



City of Yellowknife

NORTHWEST TERRITORIES

FINANCIAL REPORT 2013

For the year ended December 31, 2013





Government Finance Officers Association

**Canadian Award
for
Financial Reporting**

Presented to

**City of Yellowknife
Northwest Territories**

For its Annual
Financial Report
for the Year Ended

December 31, 2012

Executive Director/CEO

**City of Yellowknife
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December 31, 2013**

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City of Yellowknife
Management's Responsibility for the Consolidated Financial Statements
For the year ended December 31, 2013

City Council, which is responsible for, among other things, the consolidated financial statements of the City of Yellowknife, delegates to Administration the responsibility for the production of the consolidated financial statements. City Council appoints independent auditors to examine and report directly to Council on the consolidated financial statements. Administration prepares the consolidated financial statements. Canadian public sector accounting standards have been followed as required by the Department of Municipal and Community Affairs, as provided for in the *Cities, Towns and Villages Act* of the Northwest Territories, and the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants.

Administration maintains a system of internal accounting controls to ensure that transactions are accurately recorded on a timely basis, properly approved and result in reliable consolidated 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.

The City Council carries out its responsibility for review of the consolidated financial statements primarily through the Audit Committee. This Committee meets regularly with Administration to discuss financial matters, including the results of audit examinations. The Committee reports its findings to City Council for its consideration in approving the consolidated financial statements of issuance.

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



Dennis Kefalas, P.Eng
City Administrator



Carl Bird, CD, CGA
Director of Corporate Services

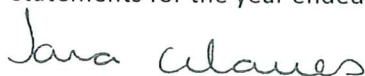


**City of Yellowknife
Audit Committee's Report
For the year ended December 31, 2013**

The Audit Committee oversees the City's financial reporting process on behalf of City Council. The Committee is comprised of: Mayor Mark Heyck (ex-officio); Councillor Adrian Bell; Tara Clowes; Mark Cronk; Gerald Stang; and Nancy Magrum.

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 consolidated financial statements and the reporting process, including the system of internal controls. Management represents that the City's consolidated financial statements are prepared in accordance with Canadian public sector accounting standards. Based on the Committee's review of the consolidated financial statements and discussions with Administration and the independent auditors, the Committee recommends that City Council adopt the audited consolidated financial statements for the year ended December 31, 2013.



Tara Clowes, Chair



City of Yellowknife
Financial Statement Discussion and Analysis
For the year ended December 31, 2013

The following Financial Statement Discussion and Analysis (FSD&A) has been prepared by management. The FSD&A of the City of Yellowknife (the City) should be read in conjunction with the audited consolidated 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) of the Canadian Institute of Chartered Accountants.

The Statements

The Statements provide information about the economic resources, obligations and accumulated surplus of the City. The different sections of the Statements are interrelated.

The Statement of Financial Position provides a snapshot of the status of the City's accounts at the end of the reporting period. It is important to understand that the balances in each account could change the very next day. Comparative information for the current year being reported and the prior year is provided. Variances between the two years should be minimal unless there has been a significant financial transaction that took place during the fiscal year. Most differences will be related to the timing of receiving payments on amounts owed to the City and paying bills owed by the City.

The Statement of Operations provides a summary of operations for the entire period being reported. Comparative information is provided against the budget that was approved by Council in December 2012 for the December 31, 2013 year. Comparison is also provided against the prior year operations. Variances in this statement may be more pronounced as revenues and expenses are very much dependent upon the progress of planned major projects. In some cases, capital projects are delayed for various reasons.

The Statement of Changes in Net Financial Assets shows the impact of the financial operations throughout the year on the ability of the City to meet its immediate obligations. A positive net financial position is important as it shows that the City has sufficient financial assets on hand to meet its financial obligations.

The notes and schedules included in the Statements should be read in conjunction with the Statements. They provide additional information including details about the summary information provided in the Statements themselves.

Funds

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, like other local governments, establishes these funds to achieve and demonstrate compliance with finance related requirements.

The 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. The Capital Fund was created to account for capital projects that are supported by taxes 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. The City operates two utility funds, the Water and Sewer Fund and the Solid Waste

Management Fund. These funds account separately for all activities related to the provision of those services. Funded uniquely by user fees, these funds also provide contributions to the Capital Fund to fund expenditures related to their operations. The City has also established a Land Development Fund to account for the acquisition, development and disposal of municipal lands. Utility infrastructure installed on public rights of way in new subdivisions/development areas are funded from the Land Development Fund and responsibility is transferred to the Water and Sewer Fund upon final acceptance by the City.

City Council has approved the establishment of Reserves which can be categorized into two types. Three Capital Reserves – Information Technology Reserve, Mobile Equipment Reserve and the Major Community Facility Reserve – finance current and anticipated future capital projects, thereby reducing or eliminating the need to issue debt. Five Operating Reserves – Waterfront Development Reserve, Downtown Development Reserve, Heritage Reserve, Samuel Colley Donation Reserve and the Twin Pine Hill Trail Reserve – provide designated revenue to fund the Reserves’ authorized costs.

Governing Authority

The City of Yellowknife operates under the authority of the Government of the Northwest Territories’ (GNWT) *Cities, Towns and Villages Act* (the Act). The Act outlines, amongst other administrative provisions, the manner in which the City is required to account for its activities during the year. The Act authorizes the City to collect revenues through taxes and through fees for services. The Act also recognizes that the City receives revenues from other orders of government through various contribution agreements. The Act and the agreements contain specific direction on how various revenues collected by the City can be allocated. For example, the Community Public Infrastructure Funding, also known as Capital Grant, received from the GNWT can only be used to offset the cost of the City’s capital investments, while operations and maintenance funding can be used for any municipal purpose. City Council has also established policies that govern how various revenues can be used. For example, notwithstanding the flexibility allowed by the GNWT regarding operations and maintenance grants, City Council has directed, via policy, that all such funds must be used to cover the cost of the City’s capital investments.

Summary Highlights

During 2013 the City recorded total revenues from all sources of \$69.50 million (2012 - \$68.89 million). The City had budgeted \$64.84 million and the main sources of the budgetary variance were higher than anticipated Land Sales (\$4.34 million actual vs. \$3.34 million budget) and Government Transfers Related to Capital (\$20.13 million actual vs. \$16.83 million budget). Investment income was also higher than budgeted, by \$511,352. The value of investments at the end of 2013 was significantly higher than 2012 as the City did not liquidate as many investments as originally anticipated. Therefore, the average level of investment over the year was higher and the returns on those investments were better than expected.

During 2013 the City recorded total expenses for all activities of \$57.33 million (2012 - \$55.69 million). The City had budgeted \$58.89 million expenses. The main sources of the positive budgetary variances were Minor Capital expenses (\$4.62 million actual vs. \$7.18 budget), Salaries, Wages and Benefits expense (\$22.13 million actual vs. \$22.36 million budget), Contracted and General Services (\$10.43 million actual vs. \$10.60 million budget), and Electricity expense (\$2.04 million actual vs. \$2.09 million budget). These were partially offset by higher than budgeted expenditures for Amortization (\$10.49 million actual vs. \$9.87 million budget), Land expenses (\$1.49 million actual vs. \$1.25 million budget) and Bad Debt expense (\$346,069 actual vs. \$200,000 budget).

The City also acquired \$18.38 million worth of new Capital Assets in 2013 (2012 - \$19.25 million). Some of the major acquisitions include:

- Added to Work in progress worth \$2.67 million as follows:
 - Water Treatment Plant - \$1.83 million
 - Harbour Plan Initiative/Old Airport Road (Phase IV) Streetscaping - \$805,663
 - Tin Can Hill Trail Design - \$35,184
- 2012 Work in Progress converted to in service Assets - \$4.16 million
 - New Landfill – Cell A - \$3.15 million
 - Grace Lake Road Construction - \$1.01 million
- New assets worth \$15.68 million as follows:
 - 2013 Paving program - \$5.16 million
 - 2013 Water and Sewer program - \$5.95 million
 - Land Acquisition - \$495,000
 - Upgrades to City Hall Complex - \$284,101
 - New Solid Waste Facility Office - \$222,117
 - Upgrades to Recreational Facilities - \$435,150
 - Upgrades to Service Facilities - \$784,800
 - Parks and Trails - \$279,148
 - Mobile Equipment - \$1.08 million
 - Technical and Other Equipment - \$991,345

In summary the total increase in investment in Tangible Capital Assets was \$19.84 million with a decrease in work in progress of \$1.46 million.

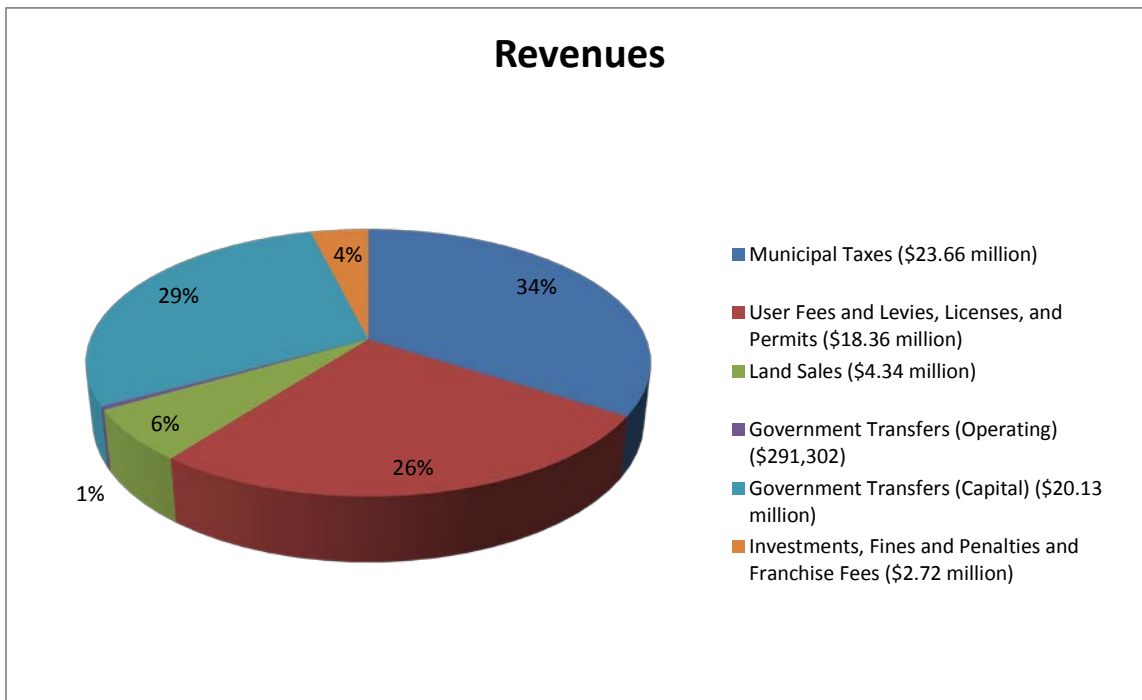
The Solid Waste Management Fund continued to experience challenges during 2013. The cost of processing recyclable materials and bio-hazardous materials continued to rise faster than the revenues received from tipping fees and from the sale of recyclable materials. The City continues to look for ways to reduce costs and increase revenues. Details about future actions are contained in sections related to Funds.

The Land Development Fund continued to sell existing land in its inventory. Lots in the Niven Lake Phase 7 were sold under a local improvement charge. Sales in Engle Business District have not been forthcoming. Plans are being formulated to make changes to the zoning requirement that would help attract investment in that area. There were limited sales in the new sub-division in Kam Lake (light industrial/commercial) and all but two lots in the Grace Lake (waterside residential) development are now sold. As a result of sales in Niven Lake Phases 7 and 5, and in Grace Lake, the Land Fund balance has increased. The Fund is still in a negative balance but is improving. The City has taken over responsibility for municipal infrastructure built using funding from the Land Development Fund. The City also holds a significant amount of land for resale which has a book value of just over \$5.56 million and has a potential sales value exceeding \$20 million.

Where do our revenues come from?

In 2013, the City received revenues from a variety of sources. Total revenues received amounted to \$69.50 million. The following chart shows the breakdown by type of revenue. Investment, Fines and Penalties and Franchise Fees is broken down as follows:

- Investment Income - \$661,352
- Fines and Penalties - \$1.10 million
- Franchise Fees - \$955,451



Where do we spend our money?

Council makes decisions on where to spend the money the City raises during the Budget deliberations each fall. Decisions are made based on input from the public, the need to provide various services and the availability of resources. The City tracks its expenses by activity and by object. Activities are related to the services provided by the City to its residents. Objects describe the types of expenditures made by the City. The activities against which the City allocates its expenses are typical for municipalities throughout Canada.

General Government is the activity that encompasses the administrative and governance functions of the City. This includes the legislative function that is the responsibility the office of the City Administrator and the City Clerk.

Community Services is the activity that provides recreation services to the public and maintains all public facilities such as City Hall, arenas, pools, parks and trails. This division also coordinates many recreation programs on a seasonal basis.

Corporate Services provides support to municipal operations including, but not limited to, procurement services, IT services, GIS and mapping services and financial services (including taxation, accounts receivable, accounts payable). Primary customer service functions are also provided by this activity.

Planning and Development is the activity that oversees all aspects of acquiring land for development and/or resale. All aspects of development are managed under this activity including the acquisition, development and disposal of municipal lands, the coordination of the development process and the administration of building inspection services.

Public Safety provides the residents with firefighting, ambulance services, and enforcement of municipal and territorial by-laws and legislation.

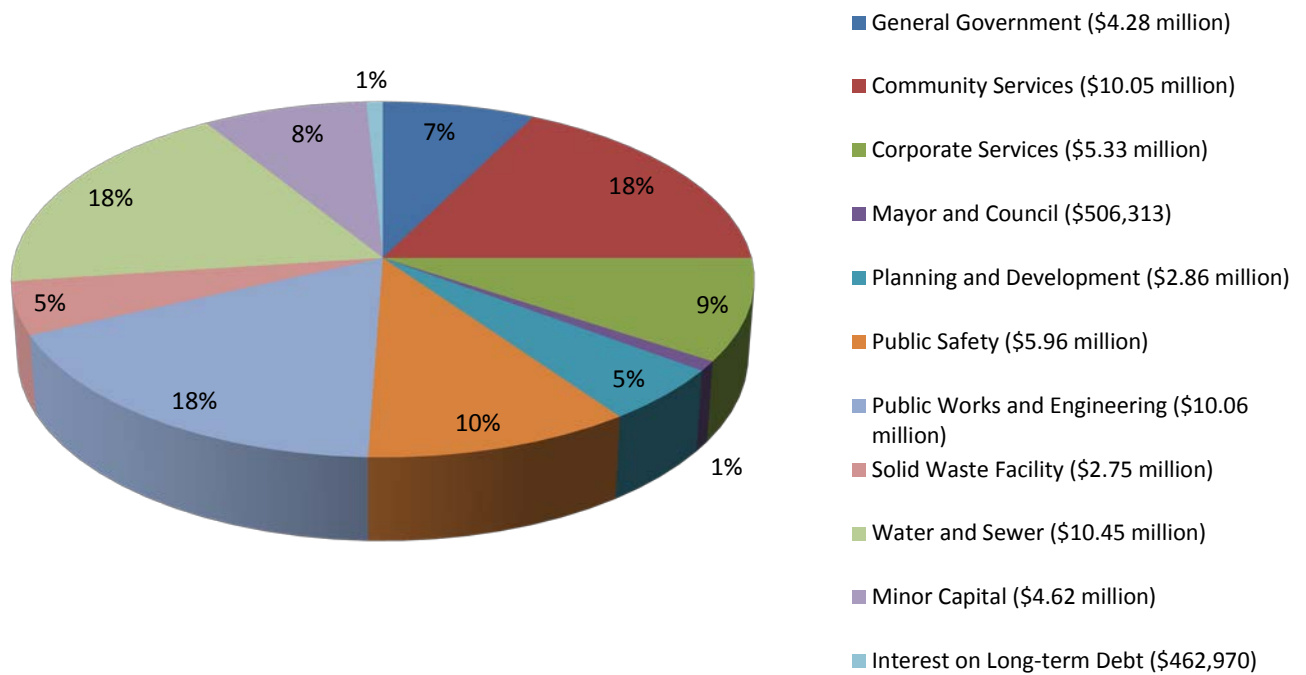
Public Works and Engineering provides operations and maintenance programs that cover the delivery of basic municipal services. This includes garbage collection, maintenance and repair of the City's roads and sidewalks and maintenance of all City vehicles used by all departments. The City's contracted Transit Service is managed under this activity as well. Public Works also provide engineering services to the City's capital works program including major construction of water and sanitation systems, roads and sidewalks program and land development program.

Two major activities that support important public services are Solid Waste Management and Water and Sewer system and delivery. Under these programs the City operates a landfill site, collects garbage from residents' homes, treats and delivers the City's drinking water and manages the storm drain and sewer systems for the City.

Expenses by Activity

Expenses incurred during 2013 totaled \$57.33 million. The following chart shows the distribution of these expenses by activity.

Expenses by Activity



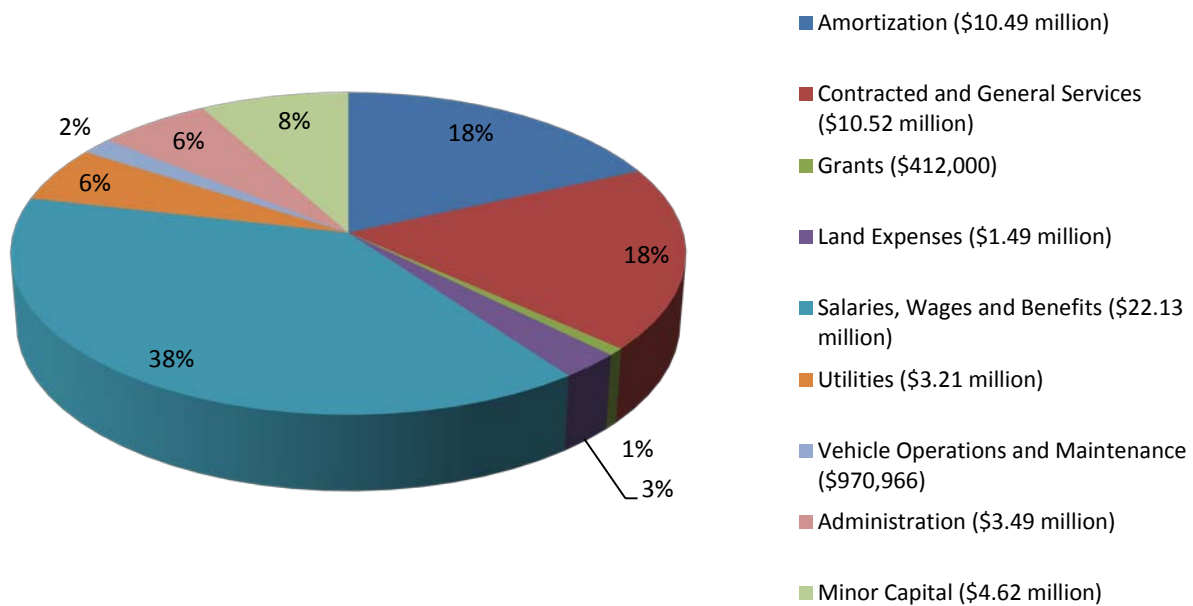
Expenses by Object

The City also tracks expenses by Object. Expenditures are classified by type of expenditure and recorded under specific objects. Major objects the City uses to track expenses are:

- Amortization of Tangible Capital Assets
- Contracted and General Services
- Grants
- Land Development
- Salaries, Wages and Benefits
- Utilities
- Vehicle Operations and Maintenance
- Administration Expenses (Interest, bank services, bad debts, office overhead, administrative)
- Minor Capital

The Statements include a consolidated schedule of Segment Disclosure that breaks down expenses by object. The following chart shows the breakdown of expenditures by object.

Expenses by Object



Analysis

Financial Position

The Consolidated Statement of Financial Position provides an indication of the City's ability to meet its current obligations. It reports the City's financial and non-financial resources, obligations and accumulated surplus as at December 31, 2013 on a comparative basis. This statement is used to evaluate the City's ability to finance its activities and to meet its liabilities and commitments. The City's net financial asset position is an important financial indicator on the Consolidated Statement of Financial Position.

Net Financial Assets

As of December 31, 2013, the City was in a net financial asset position of \$12.27 million (2012 - \$7.55 million). The change in this position is mainly due to an excess of revenues over expenditures of \$12.16 million in 2013. The \$12.16 excess of revenues over expenditures is offset by investments in non-financial assets, such as capital and inventory, of \$7.44 million.

Liabilities

There has also been an increase in liabilities, or financial obligations, of \$33.76 million primarily due to the following:

- Accounts Payable increase by \$2.95 million
- Deferred Revenue decrease by \$7.66 million
- Long-term Debt increase by \$38.16 million

As with financial assets there are some obligations which will vary from year to year due to the timing of making payments thus accounts payable can vary from year to year. Deferred revenue occurs mainly when capital projects funded by grants from other orders of government are deferred to a subsequent year. In 2013 the City received its allocation of Gas Tax Funding from Canada. This funding has been earmarked for investments in water and sewer infrastructure, in particular a new water treatment plant. The City records the cash received as revenue when expenditures related to the Gas Tax funded projects are completed. In 2013 the City made significant investment in the water treatment plan and water and sewer infrastructure and therefore Gas Tax revenue that had previously been deferred has been recognized.

For the first time since 2005 the City has issued new long-term debt. \$23.8 million in debt has been raised to fund the construction of a new water treatment plant. \$15.5 million has been raised to cover the anticipated cost of replacing the Northlands Mobile Home Park water and sewer infrastructure. The debt related to Northlands will be recovered from a Local Improvement Charge over a 25 year period, which will be levied on each property once the project is completed.

Outstanding Long-term Debt

Water Treatment Plant	\$23,247,141
Northlands Local Improvement Charge	\$15,528,452
Bailey House mortgage	\$ 1,299,883
Other	<u>\$ 1,226,883</u>
Total	<u>\$41,302,359</u>

Non-Financial Assets

Non-financial assets are comprised primarily of the City's physical assets which are used to deliver services to the public. They include land and buildings, water and sewer systems, roads and sidewalks, and vehicles and equipment. Parks, trails and recreation facilities are other examples of these types of assets. These assets are recorded at cost when they are acquired or constructed. Over their useful life, the City depreciates each asset and tracks amortization expenses over the life of the asset. The cost of the assets less the accumulated amortization is the book value of the asset.

For 2013, the book value of tangible capital assets increased by \$7.46 million. The City put into service just over \$22.54 million in new assets over the course of 2013. The City also disposed of assets having a book value of just under \$434,000. These are assets that have been in service for a number of years and have been replaced by new assets. The most common are water and sewer pipes and roads and sidewalks. As well, the City occasionally disposes of land that has been made available for resale but which has been carried on the books as an asset until the sale. The City also recorded amortization expenses of \$10.49 million to reduce the book value of existing assets.

There was \$6.17 million worth of work in progress on the balance sheet for assets that did not get put into service in 2013. The value of assets is recorded as work in progress in Tangible Capital Assets until the asset is fully completed and can be considered in service. This happens primarily on major facilities such as buildings. However, this treatment also applies to linear assets such as roads and sidewalks that are part of a series of connected improvements that are completed over a number of years. For 2013 there was \$2.67 million worth of work in progress that was added. This amount was comprised of:

- \$1.83 million for progress on the new Water Treatment Plant
- \$805,663 for Harbour Plan Initiative/Old Airport Road (Phase IV) Streetscaping
- \$35,184 for Tin Can Hill Trail Design

\$4.16 million of work in progress that was on the books at the end of 2012 was brought into service in 2013. The increase in activity on Infrastructure investment over prior years is indicative of the increase in activity on municipal projects over the course of 2013. This trend should continue as the City is taking a more aggressive approach in addressing its infrastructure deficit. As well, major expenditures are expected on the new water treatment plant during 2014 but the new plant will not be put into service until 2015 at the earliest.

Reconciliation of Tangible Capital Assets

As at December 31, 2013

(in thousands of dollars)

Book Value of Assets at beginning of year		\$	226,861
Plus			
Additions	19,840		
Work in Progress	<u>(1,458)</u>		
			18,382
Less			
Disposals at book value	434		
Amortization	<u>10,491</u>		
			<u>10,925</u>
Book Value of Assets at year end		\$	234,318

Results of Operations

Year to Year Comparison

The Consolidated Statement of Operations reports the City's changes in economic resources and accumulated surplus for 2013 on a comparative basis. The Statements indicate that the City increased its accumulated surplus during the year because annual revenues exceeded expenses.

During 2013, the City recorded consolidated revenues of \$69.50 million (2012 – \$68.89 million), which included government transfers, taxation and user fees/sale of goods. Consolidated expenses totaled \$57.33 million (2012 - \$55.69 million). As a result, the City's accumulated surplus increased by \$12.16 million (2012 - \$13.20 million).

Consolidated Revenue

For the years ended December 31

(in thousands of dollars)	2013		2012		Variance	Variance %
Taxation	\$ 23,663	34%	\$ 23,415	34%	\$ 248	1%
User Fees and Levies, Licenses and Permits	18,357	26%	17,746	26%	611	3%
Land Sales	4,335	6%	9,885	14%	(5,550)	(56%)
Government Transfers						
Operating	291	1%	500	1%	(209)	(42%)
Capital	20,126	29%	15,013	22%	5,113	34%
Investment, Fines and Penalties and Franchise Fees	<u>2,723</u>	4%	<u>2,327</u>	3%	<u>396</u>	17%
	<u>\$ 69,495</u>		<u>\$ 68,886</u>		<u>\$ 609</u>	<u>1%</u>

Percentages may not add up to 100% due to rounding

User Fees and Levies, Licenses and Permits

Revenues increased from 2012 to 2013 due to several factors. User Fees were \$611,197, or 3.0%, higher than in 2012. User Fees include revenues from development levies, licenses and permits. The balance was due to an increase in tipping fee revenue at the Solid Waste Facility of \$71,987. This was due mainly to an increase in the amount of bio hazardous waste collected by the City for treatment by a third party contractor. Increases in the water and sewer and solid waste levies contributed an additional \$586,046 increase in revenues over 2012.

Land Sales

Land sales decreased by \$5.55 million from 2012. Land sales were higher than normal in 2012 as a result of having two new subdivisions with lots available for sale in 2012.

Government Transfers

Government transfers were \$4.90 million higher than in 2012. This is primarily due to the use of all of the Gas Tax funding that was included in deferred revenue in 2012 because the City incurred sufficient eligible expenses in 2013. In 2013 expenditures on the water treatment plant, lift station back-up power and other water and sewer projects resulted in recognition of approximately \$9.54 million of Gas Tax revenue. The City recorded \$5.42 million more in Gas Tax revenue in 2013 than in 2012. The decrease in YK Smart Community Grant Funding from Aboriginal Affairs and Northern Development Canada (AANDC) and the Federation of Canadian Municipalities (FCM) was partially offset by recognition of Transit Funding received in previous years. The net decrease in revenue from these was \$536,274. Grants received from the GNWT increased by just over \$16,000.

Expenses by Activity

Consolidated Expenses by Activity
For the years ended December 31
(in thousands of dollars)

	2013		2012		Variance	Variance %
General Government	\$ 4,283	7%	\$ 4,475	8%	(192)	(4%)
Community Services	10,047	18%	9,267	17%	780	8%
Corporate Services	5,330	9%	4,631	8%	699	15%
Mayor and Council	506	1%	523	1%	(17)	(3%)
Planning and Development	2,865	5%	5,603	10%	(2,738)	(49%)
Public Safety	5,961	10%	5,563	10%	398	7%
Public Works and Engineering	10,065	18%	9,789	18%	276	3%
Solid Waste Facility	2,749	5%	3,047	5%	(298)	(10%)
Water and Sewage	10,445	18%	9,210	17%	1,235	13%
Minor Capital	4,620	8%	3,466	6%	1,154	33%
Interest on Long-term debt	463	1%	113	0%	350	310%
	<u>\$ 57,334</u>		<u>\$ 55,687</u>		<u>\$ 1,647</u>	<u>3%</u>

Percentages may not add up to 100% due to rounding

Consolidated Expenses grew by \$1.65 million or 3.0% over the previous year. Accounting for the \$1.15 million increase in Minor Capital Expenses and \$350,446 increase in Interest on Long-term Debt for 2013, overall expenses increased by \$143,554 or 0.26% over 2012.

In General Government, Amortization expense was \$274,768 (2012 - \$166,684) and Contracted and General Services were \$626,053 (2012 - \$460,301). Surplus variances were experienced in Salaries and Benefits expense - \$2.30 million (2012 - \$2.61 million) and Loss on Disposal of Tangible Capital Assets - \$179,163 (2012 - \$344,529).

In the Community Services activity, Salaries and Benefits expenses were \$4.65 million (2012 - \$4.41 million), Amortization expense was \$1.69 million (2012 - \$1.45 million), Library Occupancy costs were \$368,283 (2012 - \$214,556), and Contracted and General Services expense were \$1.67 million (2012 - \$1.44 million).

In Corporate Services, Salaries and Benefits expenses were \$2.96 million (2012 - \$2.55 million) and Contracted and General Services were \$1.28 million (2012 - \$1.06 million). The variances are primarily due to a transfer of responsibility for the Customer Service Representatives from the Communications and Economic Development Department (General Government) to the Corporate Services Department.

In Planning and Development, decreased sales resulted in the reduction in land development costs. Land development costs were \$1.49 million (2012 - \$4.04 million).

In Public Safety, Salaries and Benefits expenses were \$5.0 million (2012 - \$4.7 million) and Vehicle Operations and Maintenance expenses were \$205,709 (2012 - \$153,619).

In the Public Works and Engineering Activity, the largest variance was in amortization expense of \$3.79 million (2012 - \$3.28 million). Surplus variances were experienced in Salaries and Benefits expense - \$2.80 million (2012 - \$2.87 million) and Contract Services expense - \$2.5 million (2012 - \$2.65 million).

For the Solid Waste Facility activity, the variance in expenses is due to largely to a decrease in the Closure liability expense accrual. The increase in liability in 2013 was \$93,549 (2012 - \$444,434).

For the Water and Sewer Fund expenses were 13% higher than in 2012. Amortization expense was \$4.04 million (2012 - \$3.60 million), and Contracted and General Services expense was \$2.75 million (2012 - \$2.00 million).

The cost of utilities and fuel usually has a significant impact on variances on a year-over-year basis. During 2013, utility rates increased resulting in a 9% increase in expenses. Fuel costs also increased resulting in a 10% increase over 2012. Amortization expenses across all activities increased. Variance explanations by object follow.

Expenses by Object

Consolidated Expenses by Object
For the years ended December 31
(in thousands of dollars)

	2013		2012		Variance	Variance %
Amortization	\$ 10,491	18%	\$ 8,942	16%	\$ 1,549	17%
Contracted and General Services	10,521	18%	9,948	18%	573	6%
Grants	412	1%	419	1%	(7)	(2%)
Land Expenses	1,493	3%	4,041	7%	(2,548)	(63%)
Salaries, Wages and Benefits	22,129	39%	21,721	39%	408	2%
Utilities	3,210	6%	2,938	5%	272	9%
Vehicle Operations and Maintenance	971	2%	997	2%	(26)	(3%)
Administration	3,487	6%	3,215	6%	272	8%
Minor Capital	4,620	8%	3,466	6%	1,154	33%
	<u>\$ 57,334</u>		<u>\$ 55,687</u>		<u>\$ 1,647</u>	<u>3%</u>

Percentages may not add up to 100% due to rounding

Salaries, Wages and Benefits

Salaries, Wages and Benefits experience increases were partially offset this year by turnover and vacancies. Each year, employees receive step increments. This factor would have accounted for approximately 2.5% increase in salaries. An additional 2% would have been due to a general increase as a result of the collective bargaining agreement. However, across all activities, savings from vacancies resulted in limiting the increase to 2% over 2012.

Amortization

The increase in amortization is reflective of the replacement of old aging infrastructure with new infrastructure. The value of Tangible Capital Assets has increased from \$198 million in 2009 to \$234 million in 2013. Since amortization is based on straight line this means that the annual amortization for that infrastructure will naturally increase.

Minor Capital

Minor Capital expenses are recorded when assets are purchased which do not meet the threshold limit (\$50,000) for capitalization over a number of years. Minor Capital is also used to cover the cost of Pilot Projects and Studies that may lead to future capital investment. As such, the level of Minor Capital expenses can vary from year to year. This year there has been a significant increase in minor capital expenses. Expenses in this area include regular maintenance and/or replacement of motors, pumps, generators and other equipment that requires

periodic mid-life cycle modifications. As well some plans and studies which are expended as Capital Projects but are not tangible in nature are also accounted for as Minor Capital Expenses. For 2013 minor capital was higher as there were more service repairs for water and sewer than in previous years and service repairs do not qualify as tangible capital assets. The City expects to continue with a higher level of service repairs in the next few years.

The increase in utilities expenses reflects an increase in fuel and electricity prices during 2013. Electricity prices increased by over 4% from 2012 to 2013 as a result of the approved General Rate Application submitted by the NWT Power Corporation. This increase flows through Northlands Utilities (YK). As a result while consumption of electricity did go down from 2012 to 2013, the increased per kW hour cost offset the bulk of those savings.

Heating fuel consumption also went down as a result of the implementation of pellet boilers and heat recovery systems. However a 20% increase in heating fuel costs resulted in higher actual heating costs in spite of the reduced consumption.

Budget Comparison

The consolidated budget shown in the Statements, has been adjusted to reflect the differences in reporting format compared to budgeting format.

Consolidated Revenue For the year ended December 31 (in thousands of dollars)	Budget 2013		Actual 2013		Variance	Variance %
Taxation	\$ 23,585	36%	\$ 23,663	34%	\$ 78	0%
User Fees and Levies, Licenses and Permits	18,598	29%	18,357	26%	(241)	-1%
Land Sales	3,345	5%	4,335	6%	990	30%
Government Transfers						
Operating	300	0%	291	0%	(9)	-3%
Capital	16,829	26%	20,126	29%	3,297	20%
Investment, Fines and Penalties and Franchise Fees	<u>2,178</u>	3%	<u>2,723</u>	4%	<u>545</u>	25%
	<u>\$ 64,835</u>		<u>\$ 69,495</u>		<u>\$ 4,660</u>	<u>7%</u>

Government Transfers

Government Transfers budget is not broken down between operating and capital at the time the budget is established. By Council policy, all government transfers are to be used for capital expenditures. However, during the year, some of the items identified as capital do not end up meeting the definition or the thresholds established for capitalization. For those expenditures, the amount of government transfer used to acquire those assets is reclassified for reporting purposes. Overall, the 17% variance in government transfers is due largely to using all of the Gas Tax funds that were included in deferred revenue in 2012.

User Fees and Levies, Licenses and Permits

User fees and development levies, licenses and permits, were \$240,674 under budget. Negative variances in Public Safety fees and land rental fees, were offset by positive variances in solid waste management fees and water and sewer fees.

Land Sales

Land sales for 2013 were \$4.34 million, \$990,000 more than the budget of \$3.35 million. This difference was due to the higher than expected sales.

Investment, Fines and Penalties and Franchise Fees

Interest income was \$511,352 more than the budget of \$150,000 due to interest earned on deposits of debt proceeds that have not been used as of yet. Fines and penalties, and franchise fees were a total of \$33,094 higher than budget. This contributed to an overall 25% budget variance in this category.

The overall Consolidated Budget by Object differs from that which is shown in the 2012 Budget Summary due to the change in the treatment of Capital expenditures when reporting in the Statements. In the budget, the total anticipated Capital expenditures is included in the budget. However, in the Statement of Operations, only those minor capital items that are expensed in the year that they are completed are recorded as part of the budget. The Tangible Capital Assets that will be amortized over the life of the asset are not included as an expense in the Statements but as an increase in the investment in Tangible Capital Assets on the Statement of Financial Position. The reconciliation of the budget amount as it appears in the 2013 Budget Summary and as it appears in these Statements follows.

Reconciliation of Budget - Budget Summary vs Financial Statements

For the year ended December 31, 2013

(in thousands of dollars)

Budget as per 2013 Budget Summary	\$	84,328
Less Capital Expenditures		<u>32,618</u>
		51,710
Plus Minor Capital		<u>7,176</u>
Budget as per 2013 Financial Statements	\$	<u>58,886</u>

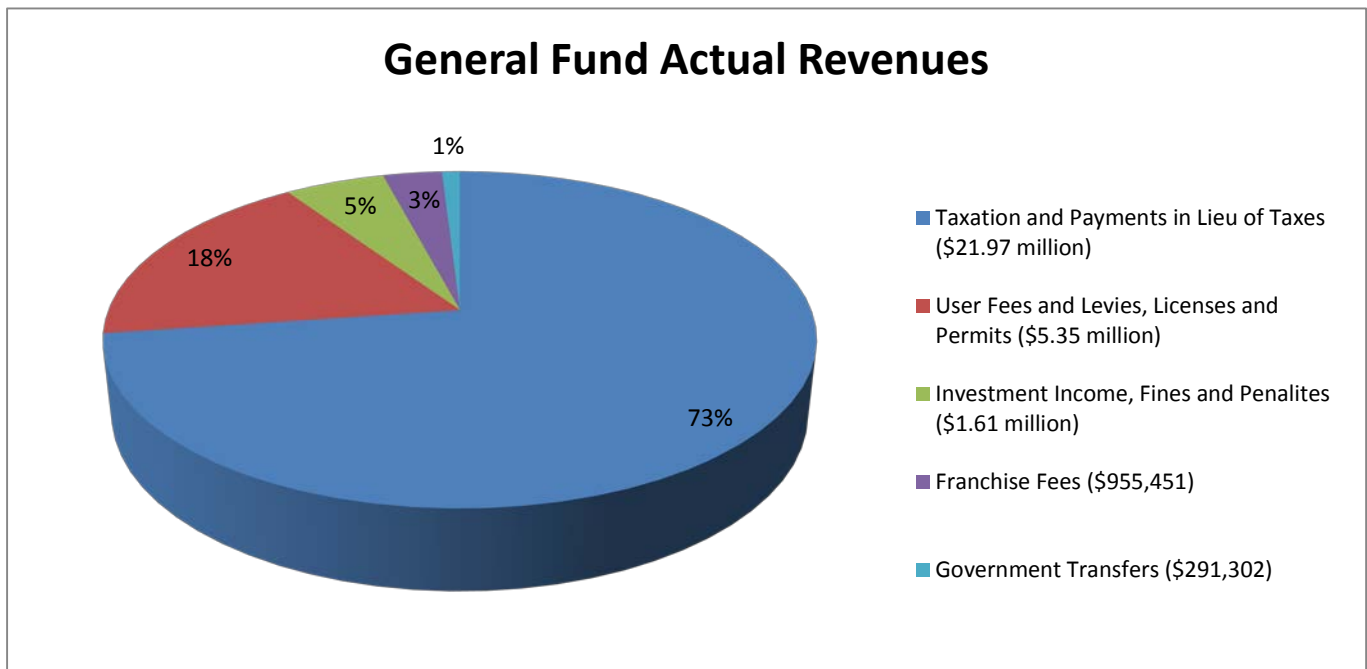
Consolidated Expenses by Object
For the year ended December 31
(in thousands of dollars)

	Budget 2013		Actual 2013		Variance	Variance %
Amortization	\$ 9,866	17%	\$ 10,491	18%	\$ (625)	(6%)
Contracted and General Services	10,596	18%	10,521	18%	75	1%
Grants	418	1%	412	1%	6	1%
Land Expenses	1,250	2%	1,493	3%	(243)	(19%)
Salaries, Wages and Benefits	22,357	38%	22,129	39%	228	1%
Utilities	3,170	5%	3,210	6%	(40)	(1%)
Vehicle Operations and Maintenance	908	2%	971	2%	(63)	(7%)
Administration	3,145	5%	3,488	6%	(343)	(11%)
Minor Capital	7,176	12%	4,620	8%	2,556	36%
	<u>\$ 58,886</u>		<u>\$ 57,335</u>		<u>\$ 1,551</u>	<u>3%</u>

Percentages may not add up to 100% due to rounding

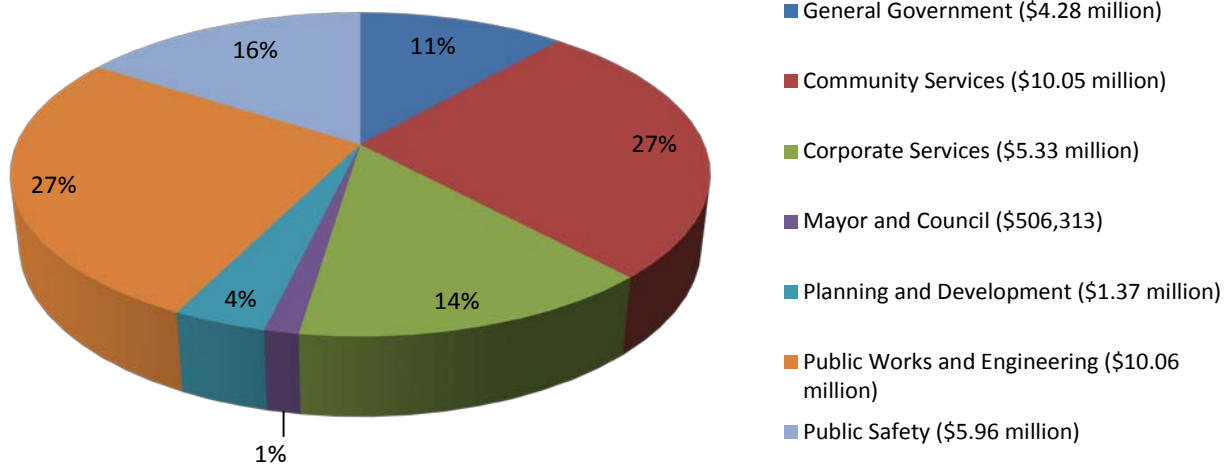
The General Fund

For 2013, General Fund expenses represent approximately 65.5% of the City's combined expenses. When we consider the \$18.38 million in Capital expenditures that occurred in 2013, the General Fund expenses represent approximately 49.6% of total consolidated expenses plus capital expenditures.



General Fund received revenues of \$30.18 million during 2013 (2012 - \$29.46 million). As is usual, 73% of general fund revenues were from taxes which accounted for \$21.97 million (2012 - \$21.60 million). The increase was due to a small increase in assessed value.

General Fund Actual Expenses by Activity



In addition to Revenues and Expenses, the General Fund also receives transfers from and makes transfers to other Funds. Each year the General Fund transfers a portion of the tax revenue to the Capital Fund. The taxation and payments in lieu of tax revenues item in the chart above takes into consideration a \$1.70 million transfer to the Capital Fund for 2013 (2012 - \$1.81 million). The General Fund also received transfers from the following funds in 2013:

- Water and Sewer Fund - \$1.13 million (2012 - \$1.10 million)
- Solid Waste Fund - \$249,684 (2012 - \$250,445)
- Land Development Fund - \$250,000 (2012 - \$175,000)

General Fund Expenses by Object

For the year ended December 31 (in thousands of dollars)	Budget 2013		Actual 2013		Variance	Variance %
Amortization	\$ 5,459	15%	\$ 5,947	16%	\$ (488)	(9%)
Contracted and General Services	7,064	19%	6,634	18%	430	6%
Grants	418	1%	412	1%	6	1%
Salaries, Wages and Benefits	19,371	52%	19,254	51%	117	1%
Utilities	1,861	5%	1,885	5%	(24)	(1%)
Vehicle Operations and Maintenance	634		750			
Administration	2,325	6%	2,682	7%	(357)	(15%)
	<u>\$ 37,132</u>		<u>\$ 37,564</u>		<u>\$ (432)</u>	<u>(1%)</u>

Overall there was a \$5.86 million decrease in fund balance prior to the reallocation of expenses related to the Investment in Capital Assets in the amount of \$6.38 million. After reallocation of Amortization expense and the net book value of disposals, the net increase in the General Fund Balance was \$523,968 for a closing fund balance of \$3.42 million (2012 - \$2.90 million).

Actual expenses in the General fund were less than 1% more than the budgeted amount. The largest contributors to this variance was Amortization expense (\$488,044 over budget), Vehicle Operations and Maintenance expense (\$116,034 over budget) and Bad Debt expense (\$146,069 over budget). These overages were offset in part by positive variances in Contracted and General costs (\$429,595 under budget), Office and Administrative expenses (\$29,944 under budget), and Salaries, Wages, and Benefits (\$116,464 under budget). The remaining variances were minor in nature.

Land Development Fund

The Land Development Fund is established to account for the acquisition, development and disposal of municipal lands. Utility infrastructure installed on public rights of way in new subdivisions/development areas are funded from the Land Development Fund and responsibility is transferred to the Water and Sewer Fund upon final acceptance by the City.

The City continues to invest in land for resale to provide a wide choice of homes for current and future residents of the City. The recently approved General Plan identified a need for 1,500 new housing units over the next ten years. The City's land development plan will be instrumental in meeting this demand.

The Land Development Fund had a closing deficit of \$316,051 (2012 – deficit of \$1.20 million). It is not unusual for the Land Development Fund to be in a negative balance at times. This fund covers the costs related to preparing developments for sale. This includes prepping the individual lots for re-sale, the construction and installation of municipal infrastructure and the design and construction of parks, trails and other amenities that are linked to the subdivision. Once these expenditures are incurred, the lots are then recorded on the City's land for resale and the infrastructure is taken over by the City and is recorded as part of the City's investment in Tangible Capital Assets. The land is then available for sale and the Land Development Fund is replenished through the sale of the properties.

While this Fund had a deficit of \$316,051, the City is holding land for resale of \$5.56 million. This is recorded at the lower of cost or market so this value is below the expected realizable value of the land. The value is arrived at by determining the cost of preparing each parcel of land. The realizable value is determined by the higher of the appraised value or the cost of preparing the entire subdivision, including all municipal infrastructure and off-site amenities associated with the subdivision. The Land Development Fund also covers the cost of developing the municipal infrastructure within commercial and residential developments. For example, the City acquired \$4.82 million worth of municipal infrastructure related to the new subdivision in Niven Lake phase VII. The City has a number of residential, commercial and industrial lots available for sale. The estimated realizable value of all lots in land for resale is approximately \$21 million. The resale value of the land will allow the City to recoup the costs already invested in new water and sewer infrastructure and roads and sidewalks. Any sales revenue received that exceeds the cost of land and the cost of municipal infrastructure remains in the Land Fund and can be used for future revitalization projects or to help reduce development costs in difficult economic times.

Solid Waste Management Fund

The Solid Waste Management Fund was created to manage the disposal of waste in accordance with regulations and provides facilities for recycling. This fund collects revenues from user fees and from the sale of recyclables. Major expenses are labour, equipment O&M, shipping of recyclables and the treatment and disposal of contaminated waste.

This fund continues to pose challenges. The cost of accepting, sorting and disposing of recyclables continues to exceed the revenues that can be generated from its sales. The market on recyclables has diminished and there is little sign that the downward pressures will ease in the near future. The same can be said for the treatment and disposal of contaminated waste. The contracted costs continue to rise as does the volume of the waste. However, fees have now been set so that the amount of revenue received from accepting contaminated waste is sufficient to cover the contracted costs of treatment and disposal.

For 2013, the Solid Waste Management Fund experienced net expenses of \$273,807 (2012 – \$782,224). The closing fund balance for 2013 is a deficit of \$1.70 million (2012 – \$1.68 million). A large factor in this result was a recalculation of the liability that the City has accrued to cover the cost of closing the existing landfill cell over the next few years. In order to address the shortfall and bring the fund back into a positive operating position, the City has planned increases to the single family monthly levy from \$16.50 to \$18.50 in 2014. Thereafter, increases will be equal to the City's Municipal Price Index (MPI). The City has also planned to increase general tipping fees by 10% in 2014 with future increases pegged to the MPI. A detailed analysis of landfill operations is underway in an effort to address increasing costs.

Water and Sewer Fund

The Water and Sewer Fund was established to manage all aspects of the operation and maintenance of facilities and equipment and to manage the work related to the supply and treatment of potable water, the delivery of potable water, and the collection, treatment and disposal of raw sewage. The costs of operating this fund are recovered through user fees.

For 2013 the Water and Sewer Fund experienced net expenses of \$3.07 million (2012 - \$2.26 million). After a transfer of \$1.13 million to the general fund (2012 - \$1.10 million), the resulting closing fund balance was a deficit of \$300,248 (2012 – \$139,536).

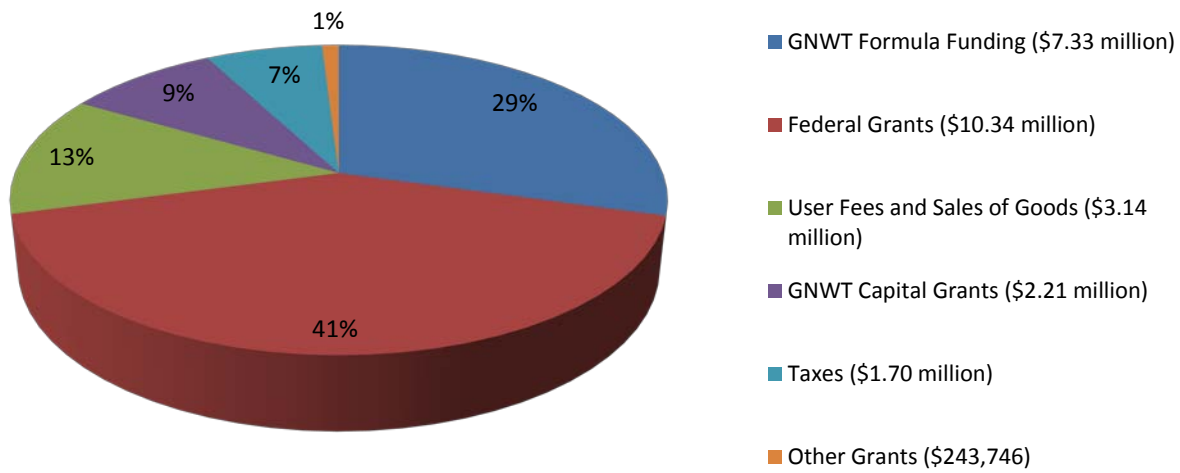
In 2013, the cost of utilities for the water and sewer program were \$1.21 million (2012 - \$1.09 million) and the cost of salaries and benefits were \$1.99 million (2012 - \$2.05 million).

One major area of increased expense relates to the Water and Sewer Funds contribution to the Service Connection Failure Assistance (SCFA) program. The City collects a levy from each resident that is used towards the collective replacement of failed service lines between the water and/or sewer mains and the resident's connection to the home. The money collected from this levy is spent in the year collected and is not used for any other purpose but to replace service lines. Costs to repair service lines in excess of the levy collected is included in the Minor Capital Expense. Over the past several years the cost of providing this service has increased. In 2013, the City spent \$1.20 million on the SCFA program (2012 - \$900,000).

Capital Fund

The Capital Fund is used to manage the City's capital program. The Fund receives revenues from taxes, government transfers and from user fees transferred from the Water and Sewer Fund and the Solid Waste Management Fund. The Capital fund is also used to track infrastructure additions through the Land Development Fund.

Capital Fund Sources of Revenue



The Capital Fund also accounts for transfers to and from other funds and reserves. Transfers are received from the Land Fund for new infrastructure constructed in new subdivisions. Transfers are made to three capital reserves to allow for future expenditures in those areas. The Major Community Facilities Reserve accounts for funds being set aside for major community infrastructure such as recreational or administrative facilities. Two operating capital reserves, the Information Technology Reserve and the Mobile Equipment Reserve receive a transfer from the Capital Fund each year to ensure there is adequate funding to replace IT and Mobile equipment on a year-to-year basis. When expenditures are required from any of these reserves, they are transferred to and managed under the Capital Fund. For 2013 the net inter-fund transfers into the Capital Fund were \$262,913 (2012 – \$4.02 million).

Major Activities

The City has commenced construction of a new water treatment plant. The new plant is required in part due to the age of the existing plant but for the most part due to changes in water treatment standards promulgated by Health Canada and adopted by the GNWT in its regulations. The City is required to comply with these regulations or face potential penalties.

The project is expected to take two years to complete with commissioning anticipated in late 2015 or early 2016. Projected cost of the new plant is approximately \$28.8 million. In order to fund this project, Council has approved borrowing of \$23.8 million. The remaining balance of funds required to complete this project will come from government transfers.

The City has also identified a need to accelerate the replacement of Corrugated Metal Pipe (CMP) infrastructure. There have been an increasing number of failures of the CMP sewer system and emergency replacement can cost up to two times as much as planned replacement. The City has developed a plan that would see the CMP replacement program completed by 2018, five years earlier than previously expected.

The City continues on a high pace of land development, creating a variety of housing choices for current and future Yellowknife residents. 75% of all lots in Niven Lake Phase VII have been sold. A private developer has

completed multi-family dwellings in this area. The City also reacquired the land at Niven Phase V (Bayview Estates) and has subdivided it into more manageable lot sizes. The City has negotiated two sales agreements in this area. Development is well underway on these two parcels and sales by the developer are underway. During 2013 sales in the Grace Lake Development Area continued and there are only two lots left to be sold. A mixed density development at Kam Lake Road and Coronation Drive was started and sales are already taking place. These areas contain a mix of private and City managed developments.

The Yellowknife Condominium Corporation #8 (Northlands) agreed by petition to a Local Improvement Charge (LIC) to address their aging infrastructure. Northlands residents have agreed to the LIC to pay for the replacement of their privately owned water and sewer infrastructure with new infrastructure which meets municipal standards. The City has secured \$15.8 million in financing to complete this project. A contract has been awarded for the completion of this project and construction has commenced. The total cost of the project, including financing charges, will be recovered from the residents of Northlands through the LIC over a 25 year period.

Environmental Matters

The City's water distribution and treatment system, the sewage treatment system and the City's solid waste landfill are governed by licenses issued by the Government of the Northwest Territories. The City estimates costs associated with future landfill closure and post-closure care requirements in the determination of its environmental liability. Estimates of future landfill closure costs are subject to significant measurement uncertainty. NWT landfill closure standards have not been established. The accuracy of the estimated closure costs is expected to improve when engineers determine standards for closing a section of the landfill.

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 and implementation of a drainage management plan. The post-closure care requirements will involve cap maintenance, installation of monitoring wells, groundwater monitoring, and inspections. During 2013 the City began the transition from the existing cell to the new cell. The City also plans on using part of the capped landfill for its community composting facility which will be starting in 2014.

Planning Constraints

There are inherent business risks in running a municipality. The nature of a city is such that the services provided are those that are of basic necessity. The treatment and distribution of potable water, the collection and treatment of raw sewage, the provision of fire and ambulance services and the construction and maintenance of roads and sidewalks are all considered essential to the well-being of all residents. There are any number of issues that can arise that may strain resources when providing these services. In addition, it is the responsibility of the municipality to ensure adequate recreational facilities, parks and trails exist to ensure the physical and mental well-being of its residents.

The City's ability to maintain its essential services is contingent upon its ability to provide modern, well-functioning infrastructure to support its operations. The risks of inadequate funding of infrastructure replacement and maintenance cannot be overstated. Failures in the City's water and sewer system could result in health and environmental issues. The City must ensure that adequate resources are available to stay on top of infrastructure requirements.

A significant portion of the City's funding (37% in 2013) comes from other orders of government. The City allocates most of this funding to its Capital plan. One of the issues surrounding this funding is that most of it is

not indexed with the cost of doing business. The City is required to manage a fixed income from these other orders of government in an environment where the costs of constructing our capital infrastructure continue to rise each year. With construction costs increasing each year the amount of Corrugated Metal Pipe that can be replaced from one year to the next is reduced given the same level of funding. As well, should there be a significant change to the funding levels provided by either the GNWT or the Government of Canada, Council would have to examine its priorities and consider other potential sources of funding. In order to mitigate this risk, a long-term asset management plan has been developed that will guide the budgeting process over the next 25 years.

The property taxes collected by the City are calculated on the assessment base of homes, business and government offices within its boundaries and represent 73% of the General Fund revenue to the City (34% on a consolidated basis). The City has experienced a slight increase in the level of assessment growth over the past two years. As a result, the City has been able to keep tax increases to a minimum but has ensured adequate resources to fund the ever increasing cost of providing basic services. As an alternate option to tax increases, the City also reviews all programs and rationalizes the continuation of existing services and service levels. It is all a balancing act. Over the past 15 years, the City's overall tax rate increases have been less than the increase in the general cost of living or the Consumer Price Index (CPI). Since the CPI does not fairly represent the inflationary pressures faced by a municipality, the City has developed its own index based on the weighted cost of its expenditures. The Municipal Pricing Index or MPI has been developed to help guide the City in determining its revenue requirements to meet its obligations to its residents. Future tax increase levels will be guided by the MPI which will serve as a cap on tax increases, in the absence of changes in service levels. This new approach to calculating the City's revenue requirements should serve to mitigate this risk.

Request for Information

The Financial Statement Discussion and Analysis and the Statements are designed to provide citizens, taxpayers, investors and creditors with a general overview of the City's finances and to show accountability for the funding it receives. Both the Annual Financial Report and the popular Annual Report are available on-line at www.yellowknife.ca. Questions concerning the information provided in these reports should be addressed to the Director of Corporate Services, PO Box 580 – 4807 52 Street, Yellowknife, NT, X1A 2N4.



Carl Bird, CD, CGA
Director Corporate Services
May 29, 2014



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Independent Auditor's Report

To the Mayor and Members of Council:

We have audited the accompanying consolidated financial statements of the City of Yellowknife, which comprise the consolidated statement of financial position as at December 31, 2013, and the consolidated statements of operations, change in net financial assets and cash flows for the year then ended, and notes comprised of the summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the City of Yellowknife as at December 31, 2013, and the results of its consolidated operations and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Report on Other Legal and Regulatory Requirement

We further report, in accordance with the *Cities, Towns and Villages Act*, that proper books of account have been kept, that the consolidated financial statements are in agreement with the books of account, and that the transactions that have come under our notice have been within the statutory powers of the City.

May 29, 2014
Yellowknife, Northwest Territories

Chris Mackay LLP

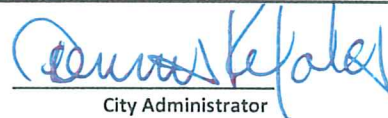
Chartered Accountants

City of Yellowknife
Consolidated Statement of Financial Position
As at December 31, 2013

	2013	2012
Financial Assets		
Cash and Cash Equivalents	\$45,245,079	\$14,495,232
Grants Receivable (Note 4)	2,779,463	281,526
Taxes Receivable (Note 5)	750,699	644,151
Water and Sewer Receivable (Note 6)	1,152,401	1,151,192
Other Receivable (Note 7)	8,202,788	10,521,796
Local Improvement Charge Receivable (Note 8)	7,976,831	-
Land Held for Resale	5,556,288	6,087,664
Total Financial Assets	71,663,549	33,181,561
Liabilities		
Accounts Payable and Accrued Liabilities	8,920,994	5,972,911
Wages and Compensated Absences Payable (Note 9)	1,146,928	1,058,605
Retirement Benefits Liability (Note 10)	805,737	764,117
School Taxes Payable	2,305,751	2,279,073
Deposits Payable	1,104,979	1,047,617
Deferred Revenue (Note 12)	1,933,916	9,593,302
Long-term Debt (Note 13)	41,302,359	3,143,044
Provision for Landfill Closure (Note 14)	1,868,703	1,775,154
Total Liabilities	59,389,367	25,633,823
Net Financial Assets	12,274,182	7,547,738
Non-Financial Assets		
Tangible Capital Assets (Note 15)	234,318,785	226,860,689
Inventories	515,986	471,100
Prepays	463,719	520,057
Deferred Expenses - Protective Services (Note 17)	39,210	51,018
	<u>235,337,700</u>	<u>227,902,864</u>
Accumulated Surplus (Note 18)	\$247,611,882	\$235,450,602
Contingencies (Note 20)		
Commitments (Note 21)		
Subsequent Events (Note 22)		

Approved by:


Mayor


City Administrator



City of Yellowknife
Consolidated Statement of Operations
For the year ended December 31, 2013

	2013 Budget (Unaudited)	2013 Actual	2012 Actual
Revenues			
Municipal Taxation			
Property Taxes	\$ -	\$ 27,554,517	\$ 27,105,534
Payments in Lieu of Taxes	-	5,567,074	5,625,982
Less: School Taxes	-	(9,458,752)	(9,317,003)
Net Municipal Taxation	23,585,000	23,662,839	23,414,513
User Fees and Sale of Goods	16,910,093	16,540,457	16,069,507
Land Sales	3,344,600	4,335,237	9,884,605
Government Transfers	300,000	291,302	500,000
Government Transfers Related to Capital	16,829,000	20,125,636	15,013,335
Investment Income	150,000	661,352	267,282
Fines, Penalties and Cost of Taxes	1,101,300	1,105,943	1,109,880
Development Levies, Licenses and Permits	1,688,500	1,817,462	1,677,215
Franchise and Concessions Contracts	927,000	955,451	949,602
Total Revenues	64,835,493	69,495,679	68,885,939
Expenses			
General Government	4,197,836	4,283,415	4,475,056
Community Services	9,605,699	10,047,479	9,267,038
Corporate Services	5,571,915	5,329,928	4,631,445
Mayor and Council	541,950	506,313	522,681
Planning and Development	2,800,603	2,864,701	5,603,036
Public Safety	5,954,461	5,960,764	5,563,020
Public Works and Engineering	9,709,383	10,064,694	9,789,446
Solid Waste Facility	2,521,020	2,748,982	3,047,423
Water and Sewage	10,311,587	10,445,499	9,210,289
Minor Capital	7,175,940	4,619,654	3,465,589
Interest on Long-term Debt	496,000	462,970	112,524
Total Expenses	58,886,394	57,334,399	55,687,547
Annual Surplus	5,949,099	12,161,280	13,198,392
Accumulated Surplus at Beginning of Year	235,450,602	235,450,602	222,252,210
Accumulated Surplus at End of Year	\$ 241,399,701	\$ 247,611,882	\$ 235,450,602

City of Yellowknife
Consolidated Statement of Changes in Net Financial Assets
For the year ended December 31, 2013

	Budget 2013 (Unaudited)	Actual 2013	Actual 2012
Annual Surplus	\$ 5,949,099	\$ 12,161,280	\$ 13,198,392
Acquisition of Tangible Capital Assets	(25,441,971)	(18,382,462)	(19,255,403)
Amortization of Tangible Capital Assets	9,865,607	10,490,682	8,942,086
Loss on Disposal of Tangible Capital Assets	-	179,163	675,123
Proceeds on Disposal of Tangible Capital Assets	-	254,520	-
	<u>(15,576,364)</u>	<u>(7,458,097)</u>	<u>(9,638,194)</u>
Changes In Inventories, Prepaids and Deferred Expenses - Protective Services	-	23,261	(220,460)
Changes in Net Financial Assets	(9,627,265)	4,726,444	3,339,738
Net Financial Assets, Beginning of Year	7,547,738	7,547,738	4,208,000
Net Financial Assets, End of Year	<u>\$ (2,079,527)</u>	<u>\$ 12,274,182</u>	<u>\$ 7,547,738</u>

City of Yellowknife
Consolidated Statement of Cash Flows
For the year ended December 31, 2013

	2013 Actual	2012 Actual
Operations		
Annual Surplus	\$ 12,161,280	\$ 13,198,392
Non-cash changes to operations:		
Amortization	10,490,682	8,942,086
General Fund - Loss (Gain) on Disposal of Tangible Capital Assets	179,163	675,123
Trade-in Value for Equipment	254,520	-
Wages and Compensated Absences Payable	88,323	178,307
Retirement Benefits Liability	41,620	78,561
Provision for Landfill Closure	93,549	444,434
	23,309,137	23,516,903
Change in non-cash working capital balances related to operations:		
Grants Receivable	(2,497,937)	1,162,969
Taxes Receivable	(106,548)	83,445
Water and Sewer Receivable	(1,209)	(262,249)
Other Receivable	2,319,008	(4,099,158)
Local Improvement Charge Receivable	(7,976,831)	-
Land Held for Resale	531,376	(2,244,936)
Inventories	(44,885)	(87,765)
Prepays	56,338	(136,101)
Deferred Expenses - Protective Services	11,808	3,406
Accounts Payable and Accrued Liabilities	2,948,084	(1,969,465)
School Taxes Payable	26,678	22,298
Deposits Payable	57,362	(298,583)
Deferred Revenue	(7,659,386)	1,094,823
Bailey House Mortgage - NWTHC	(89,923)	(84,351)
	(12,426,065)	(6,815,667)
Net Cash provided from Operations	10,883,072	16,701,236
Capital		
Tangible Capital Asset Acquisitions	(18,382,462)	(19,255,403)
Financing		
Long-term Debt Repayments - Capital	(2,402,856)	(649,409)
Long-term Debt Issuance	40,652,093	-
Net Cash used for Financing	38,249,237	(649,409)
Increase (Decrease) in Cash and Cash Equivalents	30,749,847	(3,203,576)
Cash and Cash Equivalents, Opening Balance	14,495,232	17,698,808
Cash and Cash Equivalents, Closing Balance	\$ 45,245,079	\$ 14,495,232
Comprised of:		
Unrestricted:		
Cash	\$ 4,950,709	\$ 3,046,855
Cash Held in Reserves	682,846	697,359
Investments in Money Market Funds - Capital	30,049,669	10,700,000
Restricted:		
Cash Held in Trust (Note 24)	51,432	51,018
Investments in Money Market Funds - Yellowknife Condominium Corporation No. 8 Infrastructure Replacement	9,510,423	-
Cash and Cash Equivalents	\$ 45,245,079	\$ 14,495,232

City of Yellowknife
Notes to the Consolidated Financial Statements
For the year ended December 31, 2013

1. SIGNIFICANT ACCOUNTING POLICIES

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

a) Reporting Entity

The consolidated 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 organizations that are owned or controlled by the municipality and are, therefore, accountable to the 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.

b) Basis of Accounting

The basis of accounting followed in the consolidated financial statement presentation includes revenues recognized in the period in which transactions or events occurred that gave rise to the revenues, and expenses recognized in the period the goods and services are acquired and a liability is incurred or transfers are due.

c) 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.

d) 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 they are acquired and are reported at cost. Government contributions for the acquisition of capital assets are recorded as revenue and do not reduce capital asset costs. Minor capital assets are not amortized.

e) Wages and Compensated Absences Liabilities

Wages and compensated absences payable include employee wage and benefit liabilities which are future obligations of the City to its employees for benefits earned but not taken as at the end of the fiscal year.

City of Yellowknife
Notes to the Consolidated Financial Statements
For the year ended December 31, 2013

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

f) Retirement and Post-Retirement Benefits Liability

City employees in service at age 55 or greater, having completed 10 years service, are eligible for formula severance benefit equal to one week's base pay for each year of service up to a maximum of 25 years. The City accrues sufficient liability to meet the future expense.

The City and its employees make contributions to a pension plan administered by Northern Employee Benefits Services ("NEBS"). This is a multi-employer contributory defined benefit plan and accordingly contributions are expensed as incurred. The NEBS benefit plan is a defined benefit pension plan for which both the employee and employer contribute an equal amount evenly throughout the year. As the plan is accounted for by multiple unrelated employers, actuarial services of the plans surplus/deficit were not readily available and as such is measured using the defined contribution method.

Employees are insured through the Northern Employee Benefits Services. Coverage includes Group Life, Accidental Death and Dismemberment and Long-Term Disability Insurance, Extended Health Care Insurance, and Dental Plan. The City is not liable for any future liabilities of this plan.

g) 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 consolidated change in net financial assets for the year.

h) Tangible Capital Assets

Tangible capital assets are recorded at cost. Costs include all amounts that are directly attributable to acquisition, construction, development or betterment of assets and are amortized on a straight-line basis over the estimated useful life of the tangible capital asset. Straight-line amortization over the expected useful life of each asset 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. Tangible capital assets received as contributions are recorded at their fair value at the date of receipt; there were no such contributed assets received by the City in the current period. Assets with remaining book value replaced in 2013 through the City's paving and water and sewer replacement programs have been reported as asset disposals.

i) Inventories

Inventories held for consumption are recorded at cost.

j) Government Transfers

Government transfers are recognized in the consolidated financial statements as revenues in the period that the events giving rise to the transfer occurred, providing the transfers are authorized, the municipality has met any eligibility criteria, and reasonable estimates of the amounts can be made.

City of Yellowknife
Notes to the Consolidated Financial Statements
For the year ended December 31, 2013

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

k) 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.

l) 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 uncollectable accounts, are paid or payable to the School Boards.

m) 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.

n) Deferred Revenue

Deferred revenue consists mainly of government transfers for which the events giving rise to the transfer has not yet occurred. The deferred revenue will be recognized in the consolidated financial statements as revenue in the period in which the related expenses are incurred.

o) Use of Estimates

The preparation of the consolidated 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 consolidated financial statements and the amounts of revenues and expenses during the period. Actual results differ from those estimates.

p) Budget

Budget figures are unaudited and are those approved by Council on December 10, 2012.

City of Yellowknife
Notes to the Consolidated Financial Statements
For the year ended December 31, 2013

q) Segment Disclosure

The Consolidated 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. Segments include:

General Government:	includes the revenue and expenses pertaining to administration, communications and economic development, human resources, and city clerks.
Community Services:	includes the revenue and expenses pertaining to recreation programs, City facilities, the library and community grants.
Corporate Services:	includes the revenue and expenses pertaining to financial services, budgeting and financial reporting, property tax assessment, purchasing and risk management and information technology.
Mayor and Council:	includes the revenue and expenses pertaining to council meetings, participation in community events, conferences and memberships and public relations.
Planning and Development:	includes the revenue and expenses pertaining to permitting (development, building and mechanical), building and structural inspections, land use planning, development and zoning, and land sales.
Public Safety:	includes the revenue and expenses pertaining to emergency services (fire), enforcement (municipal enforcement) and emergency preparedness.
Public Works and Engineering:	includes the revenue 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 sanitation program, the land development program, and the major and minor capital works for other City departments.
Solid Waste Facility:	includes the revenue and expenses pertaining to garbage and waste collection.
Water and Sewage:	includes the revenue and expenses pertaining to the provision of piped or trucked water and sewer services.

City of Yellowknife
Notes to the Consolidated Financial Statements
For the year ended December 31, 2013

2. ACCOUNTING STANDARDS ADOPTED IN THE CURRENT YEAR

a) Government Transfers

On January 1, 2013, the City adopted PSA Handbook Section PS 3410 – Government Transfers. This new section establishes recognition, measurement, presentation and disclosure standards related to Government Transfers reported in financial statements and is effective for years beginning on or after April 1, 2012. The standard outlines how to account for and report government transfers to individuals, organizations and other governments from both a transferring and a recipient's perspective. This accounting change had no significant impact on the City's consolidated financial statements.

b) Tax Revenue, Section PS 3510

On January 1, 2013, the City adopted PSA Handbook Section PS 3510 – Tax Revenue. This new section establishes recognition, measurement, presentation and disclosure standards relating to tax revenue reporting in financial statements. The section applies to years beginning on or after April 1, 2012. This accounting change had no significant impact on the City's consolidated financial statements

3. FUTURE ACCOUNTING CHANGES

a) Liability for Contaminated Sites, Section PS 3260

In June of 2010, PSAB released Section PS 3260 - Liability for Contaminated Sites. This new section establishes recognition, measurement and disclosure standards for liabilities relating to contaminated sites of governments and those organizations applying the CICA Public Sector Accounting Handbook.

This Section is effective for fiscal periods beginning on or after April 1, 2014. The impact of the transition to these accounting standards is being reviewed by management.

b) Financial Instruments, Section PS 3450 and related amendments to Financial Statement Presentation, Section PS 1200

In March of 2011, PSAB approved Section PS 3450, Financial instruments, and related amendments to existing PS 1200, Financial Statement Presentation. The effective date for Section PS3450 is April 1, 2012 for government organizations and April 1, 2015 for governments. Earlier adoption is permitted. Governments and government organizations should adopt Section PS 3450 in the same fiscal year Section PS 2601, Foreign Currency Translation, is adopted. 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.

The impact of the transition to these accounting standards is being reviewed by management.

c) Foreign Currency Translation, Section PS 2601

In March of 2011, PSAB approved Section PS 2601, replacing existing Section PS 2600, Foreign Currency Translation. The effective date for Section PS 2601 is April 1, 2012 for government organizations and April 1, 2015 for governments. Earlier adoption is permitted. Governments and government organizations should adopt Section PS 2601 in the same fiscal year Section PS 3450, *Financial Instruments*, is adopted.

The impact of the transition to these accounting standards has been reviewed by management and is not considered significant.

City of Yellowknife
Notes to the Consolidated Financial Statements
For the year ended December 31, 2013

4. Grants Receivable

	2013	2012
Government of the Northwest Territories		
Economic Development Planning	\$ 5,000	\$ -
Community Grants	10,000	10,000
District Energy	19,000	25,000
Joint Emergency Preparedness	15,144	15,144
Gas Tax	2,583,787	-
Government of Canada		
Infrastructure Stimulus Fund	-	5,750
Aboriginal Affairs and Northern Development Canada - Community Grants	82,000	87,500
Aboriginal Affairs and Northern Development Canada - Olympic Ice Cover	-	15,304
Library Grant	-	2,000
Canadian Northern Economic Development - District Energy	9,000	12,652
Energy and Natural Resources - District Energy	50,000	50,000
Federal Community Adjustment Fund	-	58,176
Deton'Cho Corporation - Twin Pine Trail	4,407	-
Yellowknife Food Bank	1,125	-
	<u>\$ 2,779,463</u>	<u>\$ 281,526</u>

5. TAXES RECEIVABLE

	2013	2012
Property Taxes Receivable	\$ 2,003,617	\$ 1,798,348
Less: Allowance for Doubtful Taxes Receivable	(1,252,918)	(1,154,197)
	<u>\$ 750,699</u>	<u>\$ 644,151</u>

6. WATER AND SEWER RECEIVABLE

	2013	2012
Water and Sewer Receivables	\$ 1,502,833	\$ 1,441,484
Less: Allowance for Doubtful Accounts	(350,432)	(290,292)
	<u>\$ 1,152,401</u>	<u>\$ 1,151,192</u>

City of Yellowknife
Notes to the Consolidated Financial Statements
For the year ended December 31, 2013

7. OTHER RECEIVABLE

	2013	2012
Land Sales and Trade Accounts Receivables	\$ 4,978,572	\$ 7,535,477
Community Services Receivables	367,412	201,034
Municipal Enforcement Receivables	723,616	658,489
Northland Utilities Ltd. Power Distribution Franchise	955,451	949,602
Due From Homelessness Coalition Note 19(c)	1,299,883	1,389,806
GST Receivable	453,520	263,419
Other	376,889	284,588
	<u>9,155,343</u>	<u>11,282,415</u>
Less: Allowance for Doubtful Accounts	(952,555)	(760,619)
	<u><u>\$ 8,202,788</u></u>	<u><u>\$ 10,521,796</u></u>

8. LOCAL IMPROVEMENT CHARGE RECEIVABLE

	2013	2012
Niven Lake Subdivision - Phase VII	\$ 969,000	\$ -
Yellowknife Condominium Corporation No. 8	7,007,831	-
	<u><u>\$ 7,976,831</u></u>	<u><u>\$ -</u></u>

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 will be levied over a fifteen year period starting 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.

As of January 1, 2014, 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 undertaken local improvements to certain properties in Block 163, Plan C2090, known as Yellowknife Condominium Corporation No. 8 ("Condo Corp."). The local improvements are comprised of the installation of water and sewer infrastructure servicing the Condo Corp. and chip sealing the roads within the Condo Corp. The estimated cost of the local improvement is \$15,767,680 and 100% of the total costs will be financed through a LIC against the properties principally benefiting from this local improvement. As of December 31, 2013, \$7,007,831 has been spent on the local improvements. The remaining \$8,759,849 in local improvement costs will be incurred over the next two years.

Upon completion of the local improvements, the responsibility of the LIC will transfer from the Condo Corp. to the affected property owners. The LIC will be payable over a period of 25 years starting in the year after the improvements are complete. A property owner required to pay the LIC can request to pay the LIC in a lump sum payment.

City of Yellowknife
Notes to the Consolidated Financial Statements
For the year ended December 31, 2013

9. WAGES AND COMPENSATED ABSENCES PAYABLE

	2013	2012
Accrued Wages and Compensated Absences		
Payroll	\$ 553,412	\$ 521,167
Vacation and Lieu Time	630,368	562,509
	1,183,780	1,083,676
 Wage Assignments	 (36,852)	 (25,071)
	\$ 1,146,928	\$ 1,058,605

Payroll

The payroll liability is comprised of wages, salaries and benefits earned in 2013 and paid on the first payroll of 2014.

Vacation and Lieu Time

The vacation and lieu time liability is comprised of the vacation and lieu time that employees are deferring to future years. Employees have either earned the benefits (and are vested) or are entitled to these benefits within the next budgetary year.

Wage Assignments

The wage assignment receivable is comprised of payments made by the City on behalf of employees as at December 31, 2013 that will be recovered by payroll deduction from the first payroll of 2014.

City of Yellowknife
Notes to the Consolidated Financial Statements
For the year ended December 31, 2013

10. RETIREMENT BENEFITS LIABILITY

	2013	2012
Opening Balance	\$ 764,117	\$ 685,556
Net Expense	132,467	241,174
Paid-Out	(90,847)	(162,613)
Closing Balance	\$ 805,737	\$ 764,117

City employees retiring over the age of 55 with 10 or more years of service are entitled to one weeks pay for each year of service to a maximum of 25 weeks pay. The retirement allowance liability is calculated from the weekly wages of all employees with 10 years of service multiplied by years of service as at December 31, 2013 and factored by a probability that the employee will remain in service at age 55 as follows:

Age 55+	100%
Age 50-55	67%
Age 45-50	50%

11. PENSION AGREEMENTS

The City makes contributions to the Northern Employee Benefits Services (NEBS) Pension Plan, which is a multi-employer plan, on behalf of some members of its staff. The plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay.

The amount contributed to the NEBS pension plan was \$1,151,958 (2012 - \$1,068,744) for current services and is included as an expense in the Consolidated Statement of Operations.

The contributions are calculated at a rate of 8% (2012 - 8%) of regular earnings.

12. DEFERRED REVENUE

	2013	2012
Government Transfers		
Federal Gas Tax Revenue	\$ -	\$ 6,952,020
Property Assessment Contract	11,667	11,667
Community Capacity Building Fund	771,170	771,170
CanNor Grants	382,111	399,426
Infrastructure Grant	-	41,306
Library Grant	20,000	22,000
Transit Grant	-	491,858
Aboriginal Affairs and Northern Development Canada Grants	-	100,000
Library Renovation	50,000	-
Biomass Recovery Contributed Capital	-	25,000
Sports and Recreation Grant	11,817	-
Other	733,968	778,855
	\$ 1,980,733	\$ 9,593,302

City of Yellowknife
Notes to the Consolidated Financial Statements
For the year ended December 31, 2013

13. LONG-TERM DEBT

	2013	2012
Capital - General		
CIBC Debenture #240, authorized by By-law 4244 to finance the 2003 paving program, with annual payments of \$191,155 including principal & interest at 4.82%. Repaid July 2013.	\$ -	\$ 170,527
RBC Debenture #239, authorized by By-law 4213 to finance completion of phase one of the Multiplex, with annual payments of \$140,098 including principal & interest at 5.81%. Repaid July 2013.	-	1,116,260
Pacific and Western Debenture #242, authorized by By-law 4280 to finance the 2004 paving program, with annual payments of \$251,269 including principal & interest at 5.109%, expiring July 2014.	239,013	466,451
TD Canada Trust Swap #904437T, authorized by By-law 4729 to finance completion of Phase 1 of the Multiplex, with monthly payments of \$9,944 including principal & interest at 2.77% , expiring May 2023.	987,870	-
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 \$139,061 including principal & interest at 3.10% , expiring June 2028.	19,472,037	-
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 \$6,198 including principal & interest at 3.98% , expiring August 2028.	825,273	-
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 \$21,754 including principal & interest at 3.71% , expiring August 2028.	2,949,831	-
	24,474,024	1,753,238
General		
Registered Mortgage #158,048 with the Northwest Territories Housing Corporation, authorized by By-law 4468, to finance the construction of Bailey House, with annual payments of \$181,728 including principal & interest at 6.5%, expiring January 2023. Note 19 (c).	1,299,883	1,389,806
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 \$27,256 including principal and interest at 3.30%, expiring May 2038. Note 8.	15,528,452	-
	\$ 41,302,359	\$ 3,143,044

City of Yellowknife
Notes to the Consolidated Financial Statements
For the year ended December 31, 2013

13. LONG-TERM DEBT (CONTINUED)

Debentures are covered by taxes and penalties levied, all grants and sundry revenues. Total interest payable in 2013 on long-term debt was \$462,970 (2012 - \$112,524). The estimated fair value of long-term debt at December 31, 2013 is \$40,112,687 (2012 - \$3,045,418). 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 long-term debt for the next five years is as follows:

2014	\$	2,126,855
2015		1,952,413
2016		2,019,305
2017		2,088,608
2018		2,160,417
2019 and thereafter		30,954,761
	<u>\$</u>	<u>41,302,359</u>

14. 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 - Cell 1.

	<u>2013</u>	<u>2012</u>
Old Landfill Site	\$ 1,811,703	\$ 1,775,154
New Landfill - Cell A	57,000	-
	<u>\$ 1,868,703</u>	<u>\$ 1,775,154</u>

Estimates of future landfill closure costs are subject to significant measurement uncertainty. Northwest Territories landfill closure standards have not been established. The accuracy of the estimated closure costs is expected to improve when engineers determine standards for closing a section of the landfill.

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 and implementation of a drainage management plan. The post-closure care requirements will involve cap maintenance, installation of monitoring wells, groundwater monitoring, and inspections.

a) Old Landfill Site

Total closure and post-closure costs are estimated to be \$1,811,703 (2012 - \$1,775,154) and the City has included \$1,705,577 (100%) (2012 - \$1,669,029 (98%)) as part of the site restoration liability. Costs for future environmental assessment and reclamation are estimated to be \$106,125 (2012 - \$106,125). 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.

City of Yellowknife
Notes to the Consolidated Financial Statements
For the year ended December 31, 2013

14. PROVISION FOR LANDFILL CLOSURE (CONTINUED)

b) New Landfill - Cell A

Total closure and post-closure costs are estimated to be \$456,000 (2012 - \$0) and the City has included \$51,518 (13%) as part of the site restoration liability. Costs for future environmental assessment and reclamation are estimated to be \$43,856 and the City has included \$5,482 in the provision. The remaining estimated life of the landfill is 7 years and monitoring will be required indefinitely. Of the total capacity of 25,000 cubic meters, 21,750 cubic meters (87%) remain.

15. TANGIBLE CAPITAL ASSETS

	Useful Life	Net Book Value	
		2013	2012
Land	Not amortized	\$ 34,453,660	\$ 33,958,660
Buildings	40-50 yrs	54,811,022	55,416,867
Roads & Sidewalks Infrastructure	20 yrs	37,661,152	34,816,869
Water & Sewer Infrastructure	10-40 yrs	82,442,304	80,062,062
Other Infrastructure	8-40 yrs	10,073,492	7,347,992
Vehicles	10-21 yrs	1,336,313	1,190,189
Equipment	4-30 yrs	7,373,607	6,442,945
Work in Progress	Not amortized	6,167,235	7,625,105
		<u>\$ 234,318,785</u>	<u>\$ 226,860,689</u>

16. DEFERRED EXPENSES - PROTECTIVE SERVICES

Under an Alternative Measures Agreement with the Workers' Safety and Compensation Commission of the Northwest Territories and Nunavut, the City has allocated \$300,000 to be used to fund future training initiatives for members of its Fire Division. Accordingly, this amount is held in a trust account with the City's solicitors until such training has occurred. This cash has been included with the general cash on the Consolidated Statement of Financial Position and a liability has been recorded to reflect this obligation. As the members utilize the training funds, the liability will be reduced and the related expense will be recognized. In 2013, \$12,222 was spent on training initiatives and the funds held in trust earned interest of \$414. The General Fund includes \$39,210 (2012 - \$51,018) to continue to fund these training initiatives.

17. DONATED LAND

During the year, the City donated a portion of the land that had been sold to Habitat for Humanity in the 2012 fiscal year. The land was originally sold in 2012 for \$118,109. The City adjusted the sales price to \$57,000 in 2013. The difference between the original and the revised sales price, \$61,109, represents the value of the donated land. The \$61,109 donation was recorded as a reduction to Land Sales in 2013.

City of Yellowknife
Notes to the Consolidated Financial Statements
For the year ended December 31, 2013

18. ACCUMULATED SURPLUS

	<u>2013</u>	<u>2012</u>
SURPLUS		
Investment In Capital	\$ 209,844,162	\$ 225,106,846
General Fund	3,423,510	2,899,542
Land Development Fund Balance	(316,051)	(1,198,282)
Solid Waste Management Fund	(1,703,947)	(1,677,327)
Water and Sewer Fund	(300,248)	(139,536)
Capital Fund	31,772,585	7,295,763
Total surplus	<u>242,720,011</u>	<u>232,287,006</u>
Reserves		
Downtown Development Reserve	464,937	402,835
Heritage Reserve	108,047	71,322
Information Technology Reserve	784,685	693,086
Major Community Facility Reserve	1,221,070	35,070
Mobile Equipment Replacement Reserve	1,759,649	1,409,030
Samuel Colley Library Donation Reserve	207,077	204,763
Twin Pine Hill Trail Reserve	266,068	267,152
Waterfront Development Reserve	80,338	80,338
Total Reserves	<u>4,891,871</u>	<u>3,163,596</u>
	<u>\$ 247,611,882</u>	<u>\$ 235,450,602</u>

19. FUNDS AND RESERVES

Management funds consist of the general, land development, water and sewer, solid waste management, service connection failure assistance, capital funds, and reserves. Transfers between funds are recorded as adjustments to the appropriate equity account. The interfund transfers are excluded from the consolidated financial statements. The purposes of the funds are:

General Fund - to account for tax and other general revenue, general expenses and other transactions not accounted for in other funds.

Land Development Fund - to account for land sales and land development costs.

Solid Waste Management Fund - To account for revenue from solid waste charges and the costs of collecting, recycling, and processing solid waste.

Water and Sewer Fund - to account for revenues and expenses related to water and sewer services.

Capital Fund - to account for revenue related to capital and all capital expenses with the exception of land.

Service Connection Failure Assistance Fund - to account for the service connection failure assistance program separately from the Water and Sewer fund.

City of Yellowknife
Notes to the Consolidated Financial Statements
For the year ended December 31, 2013

19. FUNDS AND RESERVES (CONTINUED)

Reserves - to record reserves established at the discretion of Council to set aside funds for future operating and capital expenses. Transfers to and or from reserves are reflected as an adjustment to the respective fund and not as revenue or expenses in the statement of operations.

The community maintains the following reserves:

Downtown Development Reserve:	Starting 2002, 25% of the parking meter revenue is transferred to the Downtown Development Reserve to fund future projects that impact the downtown area.
Heritage Reserve:	Amounts approved by Council for future heritage project expenses are transferred to the Heritage Reserve.
Information Technology Reserve:	Amounts approved by Council for future information technology are transferred to the Information Technology Reserve.
Major Community Facility Reserve:	Amounts approved by Council for future community facilities are transferred to the Major Community Facility Reserve.
Mobile Equipment Replacement Reserve:	Amounts budgeted for future mobile equipment replacement are transferred to the Mobile Equipment Replacement Reserve.
Samuel Colley Library Donation Reserve:	To provide for the Yellowknife Public Library.
Twin Pine Hill Trail Reserve:	Amounts approved by Council for future development of the Twin Pine Hill Trail are transferred to the Twin Pine Hill Trail Reserve.
Waterfront Development Reserve:	Amounts approved by Council for future waterfront development are transferred to the Waterfront Development Reserve.

Reserves for operating and capital activities changed as follows:

	Opening Balance	Appropriations to (from) Reserves	Closing Balance
Downtown Development Reserve	\$ 402,835	\$ 62,102	\$ 464,937
Heritage Reserve	71,322	36,725	108,047
Information Technology Reserve	693,086	91,599	784,685
Major Community Facility Reserve	35,070	1,186,000	1,221,070
Mobile Equipment Replacement Reserve	1,409,030	350,619	1,759,649
Samuel Colley Library Donation Reserve	204,763	2,314	207,077
Twin Pine Hill Trail Reserve	267,152	(1,084)	266,068
Waterfront Development Reserve	80,338	-	80,338
	\$ 3,163,596	\$ 1,728,275	\$ 4,891,871

City of Yellowknife
Notes to the Consolidated Financial Statements
For the year ended December 31, 2013

20. CONTINGENCIES

a) Insurance

The City participates in the NWT Association of Municipalities Insurance Programs. Under these programs, the City could become liable for its proportionate share of an 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 exposure to such liabilities is not considered to be significant.

c) Mortgage

Construction of the Bailey House was completed in 2009, but transfer of title was delayed beyond December 31, 2009 pending the resolution of construction deficiency issues. As per a construction loan agreement between the City, the Council of The Salvation Army of Canada and the NWT Housing Corporation, title and registered mortgage #158,048 is to transfer from the City to The Salvation Army at the time of completion. Simultaneously, the receivable amount recorded as Due from Homelessness Coalition will be considered to be paid in full by the transfer of the title and this mortgage and will be recorded as such. Under clause 23 of the Agreement, failure on the part of the Salvation Army to act in accordance with the Agreement as defined therein would cause the title and balance of mortgage #158,048 at the time of default to return as a liability to the City. This contingent liability will be disclosed as a note to the consolidated financial statements of the City until such time as the mortgage is discharged.

As at December 31, 2013, The Salvation Army has been compliant with the terms of the Agreement and NWT Housing Corporation has credited forgivable payments to the mortgage as scheduled for a balance of \$1,299,883 (note 12) and other accounts receivable from the Homelessness Coalition of \$1,299,883 (note 6).

21. 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
2014	\$ 3,482,073
2015	3,068,359
2016	1,255,603
2017	197,868
2018 and later	402,191
	<u>\$ 8,406,094</u>

City of Yellowknife
Notes to the Consolidated Financial Statements
For the year ended December 31, 2013

21. COMMITMENTS (CONTINUED)

b) Capital Contracts

The City regularly enters into contracts related to capital projects. The amounts below represent the uncompleted portions of these contracts as of December 31, 2013. The expected minimum payments for these contracts are:

	<u>Total</u>
2014	\$ 5,606,001
2015	3,048,069
	<u>\$ 8,654,070</u>

22. SUBSEQUENT EVENTS

On January 6, 2014 by-law 4766 was approved authorizing the City to borrow \$969,000 for the purposes of financing the cost of local improvements on certain properties in Stage 2, Phase 7, Niven Lake Subdivision (note 8). The funds were received on January 24, 2014.

On March 24, 2014 by-law 4786 was approved authorizing the City to execute a mortgage with the Northwest Territories Housing Corporation in the amount of \$2,293,000.00 for the purpose of financing the construction of the BETTY House. The BETTY House will be a transitional home for women and women with children. The funds were received on April 3, 2014. Upon completion of the BETTY House, the title and mortgage will transfer from the City to the YWCA Yellowknife.

23. 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 2013 Financial Plan reported all capital expenditures including tangible capital assets acquisitions as operations expenses. These expenditures have been reclassified as follows:

	<u>2013</u> <u>Budget</u>
Capital purchases as presented in the budget	\$ 32,617,911
Less: Acquisitions of Tangible Capital Assets	25,441,971
Minor Capital Expense	<u>\$ 7,175,940</u>

24. CASH HELD IN TRUST

	<u>2013</u>	<u>2012</u>
McLennan Ross LLP for Firefighters' Training Alternative Measures Agreement	\$ 51,432	\$ 51,018

City of Yellowknife
Notes to the Consolidated Financial Statements
For the year ended December 31, 2013

25. CURRENT ASSETS AND LIABILITIES

	2013	2012
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 45,245,079	\$ 14,495,232
Accounts Receivable		
Grants Receivable	2,779,463	281,526
Taxes Receivable	750,699	644,151
Water and Sewer Receivable	1,152,401	1,151,192
Other Receivable	8,202,788	10,521,796
Land Held for Resale	5,556,288	6,087,664
Inventories	515,986	471,100
Prepays	463,719	520,057
	64,666,423	34,172,718
CURRENT LIABILITIES		
Accounts Payable and Accrued Liabilities	8,920,994	5,972,911
Wages and Compensated Absences Payable	1,146,928	1,058,605
Retirement Benefits Liability	805,737	764,117
School Taxes Payable	2,305,751	2,279,073
Deposits Payable	1,104,979	1,047,617
Deferred Revenue	1,933,916	9,593,302
Current portion LTD	2,030,993	1,514,225
Current Portion of Provision for Landfill Closure	-	451,000
	\$ 18,249,298	\$ 22,680,850

City of Yellowknife
Consolidated Schedule of Tangible Capital Assets
For the year ended December 31, 2013

	Land	Buildings	Roads & Sidewalks Infrastructure	Water & Sewer Infrastructure	Other Infrastructure	Vehicles	Equipment	Work in Progress	Totals
Cost									
Balance, beginning of year	\$ 33,958,660	\$ 85,562,628	\$ 61,077,427	\$ 146,544,770	\$ 10,177,036	\$ 2,747,537	\$ 13,503,094	\$ 7,625,106	\$ 361,196,258
Add: Additions during year	495,000	1,726,169	6,165,992	5,952,837	3,425,702	342,542	1,732,091	(1,457,871)	18,382,462
Less: Disposals during year	-	408,498	930,605	660,435	-	179,267	793,712	-	2,972,517
Balance, End of year	34,453,660	86,880,299	66,312,814	151,837,172	13,602,738	2,910,812	14,441,473	6,167,235	376,606,203
Accumulated amortization									
Balance, beginning of year	-	30,145,762	26,260,558	66,482,707	2,829,044	1,557,348	7,060,149	-	134,335,568
Add: Amortization during the year	-	2,148,189	3,300,793	3,405,182	700,202	196,418	739,900	-	10,490,684
Less: Accumulated amortization on disposals	-	224,674	909,689	493,021	-	179,267	732,183	-	2,538,834
Balance, End of year	-	32,069,277	28,651,662	69,394,868	3,529,246	1,574,499	7,067,866	-	142,287,418
Net book value of Tangible Capital Asset	\$ 34,453,660	\$ 54,811,022	\$ 37,661,152	\$ 82,442,304	\$ 10,073,492	\$ 1,336,313	\$ 7,373,607	\$ 6,167,235	\$ 234,318,785

CITY OF YELLOWKNIFE
Consolidated Schedule of Segment Disclosure
For the year ended December, 31, 2013

	2013 Budget (Unaudited)	General Government	Community Services	Corporate Services	Mayor and Council	Planning and Development	Subtotal
Revenues							
Property Taxation	\$ 23,585,000	\$ 23,662,839	\$ -	\$ -	\$ -	\$ -	\$ 23,662,839
User Fees, Licences and Permits, Sale of Goods, Levies, Fines and Penalties	19,699,893	327,803	2,050,378	701,452	759	808,339	3,888,731
Land Sales	3,344,600	-	-	-	-	4,335,237	4,335,237
Government Transfers	17,129,000	19,826,636	184,485	385,817	-	20,000	20,416,938
Other	1,077,000	1,600,441	-	-	-	16,362	1,616,803
Total Revenues	64,835,493	45,417,719	2,234,863	1,087,269	759	5,179,938	53,920,548
Expenses							
Amortization	9,865,607	274,768	1,694,494	-	-	-	1,969,262
Bad Debt	200,000	346,069	-	-	-	-	346,069
Bank Charges and Short-term Interest	203,000	203,104	-	-	-	-	203,104
Construction and Maintenance Supplies	702,000	-	-	-	-	-	-
Contingency	-	31,017	-	-	-	-	31,017
Contracted and General Services	10,595,503	626,053	1,667,785	1,283,364	41,508	141,325	3,760,035
Loss on Disposal of Tangible Capital Assets	-	179,163	-	-	-	-	179,163
Grants	418,000	-	412,000	-	-	-	412,000
Insurance	744,300	-	-	770,952	-	-	770,952
Land	1,250,103	-	-	-	-	1,492,725	1,492,725
Office and Administrative Supplies	483,700	35,942	47,105	141,031	118,132	8,513	350,723
Professional Services	212,900	20,466	-	166,146	-	20,780	207,392
Salaries, Wages and Benefits	22,356,600	2,295,991	4,647,365	2,963,524	346,673	1,201,018	11,454,571
Transfers to Other Organizations	105,000	107,480	-	-	-	-	107,480
Utilities- Electricity	2,084,800	100,511	816,221	-	-	-	916,732
Utilities - Fuel	1,085,000	62,851	652,797	-	-	-	715,648
Vehicle Operations and Maintenance	907,941	-	109,712	4,911	-	340	114,963
Expenses before Interest on Long- term Debt and Minor Capital	51,214,454	4,283,415	10,047,479	5,329,928	506,313	2,864,701	23,031,836
Interest on Long-term Debt	496,000	462,970	-	-	-	-	462,970
Minor Capital	7,175,940	70,157	243,724	695,545	-	320,814	1,330,240
Total Expenses	58,886,394	4,816,542	10,291,203	6,025,473	506,313	3,185,515	24,825,046
Net Revenue (Expenses)	\$ 5,949,099	\$ 40,601,177	\$ (8,056,340)	\$ (4,938,204)	\$ (505,554)	\$ 1,994,423	\$ 29,095,502

CITY OF YELLOWKNIFE
Consolidated Schedule of Segment Disclosure (CONTINUED)
For the year ended December, 31, 2013

	Subtotal Carried Forward	Public Safety	Public Works and Engineering	Solid Waster Facility	Water and Sewage	2013	2012
Revenues							
Property Taxation	\$ 23,662,839	\$ -	\$ -	\$ -	\$ -	\$ 23,662,839	\$ 23,414,513
User Fees, Licences and Permits, Sale of Goods, Levies, Fines and Penalties	3,888,731	2,298,617	341,533	2,735,175	10,199,806	19,463,862	18,856,601
Land Sales	4,335,237	-	-	-	-	4,335,237	9,884,605
Government Transfers	20,416,938	-	-	-	-	20,416,938	15,513,336
Other	1,616,803	-	-	-	-	1,616,803	1,216,884
Subtotal Revenues	53,920,548	2,298,617	341,533	2,735,175	10,199,806	69,495,679	68,885,939
Expenses							
Amortization	1,969,262	191,515	3,786,268	496,871	4,046,767	10,490,683	8,942,086
Bad Debt	346,069	-	-	-	-	346,069	293,897
Bank Charges and Short-term Interest	203,104	-	-	-	-	203,104	171,210
Construction and Maintenance Supplies	-	-	383,104	-	343,212	726,316	681,196
Contingency	31,017	-	-	-	-	31,017	6,459
Contracted and General Services	3,760,035	370,475	2,503,599	1,132,367	2,754,167	10,520,643	9,947,901
Loss on Disposal of Tangible Capital Assets	179,163	-	-	-	-	179,163	344,529
Grants	412,000	-	-	-	-	412,000	419,000
Insurance	770,952	-	-	-	-	770,952	725,122
Land	1,492,725	-	-	-	-	1,492,725	4,041,099
Office and Administrative Supplies	350,723	71,863	31,169	-	-	453,755	498,827
Professional Services	207,392	-	-	-	-	207,392	284,301
Salaries, Wages and Benefits	11,454,571	4,999,600	2,799,863	884,912	1,990,340	22,129,286	21,720,786
Transfers to Other Organizations	107,480	-	-	-	-	107,480	98,010
Utilities- Electricity	916,732	60,623	48,288	71,570	940,631	2,037,844	1,869,124
Utilities - Fuel	715,648	60,979	82,899	47,042	265,812	1,172,380	1,069,167
Vehicle Operations and Maintenance	114,963	205,709	429,504	116,220	104,570	970,966	996,720
Expenses before Interest on Long-term Debt and Minor Capital	23,031,836	5,960,764	10,064,694	2,748,982	10,445,499	52,251,775	52,109,434
Interest on Long-term Debt	462,970	-	-	-	-	462,970	112,524
Minor Capital	1,330,240	122,616	288,434	160,128	2,718,236	4,619,654	3,465,589
Total Expenses	24,825,046	6,083,380	10,353,128	2,909,110	13,163,735	57,334,399	55,687,547
Net Revenue (Expenses)	\$ 29,095,502	\$ (3,784,763)	\$ (10,011,595)	\$ (173,935)	\$ (2,963,929)	\$ 12,161,280	\$ 13,198,392

CITY OF YELLOWKNIFE
Consolidated Schedule of Government Transfers
For the year ended December, 31, 2013

	2013 Budget (Unaudited)	2013 Actual	2012 Actual
Government of Canada			
Gas Tax Agreement	\$ 7,207,000	\$ 9,535,806	\$ 4,112,260
YK Smart Community Grant (AANDC/FCM)	-	154,030	1,182,162
Transit Grant	-	491,858	-
District Heating (CanNor)	-	90,000	-
Con Mine Geothermal Study (CanNor)	-	-	288,742
	<u>7,207,000</u>	<u>10,271,694</u>	<u>5,583,164</u>
Government of the Northwest Territories			
MACA Formula Funding (not including insurance)	7,332,000	7,332,000	7,137,666
MACA Contribution Agreements			
Capital Grant	2,210,000	2,210,190	2,210,000
Assessment Contract	125,000	125,000	125,000
Library Grant	105,000	105,000	114,100
Sports and Recreation Grant	80,000	68,183	82,098
Ground Ambulance Equipment	-	-	100,145
Economic Development Planning	-	25,000	-
Biomass Energy	-	80,000	-
Environment and Natural Resources Contribution Agreements			
Energy Conservation Program	-	44,000	-
Community Transfers	60,000	50,000	50,000
	<u>9,912,000</u>	<u>10,039,373</u>	<u>9,819,009</u>
Other Contribution Agreements	<u>10,000</u>	<u>105,871</u>	<u>111,162</u>
	<u>\$ 17,129,000</u>	<u>\$ 20,416,938</u>	<u>\$ 15,513,335</u>

CITY OF YELLOWKNIFE
Schedule of Revenue and Expenditures
Gas Tax Agreement
For the year ended December, 31, 2013

	2013 Budget (Unaudited)	2013 Actual	2012 Actual
Revenue			
Government of Canada	\$ 4,519,000	\$ 2,583,786	\$ 4,519,049
Deferred Revenue			
From Previous Year	6,952,020	6,952,020	6,544,731
Balance in Deferred	(4,264,020)	-	(6,952,020)
From (to) Deferred Revenue	2,688,000	6,952,020	(407,289)
Total Revenues	7,207,000	9,535,806	4,111,760
Expenditures			
Pumphouse Replacement/Water Treatment Plant	-	1,828,130	1,380,294
Shelter for E Waste	-	-	10,000
New Piping for Pumphouses & Liftstations	200,000	-	681,000
Liftstation Back-up Power	-	49,400	155,097
Monitor & Control Assessment	-	-	81,071
Pump Replacement Program	-	-	77,816
Water & Sewer Replacement	6,800,000	7,658,276	1,726,482
Centralized Composting Project	207,000	-	-
Total Expenditure	7,207,000	9,535,806	4,111,760
Net Revenue	\$ -	\$ -	\$ -

Gas Tax Revenue of \$2,583,786 was received in 2013. There is no balance deferred as at December 31, 2013. The interest earned calculated quarterly as balance of deferred Gas Tax revenue multiplied by TD bank prime rate less 1.75% for 2013 is \$75,094 (2012 - \$80,700).

CITY OF YELLOWKNIFE
Schedule of Fund Activities and Change in Fund Balance
GENERAL FUND
For the year ended December, 31, 2013

	2013 Budget (Unaudited)	2013 Actual	2012 Actual
Revenues			
Property Taxation	\$ 22,261,000	\$ 25,858,932	\$ 25,293,534
Payments in Lieu of Taxes			
Government of Canada	75,000	1,870,430	1,929,994
Government of the Northwest Territories	-	3,531,532	3,530,876
Crown Corporation	-	165,112	165,112
Total Payment in Lieu of Taxes	75,000	5,567,074	5,625,982
Total Property Taxation	22,336,000	31,426,006	30,919,516
Less: School Taxes	-	(9,458,752)	(9,317,003)
Net Municipal Taxation	22,336,000	21,967,254	21,602,513
User Fees and Sale of Goods	3,628,400	3,532,644	3,666,918
Government Transfers	300,000	291,302	314,794
Investment Income	150,000	644,990	267,282
Fines, Penalties and Cost of Taxes	976,500	969,804	980,076
Development Levies, Licenses and Permits	1,688,500	1,817,462	1,677,215
Franchise and Concessions Contracts	927,000	955,451	949,602
Total Revenues	30,006,400	30,178,907	29,458,400
Expenses			
General Government	4,197,836	4,283,415	4,475,056
Community Services	9,605,699	10,047,479	9,267,038
Corporate Services	5,571,915	5,329,928	4,631,445
Mayor and Council	541,950	506,313	522,681
Planning and Development	1,550,500	1,371,976	1,561,937
Public Safety	5,954,461	5,960,764	5,563,020
Public Works and Engineering	9,709,383	10,064,694	9,789,446
Total Operating Expenses	37,131,744	37,564,569	35,810,623
Net Expense	(7,125,344)	(7,385,662)	(6,352,223)
Interfund Transfers			
From Water and Sewer Fund	1,143,400	1,133,688	1,097,174
From Solid Waster Fund	273,500	249,684	250,445
From Land Development Fund	250,000	250,000	175,001
To Reserves	-	(104,464)	(57,502)
	1,666,900	1,528,908	1,465,118
Decrease in Fund Balance			
Before Reallocation of Expenses Related to			
Investment in Tangible Capital Assets	(5,458,444)	(5,856,754)	(4,887,105)
Reallocation of Expenses Related to Investment in Tangible Capital			
Assets	5,459,000	6,380,722	5,505,597
Increase in Fund Balance	556	523,968	618,492
Opening Fund Balance	2,899,542	2,899,542	2,281,050
Closing Fund Balance	\$ 2,900,098	\$ 3,423,510	\$ 2,899,542

CITY OF YELLOWKNIFE
Schedule of Fund Activities and Change in Fund Balance
LAND DEVELOPMENT FUND
For the year ended December, 31, 2013

	2013 Budget (Unaudited)	2013 Actual	2012 Actual
Revenues			
User Fees and Sale of Goods	\$ 222,600	\$ 176,443	\$ 234,125
Land Sales	3,344,600	4,335,237	9,884,605
Total Revenues	3,567,200	4,511,680	10,118,730
Expenses			
Land Development	1,250,103	1,492,725	4,041,099
Total Expenditures	1,250,103	1,492,725	4,041,099
Net Revenue	2,317,097	3,018,955	6,077,631
Interfund Transfer			
To Capital Fund	(3,216,000)	(1,886,724)	(4,819,336)
To General Fund	(250,000)	(250,000)	(175,001)
	(3,466,000)	(2,136,724)	(4,994,337)
Increase (Decrease) in Fund Balance Before Reallocation of Expenses Related to Investment in Tangible Capital Assets	(1,148,903)	882,231	1,083,294
Reallocation of Expenses Related to Investment in Tangible Capital Assets	-	-	254,594
Increase (Decrease) in Fund Balance	(1,148,903)	882,231	1,337,888
Opening Fund Balance	(1,198,282)	(1,198,282)	(2,536,170)
Closing Fund Balance	\$ (2,347,185)	\$ (316,051)	\$ (1,198,282)

CITY OF YELLOWKNIFE
Schedule of Fund Activities and Change in Fund Balance
SOLID WASTE MANAGEMENT FUND
For the year ended December, 31, 2013

	2013 Budget (Unaudited)	2013 Actual	2012 Actual
Revenues			
User Fees and Sale of Goods	\$ 2,581,200	\$ 2,475,175	\$ 2,265,199
Total Revenues	2,581,200	2,475,175	2,265,199
Expenses			
Environmental and Public Health Services	2,521,020	2,655,433	2,602,989
Landfill Closure and Post-Closure Expense	-	93,549	444,434
Total Expenses	2,521,020	2,748,982	3,047,423
Net Expense	60,180	(273,807)	(782,224)
Interfund Transfer			
To General Fund	(273,500)	(249,684)	(250,445)
Decrease in Fund Balance			
Before Reallocation of Amortization of Investment			
in Tangible Capital Assets	(213,320)	(523,491)	(1,032,669)
Reallocation of Amortization	432,320	496,871	257,308
Decrease in Fund Balance	219,000	(26,620)	(775,361)
Opening Fund Balance	(1,677,327)	(1,677,327)	(901,966)
Closing Fund Balance	\$ (1,458,327)	\$ (1,703,947)	\$ (1,677,327)

CITY OF YELLOWKNIFE
Schedule of Fund Activities and Change in Fund Balance
WATER AND SEWER FUND
For the year ended December, 31, 2013

	2013 Budget (Unaudited)	2013 Actual	2012 Actual
Revenues			
User Fees and Sale of Goods	\$ 6,091,093	\$ 6,034,406	\$ 5,920,497
Fines Penalties and Costs of Taxes	124,800	136,139	129,803
Total Revenues	6,215,893	6,170,545	6,050,300
Expenses			
Water and Sewage	9,071,787	9,244,336	8,310,373
Total Expenses	9,071,787	9,244,336	8,310,373
Net Expense	(2,855,894)	(3,073,791)	(2,260,073)
Interfund Transfer			
To General Fund	(1,143,400)	(1,133,688)	(1,097,174)
Decrease in Fund Balance			
Before Reallocation of Expenses Related to			
Investment in Tangible Capital Assets	(3,999,294)	(4,207,479)	(3,357,247)
Reallocation of Amortization	3,974,287	4,046,767	3,599,711
Increase (Decrease) in Fund Balance	(25,007)	(160,712)	242,464
Opening Fund Balance	(139,536)	(139,536)	(382,000)
Closing Fund Balance	\$ (164,543)	\$ (300,248)	\$ (139,536)

CITY OF YELLOWKNIFE
Schedule of Fund Activities and Change in Fund Balance
CAPITAL FUND
For the year ended December, 31, 2013

	2013 Budget (Unaudited)	2013 Actual	2012 Actual
Revenue			
Property Taxation	\$ 1,249,000	\$ 1,695,585	\$ 1,812,000
Government Transfers	16,829,000	20,125,636	15,197,542
User Fees and Sales of Goods	3,147,000	3,136,987	3,115,752
Total Revenues	21,225,000	24,958,208	20,125,294
Expenditures			
General Government	536,000	535,163	129,524
Corporate Services	2,226,800	1,692,965	1,422,859
Public Safety	540,000	307,287	711,508
Public Works and Engineering	3,979,111	5,212,569	3,358,778
Planning and Development	4,316,000	2,823,271	7,283,106
Community Services	2,321,000	1,277,308	2,509,996
Solid Waste Facility	975,000	382,245	454,051
Water and Sewage	18,220,000	11,234,277	6,963,694
Total Expenditures	33,113,911	23,465,085	22,833,516
Net Revenue (Expenditures)	(11,888,911)	1,493,123	(2,708,222)
Interfund Transfers			
(To) From Information Technology Reserve	(33,000)	(91,599)	(65,972)
(To) From Land Fund	3,216,000	1,886,724	4,819,336
(To) From Major Community Facility Reserve	(1,051,000)	(1,186,000)	(783,497)
(To) From Mobile Equipment Replacement Reserve	(278,000)	(350,619)	49,856
(To) From Twin Pine Hill Trail Reserve	64,000	4,407	-
	1,918,000	262,913	4,019,723
	(9,970,911)	1,756,036	1,311,501
Plus: Debt Proceeds	20,000,000	24,879,995	-
Less: Debt Repayment	(1,285,000)	(2,159,209)	(649,409)
Increase (Decrease) in Fund Balance	8,744,089	24,476,822	662,092
Opening Fund Balance	7,295,763	7,295,763	6,633,671
Closing Fund Balance	\$ 16,039,852	\$ 31,772,585	\$ 7,295,763

CITY OF YELLOWKNIFE
Schedule of Fund Activities and Change in Fund Balance
SERVICE CONNECTION FAILURE ASSISTANCE FUND
For the year ended December, 31, 2013

	2013 Budget (Unaudited)	2013 Actual	2012 Actual
Revenues			
User Fees and Sale of Goods	\$ 1,239,800	\$ 1,201,163	\$ 867,016
Total Revenues	1,239,800	1,201,163	867,016
Expenses			
Water and Sewage	1,239,800	1,201,163	899,916
Total Expenditures	1,239,800	1,201,163	899,916
Net Revenue (Expense)	-	-	(32,900)
Opening Fund Balance	-	-	32,900
Closing Fund Balance	\$ -	\$ -	\$ -



CITY OF YELLOWKNIFE
Schedule of Fund Activities and Change in Fund Balance
RESERVES
For the year ended December, 31, 2013

	2013 Budget (Unaudited)	2013 Actual	2012 Actual
Net Interfund Transfers			
(To) From General Fund			
Downtown Development Reserve	\$ -	\$ 62,102	\$ 36,363
Heritage Reserve	-	36,725	15,463
Samuel Colley Library Donation	-	2,314	2,350
Twin Pine Hill Trail Reserve	-	3,323	3,326
(To) From Capital Fund			
Information Technology Reserve	33,000	91,599	65,972
Major Community Facility Reserve	1,051,000	1,186,000	783,497
Mobile Equipment Replacement Reserve	278,000	350,619	(49,856)
Twin Pine Hill Trail Reserve	(64,000)	(4,407)	-
Decrease in Reserves	1,298,000	1,728,275	857,115
Opening Reserves Balance	-	3,163,596	2,306,481
Closing Reserves Balance	1,298,000	4,891,871	3,163,596
Reserve Balances			
Downtown Development Reserve	411,000	464,937	402,835
Heritage Reserve	56,000	108,047	71,322
Information Technology Reserve	691,000	784,685	693,086
Major Community Facility Reserve	1,782,000	1,221,070	35,070
Mobile Equipment Replacement Reserve	1,851,000	1,759,649	1,409,030
Samuel Colley Library Donation Reserve	186,000	207,077	204,763
Twin Pine Hill Trail Reserve	175,000	266,068	267,152
Waterfront Development Reserve	80,000	80,338	80,338
	\$ 5,232,000	\$ 4,891,871	\$ 3,163,596

City of Yellowknife
Schedule of Salaries, Honoraria and Travel
For the year ended December, 31, 2013

Position	Salary	Honoraria	Travel	Annual Indemnity	Total
Mayor	\$ 80,373	\$ -	\$ 6,141	\$ 36,280	\$ 122,794
Deputy Mayor	18,963	1,560	3,416	8,876	32,815
Councillor	17,639	2,340	5,580	8,256	33,815
Councillor	17,639	1,560	2,842	8,256	30,297
Councillor	17,639	2,080	4,210	8,256	32,185
Councillor	17,639	1,040	1,350	8,256	28,285
Councillor	17,639	1,560	2,954	8,256	30,409
Councillor	17,639	1,560	2,856	8,256	30,311
Councillor	16,513	-	-	8,256	24,769
	\$ 221,683	\$ 11,700	\$ 29,349	\$ 102,948	\$ 365,680



City of Yellowknife
Consolidated Statement of Operations - Comparative for 5 Years
For the year ended December 31, 2013

	2009 Restated	2010	2011	2012	2013
Revenue					
Municipal Taxes	\$ 19,727,262	\$ 21,476,353	\$ 22,374,352	\$ 23,414,513	\$ 23,662,839
User Fees	13,735,761	14,338,342	14,860,627	16,069,507	16,540,457
Land Sales	86,220	3,935,589	4,202,616	9,884,605	4,335,237
Government Transfers	17,293,118	15,387,354	16,714,619	15,513,335	20,416,938
Investment Income	221,378	245,591	339,579	267,282	661,352
Fines Penalties and Costs of Taxes	1,005,087	1,021,272	1,124,672	1,109,880	1,105,943
Development Levies, Licences and Permits	1,347,159	1,411,896	1,532,844	1,677,215	1,817,462
Franchise and Concessions Contracts	866,365	860,477	908,651	949,602	955,451
Total Revenues	54,282,348	58,676,873	62,057,960	68,885,939	69,495,679
Expenses					
Operating					
General Government	4,566,263	3,958,694	3,975,023	4,475,056	4,283,415
Community Services	7,342,525	7,971,307	8,668,319	9,267,038	10,047,479
Corporate Services	4,289,319	4,675,385	4,725,890	4,631,445	5,329,928
Mayor and Council	539,762	733,854	478,598	522,681	506,313
Planning and Development	1,479,219	3,172,547	3,038,339	5,603,036	2,864,701
Public Safety	4,661,041	5,025,123	5,336,716	5,563,020	5,960,764
Public Works and Engineering	8,632,234	8,574,859	9,593,910	9,789,446	10,064,694
Solid Waste Facility	1,661,886	2,231,410	2,658,985	3,047,423	2,748,982
Water and Sewage	9,134,328	9,170,090	9,740,125	9,210,289	10,445,499
Minor Capital	4,679,410	4,073,446	5,412,957	3,465,589	4,619,654
Interest on Long-term debt	248,195	190,810	151,753	112,524	462,970
Total Expenses	47,234,182	49,777,525	53,780,615	55,687,547	57,334,399
Net Revenue	7,048,166	8,899,348	8,277,345	13,198,392	12,161,280
Accumulated Surplus at Beginning of Year	215,603,801	205,075,517	213,974,865	222,252,210	235,450,602
Restatement	(17,576,450)				
Accumulated Surplus at End of Year	\$ 205,075,517	\$ 213,974,865	\$ 222,252,210	\$ 235,450,602	\$ 247,611,882

City of Yellowknife
Fund Balances
For the Year Ended December 31, 2013

	2009	2010	2011	2012	2013
Change in Funds Balance					
General Fund	\$ (376,151)	\$ 5,066	\$ 204,808	\$ 618,492	\$ 523,968
Land Development	(3,891)	(1,448,213)	(1,194,355)	1,337,888	882,231
Solid Waste Management	9,337	(521,834)	(562,308)	(775,491)	(26,620)
Water & Sewer	193,703	47,358	(465,554)	242,749	(160,712)
Service Connection Failure Assistance	(324)	-	32,900	(32,900)	-
Capital	1,302,743	1,212,428	2,135,886	662,092	24,476,822
Reserves					
Downtown Development	(183,803)	177,169	102,449	36,364	62,102
Heritage Committee Reserve	11,329	30,668	7,965	15,463	36,725
Information Technology	(271,849)	(86,602)	(157,432)	65,972	91,599
Major Community Facility	(5,258,258)	(4,288,630)	170,292	783,497	1,186,000
Mobile Equipment Replacement	(54,525)	222,894	(60,749)	(50,856)	350,619
Samuel Colley Library Donation	(63,576)	66,342	2,311	2,350	2,314
Twin Pine Hill Trail Reserve	1,771	2,169	3,276	3,325	(1,084)
	<u>\$ (4,693,494)</u>	<u>\$ (4,581,185)</u>	<u>\$ 219,489</u>	<u>\$ 2,908,945</u>	<u>\$ 27,423,964</u>
Funds Balance					
General Fund	\$ 2,071,176	\$ 2,076,242	\$ 2,281,050	\$ 2,899,542	\$ 3,423,510
Land Development	106,398	(1,341,815)	(2,536,170)	(1,198,282)	(316,051)
Solid Waste Management	182,306	(339,528)	(901,836)	(1,677,327)	(1,703,947)
Water & Sewer	35,911	83,269	(382,285)	(139,536)	(300,248)
Service Connection Failure Assistance	-	-	32,900	-	-
Capital	3,285,357	4,497,785	6,633,671	7,295,763	31,772,585
Reserves					
Downtown Development	86,853	264,022	366,471	402,835	464,937
Heritage Committee Reserve	17,226	47,894	55,859	71,322	108,047
Information Technology	871,148	784,546	627,114	693,086	784,685
Major Community Facility	3,369,911	(918,719)	(748,427)	35,070	1,221,070
Mobile Equipment Replacement	1,297,741	1,520,635	1,459,886	1,409,030	1,759,649
Samuel Colley Library Donation	133,760	200,102	202,413	204,763	207,077
Twin Pine Hill Trail	258,382	260,551	263,827	267,152	266,068
Waterfront Development	80,338	80,338	80,338	80,338	80,338
	<u>\$ 11,796,507</u>	<u>\$ 7,215,322</u>	<u>\$ 7,434,811</u>	<u>\$ 10,343,756</u>	<u>\$ 37,767,720</u>



City of Yellowknife
Government Transfers
For the Year Ended December 31, 2013

	2009	2010	2011	2012	2013
GNWT -Formula Funding	\$ 6,500,000	\$ 6,753,000	\$ 6,753,000	\$ 7,137,666	\$ 7,332,000
GNWT - Capital Grant	2,210,190	2,210,190	2,210,190	2,210,000	2,210,190
Community Capacity Building Fund	17,110	2,610	13,154	-	-
Gas Tax Agreement	1,533,698	870,976	5,777,747	4,112,260	9,535,806
Build Canada Fund	4,371,099	-	-	-	-
Municipal Rural Infrastructure Fund	1,214,173	298,984	-	-	-
Other	1,461,848	5,251,594	1,960,528	2,053,409	1,338,942
	<u>\$ 17,308,118</u>	<u>\$ 15,387,354</u>	<u>\$ 16,714,619</u>	<u>\$ 15,513,335</u>	<u>\$ 20,416,938</u>

City of Yellowknife
Expenses by Object
For the Year Ended December 31, 2013

	2009	2010	2011	2012	2013
Amortization	\$ 8,999,785	\$ 7,935,934	\$ 8,933,258	\$ 8,942,086	\$ 10,490,683
Bank Charges and Short-Term Interest	286,455	167,931	172,113	171,210	203,104
Capital Purchases	-	-	-	-	-
Capital Purchases - Minor	4,679,410	4,073,446	5,412,957	3,465,589	4,619,654
Construction and Maintenance Supplies	506,040	725,269	812,051	681,196	726,316
Contingency	66,254	131,819	112,243	6,459	31,017
Contracted and General Services	8,190,065	9,180,938	9,385,994	9,947,901	10,520,643
Grants	417,553	427,292	449,000	419,000	412,000
Insurance	573,736	697,000	703,775	725,122	770,952
Interest on Long-Term Debt	248,195	190,810	151,753	112,524	462,970
Land	45,264	1,735,286	1,503,605	4,041,099	1,492,725
Loss on Disposal of Tangible Capital Assets	-	-	-	344,529	179,163
Mayor and Council Expenses	-	-	-	-	-
Office and Administrative Supplies	495,695	428,894	425,556	498,827	453,755
Professional Services	135,516	277,919	216,443	284,301	207,392
Provision for Allowances (Recovery)	257,144	331,534	417,455	293,897	346,069
Salaries, Wages and Benefits	18,824,991	19,987,800	20,946,103	21,720,786	22,129,286
Transfers to Other Organizations	78,761	81,679	82,850	98,010	107,480
Utilities - Electricity	1,643,260	1,741,511	1,898,944	1,869,124	2,037,844
Utilities - Fuel	819,176	783,899	1,028,577	1,069,167	1,172,380
Vehicle O & M	966,882	878,564	1,127,938	996,720	970,966
Total Expenses	<u>\$ 47,234,182</u>	<u>\$ 49,777,525</u>	<u>\$ 53,780,615</u>	<u>\$ 55,687,547</u>	<u>\$ 57,334,399</u>

City of Yellowknife
Capital Financing
For the Year Ended December 31, 2013

	2009	2010	2011	2012	2013
Revenue					
Taxation	\$ 1,104,928	\$ 1,083,737	\$ 1,436,000	\$ 1,812,000	\$ 1,695,585
Government Transfers	16,851,472	11,386,340	16,400,154	15,197,542	20,125,636
User Charges	3,021,652	3,076,288	2,961,743	3,115,752	3,136,987
	<u>20,978,052</u>	<u>15,546,365</u>	<u>20,797,897</u>	<u>20,125,294</u>	<u>24,958,208</u>
Debt Issued	-	-	-	-	24,879,995
Debt Principal Repayments	(1,127,845)	(705,927)	(734,244)	(649,409)	(2,159,209)
Fund Transfers	5,864,761	4,121,146	3,894,812	4,019,723	262,913
Fund Balance Used (Accumulated)	(1,302,743)	(1,212,427)	(2,135,886)	(662,092)	(24,476,822)
	<u>24,412,225</u>	<u>17,749,157</u>	<u>21,822,579</u>	<u>22,833,516</u>	<u>23,465,085</u>
Capital Expenses (By Function)					
General Government	95,581	42,610	51,613	17,000	72,193
Community Services	12,520,243	8,499,472	1,177,581	2,509,996	1,277,308
Corporate Services	1,659,671	1,454,247	1,665,384	1,422,859	1,692,965
Public Safety	181,304	254,366	891,308	711,508	307,287
Public Works and Engineering	3,375,538	3,192,191	3,880,439	3,358,778	5,212,569
Planning and Development	905,360	343,245	5,375,129	7,283,106	2,823,271
Water and Sewage	4,335,163	2,902,778	5,151,163	6,963,694	11,234,277
Solid Waste Facility	1,091,170	869,438	3,478,209	454,051	382,245
Debenture Interest	248,195	190,810	151,753	112,524	462,970
	<u>\$ 24,412,225</u>	<u>\$ 17,749,157</u>	<u>\$ 21,822,579</u>	<u>\$ 22,833,516</u>	<u>\$ 23,465,085</u>



City of Yellowknife
Analysis of Property Assessment and Taxation Schedule
For the Year Ended December 31, 2013

	2009	2010	2011	2012	2013
Assessed Value of Property*	\$ 1,951,055,000	\$ 1,977,025,000	\$ 1,996,863,000	\$ 2,067,139,690	\$ 2,972,243,870
Municipal Mill Rates					
Residential	7.50	7.93	8.25	8.48	8.48
Multi-Residential	8.07	8.53	8.87	9.12	9.12
Commercial/Industrial	13.73	14.51	15.09	15.52	15.52
Mining/Quarrying	15.52	16.40	17.05	17.53	17.53
High Density Parking	7.17	7.58	7.88	8.10	8.10
Agriculture	7.50	7.93	8.25	8.48	8.48
School Mill Rates					
	4.64	4.64	4.64	4.64	4.64
Municipal Tax Levy	19,727,262	21,476,353	22,374,352	23,414,513	23,662,839
Taxes Collected and Transferred to Local School Boards					
Public School Board	5,302,756	5,466,601	5,557,992	5,614,346	5,696,835
Separate School Board	3,645,394	3,676,621	3,605,293	3,702,658	3,761,917
	8,948,150	9,143,222	9,163,285	9,317,004	9,458,752
Yearly Residential Property Tax Bill (based on an average residential home in Yellowknife)					
Municipal Taxes (in dollars)	\$ 1,525	\$ 1,620	\$ 1,685	\$ 1,740	1742
School Taxes (in dollars)	944	948	948	952	953
	\$ 2,469	\$ 2,567	\$ 2,633	\$ 2,692	\$ 2,695
Outstanding Property Taxes **	1,131,949	921,477	727,596	644,151	750,699
Outstanding Property Taxes As a Percentage of the Tax Levy	4%	3%	2%	2%	2%

*Includes taxable and grantable properties only.

**Includes outstanding municipal and school taxes net of allowance for doubtful accounts.

City of Yellowknife
Principal Corporate Taxpayers
For the Year Ended December 31, 2013

	2012	2013	Percent of 2013 Total
Northern Property REIT & Urbco Inc.	2,158,657	2,187,384	6.60%
Dundeal Canada West (GP) Inc	1,061,200	1,103,113	3.33%
RTL Robinson Enterprises Ltd and Robinson Trucking Ltd	599,578	568,413	1.72%
Polar Developments Ltd & 5119 NWT Ltd	523,977	523,977	1.58%
Northwestel Inc.	399,833	413,642	1.25%
HREIT Holdings 18 Corp	355,939	355,939	1.07%
Gold Bar Development & Andromeda Investment Ltd.	333,461	333,461	1.01%
4912 NWT Ltd o/a Explorer Hotel	329,534	331,815	1.00%
Yellowknife Dairies Ltd	218,253	220,391	0.67%
Royal Host GP Inc (Yellowknife Inn)	217,876	218,876	0.66%

City of Yellowknife
Analysis of Long-term Debt
For the Year Ended December 31, 2013

	2009	2010	2011	2012	2013
Debt Outstanding*					
Supported by Property Taxes	3,842,818	3,136,891	2,402,647	1,753,238	24,474,024
Supported by Local Improvement Charge	-	-	-	-	15,528,452
Supported by Land Sales	-	-	-	-	-
	<u>3,842,818</u>	<u>3,136,891</u>	<u>2,402,647</u>	<u>1,753,238</u>	<u>40,002,476</u>
Legal Debt Limit**	195,105,500	197,702,500	199,686,300	206,713,969	297,224,387
Per Capita Debt					
Supported by Property Taxes	193	157	119	89	1,206
Supported by Land Sales	-	-	-	-	-
	<u>193</u>	<u>157</u>	<u>119</u>	<u>89</u>	<u>1,206</u>
Interest & Principal Repayments as a Percentage of Total Expenses					
Capital	3%	2%	2%	1%	5%
Land	0%	0%	0%	0%	0%
	<u>3%</u>	<u>2%</u>	<u>2%</u>	<u>1%</u>	<u>5%</u>
Debt Burden (Overlapping Debt)					
City	3,842,818	3,136,891	2,402,647	1,753,238	24,474,024
Public School Board***	-	-	-	-	-
Separate School Board***	5,926,087	5,333,644	4,705,313	5,414,515	4,710,149
	<u>9,768,905</u>	<u>8,470,535</u>	<u>7,107,960</u>	<u>7,167,753</u>	<u>29,184,173</u>

*Debt amounts are gross debt. The City does not have sinking funds.

**From 2004 onwards, debt limit is 10% of the assessed value of property.

***School board debt is as of June 30 each year.

**City of Yellowknife
Community Profile
For the Year Ended December 31, 2013**

	2009	2010	2011	2012	2013
Population*					
Population	19,874	19,978	20,248	19,752	20,300
Households**	6,742	6,889	6,938	7,581	7,581
Construction Values (in thousands of dollars)					
Residential	11,002	22,547	30,725	34,696	33,083
Commercial/Industrial	52,885	35,907	13,612	16,987	69,188
	63,887	58,454	44,337	51,683	102,271
City Employees					
Continuous full time	183	186	188	183	186
Per 1,000 population	9.2	9.3	9.3	9.3	9.2
Employee turnover	19%	14%	15%	17%	10%
City Infrastructure (kms)					
Paved roads and alleys	79.0	75.2	75.2	77.1	75.3
Unpaved roads and alleys	30.1	41.7	42.0	41.1	30.7
Total roads and alleys	109.1	116.9	117.2	118.2	106.0
Water lines	75.0	73.9	74.1	74.1	75.5
Sewer lines	56.7	59.6	62.0	62.0	63.0
Storm drain lines	21.7	17.3	21.0	21.0	21.5
Fire hydrants (number of)	315	312	317	326	327

*Source: Northwest Territories Bureau of Statistics

** There is no updated information for 2013

