

**CITY OF IQALUIT**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2016**

**CITY OF IQALUIT**  
**INDEX TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
 DECEMBER 31, 2016

	<u>Page</u>
<b>INDEPENDENT AUDITORS' REPORT</b>	2 - 3
<b>CONSOLIDATED FINANCIAL STATEMENTS</b>	
Consolidated Statement of Financial Position	4
Consolidated Statement of Operations	5
Consolidated Statement of Changes in Net Financial Assets (Debt)	6
Consolidated Statement of Cash Flows	7
Notes to the Consolidated Financial Statements	8 - 23
<b>SCHEDULES</b>	
1 <b>Consolidated Schedule of Changes in Accumulated Fund Balances</b>	24
<b>Consolidated Schedules of Operations</b>	
2    General Operating Fund	25
3    Water and Sewer Fund	26
4    Sanitation Program Fund	27
5    Land Development Fund	28
6    Gravel Fund	29
7    Reserve Fund	30 - 31
<b>General Operating Fund - Revenues</b>	
8    Grants in Lieu	32
8    Government Operating Transfers	32
8    Other Revenue from own Sources	32
<b>General Operating Fund - Departments</b>	
9    General Government	33
10   Emergency Services	34
11   By-law Enforcement	35
12   Public Works and Transportation	36
13   Recreational and Cultural	37
14   Engineering Services	38
15   Economic Development	39
16   Contract Services	40
<b>Tangible Capital Assets</b>	
17   Tangible Capital Assets and Accumulated Depreciation	41
18   Tangible Capital Asset Additions By Funding Source	42
19   Tangible Capital Asset Disposals	43
<b>Other</b>	
20   General Operating Fund Analysis	44

**LESTER LANDAU**

Chartered Professional Accountants



**Iqaluit**

PO Box 20, Iqaluit, NU, X0A 0H0  
Tel: 867.979.6603 Fax: 867.979.6493

**ᐃᖃᓃᓱ**

ᐱᐱᖃᓃᓱ 20, ᐃᖃᓃᓱ, ᓄᓇᓂᓱ, X0A 0H0  
ᐅᖃᓃᓱ: 867.979.6603 ᓱᖃᓃᓱ: 867.979.6493

**Rankin Inlet**

PO Box 147, Rankin Inlet, NU, X0C 0G0  
Tel: 867.645.2817 Fax: 867.645.2483

**ᖃᖃᓱᓱᓱᓱ**

ᐱᐱᖃᓃᓱ 147, ᖃᖃᓱᓱᓱᓱ, ᓄᓇᓂᓱ, X0C 0G0  
ᐅᖃᓃᓱ: 867.645.2817 ᓱᖃᓃᓱ: 867.645.2483

**INDEPENDENT AUDITORS' REPORT**

Mayor and Council  
City of Iqaluit  
Iqaluit, Nunavut

We have audited the accompanying consolidated financial statements of the City of Iqaluit, which comprise the consolidated statement of financial position as at December 31, 2016 and the consolidated statements of operations, changes in net financial assets (debt) and cash flows 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 Canadian Public Sector Accounting Standards and for such internal control as Administration determines is necessary to enable the preparation of consolidated financial statements that are free of material misstatement, whether due to fraud or error.

**Auditors' Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements 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 consolidated 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 auditors' judgement, 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 control relevant to the City'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 on the effectiveness of the City's internal control. An audit also includes evaluation of the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Administration, as well as evaluation of the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the City of Iqaluit as at December 31, 2016 and its financial performance and its cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

**Emphasis of Matter**

Without modifying our opinion, we draw attention to Note 2 to the consolidated financial statements which indicates that the comparative information presented as at and for the year ended December 31, 2015, has been restated.

**Report on Other Legal and Regulatory Requirements**

As required by Section 144 of the *Cities, Towns and Villages Act* of Nunavut we report that, in our opinion, the principles have been applied on a basis consistent with that of the preceding year.

We further report in accordance with the *Cities, Towns and Villages Act* of Nunavut that, in our opinion, proper books of account have been kept by the City, the consolidated financial statements are in agreement with the records maintained by the City and the transactions that have come under our notice have, in all significant respects, been within the statutory powers of the City, except as outlined in Note 12 to the consolidated financial statements.

Iqaluit, Nunavut  
March 16, 2017



Chartered Professional Accountants

**CITY OF IQALUIT**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
AS AT DECEMBER 31, 2016

	<u>2016</u>	<u>2015</u>
<b>Financial Assets</b>		
Cash and cash equivalents	\$ 35,510,419	\$ 29,984,868
Accounts receivable		
Taxes and grants in lieu	3,915,606	3,077,952
Trade and other	6,217,159	4,226,515
Land held for resale	78,593	15,766
Land leases receivable	<u>4,192,909</u>	<u>4,395,931</u>
<b>Total Financial Assets</b>	<u>49,914,686</u>	<u>41,701,032</u>
<b>Liabilities</b>		
Accounts payable and accrued liabilities	9,135,111	7,045,872
Deposits	137,899	130,024
Performance bond payable	123,260	0
Post-employment benefits payable	1,787,448	1,700,843
Closure/post-closure liabilities	4,548,684	3,997,940
Deferred revenue	19,233,880	17,572,378
Long term debt	<u>35,949,652</u>	<u>30,339,554</u>
<b>Total Liabilities</b>	<u>70,915,934</u>	<u>60,786,611</u>
<b>Net Financial Assets (Net Debt)</b>	<u>(21,001,248)</u>	<u>(19,085,579)</u>
<b>Non-Financial Assets</b>		
Prepaid expenses	272,966	236,783
Consumable inventories	935,290	1,211,453
Tangible capital assets	<u>131,946,609</u>	<u>118,119,674</u>
<b>Total Non-Financial Assets</b>	<u>133,154,865</u>	<u>119,567,910</u>
<b>Accumulated Fund Balances</b>	<u>\$ 112,153,617</u>	<u>\$ 100,482,331</u>

Approved on behalf of the City of Iqaluit:



\_\_\_\_\_  
Mayor



\_\_\_\_\_  
Chief Administrative Officer

**CITY OF IQALUIT**  
**CONSOLIDATED STATEMENT OF OPERATIONS**  
FOR THE YEAR ENDED DECEMBER 31, 2016

	2016 <u>Budget</u>	2016 <u>Actual</u>	2015 <u>Actual</u> (Restated - Note 2)
<b>Revenues</b>			
Taxation and user charges			
Taxes and grants in lieu (Schedule 2)	\$ 18,322,791	\$ 18,308,832	\$ 17,523,470
Water and sewer (Schedule 3)	5,995,500	6,860,381	5,596,213
Sanitation (Schedule 4)	2,711,000	2,964,670	2,676,242
Land development and administration (Schedule 5)	1,486,500	1,608,247	1,830,229
Gravel (Schedule 6)	0	0	88,304
Other revenue from own sources (Schedule 8)	3,287,700	3,781,669	3,538,260
Government transfers			
Equalization contribution (Schedule 2)	2,031,100	2,031,180	2,117,997
Water and sewer subsidy (Schedule 3)	1,234,600	1,234,600	1,234,597
Sanitation projects (Schedule 4)	0	2,466,894	1,354,109
Land contributions (Schedule 5)	83,000	84,243	83,409
Other government transfers (Schedule 8)	153,000	321,829	131,550
Economic development contribution (Schedule 15)	190,000	190,000	182,017
Contract services (Schedule 16)	0	943,001	993,222
	<u>35,495,191</u>	<u>40,795,546</u>	<u>37,349,619</u>
<b>Expenses</b>			
Water and sewer (Schedule 3)	5,348,100	6,319,437	7,329,417
Sanitation (Schedule 4)	1,755,500	4,984,475	3,133,812
Land development and administration (Schedule 5)	1,984,100	1,179,452	1,279,923
Gravel (Schedule 6)	40,600	37,575	44,407
General government (Schedule 9)	4,427,100	3,765,913	4,364,789
Emergency services (Schedule 10)	4,224,584	3,998,721	4,327,001
By-law enforcement (Schedule 11)	1,368,242	1,088,913	1,243,980
Public works and transportation (Schedule 12)	3,633,191	4,133,119	3,559,853
Recreational and cultural (Schedule 13)	3,040,216	3,128,391	3,574,013
Engineering services (Schedule 14)	540,300	736,574	981,682
Economic development (Schedule 15)	184,800	193,681	184,947
Contract services (Schedule 16)	0	1,006,314	1,007,484
Depreciation (Schedule 17)	4,803,100	4,836,700	4,873,075
	<u>31,349,833</u>	<u>35,409,265</u>	<u>35,904,383</u>
<b>Excess Revenues Before Other</b>	<u>4,145,358</u>	<u>5,386,281</u>	<u>1,445,236</u>
<b>Other</b>			
Government transfers relating to capital (Schedule 18)	<u>6,082,000</u>	<u>6,285,005</u>	<u>2,503,807</u>
<b>Excess Revenues</b>	<u>\$ 10,227,358</u>	<u>\$ 11,671,286</u>	<u>\$ 3,949,043</u>

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

**CITY OF IQALUIT**  
**CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS (DEBT)**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

	2016 <u>Budget</u>	2016 <u>Actual</u>	2015 <u>Actual</u> (Restated - Note 2)
<b>Excess Revenues</b>	\$ 10,227,358	\$ 11,671,286	\$ 3,949,043
Tangible capital assets purchased	(34,127,300)	(19,147,799)	(20,024,528)
Depreciation	4,803,100	4,836,700	4,873,075
Proceeds on disposal of tangible capital assets	0	85,150	0
Loss on disposal of tangible capital assets	0	177,804	0
Tangible capital asset adjustment	0	221,210	132,024
	<u>(19,096,842)</u>	<u>(2,155,649)</u>	<u>(11,070,386)</u>
Change in prepaid expenses	0	(36,183)	1,121
Change in consumable inventories	<u>0</u>	<u>276,163</u>	<u>246,048</u>
<b>Change in Net Debt</b>	(19,096,842)	(1,915,669)	(10,823,217)
<b>Net Debt, opening</b>	<u>(19,085,579)</u>	<u>(19,085,579)</u>	<u>(8,262,362)</u>
<b>Net Debt, closing</b>	<u>\$ (38,182,421)</u>	<u>\$ (21,001,248)</u>	<u>\$ (19,085,579)</u>

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

**CITY OF IQALUIT**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

	<u>2016</u>	<u>2015</u> (Restated - Note 2)
<b>Operating Activities</b>		
Excess revenues	\$ 11,671,286	\$ 3,949,043
Items not requiring cash:		
Depreciation	4,836,700	4,873,075
Loss on disposal and adjustment	<u>399,014</u>	<u>132,024</u>
	16,907,000	8,954,142
 Cash provided by (used for) changes in non-cash working capital:		
Taxes and grants in lieu receivable	(837,654)	(639,117)
Trade and other receivables	(1,990,644)	196,105
Land held for resale	(62,827)	0
Land leases receivable	203,022	1,027,021
Accounts payable and accrued liabilities	2,089,239	1,558,608
Due to Government of Nunavut	0	(38,689)
Deposits	7,875	(118)
Performance bond payable	123,260	(59,321)
Post-employment benefits payable	86,605	67,370
Closure/post-closure liabilities	550,744	(433,734)
Deferred revenue	1,661,502	1,087,106
Prepaid expenses	(36,183)	1,121
Consumable inventory	<u>276,163</u>	<u>246,048</u>
Cash from (used for) operations	<u>18,978,102</u>	<u>11,966,542</u>
 <b>Capital Activities</b>		
Tangible capital assets purchased	(19,147,799)	(20,024,528)
Proceeds on sale of tangible capital assets	<u>85,150</u>	<u>0</u>
Cash from (used for) capital transactions	<u>(19,062,649)</u>	<u>(20,024,528)</u>
 <b>Financing Activities</b>		
Long term debt repaid	(22,062,151)	(1,621,646)
Long term debt issued	27,672,249	18,982,611
Obligations under capital lease repaid	<u>0</u>	<u>(34,461)</u>
Cash from (used for) financing activities	<u>5,610,098</u>	<u>17,326,504</u>
 <b>Increase in Cash</b>	5,525,551	9,268,518
<b>Cash and Cash Equivalents, opening</b>	<u>29,984,868</u>	<u>20,716,350</u>
<b>Cash and Cash Equivalents, closing</b>	<u>\$ 35,510,419</u>	<u>\$ 29,984,868</u>

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



**CITY OF IQALUIT**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

**1. SIGNIFICANT ACCOUNTING POLICIES**

The consolidated financial statements of the City of Iqaluit (the "City") are the representations of Administration prepared in accordance with Canadian Public Sector Accounting Standards. The consolidated financial statements have, in Administration's opinion, been properly prepared within reasonable limits of materiality within the framework of the significant accounting policies summarized below:

**(a) Reporting Entity**

These consolidated financial statements reflect the assets, liabilities, revenues and expenditures of the General Operating Fund, Water and Sewer Fund, Sanitation Program Fund, Land Development Fund, Gravel Fund, and Reserve Fund and include all the activities of all committees of Council. All inter-fund assets, liabilities, revenues, and expenditures are eliminated.

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

**(b) Basis of Accounting**

The consolidated financial statements are prepared using the accrual 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 when:

- 1) a transfer without eligibility criteria or stipulations is authorized.
- 2) a transfer with eligibility criteria but without stipulations is authorized and all eligibility criteria have been met.
- 3) a transfer with or without eligibility criteria but with stipulations is authorized and all eligibility criteria have been met, except when and to the extent that the transfer gives rise to an obligation that meets the definition of a liability.

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

Interest earned on reserve fund cash is transferred to the specific reserve fund that generated the interest.

**CITY OF IQALUIT**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

**1. SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(c) Use of Estimates**

The preparation of the consolidated financial statements of the City requires Administration to make estimates and approximations based on information available as of the date of the consolidated financial statements. Significant estimates include assumptions used in estimating provisions for accrued liabilities, allowance for doubtful accounts, valuations of employee future benefits and closure and post-closure liabilities. Actual results could differ from those estimates and approximations.

**(d) Fund Accounting**

The City maintains the General Operating Fund, Water and Sewer Fund, Sanitation Program Fund, Land Development Fund, Gravel Fund, and Reserve Fund. Transfers between funds are recorded as adjustments to the appropriate fund balance.

**(e) Financial Instruments**

The City initially measures its financial assets and financial liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument. The City subsequently measures all its financial assets and financial liabilities at amortized cost.

Financial assets measured at amortized cost include cash and cash equivalents, accounts receivable and land leases receivable. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities and long-term debt.

It is management's opinion that the City is exposed to significant interest and credit risks arising from these financial instruments as described in Note 11.

**(f) Budget**

Budget figures are unaudited and are those approved by Council on December 22, 2015.

**(g) Cash and Cash Equivalents**

Cash and cash equivalents are comprised of bank account balances net of outstanding cheques and short term highly liquid investments that are readily convertible to cash. Short term investments are recorded at the lower of cost or market value

**CITY OF IQALUIT**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

**1. SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(h) Inventory**

**Inventory for Consumption**

Inventories other than for resale are recorded at the lower of cost, determined on a weighted average basis, and net replacement cost.

**Inventory of Land Held for Resale**

The cost of lots sold is recorded at estimated cost which is assumed to equal the selling price until all costs of development of an area are known. Therefore the inventory of land held for resale represents the residual amount of costs to date on the project.

**(i) 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 set forth below:

<u>Category</u>	<u>Threshold (\$)</u>	<u>Estimated Useful Life</u>	<u>Depreciation Method</u>
Buildings	10,000	40 years	Straight-line
Cemetery development	All	Indefinite	NA
Computer equipment - hardware	5,000	3 years	Straight-line
Computer software	5,000	3 years	Straight-line
Feasibility studies	5,000	1 year	Straight-line
Furniture and fixtures	5,000	5 years	Straight-line
Granular source	All	Indefinite	NA
Infrastructure - water and sewer	10,000	30 years	Straight-line
Infrastructure - sewage treatment	10,000	30 years	Straight-line
Infrastructure - waste	10,000	30 years	Straight-line
Land	All	Indefinite	NA
Assets under construction	All	NA	NA
Machinery and equipment - office	10,000	5 years	Straight-line
Machinery and equipment - heavy equipment	10,000	18 years	Straight-line
Playgrounds - recreation	10,000	18 years	Straight-line
Roads	All	30 years	Straight-line
Vehicles	All	7 years	Straight-line

**CITY OF IQALUIT**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

**1. SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(j) Contributed Tangible Capital Assets**

Tangible capital assets acquired as contributions are recorded at their fair value on the date received. Equivalent amounts are recorded as other capital contributions on the Consolidated Statement of Operations.

**(k) Interest Capitalization**

Interest expenses incurred relating to the building under construction are capitalized until the point that the construction is complete and the building is ready for use.

**(l) 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.

**(m) Post Employment Benefits**

Under the terms and conditions of employment, City employees may earn benefits for retirement, vested sick leave, 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) Pension Expenditures**

Currently, employees contribute to a privately managed registered retirement savings plan. The plan is a defined contribution plan to which the City contributes bi-weekly, based on various employment agreements, and therefore has no liability.

**(o) Reserves**

Reserves are established 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 revenues or expenditures in the consolidated statement of operations.

The reserves as established by Council and their purposes are as follows:

- Vehicle reserves were established to accumulate funds for purchasing new vehicles.
- Building project reserves were established to accumulate funds for purchasing or constructing new buildings.
- Sewage project reserve was established to accumulate funds for future construction and repair of the sewage system.

**CITY OF IQALUIT**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

**1. SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(o) Reserves (continued)**

- Election expense reserve was established to accumulate funds for future election costs.
- Quarry development reserve was established to accumulate funds for future quarry development.
- The reserve for estimated future interest expense on debenture no. 14 was established to accumulate funds to offset the anticipated interest expense pertaining to debenture no. 14.
- The ambulance personnel training reserve was established to accumulate funds for the training of ambulance personnel.
- Financial information system reserve was established to accumulate funds for the purchase and maintenance of the City's computer systems.
- Parking lot and Parking lot maintenance reserves were established to accumulate funds for the development and maintenance of new municipal parking lot facilities.
- The Annenburg Foundation future donations reserve was established to accumulate funds for future donations.
- Emergency services equipment replacement reserve was established to accumulate funds for purchasing new emergency equipment.
- Dog pound reserve was established to accumulate funds for the creation of a new dog pound.
- Alarm system reserve was established to accumulate funds for purchasing new equipment.
- Booster station equipment reserve was established to accumulate funds for purchasing and repairing booster station equipment.
- Review and by-law revisions reserve was established to accumulate funds for the future review and revision of the City's by-laws.
- Aerial photo reserve was established to accumulate funds to update aerial photographs of the City.
- Outdoor hard surface reserve was established to accumulate funds for the future construction of an outdoor hard surface for recreational activities.
- BMX bicycle park reserve was established to accumulate funds for the future construction of a BMX style bicycle park.
- The major infrastructure maintenance reserve was established to accumulate funds for major repairs and maintenance to City owned staff housing units.
- Walkway trail phase 1 and 2 reserve was established to accumulate funds for the future construction of walking trails.
- GIS update reserve was established to accumulate funds for the purchase of new geographic information survey equipment.

**CITY OF IQALUIT**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

**1. SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(o) Reserves (continued)**

- The improvements to the Industrial subdivision reserve was established to accumulate funds for future costs related to the Industrial subdivision.
- Pedestrian walkway reserve was established to accumulate funds for the construction of a future pedestrian walkway.
- Election equipment reserve was established to accumulate funds for the purchase of election equipment.
- Emergency generator reserve was established to accumulate funds for the purchase of an emergency generator.
- Marine infrastructure reserve was established to accumulated funds for development of the City's marine infrastructure.
- Street lighting reserve was established to accumulate funds for major repairs to existing street lighting or for the purchase of new street lighting.
- Road paving and maintenance reserves were established to accumulate funds for future road paving or maintenance.
- Vacation travel allowance reserve was established to accumulate funds for future vacation travel allowance costs.
- New youth centre reserve was established to accumulate funds for the future construction of a youth centre.
- New aquatic centre reserve was established to accumulate funds for the construction of the aquatic centre.
- Emergency services risk assessment reserve was established to accumulate funds for risk assessment of emergency services.
- Recreation equipment reserves were established to accumulate funds for the replacement of recreation equipment.
- Garage equipment reserve was established to accumulate funds for replacement of garage equipment.
- Gas boy reserve was established to accumulate funds for the replacement of the fuel dispensing system.
- R.E.A.C.H. reserve was established to accumulate sponsorship and donated funds for future R.E.A.C.H. program expenditures.

**CITY OF IQALUIT**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

**2. PRIOR PERIOD ADJUSTMENT**

The December 31, 2016, consolidated financial statements have been prepared taking into account changes for corrections to, and restatement of previously reported balances. The following summarizes the changes to the 2015 comparative balances included in these consolidated financial statements.

It was determined that items with a combined net book value of \$1,402,052 included in the December 31, 2015, tangible capital asset balance previously reported did not qualify as tangible capital assets, and should have been expensed. The respective costs for these items have been removed from the assets under construction category through a restatement of the balances previously reported in the December 31, 2015, schedule of tangible capital assets. The expenses have been recognized under the Sanitation Fund. Related funding of \$1,354,109 was previously considered as capital contributions, and has been restated as Other Government transfers. As a result, the ending December 31, 2015, excess revenues and the accumulated fund balances have decreased by \$1,402,052 from what was previously reported. There was no impact on the net financial assets (debt) position.

The City previously recognized reserve fund transfers for liabilities already recorded in the consolidated financial statements, including post-employment benefits, future closure of sewage lagoon, landfill and quarry restoration. As a result, the December 31, 2015, reserve fund balance has been reduced by \$1,357,565 and the respective fund balances have been adjusted accordingly. There was no impact on the 2015 excess revenues, net financial assets (debt) or the accumulated fund balances from what was previously reported.

**3. CASH AND CASH EQUIVALENTS**

General Operating Fund maintains the cash and cash equivalents for other funds not fully funded on their own. The actual cash and cash equivalents position is as follows:

	<u>2016</u>	<u>2015</u> (Restated - Note 2)
General operating fund	\$ (1,775,668)	\$ (7,088,775)
Aquatic centre funds	4,095,622	5,459,429
Capital projects funds	22,996,866	20,930,894
Land development funds	2,810,088	1,945,355
Internally restricted funds	1,430,331	1,357,565
Reserve funds	<u>5,953,180</u>	<u>7,380,400</u>
	<u>\$ 35,510,419</u>	<u>\$ 29,984,868</u>

Cash and cash equivalents consist of current and savings accounts with the Royal Bank of Canada and the Bank of Montreal. Cash invested in savings accounts earns interest at variable rates.

**CITY OF IQALUIT**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

**3. CASH AND CASH EQUIVALENTS (continued)**

Included in the aquatic centre fund cash and cash equivalents is \$ nil (2015 - \$4,000,000) of project cash reserves as required by the construction credit facility loan with the Bank of Montreal (Note 8).

Included in the land development fund cash and cash equivalents is \$123,260 (2015 - \$ nil) of performance bonds held in trust. The interest earned on these funds is added to the trust balance to the benefit of the developer.

Included in the capital projects fund is \$12,024,556 (2015 - \$12,529,801) relating to Gas Tax Funding and \$10,972,310 (2015 - \$8,401,093) related to funding for other capital projects. The interest earned on these funds is added to the funding for the capital projects for which the funds were originally received. The use of this cash and cash equivalent is restricted to approved projects under various capital project agreements.

**4. ACCOUNTS RECEIVABLE**

**Taxes and grants in lieu**

	<u>2016</u>	<u>2015</u>
Total municipal taxes receivable	\$ 3,530,542	\$ 3,631,963
Allowance for doubtful collection	<u>(1,180,527)</u>	<u>(1,363,171)</u>
	2,350,015	2,268,792
Grants in lieu receivable	<u>1,565,591</u>	<u>809,160</u>
	<u>\$ 3,915,606</u>	<u>\$ 3,077,952</u>

**Trade and other**

	<u>2016</u>	<u>2015</u>
Water and sewer service	\$ 2,534,417	\$ 2,017,005
General accounts receivable	3,223,813	1,967,284
GST refundable	1,377,470	856,723
Contracts	50,112	138,288
Capital projects accounts receivable	210,347	222,215
Allowance for doubtful accounts	<u>(1,179,000)</u>	<u>(975,000)</u>
	<u>\$ 6,217,159</u>	<u>\$ 4,226,515</u>

Included in Capital projects accounts receivable is \$127,012 (2015 - \$138,880) due from specified ratepayers relating to the lower base hook-up capital project.



**CITY OF IQALUIT**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

**5. LAND HELD FOR RESALE**

Land held for resale represents the following balances.

	<u>Number of</u> <u>Lots for</u> <u>Resale</u>	<u>2016</u>	<u>Number of</u> <u>Lots for</u> <u>Resale</u>	<u>2015</u>
Apex infill	2	\$ 40,433	3	\$ 11,450
Lake subdivision	1	4,316	1	4,316
Joamie court	1	33,844	0	0
Plateau subdivision 1	1	0	1	0
Other	7	0	1	0
	<u>12</u>	<u>\$ 78,593</u>	<u>6</u>	<u>\$ 15,766</u>

**6. LAND LEASES RECEIVABLE**

	<u>2016</u>	<u>2015</u>
Land leases receivable	\$ 3,500,228	\$ 3,897,478
Land leases receivable - in arrears	<u>1,469,681</u>	<u>1,275,453</u>
	4,969,909	5,172,931
Allowance for doubtful collection	<u>(777,000)</u>	<u>(777,000)</u>
	<u>\$ 4,192,909</u>	<u>\$ 4,395,931</u>

Land leases receivable bear various interest rates from 10% to 12%, are due in various periods from 1 years to 14 years and are secured by a leasehold interest in land.

**7. DEFERRED REVENUE**

	<u>2016</u>	<u>2015</u>
Gas tax program	\$ 8,244,995	\$ 9,691,224
GN other	843,755	882,298
GN capital contribution	9,998,665	6,731,886
Government of Canada	0	64,961
Other	52,504	46,432
Contracts	<u>93,961</u>	<u>155,577</u>
	<u>\$ 19,233,880</u>	<u>\$ 17,572,378</u>

**CITY OF IQALUIT**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

**8. LONG TERM DEBT**

	<u>2016</u>	<u>2015</u>
Royal Bank of Canada, secured by a general debenture related to the Plateau subdivision phase 2, repayable in blended monthly installments of \$38,090 with interest at 2.70%, maturing November 2017.	\$ 2,006,032	\$ 2,403,143
VersaBank, secured by a general debenture on capital projects, repayable in blended monthly installments of \$7,942 with interest at 5.70%, maturing October 2025.	660,175	716,003
Royal Bank of Canada, secured by certain capital projects, repayable in blended bi-weekly payments of \$1,935 with interest at 3.75%, maturing December 2017.	417,248	451,289
VersaBank, secured by a general debenture related to the lower base capital project, repayable in blended monthly installments of \$4,728 with interest at 5.72%, maturing September 2025.	389,336	422,694
Royal Bank of Canada, secured by certain capital projects, repayable in blended monthly payments of \$3,174 with interest at 2.70%, maturing November 2017.	277,227	307,390
Royal Bank of Canada, secured by a general debenture related to the Plateau subdivision phase 3, repayable in blended monthly installments of \$39,550 with variable interest at Royal Bank of Canada prime less 0.5% maturing December 2017.	3,784,944	4,171,664
Royal Bank of Canada, secured by a general debenture related to the Plateau subdivision phase 4, repayable in blended monthly installments of \$23,838 with interest at 2.76%, maturing October 2017.	2,675,679	2,884,760

**CITY OF IQALUIT**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

**8. LONG TERM DEBT (continued)**

	<u>2016</u>	<u>2015</u>
Bank of Montreal, non-revolving construction credit facility, to a maximum of \$29,000,000, secured by the Aquatic Centre capital project and cash reserve requirement (Note 2). Interest only payments until completion of construction phase. Interest at Bank of Montreal prime plus 0.75%, due on demand.	0	17,107,611
Federation of Canadian Municipalities debenture, unsecured, repayable in blended semi-annual installments of \$70,060 with interest at 4.25%, maturing July 2035.	1,814,011	1,875,000
Federation of Canadian Municipalities debenture, unsecured, repayable in blended semi-annual installments commencing February 2017 of \$115,863 with interest at 4.25%, maturing August 2035.	3,000,000	0
Royal Bank of Canada, secured by a general debenture related to the Aquatic Center, repayable in monthly principal installments of \$65,000 plus interest and stamping fee at 2.77%, maturing December 2026.	<u>20,925,000</u>	<u>0</u>
	<u>\$ 35,949,652</u>	<u>\$ 30,339,554</u>

Long term debt is estimated to be repayable as follows:

2017	\$ 10,210,700
2018	1,087,396
2019	1,124,833
2020	1,161,724
2021	1,202,956
2022 and thereafter	<u>21,162,043</u>
	<u>\$ 35,949,652</u>

**CITY OF IQALUIT**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

**9. EXPENDITURES BY OBJECT**

The following is a summary of the expenditures reported on the Consolidated Statement of Operations by the object of expenditures:

	<u>2016</u>	<u>2015</u> (Restated - Note 2)
Salaries and benefits	\$ 17,315,518	\$ 18,356,994
Legal fees	335,037	333,608
Professional fees	144,788	204,648
Contracted services	1,609,385	2,124,434
Rental	174,737	173,782
Telecommunications	217,856	207,772
Materials and supplies	1,262,264	1,361,380
Advertising	63,130	92,682
Interest and service charges	70,507	99,104
Interest on long term debt	311,867	357,426
Bad debts (recovery)	33,072	(17,974)
Professional development and training	150,581	205,859
Electricity	1,653,367	2,123,961
Heating fuel	1,467,531	1,639,055
Repairs and maintenance	642,839	625,314
Vehicle fuel	451,975	528,437
Vehicle repairs and maintenance	758,270	519,995
Travel and accommodation	65,782	57,357
Promotion	4,610	16,827
Sponsorships, memberships and fees	34,107	83,004
Insurance	466,620	492,960
Recruitment	26,675	63,710
Other expenditures	<u>154,509</u>	<u>234,373</u>
	27,415,027	29,884,708
Cost of lot sales	139,900	129,326
Decommissioning of West 40 Landfill	1,785,684	843,468
Landfill run-off treatment	681,210	607,540
Environmental expenses	550,744	(433,734)
Depreciation	<u>4,836,700</u>	<u>4,873,075</u>
	<u>\$ 35,409,265</u>	<u>\$ 35,904,383</u>

**CITY OF IQALUIT**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

**10. OTHER INFORMATION**

**Change in Allowance for Doubtful Accounts Receivable and Related Bad Debts Expense (Recovery)**

The following amounts owed to the City have been considered doubtful of collection during the year and have been recorded as a bad debts expense (recovery) in their respective funds:

	<u>2016</u>	<u>2015</u>
Municipal taxes receivable	\$ (182,644)	\$ (44,974)
General accounts receivable	186,716	96,000
Municipal services receivable	<u>29,000</u>	<u>(69,000)</u>
	<u>\$ 33,072</u>	<u>\$ (17,974)</u>

**11. FINANCIAL ASSETS AND LIABILITIES**

The significant financial risks to which the City is exposed are credit risk and interest rate risk.

a) Credit risk

Credit risk is the risk that one party to the financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The City is exposed to credit risk in the event of non-performance by counterparties in connection with its accounts receivable. The City does not obtain collateral or other security to support general accounts receivable subject to credit risk. Municipal taxes and services receivable mitigate credit risk by ultimate collection upon sale of property.

b) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The bank loans payable bear interest at varying rates. Changes in the bank's prime lending rate can cause fluctuations in interest payments and cash flows. The City has mitigated this risk by entering into loans at fixed interest rates.

**12. STATUTORY INFORMATION**

**Elimination of Deficit**

Section 97 (2) of the *Cities, Towns and Villages Act* requires that every municipal corporation shall eliminate any deficit at the end of a fiscal year by the end of the next fiscal year. At December 31, 2015 the City had deficits in the Water and Sewer, Sanitation Program, Land Development and Gravel Funds. At December 31, 2016 the City has not eliminated the deficits as required on the Water and Sewer, Sanitation Program, and Gravel Funds.

**CITY OF IQALUIT**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

**13. CONTINGENT LIABILITIES**

**Environmental**

The City of Iqaluit has identified various environmentally hazardous sites within the municipal boundaries of the City. Environmental problems include contaminated soil and groundwater and a sewage treatment facility in need of upgrades. Responsible government authorities have been notified of these environmental risks for remedial action. As the outcome of these environmental hazards is not presently determinable, no provision for a loss has been accrued in these consolidated financial statements.

**Vendor Payable**

A vendor of the City has provided an invoice for billing adjustments of \$574,734 which has been accrued in these financial statements. Management is disputing this claim and looks to resolve the issue with the vendor in the coming year. Since the invoice was originally issued, \$428,078 of interest has accumulated which is not included in these financial statements. The amount of any additional expense or reduction to the original billing will be recorded in the period it becomes known.

**Statement of Claim**

The City was served with a fire-related statement of claim filed against several defendants, seeking damages for general negligence, punitive damages and aggravated damages. The total amount being sought is \$14,500,000, the likelihood of the outcome is unknown. The amount of any contingent loss has not been recorded in these financial statements. The amount of an expense, if any, will be recorded in the period known.

On April 18, 2016, there was a workplace accident causing injuries to a City employee. The Workers' Safety and Compensation Commission (WSCC) is expected to lay charges against the City under the Safety Act, however no formal documentation has been received by the City. The likelihood and outcome of the litigation is unknown and as a result, the amount of any contingent loss has not been recorded in these financial statements. The amount of an expense, if any, will be recorded in the period known.

**Quarry Site Restoration**

Upon termination of the Quarry Administration Agreement between the City and the Government of Nunavut, the City is required to deliver up possession of the quarry site restored to the satisfaction of the Government of Nunavut. To date the City does not have complete information required to estimate restoration costs. As such these costs have not been recorded in these consolidated financial statements. The amount of an expense, if any, will be recorded in the period known.

**CITY OF IQALUIT**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

**13. CONTINGENT LIABILITIES (continued)**

**Pay Equity and Grievances**

There are a number of claims outstanding against the City for various grievance matters. The City is working with the Nunavut Employees Union in order to resolve the claims. However, the outcome of these claims is not currently known. As of December 31, 2016, no provision has been made in these financial statements. The amount of an expense, if any, will be recorded in the period known.

**Union Agreement**

The agreement between the City and the Nunavut Employee's Union expired on December 31, 2015. The negotiation process is on-going and as a result the outcome of the union agreement is not currently known. As of December 31, 2016, no provision has been made in these financial statements. The amount of an expense, if any, will be recorded in the period known.

**Insurance**

The City participates in the Nunavut Association of Municipalities insurance programs. Under these programs the City is insured for property, automotive and liability. Under the terms of membership, the City could become liable for its proportionate share of any claim losses in excess of the funds available. Any liability incurred would be accounted for in the year the losses are determined.

**Closure / Post-closure Costs - Solid Waste Landfill, Sewage Lagoon and Trail Deposit**

Included in the City's operations are a solid waste landfill site, sewage lagoon and trail deposit. Closure / post-closure costs are recognized at their estimated present value when information is available to estimate the liability. The actual closure / post-closure costs may differ from these estimates. The amount of additional loss, if any, will be recorded in the period it becomes known.

	Opening <u>Balance</u>	<u>Change</u>	Closing <u>Balance</u>
Solid waste landfill	\$ 2,286,624	\$ 802,005	\$ 3,088,629
Sewage lagoon	477,764	31,095	508,859
Trail deposit	637,099	(9,435)	627,664
Landfill run-off treatment (dump fire)	<u>596,453</u>	<u>(272,921)</u>	<u>323,532</u>
	<u>\$ 3,997,940</u>	<u>\$ 550,744</u>	<u>\$ 4,548,684</u>

**CITY OF IQALUIT**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

**14. COMMITMENTS**

**Premises Rent**

The City rents premises for two buildings under lease agreements that expire in 2016 and 2019. Annual minimum lease payments under the terms of the leases are as follows:

2017	\$ 153,900
2018	153,900
2019	<u>153,900</u>
	<u>\$ 461,700</u>

**Wastewater Treatment Plant**

In addition to the commitment noted above, the City has also committed to completing the Wastewater Treatment Plan by December 31, 2018, at an estimated cost of \$26,500,000. A bilateral agreement was signed November 2016, for the Clean Water Wastewater project, with Federal funding of 75% of the total eligible expenditures, to a maximum of \$19,875,000. The City's capital plan has funds allocated for this project totaling \$6,625,000 representing the remaining 25% required contribution under the bilateral agreement. The overall plan to achieve effluent compliance at the wastewater treatment plant is a multi-phase process. At December 31, 2016, the City has met the project schedules and milestones as set out in the quarterly report to Indigenous and Northern Affairs Canada.

**15. COMPARATIVE AMOUNTS**

Certain 2015 financial statement amounts have been reclassified to conform to the financial statement presentation adopted in the current year.



**CITY OF IQALUIT**  
**CONSOLIDATED SCHEDULE OF CHANGES IN ACCUMULATED FUND BALANCES**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

	(Schedule 20) General Operating Fund	Water Sewer Fund	Sanitation Program Fund	Land Development Fund	Gravel Fund	Reserve Fund	Equity in Tangible Capital Assets	2016 Municipal Position Total	2015 Municipal Position Total (Restated - Note 2)
<b>EXCESS REVENUES (EXPENSES)</b>	\$ 9,510,092	\$ 1,482,694	\$ 203,037	\$ 513,038	\$ (37,575)	\$ 0	\$ 0	\$ 11,671,286	\$ 3,949,043
<b>Net interfund transfers</b>									
To (from) reserves	172,256	283,860	25,921	623,362	0	(1,105,399)	0	0	0
Tangible capital assets purchased	(16,690,540)	(2,454,709)	(2,550)	0	0	0	19,147,799	0	0
Tangible capital asset adjustment	145,710	0	0	75,500	0	0	(221,210)	0	0
Capital leases repaid	0	0	0	0	0	0	0	0	0
Proceeds on disposal	85,150	0	0	0	0	0	(85,150)	0	0
Loss on disposal	177,804	0	0	0	0	0	(177,804)	0	0
Long term debt proceeds	27,672,249	0	0	0	0	0	(27,672,249)	0	0
Long term debt repaid	(20,961,788)	(107,445)	0	0	0	0	21,069,233	0	0
Depreciation	2,294,611	2,295,487	246,602	0	0	0	(4,836,700)	0	0
	<u>(7,104,548)</u>	<u>17,193</u>	<u>269,973</u>	<u>698,862</u>	<u>0</u>	<u>(1,105,399)</u>	<u>7,223,919</u>	<u>0</u>	<u>0</u>
<b>CHANGE IN FUND BALANCES</b>	2,405,544	1,499,887	473,010	1,211,900	(37,575)	(1,105,399)	7,223,919	11,671,286	3,949,043
<b>BALANCES, OPENING</b>	<u>4,126,693</u>	<u>(5,901,962)</u>	<u>(1,918,980)</u>	<u>(617,745)</u>	<u>(318,696)</u>	<u>7,873,330</u>	<u>97,239,691</u>	<u>100,482,331</u>	<u>96,533,288</u>
<b>BALANCES, CLOSING</b>	<u>\$ 6,532,237</u>	<u>\$ (4,402,075)</u>	<u>\$ (1,445,970)</u>	<u>\$ 594,155</u>	<u>\$ (356,271)</u>	<u>\$ 6,767,931</u>	<u>\$104,463,610</u>	<u>\$112,153,617</u>	<u>\$100,482,331</u>

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

**CITY OF IQALUIT**  
**GENERAL OPERATING FUND**  
FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>2016</u> <u>Budget</u>	<u>2016</u> <u>Actual</u>	<u>2015</u> <u>Actual</u>
<b>Revenues</b>			
User charges			
Taxes	\$ 12,307,524	\$ 12,285,371	\$ 12,157,097
Grants in lieu (Schedule 8)	<u>6,015,267</u>	<u>6,023,461</u>	<u>5,366,373</u>
	18,322,791	18,308,832	17,523,470
Other revenue from own sources (Schedule 8)	<u>3,287,700</u>	<u>3,781,669</u>	<u>3,538,260</u>
	21,610,491	22,090,501	21,061,730
Government transfers			
Equalization contribution	2,031,100	2,031,180	2,117,997
Economic development (Schedule 15)	190,000	190,000	182,017
Government operating transfers (Schedule 8)	153,000	321,829	131,550
Contract services (Schedule 16)	<u>0</u>	<u>943,001</u>	<u>993,222</u>
	<u>23,984,591</u>	<u>25,576,511</u>	<u>24,486,516</u>
<b>Expenses</b>			
General government (Schedule 9)	4,427,100	3,765,913	4,364,789
Emergency services (Schedule 10)	4,224,584	3,998,721	4,327,001
By-law enforcement (Schedule 11)	1,368,242	1,088,913	1,243,980
Public works and transportation (Schedule 12)	3,633,191	4,133,119	3,559,853
Recreational and cultural (Schedule 13)	3,040,216	3,128,391	3,574,013
Engineering services (Schedule 14)	540,300	736,574	981,682
Economic development (Schedule 15)	184,800	193,681	184,947
Contract services (Schedule 16)	<u>0</u>	<u>1,006,314</u>	<u>1,007,484</u>
	17,418,433	18,051,626	19,243,749
Depreciation	<u>2,309,000</u>	<u>2,294,611</u>	<u>2,332,161</u>
	<u>19,727,433</u>	<u>20,346,237</u>	<u>21,575,910</u>
<b>Excess Revenues Before Other</b>	4,257,158	5,230,274	2,910,606
<b>Other</b>			
Capital contributions	<u>0</u>	<u>4,279,818</u>	<u>944,091</u>
<b>Excess Revenues</b>	<u>\$ 4,257,158</u>	<u>\$ 9,510,092</u>	<u>\$ 3,854,697</u>

**CITY OF IQALUIT**  
**WATER AND SEWER FUND**  
FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>2016</u> <u>Budget</u>	<u>2016</u> <u>Actual</u>	<u>2015</u> <u>Actual</u>
<b>Revenues</b>			
User charges			
Residential	\$ 4,680,800	\$ 5,270,911	\$ 2,896,399
Residential subsidy	<u>(3,042,500)</u>	<u>(3,372,168)</u>	<u>(1,369,495)</u>
	1,638,300	1,898,743	1,526,904
Commercial	1,328,900	1,609,535	1,042,438
Government and industrial	2,877,200	3,257,292	2,866,385
Other fees	<u>151,100</u>	<u>94,811</u>	<u>160,486</u>
	5,995,500	6,860,381	5,596,213
Government transfers			
Government of Nunavut subsidies	<u>1,234,600</u>	<u>1,234,600</u>	<u>1,234,597</u>
	<u>7,230,100</u>	<u>8,094,981</u>	<u>6,830,810</u>
<b>Expenses</b>			
Salaries and wages	2,987,000	3,256,776	3,415,551
Transmission and distribution (utilidor)	1,672,100	2,169,547	2,941,555
Vehicle fuel	159,000	132,236	192,111
Vehicle operations and maintenance	165,000	213,296	158,100
Provision for closure/post-closure sewage lagoon (Note 13)	<u>0</u>	<u>31,095</u>	<u>11,214</u>
	4,983,100	5,802,950	6,718,531
Administration and maintenance costs			
General government	94,800	83,998	99,984
Emergency services	37,000	37,000	37,000
By-law	18,300	18,300	18,300
Public works and transportation	<u>214,900</u>	<u>377,189</u>	<u>455,602</u>
	5,348,100	6,319,437	7,329,417
Depreciation	<u>2,248,100</u>	<u>2,295,487</u>	<u>2,295,619</u>
	<u>7,596,200</u>	<u>8,614,924</u>	<u>9,625,036</u>
<b>Excess Expenses Before Other</b>	(366,100)	(519,943)	(2,794,226)
<b>Other</b>			
Capital contributions	<u>0</u>	<u>2,002,637</u>	<u>1,529,354</u>
<b>Excess Revenues (Expenses)</b>	<u>\$ (366,100)</u>	<u>\$ 1,482,694</u>	<u>\$ (1,264,872)</u>

**CITY OF IQALUIT**  
**SANITATION PROGRAM FUND**  
FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>2016</u> <u>Budget</u>	<u>2016</u> <u>Actual</u>	<u>2015</u> <u>Actual</u> (Restated - Note 2)
<b>Revenues</b>			
User charges			
Sanitation services	\$ 2,354,400	\$ 2,479,110	\$ 2,246,882
Solid waste tipping fees	356,600	485,560	369,360
Other	<u>0</u>	<u>0</u>	<u>60,000</u>
	2,711,000	2,964,670	2,676,242
Government transfers			
Other	<u>0</u>	<u>2,466,894</u>	<u>1,354,109</u>
	<u>2,711,000</u>	<u>5,431,564</u>	<u>4,030,351</u>
<b>Expenses</b>			
Salaries and benefits	1,294,600	1,427,657	1,467,175
Vehicle fuel	76,000	74,177	106,618
Vehicle operations and maintenance	87,500	134,748	117,283
Materials and supplies	14,400	16,790	15,423
Contracted costs	10,000	9,330	33,155
Electricity	18,800	22,111	22,854
Heating fuel	13,000	13,461	17,123
Provision for closure/post-closure solid waste landfill (Note 13)	0	802,005	(553,576)
Landfill run-off treatment	0	681,210	607,540
Decommissioning of West 40 Landfill	0	1,785,684	843,468
Provision for landfill run-off treatment (Note 13)	<u>0</u>	<u>(272,921)</u>	<u>108,628</u>
	1,514,300	4,694,252	2,785,691
Administration and maintenance costs			
General government	80,200	73,389	84,382
Public works and transportation	<u>161,000</u>	<u>216,834</u>	<u>263,739</u>
	1,755,500	4,984,475	3,133,812
Depreciation	<u>245,000</u>	<u>246,602</u>	<u>245,295</u>
	<u>2,000,500</u>	<u>5,231,077</u>	<u>3,379,107</u>
<b>Excess Revenues Before Other</b>	710,500	200,487	651,244
<b>Other</b>			
Capital contributions	<u>0</u>	<u>2,550</u>	<u>30,362</u>
<b>Excess Revenues</b>	<u>\$ 710,500</u>	<u>\$ 203,037</u>	<u>\$ 681,606</u>

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

**CITY OF IQALUIT**  
**LAND DEVELOPMENT FUND**  
FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>2016</u> <u>Budget</u>	<u>2016</u> <u>Actual</u>	<u>2015</u> <u>Actual</u>
<b>Revenues</b>			
User charges			
Land sales	\$ 640,000	\$ 754,937	\$ 1,029,342
Interest on land leases	550,000	534,478	573,693
Lot leases revenue	120,000	4,954	9,380
Other	0	93,945	95,026
Fees	<u>176,500</u>	<u>219,933</u>	<u>122,788</u>
	1,486,500	1,608,247	1,830,229
Government transfers			
Land administration contribution	<u>83,000</u>	<u>84,243</u>	<u>83,409</u>
	<u>1,569,500</u>	<u>1,692,490</u>	<u>1,913,638</u>
<b>Expenses</b>			
Cost of land sold	0	139,900	83,235
Interest on debentures	220,000	224,818	261,833
Salaries and benefits	424,000	471,659	468,350
Office and miscellaneous	8,200	7,838	11,369
Planning, reviews and studies	1,039,700	75,440	189,445
Professional fees	9,000	21,144	11,550
Rent	68,100	65,739	65,050
Survey, appraisal and title search fees	35,000	10,298	18,453
Training	2,700	2,050	6,851
Electricity	10,600	4,327	5,318
Heating fuel	10,300	4,791	5,662
Vehicle fuel	0	560	443
Vehicle operations, maintenance and rental	<u>0</u>	<u>0</u>	<u>756</u>
	1,827,600	1,028,564	1,128,315
Administration and maintenance costs			
General government	133,200	125,957	127,618
Engineering services	4,600	4,600	4,600
By-law	3,200	3,200	3,200
Public works and transportation	<u>15,500</u>	<u>17,131</u>	<u>16,190</u>
	1,984,100	1,179,452	1,279,923
Depreciation	<u>1,000</u>	<u>0</u>	<u>0</u>
	<u>1,985,100</u>	<u>1,179,452</u>	<u>1,279,923</u>
<b>Excess Revenues (Expenses)</b>	<u>\$ (415,600)</u>	<u>\$ 513,038</u>	<u>\$ 633,715</u>

**CITY OF IQALUIT**  
**GRAVEL FUND**  
 FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>2016</u> <u>Budget</u>	<u>2016</u> <u>Actual</u>	<u>2015</u> <u>Actual</u>
<b>Revenues</b>			
User charges			
Gravel royalties	\$ <u>0</u>	\$ <u>0</u>	\$ <u>88,304</u>
<b>Expenses</b>			
Provision for closure/post-closure trail area deposit (Note 13)	0	(9,435)	0
Administration and maintenance costs			
General government	18,200	16,493	18,574
Public works and transportation	<u>22,400</u>	<u>30,517</u>	<u>25,833</u>
	<u>40,600</u>	<u>37,575</u>	<u>44,407</u>
<b>Excess Revenues (Expenses)</b>	<u>\$ (40,600)</u>	<u>\$ (37,575)</u>	<u>\$ 43,897</u>

**CITY OF IQALUIT**  
**RESERVE FUND**  
FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>2016</u> <u>Actual</u>	<u>2015</u> <u>Actual</u>	
<b>The reserve fund is allocated as follows:</b>			
<b>General Operating Fund</b>			(Restated - Note 2)
Election expense reserve	\$ 24,349	\$ 24,349	
Financial information system reserve	26,494	26,494	
Administration building project reserve	8,014	7,949	
Recreation building project reserve	58,175	57,711	
Administration vehicle reserve	2,679	2,658	
By-law vehicle reserve	18,164	18,019	
Emergency services vehicle reserve	89,595	88,838	
Emergency services equipment replacement reserve	34,668	34,668	
Dog pound reserve	10,895	10,866	
Alarm monitoring system reserve	6,995	6,995	
Recreation vehicle reserve	8,715	8,715	
Ambulance vehicle reserve	26,139	26,139	
Outdoor hard surface reserve	7,480	7,500	
BMX bicycle park reserve	5,000	5,000	
City hall/recreation building reserve	303,311	300,888	
Annenburg Foundation future donations reserve	37	37	
Ambulance personnel training reserve	63,474	62,967	
Fire hall replacement reserve	48,421	48,421	
Major infrastructure maintenance reserve	896,420	818,395	
Future recreation building reserve	118	117	
Sustainability and economic development reserve	399,849	269,999	
Emergency management operations reserve	60,337	59,855	
Animal control vehicle reserve	15,290	15,168	
Ambulance building reserve	45,501	45,138	
Translation equipment reserve	4,942	4,942	
Emergency radio equipment reserve	16,556	16,424	
Ambulance equipment reserve	11,042	10,954	
Election equipment reserve	5,300	5,300	
Marine infrastructure reserve	42,434	42,434	
Emergency generator reserve	24,500	24,500	
Street lighting reserve	21,988	21,988	
Paving maintenance reserve	22,949	22,765	
Emergency services risk assessment reserve	3,672	3,642	
Building inspector vehicle reserve	9,783	9,783	
Playground equipment reserve	6,364	6,313	
Administration photocopier reserve	3,045	3,021	
Finance office furniture reserve	1,200	1,200	
Garage equipment reserve	38,447	3,419	
Gas pump equipment reserve	4,308	4,274	
Soccer equipment reserve	9,911	9,832	
New road paving reserve	35,477	35,194	

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

**CITY OF IQALUIT**  
**RESERVE FUND**  
FOR THE YEAR ENDED DECEMBER 31, 2016

	2016	2015
	<u>Actual</u>	<u>Actual</u>
		(Restated - Note 2)
<b>The reserve fund is allocated as follows: (continued)</b>		
<b>General Operating Fund</b>		
Roads heavy equipment reserve	171,637	171,637
Purchasing warehouse reserve	9,358	9,283
Purchasing vehicle reserve	7,065	7,008
Safety and training vehicle reserve	5,587	5,587
Vacation travel allowance reserve	8,594	8,594
Youth council reserve	44,907	44,562
Engineering vehicle reserve	2,651	2,651
Cemetery development reserve	19,962	19,803
Aquatic centre reserve	165	191
R.E.A.C.H. sponsorships reserve	238,333	93,333
R.E.A.C.H. donations reserve	74,930	72,200
General reserve	912,396	1,482,158
<b>Water and Sewer Fund</b>		
Sewage project reserve	0	221,307
Water truck replacement reserve	0	26,762
Booster station equipment reserve	19,234	19,234
Sewer truck reserve	0	35,791
Water and sewer capital projects	33,250	33,250
Water and sewer capital lease	30,000	30,000
<b>Land Development Fund</b>		
Reserve for estimated future interest expense on debenture no. 14	0	625,391
Review and by-law revisions reserve	202,500	202,500
Aerial photo reserve	126,000	126,000
Parking lot maintenance reserve	139,980	139,980
GIS update reserve	50,000	50,000
Pedestrian walkway reserve	31,500	31,500
Parking lot reserve	40,000	40,000
Improvement to Industrial subdivision reserve	176,856	175,444
Walking trails, phase 1 and 2 reserve	212,000	212,000
Snow fence reserve	77,139	76,523
Lands and planning vehicle reserve	12,461	12,461
<b>Sanitation Fund</b>		
Sanitation vehicle replacement reserve	68,510	68,510
Landfill equipment and vehicle reserve	106,588	139,316
Landfill equipment reserve	852,261	845,454
Sanitation capital lease	50,000	50,000
Sanitation capital purchases	25,000	25,000
<b>Gravel Fund</b>		
Quarry development reserve	<u>597,029</u>	<u>597,029</u>
	<u>\$ 6,767,931</u>	<u>\$ 7,873,330</u>

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



**CITY OF IQALUIT**  
**GRANTS IN LIEU AND OTHER REVENUE FROM OWN SOURCES**  
FOR THE YEAR ENDED DECEMBER 31, 2016

	2016 <u>Budget</u>	2016 <u>Actual</u>	2015 <u>Actual</u>
<b>Grants in Lieu</b>			
Federal government	\$ 1,088,372	\$ 1,092,348	\$ 1,102,997
Government of Nunavut	4,745,652	4,749,870	4,032,800
Nunavut Power Corporation	181,243	181,243	181,243
Canadian Broadcasting Corporation	<u>0</u>	<u>0</u>	<u>49,333</u>
	<u>\$ 6,015,267</u>	<u>\$ 6,023,461</u>	<u>\$ 5,366,373</u>
<b>Government Operating Transfers</b>			
Federal government	\$ 79,000	\$ 0	\$ 0
Government of Nunavut	<u>74,000</u>	<u>321,829</u>	<u>131,550</u>
	<u>\$ 153,000</u>	<u>\$ 321,829</u>	<u>\$ 131,550</u>
<b>Other Revenue from Own Sources</b>			
Emergency services	\$ 1,455,600	\$ 1,920,540	\$ 1,679,079
Recreational and cultural	847,900	619,920	595,976
By-law enforcement	111,500	104,018	99,858
Interest earned	182,900	139,802	106,949
Penalties and interest	354,000	553,605	461,155
Tax certificates	15,000	11,625	16,200
Training subsidies	0	0	4,780
Business licences	100,000	129,850	118,650
Rent recovery	72,000	72,277	63,323
Administration fees on land development	0	0	83,235
Other licences and permits	40,000	550	665
Property rental	73,800	5,833	33,699
Insurance recoveries	20,000	99,251	12,364
Other income	<u>15,000</u>	<u>124,398</u>	<u>262,327</u>
	<u>\$ 3,287,700</u>	<u>\$ 3,781,669</u>	<u>\$ 3,538,260</u>

**CITY OF IQALUIT**  
**GENERAL GOVERNMENT**  
FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>2016</u> <u>Budget</u>	<u>2016</u> <u>Actual</u>	<u>2015</u> <u>Actual</u>
<b>Expenses</b>			
Mayor's and councillors' salaries	\$ 278,200	\$ 225,923	\$ 260,026
Salaries	2,436,700	2,018,084	2,430,089
Employee benefits	513,200	519,597	603,717
Staff housing costs	0	28	7,084
Staff training	314,300	146,119	116,766
Utilities	94,600	100,239	124,867
Telecommunications	223,000	252,863	257,350
Stationery, supplies and postage	64,400	76,497	84,311
Council initiated programs	34,000	41,805	46,040
Advertising and promotion	63,700	66,742	82,324
Business travel and education	68,400	61,020	54,758
Minor capital	0	24,911	0
Maintenance and repairs	58,400	53,414	82,591
Election and plebiscites	0	0	82,566
Miscellaneous	0	16,048	0
Insurance	473,400	450,245	466,556
Membership and dues	7,400	4,580	4,767
Fiscal expenses	303,400	74,578	150,131
Professional fees	287,000	308,952	407,001
Contracted services	44,000	68,090	66,946
Labour relations	25,000	142,730	42,187
Contracted translation	112,000	59,096	132,086
Rent	16,900	18,368	18,541
Vehicle fuel	3,500	2,823	1,432
Vehicle operations and maintenance	4,000	1,992	5,353
Computers and software	<u>143,300</u>	<u>120,197</u>	<u>120,991</u>
	5,568,800	4,854,941	5,648,480
Net allocations (to) from:			
Emergency services	(192,700)	(195,424)	(202,437)
By-law enforcement	7,200	7,326	6,832
Public works and transportation	(272,200)	(254,550)	(213,315)
Recreational and cultural	(236,700)	(224,830)	(241,086)
Engineering	(128,900)	(121,713)	(138,538)
Water and sewer fund	(94,800)	(83,998)	(261,646)
Sanitation fund	(80,200)	(73,389)	(87,309)
Land development fund	(125,200)	(125,957)	(127,618)
Gravel fund	<u>(18,200)</u>	<u>(16,493)</u>	<u>(18,574)</u>
	4,427,100	3,765,913	4,364,789
Depreciation	<u>225,096</u>	<u>199,876</u>	<u>242,411</u>
	<u>\$ 4,652,196</u>	<u>\$ 3,965,789</u>	<u>\$ 4,607,200</u>

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

**CITY OF IQALUIT**  
**EMERGENCY SERVICES**  
FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>2016</u> <u>Budget</u>	<u>2016</u> <u>Actual</u>	<u>2015</u> <u>Actual</u>
<b>Revenues</b>			
User charges			
Ambulance services	\$ 1,250,000	\$ 1,673,440	\$ 1,408,526
Alarm monitoring services	193,100	237,488	233,858
Other recoveries	<u>12,500</u>	<u>9,612</u>	<u>36,695</u>
	<u>1,455,600</u>	<u>1,920,540</u>	<u>1,679,079</u>
<b>Expenses</b>			
Salaries and benefits	3,711,300	3,525,311	3,777,894
Vehicle fuel	21,700	21,208	19,298
Vehicle operations and maintenance	71,200	109,571	104,658
Fire fighters' association	50,000	1,464	50,000
Office and miscellaneous	76,700	71,818	69,123
Dispatch expenses	2,400	2,382	8,798
Professional fees	4,500	0	7,939
Supplies	61,000	61,945	52,011
Rent	5,900	6,123	6,180
Utilities	95,200	90,073	102,129
Building repairs and maintenance	0	0	21,359
Minor capital	<u>32,600</u>	<u>31,602</u>	<u>23,375</u>
	4,132,500	3,921,497	4,242,764
Net allocations (to) from:			
General government	210,284	195,424	202,437
Engineering services	9,200	9,200	9,200
By-law	(99,000)	(99,000)	(99,000)
Public works and transportation	8,600	8,600	8,600
Water and sewer fund	<u>(37,000)</u>	<u>(37,000)</u>	<u>(37,000)</u>
	4,224,584	3,998,721	4,327,001
Depreciation	<u>166,660</u>	<u>165,529</u>	<u>171,309</u>
	<u>4,391,244</u>	<u>4,164,250</u>	<u>4,498,310</u>
<b>Excess Expenses</b>	<u>\$ (2,935,644)</u>	<u>\$ (2,243,710)</u>	<u>\$ (2,819,231)</u>

**CITY OF IQALUIT**  
**BY-LAW ENFORCEMENT**  
FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>2016</u> <u>Budget</u>	<u>2016</u> <u>Actual</u>	<u>2015</u> <u>Actual</u>
<b>Revenues</b>			
User charges			
Fines	\$ 70,200	\$ 60,429	\$ 59,062
Licences and permits	<u>41,300</u>	<u>43,589</u>	<u>40,796</u>
	<u>111,500</u>	<u>104,018</u>	<u>99,858</u>
<b>Expenses</b>			
Salaries and benefits	1,081,100	792,567	889,002
Vehicle fuel	14,400	15,277	18,122
Vehicle repairs and maintenance	16,500	39,331	40,949
Office and miscellaneous	72,600	55,176	97,406
Professional fees	0	0	6,096
Rent	75,000	81,637	82,406
Repairs and maintenance	4,300	6,138	6,138
Dog pound expenses	<u>28,300</u>	<u>22,913</u>	<u>27,493</u>
	1,292,200	1,013,039	1,167,612
Administration and maintenance costs			
General government	(7,158)	(7,326)	(6,832)
Emergency services	99,000	99,000	99,000
Engineering services	32,300	32,300	32,300
Public works and transportation	(26,600)	(26,600)	(26,600)
Water and sewer fund	(18,300)	(18,300)	(18,300)
Land development fund	<u>(3,200)</u>	<u>(3,200)</u>	<u>(3,200)</u>
	1,368,242	1,088,913	1,243,980
Depreciation	<u>28,060</u>	<u>25,697</u>	<u>28,072</u>
	<u>1,396,302</u>	<u>1,114,610</u>	<u>1,272,052</u>
<b>Excess Expenses</b>	<u>\$ (1,284,802)</u>	<u>\$ (1,010,592)</u>	<u>\$ (1,172,194)</u>

**CITY OF IQALUIT**  
**PUBLIC WORKS AND TRANSPORTATION**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

	<u>2016</u> <u>Budget</u>	<u>2016</u> <u>Actual</u>	<u>2015</u> <u>Actual</u>
<b>Expenses</b>			
Salaries and benefits	\$ 2,243,800	\$ 2,685,693	\$ 2,424,647
Vehicle fuel	124,500	176,122	151,002
Vehicle operations and maintenance	222,700	149,929	125,206
Building maintenance	575,400	557,077	471,776
Materials and supplies	72,800	138,276	243,729
Street lighting	250,000	253,154	266,870
Traffic services	50,000	26,080	51,626
Contracted costs	72,500	73,025	73,863
Interest on capital leases	0	0	1,032
Interest on loan financing	28,000	24,714	26,851
Loss on disposal of assets	0	177,804	0
Cemetery operations and maintenance	5,000	1,170	5,120
Road repairs and maintenance	<u>180,000</u>	<u>330,746</u>	<u>161,091</u>
	3,824,700	4,593,790	4,002,813
Net allocations (to) from:			
General government	271,491	254,550	299,478
By-law	26,600	26,600	105,026
Emergency services	(8,600)	(8,600)	(8,600)
Engineering services	(67,200)	(91,550)	(77,500)
Water and sewer fund	(214,900)	(377,189)	(455,602)
Sanitation fund	(161,000)	(216,834)	(263,739)
Gravel fund	(22,400)	(30,517)	(25,833)
Land development fund	<u>(15,500)</u>	<u>(17,131)</u>	<u>(16,190)</u>
	3,633,191	4,133,119	3,559,853
Depreciation	<u>1,396,930</u>	<u>1,421,499</u>	<u>1,397,976</u>
	<u>\$ 5,030,121</u>	<u>\$ 5,554,618</u>	<u>\$ 4,957,829</u>

**CITY OF IQALUIT**  
**RECREATIONAL AND CULTURAL**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

	2016 <u>Budget</u>	2016 <u>Actual</u>	2015 <u>Actual</u>
<b>Revenues</b>			
User charges			
Abe Okpik Community Centre	\$ 4,600	\$ 14,444	\$ 5,128
Arctic Winter Games Complex	118,300	106,809	99,359
Arnaituq Arena	84,800	52,997	72,269
Curling rink	21,000	1,500	10,033
Recreation fundraising	238,800	193,128	124,511
Iqaluit skateboard park	6,000	6,678	9,424
Parks, playgrounds and ballfields	2,200	2,300	0
Programs and special events	208,400	163,546	161,525
Soccer	34,800	33,204	30,213
Aquatic centre	70,000	25,253	46,190
Youth centre	59,000	20,061	37,324
	<u>847,900</u>	<u>619,920</u>	<u>595,976</u>
<b>Expenses</b>			
Administration			
Salaries and benefits	256,900	276,342	354,730
Other administration expenses	18,900	35,093	26,639
Vehicle fuel	11,000	9,649	15,458
Vehicle operations and maintenance	5,500	18,981	26,631
	<u>292,300</u>	<u>340,065</u>	<u>423,458</u>
Fundraising expenses	55,000	34,570	53,917
Facilities			
Abe Okpik Community Centre	76,400	55,620	87,371
Aquatic centre	70,000	2,252	77,683
Arctic Winter Games Complex	633,300	566,904	708,821
Arnaituq Arena	323,600	498,974	440,136
Curling rink	197,300	231,351	255,916
Elders' facility	91,400	108,583	135,936
Iqaluit skateboard park	67,100	79,937	70,472
Parks, playgrounds and ballfields	105,000	101,487	102,814
Programs and special events	404,700	357,950	461,969
Soccer program	144,900	159,969	138,562
Youth centre	342,600	365,899	375,872
	<u>2,803,600</u>	<u>2,903,561</u>	<u>3,332,927</u>
Net allocations (to) from:			
General government	236,616	224,830	241,086
	<u>3,040,216</u>	<u>3,128,391</u>	<u>3,574,013</u>
Depreciation	483,844	475,374	483,971
	<u>3,524,060</u>	<u>3,603,765</u>	<u>4,057,984</u>
<b>Excess Expenses</b>	<u>\$ (2,676,160)</u>	<u>\$ (2,983,845)</u>	<u>\$ (3,462,008)</u>

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

**CITY OF IQALUIT**  
**ENGINEERING SERVICES**  
FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>2016</u> <u>Budget</u>	<u>2016</u> <u>Actual</u>	<u>2015</u> <u>Actual</u>
<b>Expenses</b>			
Salaries and benefits	\$ 259,400	\$ 341,194	\$ 489,395
Vehicle fuel	800	929	935
Vehicle repairs and maintenance	0	1,231	1,150
Office and miscellaneous	18,200	2,791	16,272
Rent	43,000	46,957	47,341
Heating	3,300	3,091	4,044
Materials and supplies	38,000	182,418	187,254
Contracted services	<u>0</u>	<u>0</u>	<u>74,553</u>
	362,700	578,611	820,944
Administration and maintenance costs			
General government	138,100	121,713	138,538
Economic development	9,200	(9,200)	(9,200)
Emergency services	0	(9,200)	(9,200)
By-law enforcement	(32,300)	(32,300)	(32,300)
Public works and transportation	67,200	91,550	77,500
Land development fund	<u>(4,600)</u>	<u>(4,600)</u>	<u>(4,600)</u>
	540,300	736,574	981,682
Depreciation	<u>8,410</u>	<u>6,636</u>	<u>8,422</u>
	<u>\$ 548,710</u>	<u>\$ 743,210</u>	<u>\$ 990,104</u>

**CITY OF IQALUIT**  
**ECONOMIC DEVELOPMENT**  
 FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>2016</u> <u>Budget</u>	<u>2016</u> <u>Actual</u>	<u>2015</u> <u>Actual</u>
<b>Revenues</b>			
Government transfers			
Economic development	\$ <u>190,000</u>	\$ <u>190,000</u>	\$ <u>182,017</u>
<b>Expenses</b>			
Salaries and benefits	166,400	174,186	158,918
Advertising and promotion	4,700	3,180	6,543
Staff training and travel	2,600	4,762	2,599
Materials and supplies	1,900	2,353	1,947
Contracted services	<u>0</u>	<u>0</u>	<u>5,740</u>
	175,600	184,481	175,747
Administration and maintenance costs			
Engineering services	<u>9,200</u>	<u>9,200</u>	<u>9,200</u>
	<u>184,800</u>	<u>193,681</u>	<u>184,947</u>
<b>Excess Revenues (Expenses)</b>	<u>\$ 5,200</u>	<u>\$ (3,681)</u>	<u>\$ (2,930)</u>



**CITY OF IQALUIT**  
**CONTRACT SERVICES**  
 FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Community Wellness</u>	<u>Community Health</u>	<u>2016 Total</u>	<u>2015 Total</u>
<b>Revenues</b>				
Government transfers				
Government of Nunavut	\$ 639,010	\$ 0	\$ 639,010	\$ 589,585
Government of Canada	<u>0</u>	<u>303,991</u>	<u>303,991</u>	<u>403,637</u>
	<u>639,010</u>	<u>303,991</u>	<u>943,001</u>	<u>993,222</u>
<b>Expenses</b>				
Contracted costs	583,570	287,748	871,318	840,009
Materials and supplies	0	836	836	8,020
Administration	55,440	7,000	62,440	63,990
Salaries and benefits	<u>0</u>	<u>71,720</u>	<u>71,720</u>	<u>95,465</u>
	<u>639,010</u>	<u>367,304</u>	<u>1,006,314</u>	<u>1,007,484</u>
<b>Excess Expenses</b>	<u>\$ 0</u>	<u>\$ (63,313)</u>	<u>\$ (63,313)</u>	<u>\$ (14,262)</u>

**CITY OF IQALUIT**  
**TANGIBLE CAPITAL ASSETS AND ACCUMULATED DEPRECIATION**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

	Cost				Accumulated Depreciation				Net Book Value	
	Balance Opening	Additions	Transfers	Disposals	Balance Closing	Balance Opening	Depreciation	Disposals		Balance Closing
Buildings	\$ 19,810,975	\$ 0	\$ 0	\$ 0	\$ 19,810,975	\$ 10,713,772	\$ 492,459	\$ 0	\$ 11,206,231	\$ 8,604,744
Cemetery development	972,608	0	1,115,725	0	2,088,333	0	0	0	0	2,088,333
Computer hardware	631,293	0	0	0	631,293	559,726	38,780	0	598,506	32,787
Computer software	779,631	19,349	9,175	0	808,155	639,583	74,235	0	713,818	94,337
Feasibility studies	603,931	0	0	0	603,931	603,931	0	0	603,931	0
Furniture and fixtures	148,579	0	0	0	148,579	118,046	10,907	0	128,953	19,626
Granular source	821,641	0	0	0	821,641	339,095	27,388	0	366,483	455,158
Infrastructure - water and sewer	56,369,553	297,737	391,092	0	57,058,382	27,371,553	1,599,425	0	28,970,978	28,087,404
Infrastructure - sewage treatment	16,781,466	0	0	0	16,781,466	6,348,616	558,883	0	6,907,499	9,873,967
Infrastructure - waste	4,731,046	0	0	0	4,731,046	1,404,199	158,084	0	1,562,283	3,168,763
Land	10,113,022	0	0	(75,500)	10,037,522	0	0	0	0	10,037,522
Machinery and equipment - office	451,690	0	0	0	451,690	402,671	19,072	0	421,743	29,947
Machinery and equipment - heavy	8,355,882	1,064,891	183,822	(293,106)	9,311,489	4,404,696	469,470	(30,153)	4,844,013	4,467,476
Machinery and equipment - residential	26,692	0	0	0	26,692	16,710	1,119	0	17,829	8,863
Playgrounds	274,628	0	0	0	274,628	167,798	14,979	0	182,777	91,851
Roads	31,736,008	37,818	0	0	31,773,826	8,190,926	1,061,625	0	9,252,551	22,521,275
Vehicles	7,117,062	87,537	0	0	7,204,599	5,894,645	310,274	0	6,204,919	999,680
	159,725,707	1,507,332	1,699,814	(368,606)	162,564,247	67,175,967	4,836,700	(30,153)	71,982,514	90,581,733
Assets under construction	25,569,934	17,640,467	(1,699,814)	(145,711)	41,364,876	0	0	0	0	41,364,876
<b>Total</b>	<b>\$185,295,641</b>	<b>\$ 19,147,799</b>	<b>\$ 0</b>	<b>\$ (514,317)</b>	<b>\$ 203,929,123</b>	<b>\$ 67,175,967</b>	<b>\$ 4,836,700</b>	<b>\$ (30,153)</b>	<b>\$ 71,982,514</b>	<b>\$131,946,609</b>

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

**CITY OF IQALUIT**  
**TANGIBLE CAPITAL ASSET ADDITIONS BY FUNDING SOURCE**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

**Government of Nunavut**

Gas Tax Contribution Agreement	
Water main replacement - 191 to NWTel Bldg	\$ 222,829
Water main replacement - Inuksugait	68,596
Creekside water line	6,313
Happy valley sewer line	453,001
Water supply infrastructure	98,205
Lake Geraldine site improvement	7,235
Water distribution and control systems	21,820
Water distribution power supply improvements	12,221
Water AV and service connections	251,655
Heating systems rehabilitation and upgrade	122,206
Solid waste facility planning	2,550
Wastewater collection and treatment system improvements	55,351
Sewer system AV and service connection improvements	<u>46,961</u>
	<u>1,368,943</u>

Capital Contribution Agreement	
Website redevelopment	18,500
Aquatic Center	4,130,000
Drainage and roadway upgrade	37,818
Waste water treatment plant upgrade	477,183
Waste water treatment plant upgrade	<u>159,061</u>
	<u>4,822,562</u>

Total Government of Nunavut capital funding 6,191,505

**Government of Canada**

AWG solar project	<u>93,500</u>
Total Government of Canada capital funding	<u>93,500</u>

**Total Government transfers relating to capital** 6,285,005

**City of Iqaluit**

Website redevelopment	849
Aquatic Center	11,798,016
Hot box	36,628
Generator	14,826
Air compressor	10,082
Heater unit	13,500
Heater unit	13,520
Water truck	249,757
Sewage truck	202,319
Trailer	17,492
Sand / salt box	11,197
CAT compactor	42,004
CAT loader	360,069
Ford F-250	43,232
Ford F-250	44,303
Quick coupler	<u>5,000</u>
Total City of Iqaluit capital funding	<u>12,862,794</u>
	<u>\$ 19,147,799</u>

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

**CITY OF IQALUIT**  
**TANGIBLE CAPITAL ASSET DISPOSALS**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

<u>Description</u>	<u>Identification</u>	Proceeds of <u>Disposal</u>
MAGS V7 Project		\$ 50,150
100 Kw Generator		<u>35,000</u>
		<u>\$ 85,150</u>

**CITY OF IQALUIT**  
**GENERAL OPERATING FUND ANALYSIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

	General Operating <u>Fund</u>	Aquatic Centre <u>Operations</u>	(Schedule 1) <u>Total General Operating Fund</u>
<b>EXCESS REVENUES</b>	\$ <u>9,487,091</u>	\$ <u>23,001</u>	\$ <u>9,510,092</u>
<b>Net interfund transfers</b>			
To (from) reserves	172,257	(1)	172,256
Tangible capital assets purchased	(762,524)	(15,928,016)	(16,690,540)
Tangible capital assets adjustment	145,710	0	145,710
Proceeds on disposal	85,150	0	85,150
Loss on disposal	177,804	0	177,804
Long term debt proceeds	0	27,672,249	27,672,249
Long term debt repaid	(45,940)	(20,915,848)	(20,961,788)
Depreciation	<u>2,294,611</u>	<u>0</u>	<u>2,294,611</u>
	<u>2,067,068</u>	<u>(9,171,616)</u>	<u>(7,104,548)</u>
<b>CHANGE IN FUND BALANCES</b>	11,554,159	(9,148,615)	2,405,544
<b>BALANCES, OPENING</b>	<u>1,909,698</u>	<u>2,216,995</u>	<u>4,126,693</u>
<b>BALANCES, CLOSING</b>	<u>\$ <u>13,463,857</u></u>	<u>\$ <u>(6,931,620)</u></u>	<u>\$ <u>6,532,237</u></u>