



CITY OF  
YELLOWKNIFE

# Financial Report

For the year ended  
December 31, 2024

# **City of Yellowknife**

## **Financial Statements**

**December 31, 2024**

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# FINANCIAL STATEMENTS DISCUSSION AND ANALYSIS

The following Financial Statements Discussion and Analysis (“FSDA”) has been prepared by Management and should be read in conjunction with the Audited Financial Statements (“the Statements”) and their accompanying notes and schedules. The Statements are prepared in accordance with the principles and standards as established by the Canadian Public Sector Accounting Board (“PSAB”).

The FSDA aims to provide context and commentary on the financial results of the City of Yellowknife (“the City”) for the reporting period January 01 to December 31 2024, as well as provide an update on the reliability of its municipal services and operations as a going concern. In this respect, Management has made every effort to ensure the Statements present a fair accounting of the City’s operating and capital activities for the fiscal year ended December 31, 2024, through ongoing monitoring of all financial affairs of the City. Moreover, the City’s financial results are also recognized and reported in observation of the City’s policies and bylaws, where the Council provides governance and guidance to policy and bylaw changes and approval.

The City’s 2024 Financial Statements include the following individual statements:

1. **Statement of Financial Position** – Provides a summary of the City’s financial and physical assets and liabilities. This statement evaluates the City’s ability to finance its activities and satisfy its obligations and contractual commitments.
2. **Statement of Operations and Accumulated Surplus** – Provides a summary of the funds raised by the City, expenses incurred and results of the fiscal year as annual surplus or deficit, and summarizes the change in accumulated surplus.
3. **Statement of Remeasurement Gains and Losses** – Summarizes the unrealized gains and losses until the asset or liability is disposed of or settled at which point the gains or losses are recognized in the Statement of Operations.
4. **Statement of Changes in Net Financial Assets** – Reports the changes in net financial assets or debt at year-end. This statement provides information regarding the extent to which expenditures in the year were met by revenues recognized in the year and is a key indicator of the city’s overall financial health.
5. **Statement of Cash Flows** – Reports the cash resources provided by operations and financing and how cash was used during the reporting period. It reflects the net change in cash and cash equivalents since the last reporting period.

The Statements also include schedules that provide details on Tangible Capital Assets, Segment Disclosures, Government Transfers and Grants, Salaries, Honoraria and Travel Expenses of the City Council.

## FUNDS AND RESERVES

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

1. **General Fund** reports on tax supported operations, which include services provided by the City to the residents such as public safety, parks and recreational services, transit services, street maintenance and administrative and governance support.
2. **Capital Fund** reports on capital projects that are supported by taxes, user fees and/or grants from other orders of government. The Capital Fund comprises of, but is not limited to, reporting on the acquisition and/or construction of: streets, parks and recreation facilities, water and sewer infrastructure and other municipal facilities.

3. **Water and Sewer Fund** reports on activities related to the provision of piped and trucked water and sewer services. The revenue is derived from user fees.
4. **Solid Waste Management Fund** reports on activities related to garbage and waste collection services. The revenue is derived from user fees.
5. **Land Development Fund** reports on activities related to the acquisition, development and sale of municipal lands. The revenue is derived from land sales.
6. **Service Connection Failure Assistance Fund (SCFA)** – established to provide residents with a low-cost program to cover water and sewer service repairs. The revenue is derived from user fees.

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

1. **Information Technology Reserve, Mobile Equipment Replacement Reserve, and the Major Community Facility Reserve** have been set-up to finance current and anticipated future capital projects, thereby reducing the need to issue debt.
2. **Downtown Development Reserve, Heritage Reserve, Samuel Colley Donation Reserve, Revitalization Initiative Reserve and Community Grant Reserve** provide designated revenue to fund expenses related to future initiatives in these areas.

## FINANCIAL OVERVIEW

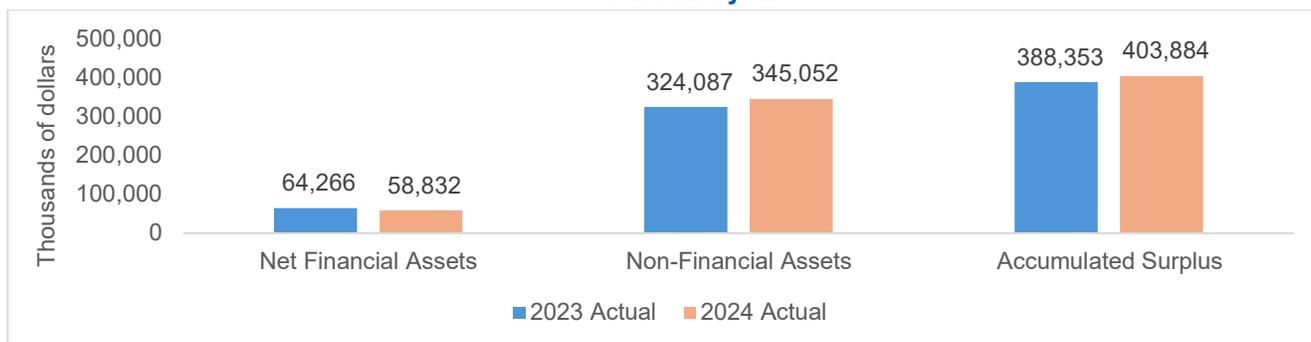
Key financial highlights for 2024 are as follows:

### Financial Position

The Public Sector Accounting Board (PSAB) puts greater emphasis on the Statement of Financial Position, which shows the long-term fiscal health of the municipality, as opposed to a traditional operating statement or, in the case of public sector organizations, the Statement of Operations, which reflects a more short-term perspective.

The City’s financial position remains strong as of December 31, 2024. The Accumulated Surplus, also known as municipal equity, increased from \$388.35 million in 2023 to \$403.88 million in 2024.

### Trend Analysis



The Accumulated Surplus, undoubtedly, is one of the biggest source of misunderstanding when it comes to municipal finances. The latter represents the value of the City and consists of both restricted and unrestricted reserves and equity invested in tangible capital assets. The Accumulated Surplus balance is attributed to all assets exceeding all liabilities over time rather than suggesting that the City has an enormous balance of cash to spend towards service deliveries or new capital projects.

Nevertheless, the positive Accumulated Surplus balance at the end of 2024 indicates that the City has sufficient net resources to be able to provide services in the future.

### Statement of Financial Position Summary (in thousands of dollars)

|   | 2024 Actual    | 2023 Actual | Year over Year Change |
|---|----------------|-------------|-----------------------|
| <b>Net Financial Assets</b>                   | <b>58,832</b>  | 64,266      | (5,434)               |
| <b>Non-Financial Assets</b>                   | <b>345,052</b> | 324,087     | 20,965                |
| <b>Accumulated Surplus</b>                    | <b>403,884</b> | 388,353     | 15,531                |
| <b>Accumulated Surplus Breakdown:</b>         |                |             |                       |
| <b>Accumulated Operating Surplus</b>          | <b>403,923</b> | 388,211     | 15,712                |
| <b>Accumulated Remeasurement Gains/(Loss)</b> | <b>(39)</b>    | 142         | (181)                 |
| <b>Accumulated Surplus</b>                    | <b>403,884</b> | 388,353     | 15,531                |

The calculation to gauge the City's financial strength and long-term sustainability also comprises of both Net Financial Assets and Non-Financial Assets. If the Net Financial Assets represent the excess of financial assets over liabilities and reflect the City's funds and reserves, the Non-Financial Assets are comprised largely of tangible capital assets (TCA), and include, inventories of materials and supplies and prepaid expenses.

At December 31, 2024 the Net Financial Assets totaled \$58.83 million (2023 – \$64.27 million). As depicted above, there was an overall decrease of \$5.44 million in the Net Financial Assets compared to the prior year due to a combination of movements, positive and negative, in the City's cash balances, grants receivables, accounts payables and deferred revenue. There were numerous one-time grant funding received in 2023 that were no longer available as well as a lesser claim for the Investing in Canada Infrastructure Program for the Paving Project in 2024. These two factors mainly influenced this downward trend.

Conversely, the value of Non-Financial Assets was \$345.05 million at December 31, 2024 (2023 - \$324.09 million). In the end, the Non-Financial Assets increased by \$20.97 million over the prior year, predominantly due to significant progress made at the aquatic center (\$31.43 million), and investments of around \$1.84 million in City's facilities, roads and sidewalks.

Finally, the City's debt consists of Interest Rates Swaps, which help reduce its exposure to interest rate fluctuations. PSAB requires that these Interest Rates Swaps be evaluated against market rates annually and their values be updated accordingly. By the end of 2024, there was an unrealized loss of thirty-nine thousand in the market value of these Interest Rate Swaps due to unfavorable economic and market conditions. This has been reported in the Statement of Remeasurement Gains.

## Financial Operations

The Statement of Operations and Accumulated Surplus summarizes the City's operating results.

### Statement of Operations and Accumulated Surplus Summary (in thousands of dollars)

|  | 2024 Actual     | 2023 Actual | Year over Year Change |
|--|-----------------|-------------|-----------------------|
| <b>Revenues</b>                                      | <b>77,347</b>   | 80,480      | (3,133)               |
| <b>Expenses</b>                                      | <b>(83,435)</b> | (85,465)    | 2,030                 |
| <b>Annual Operating Deficit before Capital Items</b> | <b>(6,088)</b>  | (4,985)     | (1,103)               |
| <b>Government Transfers related to Capital</b>       | <b>23,830</b>   | 31,613      | (7,783)               |
| <b>Minor Capital Expenses</b>                        | <b>(2,030)</b>  | (1,210)     | (820)                 |
| <b>Annual Operating Surplus</b>                      | <b>15,712</b>   | 25,418      | (9,706)               |

In 2024, contributing positively to the City's good financial position, total revenues collected was \$77.35 million (2023 - \$80.48 million); a decreased of \$3.13 million (-3.90%) from the prior year. However, while it might sound alarming, some level of drop was anticipated in 2024 since in 2023 there were one-off revenues that were accounted for in this figure due to wildfire claims. Nonetheless, it is important to note that the impact of this reduction was partially offset by growth in revenues collected from property taxes and user fees.

Correspondingly, Expenses also declined because of extraordinary expenses incurred in 2023 but not present in 2024. The total amount was lesser by 2.40% (\$2.13 million) as compared to 2024.

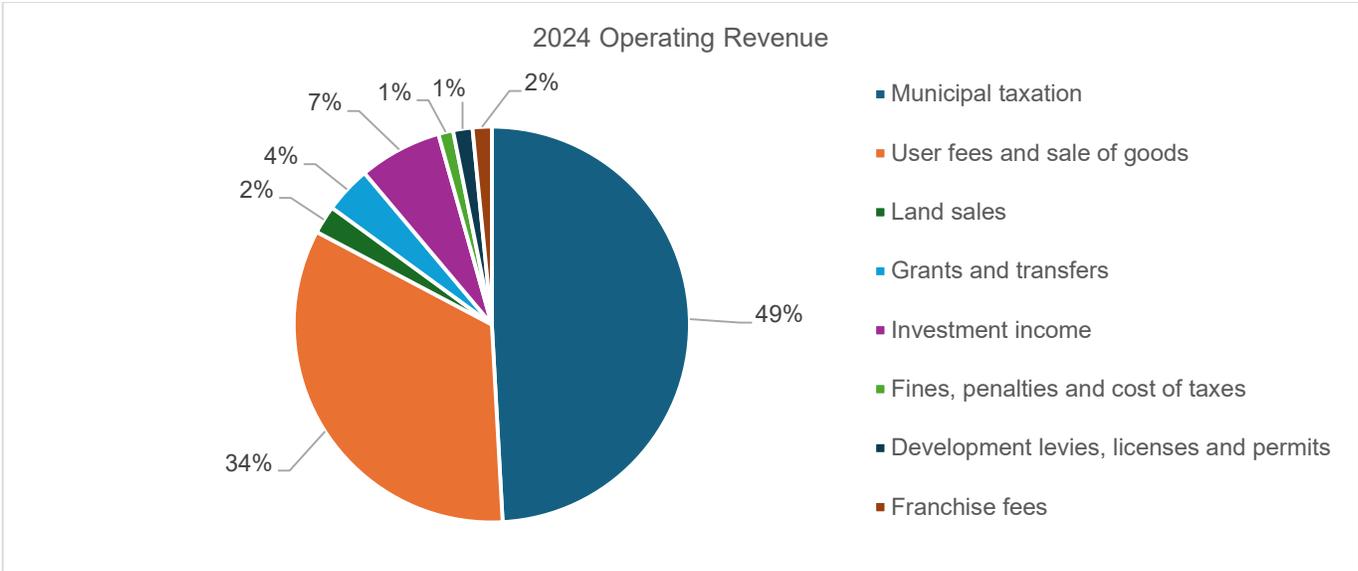
In a nutshell, the City's results ended 2024, as reflected by the Annual Operating Surplus, on a positive note of \$15.71 million (2023 - \$25.42 million) after considering government grants related to capital expenses of \$23.83 million (2023 - \$31.61 million) and Minor Capital adjustments of \$2.03 million (2023 - \$1.21 million). This further strengthened the City's financial position and indicated the City's capacity to meet its future financial obligations.

A crucial point to remember is that Government Transfers related to Capital Expenditures are restricted to their intended use and cannot be used to finance operating costs.

## Operating Revenues

Property tax is the City's primary source of revenue, even if User Fees and Sales and Government Transfers also provides a steady stream of income. During the reporting year, there was a slight growth of 0.90% in the total taxable assessment resulting in a corresponding marginal increase in taxation revenue. Despite this slow growth, Property taxation represented forty-nine percent (49%) of the total revenue in 2024.

In the same instance, the City collected approximately \$26.09 million in User Fees and Sales of goods, which represented 34% of the pie. As usual, water and sewer and Emergency Services Ambulance related charges were the highest contributors in this segment.

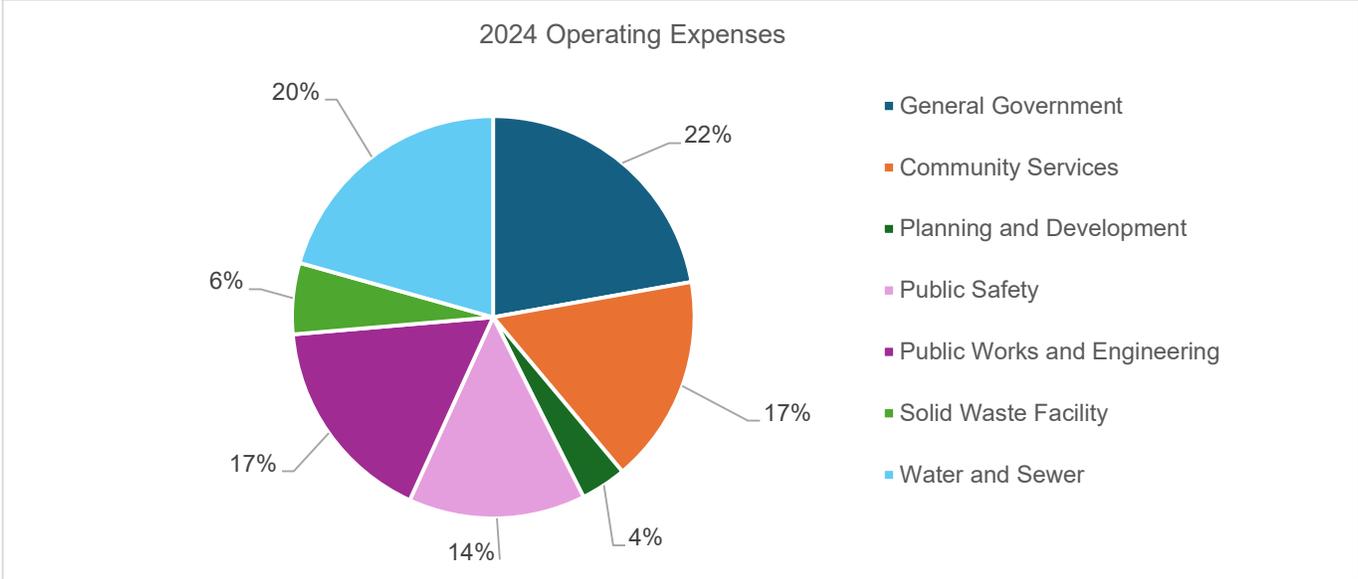


Additionally, Investment income (7%) and Government grants (4%) were another important source of proceeds and totaled a combined \$8.18 million in 2024. However, due to their nature, the amount earned and received oscillates from year to year and lacks the predictability and reliability required for strong financial planning.

It is noteworthy to mention that the City is subject to credit risk with respect to property tax receivables, trade and other receivables. Credit risk arises from the possibility that taxpayers and residents to whom the City provides services may experience financial difficulty and be unable to fulfill their obligations. Even so, it is comforting to note that the substantial number and diversity of taxpayers and residents minimizes the credit risk resulting in a small number of defaults.

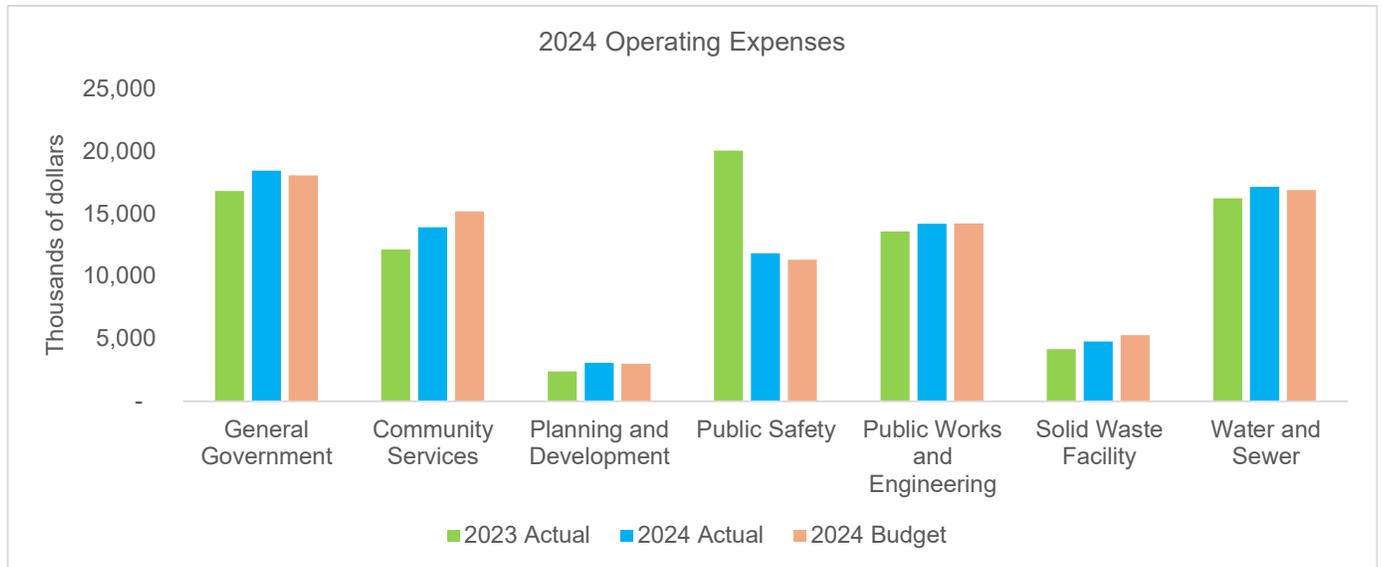
**Operating Expenses**

In the delivery of municipal services, the City incurs expenditures for work performed by employees, vendors and contractors to provide for City services. This requires careful cash flow management as the City’s expenditures are subject to inflationary pressures and volatile market conditions.



In 2024, without much surprise, administration services (22%); the delivery of clean drinking water, maintenance of water & sewer infrastructure and provision of sewer services (20%); the maintenance of roads, sidewalks and snow clearing (17%); and the provision of recreation and leisure opportunities (17%) were the main cost centers.

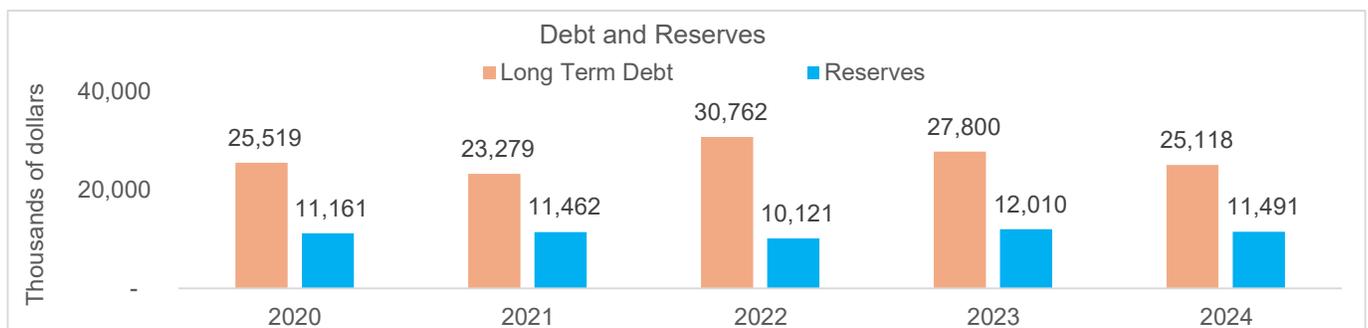
### Trend Analysis



### FUTURE OUTLOOK

As mentioned above, following an eventful 2023, which affected operating revenues and costs that year, 2024 provided an opportunity for the City of Yellowknife to recover and look forward to the future. Maintaining long-term fiscal stability remains a key priority for both Administration and Council, with an emphasis on continuous improvement of processes and services as part of the City’s strategic approach.

In recent years, the City has strengthened its financial health through prudent budgeting, resulting in improved liquidity levels, as we continue to invest in important infrastructure and initiatives. This financial stability provides a sufficient cushion to utilize reserves while mitigating unexpected expenses. Additionally, the City’s ability to adapt its revenue and expenditure strategies has enabled it to maintain manageable debt and reserve levels, even amid challenging economic conditions.



However, it is a known fact that the challenges and financial pressures that the City has been facing over the last few years have not changed; and as such, an even more prudent fiscal management is essential moving forward to enable us navigate this landscape full of uncertainty.

Hence, Financial Planning, which enables stewardship of assets and on-going continuity of the City, has become an even more critical tool for Administration and Council to strive towards ongoing fiscal responsibility and sustainability. With upcoming infrastructure challenges and some of the City's important Funds trending towards deficit, it has become vital for the City to add an extra layer of discipline when it comes to long-range financial planning and decision-making. As part of this approach, the City will need to review its fee structures and Levels of Services for various services as well as advocate both the Government of Northwest Territories and the Federal Government for continued and enhanced financial support.

Furthermore, the City's population growth has remained minimal, and its economy remains relatively concentrated, relying heavily on the public and natural resource sectors. Given the persistent inflationary pressures and rising costs of labor and materials, along with the high cost of living, supply chain challenges, and the increasing frequency of weather-related disruptions, it is crucial to strengthen demographic trends and expand the City's tax base. Enhancing the referenced factors will help provide a financial buffer for City's residents against future debt obligations and rising expenditures.

## FINAL THOUGHTS

Despite the upcoming challenges, the City of Yellowknife continues to be in a good financial position. This allows us to pursue innovative programs, projects and policies that contribute to our City's reputation as a great place to live. Thank you all for your commitment and partnership as we achieve even greater heights in the next year(s) and continue to make the City of Yellowknife a wonderful place to live, work and invest.

The City of Yellowknife's Audited Financial Statements for year ended December 31, 2024, can be found on our website at [www.yellowknife.ca](http://www.yellowknife.ca). If you have any questions or concerns, please contact the Director of Corporate Services at 867-920-5600.

< Original signed by Director >

**Kavi Pandoo, MPAcc, CPA, FCCA**  
**Director, Corporate Services**  
**May 26, 2025**

# MANAGEMENT’S RESPONSIBILITY FOR FINANCIAL STATEMENTS

For the year ended December 31, 2024

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

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

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

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

< Original signed by City Manager >  
**Stephen Van Dine**  
City Manager  
May 26, 2025

< Original signed by Director >  
**Kavi Pandoo, MPAcc, CPA, FCCA**  
Director of Corporate Services  
May 26, 2025

# AUDIT COMMITTEE'S REPORT

For the year ended December 31, 2024

The Audit Committee oversees the City's financial reporting process on behalf of City Council. The Committee is comprised of: Mayor Ben Hendriksen (ex-officio), Councilor Ryan Fequet, Dane Cruickshank, Sue McKinney, Nathan Ensing and Janet Toner.

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

Management has the primary responsibility for the financial statements and the reporting process, including the system of internal controls. Management represents that the City's financial statements are prepared in accordance with Canadian public sector accounting standards. Based on the Committee's review of the financial statements and discussions with Administration and the independent auditors, the Committee recommends that City Council adopt the audited financial statements for the year ended December 31, 2024.

< Original signed by Chairperson >

**Nathan Ensing, CPA**

Chairperson

May 26, 2025



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## INDEPENDENT AUDITORS REPORT

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

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of the City of Yellowknife (the “City”), which comprise the statement of financial position as at December 31, 2024 and the statements of operations and accumulated surplus, remeasurement gains, changes in net financial assets and cash flows for the year then ended, and notes to the financial statements including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the City as at December 31, 2024 and its results of operations, its remeasurement gains, its changes in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

#### Basis for Opinion

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

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

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

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

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

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

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

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

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

## **Auditors' Responsibilities for the Audit of the Financial Statements**

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

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

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

### **Report on Other Legal and Regulatory Requirement**

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

May 26, 2025  
Yellowknife, Northwest Territories

< Original signed by Auditors >

**Crowe MacKay LLP**  
Chartered Professional Accountants

# STATEMENT OF FINANCIAL POSITION

As at December 31, 2024 (in thousands of dollars)

|  | 2024              | 2023              |
|--|-------------------|-------------------|
| <b>Financial Assets</b>                      |                   |                   |
| Cash and cash equivalents (Note 3)           | \$ 107,814        | \$ 132,149        |
| Grants receivable (Note 4)                   | 9,494             | 14,761            |
| Taxes receivable (Note 5)                    | 4,561             | 1,524             |
| Water and sewer receivable (Note 6)          | 1,726             | 1,632             |
| Other receivable (Note 7)                    | 6,628             | 7,346             |
| Local improvement charge receivable (Note 8) | 11,873            | 12,456            |
| Land held for resale (Note 9)                | 928               | 1,952             |
| <b>Total Financial Assets</b>                | <b>143,024</b>    | <b>171,820</b>    |
| <b>Liabilities</b>                           |                   |                   |
| Accounts payable and accrued liabilities     | 13,249            | 22,341            |
| Accrued employee benefits (Note 10)          | 4,473             | 4,277             |
| School taxes payable                         | 2,948             | 5,838             |
| Deposits payable                             | 2,902             | 2,807             |
| Deferred revenue (Note 11)                   | 16,836            | 26,610            |
| Debt (Note 12)                               | 25,118            | 27,800            |
| Asset retirement obligations (Note 13)       | 18,666            | 17,881            |
| <b>Total Liabilities</b>                     | <b>84,192</b>     | <b>107,554</b>    |
| <b>Net Financial Assets</b>                  | <b>58,832</b>     | <b>64,266</b>     |
| <b>Non-Financial Assets</b>                  |                   |                   |
| Tangible capital assets                      | 342,858           | 321,409           |
| Inventories                                  | 1,386             | 1,183             |
| Prepays                                      | 808               | 1,495             |
|  | <b>345,052</b>    | <b>324,087</b>    |
| <b>Accumulated Surplus</b>                   | <b>403,884</b>    | <b>388,353</b>    |
| Accumulated surplus is comprised of:         |                   |                   |
| Accumulated operating surplus                | 403,923           | 388,211           |
| Remeasurement gains (losses)                 | (39)              | 142               |
| <b>Accumulated Surplus</b>                   | <b>\$ 403,884</b> | <b>\$ 388,353</b> |
| Contingencies (Note 16)                      |                   |                   |
| Commitments (Note 17)                        |                   |                   |
| Contractual rights (Note 20)                 |                   |                   |

See accompanying notes and schedules to the financial statements

Approved by:

< Original signed by Mayor >  
**Ben Hendriksen**  
 Mayor

< Original signed by City Manager >  
**Stephen Van Dine**  
 City Manager

# STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

| <i>For the year ended December 31, 2024 (in thousands of dollars)</i> | 2024<br>Budget | 2024<br>Actual | 2023<br>Actual |
|---|----------------|----------------|----------------|
| <b>Revenues</b>   |                |                |                |
| Municipal taxation  |                |                |                |
| Property taxes  | \$ 37,858      | \$ 38,165      | \$ 36,512      |
| Payments in lieu of taxes   | -              | 11,416         | 10,895         |
| School taxes  | -              | (11,650)       | (11,565)       |
| Net municipal taxation  | 37,858         | 37,931         | 35,842         |
| User fees and sale of goods   | 24,862         | 26,092         | 23,703         |
| Land sales  | 1,500          | 1,789          | 2,419          |
| Grants and transfers  | 1,091          | 2,951          | 9,223          |
| Investment income   | 5,182          | 5,230          | 5,748          |
| Fines, penalties and cost of taxes                                    | 893            | 938            | 658            |
| Development levies, licenses and permits                              | 1,031          | 1,207          | 1,801          |
| Franchise fees  | 1,148          | 1,209          | 1,086          |
| <b>Total Revenues</b>   | 73,565         | 77,347         | 80,480         |
| <b>Expenses</b>   |                |                |                |
| General Government  | 18,076         | 18,471         | 16,847         |
| Community Services  | 15,191         | 13,915         | 12,153         |
| Planning and Development  | 2,983          | 3,057          | 2,384          |
| Public Safety   | 11,331         | 11,842         | 20,079         |
| Public Works and Engineering  | 14,241         | 14,209         | 13,596         |
| Solid Waste Facility  | 5,280          | 4,773          | 4,149          |
| Water and Sewer   | 16,903         | 17,168         | 16,257         |
| <b>Total Expenses</b>   | 84,005         | 83,435         | 85,465         |
| <b>Annual Operating Surplus (Deficit) before Other</b>                | (10,440)       | (6,088)        | (4,985)        |
| Government transfers related to capital                               | 19,806         | 23,830         | 31,613         |
| Minor capital expense   | (8,252)        | (2,030)        | (1,210)        |
| <b>Annual Operating Surplus after Other</b>                           | 1,114          | 15,712         | 25,418         |
| <b>Accumulated Operating Surplus, Beginning of Year</b>               | 383,007        | 388,211        | 362,793        |
| <b>Accumulated Operating Surplus, End of Year</b>                     | \$ 384,121     | \$ 403,923     | \$ 388,211     |

See accompanying notes and schedules to the financial statements

# STATEMENT OF REMEASUREMENT GAINS AND LOSSES

| <i>For the year ended December 31, 2024 (in thousands of dollars)</i> | <b>2024</b>    | 2023   |
|---|----------------|--------|
| <b>Accumulated remeasurement gains at the beginning of the year</b>   | <b>\$ 142</b>  | \$ -   |
| <b>Unrealized gains (losses) attributable to:</b>                     |                |        |
| Market value gain (loss) on interest rate swap (Note 12)              | <b>(181)</b>   | 142    |
| <b>Accumulated remeasurement gains (losses) at the end of year</b>    | <b>\$ (39)</b> | \$ 142 |

*See accompanying notes and schedules to the financial statements*

# STATEMENT OF CHANGES IN NET FINANCIAL ASSETS

| <i>For the year ended December 31, 2024 (in thousands of dollars)</i> | 2024<br>Budget | <b>2024<br/>Actual</b> | 2023<br>Actual |
|---|----------------|------------------------|----------------|
| <b>Annual Operating Surplus</b>                                       | \$ 1,114       | <b>\$ 15,712</b>       | \$ 25,418      |
| Acquisition of tangible capital assets                                | (23,466)       | <b>(37,401)</b>        | (39,165)       |
| Adjustment on adoption of asset retirement obligation                 | -              | -                      | (11,651)       |
| Amortization of tangible capital assets                               | 15,993         | <b>15,876</b>          | 16,001         |
| Loss on disposal of tangible capital assets                           | -              | <b>76</b>              | 35             |
|   | <b>(7,473)</b> | <b>(21,449)</b>        | (34,780)       |
| Increase (decrease) in inventories and prepaid expenses               | -              | <b>484</b>             | (738)          |
| Net remeasurement gain (loss) for the year                            | -              | <b>(181)</b>           | 142            |
| <b>Increase (decrease) in Net Financial Assets</b>                    | (6,359)        | <b>(5,434)</b>         | (9,958)        |
| <b>Net Financial Assets, Beginning of Year</b>                        | 64,266         | <b>64,266</b>          | 74,224         |
| <b>Net Financial Assets, End of Year</b>                              | \$ 57,907      | <b>\$ 58,832</b>       | \$ 64,266      |

*See accompanying notes and schedules to the financial statements*

# STATEMENT OF CASH FLOWS

For the year ended December 31, 2024 (in thousands of dollars)

|  | 2024              | 2023              |
|--|-------------------|-------------------|
| <b>Net inflow (outflow) of cash related to the following activities:</b> |                   |                   |
| <b>Operations</b>  |                   |                   |
| Annual operating surplus   | \$ 15,712         | \$ 25,418         |
| Non-cash changes to operations:  |                   |                   |
| Amortization of tangible capital assets                                  | 15,876            | 16,001            |
| Loss on disposal of tangible capital assets                              | 76                | 35                |
| Accretion expense  | 785               | 788               |
| Asset retirement liability expense                                       | -                 | 190               |
|  | <b>32,449</b>     | <b>42,432</b>     |
| Change in non-cash working capital balances related to operations:       |                   |                   |
| Grants receivable  | 5,267             | (7,674)           |
| Taxes receivable   | (3,037)           | (135)             |
| Water and sewer receivable   | (94)              | (72)              |
| Other receivable   | 718               | (1,319)           |
| Local improvement charge receivable                                      | 583               | 593               |
| Land held for resale   | 1,024             | 405               |
| Inventories  | (203)             | 16                |
| Prepays  | 687               | (754)             |
| Accounts payable and accrued liabilities                                 | (9,092)           | 13,615            |
| Accrued employee benefits  | 196               | (47)              |
| School taxes payable   | (2,890)           | 2,907             |
| Deposits payable   | 95                | 314               |
| Deferred revenue   | (9,774)           | 2,449             |
|  | <b>(16,520)</b>   | <b>10,298</b>     |
| Net Cash provided from Operations  | <b>15,929</b>     | <b>52,730</b>     |
| <b>Capital</b>   |                   |                   |
| Acquisitions of tangible capital assets                                  | <b>(37,401)</b>   | <b>(39,165)</b>   |
| <b>Financing</b>   |                   |                   |
| Debt repayments  | <b>(2,863)</b>    | <b>(2,819)</b>    |
| <b>Increase (decrease) in Cash and Cash Equivalents</b>                  | <b>(24,335)</b>   | <b>10,746</b>     |
| <b>Cash and Cash Equivalents, Beginning of Year</b>                      | <b>132,149</b>    | <b>121,403</b>    |
| <b>Cash and Cash Equivalents, End of Year</b>                            | <b>\$ 107,814</b> | <b>\$ 132,149</b> |

See accompanying notes and schedules to the financial statements

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024 (in thousands of dollars)

## 1. SIGNIFICANT ACCOUNTING POLICIES

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

### a) Reporting Entity

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

### b) Basis of Accounting

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

### c) Cash and Cash Equivalents

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

### d) Designated Assets

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

### e) Land Held for Resale

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

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

### f) Deferred Revenue

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

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024 (in thousands of dollars)

## 1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### g) Asset Retirement Obligations

A liability is recognized when, as at the financial reporting date, all of the following criteria are met:

- there is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- the past transaction or event giving rise to the liability has occurred;
- it is expected that future economic benefits will be given up; and
- a reasonable estimate of the amount can be made.

Liabilities are recognized for statutory, contractual or legal obligations associated with the retirement of tangible capital assets when those obligations result from the acquisition, construction, development or normal operation of the assets. The asset retirement obligation liability recognized is based on estimated future expenses. The liability is discounted using a present value calculation and the resulting costs capitalized into the carrying amount of the related tangible capital asset. In subsequent periods, the liability is adjusted for accretion and any changes in the discount rate or in the amount or timing of the underlying future cash flows. The capitalized asset retirement cost is amortized on the same basis as the related asset and accretion expense is included in the Statement of Operations.

### h) Liability for Contaminated Sites

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

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

The best estimate of the liability includes all costs directly attributable to remediation activities and is reduced by expected net recoveries based on information available. At each financial reporting date, management reviews the carrying amounts of the liability. Any revision required to the amount previously recognized is accounted for in the period revisions are made. As of December 31, 2024, the City has determined that no liability exists.

### i) Financial Instruments

#### Measurement

The City measures all its financial assets and financial liabilities at cost or amortized cost, except interest rate swaps which are measured at fair value without any adjustment for transaction costs. The effective interest rate method is used to determine interest revenue or expenses for financial instruments measured at amortized cost.

Financial assets measured at amortized cost include cash and cash equivalents, grants receivable, taxes receivable, water and sewer receivable, other receivable, and local improvement charge receivable. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities, school taxes payable, deposits payable and debt.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024 (in thousands of dollars)

## 1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### i) Financial Instruments (Continued)

#### Measurement (Continued)

Financial instruments measured at fair value include interest rate swaps, classified as level 2.

Fair value measurements are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy used has the following levels:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices included within Level 1, that are observable for the asset or liability either directly, such as prices, or indirectly, such as those derived from prices; and
- Level 3 – Inputs for the asset or liability that are not based on observable market data; assumptions are based on the best internal and external information available and are most suitable and appropriate based on the type of financial instrument being valued in order to establish what the transaction price would have been on the measurement date in an arm's length transaction.

Unrealized gains and losses from changes in the fair value of financial instruments are recognized in the Statement of Remeasurement Gains and Losses. Upon settlement, the cumulative gain or loss is reclassified from the Statement of Remeasurement Gains and Losses and recognized in the Statement of Operations. Interest and dividends attributable to financial instruments are reported in the Statement of Operations.

#### Transaction Costs

Transaction costs attributable to financial instruments measured at fair value are recognized in the Statement of Operations in the period incurred. Transaction costs for financial instruments measured at cost or amortized cost are recognized in the original cost of the instrument.

#### Impairment

At the end of each reporting period, management assesses financial assets or groups of financial assets for evidence of objective impairment. An impairment loss is recognized in the Statement of Operations when there is a loss in value that is other than temporary. Future recoveries of impaired financial assets are recognized in the Statement of Operations when received. In the case of an item in the fair value category, a reversal of any net remeasurement gains recognized in previous reporting periods up to the amount of the write-down is reported in the Statement of Remeasurement Gains and Losses.

### j) Non-Financial Assets

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

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024 (in thousands of dollars)

## 1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### k) Tangible Capital Assets

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

The City regularly assesses the future economic benefits of its tangible capital assets. If there is a permanent reduction in future economic benefit of a tangible capital asset, the asset is written-down to the expected benefit. Write-downs are not reversed. Estimated useful life of tangible capital assets is as follows:

|                                  | <b>Useful life</b> |
|----------------------------------|--------------------|
| Land                             | Not amortized      |
| Buildings                        | 40-50 years        |
| Roads & sidewalks infrastructure | 20 years           |
| Water & sewer infrastructure     | 10-40 years        |
| Other infrastructure             | 8-40 years         |
| Vehicles                         | 10-21 years        |
| Equipment                        | 4-30 years         |
| Work in progress                 | Not amortized      |

### l) Inventories

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

### m) Government Transfers

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

### n) Land Sales

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

### o) School Taxes

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

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024 (in thousands of dollars)

## 1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### p) 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.

### q) Revenue Recognition

User fees and sale of goods are recognized as revenue when the services or goods are provided and there is reasonable assurance of collections. Investment income is recorded as revenue in the period earned. All other revenues are recognized in the year that the events giving rise to the revenues occur and the revenues earned.

### r) Local Improvement Charges

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

### s) Minor Capital Expenses

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

### t) Accrued Employee Benefit

The City and its employees make contributions to the Northern Employee Benefits Services Pension Plan. As this plan is a multi-employer plan, contributions are expensed as incurred.

Compensated absences, long service bonuses and termination benefits also accrue to the City's employees. The liabilities related to these employee benefits are actuarially determined based on service and best estimates of retirement ages and expected future salary and wage increases. The liabilities under these benefit plans are accrued based on projected benefits prorated as employees render services necessary to earn the future benefits. Actuarial gains and losses on the accrued benefit obligation arise from differences between actual and expected experience and from changes in the actuarial assumptions used to determine the accrued benefit obligation. The accumulated actuarial gains and losses are amortized over the average remaining service period of the active employees.

### u) Measurement Uncertainty

The preparation of the financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the amounts of revenues and expenses during the period. Significant items subject to estimates include the asset retirement obligations, accrued receivables, accrued employee benefits, allowances for doubtful accounts, provisions for contingencies, land held for resale and the determination of useful lives of tangible capital assets. These estimates are reviewed periodically and adjustments are reported in earnings in the year in which they become known.

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

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024 (in thousands of dollars)

## 1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### v) Budget

Budget figures are those approved by Council on February 12, 2024.

### w) Segment Disclosure

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

The segments have been selected based on a presentation similar to that adopted for the City's financial planning and budgeting processes. Segments include:

#### **General Government:**

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

#### **Community Services:**

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

#### **Planning and Development:**

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

#### **Public Safety:**

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

#### **Public Works and Engineering:**

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

#### **Solid Waste Facility:**

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

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024 (in thousands of dollars)

## 1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### w) Segment Disclosure (continued)

#### Water and Sewer:

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

## 2. CURRENT AND FUTURE ACCOUNTING CHANGES

### Revenue, Section PS 3400

On January 1, 2024 the City adopted Section PS 3400 "Revenue". This standard establishes overall guidance on how to account for and report revenue. The standard makes a distinction between transactions that include performance obligations and those that do not include a performance obligation. The City has applied the change prospectively on the transition date. The adoption of the new requirements had no significant impact on the City's financial statements.

### Financial Statement Presentation, Section PS 1202

This standard establishes a new financial reporting model related to a revised conceptual framework. This new reporting model will build upon existing Section PS 1201 of the same name to better respond to the need for understandable financial statements. This Section is effective for fiscal years beginning on or after April 1, 2026, with earlier adoption permitted if the entity adopts the revised conceptual framework at the same time. The impact of the transition to these accounting standards is being reviewed by management.

## 3. CASH AND CASH EQUIVALENTS

|   | 2024              | 2023              |
|---|-------------------|-------------------|
| Cash - unrestricted                             | \$ 70,172         | \$ 84,595         |
| Investment in money market funds - unrestricted | 9,293             | 8,907             |
| Cash held in trust - restricted                 | 22                | 27                |
| Cash - deferred revenue - restricted (Note 11)  | 16,836            | 26,610            |
| Cash - designated for reserves (Note 15)        | 11,491            | 12,010            |
|   | <b>\$ 107,814</b> | <b>\$ 132,149</b> |

The average yield earned from investments in money market funds was 4.30% (2023 - 4.20%)

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024 (in thousands of dollars)

## 4. GRANTS RECEIVABLE

|  | 2024            | 2023             |
|--|-----------------|------------------|
| Government of Canada   |                 |                  |
| CanNor Reducing Barriers                                     | \$ 3            | \$ -             |
| CIRNAC Giant Mine - Municipal Capacity Building - Training   | 8               | 8                |
| Disaster Financial Assistance Program - Wildfire             | 7,263           | 8,106            |
| Disaster Mitigation and Adaptation Fund - Submarine Line     | 81              | 1,115            |
| New Building Canada Fund and Small Communities Fund (SCF)    | -               | 1,099            |
| Government of the Northwest Territories                      |                 |                  |
| CEP Transportation Initiative                                | 5               | 5                |
| Economic Development Officer                                 | -               | 50               |
| Ground Ambulance   | -               | 37               |
| Increasing Waste Diversion (ICIP)                            | 142             | 584              |
| Lagoon Expansion (ICIP)                                      | 103             | 56               |
| Paving Project (ICIP)  | 1,888           | 3,383            |
| Property Assessment  | -               | 125              |
| Public Library Services                                      | -               | 110              |
| Public Sector Accounting Board - Asset Retirement Obligation | -               | 40               |
| Transform your Yard  | 1               | 14               |
| Visitor Centre TEA 12-2023-2024-80                           | -               | 24               |
| Other  | -               | 5                |
|  | <b>\$ 9,494</b> | <b>\$ 14,761</b> |

## 5. TAXES RECEIVABLE

|   | 2024            | 2023            |
|---|-----------------|-----------------|
| Property taxes receivable                     | \$ 2,988        | \$ 2,544        |
| Payments in lieu of taxes receivable          | 3,239           | 646             |
|   | 6,227           | 3,190           |
| Less: Allowance for doubtful taxes receivable | (1,666)         | (1,666)         |
|   | <b>\$ 4,561</b> | <b>\$ 1,524</b> |

## 6. WATER AND SEWER RECEIVABLE

|   | 2024            | 2023            |
|---|-----------------|-----------------|
| Water and sewer fees receivable         | \$ 2,218        | \$ 2,078        |
| Less: Allowance for doubtful receivable | (492)           | (446)           |
|   | <b>\$ 1,726</b> | <b>\$ 1,632</b> |

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024 (in thousands of dollars)

## 7. OTHER RECEIVABLE

|   | 2024            | 2023     |
|---|-----------------|----------|
| Land sales and trade accounts receivable      | \$ 5,418        | \$ 4,484 |
| Community services receivable                 | 490             | 479      |
| Municipal enforcement receivable              | 1,152           | 1,058    |
| Power distribution franchise                  | 1,269           | 1,140    |
| GST receivable                                | 546             | 1,317    |
| Others  | 180             | 887      |
|   | <b>9,055</b>    | 9,365    |
| Less: Allowance for doubtful taxes receivable | <b>(2,427)</b>  | (2,019)  |
|   | <b>\$ 6,628</b> | \$ 7,346 |

## 8. LOCAL IMPROVEMENT CHARGE RECEIVABLE

|   | 2024             | 2023      |
|---|------------------|-----------|
| Niven Lake Subdivision - Phase 7          | \$ 138           | \$ 169    |
| Yellowknife Condominium Corporation No. 8 | 11,735           | 12,287    |
|   | <b>\$ 11,873</b> | \$ 12,456 |

### a) Niven Lake Subdivision - Phase 7

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

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

### b) Yellowknife Condominium Corporation No. 8

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

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

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024 (in thousands of dollars)

## 9. LAND HELD FOR RESALE

Land held for resale is classified as a financial asset and recognized at total cost of \$928 thousand. Land held for resale has an estimated market value of \$9.79 million (2023 - \$10.86 million).

## 10. ACCRUED EMPLOYEE BENEFITS

|  | 2024     | 2023     |
|--|----------|----------|
| Net accrued employee benefits obligation | \$ 2,309 | \$ 2,108 |
| Vacation and lieu                        | 1,285    | 1,458    |
| Wages                                    | 879      | 711      |
|  | \$ 4,473 | \$ 4,277 |

The City's post employment benefits and compensated absences are comprised of:

Severance pay payable under the various employment agreements. Qualifying employees are entitled to severance pay upon retirement, death or termination of service.

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

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

Vacation and lieu and wages representing benefits that have been earned by employees as of December 31, 2024.

An actuarial valuation of the accrued employee benefits obligation was completed as of December 31, 2022 and an extrapolation was completed to December 31, 2024. Actuarial gains and losses are amortized on a straight-line basis over 7 years, which represents the expected average remaining service life of the employee group. Amortization is calculated beginning in the year following the year the actuarial gains or losses occur.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024 (in thousands of dollars)

## 10. ACCRUED EMPLOYEE BENEFITS (CONTINUED)

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

|  | 2024            | 2023            |
|--|-----------------|-----------------|
| Accrued employee benefits obligation, beginning of year  | \$ 2,553        | \$ 2,602        |
| Current service cost                                     | 186             | 182             |
| Interest cost  | 109             | 110             |
| Benefits paid  | (224)           | (281)           |
| Actuarial loss (gain)                                    | 8               | (60)            |
| <b>Accrued employee benefits obligation, end of year</b> | <b>2,632</b>    | <b>2,553</b>    |
| Unamortized net actuarial loss                           | (323)           | (445)           |
| <b>Net accrued employee benefits obligation</b>          | <b>\$ 2,309</b> | <b>\$ 2,108</b> |

Accrued employee benefits obligation is comprised of the following:

|  | 2024            | 2023            |
|--|-----------------|-----------------|
| Severance pay  | \$ 2,060        | \$ 2,006        |
| Long service bonus                                       | 127             | 125             |
| Compensated absences                                     | 445             | 422             |
| <b>Accrued employee benefits obligation, end of year</b> | <b>\$ 2,632</b> | <b>\$ 2,553</b> |

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

|                                    | 2024          | 2023          |
|------------------------------------|---------------|---------------|
| Current service cost               | \$ 186        | \$ 182        |
| Interest cost                      | 109           | 110           |
| Amortization of net actuarial loss | 130           | 138           |
| <b>Total expense</b>               | <b>\$ 425</b> | <b>\$ 430</b> |

The significant actuarial assumptions adopted in measuring the future employee benefit obligations are as follows:

|                          | 2024    | 2023    |
|--------------------------|---------|---------|
| Discount rate (%)        | 3.9%    | 4.2%    |
| Base wage inflation (%)  | 2.0%    | 2.0%    |
| Salary merit scale (%)   | 0.5%    | 0.5%    |
| Average years of service | 7 years | 7 years |

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024 (in thousands of dollars)

## 11. DEFERRED REVENUE

|   | 2023             | Externally<br>Restricted<br>Inflows | Revenue<br>Earned  | 2024             |
|---|------------------|-------------------------------------|--------------------|------------------|
| Government of the Northwest Territories                             |                  |                                     |                    |                  |
| Community Public Infrastructure (CPI)                               | \$ 7,485         | \$ 4,486                            | \$ (4,010)         | \$ 7,961         |
| Tourism Strategy  | 1                | -                                   | -                  | 1                |
| Community Tourism   | 11               | 8                                   | -                  | 19               |
| Shop Local  | 5                | 1                                   | (6)                | -                |
| Ground Ambulance  | -                | 201                                 | (37)               | 164              |
| SEED  | -                | 20                                  | -                  | 20               |
| Tourism Product Diversification & Marketing                         | -                | 8                                   | -                  | 8                |
| Assist Tourism  | -                | 137                                 | -                  | 137              |
| Transform Your Yard   | -                | 26                                  | (15)               | 11               |
| Sports & Recreation   | -                | 80                                  | (78)               | 2                |
| Government of Canada  |                  |                                     |                    |                  |
| Federation of Canadian Municipalities Green<br>Municipal Fund (GMF) | 28               | 10                                  | -                  | 38               |
| Giant Mine  | 226              | 12                                  | (92)               | 146              |
| Canada Mortgage and Housing Corporation                             | 2,107            | 105                                 | (108)              | 2,104            |
| Gas Tax   | 14,402           | 721                                 | (10,503)           | 4,620            |
| CANNOR Reducing Barriers  | 140              | -                                   | -                  | 140              |
| Reaching Homes  | 1,912            | 3,247                               | (4,084)            | 1,075            |
| Other   | 293              | 364                                 | (267)              | 390              |
|   | <b>\$ 26,610</b> | <b>\$ 9,426</b>                     | <b>\$ (19,200)</b> | <b>\$ 16,836</b> |

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024 (in thousands of dollars)

## 12. DEBT

|   | 2024             | 2023             |
|---|------------------|------------------|
| <b>Capital</b>  |                  |                  |
| TD Canada Trust Swap #904866T, authorized by By-law 4681 to finance the cost of building a new Water Treatment Plant, with monthly payments of \$139 thousand including principal & interest at 3.10%, expiring June 2028.  | \$ 5,356         | \$ 6,856         |
| TD Canada Trust Swap #909370T, authorized by By-law 4737 to finance the cost of building a new Water Treatment Plant, with monthly payments of \$6 thousand including principal & interest at 3.98%, expiring August 2028.  | 257              | 314              |
| TD Canada Trust Swap #909371T, authorized by By-law 4737 to finance the cost of building a new Water Treatment Plant, with monthly payments of \$22 thousand including principal & interest at 3.71%, expiring August 2028.   | 888              | 1,110            |
| TD Canada Trust Swap #45777, authorized by By-law 5044 to finance the development of an Aquatic Centre, with monthly payments of \$75 thousand including principal & interest at 4.14%, expiring July 2037.   | 9,386            | 9,568            |
|   | <b>15,887</b>    | <b>17,848</b>    |
| <b>General</b>  |                  |                  |
| 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 \$73 thousand including principal & interest at 3.30%, expiring May 2038.   | 9,094            | 9,784            |
| TD Canada Trust Swap #920732T, authorized by By-law 4766 to finance the cost of local improvements on certain properties in Stage 2, Phase 7, Niven Lake Subdivision, with monthly payments of \$3 thousand including principal & interest at 3.58%, expiring January 2029. | 137              | 168              |
|   | <b>9,231</b>     | <b>9,952</b>     |
|   | <b>\$ 25,118</b> | <b>\$ 27,800</b> |

The City has an operating facility with TD Canada Trust with an authorized limit of \$10 million (2023 - \$10 million), of which \$0 (2023 - \$0) was utilized at year end. The operating facility bears interest at prime minus 0.25% (2023 - prime minus 0.25%) and is due on demand.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024 (in thousands of dollars)

## 12. DEBT (CONTINUED)

The City has reduced its exposure to interest rate fluctuations by entering into interest rate swaps on its debentures. The fair value of the interest rate swaps is recorded in the Statement of Financial Position against the related debt balance with changes in the fair value reflected in the Statement of Remeasurement Gains and Losses. For the year ended December 31, 2024, the market value loss on the interest rates swaps was \$181 thousand (2023 gain - \$142 thousand). The amortized cost of the debt at December 31, 2024 was \$15.45 million (2023 - \$17.73 million) for the Capital - debt and \$9.63 million (2023 - \$10.21 million) for the General - debt.

Debentures are covered by taxes and penalties levied, all grants and sundry revenues. Total interest paid in 2024 on debt was \$936 thousand (2023 - \$1.03 million). Annual principal repayment requirements on debt for the next five years are as follows:

|                     |           |
|---------------------|-----------|
| 2025                | \$ 2,963  |
| 2026                | 3,066     |
| 2027                | 3,172     |
| 2028                | 2,329     |
| 2029                | 1,296     |
| 2030 and thereafter | 12,292    |
|                     | \$ 25,118 |

## 13. ASSET RETIREMENT OBLIGATIONS

The City has recorded asset retirement obligations for the closure and post-closures of its landfills, removal of asbestos from its buildings constructed prior to 1990 and remediation of its fuel tanks, below and above ground. A discount rate of 4.52% was used to estimate the present value of the future expenditures.

The City estimates expected costs related to its asset retirement obligations at the time each asset is acquired or constructed. The post-closure undiscounted cash flows for the landfills are expected to occur at the end of the assets' useful lives over a 30-year period, while the asset retirement obligation for the asbestos in buildings and fuel tanks are expected to be settled at the time of disposal or sale.

### a) Landfill Closure and Post-Closure Obligation

The City has two operational landfill sites, Old Landfill and Cell A and Cell B. The main components of the landfill closure plan are final capping using selected specific layers of earthen and synthetic materials based on engineered cap design, installation of groundwater monitoring wells and gas vents, and implementation of a drainage management plan. The post-closure care requirements will involve cap maintenance, groundwater and gas monitoring, and inspections. The costs were based upon a third party report that estimated the closure and post-closure costs. Cell A and Cell B are expected to operate until 2028.

### b) Asbestos in Buildings

The City owns and operates several buildings that are known to have asbestos and as a result the City has recognized an obligation relating to the removal and post-removal care of the asbestos in its buildings. The buildings have remaining useful lives of up to 39 years.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024 (in thousands of dollars)

## 13. ASSET RETIREMENT OBLIGATIONS (CONTINUED)

### c) Fuel Tanks

The City has several fuel tanks above and underground and as a result the City has recognized an obligation relating to fuel tank decommissioning. The fuel tanks have remaining useful lives of up to 19 years.

While the asset retirement obligation is based on management's best estimates of future costs, there is uncertainty regarding both the amount and timing of these expenditures. Management, as at December 31, 2024, does not foresee any events or circumstances in the future that would have a significant impact on the estimated value of the asset retirement obligation.

It is management's opinion that these assumptions are reasonable in the circumstance as at December 31, 2024.

Changes to the asset retirement obligations are as follows:

|                               | Landfill<br>closure and<br>post-closure | Asbestos<br>in buildings | Fuel tanks    | Total            |
|-------------------------------|---|--------------------------|---------------|------------------|
| Balance, beginning of period  | 17,190                                  | 465                      | 226           | \$ 17,881        |
| Accretion expense             | 751                                     | 19                       | 15            | 785              |
| <b>Balance, end of period</b> | <b>\$ 17,941</b>                        | <b>\$ 484</b>            | <b>\$ 241</b> | <b>\$ 18,666</b> |

## 14. HOMELESSNESS PROJECT

The City, by agreement with the Government of Canada, is the Community Entity that administers funding from the Government of Canada's Reaching Home: Canada's Homeless Strategy on behalf of the Yellowknife Community Advisory Board on Homelessness (CAB). The revenues and expenses are not reflected in the City's budget or audited financial statements. A separate schedule of revenues and expenses is prepared and submitted to the Government of Canada.

As of December 31, 2024, the City has \$1.08 million in unexpended funding related to the Reaching Home agreement. The unexpended funds are included in the City's cash and deferred revenues on the Statement of Financial Position.

# NOTES TO THE FINANCIAL STATEMENTS

*For the year ended December 31, 2024 (in thousands of dollars)*

## 15. FUND ACTIVITIES AND CHANGES IN FUND BALANCES

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

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

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

- 1 **Information Technology Reserve, Mobile Equipment Replacement Reserve, and the Major Community Facility Reserve** have been set-up to finance current and anticipated future capital projects, thereby reducing the need to issue debt.
- 2 **Downtown Development Reserve, Heritage Reserve, Samuel Colley Donation Reserve, Revitalization Initiative Reserve and Community Grant Reserve** provide designated revenue to fund expenses related to future initiatives in these areas.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024 (in thousands of dollars)

## 15. FUND ACTIVITIES AND CHANGES IN FUND BALANCES (CONTINUED)

|   | General Fund     | Land Development Fund | Solid Waste Management Fund | Water and Sewer Fund | Capital Fund     | Service Connection Failure Assistance Fund | Reserves*        | Equity in Tangible Capital Assets | 2024 Total        |
|---|------------------|-----------------------|-----------------------------|----------------------|------------------|--|------------------|-----------------------------------|-------------------|
| Balance, beginning of year                              | 14,752           | 10,660                | 5,453                       | 4,920                | 47,677           | 714  | 12,010           | 292,025                           | 388,211           |
| Operating surplus (deficit) before inter-fund transfers | (7,297)          | 1,149                 | (383)                       | (5,722)              | 28,570           | (605)                                      | -                | -                                 | 15,712            |
| <b>Net inter-fund transfers</b>                         |                  |                       |                             |                      |                  |  |                  |                                   |                   |
| Tangible capital assets purchase                        | -                | -                     | -                           | -                    | (37,401)         | -  | -                | 37,401                            | -                 |
| Amortization of tangible capital assets                 | 7,636            | -                     | 1,654                       | 6,586                | -                | -  | -                | (15,876)                          | -                 |
| Net disposal of tangible capital assets                 | 76               | -                     | -                           | -                    | -                | -  | -                | (76)                              | -                 |
| Accretion cost for asset retirement obligation          | 34               | -                     | 751                         | -                    | -                | -  | -                | (785)                             | -                 |
| Long-term debt repayments related to capital            | -                | -                     | -                           | -                    | (2,278)          | -  | -                | 2,278                             | -                 |
| Market value adjustment for long-term debt              | -                | -                     | -                           | -                    | 317              | -  | -                | (317)                             | -                 |
| Net transfer from (to) other funds/reserves             | (3,099)          | 5,405                 | 5,770                       | 430                  | (1,642)          | -  | (519)            | (6,345)                           | -                 |
| <b>Balance, end of year</b>                             | <b>\$ 12,102</b> | <b>\$ 17,214</b>      | <b>\$ 13,245</b>            | <b>\$ 6,214</b>      | <b>\$ 35,243</b> | <b>\$ 109</b>                              | <b>\$ 11,491</b> | <b>\$ 308,305</b>                 | <b>\$ 403,923</b> |

The equity in tangible capital assets is comprised of tangible capital assets of \$342.86 million (2023 - \$321.41 million) less debt capital of \$15.89 million (2023 - \$17.85 million) and asset retirement obligations of \$18.67 million (2023 - \$17.88 million).

| * Reserves consist of:                 | Opening Balance  | Increase        | Decrease          | Closing Balance  |
|--|------------------|-----------------|-------------------|------------------|
| Community grant reserve                | \$ 68            | \$ -            | \$ (40)           | \$ 28            |
| Downtown development reserve           | 812              | 177             | (250)             | 739              |
| Heritage reserve                       | 174              | -               | -                 | 174              |
| Information technology reserve         | 1,589            | 500             | (253)             | 1,836            |
| Major community facility reserve       | 934              | 60              | -                 | 994              |
| Mobile equipment replacement reserve   | 5,714            | 2,763           | (1,222)           | 7,255            |
| Revitalization initiative reserve      | 2,275            | -               | (2,275)           | -                |
| Samuel Colley library donation reserve | 444              | 21              | -                 | 465              |
|  | <b>\$ 12,010</b> | <b>\$ 3,521</b> | <b>\$ (4,040)</b> | <b>\$ 11,491</b> |

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024 (in thousands of dollars)

## 16. CONTINGENCIES

### a) Insurance

The City participates in the NWT Association of Communities Insurance Programs. Under these programs, the City could become liable for its proportionate share of any claim losses in excess of the funds held by the exchange. Any liability incurred would be accounted for as a current transaction in the year the losses are determined.

### b) Litigation

In the normal course of operations, the City is subject to various legal claims. Management believes it has appropriate insurance coverage in place to mitigate financial impacts from most legal claims.

## 17. 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:

|                    | <b>Total</b>     |
|--------------------|------------------|
| 2025               | <b>\$ 7,009</b>  |
| 2026               | <b>5,985</b>     |
| 2027               | <b>273</b>       |
| 2028               | <b>227</b>       |
| 2029 or thereafter | <b>108</b>       |
|                    | <b>\$ 13,602</b> |

### b) Capital Contracts

The City regularly enters into contracts related to capital projects. The amount represents the incomplete portions of these contracts as of December 31, 2024. The expected minimum payments for these contracts is \$10.86 million.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024 (in thousands of dollars)

## 18. PENSION AGREEMENTS

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

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

|                         | 2024            | 2023            |
|-------------------------|-----------------|-----------------|
| Employers' Contribution | \$ 2,041        | \$ 1,618        |
| Employees' Contribution | 2,041           | 1,618           |
|                         | <b>\$ 4,082</b> | <b>\$ 3,236</b> |

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

As at January 1, 2024, the Plan had a going concern surplus of \$66.5 million (2023 - \$60.9 million), a wind up deficit of \$69.0 million (2023 - \$75.8 million) and a funded ratio of 119% (2023 - 119%). The Plan serves 4,205 employee members and 116 participating employers.

The Plan is governed by the Northern Employee Benefits Services Pension Plan Act (in force October 1, 2015) (the "Act") and a Plan text document maintained by the administrator of the Plan. The Act and the Plan text document provide any going concern shortfalls, should they arise, are to be paid down over no more than 15 years and that contribution rates may be increased if necessary to do so. Pursuant to the Act, the Plan is exempt from compliance with the Pension Benefits Standards Act, 1985 ("PBSA") and is not required to be funded on a solvency basis.

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

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024 (in thousands of dollars)

## 19. RISK MANAGEMENT

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

### a) Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The City's exposure to credit risk relates to its cash and cash equivalents and receivables and arises from the possibility that a debtor does not fulfil its obligations. The City performs a continuous evaluation of its financial assets and records impairment in accordance with the stated policies. Approximately 28% of the City's accounts receivable are from federal and territorial governments, which minimizes credit risk. 13% of the City's receivables are taxes receivable which the City can collect through land sales.

The aged financial assets that are past due but not impaired are as follows:

| Financial Asset          | > 30 days       | > 60 days     | > 90 days       |
|--------------------------|-----------------|---------------|-----------------|
| Taxes Receivable         | \$ -            | \$ -          | \$ 4,405        |
| Water & Sewer Receivable | 333             | 131           | 48              |
| Other Receivable         | 822             | 615           | 3,240           |
|                          | <u>\$ 1,155</u> | <u>\$ 746</u> | <u>\$ 7,693</u> |

As at year-end, management has determined that a portion of taxes receivable, water and sewer receivables, and other receivables are impaired, and have been disclosed in notes 5, 6 and 7. Management's assessment is based on the age of the receivables.

This risk has decreased from the previous year with the significant decrease in grants receivable.

### b) Concentration of Credit Risk

The City has concentration of credit risk in its grants receivable. Concentration of credit risk is the risk that a funder has a significant portion of the total balance and thus there is a higher risk to the City in the event of a default. At December 31, 2024, grants receivable from one funder 21% of the total outstanding receivables. The City believes this risk to be low given the funder is a government.

The City is also exposed to concentration of credit risk to the extent that substantially all cash is held at one financial institution. The financial institution is a major Canadian Bank. The Bank and deposits held by the Canadian chartered bank are insured by the Canadian Deposit Insurance Corporation. In the event of default, the City's cash is insured up to \$100 thousand.

### c) Liquidity Risk

Liquidity risk is the risk that the City will encounter difficulty in meeting its obligations associated with financial liabilities. The City's exposure to liquidity risk relates to accounts payable and accrued liabilities, accrued employee benefits, school taxes payable, deposits payable and debt and arises from the possibility that the timing and amount of its cash inflows will not be sufficient to enable it to meet its financial obligations as they become due. Management believes this risk is minimized through ensuring that sufficient liquid assets are maintained to meet anticipated payments. Accounts payable and accrued liabilities, school taxes payable and vacation and lieu and wages included in accrued employee benefits are short term in duration and are set to

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024 (in thousands of dollars)

## 19. RISK MANAGEMENT (CONTINUED)

### c) Liquidity Risk (continued)

mature within one year. Deposits are to be paid as deposit requirements are fulfilled and accrued employee benefit obligations will be paid as employees use sick leave or receive severance and long service bonuses. The maturities of debt is disclosed in note 12. There have been no significant changes to the liquidity risk from the previous year.

### d) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The City is exposed to market risk as follows:

#### Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The City's interest-bearing financial instruments include fixed rate debt. The fair values of fixed rate financial instruments fluctuates as market rates of interest change. The cash flows resulting from variable rate financial instruments fluctuates as interest rates applicable to the instruments change. Management has attempted to mitigate this risk by entering into interest rate swaps for its debt.

At December 31, 2024, the total value of the interest rate swaps is \$25.12 million. An increase of 100 basis points in interest rates at the reporting date would have decreased annual operating surplus by \$1.27 million. A decrease of 100 basis points in interest rates at the reporting date would have increased annual operating surplus by \$1.27 million. This analysis assumes that all other variables remain constant.

## 20. CONTRACTUAL RIGHTS

The City has entered into one-time agreements with higher orders of government that will result in transfers of funds to the City. Each agreement has stipulations that must be met before the transfer can be recognized as revenue.

At December 31, 2024, the total capital transfers expected to be received from these agreements includes the following:

|  | <b>Total</b>     |
|--|------------------|
| ICIP - Increasing Waste Diversion (2024-2027)        | <b>\$ 720</b>    |
| ICIP - Lagoon Expansion & Sludge Removal (2024-2027) | <b>4,811</b>     |
| ICIP - Paving (2024-2027)                            | <b>1,153</b>     |
| ICIP - New Landfill Cell Development (2024-2027)     | <b>3,470</b>     |
| DMAF - Submarine Line (2024-2028)                    | <b>24,047</b>    |
| Housing Accelerator Fund (2023-2027)                 | <b>8,321</b>     |
|  | <b>\$ 42,522</b> |

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024 (in thousands of dollars)

## 21. MEASUREMENT UNCERTAINTY

### a) Liability for Contaminated Sites

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

### b) Assets retirement liabilities

Asset retirement obligation costs are subject to significant measurement uncertainty. The current provision includes a material estimate for contingency costs, capacity and capacity used. The City plans to have a third party review of the landfill closure and post closure costs completed every three years. The last review was completed in June 30, 2023.

### c) Grant receivable

Grants receivable includes \$7.26 million receivable from the Disaster Financial Assistance Arrangements program related to the expenses incurred due to the wildfires in Yellowknife in August and September 2023. The Disaster Financial Assistance Arrangements will provide funding for up to 100% of the eligible expenses incurred by the City to respond to the wildfire threats. The City is uncertain that all costs incurred will be considered eligible costs as the City has not previously applied for this funding. To address the uncertainty involved, the City has accrued revenues equal to 75% of the costs incurred to date of \$13.34 million, resulting in the grant revenue of \$10.01 million recognized in the financial statements - \$1.90 million in 2024 and \$8.11 million in 2023. The City has received \$2.74 million as of December 31, 2024 resulting in \$7.26 million receivable as of December 31, 2024. This is management's best estimate and any differences will be reflected in the period the funding is received.

| <b>Summary of Wildfire Expenditures</b>         | <b>Total</b> |
|---|--------------|
| Total expenditures incurred and claimed         | \$ 13,341    |
| Recognized grant revenue at 75% of expenditures | 10,006       |
| Less received                                   | (2,743)      |
| Receivable, December 31, 2024                   | \$ 7,263     |

# SCHEDULE OF GOVERNMENT TRANSFERS OPERATING

| <i>For the year ended December 31, 2024<br/>(in thousands of dollars)</i> | 2024<br>Budget<br>(Unaudited) | <b>2024<br/>Actual</b> | 2023<br>Actual |
|---|-------------------------------|------------------------|----------------|
| <b>Government of Canada</b>   |                               |                        |                |
| Disaster Financial Assistance Program - Wildfire                          | \$ -                          | \$ 2,070               | \$ 8,106       |
| Canadian Northern Economic Development Agency (CanNor)                    |                               |                        |                |
| Giant Mine  | -                             | 9                      | 15             |
| Indigenous and Northern Affairs Canada                                    |                               |                        |                |
| TransCanada Trails  | -                             | -                      | 3              |
| Canadian Heritage   |                               |                        |                |
| Canada Day Celebration  | 25                            | 26                     | 35             |
| Canada Mortgage and Housing Corporation - Housing Accelerator Fund        | -                             | 25                     | -              |
| Other   | 100                           | 81                     | -              |
|   | 125                           | <b>2,211</b>           | 8,159          |
| <b>Government of the Northwest Territories</b>                            |                               |                        |                |
| MACA Contribution Agreements  |                               |                        |                |
| Property Assessment   | 125                           | 125                    | 125            |
| Library Grant   | 110                           | 110                    | 110            |
| Ground Ambulance and Highway Rescue                                       | 37                            | (37)                   | 74             |
| MACA Water and Sewer Funding  | 429                           | 503                    | 429            |
| Industry, Tourism and Investment Agreements                               |                               |                        |                |
| Community Tourism   | 1                             | -                      | 36             |
| Economic Development Officer  | -                             | -                      | 50             |
| Visitor Services/Assist Tourism   | 161                           | -                      | 160            |
| Tourism Strategy  | 9                             | 1                      | 37             |
| Shop Local Program  | -                             | 7                      | 16             |
| Small Scale Foods   | -                             | -                      | 7              |
| Transform Your Yard   | 41                            | 15                     | 15             |
| Literacy Council  | 5                             | 3                      | 5              |
| Other   | 48                            | 13                     | -              |
|   | 966                           | <b>740</b>             | 1,064          |
|   | \$ 1,091                      | <b>\$ 2,951</b>        | \$ 9,223       |

# SCHEDULE OF GOVERNMENT TRANSFERS CAPITAL

| <i>For the year ended December 31, 2024<br/>(in thousands of dollars)</i> | 2024<br>Budget<br>(Unaudited) | <b>2024<br/>Actual</b> | 2023<br>Actual |
|---|-------------------------------|------------------------|----------------|
| <b>Government of Canada</b>   |                               |                        |                |
| Gas Tax (GTF) Funding   | \$ 3,548                      | \$ 10,503              | \$ 12,327      |
| Disaster Mitigation and Adaptation Fund (DMAF)                            | -                             | 80                     | 938            |
| New Building Canada Fund and Small Communities Fund (SCF)                 | -                             | -                      | 3,392          |
| CanNor - Accessibility Multiplex and Fieldhouse                           | -                             | -                      | 472            |
| EDSC - City Hall Washrooms  | -                             | -                      | 100            |
| Canada Mortgage Housing Corporation - Housing Accelerator Fund            | -                             | 83                     | -              |
| Home Energy Financing   | -                             | 41                     | -              |
|   | 3,548                         | <b>10,707</b>          | 17,229         |
| <b>Government of the Northwest Territories</b>                            |                               |                        |                |
| MACA Contribution Agreements  |                               |                        |                |
| MACA Formula Funding  | 7,860                         | 8,284                  | 7,860          |
| Community Public Infrastructure (CPI) Funding                             | 3,293                         | 4,010                  | 2,631          |
| Sport and Recreation Grant  | 80                            | 78                     | 80             |
| Aquatic Centre Biomass Boiler   | 330                           | 186                    | -              |
| Lift Station #1 Replacement (ICIP)  | 375                           | -                      | -              |
| Lagoon Expansion (Lagoon Sludge Removal) (ICIP)                           | 1,463                         | 55                     | 15             |
| New Landfill/Landfill Expansion - New Landfill Cell Design (ICIP)         | 1,620                         | -                      | -              |
| Paving Project (ICIP)   | -                             | 365                    | 3,228          |
| Solid Waste Facility Compactor (ICIP)                                     | -                             | -                      | 587            |
| Weigh Station (ICIP)  | 1,237                         | 145                    | (39)           |
| Federation of Canadian Municipalities - Green Municipal Fund              | -                             | -                      | 22             |
|   | 16,258                        | <b>13,123</b>          | 14,384         |
|   | \$ 19,806                     | <b>\$ 23,830</b>       | \$ 31,613      |

## SCHEDULE OF TANGIBLE CAPITAL ASSETS

| <i>For the year ended<br/>December 31, 2024<br/>(in thousands of dollars)</i> | Land             | Buildings        | Roads &<br>Sidewalks<br>Infrastructure | Water &<br>Sewer<br>Infrastructure | Other<br>Infrastructure | Vehicles        | Equipment       | Work In<br>Progress | 2024<br>Totals    |
|---|------------------|------------------|--|------------------------------------|-------------------------|-----------------|-----------------|---------------------|-------------------|
| <b>Cost</b>   |                  |                  |  |                                    |                         |                 |                 |                     |                   |
| Balance, beginning of year  | \$ 36,092        | \$ 135,697       | \$ 102,274                             | \$ 196,676                         | \$ 36,415               | \$ 5,187        | \$ 21,719       | \$ 45,854           | \$ 579,914        |
| Add: Additions during year  | -                | 748              | 59                                     | -                                  | 432                     | 573             | 650             | 34,939              | 37,401            |
| Less: Disposals during year   | -                | -                | -                                      | -                                  | -                       | -               | (271)           | -                   | (271)             |
| Balance, end of year  | 36,092           | 136,445          | 102,333                                | 196,676                            | 36,847                  | 5,760           | 22,098          | 80,793              | 617,044           |
| <b>Accumulated amortization</b>   |                  |                  |  |                                    |                         |                 |                 |                     |                   |
| Balance, beginning of year  | -                | 63,091           | 57,777                                 | 106,246                            | 15,265                  | 2,842           | 13,284          | -                   | 258,505           |
| Add: Amortization during year   | -                | 3,246            | 4,147                                  | 5,054                              | 1,966                   | 350             | 1,113           | -                   | 15,876            |
| Less: Accumulated amortization on disposals                                   | -                | -                | -                                      | -                                  | -                       | -               | (195)           | -                   | (195)             |
| Balance, end of year  | -                | 66,337           | 61,924                                 | 111,300                            | 17,231                  | 3,192           | 14,202          | -                   | 274,186           |
| <b>Net book value of tangible capital assets</b>                              | <b>\$ 36,092</b> | <b>\$ 70,108</b> | <b>\$ 40,409</b>                       | <b>\$ 85,376</b>                   | <b>\$ 19,616</b>        | <b>\$ 2,568</b> | <b>\$ 7,896</b> | <b>\$ 80,793</b>    | <b>\$ 342,858</b> |
| 2023 Net book value of tangible capital assets                                | \$ 36,092        | \$ 72,606        | \$ 44,497                              | \$ 90,430                          | \$ 21,150               | \$ 2,345        | \$ 8,435        | \$ 45,854           | \$ 321,409        |

# SCHEDULE OF SEGMENT DISCLOSURE

| <i>For the year ended December 31, 2024<br/>(in thousands of dollars)</i> | <b>2024</b>     | <b>General</b>    | <b>Community</b>   | <b>Planning and</b> | <b>Public</b>     | <b>Public Works</b> | <b>Solid</b>      | <b>Water</b>      |                  |                  |
|---|-----------------|-------------------|--------------------|---------------------|-------------------|---------------------|-------------------|-------------------|------------------|------------------|
|   | <b>Budget</b>   | <b>Government</b> | <b>Services</b>    | <b>Development</b>  | <b>Safety</b>     | <b>and</b>          | <b>Waste</b>      | <b>and</b>        |                  |                  |
|   |                 |                   |                    |                     |                   | <b>Engineering</b>  | <b>Facility</b>   | <b>Sewer</b>      | <b>2024</b>      | <b>2023</b>      |
| <b>Revenues</b>   |                 |                   |                    |                     |                   |                     |                   |                   |                  |                  |
| Municipal taxation  | \$ 37,858       | \$ 37,931         | \$ -               | \$ -                | \$ -              | \$ -                | \$ -              | \$ -              | <b>\$ 37,931</b> | \$ 35,842        |
| User fees and sale of goods   | 24,862          | 332               | 1,499              | 373                 | 4,476             | 364                 | 4,389             | 14,659            | <b>26,092</b>    | 23,703           |
| Land sales  | 1,500           | -                 | -                  | 1,789               | -                 | -                   | -                 | -                 | <b>1,789</b>     | 2,419            |
| Grants and transfers  | 1,091           | 169               | 140                | 25                  | 2,114             | -                   | -                 | 503               | <b>2,951</b>     | 9,223            |
| Investment income   | 5,182           | 5,137             | -                  | 93                  | -                 | -                   | -                 | -                 | <b>5,230</b>     | 5,748            |
| Fines, penalties and cost of taxes  | 893             | 387               | 1                  | -                   | 424               | -                   | -                 | 126               | <b>938</b>       | 658              |
| Development levies, licenses and permits                                  | 1,031           | 594               | 32                 | 484                 | 97                | -                   | -                 | -                 | <b>1,207</b>     | 1,801            |
| Franchise fees  | 1,148           | 1,209             | -                  | -                   | -                 | -                   | -                 | -                 | <b>1,209</b>     | 1,086            |
| <b>Total Revenues</b>   | <b>73,565</b>   | <b>45,759</b>     | <b>1,672</b>       | <b>2,764</b>        | <b>7,111</b>      | <b>364</b>          | <b>4,389</b>      | <b>15,288</b>     | <b>77,347</b>    | <b>80,480</b>    |
| <b>Expenses</b>   |                 |                   |                    |                     |                   |                     |                   |                   |                  |                  |
| Amortization of tangible assets   | 15,993          | 561               | 2,089              | -                   | 378               | 4,608               | 1,654             | 6,586             | <b>15,876</b>    | 16,001           |
| Asset retirement accretion costs  | -               | 34                | -                  | -                   | -                 | -                   | 751               | -                 | <b>785</b>       | 789              |
| Bad debts   | 155             | 438               | -                  | -                   | -                 | -                   | -                 | -                 | <b>438</b>       | 617              |
| Bank charges and short-term interest                                      | 218             | 227               | -                  | -                   | -                 | -                   | -                 | -                 | <b>227</b>       | 207              |
| Materials and supplies  | 1,432           | 288               | 98                 | 12                  | 133               | 410                 | -                 | 314               | <b>1,255</b>     | 1,012            |
| Contracted and general services   | 21,372          | 4,450             | 3,034              | 1,189               | 2,711             | 5,572               | 965               | 4,753             | <b>22,674</b>    | 29,491           |
| Insurance   | 901             | 827               | -                  | -                   | -                 | -                   | -                 | -                 | <b>827</b>       | 791              |
| Interest on long term debt  | 616             | 936               | -                  | -                   | -                 | -                   | -                 | -                 | <b>936</b>       | 1,032            |
| Mayor and council expenses  | 746             | 702               | -                  | -                   | -                 | -                   | -                 | -                 | <b>702</b>       | 639              |
| Salaries, wages and employee benefits                                     | 37,580          | 9,791             | 6,905              | 1,856               | 8,446             | 3,522               | 1,283             | 3,107             | <b>34,910</b>    | 30,827           |
| Utilities - electricity   | 3,000           | 123               | 1,198              | -                   | 68                | 49                  | 46                | 1,993             | <b>3,477</b>     | 2,760            |
| Utilities - fuel  | 1,992           | 94                | 591                | -                   | 106               | 48                  | 74                | 415               | <b>1,328</b>     | 1,299            |
| <b>Total Expenses</b>   | <b>84,005</b>   | <b>18,471</b>     | <b>13,915</b>      | <b>3,057</b>        | <b>11,842</b>     | <b>14,209</b>       | <b>4,773</b>      | <b>17,168</b>     | <b>83,435</b>    | <b>85,465</b>    |
| Annual Surplus (deficit) before other items                               | (10,440)        | 27,288            | (12,243)           | (293)               | (4,731)           | (13,845)            | (384)             | (1,880)           | <b>(6,088)</b>   | (4,985)          |
| Government transfers related to capital                                   | 19,806          | 23,830            | -                  | -                   | -                 | -                   | -                 | -                 | <b>23,830</b>    | 31,613           |
| Net transfer of administration fees                                       | -               | 2,171             | -                  | (540)               | -                 | -                   | (461)             | (1,170)           | <b>-</b>         | -                |
| Minor capital expense   | (8,252)         | (686)             | (292)              | (75)                | -                 | (176)               | (277)             | (524)             | <b>(2,030)</b>   | (1,210)          |
| <b>Annual Surplus (deficit) after other items</b>                         | <b>\$ 1,114</b> | <b>\$ 52,603</b>  | <b>\$ (12,535)</b> | <b>\$ (908)</b>     | <b>\$ (4,731)</b> | <b>\$ (14,021)</b>  | <b>\$ (1,122)</b> | <b>\$ (3,574)</b> | <b>\$ 15,712</b> | <b>\$ 25,418</b> |

# SCHEDULE OF REVENUE AND EXPENDITURES

## GAS TAX AGREEMENT

|   | 2024<br>Budget and<br>Carryforward<br>(Unaudited) | 2024<br>Actual | 2023<br>Actual | 2022<br>Actual | 2021<br>Actual | 2020<br>Actual |
|---|---|----------------|----------------|----------------|----------------|----------------|
| <i>For the year ended December 31, 2024<br/>(in thousands of dollars)</i> |   |                |                |                |                |                |
| <b>Funding</b>  |   |                |                |                |                |                |
| Opening Balance   | \$ -  | \$ 14,402      | \$ 17,080      | \$ 15,654      | \$ 12,665      | \$ 9,665       |
| Annual Gas Tax  | 11,426  | -              | 8,784          | 5,717          | 8,370          | 5,511          |
| Interest Earned   | -   | 721            | 865            | 356            | 82             | 32             |
| <b>Total Funding</b>  | 11,426  | 15,123         | 26,729         | 21,727         | 21,117         | 15,208         |
| <b>Eligible Expenditures</b>  |   |                |                |                |                |                |
| Asset Management  | -   | -              | 54             | 150            | 70             | 18             |
| Aquatic Centre  | 10,113  | 10,113         | 12,075         | -              | -              | -              |
| Backup Power Liftstation Generator Installation                           | 31  | -              | -              | 71             | 135            | 187            |
| Lagoon Control Structure Replacement                                      | -   | -              | 4              | 15             | 15             | 42             |
| Landfill Leachate Retention & Treatment                                   | 250   | -              | -              | -              | -              | -              |
| Lift Station #1 Replacement   | 210   | 210            | -              | -              | -              | -              |
| New Landfill/Landfill Expansion - Cell Design                             | 302   | 80             | 21             | -              | 27             | -              |
| Paving Program 2021/2027  | -   | -              | -              | 7              | 16             | -              |
| Pellet Boiler at WTP  | -   | -              | -              | 207            | -              | -              |
| PH#4 Water Truckfill Safety Project                                       | -   | -              | -              | 100            | -              | -              |
| Pumphouse 1 Replacement   | -   | -              | -              | 140            | -              | -              |
| Pump Replacement Program  | -   | -              | -              | -              | -              | 145            |
| Roads and Sidewalk Rehabilitation   | -   | -              | -              | -              | 2,477          | -              |
| Sewage Force Main Upgrade   | -   | -              | -              | -              | -              | 250            |
| Submarine Line  | 420   | -              | -              | -              | -              | -              |
| Water Treatment Plant Pellet Boiler                                       | -   | -              | 40             | -              | -              | -              |
| Water & Sewer Infrastructure Replacement                                  | 100   | 100            | 133            | 3,842          | 2,723          | 1,901          |
| Wetland Delineation   | -   | -              | -              | 115            | -              | -              |
| <b>Total Expenditures</b>   | 11,426  | 10,503         | 12,327         | 4,647          | 5,463          | 2,543          |
| <b>Closing Balance - to Deferred Revenue</b>                              | \$ -  | \$ 4,620       | \$ 14,402      | \$ 17,080      | \$ 15,654      | \$ 12,665      |

# SCHEDULE OF REVENUE AND EXPENDITURES

## COMMUNITY PUBLIC INFRASTRUCTURE

|   | 2024<br>Budget and<br>Carryforward<br>(Unaudited) | 2024<br>Actual | 2023<br>Actual | 2022<br>Actual | 2021<br>Actual | 2020<br>Actual |
|---|---|----------------|----------------|----------------|----------------|----------------|
| <i>For the year ended December 31, 2024<br/>(in thousands of dollars)</i> |   |                |                |                |                |                |
| <b>Funding</b>  |   |                |                |                |                |                |
| Opening Balance   | \$ -  | \$ 7,485       | \$ 6,398       | \$ 126         | \$ 1,411       | \$ 1,358       |
| Annual CPI  | 10,317  | 4,486          | 3,718          | 8,191          | 855            | 2,863          |
| <b>Total Funding</b>  | 10,317  | 11,971         | 10,116         | 8,317          | 2,266          | 4,221          |
| <b>Eligible Expenditures</b>  |   |                |                |                |                |                |
| Accessibility Audit Implementation  | -   | -              | 56             | 46             | 786            | 197            |
| Columbarium   | -   | -              | -              | 1              | 17             | 2              |
| Curling Club Upgrades   | 614   | 614            | 151            | -              | -              | 19             |
| Fire Hall Equipment   | 58  | 7              | -              | 63             | -              | -              |
| Multiplex Iceplant Upgrade  | -   | -              | -              | 80             | -              | 555            |
| Road and Sidewalks Rehabilitation   | 2,797   | 723            | 1,556          | 1,231          | -              | 1,061          |
| Park Equipment Replacement  | 490   | 259            | 182            | 43             | -              | -              |
| Submarine Line Replacement  | 283   | 27             | 191            | 241            | 25             | 10             |
| Traffic Light Upgrades  | 92  | 59             | 77             | 70             | 48             | 84             |
| Water & Sewer Infrastructure Replacement                                  | -   | -              | 42             | 104            | 1,249          | -              |
| YKCA Upgrade  | -   | -              | -              | 40             | -              | 5              |
| Tommy Forrest Ball Park Upgrade   | -   | -              | -              | -              | 15             | 60             |
| Asset Management  | -   | -              | -              | -              | -              | 8              |
| City Hall Upgrades  | -   | -              | -              | -              | -              | 367            |
| FDM Software  | -   | -              | -              | -              | -              | 65             |
| Library Upgrades  | -   | -              | -              | -              | -              | 120            |
| Park Development  | 267   | -              | 43             | -              | -              | 14             |
| Self-Containing Breathing Apparatus                                       | -   | -              | -              | -              | -              | 243            |
| Aquatic Centre  | 1,459   | 1,459          | -              | -              | -              | -              |
| Fieldhouse Floor  | 329   | 329            | 76             | -              | -              | -              |
| Lagoon Sludge Removal   | 1,299   | -              | -              | -              | -              | -              |
| Lift Station #1 Replacement   | 735   | 104            | 80             | -              | -              | -              |
| Patching  | 491   | 381            | 177            | -              | -              | -              |
| Emergency Radio Infrastructure Renewal                                    | 450   | -              | -              | -              | -              | -              |
| New Landfill/Landfill Expansion - New Landfill Cell Design                | 540   | -              | -              | -              | -              | -              |
| Weigh Out Station at SWF  | 413   | 48             | -              | -              | -              | -              |
| <b>Total Expenditures</b>   | 10,317  | 4,010          | 2,631          | 1,919          | 2,140          | 2,810          |
| <b>Closing Balance - to Deferred Revenue</b>                              | \$ -  | \$ 7,961       | \$ 7,485       | \$ 6,398       | \$ 126         | \$ 1,411       |

# SCHEDULE OF REVENUE AND EXPENDITURES

## INVESTING IN CANADA INFRASTRUCTURE PROGRAM

| <i>For the year ended December 31, 2024<br/>(in thousands of dollars)</i> | 2024<br>Budget<br>(Unaudited) | <b>2024<br/>Actual</b> | 2023<br>Actual | 2022<br>Actual | 2021<br>Actual | 2020<br>Actual |
|---|-------------------------------|------------------------|----------------|----------------|----------------|----------------|
| <b>Funding</b>  |                               |                        |                |                |                |                |
| ICIP Funding  | \$ 4,696                      | \$ 597                 | \$ 3,791       | \$ 2,792       | \$ 118         | \$ 1,625       |
| Holdback Receivable   | -                             | -                      | -              | -              | -              | 9              |
| CPI Funding   | 1,552                         | 877                    | 1,185          | 1,335          | -              | 1,061          |
| Formula Funding   | -                             | 132                    | -              | 68             | 3              | 1,554          |
| User Fees   | 863                           | 18                     | 4              | 218            | 19             | 98             |
| Gas Tax   | -                             | 290                    | -              | 3,849          | 16             | -              |
| Developer   | -                             | -                      | -              | 147            | -              | -              |
| Capital Fund  | -                             | -                      | -              | 363            | -              | -              |
| <b>Total Funding</b>  | <b>7,111</b>                  | <b>1,914</b>           | <b>4,980</b>   | <b>8,772</b>   | <b>156</b>     | <b>4,347</b>   |
| <b>Eligible Expenditures</b>  |                               |                        |                |                |                |                |
| Paving (ICIP)   | -                             | 1,253                  | 4,412          | 3,490          | 63             | 3,680          |
| Increasing Waste Diversion (ICIP)   | -                             | -                      | 587            | 112            | 11             | 353            |
| Weight Station  | 1,651                         | 194                    | (39)           | 39             | -              | -              |
| Lift Station #1   | 500                           | 314                    | -              | -              | -              | -              |
| Lagoon Expansion (Lagoon Sludge Removal) (ICIP)                           | 2,800                         | 73                     | 20             | 871            | 76             | 43             |
| McMeekan Causeway Stabilization (ICIP)                                    | -                             | -                      | -              | 4,260          | 6              | 271            |
| New Landfill/Landfill Expansion - New Landfill Cell Design                | 2,160                         | 80                     | -              | -              | -              | -              |
| <b>Total Expenditure</b>  | <b>7,111</b>                  | <b>1,914</b>           | <b>4,980</b>   | <b>8,772</b>   | <b>156</b>     | <b>4,347</b>   |
| <b>Funding Surplus (Deficit)</b>  | <b>\$ -</b>                   | <b>\$ -</b>            | <b>\$ -</b>    | <b>\$ -</b>    | <b>\$ -</b>    | <b>\$ -</b>    |

# SCHEDULE OF REVENUE AND EXPENDITURES DISASTER MITIGATION AND ADAPTATION FUND

| <i>For the year ended December 31, 2024<br/>(in thousands of dollars)</i> | 2024<br>Budget<br>(Unaudited) | <b>2024<br/>Actual</b> | 2023<br>Actual | 2022<br>Actual | 2021<br>Actual | 2020<br>Actual |
|---|-------------------------------|------------------------|----------------|----------------|----------------|----------------|
| <b>Funding</b>  |                               |                        |                |                |                |                |
| Disaster Mitigation and Adaption Fund (DMAF)                              | \$ -                          | \$ 80                  | \$ 938         | \$ 724         | \$ 73          | \$ 79          |
| Community Public Infrastructure (CPI)                                     | -                             | 27                     | 191            | 242            | 25             | 9              |
| Formula Funding   | -                             | -                      | 121            | -              | -              | -              |
| <b>Total Funding</b>  | -                             | <b>107</b>             | 1,250          | 966            | 98             | 88             |
| <b>Eligible Expenditures</b>  |                               |                        |                |                |                |                |
| Submarine Line  | -                             | 107                    | 1,250          | 966            | 98             | 39             |
| <b>Total Expenditures</b>   | -                             | <b>107</b>             | 1,250          | 966            | 98             | 39             |
| <b>Funding Surplus (Deficit)</b>  | \$ -                          | \$ -                   | \$ -           | \$ -           | \$ -           | \$ 49          |

# SCHEDULE OF SALARIES, HONORARIA AND TRAVEL

For the year ended December 31, 2024 (in thousands of dollars)

| Name               | Salary and Benefits | Honoraria | Travel | Total  |
|--------------------|---------------------|-----------|--------|--------|
| Mayor              |                     |           |        |        |
| Rebecca Alty       | \$ 175              | \$ -      | \$ 4   | \$ 179 |
| Councillor/Mayor   |                     |           |        |        |
| Stacie Arden-Smith | 42                  | -         | 2      | 44     |
| Councillor         |                     |           |        |        |
| Steve Payne        | 40                  | -         | -      | 40     |
| Garett Cochrane    | 40                  | -         | 1      | 41     |
| Ryan Fequet        | 38                  | -         | -      | 38     |
| Ben Hendriksen     | 38                  | -         | -      | 38     |
| Cat McGurk         | 38                  | -         | -      | 38     |
| Tom McLennan       | 40                  | -         | -      | 40     |
| Rob Warburton      | 41                  | -         | 3      | 44     |
|                    | <hr/>               |           |        |        |
|                    | \$ 492              | \$ -      | \$ 10  | \$ 502 |