	<b>189,464</b>	<b>269,064</b>	<b>196,000</b>	<b>14,788</b>
<b>Expenditure</b>						
Administrative fee and shared costs	-	16,632	17,024	43,068	8,700	-
Building						
Electricity	-	-	-	3,324	-	-
Heating fuel	-	1,222	-	4,089	-	-
Operations and maintenance	-	-	-	2,753	1,285	-
Water and sewage	-	-	-	7,687	-	-
Building rental	-	6,000	-	28,000	22,000	-
Communications	-	-	-	429	-	-
Contract and general services	-	4,000	-	-	-	14,788
Equipment						
Fuel	-	6,360	-	-	-	-
Operations and maintenance	-	130	-	3,688	-	-
Materials and supplies	-	27,750	2,000	18,005	24,293	-
Salaries and benefits	-	112,540	171,906	173,749	137,384	-
Travel	-	8,307	-	1,142	3,224	-
<b>Total expenditures</b>	<b>-</b>	<b>182,941</b>	<b>190,930</b>	<b>285,934</b>	<b>196,886</b>	<b>14,788</b>
<b>Excess (deficiency) of revenues over expenditures before other items</b>	<b>135,000</b>	<b>13</b>	<b>(1,466)</b>	<b>(16,870)</b>	<b>(886)</b>	<b>-</b>
Tangible capital asset acquisitions	252,950	-	-	-	-	-
Depreciation	-	-	-	1,206	-	-
<b>Excess (deficiency) of revenues over expenditures</b>	<b>\$ (117,950)</b>	<b>\$ 13</b>	<b>\$ (1,466)</b>	<b>\$ (18,076)</b>	<b>\$ (886)</b>	<b>\$ -</b>

Municipality of Cambridge Bay

Contract Services - Revenue and Expenditures - Detail

For year ended March 31, 2016

	Climate Control Dept. 611	Hoswell Committee Dept. 400	Youth Centre Dept. 764	Inuit Health Survey Dept. 608	Job Readiness Program Dept. 500
<b>Revenue</b>					
Contract revenue	\$ 26,125	\$ 10,000	\$ -	\$ 24,750	\$ 75,044
<b>Total revenue</b>	<b>26,125</b>	<b>10,000</b>	<b>-</b>	<b>24,750</b>	<b>75,044</b>
<b>Expenditure</b>					
Administrative fee and shared costs	9,047	-	-	2,475	10,233
Building					
Electricity	-	-	5,241	-	-
Heating fuel	-	-	11,497	-	-
Operations and maintenance	-	-	10,865	-	-
Water and sewage	-	-	4,229	-	-
Building rental	-	-	-	-	18,500
Communications	16,342	-	373	-	-
Honoraria	-	-	-	8,762	-
Materials and supplies	-	10,130	5,699	13,571	6,707
Travel	736	-	-	-	39,899
<b>Total operating expenditures</b>	<b>26,125</b>	<b>10,130</b>	<b>37,904</b>	<b>24,808</b>	<b>75,339</b>
<b>Excess (deficiency) of revenues over expenditures before other</b>	<b>-</b>	<b>(130)</b>	<b>(37,904)</b>	<b>(58)</b>	<b>(295)</b>
<b>Depreciation</b>	<b>-</b>	<b>-</b>	<b>5,225</b>	<b>-</b>	<b>-</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>\$ -</b>	<b>\$ (130)</b>	<b>\$ (43,129)</b>	<b>\$ (58)</b>	<b>\$ (295)</b>

Municipality of Cambridge Bay

Contract Services - Revenue and Expenditures - Detail

For year ended March 31, 2016

	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	\$ 48,719	\$ 39,648	\$ 24,002	\$ 73,324	\$ 111,032	\$ 148,821	\$ 80,000
<b>Total revenue</b>	<b>121,000</b>	<b>48,719</b>	<b>39,648</b>	<b>24,002</b>	<b>73,324</b>	<b>111,032</b>	<b>148,821</b>	<b>80,000</b>
<b>Expenditure</b>								
Administrative fee and shared costs	-	4,429	-	5,499	11,654	10,094	-	-
Building	-	-	-	-	-	9,600	32,750	-
Building rental	-	-	-	-	1,200	-	-	117,686
Communications	-	-	-	-	-	-	7,200	-
Honoraria	-	-	-	-	-	-	-	-
Materials and supplies	10,030	5,376	4,988	9,571	40,549	20,452	8,940	3,089
Salaries and benefits	134,420	39,203	34,815	8,932	14,489	70,950	94,047	65,775
Travel	-	-	-	-	5,432	-	7,632	4,421
<b>Total operating expenditures</b>	<b>144,450</b>	<b>49,008</b>	<b>39,803</b>	<b>24,002</b>	<b>73,324</b>	<b>111,096</b>	<b>150,569</b>	<b>190,971</b>
<b>Deficiency of revenues over expenditures</b>	<b>\$ (23,450)</b>	<b>\$ (289)</b>	<b>\$ (155)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (64)</b>	<b>\$ (1,748)</b>	<b>\$ (110,971)</b>

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

For year ended March 31, 2016

	HCI Funding For Early Childhood Program Dept. 772	Resolution Health Support Program Dept. 710	Canadian High Arctic Research Station Dept. 782	Men's Cultural Healing Dept. 785	Community Access Road Dept. 405	Mental Health and Addictions Dept. 783	Total
<b>Revenue</b>							
Contract revenue	\$ 24,360	\$ 534,790	\$ 660,632	\$ 14,788	\$ 55,000	\$ 17,718	\$ 3,077,023
<b>Total revenue</b>	<b>24,360</b>	<b>534,790</b>	<b>660,632</b>	<b>14,788</b>	<b>55,000</b>	<b>17,718</b>	<b>3,077,023</b>
<b>Expenditure</b>							
Administrative fee and shared costs	840	-	64,036	-	-	1,611	205,342
Building							
Electricity	-	-	-	-	-	-	8,565
Heating fuel	-	-	-	-	-	-	16,808
Operations and maintenance	-	-	-	-	-	-	14,903
Water and sewage	-	-	-	-	-	-	11,916
Building rental	-	65,500	-	-	-	9,600	191,950
Communications	-	-	-	-	-	-	136,030
Contract and general services	-	44,048	239,888	14,788	-	-	317,512
Equipment							
Fuel	-	-	-	-	-	-	6,360
Operation and maintenance	-	-	-	-	-	-	3,818
Honoraria	-	-	-	-	-	-	15,962
Materials and supplies	-	15,256	363,486	-	-	3,321	593,213
Salaries and benefits	23,520	383,327	-	-	55,000	3,194	1,523,251
Travel	-	26,659	-	-	-	-	97,452
<b>Total operating expenditures</b>	<b>24,360</b>	<b>534,790</b>	<b>667,410</b>	<b>14,788</b>	<b>55,000</b>	<b>17,726</b>	<b>3,143,082</b>
<b>Excess (deficiency) of revenues before other items</b>	<b>-</b>	<b>-</b>	<b>(6,778)</b>	<b>-</b>	<b>-</b>	<b>(8)</b>	<b>(66,059)</b>
<b>Depreciation</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,431</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (6,778)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (8)</b>	<b>\$ (72,490)</b>

## Municipality of Cambridge Bay

## Community Transfer Initiative Program - Community Capacity Building

For year ended March 31,	Budget	2016 Actual	2015 Actual
<b>Revenue</b>			
Operating contribution	\$ 190,000	\$ 190,000	\$ 190,000
Trade show		166,632	109,748
<b>Total revenues</b>	<b>190,000</b>	<b>356,632</b>	<b>299,748</b>
<b>Expenditures</b>			
Advertising	10,000	6,206	2,249
Building			
Operations and maintenance	-	650	-
Water and sewage	-	17,309	9,471
Communications	2,000	-	297
Freight	-	934	1,674
Material and supplies	20,000	10,042	17,993
Salaries and benefits	244,800	248,762	217,077
Staff training	2,500	-	-
Trade Show	-	123,188	120,868
Travel	-	21,993	28,578
<b>Total expenditures</b>	<b>279,300</b>	<b>429,084</b>	<b>398,207</b>
<b>Deficiency of revenue over expenditures</b>	<b>\$ (89,300)</b>	<b>\$ (72,452)</b>	<b>\$ (98,459)</b>

Municipality of Cambridge Bay

Minor Capital Block Funding

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For year ended March 31,

2016  
Actual

2015  
Actual

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Revenue

Operating contribution

\$ 56,000

\$ 56,000

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Excess revenues over expenditures

\$ 56,000

\$ 56,000

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## Municipality of Cambridge Bay

## Consolidated Schedule of Revenue and Expenditures by Object

For year ended March 31,

	Actual Municipal	2016 Actual Contract	Actual Overall	2015 Actual Overall (Restated - note 18)
<b>Revenues</b>				
Grants and contributions	\$ 2,101,689	\$ 56,000	\$ 2,157,689	\$ 2,156,218
Contracts	4,645,776	3,288,683	7,934,459	7,877,597
Other	1,458,017	144,972	1,602,989	3,377,866
<b>Total revenues</b>	<b>8,205,482</b>	<b>3,489,655</b>	<b>11,695,137</b>	<b>13,411,681</b>
<b>Expenditures</b>				
Administrative fee	(224,119)	205,342	(18,777)	(14,459)
Advertising	8,147	14,211	22,358	37,972
Bad debts	(16,210)	-	(16,210)	(39,176)
Bank and interest charges	11,727	-	11,727	11,726
Building				
Electricity	344,953	8,565	353,518	365,215
Heating fuel	426,100	16,808	442,908	447,539
Operations and maintenance	88,232	15,553	103,785	107,424
Water and sewage	101,778	29,225	131,003	121,173
Building rent	-	191,950	191,950	176,158
Communications	97,705	136,030	233,735	91,154
Community development fund	10,000	-	10,000	10,000
Contract and general services	124,208	317,512	441,720	1,008,237
Equipment				
Fuel	227,516	6,360	233,876	261,546
Interest on lease obligation	105,770	-	105,770	75,783
Leases	7,513	-	7,513	21,660
Operations and maintenance	241,003	3,818	244,821	282,700
Freight	39,007	35,799	74,806	64,384
Grants to groups	1,371	-	1,371	1,881
Honoraria	37,250	15,962	53,212	63,447
Insurance	167,884	-	167,884	203,945
Land development	302,334	-	302,334	-
Materials and supplies	268,743	680,411	949,154	446,191
Mayor and council expenses	66,101	-	66,101	72,963
Mayors' stipend	60,231	-	60,231	60,231
Membership fees	7,319	-	7,319	13,378
Professional services	68,363	-	68,363	146,987
Salaries and benefits	4,053,894	1,774,288	5,828,182	5,911,291
Small equipment purchase - non capital	31,175	-	31,175	26,535
Special events and days	207,834	-	207,834	140,845
Staff training	67,405	-	67,405	30,360
Street lighting	68,477	-	68,477	82,326
Travel	61,406	120,332	181,738	231,213
Loss on disposal	290,556	-	290,556	-
Depreciation	803,468	6,431	809,899	733,781
<b>Total expenditures</b>	<b>8,157,141</b>	<b>3,578,597</b>	<b>11,735,738</b>	<b>11,194,410</b>
Reserve interest	16,483	-	16,483	-
Contributions repayable	-	-	-	(75,920)
<b>CGS Contributed Tangible Capital Asset</b>	<b>11,084,300</b>	<b>-</b>	<b>11,084,300</b>	<b>-</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>\$ 11,149,124</b>	<b>\$ (88,942)</b>	<b>\$ 11,060,182</b>	<b>\$ 2,141,351</b>

## Municipality of Cambridge Bay

## Additional Information

For year ended March 31, 2016

The list of accounts receivables written off during the year, through By-Law #271, are as follows:

Government of Nunavut Family Services	\$ 92,647
	<b>\$ 92,647</b>

The following assets were disposed of during the year:

Asset	Net Book Value	Proceeds of Disposition	Gain/(Loss) on Disposal
2009 Sterling Acterra Truck	\$ 45,060	\$ 18,000	\$ (27,060)
2009 Sterling Acterra Truck	33,875	18,000	(15,875)
2012 Freightliner	108,664	18,000	(90,664)
2012 Freightliner	108,664	18,000	(90,664)
2012 Freightliner	84,293	18,000	(66,293)
	<b>\$ 380,556</b>	<b>\$ 90,000</b>	<b>\$ (290,556)</b>

The following assets were acquired during the year:

Asset identification	By-law	Acquisition Cost	Sources of Funding	Amount
Hamlet office		\$11,084,300	CGS Contributed Capital	\$11,084,300
2016 Western Star - Sewer	283	192,168	Capital Lease	192,168
2016 Western Star - Water	283	236,969	Capital Lease	236,969
2016 Western Star - Water	283	236,969	Capital Lease	236,969
Computer Hardware/Software		62,634	Operations	62,634
Work in progress		116,224	Lands Development Fund	116,224
Floating Dock Installation		252,950	Contribution Funding	135,000
		-	Operations	117,950
		<b>\$12,182,214</b>		<b>\$12,182,214</b>



## Municipality of Cambridge Bay

## Tangible Capital Assets

For year ended March 31, 2016

	Land and Land Improvements	Roads	Office Equipment	Engineered Structures	Buildings	Heavy Equipment	Vehicles	Other Infrastructure	Total
Cost									
Balance, opening	\$ 16,001	\$ 6,179,591	\$ 1	\$ 3,804,864	\$ 5,369,623	\$ 911,495	\$ 3,843,276	\$ 214,191	\$20,339,042
Acquisitions	-	-	62,634	252,950	11,084,300	-	666,106	116,224	12,182,214
Disposals	-	-	-	-	-	-	(1,740,696)	-	(1,740,696)
Balance, closing	16,001	6,179,591	62,635	4,057,814	16,453,923	911,495	2,768,686	330,415	<b>30,780,560</b>
Accumulated Depreciation									
Balance, opening	9,778	3,735,120	-	1,810,346	3,788,192	295,863	2,315,277	102,591	12,057,167
Annual depreciation	889	205,986	20,878	107,696	118,834	48,699	306,918	-	809,900
Disposals	-	-	-	-	-	-	(1,360,142)	-	(1,360,142)
Balance, closing	10,667	3,941,106	20,878	1,918,042	3,907,026	344,562	1,262,053	102,591	11,506,925
Net book value	\$ 5,334	\$ 2,238,485	\$41,757	\$ 2,139,772	\$12,546,897	\$ 566,933	\$ 1,506,633	\$ 227,824	<b>\$19,273,635</b>

A total of \$12,182,214 (2015 - \$740,812) assets were acquired in the year. The additions were financed directly through capital leases for \$637,850 (2015 - \$568,855), the Government of Nunavut contributed the Hamlet office for \$11,084,300, and the remaining additions were acquired using cash of \$460,064 (2015 - \$171,957).