



CITY OF
YELLOWKNIFE

CITY OF
YELLOWKNIFE



Financial Report 2019
For the year ended
December 31, 2019

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FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

The following Financial Statement Discussion and Analysis (“FSD&A”) has been prepared by management and should be read in conjunction with the audited financial statements (the “Statements”) and their accompanying notes and schedules. The Statements, as well as the accompanying materials, are prepared in accordance with Canadian public sector accounting standards as established by the Public Sector Accounting Board (“PSAB”).

The Statements provide information about the economic resources, obligations and accumulated surplus of the City of Yellowknife (the “City”). The Financial Statements include the following individual statements:

1. **Statement of Financial Position** – provides a summary of the City’s financial and physical assets and liabilities.
2. **Statement of Operations** – provides a summary of the funds raised by the City and the use of such funds during the year.
3. **Statement of Changes in Net Financial Assets (Liabilities)** – shows how changes in physical assets occurred through the purchase and disposition of physical assets.
4. **Statement of Cash Flows** – summarizes how the City’s cash position changed during the year by highlighting the sources and uses of cash.

The Financial Statements also include schedules that provide detail on tangible capital assets, segment disclosures, and government transfers and notes that provide additional information.

FUNDS AND RESERVES

The Statements reflect all resources and operations controlled by the City and include departments, funds and reserves. A fund is a grouping of accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City has established the following funds to achieve and demonstrate compliance with finance related requirements.

1. **General Fund** - reports on tax supported operations, which include services provided by the City to citizens such as public safety, parks and recreational services, transit services, street maintenance and administrative and governance support.
2. **Capital Fund** - reports on capital projects that are supported by taxes, user fees and/or grants from other orders of government. The Capital Fund is made up of, but is not limited to, reporting on the acquisition and/or construction of: streets, parks and recreation facilities, water and sewer infrastructure and other municipal facilities.
3. **Water and Sewer Fund** – reports on activities related to the provision of piped or trucked water and sewer services. The revenue is derived from user fees.
4. **Solid Waste Management Fund** - reports on activities related to garbage and waste collection services. The revenue is derived from user fees.
5. **Land Development Fund** – reports on activities related to the acquisition, development and sale of municipal lands.
6. **Service Connection Failure Assistance Fund (SCFA)** – established to provide customers with a low-cost program to cover water and sewer service repairs. The revenue is derived from user fees.

City Council has approved the establishment of Reserves. Reserves are a portion of the City’s surplus that is retained or set aside for a future use. The City has established three Capital Reserves and seven Operating Reserves.

1. **Information Technology Reserve, Mobile Equipment Replacement Reserve, and the Major Community Facility Reserve** – set-up to finance current and anticipated future capital projects, thereby reducing or eliminating the need to issue debt.

2. **Waterfront Development Reserve, Downtown Development Reserve, Heritage Reserve, Samuel Colley Donation Reserve, Twin Pine Hill Trail Reserve, Revitalization Initiative Reserve and Community Grant Reserve** – provide designated revenue to fund expenses related to future projects in these areas.

FINANCIAL HIGHLIGHTS

Key financial highlights for 2019 are as follows:

- The City had a strong financial year with revenues coming in above budget and expenses coming in under budget resulting in an annual surplus of \$6.7 million. Higher land sales, user fee revenues, and investment income and lower than budgeted costs for salaries, wages and benefits and contracted costs had a positive impact on the City’s financial results.
- The City is in a strong financial position with net financial assets increasing \$14.9 million over the prior year. This increase can be attributed to an increase in cash and cash equivalents, as cash from operations exceeded cash used to construct and purchase tangible capital assets and meet financing obligations. This leaves the City in a strong position to manage financial implications that may arise in the future as a result of events occurring subsequent to year end, specifically the global outbreak of a novel coronavirus identified as COVID-19.
- The Funds Stabilization component of the City’s Budget Policy specifies that the General Fund will maintain a balance of no less than 10.0% and no more than 15.0% of budgeted expenditures. The City has opted to leave the General Fund balance at \$8.5 million, which is equal to 20.9% of 2019 budgeted expenditures net of amortization, rather than transfer the surplus funds to the Capital Fund as has been historically done. This decision was made in light of the COVID-19 outbreak and puts the General Fund in a better position to absorb the decrease in revenues that is expected to occur in 2020.

STATEMENT OF FINANCIAL POSITION

<i>(in thousands of dollars)</i>	2019	2018	Change
Financial Assets	\$90,300	\$70,100	\$20,200
Liabilities	(70,823)	(65,478)	(5,345)
Net Financial Assets (Liabilities)	19,477	4,622	14,855
Non-Financial Assets	288,690	296,798	(8,108)
Accumulated Surplus*	\$308,167	\$301,420	\$6,747

*Accumulated surplus represents the City’s net worth and is mainly comprised of the City’s capital assets.

The Statement of Financial Position shows the City’s overall financial position increased by \$6.7 million over the previous year. This is primarily due to a \$20.2 million increase in financial assets, mainly cash and cash equivalents, due to operating surpluses and an increase in deferred revenue.

Accumulated Surplus (in thousands of dollars)	
Investment in Tangible Capital Assets	\$271,866
Net Surplus	25,454
Total Reserves	10,847
Accumulated Surplus	\$308,167

Investment in tangible capital assets makes up 88.2% of the balance in the accumulated surplus with reserves and net surplus making up the remaining 3.5% and 8.3% respectively. More detailed information on the accumulated surplus balance can be found in Note 14.

Significant Trends

<i>(in thousands of dollars)</i>	Average Annual Change	2019	2018	2017	2016	2015
Financial Assets	11.5%	\$90,300	\$70,100	\$59,234	\$58,991	\$52,497
Liabilities	(1.6%)	70,823	65,478	65,894	68,361	71,710
Net Financial Assets (Liabilities)		\$19,477	\$4,622	(\$6,660)	(\$9,370)	(\$19,213)

The City's net financial position has improved over the past five years, moving from a net liability position to a net financial asset position in 2018. This is as a result of operating surpluses over the past five years and repayment of debt. The City expects to remain in a net financial asset position in 2020; however, this may change in 2021 if the City proceeds with the construction of an aquatic centre which would require the City to borrow to finance part of the construction.

<i>(in thousands of dollars)</i>	Average Annual Change	2019	2018	2017	2016	2015
Reserves	13.1%	\$10,847	\$10,511	\$9,441	\$9,930	\$7,507

The City allocates funds to reserves to meet future operating and capital requirements. Over the past five years, reserves have increased on average by 13.1% per year. This is primarily due to an increase in the Major Community Facility Reserve, an increase in the Information Technology Reserve as a result of the deferral of a number of projects and the establishment of the Revitalization Initiative Reserve in 2016 to support revitalization initiatives within targeted areas of the City.

Going forward, reserves are expected to decline. The Major Community Facility Reserve will be used to fund the construction of an aquatic centre if this project proceeds. The Revitalization Initiative Reserve is also expected to be drawn down and there is no plan to contribute funds into this reserve in the future.

STATEMENT OF OPERATIONS

Revenue

<i>(in thousands of dollars)</i>	Average Annual Change	2019	2018	2017	2016	2015
Municipal Taxes	4.0%	\$30,764	\$27,928	\$27,085	\$26,086	\$25,634
User Fees and Sale of Goods	4.8%	22,398	22,092	20,908	19,304	18,039
Other*	0.1%	4,079	4,035	3,660	4,568	4,154
Regular Operating Revenue	3.9%	57,241	54,055	51,653	49,958	47,827
Government Transfers						
Government of Canada	10.2%	3,531	10,955	14,422	5,511	5,025
Government of the Northwest Territories	4.5%	12,677	11,254	10,695	10,826	10,546
	2.1%	16,208	22,209	25,117	16,337	15,571
Land Sales	-	3,190	6,034	1,403	7,602	1,779
Contributed TCA	-	-	146	-	4,990	8,599
Total Revenue	2.5%	\$76,639	\$82,444	\$78,173	\$78,886	\$73,776

*Includes Development Levies, Licenses, and Permits, Fines, Penalties and Cost of Taxes, Investment Income, and Franchise Fees.

Government transfers, land sales and contributed tangible capital assets have been shown separately as they vary significantly from year to year.

Comparison to Prior Year

Overall, revenue decreased by 7.0% from the previous year due to a decrease in government transfers and land sales. Regular operating revenue increased by 5.9%. Municipal taxes increased by 10.2% as a result of assessment growth, mainly attributed to the new hospital, and an increase in the tax rate of 1.4%. User fees and sale of goods were 1.4% higher than the previous year due to an increase in revenues from emergency services and water and sewer services. Other revenue increased by 1.1% due to an increase in investment income.

Government transfers decreased from the previous year as there was less work to be completed under the federally funded Clean Water and Wastewater agreement and Public Transit Infrastructure agreement programs in the current year. Land sales decreased from the previous year as no new lots became available for sale and sales slowed down in the Engle Phase 2 Business District.

Significant Trends

Municipal tax revenues generally increase with assessment growth and tax rate increases. Increases in 2015 and 2016 were related to assessment growth as there was no increase in the tax rates. Increases in 2017, 2018 and 2019 were a combination of assessment growth and tax rate increases. Going forward, the City expects to see municipal tax revenues continue to increase as a result of assessment growth and small annual tax rate increases.

User fees and sales of goods have generally increased due to rate increases. The City expects this trend to continue as rates are adjusted to keep up with increasing costs.

Other revenue has remained relatively stable over the past five years and is expected to remain so. Fluctuations are mainly a result of the level of construction activity within the community.

Government transfers will fluctuate from year-to-year based on the capital projects in progress and the funding available from higher levels of government. In 2020, the City expects government transfers to remain consistent with 2019 levels. From 2021 through 2025, government transfers are expected to be more in-line with 2017 and 2018 numbers. The City has entered into contribution agreements for funding of \$25.9 million, under the federally funded Disaster Mitigation and Adaptation Fund (DMAF) to replace the City's submarine intake line, and \$13.7 million, under the Investing in Canada Infrastructure Program (ICIP) for a variety of projects. The City also received an additional \$5.5 million in Gas Tax funding in 2019 that is currently included in deferred revenue.

Land sales fluctuate from year to year based on the lots available for sale and the market demand for land. In 2016 new residential lots and a limited number of industrial lots came available for sale which resulted in higher sales. Purchase incentives introduced by the City in 2014 also had a positive impact on 2016 sales. In 2018, the introduction of additional industrial lots in the Engle Phase 2 Business District resulted in higher sales. In 2020, the City expects to see a decline in land sales as no new lots are expected to become available for sale during the year.

Expenses

<i>(in thousands of dollars)</i>	Average Annual Change	2019	2018	2017	2016	2015
General Government*	3.8%	\$13,152	\$12,534	\$11,797	\$11,156	\$11,475
Community Services	3.3%	12,143	12,294	11,444	10,822	10,461
Planning & Development**	2.8%	1,502	1,666	1,369	1,457	1,121
Public Safety	7.4%	8,662	7,867	7,307	7,179	6,508
Public Works & Engineering	3.4%	12,103	11,132	11,148	10,460	10,663
Solid Waste Facility***	3.1%	3,170	2,675	2,834	3,251	2,980
Water and Sewage	4.4%	13,688	13,531	12,961	12,138	11,237
Interest on Long-term Debt	(7.4%)	515	566	615	660	707
Regular Operating Expenses	3.9%	64,935	62,746	59,126	56,527	54,734
Land	-	152	914	754	1,591	639
Landfill Closure and Post-Closure Cost (Recovery)	-	859	(481)	349	596	418
Minor Capital	-	3,946	3,787	4,688	3,047	3,689
		\$69,892	\$66,966	\$64,917	\$61,761	\$59,480

*Corporate Services and Mayor and Council activities were included in General Government in the current year as this better represents the major activities and operations of the City.

**Land Development costs were removed and shown below regular operating expenses.

***Landfill Closure and Post-Closure costs were removed and shown below regular operating expenses.

Land and minor capital costs have been shown separately as they vary significantly from year to year. Landfill closure and post-closure costs are shown separately as costs have had significant fluctuations, especially over the last two years.

Comparison to Prior Year

Overall, expenses increased 4.4% from the previous year with regular operating expenses increasing by 3.5%. The increase in regular operating costs is primarily a result of an increase in amortization and salaries, wages and benefits costs.

Land costs decreased from the previous year due to a decline in land sales. The landfill closure and post-closure expense increased over the previous year as 2018 showed a net recovery based on an updated report on landfill closure and post-closure costs. Minor capital was slightly higher than the previous year.

Significant Trends

Overall, the City's regular operating expenses have increased on average by 3.9% per year over the last five years. This trend is expected to continue as costs continue to rise due to general inflation, and salaries, wages and benefits costs rise due to annual pay increases as negotiated in the collective agreements and the introduction of new full time positions as required.

Public safety and water and sewage functions have seen the largest average annual increases in costs. An increase in service demands under public safety has resulted in higher operating costs. Construction of a water treatment plant in 2014 has resulted in an increase in operating costs under the water and sewage function.

Land costs will continue to fluctuate from year to year based on land sales. In 2020, the City anticipates land development costs to be comparable to 2019.

Significant fluctuations in the landfill closure and post-closure expense is not expected going forward. However, the landfill closure and post-closure liability is subject to significant measurement uncertainty and changes in assumptions, for example the discount rate used to value the liability, can cause the expense to fluctuate from year to year.

Minor capital expenses will continue to fluctuate from year to year and are influenced by both the level of capital expenditure as well as the type of capital projects taking place. In 2020, minor capital expenses are expected to be comparable to 2019 levels.

FUTURE OUTLOOK

Located along the northern shore of Great Slave Lake, Yellowknife is located on Chief Drygeese traditional territory of the Yellowknives Dene First Nation. Yellowknife is a lively and inclusive community, home to over 21,000 residents. As the capital city of the Northwest Territories, the City is a crossroads for people from across the NWT and the City works hard to serve all people who live, work and play in Yellowknife to ensure they can count on the best possible municipal programs and services.

A Balancing Act

The City of Yellowknife's population growth has slowed in recent years, but its infrastructure growth has not. New neighbourhoods, facilities, roads, parks, and trails have been developed over the past decade, and they contribute positively to the fabric of life in Yellowknife. However, they also contribute to increasing maintenance and replacement costs, which are also facing upwards pressure from older, aging assets.

There has also been growth in external pressures, especially from a regulatory perspective. The City takes the safety of staff and residents very seriously, and willingly implements the increasingly rigorous safe work practises legislated by the Workers' Safety and Compensation Commission, however these add time and cost to many routine activities. The Giant Mine Remediation project will contribute to the City's economy and will benefit area residents in the long run, but for the foreseeable future, it will also consume considerable City resources as staff work to ensure that the project's progress is

consistent with the best interests of citizens and businesses. Similarly, it is expected that the City's upcoming water license renewal process will be the most stringent yet, requiring considerable time and financial resources.

There are also ongoing citizen concerns with social issues, especially in the downtown core. While these are not within the City's municipal government mandate, their impact requires the City to find new and innovative ways to collaborate on solutions.

Counterbalancing all these growth pressures is the reality that development has slowed in recent months and the City's total taxable assessment is expected to be only about 0.51% larger than it was in 2019, which is the most modest increase in many years. So while the City strives to respond to emerging growth and pressure, without an increased assessment base, even minor cost increases can translate more directly to a property tax increase.

The challenge is amplified by the ongoing formula funding shortfall. In 2014, the Government of the Northwest Territories identified and acknowledged that its communities are underfunded by a total of \$40 million. Of this \$40 million shortfall, the City of Yellowknife is underfunded by \$11 million each year, which significantly reduces the City's ability to deliver services and maintain infrastructure. The City continues to pressure the GNWT to consider its fiscal allocations to better support strong communities and a diversified economy, and to develop a plan in writing to close this funding gap.

Working to Enhance Quality of Life

Reliable, safe, and cost-effective provision of essential services remains the City's core priority. These responsibilities also encompass seeking more efficient ways to provide services, and proactively identifying new opportunities to improve how the community's infrastructure is acquired and maintained, and deliver more of what citizens expect.

Top of mind for 2020 is the proposed aquatic centre. In 2018, Council approved the Aquatic Centre Advisory Committee's Pre-Design Plan that outlined what could be included in the new facility, and committed 2019 funds to move the process through the Design-Build process. In 2019, Council further amended the plan to include looking at additional options such as a smaller scale version of a new aquatic centre. A final design will be developed in 2020 and subject to Council and voter approval, construction could begin in 2021.

The City's submarine water intake line has reached the end of its life expectancy, and the City has been preparing for this eventuality for several years. In 2019, the City was successful in securing \$25.8 million in federal funding towards the project, and staff continue to seek external support for the remaining \$8.6 million of the anticipated cost. In the meantime, 2020 will see ongoing design and preparation for this critical piece of infrastructure that ensures safe drinking water for area residents.

In 2019, Council approved the Accessibility Audit Implementation Plan, and the 2020 Budget includes an allocation to proceed with the first full year of work to remove barriers identified in the audit and enhance accessibility throughout City facilities.

Citizens have entrusted the City with the care and maintenance of a significant array of assets. These assets are crucial to the reliable delivery of municipal services and programs, and represent significant investments. The 2020 Budget includes allocations that will help the City formalize its asset management processes so it can ensure that its buildings, roads, pipes, parks, trails, and technology are properly looked after to obtain maximum benefit from each investment. Similarly, the 2020 Budget includes funding for capital projects that focus on looking after what the City already has, as well as capital projects that directly contribute to the quality of life in Yellowknife by addressing and improving services, programs, and safety considerations that directly serve citizens and stakeholders.

Subsequent Events

Subsequent to year end, there was a global outbreak of a novel coronavirus identified as COVID-19. On March 11, 2020, the World Health Organization declared a global pandemic. In order to combat the spread of COVID-19 governments worldwide have enacted emergency measures including travel bans, legally enforced or self-imposed quarantine periods, social distancing and business and organization closures. These measures have caused material disruptions to businesses, governments and other organizations resulting in an economic slowdown and increased volatility in national and global equity and commodity markets.

Central banks and governments, including Canadian federal and provincial governments, have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of any interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the City and its operations in future periods. However, it is expected that the impact to the City will be a decrease in revenues that are unlikely to be offset by corresponding cost reductions.

The City anticipates the revenues that will be most impacted are user fees related to recreation facilities and programs, parking and transit; fines, levies and cost of taxes, as interest penalties on late payments are being waived and parking meter enforcement is on hold; and development levies, licenses and permits, as economic activity has declined significantly. The City's General Fund has an ending balance of \$8.5 million as of year-end which will help the City absorb the decrease in revenues.

Final Thoughts

The City is in a strong financial position with healthy reserve balances and a solid strategic plan that culminates into a forecasted three year operating and 10 year capital plan.

The City will continue to monitor key economic indicators, sources of revenue and spending levels as part of its sound fiscal approach during these uncertain times.



Sharolynn Woodward, B.Comm, NACLA
Director of Corporate Services
April 27, 2020

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

For the year ended December 31, 2019

City of Yellowknife management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards and ensuring all information in the annual report is consistent with the financial statements. This responsibility includes selecting appropriate accounting principles and methods and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

City Council is composed of elected officials who are not employees of the Municipality. City Council is responsible for overseeing management in the performance of its financial reporting responsibilities. City Council carries out its responsibility for review of the financial statements primarily through the Audit Committee. The Audit Committee meets regularly with management to discuss financial matters, including the results of audit examinations. The Audit Committee reports its findings to City Council for its consideration in approving the financial statements for issuance.

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



Sheila Bassi-Kellett
City Administrator
April 27, 2020



Sharolynn Woodward, B.Comm, NACLA
Director of Corporate Services
April 27, 2020

AUDIT COMMITTEE'S REPORT

For the year ended December 31, 2019

The Audit Committee oversees the City's financial reporting process on behalf of City Council. The Committee is comprised of: Mayor Rebecca Alty (ex-officio), Councillor Cynthia Mufandaedza, Justin Hazenberg, Nicolas Leeson and Janet Toner.

The Committee reports directly to City Council and has complete access to all City records. The Committee meets regularly with the independent auditors to discuss the independence of the auditors, the scope and key risk areas for the audit, the results of their examinations, the evaluations of the City's internal controls, the overall quality of the City's external financial reporting and other matters required by Canadian public sector accounting standards.

Management has the primary responsibility for the financial statements and the reporting process, including the system of internal controls. Management represents that the City's financial statements are prepared in accordance with Canadian public sector accounting standards. Based on the Committee's review of the financial statements and discussions with Administration and the independent auditors, the Committee recommends that City Council adopt the audited financial statements for the year ended December 31, 2019.



Janet Toner, CPA, CA, Chair
April 27, 2020

INDEPENDENT AUDITORS' REPORT

To the Mayor and Members of Council of the City of Yellowknife:

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the City of Yellowknife (the "City"), which comprise the statement of financial position as at December 31, 2019 and the statements of operations and accumulated surplus, changes in net financial assets (liabilities) and cash flows for the year then ended, and notes to the financial statements including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the City as at December 31, 2019 and its results of operations, its changes in net financial assets (liabilities) and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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 Financial Statements" section of our report. We are independent of the City in accordance with the ethical requirements that are relevant to our audit of the 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 opinion.

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 22 to the financial statements, concerning the worldwide spread of a novel coronavirus known as COVID-19 ("COVID-19") subsequent to year-end and its effect on the global economy. Our opinion is not modified in respect of this matter.

Other Information (Information Other than the Financial Statements and Auditor's Report Thereon)

Management is responsible for the other information. The other information comprises the Financial Statement Discussion and Analysis but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 City's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the City'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 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 City to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the 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 Requirement

We further report in accordance with the Cities, Towns and Villages Act that, in our opinion, proper books of account have been kept by the City, the financial statements are in agreement therewith and the transactions that have come under our notice, have, in all significant respects, been made in accordance with the Cities, Towns and Villages Act, the regulations and the bylaws of the City.

April 27, 2020
Yellowknife, Northwest Territories

Crowe Mackay LLP

Chartered Professional Accountants

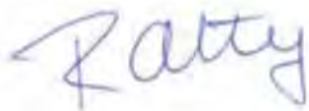
STATEMENT OF FINANCIAL POSITION

As at December 31 (in thousands of dollars)

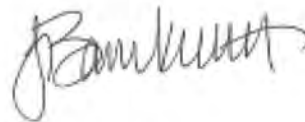
	2019	2018
Financial Assets		
Cash and cash equivalents (Note 3)	\$ 58,210	\$ 34,403
Grants receivable (Note 4)	2,978	3,941
Taxes receivable (Note 5)	1,256	1,064
Water and sewer receivable (Note 6)	1,389	1,523
Other receivable (Note 7)	7,202	9,395
Local improvement charge receivable (Note 8)	14,643	15,250
Land held for resale (Note 9)	4,622	4,524
Total Financial Assets	90,300	70,100
Liabilities		
Accounts payable and accrued liabilities	5,741	9,601
Accrued employee benefits (Note 10)	2,942	2,287
School taxes payable	2,898	2,686
Deposits payable	1,078	1,164
Deferred revenue (Note 11)	11,797	2,131
Debt (Note 12)	27,688	29,789
Landfill closure and post-closure liability (Note 13)	18,679	17,820
Total Liabilities	70,823	65,478
Net Financial Assets (Liabilities)	19,477	4,622
Non-Financial Assets		
Tangible capital assets	287,185	295,518
Inventories	921	865
Prepays	584	415
	288,690	296,798
Accumulated Surplus (Note 14)	\$ 308,167	\$ 301,420
Contingencies (Note 15)		
Commitments (Note 16)		

See accompanying notes and schedules to the financial statements.

Approved by:



Mayor



City Administrator

STATEMENT OF OPERATIONS

	2019 Budget (Unaudited Note 18)	2019 Actual	2018 Actual
<i>For the years ended December 31 (in thousands of dollars)</i>			
Revenues			
Municipal taxation			
Property taxes	\$ 30,680	\$ 32,335	\$ 32,043
Payments in lieu of taxes	-	9,723	6,446
School taxes	-	(11,294)	(10,561)
Net municipal taxation	30,680	30,764	27,928
User fees and sale of goods	21,621	22,398	22,092
Land sales	2,533	3,190	6,034
Grants and transfers	753	1,462	1,301
Investment income	450	1,079	696
Fines, penalties and cost of taxes	1,125	870	1,037
Development levies, licenses and permits	1,288	1,053	1,247
Franchise fees	1,030	1,077	1,055
Total Revenues	59,480	61,893	61,390
Expenses			
General Government	14,096	13,667	13,100
Community Services	12,402	12,143	12,294
Planning and Development	2,560	1,654	2,580
Public Safety	8,727	8,662	7,867
Public Works and Engineering	11,732	12,103	11,132
Solid Waste Facility	3,973	4,029	2,675
Water and Sewer	14,524	13,688	13,531
Total Expenses	68,014	65,946	63,179
Annual Deficit before Other	(8,534)	(4,053)	(1,789)
Contributed tangible capital assets	-	-	146
Government transfers related to capital	16,098	14,746	20,908
Minor capital expense	(3,073)	(3,946)	(3,787)
Annual Surplus after Other	4,491	6,747	15,478
Accumulated Surplus, Beginning of Year	301,420	301,420	285,942
Accumulated Surplus, End of Year	\$ 305,911	\$ 308,167	\$ 301,420

See accompanying notes and schedules to the financial statements.

STATEMENT OF CHANGES IN NET FINANCIAL ASSETS (LIABILITIES)

	2019 Budget (Unaudited Note 18)	2019 Actual	2018 Actual
<i>For the years ended December 31 (in thousands of dollars)</i>			
Annual surplus (deficit)	\$ 7,562	\$ 6,747	\$ 15,478
Acquisition of capital tangible assets	(17,412)	(7,203)	(18,160)
Amortization of tangible assets	14,646	15,378	13,812
(Gain) loss on disposal of tangible capital assets	-	87	(87)
Proceeds on disposal of tangible capital assets	-	71	105
	(2,766)	8,333	(4,330)
Increase (decrease) in inventories and prepaid expenses	-	(225)	134
Increase in Net Financial Assets (Liabilities)	4,796	14,855	11,282
Net Financial Assets (Liabilities), Beginning of Year	4,622	4,622	(6,660)
Net Financial Assets, End of Year	\$ 9,418	\$ 19,477	\$ 4,622

See accompanying notes and schedules to the financial statements

STATEMENT OF CASH FLOWS

For the years ended December 31 (in thousands of dollars)

	2019	2018
Net inflow (outflow) of cash related to the following activities:		
Operations		
Annual Surplus	\$ 6,747	\$ 15,478
Non-cash changes to operations:		
Amortization of tangible capital assets	15,378	13,812
(Gain) loss on disposal of tangible capital assets	87	(87)
Contributed tangible capital assets	-	(146)
Provision for landfill closure	859	(481)
Bad debt	158	276
Land impairment	-	413
	23,229	29,265
Change in non-cash working capital balances related to operations:		
Grants receivable	964	(1,035)
Taxes receivable	(194)	(98)
Water and sewer receivable	135	(280)
Other receivable	2,022	(1,601)
Local improvement charge receivable	608	531
Land held for resale	(97)	(152)
Inventories	(56)	84
Prepays	(169)	50
Accounts payable and accrued liabilities	(3,849)	2,140
School taxes payable	212	65
Deposits payable	(86)	(184)
Deferred revenue	9,666	731
Wages and compensated absences payable	655	229
	9,811	480
Net Cash provided from Operations	33,040	29,745
Capital		
Acquisition of tangible capital assets	(7,203)	(18,012)
Proceeds on disposal of tangible capital assets	71	105
Net Cash used for Capital	(7,132)	(17,907)
Financing		
Debt repayments	(2,101)	(2,035)
Increase in Cash and Cash Equivalents	23,807	9,803
Cash and Cash Equivalents, Beginning of Year	34,403	24,600
Cash and Cash Equivalents, End of Year	\$ 58,210	\$ 34,403

See accompanying notes and schedules to the consolidated financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2019 (in thousands of dollars)

1. SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Yellowknife (the "City") are the representations of management prepared in accordance with Canadian public sector accounting standards as prescribed by the Public Sector Accounting Board ("PSAB"). Significant aspects of the accounting policies adopted by the City are as follows:

a) Reporting Entity

The financial statements reflect the financial assets, liabilities, non-financial assets, accumulated surplus, revenues and expenses and changes in financial position of the City. It is comprised of the departments that are controlled by the City and are, therefore, accountable to Mayor and Council for the administration of their financial affairs and resources. There are no external organizations that currently meet the criteria of forming part of the reporting entity. The financial statements include the operations of the General Fund, the Land Development Fund, the Solid Waste Management Fund, the Water and Sewer Fund, the Capital Fund and the Service Connection Failure Assistance Fund ("SCFA").

b) Basis of Accounting

The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting records revenue in the period it is earned and measurable. Expenses are recognized in the period they are incurred and measurable based upon receipt of goods or services and/or legal obligation to pay.

c) Cash and Cash Equivalents

Cash and cash equivalents consist of cash on deposit, money market funds and Guaranteed Investment Certificates with maturity terms of three months or less at acquisition.

d) Designated Assets

The City has designated assets that are distinct from restricted assets. Unlike restricted assets, the City can readily change the by-law or resolution and use the designated assets for another purpose if the need arises. Designated assets are made up of reserves that have been established at the discretion of Council to set aside funds for future operating and capital expenses.

e) Land Held for Resale

Land held for resale is recorded at the lower of cost and the net recoverable amount. The net recoverable amount is the amount the City estimates it will collect from the sale of the land inventory. Inventory includes costs of acquisition, lot servicing and infrastructure.

Valuation of land is subject to significant measurement uncertainty because sales of large parcels of land are subject to Council's approval of proposed developments.

f) Deferred Revenue

Deferred revenue consists of government transfers for which the events giving rise to the transfer have not yet occurred and capital contributions from third parties to be used for specified capital projects. The deferred revenue will be recognized in the financial statements as revenue in the period in which the related expenses or capital expenditures are incurred or related services are performed.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2019 (in thousands of dollars)

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

g) Liability for Contaminated Sites

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. The City recognizes a liability for remediation of contaminated sites when the following criteria have been met:

- i) an environment standard exists;
- ii) contamination exceeds the environment standard;
- iii) the City is directly responsible or accepts responsibility;
- iv) it is expected that the future economic benefits will be given up; and
- v) a reasonable estimate of the amount can be made.

The best estimate of the liability includes all costs directly attributable to remediation activities and is reduced by expected net recoveries based on information available. At each financial reporting date, management reviews the carrying amounts of the liability. Any revision required to the amount previously recognized is accounted for in the period revisions are made. As of December 31, 2019, the City has determined that no liability exists.

h) Non-Financial Assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations. The change in non-financial assets during the year, together with the excess of revenues over expenses, provides the change in net financial assets for the year.

i) Tangible Capital Assets

Tangible capital assets are recorded at cost less accumulated amortization. Costs include all amounts that are directly attributable to acquisition, construction, development or betterment of assets. Tangible capital assets received as contributions are recorded at their fair value at the date of receipt when fair value can be reasonably estimated. Amortization is recorded on a straight-line basis over the expected useful life of each asset and commences on the first day of the fiscal year subsequent to acquisition or betterment and ceases on the last day of the fiscal year prior to disposal. Assets under construction are not amortized until the asset is available to begin delivery of its intended service value. Estimated useful life of tangible capital assets is as follows:

	Useful Life
Land	Not amortized
Buildings	40-50 years
Roads & sidewalks infrastructure	20 years
Water & sewer infrastructure	10-40 years
Other infrastructure	8-40 years
Vehicles	10-21 years
Equipment	4-30 years
Work in progress	Not amortized

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2019 (in thousands of dollars)

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

j) Inventories

Inventories held for consumption are recorded at the lower of cost or replacement cost.

k) Government Transfers

Government transfers are recognized as revenues in the period when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability, in which case transfers are recognized as deferred revenue. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

l) Land Sale Revenue

Land sales are recognized as of the earlier of the transfer of title or transfer of possession under an agreement to sell.

m) School Taxes

School taxes are levied by the City on behalf of the School Boards and are not reported as revenue. The school mill rate set by Council is the rate necessary to meet the requisitions of the School Boards. School Board requisitions are paid quarterly and the fourth payment is paid subsequent to the City's year end. All school taxes, net of uncollectible accounts, are paid or payable to the School Boards.

n) Property Taxes

Property taxes are a function of assessed values and mill rates. The assessed values are determined through application of Territorial legislation and the mill rates are set by Council. The revenue is recognized in the period the taxes are levied.

o) Local Improvement Charges

When a service or improvement is deemed to benefit a specific area more than the municipality as a whole, the City may levy a local improvement charge on the impacted properties. The local improvement charge is recognized as a revenue in the year the project is substantially complete.

p) Minor Capital Expenses

Minor capital expenses represent the total of minor capital purchases that do not meet the City's criteria for classification as tangible capital assets but are funded through the capital budget. They are recognized as expenses in the period in which they are acquired and are reported at cost.

q) Related Party Transactions

Related party transactions are disclosed in the financial statements when transactions have occurred between related parties at a value different from what would have been arrived at if the parties were unrelated and if the transaction could have a material effect on the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2019 (in thousands of dollars)

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

r) Measurement Uncertainty

The preparation of the financial statements in conformity with Canadian public sector accounting standards requires management 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 financial statements and the amounts of revenues and expenses during the period. Significant items subject to estimates include the provision for landfill closure and post closure costs, accrued employee benefits, allowances for doubtful accounts, provisions for contingencies and the determination of useful lives of tangible capital assets. These estimates are reviewed periodically and adjustments are reported in earnings in the year in which they become known.

Actual results could differ from these estimates as additional information becomes available in the future.

s) Budget

Budget figures are unaudited and are those approved by Council on December 10, 2018.

t) Segment Disclosure

The Schedule of Segment Disclosure has been prepared in accordance with PSA Handbook Section PS 2700 – Segment Disclosures. The segments selected are to enable users to better understand the government reporting entity and the major revenue and expense activities of the City. For each reported segment, revenues and expenses represent amounts directly attributable to each segment.

The segments have been selected based on a presentation similar to that adopted for the City's financial planning and budget process. In the current year, the City changed the General Government segment to include Corporate Services and Mayor and Council revenue and expenses as this better represents the major activities and operations of the City. Comparative numbers have been reclassified to reflect this change. Segments include:

General Government:

Includes the revenues and expenses pertaining to mayor and council, administration, policy, corporate services, communications, economic development and strategy, human resources, office of the City Clerk, financial services, budgeting and financial reporting, property tax assessment, purchasing and risk management, information technology, council meetings, participation in community events, conferences, memberships and public relations.

Community Services:

Includes the revenues and expenses pertaining to recreation programs, City facilities, the library and community grants.

Planning and Development:

Includes the revenues and expenses pertaining to permitting (development, building and mechanical), building and structural inspections, land use planning, development and zoning, and land sales.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2019 (in thousands of dollars)

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

t) Segment Disclosure (continued)

Public Safety:

Includes the revenues and expenses pertaining to emergency services (fire), enforcement (municipal enforcement) and emergency preparedness.

Public Works and Engineering:

Includes the revenues and expenses pertaining to the maintenance and repair of the City's roadways and sidewalks, and the provision of a vehicle service to all City departments. Also included are expenses pertaining to project management of capital programs such as the roads and sidewalks program, the water and sewer program, the land development program, and the major and minor capital works for other City departments.

Solid Waste Facility:

Includes the revenues and expenses pertaining to garbage and waste collection.

Water and Sewer:

Includes the revenues and expenses pertaining to the provision of piped or trucked water and sewer services.

2. FUTURE ACCOUNTING CHANGES

a) Financial Instruments, Section PS 3450 and related amendments to Financial Statement Presentation, Section PS 1201

This standard will establish how to account for and report all types of financial instruments, including derivatives. Financial instruments include primary instruments and derivative financial instruments. Governments should adopt Section PS 3450 in the same fiscal year Section PS 2601, Foreign Currency Translation, is adopted.

This Section is effective for fiscal periods beginning on or after April 1, 2021. Earlier adoption is permitted. The impact of the transition to these accounting standards is being reviewed by management.

b) Foreign Currency Translation, Section PS 2601

This section is replacing existing Section PS 2600, Foreign Currency Translation. Governments should adopt Section PS 2601 in the same fiscal year Section PS 3450, Financial Instruments, is adopted.

This Section is effective for fiscal periods beginning on or after April 1, 2021. Earlier adoption is permitted. The impact of the transition to these accounting standards has been reviewed by management and is not considered significant.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2019 (in thousands of dollars)

2. FUTURE ACCOUNTING CHANGES (continued)

c) Asset Retirement Obligations, Section PS 3280

This standard is replacing existing Section PS 3270 Solid Waste Landfill Closure and Post-Closure Liability and will establish how to account for and report a liability for asset retirement obligations.

This Section is effective for fiscal periods beginning on or after April 1, 2021. Earlier adoption is permitted. The impact of the transition to these accounting standards is being reviewed by management.

d) Revenue, Section PS 3400

This new section establishes standards on how to account for and report on revenue. Specifically, it differentiates between revenue arising from transactions that include performance obligations and transactions that do not have performance obligations.

This Section is effective for fiscal periods beginning on or after April 1, 2022. Earlier adoption is permitted. The impact of the transition to these accounting standards is being reviewed by management.

3. CASH AND CASH EQUIVALENTS

	2019	2018
Cash - unrestricted	\$ 27,172	\$ 13,359
Investments in money market funds - unrestricted	8,367	8,236
Cash held in trust - restricted (Note 19)	27	167
Cash - deferred revenue - restricted (Note 11)	11,797	2,131
Cash - designated for reserves (Note 14)	10,847	10,510
	\$ 58,210	\$ 34,403

The average yield earned from investments in money market funds was 1.58% (2018 - 1.10% to 1.85%).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2019 (in thousands of dollars)

4. GRANTS RECEIVABLE

	2019	2018
Government of the Northwest Territories		
Clean Water and Wastewater Fund	\$ 817	\$ 3,209
District Energy	6	6
Public Library Services	2	2
Public Transit Infrastructure Fund	-	110
Street Outreach Program	207	143
CEP Transportation Initiative	5	5
Visitor Services	121	107
Agricultural Strategy	5	2
New Building Fund and Small Communities	-	59
Installation of Hydrant Vault for Sobering Centre	-	203
Ground Ambulance	37	-
McMeekan Causeway Stabilization	16	-
Paving Project (ICIP)	1,616	-
Federation of Canadian Municipalities - Climate and Asset Management Network	60	9
Federation of Canadian Municipalities - Community Energy Plan	86	86
	\$ 2,978	\$ 3,941

5. TAXES RECEIVABLE

	2019	2018
Property taxes receivable	\$ 2,922	\$ 2,728
Less: Allowance for doubtful taxes receivable	(1,666)	(1,664)
	\$ 1,256	\$ 1,064

6. WATER AND SEWER RECEIVABLE

	2019	2018
Water and sewer receivables	\$ 1,814	\$ 1,949
Less: Allowance for doubtful accounts	(425)	(426)
	\$ 1,389	\$ 1,523

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2019 (in thousands of dollars)

7. OTHER RECEIVABLE

	2019	2018
Land sales and trade accounts receivables	\$ 5,477	\$ 6,875
Community services receivables	367	504
Municipal enforcement receivables	827	795
Power distribution franchise	1,077	1,055
GST receivable	315	364
Other	184	689
	8,247	10,282
Less: Allowance for doubtful accounts	(1,045)	(887)
	\$ 7,202	\$ 9,395

8. LOCAL IMPROVEMENT CHARGE RECEIVABLE

	2019	2018
Niven Lake Subdivision - Phase 7	\$ 321	\$ 351
Yellowknife Condominium Corporation No. 8	14,322	14,899
	\$ 14,643	\$ 15,250

a) Niven Lake Subdivision - Phase 7

The City has levied a local improvement charge ("LIC") on certain properties in Blocks 308 and 309, Plan 4204, known as Stage 2, Phase 7, Niven Lake Subdivision to pay for the costs of infrastructure and other local improvements. Each owner of the affected properties is responsible for paying the LIC. The LIC is levied over a fifteen year period which started in January 2014. A 3.59% annual interest rate is charged to recover the carrying costs incurred by the City as a result of the local improvements.

The owner of a property to which the LIC applies may pay the entire balance in full plus interest calculated up to the date of the payment.

b) Yellowknife Condominium Corporation No. 8

The City has levied a LIC on certain properties in Block 163, Plan C2090, known as Yellowknife Condominium Corporation No. 8 ("Condo Corp") to pay for the cost of installing water and sewer infrastructure servicing the Condo Corp. Each owner of the affected properties is responsible for paying the LIC. The LIC is levied over a twenty-five year period which started in January 2016. A 3.30% annual interest rate is charged to recover the carrying costs incurred by the City as a result of the local improvements.

The owner of a property to which the LIC applies may pay the entire balance in full plus interest calculated up to the date of the payment and early repayment fee.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2019 (in thousands of dollars)

9. LAND HELD FOR RESALE

Land held for resale is classified as a financial asset. Land held for resale has an estimated market value of \$16.4 million (2018 - \$17.9 million).

10. ACCRUED EMPLOYEE BENEFITS

	2019	2018
Accrued future employee benefits liability	\$ 1,369	\$ 1,230
Vacation	934	893
Wages	639	164
	\$ 2,942	\$ 2,287

Vacation and wages represent benefits that have been earned by employees as of December 31, 2019.

An actuarial valuation of the future employee benefits obligation was completed as of December 31, 2019. Actuarial gains and losses are amortized on a straight-line basis over 7 years, which represents the expected average remaining service life of the employee group. Amortization is calculated beginning in the year following the year the actuarial gains or losses occur.

Information about the City's future employee benefits is as follows:

	2019	2018
Accrued future employee benefits obligation at beginning of year	\$ 1,230	\$ 1,176
Current service cost	150	258
Interest cost	46	-
Benefits paid	(57)	(204)
Actuarial (gain)/loss	695	-
Accrued future employee benefits obligation at the end of year	2,064	1,230
Unamortized net actuarial loss	(695)	-
Accrued future employee benefits liability	\$ 1,369	\$ 1,230

Accrued future employee benefits obligation is comprised of the following:

	2019	2018
Severance pay	\$ 1,718	\$ 1,230
Long service bonus	119	-
Compensated absences	227	-
Accrued future employee benefits obligation at the end of year	\$ 2,064	\$ 1,230

Total expenses related to the future employee benefits include the following:

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2019 (in thousands of dollars)

10. ACCRUED EMPLOYEE BENEFITS (continued)

	2019	2018
Current service cost	\$ 150	\$ 258
Interest cost	46	-
Benefits paid	(57)	(204)
Total expense	\$ 139	\$ 54

Under the various employment agreements, qualifying employees are entitled to severance pay upon retirement, death or termination of service.

A long service bonus is payable to employees upon completion of five years of service and for each subsequent five years of service.

Compensated absences represent benefits expected to be paid during future employee absences in respect of sick leave earned in previous years.

The significant actuarial assumptions adopted in measuring the future employee benefits obligation for the year ended December 31, 2019 are as follows:

	2019	2018
Discount rate	3.6%	N/A
Base wage inflation	2.0%	N/A
Salary merit scale	0.5%	N/A
Average remaining service life	7 years	N/A

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2019 (in thousands of dollars)

11. DEFERRED REVENUE

	2018	Externally Restricted Inflows	Revenue Earned	2019
Government of the Northwest Territories				
Community Capacity Building Fund	\$ 320	\$ -	\$ -	\$ 320
MACA CPI	463	2,863	(1,968)	1,358
Gas Tax	679	11,022	(2,036)	9,665
Property Assessment Contract	12	125	(125)	12
Indigenous Relations Advisor	14	-	(14)	-
Tourism Product Diversification Program	-	6	-	6
Hockey Day in Canada	-	25	-	25
Government of Canada				
Coalition Proposal Assessment	133	14	(132)	15
Supporting Improved Visitor Experience/Wayfinding	-	138	(52)	86
Giant Mine Capacity Building Agreement	-	138	(82)	56
Smart Cities Challenge	195	-	(195)	-
Other	315	-	(61)	254
	<u>\$ 2,131</u>	<u>\$ 14,331</u>	<u>\$ (4,665)</u>	<u>\$ 11,797</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2019 (in thousands of dollars)

12. DEBT

	2019	2018
Capital - General		
TD Canada Trust Swap #904437T, authorized by By-law 4729 to finance completion of Phase 1 of the Multiplex, with monthly payments of \$10 thousand including principal & interest at 2.77%, expiring May 2023.	\$ 389	\$ 495
TD Canada Trust Swap #904866T, authorized by By-law 4681 to finance the cost of building a new Water Treatment Plant, with monthly payments of \$139 thousand including principal & interest at 3.10%, expiring June 2028.	12,456	13,718
TD Canada Trust Swap #909370T, authorized by By-law 4737 to finance the cost of building a new Water Treatment Plant, with monthly payments of \$6 thousand including principal & interest at 3.98%, expiring August 2028.	544	596
TD Canada Trust Swap #909371T, authorized by By-law 4737 to finance the cost of building a new Water Treatment Plant, with monthly payments of \$22 thousand including principal & interest at 3.71%, expiring August 2028.	1,932	2,118
	15,321	16,927
General		
TD Canada Trust Swap #903174T, authorized by By-law 4707 to finance the cost of a local improvement in the Yellowknife Condominium Corporation No. 8 Mobile Home Park, with monthly payments of \$27 thousand including principal & interest at 3.30%, expiring May 2038 (Note 8.b).	12,083	12,552
TD Canada Trust Swap #920732T, authorized by By-law 4766 to finance the cost of local improvements on certain properties in Stage 2, Phase 7, Niven Lake Subdivision, with monthly payments of \$7 thousand including principal & interest at 3.58%, expiring January 2029 (Note 8.a).	284	310
	12,367	12,862
	\$ 27,688	\$ 29,789

The City has an operating facility with TD Canada Trust with an authorized limit of \$10 million, of which \$0 was utilized at year end. The operating facility bears interest at prime - 0.25%.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2019 (in thousands of dollars)

12. DEBT (continued)

Debentures are covered by taxes and penalties levied, all grants and sundry revenues. Total interest paid in 2019 on long-term debt was \$513 thousand (2018 - \$564 thousand). The estimated fair value of long-term debt at December 31, 2019 is \$27.1 million (2018 - \$29.1 million). Fair value is estimated by discounting future cash flows at the rate currently offered by the City's bank for debt of similar credit quality and period to maturity. Annual principal repayment requirements on debt for the next five years are as follows:

2020	\$	2,169
2021		2,240
2022		2,313
2023		2,318
2024		2,343
2025 and thereafter		16,305
	\$	27,688

13. PROVISION FOR LANDFILL CLOSURE

The City is required to estimate future landfill closure costs and set aside a portion of these costs. The City has recorded a provision for the Old Landfill site and the New Landfill - Cells A+B.

	2019	2018
Old Landfill Site	\$ 14,519	\$ 14,333
New Landfill - Cell A+B	4,160	3,487
	\$ 18,679	\$ 17,820

Estimates of future landfill closure costs are subject to significant measurement uncertainty. Northwest Territories landfill closure standards have not been established by regulators.

The main components of the landfill closure plan are final capping using selected specific layers of earthen and synthetic materials based on engineered cap design, installation of groundwater monitoring wells and gas vents, and implementation of a drainage management plan. The post-closure care requirements will involve cap maintenance, groundwater and gas monitoring, and inspections.

a) Old Landfill Site

Total closure and post-closure costs are estimated to be \$14.5 million (2018 - \$14.3 million) of which \$12.1 million (2018 - \$11.9 million) is for site closure activities and \$2.4 million (2018 - \$2.4 million) for post-closure care activities. The remaining estimated life of the landfill is 1 year and monitoring will be required indefinitely. Of the total capacity of 700,000 cubic meters, less than 1% remains.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2019 (in thousands of dollars)

13. PROVISION FOR LANDFILL CLOSURE (continued)

b) New Landfill - Cell A and Cell B

Total closure and post-closure costs are estimated to be \$6.1 million of which \$4.2 million has been recognized (2018 - \$3.5 million). Of the total costs, \$4.2 million is for site closure activities and \$1.9 million is for post-closure care activities. The City has included \$2.9 million (2018 - \$2.4 million) for site closure costs and \$1.3 million (2017 - \$1.1 million) for post-closure care costs. The remaining estimated life of the landfill is 5 years and monitoring will be required indefinitely. Of the total capacity of 196,000 cubic meters, 62,720 cubic meters (32%) remains.

14. FUND ACTIVITIES AND CHANGE IN FUND BALANCES

	General Fund	Land Development Fund	Solid Waste Management Fund	Water and Sewer Fund	Capital Fund	Service Connection Failure Assistance Fund	Reserves	Equity in Tangible Capital Assets	2019 Total
Balance, beginning of year	\$ 5,791	\$ 4,110	\$ (12,999)	\$ 316	\$ 13,931	\$ 1,168	\$ 10,511	\$ 278,593	\$ 301,421
Excess revenues (expenses)	(7,149)	3,431	(527)	(3,913)	7,258	443	-	-	(457)
Net inter-fund transfers									
Amortization of tangible assets	8,277	-	1,044	6,057	-	-	-	(15,378)	-
Tangible capital asset purchases	-	-	-	-	-	-	-	7,203	7,203
Net disposal of TCA	158	-	-	-	-	-	-	(158)	-
Long-term debt	-	-	-	-	(1,606)	-	-	1,606	-
Net transfer from (to) other funds/reserves	1,380	(261)	(342)	(1,243)	130	-	336	-	-
Balance, end of year	\$ 8,457	\$ 7,280	\$ (12,824)	\$ 1,217	\$ 19,713	\$ 1,611	\$ 10,847	\$ 271,866	\$ 308,167

Reserves consist of:	Opening Balance	Increases	Decreases	Closing Balance
Community grant reserve	\$ 1	\$ 4	\$ -	\$ 5
Downtown development reserve	941	198	(245)	894
Heritage reserve	156	30	-	186
Information technology reserve	1,532	600	(472)	1,660
Major community facility reserve	3,069	86	-	3,155
Mobile equipment replacement reserve	2,176	1,340	(1,410)	2,106
Revitalization initiative reserve	2,416	-	-	2,416
Samuel Colley library donation reserve	220	205	-	425
Twin pine hill trail reserve	-	-	-	-
Waterfront development reserve	-	-	-	-
	\$ 10,511	\$ 2,463	\$ (2,127)	\$ 10,847

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2019 (in thousands of dollars)

15. CONTINGENCIES

a) Insurance

The City participates in the NWT Association of Communities Insurance Programs. Under these programs, the City 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.

b) Litigation

In the normal course of operations, the City is subject to various legal claims. The City's estimated maximum exposure to legal claims is not considered to be significant.

16. COMMITMENTS

a) Service Contracts

In the course of normal operations the City has entered into various multi-year service contracts. The minimum payments for these contracts for the next five years are as follows:

	Total
2020	\$ 4,766
2021	2,272
2022	648
2023	689
2024 and thereafter	1,414
	<hr/> \$ 9,789

b) Capital Contracts

The City regularly enters into contracts related to capital projects. The amount represents the uncompleted portions of these contracts as of December 31, 2019. The expected minimum payments for these contracts is \$5.7 million.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2019 (in thousands of dollars)

17. PENSION AGREEMENTS

Eligible employees of the City 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 a 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 City is a member.

Total contributions remitted by the City to the NEBS Plan were as follows:

	2019	2018
Employers' contribution	\$ 1,473	\$ 1,414
Employees' contribution	1,473	1,414
	\$ 2,946	\$ 2,828

Participating employers in the Plan, including the City, are required to make contributions to the plan of 8.00% (2018 - 8.00%) of pensionable earnings, and to remit employee contributions of 8.00% (2018 - 8.00%). These contributions cover current service costs and a provision for adverse deviation.

As at January 1, 2019, the Plan had a going concern surplus of \$25.3 million (2018 - \$24.0 million) and a funded ratio of 112.00% (2018 - 113.00%). The Plan serves 3,202 employee members and 111 participating employers.

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. The Act and the Plan text document 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.

Both the Act and the Plan text document provide that participating employers, such as the City, are liable for their share of any funding shortfalls in the Plan as determined on a going concern basis, and on Plan windup. It is expected that should the City cease to be a member of the Plan it would also be liable for their share of any funding shortfalls. Management does not have concerns on the Plan's ability to continue as a going concern and have evaluated the risk of Plan windup as low. Management believes the City will continue to be a member of the Plan for the foreseeable future.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2019 (in thousands of dollars)

18. COMPARATIVE AMOUNTS

The comparative figures have been reclassified, where applicable, to conform with the presentation adopted in the current year.

Budget figures have been reclassified to conform with the presentation adopted in the current year. The City's 2019 Financial Plan reported all capital expenditures including tangible capital assets acquisitions as operations expenses.

Capital expenditures have been reclassified as follows:

	2019 Budget
Capital purchases as presented in the budget	\$ 21,000
Less: Acquisition of tangible capital assets	17,412
Less: Interest on debt related to capital	515
Minor Capital Expense	\$ 3,073

The annual surplus as approved in the 2019 Financial Plan has been reclassified as follows:

	2019 Budget
Annual surplus as presented in the budget	\$ 108
Add: Acquisitions of tangible capital assets	17,412
Add: Debt repayment	1,607
Less: Amortization	14,646
Annual Surplus	\$ 4,481

19. CASH HELD IN TRUST

	2019	2018
Firefighters' Training Alternative Measures Agreement	\$ 5	\$ 5
Twin Pine Hill Escrow Agreement	22	162
	\$ 27	\$ 167

20. CONTRACTUAL RIGHTS

The City has entered into one-time agreements with higher orders of government that will result in transfers of funds to the City. Each agreement has stipulations that must be met before the transfer can be recognized as revenue. The total transfers expected to be received from these agreements in 2020 is \$633 thousand (2018 - \$313 thousand).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2019 (in thousands of dollars)

21. MEASUREMENT UNCERTAINTY

a) Liability for Contaminated Sites

A contaminated site is an unproductive site at which substances occur in concentrations that exceed the maximum acceptable amounts under an environment standard. A liability for remediation of contaminated sites is recognized when the City is directly responsible or accepts responsibility, it is expected that future economic benefits will be given up and a reasonable estimate for the amount can be made.

The City has determined no liability exists as of December 31, 2019.

b) Provision for Landfill Closure

Estimates of landfill closure and post closure costs are subject to significant measurement uncertainty. The current provision includes a material estimate for contingency costs. The City plans to have a third party review of the landfill closure and post closure costs completed every three years. The last review was completed in March 2019.

22. SUBSEQUENT EVENT

Subsequent to year end, there was a global outbreak of a novel coronavirus identified as "COVID-19". On March 11, 2020, the World Health Organization declared a global pandemic. In order to combat the spread of COVID-19 governments worldwide have enacted emergency measures including travel bans, legally enforced or self-imposed quarantine periods, social distancing and business and organization closures. These measures have caused material disruptions to businesses, governments and other organizations resulting in an economic slowdown and increased volatility in national and global equity and commodity markets.

Central banks and governments, including Canadian federal and provincial governments, have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of any interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the City and its operations in future periods, however it is expected that the impact will be a decrease in revenues that are unlikely to be offset by corresponding cost reductions.

The City anticipates the revenues that will be most impacted are user fees related to recreation facilities and programs, parking and transit; fines, levies and cost of taxes, as interest penalties on late payments are being waived and parking meter enforcement is on hold; and development levies, licenses and permits, as economic activity has declined significantly. The City's General Fund has an ending balance of \$8.5 million as of year-end which will help the City absorb the decrease in revenues.

SCHEDULE OF TANGIBLE CAPITAL ASSETS

For the years ended
December 31
(in thousands of dollars)

	Land	Buildings	Roads & Sidewalks Infrastructure	Water & Sewer Infrastructure	Other Infrastructure	Vehicles	Equipment	Work In Progress	2019 Totals
Cost									
Balance, beginning of year	\$ 35,846	\$ 129,360	\$ 90,324	\$ 188,185	\$ 22,992	\$ 3,463	\$ 19,330	\$ 2,665	\$ 492,165
Add: Additions during year	-	2,167	3,757	1,011	61	580	1,766	(2,139)	7,203
Less: Disposals during year	-	-	256	1,166	-	392	548	97	2,459
Balance, end of year	35,846	131,527	93,825	188,030	23,053	3,651	20,548	429	496,909
Accumulated amortization									
Balance, beginning of year	-	46,579	44,047	85,001	7,986	2,101	10,933	-	196,647
Add: Amortization during the year	-	3,466	4,483	4,588	1,346	238	1,257	-	15,378
Less: Accumulated amortization on disposals	-	-	256	1,157	-	392	496	-	2,301
Balance, end of year	-	50,045	48,274	88,432	9,332	1,947	11,694	-	209,724
Net book value of tangible capital assets	35,846	81,482	45,551	99,598	13,721	1,704	8,854	429	287,185
2018 Net book value of tangible capital assets	\$ 35,846	\$ 82,781	\$ 46,277	\$ 103,184	\$ 15,006	\$ 1,362	\$ 8,397	\$ 2,665	\$ 295,518

SCHEDULE OF SEGMENT DISCLOSURE

<i>For the years ended December 31 (in thousands of dollars)</i>	2019 Budget (Unaudited)	General Government	Community Services	Planning and Development	Public Safety	Public Works and Engineering	Solid Waste Facility	Water and Sewer	2019	2018
Revenues										
Municipal taxation	\$ 30,680	\$ 30,764	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 30,764	\$ 27,928
User fees and sale of goods	21,621	446	2,349	382	2,555	755	3,502	12,409	22,398	22,092
Land sales	2,533	-	-	3,190	-	-	-	-	3,190	6,034
Grants and transfers	753	621	387	-	68	-	-	386	1,462	1,301
Investment income	450	997	-	82	-	-	-	-	1,079	696
Fines, penalties and cost of taxes	1,125	312	16	1	462	-	-	79	870	1,037
Development levies, licenses and permits	1,288	569	27	335	122	-	-	-	1,053	1,247
Franchise fees	1,030	1,077	-	-	-	-	-	-	1,077	1,055
Total Revenues	59,480	34,786	2,779	3,990	3,207	755	3,502	12,874	61,893	61,390
Expenses										
Amortization of tangible assets	14,646	772	2,178	-	397	4,930	1,044	6,057	15,378	13,812
Provision for allowance	250	171	-	-	-	-	-	-	171	276
Bank charges and short-term interest	192	144	-	-	-	-	-	-	144	131
Materials and supplies	1,450	316	115	9	104	453	-	354	1,351	1,088
Contracted and general services	16,874	3,225	2,762	324	703	3,648	1,892	3,062	15,616	15,725
Insurance	860	759	-	-	-	-	-	-	759	744
Interest on long-term debt	520	515	-	(2)	-	-	-	-	513	564
Mayor and council expenses	658	608	-	-	-	-	-	-	608	568
Salaries, wages, employee benefits & unfunded liabilities	28,526	6,986	5,551	1,323	7,343	2,963	991	2,295	27,452	26,434
Utilities - electricity	2,884	108	1,101	-	72	63	59	1,391	2,794	2,663
Utilities - fuel	1,154	63	436	-	43	46	43	529	1,160	1,174
Total Expenses	68,014	13,667	12,143	1,654	8,662	12,103	4,029	13,688	65,946	63,179
Annual Surplus (Deficit) before Other	(8,534)	21,119	(9,364)	2,336	(5,455)	(11,348)	(527)	(814)	(4,053)	(1,789)
Contributed tangible capital assets	-	-	-	-	-	-	-	-	-	146
Government transfers related to capital	16,098	11,838	80	-	-	1,632	-	1,196	14,746	20,908
Minor capital expense	(3,073)	(497)	(273)	(150)	(89)	(939)	(35)	(1,963)	(3,946)	(3,787)
Annual Surplus (Deficit) after Other	\$ 4,491	\$ 32,460	\$ (9,557)	\$ 2,186	\$ (5,544)	\$ (10,655)	\$ (562)	\$ (1,581)	\$ 6,747	\$ 15,478

SCHEDULE OF GOVERNMENT TRANSFERS

<i>For the years ended December 31 (in thousands of dollars)</i>	2019 Budget (Unaudited)	2019 Actual	2018 Actual
Government of Canada			
Clean Water and Waste Water Agreement	\$ 319	\$ 1,144	\$ 5,821
Gas Tax Agreement	5,510	2,036	4,832
Public Transit Infrastructure Agreement	-	51	132
Canadian Northern Economic Development Agency (CanNor)			
Destination Marketing	-	3	119
Supporting Improved Visitor Experience/Wayfinding	-	52	-
Indigenous and Northern Affairs Canada			
Giant Mine	-	82	-
Indigenous Relations Advisor	-	132	34
Canadian Heritage			
Canada Day Celebration	21	25	15
Other Contribution Agreements	7	6	21
	<u>5,857</u>	<u>3,531</u>	<u>10,974</u>
Government of the Northwest Territories			
MACA Formula Funding	7,814	7,828	7,814
MACA Contribution Agreements			
Capital Grant - CPI	2,210	1,968	1,747
Property Assessment	125	125	125
Library Grant	105	105	105
Sport and Recreation Grant	80	80	80
Ground Ambulance and Highway Rescue	-	68	31
Water and Sewer Services	326	386	326
New Building Fund and Small Communities Fund	-	-	59
Street Outreach Program	120	252	-
Installation of Hydrant Vault for Sobering Centre	-	4	302
CEP Transportation Initiative	-	-	203
McMeekan Causeway Stabilization	-	16	70
Paving Project (ICIP)	-	1,616	-
Industry, Tourism and Investment Agreements			
Economic Development Officer	50	50	373
Win Your Space	-	15	-
Visitor Services	-	161	-
Agricultural Strategy	-	3	-
	<u>10,830</u>	<u>12,677</u>	<u>11,235</u>
	<u>\$ 16,687</u>	<u>\$ 16,208</u>	<u>\$ 22,209</u>

SCHEDULE OF REVENUE AND EXPENDITURES

GAS TAX AGREEMENT

<i>For the years ended December 31 (in thousands of dollars)</i>	2019 Budget (Unaudited)	2019 Actual	2018 Actual	2017 Actual	2016 Actual	2015 Actual
Funding						
Opening Balance	\$ -	\$ 679	\$ -	\$ -	\$ -	\$ -
Annual Gas Tax	5,510	11,022	5,511	5,272	5,273	4,519
	<u>5,510</u>	<u>11,701</u>	<u>5,511</u>	<u>5,272</u>	<u>5,273</u>	<u>4,519</u>
Eligible Expenditures						
CEP City Hall Boiler Desing	250	20	-	-	-	-
Pumphouse 1 Infrastructure Upgrades	500	22	-	-	-	-
Pump Replacement Program	100	39	-	-	-	-
Portable Water Reservoir Repairs	420	-	-	-	-	-
Backup Power Liftstation Generator Installation	350	17	-	-	-	-
Lagoon Control Structure Replacement	50	18	-	-	-	-
Water & Sewer Infrastructure Replacement	3,840	1,920	4,742	2,734	3,500	2,175
Pumphouse Replacement/Water Treatment Plant	-	-	-	-	-	2,344
New Landfill Cell Construction	-	-	-	86	1,773	-
Centralized Biomass Boiler	-	-	-	1,376	-	-
Intersection Widening & New Traffic Light	-	-	-	300	-	-
Road and Sidewalk Rehabilitation	-	-	-	776	-	-
Transfer Station and Cell Access Improvements	-	-	90	-	-	-
Total Expenditure	<u>5,510</u>	<u>2,036</u>	<u>4,832</u>	<u>5,272</u>	<u>5,273</u>	<u>4,519</u>
Closing Balance - to Deferred Revenue	<u>\$ -</u>	<u>\$ 9,665</u>	<u>\$ 679</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

SCHEDULE OF REVENUE AND EXPENDITURES

COMMUNITY PUBLIC INFRASTRUCTURE

<i>For the years ended December 31 (in thousands of dollars)</i>	2019 Budget (Unaudited)	2019 Actual	2018 Actual	2017 Actual	2016 Actual	2015 Actual
Funding						
Opening Balance	\$ -	\$ 463	\$ -	\$ -	\$ -	\$ -
Annual CPI	2,210	2,863	2,210	2,210	2,210	2,210
	2,210	3,326	2,210	2,210	2,210	2,210
Eligible Expenditures						
Roads and Sidewalk Rehabilitation	2,210	1,968	1,747	2,210	2,210	2,210
Total Expenditure	2,210	1,968	1,747	2,210	2,210	2,210
Closing Balance - to Deferred Revenue	\$ -	\$ 1,358	\$ 463	\$ -	\$ -	\$ -

SCHEDULE OF REVENUE AND EXPENDITURES

CLEAN WATER AND WASTEWATER AGREEMENT

<i>For the years ended December 31 (in thousands of dollars)</i>	2019 Budget (Unaudited)	2019 Actual	2018 Actual	2017 Actual	2016 Actual	2015 Actual
Funding						
CWWF Funding	\$ 319	\$ 1,097	\$ 4,731	\$ 8,157	\$ -	\$ -
Holdback Receivable	-	47	1,090	-	-	-
Formula Funding	-	42	159	776	-	-
User Fees	106	455	1,552	2,173	-	-
Total Funding	425	1,641	7,532	11,106	-	-
Eligible Expenditures						
SCADA System Upgrades	50	-	-	-	-	-
Construction Contract	-	129	395	11	-	-
Design Costs	-	-	15	48	-	-
Material and Supplies	-	39	56	65	-	-
	50	168	466	124	-	-
Sewage Lift Station #5 Rehabilitation	175	-	-	-	-	-
Construction Contract	-	175	1,545	-	-	-
Design Costs	-	18	91	34	-	-
Material and Supplies	-	-	2	-	-	-
	175	193	1,638	34	-	-
Water and Sewer Replacement	200	-	-	-	-	-
Construction Contract	-	630	3,953	8,936	-	-
Design Costs	-	146	594	854	129	-
Material and Supplies	-	504	191	1,719	-	-
	200	1,280	4,738	11,509	129	-
Total Expenditures	425	1,641	6,842	11,667	129	-
Funding Surplus (Deficit)	\$ -	\$ -	\$ 690	\$ (561)	\$ (129)	\$ -

SCHEDULE OF REVENUE AND EXPENDITURES

PUBLIC TRANSIT INFRASTRUCTURE AGREEMENT

<i>For the years ended December 31 (in thousands of dollars)</i>	2019 Budget (Unaudited)	2019 Actual	2018 Actual	2017 Actual	2016 Actual	2015 Actual
Funding						
PTIF Funding	\$ -	\$ 49	\$ 119	\$ 72	\$ -	\$ -
Holdback Receivable	-	2	13	-	-	-
Formula Funding	-	17	43	24	-	-
Total Funding	-	68	175	96	-	-
Eligible Expenditures						
Construction Contract	-	68	174	97	-	-
Total Expenditure	-	68	174	97	-	-
Funding Surplus (Deficit)	\$ -	\$ -	\$ 1	\$ (1)	\$ -	\$ -

SCHEDULE OF REVENUE AND EXPENDITURE

INVESTING IN CANADA INFRASTRUCTURE PROGRAM

<i>For the years ended December 31 (in thousands of dollars)</i>	2019 Budget (Unaudited)	2019 Actual	2018 Actual	2017 Actual	2016 Actual	2015 Actual
Funding						
ICIP Funding	\$ -	\$ 1,463	\$ -	\$ -	\$ -	\$ -
Holdback Receivable	-	153	-	-	-	-
CPI Funding	-	1,968	-	-	-	-
Total Funding	-	3,584	-	-	-	-
Eligible Expenditures						
Paving	-	3,584	-	-	-	-
Total Expenditures	-	3,584	-	-	-	-
Funding Surplus (Deficit)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

SCHEDULE OF SALARIES, HONORARIA AND TRAVEL

For the year ended December 31
(in thousands of dollars)

				2019
Name	Salary	Honoraria	Travel	Total
Mayor				
Rebecca Alty	\$ 131	\$ -	\$ 11	\$ 142
Councillor/ Deputy Mayor				
Shauna Morgan	36	-	-	36
Niels Konge	31	-	-	31
Councillor				
Julian Morse	33	-	-	33
Steve Payne	33	-	-	33
Cynthia Mufandaedza	33	-	-	33
Rommel Silverio	33	2	4	39
Robin Williams	33	-	-	33
Stacie Smith	33	1	3	37
	\$ 396	\$ 3	\$ 18	\$ 417

Photo: Bob Wilson, City of Yellowknife

Our yellowknife

For some, it's the supernaturally long summer nights. For others, it's the dancing skies of winter. For one, it's a place of solitude, far from the rest of the world. For another, it's a bustling city filled with people from around the globe. For all of us, it's Yellowknife. *Our Yellowknife.*



CITY OF
YELLOWKNIFE

yellowknife.ca



Yellowknife boasts the finest facilities for conference and meetings in the North. Well-equipped venues host over 700 delegates while nearby fishing resorts cater to smaller executive groups. Travel to Yellowknife is smooth with four airlines giving easy connections from anywhere in the world.