

MUNICIPALITY OF KINNGAIT
CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2024

MUNICIPALITY OF KINNGAIT
INDEX TO THE CONSOLIDATED FINANCIAL STATEMENTS
SUNDAY, MARCH 31, 2024

		Page
Administration's Report		1
Independent Auditors' Report		2 - 4
Consolidated Statement of Financial Position	Statement I	5
Consolidated Statement of Operations and Accumulated Surplus	Statement II	6
Consolidated Statement of Changes in Net Financial Assets	Statement III	7
Consolidated Statement of Cash Flows	Statement IV	8
Notes to the Consolidated Financial Statements		9 - 19
Changes in Accumulated Surplus	Schedule 1	20
Water and Sewage Services	Schedule 2	21
Land Development and Administration	Schedule 3	22
Other Revenues	Schedule 4	23
General Government Services Expenditures	Schedule 5	24
Protective Services Expenditures	Schedule 6	25
General Municipal Works and Services Expenditures	Schedule 7	26
Transportation and Roads Expenditures	Schedule 8	27
Environmental Health Services Expenditures	Schedule 9	28
Recreation Services Expenditures	Schedule 10	29
Contract Services	Schedule 11	30 - 31
Community Capacity Building	Schedule 12	32
Kenojuak Cultural Centre	Schedule 13	33
Consolidated Revenues and Expenditures by Object	Schedule 14	34
Additional Information	Schedule 15	35
Tangible Capital Assets	Schedule 16	36
Capital Projects	Schedule 17	37 - 38

ADMINISTRATION'S REPORT

Municipal Council, which is responsible for, among other things, the preparation of the financial statements of the Municipality of Kinngait, 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 in accordance with the policies and standards prescribed for municipal governments as recommended by the Department of Community and Government Services - Government of Nunavut, based on the requirements of the *Hamlets Act* of Nunavut and the Public Sector Accounting Standards of the Chartered Professional Accountants of Canada (CPA Canada).

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 based 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 Lester Landau, Chartered Professional Accountants. The auditors' report outlines the scope of their audit and their opinion on the presentation of the information included in the financial statements.

Louis M. Primeau
Supervisor

Municipality of Kinngait

Date



$\Delta^{\text{f}}_{\text{C}} \Delta^{\text{f}}_{\text{H}}$: 867.979.6603 $\Delta^{\text{f}}_{\text{C}} \Delta^{\text{f}}_{\text{D}}$: 867.979.6493

INDEPENDENT AUDITORS' REPORT

To the Mayor and Councillors of the Municipality of Kinngait

Report on the Audit of the Consolidated Financial Statements

Qualified Opinion

We have audited the consolidated financial statements of the Municipality of Kinngait (the Municipality), which comprise the consolidated statement of financial position as at March 31, 2024, and the consolidated statements of operations and accumulated surplus, changes in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, except for matters described in the *Basis for Qualified Opinion* section of our report, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Municipality as at March 31, 2024 and its financial performance and its cash flows for the year then ended in accordance with the policies and standards prescribed for municipalities by the *Hamlets Act* of Nunavut and by the Department of Community and Government Services, Government of Nunavut.

Basis for Qualified Opinion

During our examination, we were unable to obtain sufficient appropriate audit evidence to support the valuation of consumable inventory. Accordingly, our verification of consumable inventory 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 inventory, cost of sales, excess revenues (expenses) for the year and accumulated surplus.

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

Emphasis of Matter - Basis of Accounting

Without modifying our opinion, we draw attention to Note 1 to the consolidated financial statements which describes the basis of accounting. The consolidated financial statements are prepared to assist the Municipality to meet the requirements of the Department of Community and Government Services, Government of Nunavut.

Responsibilities of Administration and Those Charged with Governance for the Consolidated Financial Statements

Administration is responsible for the preparation and fair presentation of the 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 the consolidated financial statements that are free of material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

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

Report on Other Legal and Regulatory Requirements

As required by Section 147 of the *Hamlets Act* of Nunavut we report that, in our opinion, these principles have been applied on a basis consistent with that of the preceding year.

Report on Compliance with Specified Authorities

In conjunction with the audit of the consolidated financial statements, we have audited transactions of the Municipality coming to our notice for compliance with specified authorities. The specified authorities against which compliance was audited are the *Hamlets Act* of Nunavut.

In our opinion, the transactions of the Municipality that came to our notice during the audit of the consolidated financial statements have complied, in all material respects, with the specified authorities referred to above except as disclosed in Note 15 to the consolidated financial statements..

Administration is responsible for the Municipality's compliance with the specified authorities named above, and for such internal control as administration determines is necessary to enable the Municipality to comply with the specified authorities.

Our audit responsibilities include planning and performing procedures to provide an audit opinion and reporting on whether the transactions coming to our notice during the audit of the consolidated financial statements are in compliance with the specified authorities referred to above.

Can't Show Lester Landau - png.png

Iqaluit, Nunavut
Date pending approval

Chartered Professional Accountants
Lester Landau Accounting Professional Corp.

MUNICIPALITY OF KINNGAIT
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT SUNDAY, MARCH 31, 2024

	<u>2024</u>	<u>2023</u>
Financial Assets		
Cash and cash equivalents (Note 2)	\$ 7,237,138	\$ 6,215,012
Reserve deposits (Note 3)	2,545,239	2,514,419
Accounts receivable (Note 4)	1,293,641	1,323,593
Land under development	557,553	557,553
Equity leases receivable	<u>72,328</u>	<u>72,328</u>
Total Financial Assets	<u>11,705,899</u>	<u>10,682,905</u>
Liabilities		
Accounts payable and accrued liabilities (Note 6)	3,398,473	2,114,659
Wages and benefits payable	820,625	431,154
Post employment benefits payable	68,920	102,420
Deferred revenue (Note 7)	412,140	601,069
Due to Government of Nunavut (Note 8)	<u>75,432</u>	<u>75,432</u>
Total Liabilities	<u>4,775,590</u>	<u>3,324,734</u>
Net Financial Assets	<u>6,930,309</u>	<u>7,358,171</u>
Non-Financial Assets		
Prepaid expenses	191,182	-
Consumable inventory	433,000	433,000
Tangible capital assets (Schedule 16)	<u>16,239,645</u>	<u>16,424,784</u>
Total Non-Financial Assets	<u>16,863,827</u>	<u>16,857,784</u>
Accumulated Surplus (Schedule 1)	<u><u>\$ 23,794,136</u></u>	<u><u>\$24,215,955</u></u>

Commitments and Contingencies (Note 10)

Approved on behalf of the Municipality:

_____ Mayor

_____ Senior Administrative Officer

MUNICIPALITY OF KINNGAIT
CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS
FOR THE YEAR ENDED SUNDAY, MARCH 31, 2024

	Budget <u>2024</u>	Actual <u>2024</u>	Actual <u>2023</u>
Revenues			
Operating contribution	\$ 2,378,512	\$ 2,722,230	\$ 2,580,564
Water and sewage services (Schedule 2)	3,377,240	2,838,816	3,061,192
Land development and administration (Schedule 3)	203,956	260,067	161,426
Other revenues (Schedule 4)	687,420	1,111,086	963,684
Recreation revenues (Schedule 4)	117,700	31,894	45,695
Contract services (Schedule 11)	499,336	722,929	991,559
Community capacity building (Schedule 12)	190,000	39,620	12,936
Kenojuak Cultural Centre (Schedule 13)	-	14,381	4,974
	<u>7,454,164</u>	<u>7,741,023</u>	<u>7,822,030</u>
Expenditures			
Water and sewage services (Schedule 2)	3,055,722	2,851,137	2,757,493
Land development and administration (Schedule 3)	150,696	87,117	26,392
General government services (Schedule 5)	972,995	1,465,493	932,208
Protective services (Schedule 6)	142,171	86,862	99,433
General municipal works and services (Schedule 7)	935,476	1,064,172	765,911
Transportation and roads services (Schedule 8)	249,925	277,220	229,168
Environmental health services (Schedule 9)	187,877	211,144	202,276
Recreation services (Schedule 10)	607,253	764,822	686,240
Contract services (Schedule 11)	413,171	680,034	977,370
Community capacity building (Schedule 12)	190,000	39,620	12,936
Kenojuak Cultural Centre (Schedule 13)	-	34,838	11,079
	<u>6,905,286</u>	<u>7,562,459</u>	<u>6,700,506</u>
Depreciation (Schedule 16)	-	1,113,976	1,173,278
	<u>6,905,286</u>	<u>8,676,435</u>	<u>7,873,784</u>
Operating Surplus (Deficit) - Before Other	548,878	(935,412)	(51,754)
Other			
Contributions related to capital (Schedule 4)	-	513,593	196,352
	<u>-</u>	<u>513,593</u>	<u>196,352</u>
Operating Surplus (Deficit)	548,878	(421,819)	144,598
Accumulated Surplus, opening	<u>24,215,955</u>	<u>24,215,955</u>	<u>24,071,357</u>
Accumulated Surplus, closing	<u>\$ 24,764,833</u>	<u>\$ 23,794,136</u>	<u>\$ 24,215,955</u>

MUNICIPALITY OF KINNGAIT
CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS
FOR THE YEAR ENDED SUNDAY, MARCH 31, 2024

	Budget <u>2024</u>	Actual <u>2024</u>	Actual <u>2023</u>
Operating Surplus (Deficit)	\$ 548,878	\$ (421,819)	\$ 144,598
Tangible capital assets purchased	-	(928,837)	(1,618,431)
Depreciation	<u>-</u>	<u>1,113,976</u>	<u>1,173,278</u>
	548,878	(236,680)	(300,555)
Change in prepaid expenses	<u>-</u>	<u>(191,182)</u>	<u>13,394</u>
Decrease in Net Financial Assets	548,878	(427,862)	(287,161)
Net Financial Assets, opening	<u>7,358,171</u>	<u>7,358,171</u>	<u>7,645,332</u>
Net Financial Assets, closing	<u><u>\$ 7,907,049</u></u>	<u><u>\$ 6,930,309</u></u>	<u><u>\$ 7,358,171</u></u>

MUNICIPALITY OF KINNGAIT
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SUNDAY, MARCH 31, 2024

	<u>2024</u>	<u>2023</u>
Net Inflow (Outflow) of Cash Related to the following activities:		
Operating Activities		
Operating Surplus (Deficit)	\$ (421,819)	\$ 144,598
Items not requiring cash:		
Depreciation	1,113,976	1,173,278
Cash provided by (used for) changes in non-cash working capital:		
Accounts receivable	29,952	98,400
Prepaid expenses	(191,182)	13,394
Equity leases receivable	-	30,193
Accounts payable and accrued liabilities	1,283,814	171,441
Wages and benefits payable	389,471	77,697
Post employment benefits payable	(33,500)	410
Deferred revenue	<u>(188,929)</u>	<u>333,398</u>
Cash from operations	<u>1,981,783</u>	<u>2,042,809</u>
Capital Activities		
Tangible capital assets purchased	<u>(928,837)</u>	<u>(1,618,431)</u>
Cash used for capital transactions	<u>(928,837)</u>	<u>(1,618,431)</u>
Net change in cash and cash equivalents	1,052,946	424,378
Cash, opening	<u>8,729,431</u>	<u>8,305,053</u>
Cash, closing	<u><u>\$ 9,782,377</u></u>	<u><u>\$ 8,729,431</u></u>
Cash and Cash Equivalents are Comprised of:		
Cash and cash equivalents	\$ 7,237,138	\$ 6,215,012
Reserve deposits	<u>2,545,239</u>	<u>2,514,419</u>
	<u><u>\$ 9,782,377</u></u>	<u><u>\$ 8,729,431</u></u>

MUNICIPALITY OF KINNGAIT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED SUNDAY, MARCH 31, 2024

1. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the Municipality of Kinngait are the representations of administration prepared in accordance with Canadian Public Sector Accounting Standards as modified by 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 Kinngait are as follows:

(a) Reporting Entity

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

All inter-fund assets, liabilities, revenues, and expenditures have been eliminated, with the exception of interdepartmental local government water/sewage and garbage revenues and expenditures.

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

(b) Basis of Accounting

The financial statements are prepared using the accrual basis of accounting. Revenues are recorded 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 revenue in the period that the events giving rise to the transfer occurred, provided the transfers are authorized, any eligibility criteria are met by the Municipality, and reasonable estimates of the amounts can be made.

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

(c) Measurement Uncertainty

The preparation of the consolidated financial statements of the Municipality requires administration to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities, at the date of the consolidated financial statements and the reported amounts of the revenues and expenses during the period. Items requiring the use of significant estimates include useful life of tangible capital assets, estimated employee benefits, rates for depreciation, impairment of assets and provision for doubtful accounts.

Estimates are based on the best information available at the time of preparation of the consolidated financial statements and are reviewed annually to reflect new information as it becomes available. Measurement uncertainty exists in these consolidated financial statements. Actual results could differ from these estimates

MUNICIPALITY OF KINNGAIT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED SUNDAY, MARCH 31, 2024

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Fund Accounting

The Municipality maintains the Operating Fund, the Water and Sewage Services Fund, the Land Fund, the Reserve Fund and Equity in Tangible Capital Assets. Transfers between funds are recorded as adjustments to the appropriate fund balance.

(e) Budget

Budget figures are unaudited and are those approved by Council on February 8, 2024.

(f) Cash and Cash Equivalents

Cash and cash equivalents consist of undeposited cash, bank balances, cash held in trust and short-term deposits (temporary investments). Cash and cash equivalents are all highly liquid investments with maturity of three months or less at the time of purchase. They are denominated in Canadian dollars and held with the Municipality's financial institution.

Reserve deposits are cash and cash equivalents that have been set aside to be used for the purpose that corresponds with their respective Reserve Fund balances.

(g) Inventory

Consumable inventory is recorded at the lower of landed cost, determined on a weighted-average basis, and net replacement cost.

Inventory of land under development held for sale is recorded at the lower of cost and net realizable value.

(h) 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.

MUNICIPALITY OF KINNGAIT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED SUNDAY, MARCH 31, 2024

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Tangible Capital Assets

Tangible capital assets are recorded at cost: 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.

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:

<u>Tangible Capital Asset Category</u>	<u>Threshold (\$)</u>	<u>Estimated Useful Life</u>	<u>Depreciation Method</u>
Land and land improvements			
Land	All	Indefinite	N/A
Land improvements	10,000	18 years	straight-line
Buildings and building improvements	10,000	40 years	straight-line
Machinery and equipment			
Heavy equipment	10,000	18 years	straight-line
Operating equipment	10,000	15 years	straight-line
Transportation equipment			
Vehicles	10,000	7 years	straight-line
Fire trucks	10,000	20 years	straight-line
Office and Information Technology			
Office furniture and equipment	5,000	5 years	straight-line
System development	10,000	3 years	straight-line
Computer hardware and software	5,000	3 years	straight-line
Non-depreciable office and IT capital-type expense (nominal value)	1,000	N/A	N/A
Infrastructure			
Roads/culverts - construction	All	30 years	straight-line
Road - repaving	All	10 years	straight-line
Road - other	All	30 years	straight-line
Engineered structures	10,000	30 years	straight-line
Water infrastructure	10,000	30 years	straight-line
Infrastructure - other	10,000	30 years	straight-line
Other			
Works of art and historical treasures	All	Indefinite	N/A

MUNICIPALITY OF KINNGAIT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED SUNDAY, MARCH 31, 2024

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) 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. The Municipality maintains the following reserves:

(i) Mobile Equipment Reserve - Basic Fleet

A reserve equal to the basic fleet block funding plus 25% of the annual rental of the basic fleet earned is transferred to the Mobile Equipment Reserve from the Operating Fund balance. The Mobile Equipment Reserve is for the purchase and replacement of mobile equipment included in the basic fleet required to provide essential municipal services. 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) Water and Sewage 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 related to this reserve must be deposited to a separate bank account.

(iii) Land Development Reserve

All Municipalities maintain a land development reserve for the sole purpose of acquiring and/or developing land by the Municipality. All revenues received from the lease or other disposition of municipal lands (other than off site levies) shall be transferred to the Land Development Reserve from the Land Fund. Funds received relating to this reserve must be deposited to a separate bank account and shall be fully funded at all times. Borrowings from the land development reserve fund account for other municipal purposes shall not be allowed without prior authorization of the Minister.

(iv) Building Replacement Reserve

The building replacement reserve is to assist with the replacement of buildings within the boundaries of the Municipality. Such funds shall be dispersed at the discretion of and upon approval of Council by resolution.

(v) Environmental Reserve

The environmental reserve is to assist with environmental issues within the boundaries of the Municipality. Such funds shall be dispersed at the discretion of and upon approval of Council by resolution.

(vi) Kenojuak Cultural Centre Reserve

The Kenojuak Cultural Centre reserve is to assist with the construction of the Kenojuak Cultural Centre. Such funds shall be dispersed at the discretion of and upon approval of Council by resolution.

MUNICIPALITY OF KINNGAIT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED SUNDAY, MARCH 31, 2024

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Reserves (continued)

(vii) Municipal Capital Block Funding Reserve

All Municipalities are accountable for expenditures relating to the municipal capital block funding program. Eligible project categories include: water systems, wastewater systems, solid waste systems, quarry development, granular supply, roads, bridges, trails, cemetery development, recreational infrastructure, information technology, infrastructure related to movement of cargo or passengers along coasts, community energy systems, tourism or cultural infrastructure, disaster mitigation, and mobile equipment. The Municipality is required to transfer any surplus funding in a year to the reserve for use in future eligible projects. Funds related to this reserve must be deposited to a separate bank account.

(k) Pension Expenditures

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

(l) 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. Retirement and severance liabilities are also recorded when employees are identified for retirement or lay-off.

(m) 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, if any. As a result, the assets and related closure and post closure liabilities for these facilities are not recorded in the consolidated financial statements.

MUNICIPALITY OF KINNGAIT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED SUNDAY, MARCH 31, 2024

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) Liability for Contaminated Sites

The Municipality is still assessing the impact and adoption date of PSAS Section PS3260 - Liability for Contaminated Sites. The Municipality will adopt the accounting standard once the responsibility and obligation for remediation of contaminated sites has been clarified with the Government of Nunavut.

An obligation for remediation of contaminated sites is recognized as a liability when all criteria below are satisfied:

- (a) an environmental standard exists;
- (b) contamination exceeds the environmental standard;
- (c) the municipality:
 - (i) is directly responsible; or
 - (ii) accepts responsibility;
- (d) it is expected that future economic benefits will be given up; and
- (e) a reasonable estimate of the amount can be made.

2. CASH AND CASH EQUIVALENTS

	<u>2024</u>	<u>2023</u>
Cash	\$ 7,208,897	\$ 6,188,010
Cash equivalents	<u>28,241</u>	<u>27,002</u>
	<u>\$ 7,237,138</u>	<u>\$ 6,215,012</u>

Cash equivalents comprise of temporary investment placed primarily in a treasury bill fund, redeemable on request. Market value at Sunday, March 31, 2024 was \$28,241 (2023 - \$27,002).

3. RESERVE DEPOSITS

	<u>2024</u>	<u>2024</u>	<u>2024</u>
	Required	Actual	Excess
	Reserve	Deposit	(Deficiency)
	<u>Deposit</u>	<u>Deposit</u>	<u>(Deficiency)</u>
Mobile equipment reserve – basic fleet	\$ 265,015	\$ 476,212	\$ 211,197
Water and sewage vehicle replacement reserve	277,154	175,987	(101,167)
Land development reserve	2,863,877	1,709,636	(1,154,241)
Building replacement reserve	4,152	47,233	43,081
Environmental reserve	135,388	135,388	-
Municipal capital block funding reserve	149,747	-	(149,747)
Kenojuak Cultural Centre reserve	<u>785,582</u>	<u>783</u>	<u>(784,799)</u>
	<u>\$ 4,480,915</u>	<u>\$ 2,545,239</u>	<u>\$(1,935,676)</u>

MUNICIPALITY OF KINNGAIT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED SUNDAY, MARCH 31, 2024

3. RESERVE DEPOSITS (continued)

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. The required land development reserve deposit is the reserve balance from Schedule 1 of \$2,936,206 less the balance in lands accounts receivable of \$0 and equity lease receivable of \$72,328.

4. ACCOUNTS RECEIVABLE

			<u>2024</u> Net	<u>2023</u> Net
	<u>Accounts</u> <u>Receivable</u>	<u>Allowance</u> <u>for Doubtful</u>	<u>Accounts</u> <u>Receivable</u>	<u>Accounts</u> <u>Receivable</u>
Government of Nunavut - C&GS	\$ 447,528	\$ 212,978	\$ 234,550	\$ 308,456
Government of Nunavut - Other	507,414	290,474	216,940	120,467
Nunavut Housing Corporation	433,263	202,858	230,405	458,120
Government of Canada	44,322	36,667	7,655	31,332
Trade and other	784,934	483,630	301,304	58,129
Goods and services tax	<u>302,787</u>	<u>-</u>	<u>302,787</u>	<u>347,089</u>
	<u>\$ 2,520,248</u>	<u>\$ 1,226,607</u>	<u>\$ 1,293,641</u>	<u>\$ 1,323,593</u>

5. BANK INDEBTEDNESS

The Municipality has overdraft protection, of \$250,000, which is payable upon demand with interest at prime plus 1%. The balance of this overdraft being used as at Sunday, March 31, 2024 is \$0 (2023 - \$0).

6. ACCOUNTS PAYABLE

	<u>2024</u>	<u>2023</u>
Government of Nunavut	\$ 1,804,695	\$ 1,129,555
Government of Canada	535,616	535,616
Trade and other	<u>1,058,162</u>	<u>449,488</u>
	<u>\$ 3,398,473</u>	<u>\$ 2,114,659</u>

MUNICIPALITY OF KINNGAIT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED SUNDAY, MARCH 31, 2024

7. DEFERRED REVENUE

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

	<u>2024</u>	<u>2023</u>
Government of Nunavut - EDT - Arctic Airports	\$ 9,225	\$ 9,225
Government of Nunavut - CGS - Gas Tax Funding	-	64,653
Government of Nunavut - CGS - Sports & Rec Covid funding	21,797	21,797
Government of Nunavut - Culture & Heritage - Other	8,880	8,880
Government of Nunavut - Health - Wellness Programs	8,616	8,616
Government of Nunavut - EIA - Food Security	45,012	45,012
Government of Nunavut - ED&T - Sealift Improvement Project	-	400,000
Government of Nunavut - Arnait Mamisarvik	54,983	-
Qikiqtani Inuit Association - Arnait Miqusuqtiit	218	6,856
Water and sewer services security deposits	24,061	22,020
Food Banks Canada	90,160	-
CMHC-HAF	135,178	-
Other services	<u>14,010</u>	<u>14,010</u>
	<u>\$ 412,140</u>	<u>\$ 601,069</u>

8. DUE TO THE GOVERNMENT OF NUNAVUT

The Government of Nunavut advanced the Municipality \$75,432 to develop 13 residential lots. These funds are fully recoverable by the Government of Nunavut as revenues are generated from these lots. This obligation is non-interest bearing and unsecured.

9. EQUITY IN TANGIBLE CAPITAL ASSETS

Amounts invested in tangible capital assets changed as follows:

	<u>2023</u>	<u>Increases</u>	<u>Decreases</u>	<u>2024</u>
Tangible capital assets	<u>\$ 16,424,784</u>	<u>\$ 928,837</u>	<u>\$(1,113,976)</u>	<u>\$ 16,239,645</u>

10. COMMITMENTS AND CONTINGENT LIABILITIES

The Hamlet is committed to the following:

<u>Nature of Expense</u>	<u>Frequency</u>	<u>Payment</u>	<u>Expiry Date</u>
Qikiqtaaluk Business Development Corporation - Sealift Improvement Project	Multi-Year Project	\$ 8,755,000	2025-2026

Insurance

The Municipality participates in the Nunavut Association of Municipalities insurance programs through the *Nunavut Association of Municipalities Insurance Exchange (NAMIX)*. Under NAMIX the Municipality 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.

MUNICIPALITY OF KINNGAIT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED SUNDAY, MARCH 31, 2024

11. NORTHERN EMPLOYEE BENEFITS SERVICE PENSION PLAN

Eligible employees of the Municipality are members of the Northern Employee Benefits Services (NEBS) Pension Plan (the Plan), a contributory defined benefit plan. The Plan is administered by NEBS as part of benefits program providing insurance, health care and pension benefits for employees of member employers in the north. NEBS is a member owned, not-for-profit corporation of which the Municipality is a member.

Total current service contributions by the Municipality to the NEBS Pension Plan in 2024 were \$98,556 (2023 - \$97,686). Total current service contributions by the employees of the Municipality in 2024 were \$98,556 (2023 - \$97,686).

Participating employers in the Plan, including the Municipality are required to make contributions to the plan of 8% (2023 - 8%) of pensionable earnings, and to remit employee contributions of 8% (2023 - 8%). These contributions cover current service costs and a provision for adverse deviation.

The Plan is governed by the *Northern Employee Benefits Services Pension Plan Act* (in force October 1, 2015) (the Act) and a plan text document maintained by the administrator of the Plan. Both the Act and the Plan text provide that participating employers are liable for their share of any funding shortfalls in the Plan as determined on a going concern basis, and on plan windup. The Act and the Plan text provide any going concern shortfalls, should they arise, are to be paid down over no more than 15 years and that contribution rates may be increased if necessary to do so.

Pursuant to the Act, the Plan is exempt from compliance with the *Pension Benefits Standards Act, 1985* (PBSA) and is not required to be funded on a solvency basis.

As at January 1, 2024, the NEBS Pension Plan had a going concern surplus of \$66,573,900 (2023 - \$81,300,000) and a funded ratio of 118.5% (2023 - 127%). The Plan serves 4,205 employee members and 118 participating employers.

12. WATER AND SEWAGE FUND

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 Services 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 excluding depreciation.

Change in Fund			
<u>Actual Fund Balance</u>	<u>Balance</u>	<u>Maximum Allowable</u>	<u>Over (Under)</u>
\$1,215,592	\$(241,136)	\$275,749	\$939,843

MUNICIPALITY OF KINNGAIT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED SUNDAY, MARCH 31, 2024

13. FINANCIAL INSTRUMENTS

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

Credit Risk

Credit risk is the risk of financial loss to the Municipality if a debtor fails to make payments of interest and principal when due. The Municipality is exposed to this risk relating to its cash in bank, reserve deposits, accounts receivable and equity leases receivable. The Municipality holds its cash in accounts with federally regulated chartered banks who are insured by the Canadian Deposit Insurance Corporation. In the event of default, the Municipality's cash accounts are insured up to the prescribed legislative limits.

Accounts receivable is ultimately due from customers and the Government of Nunavut. Credit risk related to accounts receivable is managed by guidance, policies and oversight from the Municipality. Accounts receivable, from the Government of Nunavut, which represents a low credit risk as a reputable government with a good credit score.

The Municipality's maximum exposure to credit risk at March 31, 2024 is as follows:

Cash and cash equivalents	\$ 7,237,138
Reserve deposits	2,545,239
Accounts receivable	2,520,248
Equity leases receivable	<u>72,328</u>
	<u><u>\$12,374,953</u></u>

At March 31, 2024, the following accounts receivable were past due.

	<u>Current</u>	<u>1 - 30</u> <u>days</u>	<u>31 - 60</u> <u>days</u>	<u>61 to 90</u> <u>days</u>	<u>Over 90</u> <u>days</u>	<u>Total</u>
Government of Nunavut - C&GS	\$203,574	\$ -	\$ 30,976	\$ -	\$ 212,978	\$ 447,528
Government of Nunavut - Other	140,788	-	40,735	-	325,891	507,414
Nunavut Housing Corporation	230,405	-	-	-	202,858	433,263
Government of Canada	2,393	-	5,262	-	36,667	44,322
Trade and other Goods and services tax	449,593	1,431	16,049	4,909	312,952	784,934
	<u>54,899</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>247,889</u>	<u>302,788</u>
	<u>,081,652</u>	<u>1,431</u>	<u>93,022</u>	<u>4,909</u>	<u>1,339,235</u>	<u>2,520,249</u>
Allowance for doubtful accounts	-	-	-	-	(1,226,608)	(1,226,608)
	<u><u>\$,081,652</u></u>	<u><u>\$ 1,431</u></u>	<u><u>\$ 93,022</u></u>	<u><u>\$ 4,909</u></u>	<u><u>\$ 112,627</u></u>	<u><u>\$ 1,293,641</u></u>

MUNICIPALITY OF KINNGAIT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED SUNDAY, MARCH 31, 2024

13. FINANCIAL INSTRUMENTS (continued)

At March 31, 2024, the Municipality's administration has determined that a portion of accounts receivable is impaired. Administration's assessment was based on specific identification and age of receivables.

There have been no significant changes from the previous year in the exposure to risk or policies, procedures, and methods used to measure the risk.

14. RELATED PARTY TRANSACTIONS

During the year, the Municipality purchased services and materials from a company owned by a Councillor. He remained as a Councillor with the Hamlet until October 2023. These purchases were made in the normal course of business.

	<u>2024</u>	<u>2023</u>
Capital purchases	\$ 18,610	\$ 43,100
Building repairs and maintenance	10,399	71,183
Contracted services	321,074	15,586
Materials	<u>505</u>	<u>10,895</u>
	<u>\$ 350,588</u>	<u>\$ 140,764</u>

Included in accounts receivable is an amount owing from this company of \$3,219 (2023 - \$16,554) and included in accounts payable is an amount of \$157,457 (2023 - \$20,559).

15. STATUTORY INFORMATION

Approvals

The Municipality did not approve their budget for fiscal period ended Sunday, March 31, 2024 before April 1, 2023. The *Hamlets Act* requires that the annual budget be approved prior to the start of the fiscal year.

Council Receivable

As of March 31, 2024 a Council member had an outstanding receivable that was over 90 days old and was more than \$500. This is in violation of the *Local Authorities Elections Act*.

By-laws

The Municipality did not obtain approved by-laws for the purchase of all tangible capital assets.

16. COMPARATIVE AMOUNTS

Certain 2023 financial statement amounts have been reclassified to conform to the financial statement presentation adopted in the current year.

MUNICIPALITY OF KINNGAIT
CHANGES IN ACCUMULATED SURPLUS
FOR THE YEAR ENDED SUNDAY, MARCH 31, 2024

	<u>Unrestricted</u>	<u>Restricted</u>			Equity in		
	<u>Operating</u>	<u>Water and</u>	<u>Land</u>	<u>Reserve</u>	Tangible	<u>2024</u>	<u>2023</u>
	<u>Fund</u>	<u>Sewage Fund</u>	<u>Fund</u>	<u>Funds</u>	<u>Capital Assets</u>		
Operating Surplus (Deficit)	\$ (279,058)	\$ (315,711)	\$ 172,950	\$ -	\$ -	\$ (421,819)	\$ 144,598
Depreciation	810,586	303,390	-	-	(1,113,976)	-	-
	<u>531,528</u>	<u>(12,321)</u>	<u>172,950</u>	<u>-</u>	<u>(1,113,976)</u>	<u>(421,819)</u>	<u>144,598</u>
Net interfund transfers							
Land leases	-	-	(87,621)	87,621	-	-	-
Equipment rental	(1,057)	-	-	1,057	-	-	-
Mobile equipment contributions	(240,098)	-	-	240,098	-	-	-
Interest on reserves	(33,004)	(8,815)	(90,567)	132,386	-	-	-
Water and sewage agreement	-	(220,000)	-	220,000	-	-	-
Transfer to municipal capital block funding reserve	(88,478)	-	-	88,478	-	-	-
Municipal capital assets purchased	30,772	-	-	(30,772)	-	-	-
Tangible capital asset purchases	<u>(928,837)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>928,837</u>	<u>-</u>	<u>-</u>
Change in fund balance	(729,174)	(241,136)	(5,238)	738,868	(185,139)	(421,819)	144,598
Fund balances, opening	<u>2,027,796</u>	<u>1,456,728</u>	<u>492,272</u>	<u>3,814,375</u>	<u>16,424,784</u>	<u>24,215,955</u>	<u>24,071,357</u>
Fund balances, closing	<u><u>\$ 1,298,622</u></u>	<u><u>\$ 1,215,592</u></u>	<u><u>\$ 487,034</u></u>	<u><u>\$ 4,553,243</u></u>	<u><u>\$ 16,239,645</u></u>	<u><u>\$ 23,794,136</u></u>	<u><u>\$ 24,215,955</u></u>
Reserves represented by:							
Mobile equipment reserve – basic fleet				\$ 265,015			
Water and sewage vehicle replacement reserve				277,154			
Land development reserve				2,936,206			
Building replacement reserve				4,152			
Environmental reserve				135,388			
Municipal capital block funding reserve				149,747			
Kenojuak Cultural Centre reserve				<u>785,582</u>			
				<u><u>\$ 4,553,244</u></u>			

MUNICIPALITY OF KINNGAIT
WATER AND SEWAGE SERVICES
FOR THE YEAR ENDED SUNDAY, MARCH 31, 2024

	Budget <u>2024</u>	Actual <u>2024</u>	Actual <u>2023</u>
Revenues			
Customer charges	\$ 3,000,000	\$ 2,435,021	\$ 2,671,884
Local government charges	50,000	63,390	59,837
Government of Nunavut subsidies	324,690	331,590	324,690
Interest	2,550	8,815	4,781
	<u>3,377,240</u>	<u>2,838,816</u>	<u>3,061,192</u>
Expenditures			
Labour and benefits			
Labour and benefits	1,261,911	1,145,360	1,100,185
Administration	311,656	315,154	301,955
Mechanics	216,426	82,501	85,789
Mobile equipment			
Operations and maintenance	119,031	68,121	136,067
Fuel	231,177	157,735	132,484
Equipment purchase and rental	1,000	-	3,236
Buildings			
Electricity	221,605	152,642	170,860
Heating fuel	176,868	185,454	201,796
Maintenance	3,000	10,252	7,523
Direct administration			
Materials and supplies	45,606	120,681	54,381
Communications	2,500	2,398	2,196
Insurance	21,271	15,910	6,597
Audit and legal fees	12,240	64,024	74,872
Contracted services	40,000	13,764	26,783
Computer hardware and software	5,000	4,500	31,825
Interest charges	1,200	13	2,402
Freight	10,000	44,472	32,788
Membership and registration fees	2,300	-	1,246
Staff training	5,000	-	7,747
Travel	16,000	2,973	-
Share of administration charges	153,953	267,205	178,783
Share of road maintenance and snow clearing charge	197,978	197,978	197,978
	<u>3,055,722</u>	<u>2,851,137</u>	<u>2,757,493</u>
Depreciation	-	303,390	380,648
	<u>3,055,722</u>	<u>3,154,527</u>	<u>3,138,141</u>
Operating Surplus (Deficit)	<u>\$ 321,518</u>	<u>\$ (315,711)</u>	<u>\$ (76,949)</u>

MUNICIPALITY OF KINNGAIT
LAND DEVELOPMENT AND ADMINISTRATION
FOR THE YEAR ENDED SUNDAY, MARCH 31, 2024

	Budget <u>2024</u>	Actual <u>2024</u>	Actual <u>2023</u>
Revenues			
Land administration contribution	\$ 72,956	\$ 77,679	\$ 22,504
Equity leases	50,000	36,703	33,498
Standard leases	53,000	50,918	55,777
Permits and fees	5,000	4,200	300
Interest	<u>23,000</u>	<u>90,567</u>	<u>49,347</u>
	<u>203,956</u>	<u>260,067</u>	<u>161,426</u>
Expenditures			
Honoraria - other	1,800	-	-
Salaries and benefits	93,646	79,038	22,504
Communications	2,300	1,037	961
Electricity	-	2,058	1,564
Heating fuel	-	2,634	1,305
Cost of lots developed	50,000	-	-
Materials and supplies	1,750	-	-
Staff training	-	1,596	-
Maintenance	-	-	58
Translation services	800	-	-
Membership fees	400	750	-
Interest charges	<u>-</u>	<u>4</u>	<u>-</u>
	<u>150,696</u>	<u>87,117</u>	<u>26,392</u>
Operating Surplus	<u><u>\$ 53,260</u></u>	<u><u>\$ 172,950</u></u>	<u><u>\$ 135,034</u></u>

MUNICIPALITY OF KINNGAIT
OTHER REVENUES
FOR THE YEAR ENDED SUNDAY, MARCH 31, 2024

	Budget <u>2024</u>	Actual <u>2024</u>	Actual <u>2023</u>
General Operations			
Government of Nunavut			
Operating contribution	\$ -	\$ 6,000	\$ -
Mobile equipment grant	104,670	240,098	240,098
Municipal capital block funding	-	88,478	88,478
Licences, permits and fines	8,000	3,196	6,578
Garage	81,000	38,105	57,615
Building rental	31,750	12,198	28,950
Equipment rental	106,000	4,225	3,400
Garbage	300,000	317,940	316,155
Interest	50,000	397,591	210,441
Other	6,000	3,255	11,969
	<u>687,420</u>	<u>1,111,086</u>	<u>963,684</u>
Recreation			
Canteen sales	15,000	-	-
Bingo and lottery	30,000	-	-
Special events and days	6,000	8,500	-
User fees	45,000	10,290	30,230
Building rental	15,000	5,810	3,570
Other	6,700	7,294	11,895
	<u>117,700</u>	<u>31,894</u>	<u>45,695</u>
Contributions Related to Capital			
Contributions relating to capital	<u>-</u>	<u>513,593</u>	<u>196,352</u>
	<u>\$ 805,120</u>	<u>\$ 1,656,573</u>	<u>\$ 1,205,731</u>

MUNICIPALITY OF KINNGAIT
GENERAL GOVERNMENT SERVICES EXPENDITURES
FOR THE YEAR ENDED SUNDAY, MARCH 31, 2024

	Budget <u>2024</u>	Actual <u>2024</u>	Actual <u>2023</u>
Expenditures			
Council honoraria	\$ 55,539	\$ 33,311	\$ 32,092
Honoraria - other	10,224	1,548	1,620
Mayor's expense fund	3,000	2,000	-
Mayor's stipend	59,178	57,378	55,578
Council travel	15,000	7,242	2,944
Salaries and benefits	594,545	549,421	466,303
Relocation expenses	-	1,829	(6,525)
Translation services	69,200	4,968	54,213
Contracted services	3,500	376,685	33,624
Office equipment and supplies	16,500	18,832	23,119
Interest charges	24,000	70,246	35,413
Audit and legal fees	60,000	68,174	80,589
Freight	23,600	37,057	14,139
Insurance	19,259	30,068	9,470
Materials and supplies	37,000	155,006	32,945
Travel	7,000	13,553	4,502
Membership fees	11,550	9,628	7,613
Advertising	-	155	4,064
Election and census	3,000	348	-
Computer hardware and software	22,000	60,174	56,246
Communications	25,000	40,145	39,174
Building			
Electricity	56,815	39,616	33,405
Heating fuel	52,295	31,268	25,656
Water and sewage charges	15,520	15,772	17,157
Garbage services	3,600	4,275	3,525
Maintenance	950	-	570
Vehicle			
Operations and maintenance	-	10,325	-
Fuel	10,729	19,784	4,482
Community development	10,000	5,126	4,003
Staff training	10,000	3,953	4,655
Bad debts (recovery)	5,000	133,214	156,557
	<u>1,224,004</u>	<u>1,801,101</u>	<u>1,197,133</u>
Share of administration charges	(153,953)	(267,205)	(178,783)
Administration fees	<u>(97,056)</u>	<u>(68,403)</u>	<u>(86,142)</u>
	972,995	1,465,493	932,208
Depreciation	<u>-</u>	<u>79,436</u>	<u>40,583</u>
	<u>\$ 972,995</u>	<u>\$ 1,544,929</u>	<u>\$ 972,791</u>

MUNICIPALITY OF KINNGAIT
PROTECTIVE SERVICES EXPENDITURES
FOR THE YEAR ENDED SUNDAY, MARCH 31, 2024

	Budget <u>2024</u>	Actual <u>2024</u>	Actual <u>2023</u>
Expenditures			
Salaries and benefits	\$ 86,203	\$ 20,346	\$ 38,656
Firefighters' fees	1,200	1,000	800
Contracted services	850	480	750
Freight	1,500	-	-
Insurance	9,884	9,982	8,124
Materials and supplies	8,000	9,778	4,529
Membership fees	3,500	-	47
Communications	3,000	3,072	2,911
Building			
Electricity	10,958	10,324	10,532
Heating fuel	14,566	30,617	31,097
Water and sewage charges	510	-	10
Vehicle			
Fuel	2,000	1,263	813
Staff training	<u>-</u>	<u>-</u>	<u>1,164</u>
	142,171	86,862	99,433
Depreciation	<u>-</u>	<u>14,951</u>	<u>14,951</u>
	<u>\$ 142,171</u>	<u>\$ 101,813</u>	<u>\$ 114,384</u>

MUNICIPALITY OF KINNGAIT
GENERAL MUNICIPAL WORKS AND SERVICES EXPENDITURES
FOR THE YEAR ENDED SUNDAY, MARCH 31, 2024

	Budget <u>2024</u>	Actual <u>2024</u>	Actual <u>2023</u>
Expenditures			
Honoraria - other	\$ 2,160	\$ -	\$ 10
Salaries and benefits	415,279	307,487	211,936
Relocation expenses	-	5,438	-
Translation services	1,200	-	-
Contracted services	15,000	42,174	86,495
Office equipment and supplies	3,500	118	1,876
Freight	50,000	51,206	40,371
Insurance	16,403	30,176	5,428
Materials and supplies	285,000	494,785	270,652
Travel	-	3,181	-
Membership fees	1,500	4,380	8,277
Advertising	1,000	-	6,130
Computer hardware and software	7,000	3,831	3,500
Communications	5,000	9,073	5,877
Building			
Electricity	60,000	37,853	37,279
Heating fuel	45,964	46,877	41,632
Water and sewage charges	15,000	6,868	10,190
Garbage services	2,160	1,800	2,550
Maintenance	-	-	12,919
Vehicle			
Fuel	15,810	18,925	20,789
	<u>941,976</u>	<u>1,064,172</u>	<u>765,911</u>
Expenses allocated	<u>(6,500)</u>	<u>-</u>	<u>-</u>
	935,476	1,064,172	765,911
Depreciation	<u>-</u>	<u>29,909</u>	<u>18,987</u>
	<u>\$ 935,476</u>	<u>\$ 1,094,081</u>	<u>\$ 784,898</u>

MUNICIPALITY OF KINNGAIT
TRANSPORTATION AND ROADS EXPENDITURES
FOR THE YEAR ENDED SUNDAY, MARCH 31, 2024

	Budget <u>2024</u>	Actual <u>2024</u>	Actual <u>2023</u>
Expenditures			
Salaries and benefits	\$ 242,998	\$ 247,571	\$ 241,646
Contracted services	-	2,360	-
Freight	-	-	183
Insurance	43,000	10,705	22,505
Materials and supplies	10,500	-	2,128
Membership fees	500	-	306
Building			
Electricity	80,350	90,513	81,783
Equipment			
Fuel	66,300	124,049	82,231
Interest on capital lease	4,255	-	-
Miscellaneous	-	-	1,164
	<u>447,903</u>	<u>475,198</u>	<u>431,946</u>
Interdepartmental equipment rentals	-	-	(4,800)
Share of road maintenance and snow clearing charge	<u>(197,978)</u>	<u>(197,978)</u>	<u>(197,978)</u>
	249,925	277,220	229,168
Depreciation	<u>-</u>	<u>312,310</u>	<u>312,310</u>
	<u>\$ 249,925</u>	<u>\$ 589,530</u>	<u>\$ 541,478</u>

MUNICIPALITY OF KINNGAIT
ENVIRONMENTAL HEALTH SERVICES EXPENDITURES
FOR THE YEAR ENDED SUNDAY, MARCH 31, 2024

	Budget <u>2024</u>	Actual <u>2024</u>	Actual <u>2023</u>
Expenditures			
Salaries and benefits	\$ 140,078	\$ 169,002	\$ 171,643
Contracted services	-	1,520	250
Freight	-	-	183
Insurance	2,700	2,235	2,500
Materials and supplies	2,000	-	100
Membership fees	360	-	47
Building			
Electricity	4,284	5,859	5,096
Heating fuel	27,030	9,863	9,214
Vehicle			
Fuel	9,180	22,665	13,243
Interest on capital lease	<u>2,245</u>	<u>-</u>	<u>-</u>
	187,877	211,144	202,276
Depreciation	<u>-</u>	<u>14,039</u>	<u>21,073</u>
	<u>\$ 187,877</u>	<u>\$ 225,183</u>	<u>\$ 223,349</u>

MUNICIPALITY OF KINNGAIT
RECREATION SERVICES EXPENDITURES
FOR THE YEAR ENDED SUNDAY, MARCH 31, 2024

	Budget <u>2024</u>	Actual <u>2024</u>	Actual <u>2023</u>
Expenditures			
Honoraria - other	\$ 2,700	\$ -	\$ -
Salaries and benefits	215,622	304,528	289,004
Translation services	500	-	-
Contracted services	13,500	14,588	2,775
Canteen supplies	8,500	4,942	8,495
Bingo and lotteries	7,000	-	-
Freight	3,200	2,071	2,667
Insurance	26,804	62,724	17,660
Materials and supplies	13,000	50,903	11,767
Travel	7,500	16,978	6,974
Membership and registration fees	1,300	1,475	2,077
Communications	12,526	5,886	9,288
Building			
Electricity	136,027	107,436	177,319
Heating fuel	91,720	95,133	80,114
Water and sewage charges	23,334	38,008	28,573
Garbage services	3,600	2,700	2,775
Maintenance	3,500	-	668
Vehicle			
Fuel	10,420	20,815	16,573
Special events and days	25,500	32,068	26,020
Miscellaneous	1,000	4,192	-
Staff training	-	375	3,491
	<u>607,253</u>	<u>764,822</u>	<u>686,240</u>
Depreciation	-	57,641	45,426
	<u><u>\$ 607,253</u></u>	<u><u>\$ 822,463</u></u>	<u><u>\$ 731,666</u></u>

MUNICIPALITY OF KINNGAIT
CONTRACT SERVICES
FOR THE YEAR ENDED SUNDAY, MARCH 31, 2024

SCHEDULE 11

	<u>Airport Operations</u>	<u>Arnait Miqsuqtiit</u>	<u>Justice Committee</u>	<u>Alcohol Education Committee</u>	<u>Inuit Language Initiative</u>	<u>Food Banks Canada</u>	<u>Youth Center</u>	<u>Youth Center Renovations</u>
Revenues								
Operating contribution	\$ 440,012	\$ -	\$ 15,628	\$ -	\$ -	\$ -	\$ -	\$ -
Federal contributions	-	-	-	-	-	-	-	-
Other contributions	-	6,637	-	38,141	50,000	5,840	-	99,391
User fees	-	-	-	-	-	-	1,830	-
Other	10,380	-	-	-	-	-	-	-
Donations	-	-	-	-	-	-	-	-
	<u>450,392</u>	<u>6,637</u>	<u>15,628</u>	<u>38,141</u>	<u>50,000</u>	<u>5,840</u>	<u>1,830</u>	<u>99,391</u>
Expenditures								
Honoraria - other	-	5,301	7,081	29,175	-	-	-	-
Salaries and benefits	150,920	-	-	1,226	-	-	21,761	-
Translation services	-	-	-	-	50,000	-	-	-
Contracted services	4,290	-	-	-	-	-	-	-
Membership fees	-	-	-	-	-	-	-	-
Freight	-	-	-	-	-	-	-	4,411
Materials and supplies	822	1,336	5,547	-	-	5,840	1,498	86,005
Travel	-	-	-	-	-	-	-	-
Insurance	1,177	-	-	-	-	-	-	-
Building rental	-	-	-	-	-	-	-	-
Equipment purchase and rental	-	-	-	-	-	-	-	-
Office equipment and supplies	-	-	-	-	-	-	-	-
Communications	1,915	-	-	-	-	-	2,227	-
Building								
Electricity	67,109	-	-	-	-	-	20,930	-
Heating fuel	61,714	-	-	-	-	-	-	-
Water and sewage charges	2,742	-	-	-	-	-	-	-
Garbage services	900	-	-	-	-	-	-	-
Maintenance	-	-	-	-	-	-	-	-
Vehicle								
Operations and maintenance	13,040	-	-	-	-	-	-	-
Fuel	22,762	-	-	-	-	-	-	-
Administration fees	26,855	-	3,000	-	-	-	-	9,036
Staff training	-	-	-	-	-	-	-	-
	<u>354,246</u>	<u>6,637</u>	<u>15,628</u>	<u>30,401</u>	<u>50,000</u>	<u>5,840</u>	<u>46,416</u>	<u>99,452</u>
Operating Surplus (Deficit)	<u>\$ 96,146</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,740</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (44,586)</u>	<u>\$ (61)</u>

MUNICIPALITY OF KINNGAIT
CONTRACT SERVICES
FOR THE YEAR ENDED SUNDAY, MARCH 31, 2024

SCHEDULE 11

	Mamisarvit (Healing by Visiting)	Community Radio	Summer Students	Total 2024	Budget 2024	Total 2023
Revenues						
Operating contribution	\$ 6,592	\$ 15,000	\$ -	\$ 477,232	\$ 434,936	\$ 856,287
Federal contributions	-	-	-	-	-	1,670
Other contributions	-	-	29,918	229,927	-	83,422
User fees	-	3,560	-	5,390	17,600	10,350
Other	-	-	-	10,380	46,800	33,830
Donations	-	-	-	-	-	6,000
	<u>6,592</u>	<u>18,560</u>	<u>29,918</u>	<u>722,929</u>	<u>499,336</u>	<u>991,559</u>
Expenditures						
Honoraria - other	-	-	-	41,557	-	27,087
Salaries and benefits	5,776	32,513	29,918	242,114	165,300	412,814
Translation services	-	-	-	50,000	-	1,065
Contracted services	-	-	-	4,290	4,300	300
Membership fees	-	-	-	-	500	-
Freight	-	-	-	4,411	4,000	125
Materials and supplies	816	-	-	101,864	15,400	206,266
Travel	-	-	-	-	-	14,502
Insurance	-	-	-	1,177	2,754	2,947
Building rental	-	-	-	-	-	1,090
Equipment purchase and rental	-	-	-	-	-	4,800
Office equipment and supplies	-	-	-	-	800	-
Communications	-	2,391	-	6,533	7,621	7,017
Building						
Electricity	-	-	-	88,039	78,500	80,025
Heating fuel	-	-	-	61,714	35,000	50,429
Water and sewage charges	-	-	-	2,742	6,000	3,906
Garbage services	-	-	-	900	900	900
Maintenance	-	-	-	-	3,800	62,481
Vehicle						
Operations and maintenance	-	-	-	13,040	40,000	21,602
Fuel	-	-	-	22,762	21,000	14,491
Administration fees	-	-	-	38,891	27,296	64,359
Staff training	-	-	-	-	-	1,164
	<u>6,592</u>	<u>34,904</u>	<u>29,918</u>	<u>680,034</u>	<u>413,171</u>	<u>977,370</u>
Operating Surplus (Deficit)	<u>\$ -</u>	<u>\$ (16,344)</u>	<u>\$ -</u>	<u>\$ 42,895</u>	<u>\$ 86,165</u>	<u>\$ 14,189</u>

MUNICIPALITY OF KINNGAIT
COMMUNITY CAPACITY BUILDING
FOR THE YEAR ENDED SUNDAY, MARCH 31, 2024

	Budget <u>2024</u>	Actual <u>2024</u>	Actual <u>2023</u>
Revenues			
Operating contribution	\$ 190,000	\$ 39,620	\$ 12,936
Expenditures			
Honoraria - other	3,996	-	-
Salaries and benefits	65,512	23,009	276
Translation services	7,200	-	-
Insurance	-	1,318	3,453
Materials and supplies	3,000	-	-
Membership fees	370	31	31
Building rental	6,000	6,000	6,000
Communications	-	2,000	2,000
Building			
Maintenance	500	-	-
Administration fees	17,273	3,602	1,176
Community capacity projects	86,149	3,660	-
	<u>190,000</u>	<u>39,620</u>	<u>12,936</u>
Operating Surplus	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

MUNICIPALITY OF KINNGAIT
KENOJUAK CULTURAL CENTRE
FOR THE YEAR ENDED SUNDAY, MARCH 31, 2024

	Budget <u>2024</u>	Actual <u>2024</u>	Actual <u>2023</u>
Revenues			
Federal contributions	\$ -	\$ -	\$ 2,124
Building rental	-	13,320	2,850
Interest	-	65	-
Donations	-	1,000	-
Other	-	(4)	-
	<u>-</u>	<u>14,381</u>	<u>4,974</u>
Expenditures			
Contracted services	-	-	370
Insurance	-	31,384	6,916
Materials and supplies	-	150	-
Membership fees	-	-	240
Communications	-	3,304	3,553
	<u>-</u>	<u>34,838</u>	<u>11,079</u>
Depreciation	-	302,300	339,300
	<u>-</u>	<u>337,138</u>	<u>350,379</u>
Operating Deficit	<u>\$ -</u>	<u>\$ (322,757)</u>	<u>\$ (345,405)</u>

MUNICIPALITY OF KINNGAIT
CONSOLIDATED REVENUES AND EXPENDITURES BY OBJECT
FOR THE YEAR ENDED SUNDAY, MARCH 31, 2024

	Budget 2024	Municipal 2024	Contracts 2024	Actual 2024	Actual 2023
Revenues					
Grants and contributions	\$ 3,505,764	\$ 3,505,697	\$ 707,159	\$ 4,212,856	\$ 4,212,772
Other	3,948,400	3,512,397	15,770	3,528,167	3,609,258
	<u>7,454,164</u>	<u>7,018,094</u>	<u>722,929</u>	<u>7,741,023</u>	<u>7,822,030</u>
Expenditures					
Council honoraria	55,539	33,311	-	33,311	32,092
Other honoraria	20,880	1,548	41,557	43,105	28,717
Mayor's expense fund	3,000	2,000	-	2,000	-
Mayor's stipend	59,178	57,378	-	57,378	55,578
Salaries and benefits	3,810,376	3,244,416	242,114	3,486,530	3,343,510
Staff training	15,000	5,924	-	5,924	18,220
Relocation expenses	-	7,268	-	7,268	(6,525)
Office equipment and supplies	20,800	18,950	-	18,950	24,996
Interest charges	25,200	70,263	-	70,263	37,814
Audit and legal fees	72,240	132,198	-	132,198	155,461
Freight	92,300	134,806	4,411	139,217	90,456
Insurance	142,075	194,502	1,177	195,679	85,600
Materials and supplies	436,756	811,902	101,864	913,766	579,353
Business travel	45,500	43,927	-	43,927	28,922
Bad debts (recovery)	5,000	133,214	-	133,214	156,557
Membership and registration fees	22,280	16,264	-	16,264	19,883
Advertising	1,000	155	-	155	10,194
Election and census	3,000	348	-	348	-
Contracted services	242,199	460,198	54,290	514,488	206,624
Administration fees	(52,487)	(40,458)	38,891	(1,567)	(8,690)
Building rental	6,000	6,000	-	6,000	7,090
Equipment purchase and rental	1,000	-	-	-	3,236
Computer hardware and software	34,000	68,505	-	68,505	91,571
Communications	57,947	66,916	6,533	73,449	72,976
Building					
Water and sewage charges	60,364	60,648	2,742	63,390	59,837
Electricity	568,189	355,787	88,039	443,826	516,079
Heating fuel	443,443	401,845	61,714	463,559	441,242
Garbage services	10,260	8,775	900	9,675	9,750
Maintenance	11,750	10,252	-	10,252	84,219
Vehicle					
Fuel	366,616	365,236	22,762	387,998	285,105
Operation and maintenance	152,531	78,446	13,040	91,486	157,669
Street lighting	80,350	90,513	-	90,513	81,783
Interest on long-term debt	6,500	-	-	-	-
Cost of lots developed	50,000	-	-	-	-
Miscellaneous	36,500	41,388	-	41,388	31,187
	<u>6,905,286</u>	<u>6,882,425</u>	<u>680,034</u>	<u>7,562,459</u>	<u>6,700,506</u>
Depreciation	-	1,113,976	-	1,113,976	1,173,278
	<u>6,905,286</u>	<u>7,996,401</u>	<u>680,034</u>	<u>8,676,435</u>	<u>7,873,784</u>
Operating Surplus (Deficit) - Before Other	548,878	(978,307)	42,895	(935,412)	(51,754)
Other					
Capital grants and contributions	-	513,593	-	513,593	196,352
Operating Surplus (Deficit)	<u>\$ 548,878</u>	<u>\$ (464,714)</u>	<u>\$ 42,895</u>	<u>\$ (421,819)</u>	<u>\$ 144,598</u>

MUNICIPALITY OF KINNGAIT
ADDITIONAL INFORMATION
FOR THE YEAR ENDED SUNDAY, MARCH 31, 2024

No assets were disposed of during the year

No debts were forgiven during the year

MUNICIPALITY OF KINNGAIT
TANGIBLE CAPITAL ASSETS
FOR THE YEAR ENDED SUNDAY, MARCH 31, 2024

	<u>Land and land improvements</u>	<u>Buildings and building improvements</u>	<u>Machinery and equipment</u>	<u>Transportation equipment</u>	<u>Office and information technology</u>	<u>Infrastructure</u>	<u>Total</u>
Cost							
Balance, opening	\$ 1	\$ 15,612,747	\$ 3,839,139	\$ 4,848,819	\$ 433,322	\$ 4,745,511	\$29,479,539
Purchases	-	513,593	-	396,634	-	18,611	928,837
Transfers	-	(244,697)	-	-	-	244,697	-
Balance, closing	<u>1</u>	<u>15,881,643</u>	<u>3,839,139</u>	<u>5,245,453</u>	<u>433,322</u>	<u>5,008,819</u>	<u>30,408,376</u>
Accumulated Depreciation							
Balance, opening	-	3,803,353	1,721,161	3,347,129	353,135	3,829,977	13,054,755
Depreciation	-	344,230	191,693	378,919	28,302	170,832	1,113,976
Balance, closing	<u>-</u>	<u>4,147,583</u>	<u>1,912,854</u>	<u>3,726,048</u>	<u>381,437</u>	<u>4,000,811</u>	<u>14,168,731</u>
Net Book Value	<u>\$ 1</u>	<u>\$ 11,734,060</u>	<u>\$ 1,926,285</u>	<u>\$ 1,519,405</u>	<u>\$ 51,885</u>	<u>\$ 1,008,008</u>	<u>\$16,239,645</u>

MUNICIPALITY OF KINNGAIT
SCHEDULE OF CAPITAL PROJECTS
FOR THE YEAR ENDED SUNDAY, MARCH 31, 2024

	<u>Sealift Improvements</u>	<u>Playground Equipment</u>	<u>Arena oil tank</u>	<u>Ford Trucks</u>	<u>Total</u>
Sources of Funding					
GN - CGS	\$ 400,000	\$ 113,593	\$ -	\$ -	\$ 513,593
	400,000	113,593	-	-	513,593
Municipal capital block funding reserve	-	-	18,610	-	18,610
Operating fund	-	-	-	396,634	396,634
	<u>\$ 400,000</u>	<u>\$ 113,593</u>	<u>\$ 18,610</u>	<u>\$ 396,634</u>	<u>\$ 928,837</u>
 Expenditures					
Buildings and building improvements	\$ 400,000	\$ 113,593	\$ -	\$ -	\$ 513,593
Transportation equipment	-	-	-	396,634	396,634
Infrastructure	-	-	18,610	-	18,610
	<u>\$ 400,000</u>	<u>\$ 113,593</u>	<u>\$ 18,610</u>	<u>\$ 396,634</u>	<u>\$ 928,837</u>
 Requires CFTA reporting	Yes	No	No	No	

MUNICIPALITY OF KINNGAIT
SCHEDULE OF CAPITAL PROJECTS
FOR THE YEAR ENDED SUNDAY, MARCH 31, 2024

CFTA CONTRACT REPORTING

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

Single Year Contracts

<u>Vendor</u>	<u>Current Year</u> <u>Expenditures</u>	<u>Total</u> <u>Contract</u> <u>Value</u>
Kinngait Property Management	\$ 396,634	\$ 396,634

Multi-Year Contracts

<u>Vendor</u>	<u>Prior Year</u> <u>Expenditures</u>	<u>Future Year</u> <u>Commitments</u>	<u>Current Year</u> <u>Expenditures</u>	<u>Total</u> <u>Contract</u> <u>Value</u>
Qikiqtaaluk Business Development Corporation	\$ 100,000	\$ 8,755,000	\$ 400,000	\$ 9,255,000