



CITY OF
YELLOWKNIFE

Financial Report 2022

For the year ended
December 31, 2022



City of Yellowknife

Financial Statements

December 31, 2022

City of Yellowknife

December 31, 2022

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FINANCIAL STATEMENTS DISCUSSION AND ANALYSIS

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

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

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

The Financial Statements also include schedules that provide details on tangible capital assets, segment disclosures, government transfers and Salaries, Honoraria and Travel Expenses of 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 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 customers with a low-cost program to cover water and sewer service repairs. The revenue is derived from user fees.

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

1. **Information Technology Reserve, Mobile Equipment Replacement Reserve, and the Major Community Facility Reserve** – set-up to finance current and anticipated future capital projects, thereby reducing 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 projects in these areas.

FINANCIAL HIGHLIGHTS

Key financial highlights for 2022 are as follows:

- The 2022 Financial Statements report net financial assets of \$74.2 million, an increase of \$23.3 million from \$50.9 million at the end of 2021. This increase can be attributed to an increase in cash and cash equivalents, as cash from operations exceeded cash used to construct and purchase tangible capital assets and meet financing obligations and decreases in the landfill closure and post-closure liability.
- The financial statements show an annual surplus of \$30.8 million compared to \$15.8 million in 2021, which is mostly due to the increase in government transfers related to capital and decreases in the landfill closure and post-closure liability.
- The City's accumulated surplus increased from \$332 million in 2021 to \$363 million at December 31, 2022.
- Revenues increased by \$12.1 million (14.6%) while expenses decreased by \$2.9 million (-4.4%) from 2021. The increase in revenues is primarily due to higher government transfers (\$10.2 million) related to capital projects, which commenced in 2022. The net decrease in expenses is due to increases in salary and wages, materials and supplies, and contracted services which are offset by a decrease in the closure costs of the landfill.
- The City's reserve funds decreased from \$11.5 million to \$10.1 million. The largest change was a decrease in the Major Community Facility reserve as construction commenced on the aquatic centre.

STATEMENT OF FINANCIAL POSITION

<i>(In thousands of dollars)</i>	2022	2021	Change
Financial Assets	\$152,871	\$122,362	\$30,509
Liabilities	(78,647)	(71,505)	(7,142)
Net Financial Assets	74,224	50,857	23,367
Non-Financial Assets	288,569	281,105	7,464
Accumulated Surplus*	\$362,793	\$331,962	\$30,831

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

The Statement of Financial Position shows the City's overall financial position increased by \$30.8 million over the previous year. This is predominantly due to a \$30.5 million increase in financial assets, mainly cash and cash equivalents, due to increased government transfers for capital projects, increased investment revenues and an increase in deferred revenue.

Accumulated Surplus (in thousands of dollars)		
Investment in Tangible Capital Assets	\$266,646	73.5%
Net Surplus	86,026	23.7%
Total Reserves	10,121	2.8%
Accumulated Surplus	\$362,793	100.0%

An accumulated surplus represents that amount by which all assets (financial and non-financial) exceed all liabilities. An accumulated surplus indicates that a government has net resources (financial and physical) that can be used to provide future services.

This City has an accumulated surplus of \$363 million. Investment in tangible capital assets makes up 73.5% of the balance in the accumulated surplus with net surplus and reserves making up the remaining 23.7% and 2.8% respectively. More detailed information on the accumulated surplus balance can be found in Note 15.

Significant Trends

<i>(in thousands of dollars)</i>	Average Annual Change	2022	2021	2020	2019	2018
Financial Assets	21.0%	\$152,871	\$122,362	\$107,631	\$90,300	\$70,100
Liabilities	3.8%	78,647	71,505	75,582	70,823	65,478
Net Financial Assets (Liabilities)	64.2%	\$74,224	\$50,857	\$32,049	\$19,477	\$4,622

Net Financial Assets (Liabilities) reconciles the excess of revenues over expenses to the net financial assets (financial resources available to finance future transactions). Positive net financial assets are an indicator that the City is able to meet its liabilities and obligations out of the existing assets and has resources to use in the future. Negative net financial assets (liabilities) is an indicator that future resources are required to pay for past transactions events.

The City's net financial position continues to improve. The increase in net financial assets of \$23.4 million relates to the timing of the completion of major capital projects. During 2022, several capital projects were delayed for various reasons and this gave rise to increases in cash and cash equivalents, and deferred revenues.

<i>(in thousands of dollars)</i>	Average Annual Change	2022	2021	2020	2019	2018
Reserves	1.7%	\$10,121	\$11,462	\$11,161	\$10,847	\$10,511

The City transfers funds to reserves every year to meet future operating and capital requirements. Even though there was a reduction of \$1.3 million (11.7%) in the reserves in 2022, primarily due to the Major Community Facility Reserve being utilized to fund the construction of the aquatic centre, the reserves have on average increased by 1.7% over the past five years. Nevertheless, the Major Community Facility Reserve will continue to decline in 2023 to fund the ongoing construction of the aquatic centre. The Revitalization Initiative Reserve is also expected to be drawn down and there is no plan to contribute funds into this reserve in the future.

STATEMENT OF OPERATIONS

Revenue

<i>(in thousands of dollars)</i>	Average Annual Change	2022	2021	2020	2019	2018
Municipal Taxes	5.2%	\$34,179	\$32,235	\$31,404	\$30,764	\$27,928
User Fees and Sale of Goods	3.4%	25,134	23,217	21,498	22,398	22,092
Other*	9.8%	5,643	4,404	3,691	4,079	4,035
Regular Operating Revenue	4.8%	64,956	59,856	56,593	57,241	54,055
Government Transfers						
Government of Canada	33.5%	14,367	6,737	3,618	3,531	10,955
Government of the Northwest Territories	7.3%	14,167	11,903	14,998	12,677	11,254
	10.3%	28,534	18,640	18,616	16,208	22,209
Land Sales	-	1,091	3,118	1,743	3,190	6,034
Contributed TCA	-	-	909	-	-	146
Total Revenue	3.8%	\$94,581	\$82,523	\$76,952	\$76,639	\$82,444

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

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

Comparison to Prior Year

Overall, revenue increased by 14.6% from the previous year largely due to increases of \$11.1 million in government transfers for capital projects, which included the annual road, water and sewer infrastructure projects, as well as the commencement of the construction of the aquatic centre.

While in general, regular operating revenue increased by 8.5%, municipal taxes increased by 6.0% because of an assessment growth and an increase in the tax rate of 5.04%. User fees and sale of goods on the other hand increased by 8.3% due to cost recovery for the Bypass capital project from the Government of Northwest Territories (GNWT), and higher emergency service ambulance revenues, developer contribution revenues, and Solid Waste Management fees.

Other revenues increased by 28.1% mainly because investment income was influenced by the higher interest rates that prevailed in 2022.

Significant Trends

Municipal tax revenues usually increase with assessment growth and tax rate increases. Going forward, the City expects to see municipal tax revenues continue to increase as a result of assessment growth and annual tax rate increases.

User fees and sales of goods have historically been following an upward trend as higher rates are implemented to keep up with rising costs. Unfortunately, these fees are anticipated to marginally increase in the future.

Other revenues, which remained relatively stable over the past five years but increased exponentially in 2022 is projected to grow as interest rates are predicted to stay strong in the foreseeable future.

Government transfers fluctuate from year-to-year as they are based on the number of capital projects in progress as well as the availability of funding from the GNWT and the Federal Government. The start of the construction of the aquatic facility meant that the 2022 government transfers were greater than normal. However, between 2023 and 2027, these capital project transfers are expected to be more in-line with prior years.

Land sales oscillate from year to year based on the lots available for sale and the market demand for land. In 2022, land sale revenues were lower; however, in 2023, the City is hoping to reverse this trend with the addition of sixteen (16) industrial lots in the Engle Phase 2 Business District. In the same occurrence, activities related to construction that were down in 2022 due to supply chain issues created by COVID are expected to pick up gradually.

Expenses

<i>(in thousands of dollars)</i>	Average Annual Change	2022	2021	2020	2019	2018
General Government*	2.6%	\$13,884	\$13,079	\$12,810	\$13,152	\$12,534
Community Services	1.0%	13,037	11,938	11,473	12,143	12,294
Planning & Development**	-4.0%	1,381	1,605	1,397	1,502	1,666
Public Safety	4.8%	9,440	8,773	9,055	8,662	7,867
Public Works & Engineering	4.3%	13,154	12,395	12,089	12,103	11,132
Solid Waste Facility***	3.2%	3,578	3,484	3,326	3,170	3,156
Water and Sewage	4.1%	15,849	14,650	14,339	13,688	13,531
Interest on Long-term Debt	15.9%	899	783	855	515	566
Regular Operating Expenses	3.2%	71,222	66,707	65,344	64,935	62,746
Land	-	465	1,339	355	152	914
Landfill Closure and Post-Closure Cost (Recovery)	-	(10,879)	(3,346)	798	859	(481)
Minor Capital	-	2,942	1,986	2,497	3,946	3,787
Total Expenses	-1.2%	\$63,750	\$66,686	\$68,994	\$69,892	\$66,966

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

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

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

Land and Minor Capital costs have been shown separately as they vary considerably from year to year. Landfill closure and post-closure costs are also shown separately as costs have had major fluctuations, especially over the prior two years.

Comparison to Prior Year

In 2022, there was a net decrease in total expenses of 4.4% from 2021 due to increases in salary and wages, materials and supplies, contracted services and minor capital which are offset by a decrease in the closure costs of the landfill. Regular operating expenses were higher predominantly due to full resumption of City services, including recreation facilities, following the removal of all COVID restrictions in April 2022. As a result, contracted services, salaries and utility costs increased accordingly. The decrease in the landfill liability is due to additional work undertaken at the site which has increased the capacity and longevity of the facility.

Significant Trends

Over the last five years, the City's regular operating expenses increased an average of 3.2% per year. This trend is expected to continue firstly as general costs continue to rise due to inflation and, secondly, because salaries, wages, and benefits will increase as a consequence of annual pay rises as agreed under the terms of the different Collective Bargaining Agreements. Staffing costs are also expected to escalate as and when new full-time positions are introduced to maintain an adequate level of service.

As a result of record snowfalls, increase in materials costs as well as high fuel and heating costs, the Public Works and Water and Sewer functions observed a swelling in their operating expenses by a combined 7.2% (\$2.0 million). Since the delivery of the municipal services of piped or trucked water and sewer, garbage collection, maintenance and repair of the City's sidewalks and roadways are crucial services, the overheads associated with these amenities will continue to mount upwards.

In 2022, an increase in demand for emergency and municipal enforcement services resulted in Public Safety witnessing a surge in their operating costs, which increased from \$8.8 million in 2021 to \$9.4 million in 2022. While the City continues to increase its delivery of emergency medical services (EMS), traditional fire services and other components of public safety services, the costs associated with delivery of these key services will continue on an upward movement.

Land costs will continue to fluctuate from year to year based on the work needed to prepare each site for sale and the volume of land sales.

Landfill closure and post-closure liability is subject to significant measurement uncertainty and changes in assumptions. Significant changes in landfill capacity will also impact the liability. The additional work undertaken at the solid waste facility to extend the life of the site is contributing to increased capacity at the landfill which led to decreases in the liability estimate for 2022.

Minor capital expenses will continue to fluctuate from year to year and are influenced by both the level of capital expenditure as well as the type of capital projects taking place. In 2023, minor capital expenses are expected to be higher than 2022 levels.

FUTURE OUTLOOK

Located along the ancient Precambrian shield of Great Slave Lake, Yellowknife is located on Chief Drygeese territory, which from time immemorial has been the traditional land of the Yellowknives Dene First Nation. We respect the histories, languages, and cultures of all other Indigenous Peoples including the North Slave Métis, and all First Nations, Métis, and Inuit whose presence continues to enrich our vibrant community.

Yellowknife is a lively and inclusive community, home to almost 22,000 residents who enjoy an urban lifestyle on the edge of pristine wilderness. As the capital city of the Northwest Territories, the City is a crossroads for people from across the Northwest Territories and the Canadian arctic, and Council and the City work hard to ensure that all people who live, work and play in Yellowknife can count on the best possible municipal programs and services.

A Balancing Act

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

There has also been growth in external pressures, especially from a regulatory perspective, including: the need to maintain the City's water license, a complex, multi-year process that requires the City to make significant capital investments and to demonstrate ongoing regulatory compliance when drawing water and depositing waste and wastewater; the need to implement increasingly rigorous safe work practices, legislated by the Workers' Safety and Compensation Commission and essential to keeping our staff and residents safe; and the need to participate in the Giant Mine Remediation project to ensure the project's progress is consistent with the best interests of Yellowknife citizens and businesses.

Exacerbating these growth pressures is the reality that development has slowed in recent years and the annual increase in the City's total taxable assessment was only 0.90% for 2022, resulting in minimal natural growth in taxation revenue. While the City strives to respond to emerging growth and pressure, without an increased assessment base even minor cost increases translate more directly to a property tax increase.

The challenge is amplified by the ongoing formula funding shortfall. In 2014, the GNWT identified and acknowledged that its communities were annually underfunded by a total of \$40 million. Of this \$40 million shortfall, the City of Yellowknife was underfunded by \$11 million each year. Despite recent efforts to reduce this gap, it still exceeds \$9 million per year, which significantly reduces the City's ability to deliver services and to build and maintain infrastructure. The City continues its lobbying effort to encourage the GNWT to better support strong communities and a diversified economy, and to deliver a written plan to fully close this funding gap.

In addition, there are also ongoing citizen concerns with social issues. While these are not within the City's municipal government mandate, their impact requires the City to collaborate on solutions.

Working to Enhance Quality of Life

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

In 2023, planned operational investments prioritize essentials, with a purposeful emphasis on sustaining a strong and effective staff complement with initiatives that include implementing the talent management strategy developed in 2022 to adapt staffing practices to the rapidly changing labour market, renewing the City's job classifications to ensure employees are paid fairly and competitively for their contributions, and managing position growth to respond to increased demand for core services. Other investments include developing a public engagement framework to obtain and consider stakeholder input in a consistent and effective manner; advancing the City's Reconciliation Action Plan; carrying out the City's Economic Development Strategy and working with the Yellowknives Dene First Nation to execute the Joint Economic Development Strategy; and continuing to imbed asset management principles and practices into processes throughout the organization.

Infrastructure investments in 2023 will also concentrate on core and essential infrastructure. This focus has taken on added importance – and challenges – in the post-COVID reality of high inflation, supply chain issues, and human resource limitations experienced by both the City and its contractors.

The City draws its water from the Yellowknife River, and the submarine intake line has reached the end of its life expectancy. Planning and design work has been underway for several years and in 2019 the City secured \$25.8 million in federal funding towards the then-estimated replacement cost of \$32 million. Post-COVID, the estimated expenditure requirement has increased substantially and staff continue to seek external support for the funding shortfall to ensure replacement of this critical piece of infrastructure that ensures safe drinking water for all area residents.

The Fire Hall building no longer has the capacity to support the staff, operating, and occupational health and safety requirements necessary to meet the emergency and fire service needs of the community. In February of 2021, Council approved a recommendation to expand and renovate the existing building, based on Class D estimates. Subsequent design work, combined with unexpectedly high rates of inflation, are predicting higher costs than initially anticipated.

Lift station #1 is approaching the end of its useful life, and infill development is creating added pressure on this critical piece of infrastructure. Budget 2023 included allocations to replace it, based on Class D estimates; however, inflationary pressures are now suggesting costs well in excess of those estimates.

In light of the increased costs now being anticipated for these major capital projects, staff are recommending adjustments to the organization's ten-year capital plan that will see several initiatives pushed into future years in an effort to even out the demands on the capital fund. These will be reflected in the Budget 2024 document.

Consultation, planning, and design work for a new Aquatic Centre began several years ago, and in the fall of 2021, voters authorized the City to borrow up to \$10,001,000 towards its construction. Site work began in the summer of 2022, with the majority of the construction slated for 2023 towards an anticipated completion date in 2024. This is the largest capital project undertaken by the City to date, and the design-build approach means the cost is fixed.

Citizens have entrusted the City with the care and maintenance of a significant array of assets. These assets are crucial to the reliable delivery of municipal services and programs, and represent significant investments. The City continues to strengthen its asset management processes in order to ensure that our buildings, roads, pipes, parks, trails, and technology are properly looked after to obtain maximum benefit from each investment.

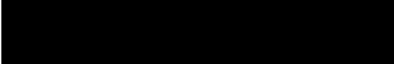
Final Thoughts

On August 16th, 2023, the City was evacuated due to forest wildfires. The total costs associated with evacuation of residents, forest fire fighting prevention, development of fire prevention barriers, support to residents during the evacuation, costs associated with re-entry to the City, clean-up of the fire prevention measures, professional and administrative costs for administering cost recovery are not fully known presently.

As a result of the aforementioned uncertainty, as a one-off, the City has opted not to transfer any funds from the General Fund to the Capital Fund at this point in time. As a reminder, the Funds Stabilization component of the City's Budget Policy guides that the General Fund maintains a balance of no less than 10.0% and no more than 15.0% of budgeted expenses in any given year. To meet these latter criteria, on a yearly basis, the City has transferred surplus funds from the General Fund to the Capital Fund. However, as at 31 December 2022, the General Fund balance will remain at \$14.9 million, which will equate to 32% of the 2022 budget expenditures net of amortization.

Notwithstanding the above, the City is in a robust financial position with healthy reserve balances and a solid strategic plan reflected in its forecasted three-year operating and 10-year capital plan. While it is anticipated the wildfire evacuation will continue to impact operations and revenues for the foreseeable future, there are signs of economic recovery, including indications of several new developments.

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


Kavi Pandoo, MPAcc, CPA, FCCA
Director of Corporate Services
October 30, 2023

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

For the year ended December 31, 2022

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

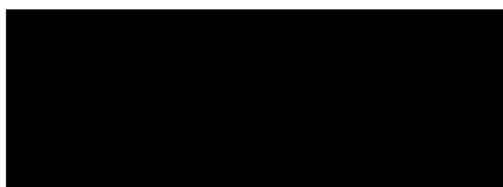
In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records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

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

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



Sheila Bassi-Kellett
City Manager
October 30, 2023



Kavi Pandoo, MPAcc, CPA, FCCA
Director of Corporate Services
October 30, 2023

AUDIT COMMITTEE'S REPORT

For the year ended December 31, 2022

The Audit Committee oversees the City's financial reporting process on behalf of City Council. The Committee is comprised of: Mayor Rebecca Alty (ex-officio), Councillor Tom McLennan, Paul Guy, 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, 2022.



Janet Toner, FCPA, CA, Chair
October 30, 2023

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, 2022 and the statements of operations and accumulated surplus, 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, 2022 and its results of operations, 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.

October 30, 2023
Yellowknife, Northwest Territories

Crowe Mackay LLP

Chartered Professional Accountants

STATEMENT OF FINANCIAL POSITION

As at December 31, 2022 (in thousands of dollars)

	2022	2021
Financial Assets		
Cash and cash equivalents (Note 3)	\$ 121,403	\$ 93,030
Grants receivable (Note 4)	7,088	814
Taxes receivable (Note 5)	1,389	3,239
Water and sewer receivable (Note 6)	1,560	1,451
Other receivable (Note 7)	6,025	7,485
Local improvement charge receivable (Note 8)	13,049	13,598
Land held for resale (Note 9)	2,357	2,745
Total Financial Assets	152,871	122,362
Liabilities		
Accounts payable and accrued liabilities	8,724	7,050
Accrued employee benefits (Note 10)	4,324	3,731
School taxes payable	2,931	2,893
Deposits payable	2,493	2,003
Deferred revenue (Note 11)	24,161	16,417
Debt (Note 12)	30,762	23,279
Landfill closure and post-closure liability (Note 13)	5,252	16,132
Total Liabilities	78,647	71,505
Net Financial Assets	74,224	50,857
Non-Financial Assets		
Tangible capital assets	286,629	279,241
Inventories	1,199	1,111
Prepays	741	753
	288,569	281,105
Accumulated Surplus (Note 15)	\$ 362,793	\$ 331,962
Contingencies (Note 16)		
Commitments (Note 17)		
Contractual rights (Note 21)		

See accompanying notes and schedules to the financial statements.

Approved by:


Mayor


City Manager

STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

	2022 Budget (Note 19)	2022 Actual	2021 Actual
<i>For the year ended December 31, 2022 (in thousands of dollars)</i>			
Revenues			
Municipal taxation			
Property taxes	\$ 34,067	\$ 35,195	\$ 33,610
Payments in lieu of taxes	-	10,468	9,991
School taxes	-	(11,484)	(11,366)
Net municipal taxation	34,067	34,179	32,235
User fees and sale of goods	22,882	25,134	23,217
Land sales	3,421	1,091	3,118
Grants and transfers	886	1,138	2,315
Investment income	680	2,736	1,020
Fines, penalties and cost of taxes	930	773	753
Development levies, licenses and permits	1,051	1,042	1,555
Franchise fees	1,079	1,092	1,076
Total Revenues	64,996	67,185	65,289
Expenses			
General Government	16,064	14,783	13,862
Community Services	13,533	13,037	11,938
Planning and Development	3,725	1,846	2,944
Public Safety	10,048	9,440	8,773
Public Works and Engineering	13,176	13,154	12,395
Solid Waste Facility (Note 13)	4,771	(7,301)	138
Water and Sewer	15,698	15,849	14,650
Total Expenses	77,015	60,808	64,700
Annual Surplus (Deficit) before Other	(12,019)	6,377	589
Contributed tangible capital assets	-	-	909
Government transfers related to capital	31,449	27,396	16,325
Minor capital expense	(6,868)	(2,942)	(1,986)
Annual Surplus after Other	12,562	30,831	15,837
Accumulated Surplus, Beginning of Year	331,962	331,962	316,125
Accumulated Surplus, End of Year	\$ 344,524	\$ 362,793	\$ 331,962

See accompanying notes and schedules to the financial statements.

STATEMENT OF CHANGES IN NET FINANCIAL ASSETS

	2022 Budget (Note 19)	2022 Actual	2021 Actual
<i>For the year ended December 31, 2022 (in thousands of dollars)</i>			
Annual Surplus	\$ 12,562	\$ 30,831	\$ 15,837
Acquisition of tangible capital assets	(38,921)	(22,463)	(12,060)
Amortization of tangible capital assets	15,409	15,067	14,800
Loss on disposal of tangible capital assets	-	8	96
Proceeds on disposal of tangible capital assets	-	-	184
	(23,512)	(7,388)	3,020
Increase in inventories and prepaid expenses	-	(76)	(49)
Increase in Net Financial Assets	(10,950)	23,367	18,808
Net Financial Assets, Beginning of Year	50,857	50,857	32,049
Net Financial Assets, End of Year	\$ 39,907	\$ 74,224	\$ 50,857

See accompanying notes and schedules to the financial statements

STATEMENT OF CASH FLOWS

For the year ended December 31, 2022 (in thousands of dollars)

	2022	2021
Net inflow (outflow) of cash related to the following activities:		
Operations		
Annual Surplus	\$ 30,831	\$ 15,837
Non-cash changes to operations:		
Amortization of tangible capital assets	15,067	14,800
Loss on disposal of tangible capital assets	8	96
Contributed tangible capital assets	-	(909)
Landfill closure and post-closure liability	(10,879)	(3,346)
Land held for resale transfer to tangible capital assets	-	(245)
	35,027	26,233
Change in non-cash working capital balances related to operations:		
Grants receivable	(6,274)	374
Taxes receivable	1,850	753
Water and sewer receivable	(109)	(49)
Other receivable	1,460	3,760
Local improvement charge receivable	549	531
Land held for resale	388	1,569
Inventories	(88)	21
Prepays	12	(70)
Accounts payable and accrued liabilities	1,673	(992)
School taxes payable	38	2
Deposits payable	490	427
Deferred revenue	7,744	1,760
Accrued employee benefits	593	313
	8,326	8,399
Net Cash provided from Operations	43,353	34,632
Capital		
Acquisitions of tangible capital assets	(22,463)	(10,906)
Proceeds on disposal of tangible capital assets	-	184
Net Cash used for Capital	(22,463)	(10,722)
Financing		
Debt repayments	(2,521)	(2,240)
Proceeds from debt	10,004	-
Net Cash provided from (used for) Financing	7,483	(2,240)
Increase in Cash and Cash Equivalents	28,373	21,670
Cash and Cash Equivalents, Beginning of Year	93,030	71,360
Cash and Cash Equivalents, End of Year	\$ 121,403	\$ 93,030

See accompanying notes and schedules to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2022 (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, 2022 (in thousands of dollars)

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

g) Liability for Contaminated Sites

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

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

The best estimate of the liability includes all costs directly attributable to remediation activities and is reduced by expected net recoveries based on information available. At each financial reporting date, management reviews the carrying amounts of the liability. Any revision required to the amount previously recognized is accounted for in the period revisions are made. As of December 31, 2022, the City has determined that no liability exists.

h) Non-Financial Assets

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

i) Tangible Capital Assets

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2022 (in thousands of dollars)

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

j) Inventories

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

k) Government Transfers

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

l) Land Sales

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

m) School Taxes

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

n) Property Taxes

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

o) 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.

p) 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.

q) 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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2022 (in thousands of dollars)

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

r) **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.

s) **Measurement Uncertainty**

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

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

t) **Budget**

Budget figures are unaudited and are those approved by Council on December 13, 2021.

u) **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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2022 (in thousands of dollars)

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

u) Segment Disclosure (CONTINUED)

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.

Water and Sewer:

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

2. FUTURE ACCOUNTING CHANGES

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2022 (in thousands of dollars)

2. FUTURE ACCOUNTING CHANGES (CONTINUED)

b) Foreign Currency Translation, Section PS 2601

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

This Section is effective for fiscal periods beginning on or after April 1, 2022. The impact of the transition to these accounting standards has been reviewed by management and is not considered significant.

c) Asset Retirement Obligations, Section PS 3280

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

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

d) Revenue, Section PS 3400

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

This Section is effective for fiscal periods beginning on or after April 1, 2023. Earlier adoption is permitted. The impact of the transition to these accounting standards is being reviewed by management.

3. CASH AND CASH EQUIVALENTS

	2022	2021
Cash - unrestricted	\$ 78,549	\$ 56,692
Investments in money market funds - unrestricted	8,545	8,432
Cash held in trust - restricted (Note 20)	27	27
Cash - deferred revenue - restricted (Note 11)	24,161	16,417
Cash - designated for reserves (Note 15)	10,121	11,462
	\$ 121,403	\$ 93,030

The average yield earned from investments in money market funds was 2.28% (2021 - 0.12%).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2022 (in thousands of dollars)

4. GRANTS RECEIVABLE

	2022	2021
Government of Canada		
CanNor YKDFN Shared Economic Development Strategy	\$ -	\$ 52
CanNor Supporting Improved Visitor Experiences/Wayfinding	6	6
CanNor Yellowknife Visitor Centre Relocation Plan	-	55
Disaster Mitigation and Adaptation Fund - Submarine Line	177	43
New Building Canada Fund and Small Communities Fund (SCF)	5,198	409
CIRNAC Giant Mine - Municipal Capacity Building - Training	8	9
Government of the Northwest Territories		
Public Sector Accounting Board - Asset Retirement Obligations	40	-
Public Library Services	44	-
Street Outreach	49	49
Economic Development Officer	25	50
CEP Transportation Initiative	5	5
Visitor Services	-	23
McMeekan Causeway Stabilization (ICIP)	-	9
Paving Project (ICIP)	927	48
Assist Tourism	161	-
Increasing Waste Diversion (ICIP)	36	8
Lagoon Expansion (ICIP)	381	46
New Landfill Cell (ICIP)	22	-
Hydroseeder Waste Facility	5	-
Small Community Employment Support Program	4	-
Other Grants	-	2
	\$ 7,088	\$ 814

5. TAXES RECEIVABLE

	2022	2021
Property taxes receivable	\$ 2,430	\$ 2,075
Payments in lieu of taxes receivable	625	2,830
	3,055	4,905
Less: Allowance for doubtful taxes receivable	(1,666)	(1,666)
	\$ 1,389	\$ 3,239

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2022 (in thousands of dollars)

6. WATER AND SEWER RECEIVABLE

	2022	2021
Water and sewer receivables	\$ 1,976	\$ 1,875
Less: Allowance for doubtful accounts	(416)	(424)
	\$ 1,560	\$ 1,451

7. OTHER RECEIVABLE

	2022	2021
Land sales and trade accounts receivables	\$ 4,506	\$ 5,625
Community services receivables	395	264
Municipal enforcement receivables	955	903
Power distribution franchise	1,092	1,076
GST receivable	258	135
Other	255	776
	7,461	8,779
Less: Allowance for doubtful accounts	(1,436)	(1,294)
	\$ 6,025	\$ 7,485

8. LOCAL IMPROVEMENT CHARGE RECEIVABLE

	2022	2021
Niven Lake Subdivision - Phase 7	\$ 226	\$ 259
Yellowknife Condominium Corporation No. 8	12,823	13,339
	\$ 13,049	\$ 13,598

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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2022 (in thousands of dollars)

8. LOCAL IMPROVEMENT CHARGE RECEIVABLE (CONTINUED)

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.

9. LAND HELD FOR RESALE

Land held for resale is classified as a financial asset. Land held for resale has an estimated market value of \$8.7 million (2021 - \$9.2 million).

10. ACCRUED EMPLOYEE BENEFITS

	2022	2021
Net accrued employee benefits obligation	\$ 1,959	\$ 1,794
Vacation and lieu	1,323	1,409
Wages	1,042	528
	\$ 4,324	\$ 3,731

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, 2022.

An actuarial valuation of the accrued employee benefits obligation was completed as of December 31, 2022. 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, 2022 (in thousands of dollars)

10. ACCRUED EMPLOYEE BENEFITS (CONTINUED)

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

	2022	2021
Accrued employee benefits obligation at beginning of year	\$ 2,314	\$ 2,355
Current service cost	186	189
Interest cost	53	44
Benefits paid	(180)	(155)
Actuarial (gain)/loss	229	(119)
Accrued employee benefits obligation at the end of year	2,602	2,314
Unamortized net actuarial loss	(643)	(520)
Net accrued employee benefits obligation	\$ 1,959	\$ 1,794

Accrued employee benefits obligation is comprised of the following:

	2022	2021
Severance pay	\$ 2,044	\$ 1,928
Long service bonus	130	127
Compensated absences	428	259
Accrued employee benefits obligation at the end of the year	\$ 2,602	\$ 2,314

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

	2022	2021
Current service cost	\$ 186	\$ 189
Interest cost	53	44
Benefits paid	(180)	(155)
Total expense	\$ 59	\$ 78

The significant actuarial assumptions adopted in measuring the future employee benefits obligation are as follows:

	2022	2021
Discount rate (%)	4.2%	2.2%
Base wage inflation (%)	2.0%	2.0%
Salary merit scale (%)	0.5%	0.5%
Average years of service	8 years	7 years

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2022 (in thousands of dollars)

11. DEFERRED REVENUE

	2021	Externally Restricted Inflows	Revenue Earned	2022
Government of the Northwest Territories				
MACA CPI	\$ 126	\$ 8,191	\$ (1,919)	\$ 6,398
Sport and Recreation	80	-	(80)	-
Tourism Strategy	-	32	-	32
Hydroseeder Waste Facility	41	-	(41)	-
Government of Canada				
Gas Tax	15,654	6,073	(4,647)	17,080
Giant Mine	50	162	(72)	140
Enabling Accessibility Funding (EAF)	100	-	-	100
Federation of Canadian Municipalities Green Municipal Fund (GMF)	123	-	(73)	50
Other	243	747	(629)	361
	\$ 16,417	\$ 15,205	\$ (7,461)	\$ 24,161

12. DEBT

	2022	2021
Capital - general		
TD Canada Trust Swap #904437T, authorized by By-law 4729 to finance completion of Phase 1 of the Multiplex, with monthly payments of \$10 thousand including principal & interest at 2.77%, expiring May 2023.	\$ 49	\$ 166
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.	8,429	9,812
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.	377	435
TD Canada Trust Swap #909371T, authorized by By-law 4737 to finance the cost of building a new Water Treatment Plant, with monthly payments of \$22 thousand including principal & interest at 3.71%, expiring August 2028.	1,332	1,540
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 4.136%, expiring July 2037.	9,796	-
	19,983	11,953

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2022 (in thousands of dollars)

12. DEBT (CONTINUED)

	2022	2021
General		
TD Canada Trust Swap #903174T, authorized by By-law 4707 to finance the cost of a local improvement in the Yellowknife Condominium Corporation No. 8 Mobile Home Park, with monthly payments of \$27 thousand including principal & interest at 3.30%, expiring May 2038 (Note 8.b).	10,579	11,097
TD Canada Trust Swap #920732T, authorized by By-law 4766 to finance the cost of local improvements on certain properties in Stage 2, Phase 7, Niven Lake Subdivision, with monthly payments of \$7 thousand including principal & interest at 3.58%, expiring January 2029 (Note 8.a).	200	229
	10,779	11,326
	\$ 30,762	\$ 23,279

The City has an operating facility with TD Canada Trust with an authorized limit of \$10 million (2021 - \$10 million), of which \$0 (2021 - \$0) was utilized at year end. The operating facility bears interest at prime - 0.25% (2021 - 0.25%) and is due on demand.

Debentures are covered by taxes and penalties levied, all grants and sundry revenues. Total interest paid in 2022 on debt was \$898 thousand (2021 - \$783 thousand). The estimated fair value of long-term debt at December 31, 2022 is \$30.1 million (2021 - \$22.8 million). Fair value is estimated by discounting future cash flows at the rate currently offered by the City's bank for debt of similar credit quality and period to maturity. Annual principal repayment requirements on debt for the next five years are as follows:

2023	\$ 2,818
2024	2,864
2025	2,963
2026	3,066
2027	3,172
2028 and thereafter	15,879
	\$ 30,762

13. LANDFILL CLOSURE AND POST-CLOSURE LIABILITY

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

	2022	2021
Old Landfill Site	\$ 2,477	\$ 11,868
New Landfill - Cell A+B	2,775	4,264
	\$ 5,252	\$ 16,132

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2022 (in thousands of dollars)

13. LANDFILL CLOSURE AND POST-CLOSURE LIABILITY (CONTINUED)

The change in the landfill closure and post-closure liability is included in the Solid Waste Facility expenses on the Statement of Financial Operations. The change in liability for 2022 is a recovery of \$10,880 (2021 - recovery of \$3,345).

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

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

The costs to maintain a closed solid waste landfill site are based on estimated future expenses in current dollars by applying a discount rate at the City's average long-term borrowing rate of 3.69% (2021 - 1.87%) and an inflation rate of 2.8% (2021 - 1.9%).

a) Old Landfill Site

Total closure and post-closure costs are estimated to be \$12.7 million (2021 - \$18 million) of which \$2.5 million has been recognized (2021 - \$11.9 million). Of the total costs, \$11.8 million is for site closure activities and \$0.9 million is for post-closure care activities. The City has recognized \$2.3 million (2021 - \$9.8 million) for site closure activities and \$0.2 million (2021 - \$2.1 million) for post-closure care activities. In 2022, the estimated capacity was increased from 275,000 cubic metres to 546,085 cubic metres, of which 61% remains. The estimated capacity increase also increased the remaining life of the landfill by 15 years to 2040 and monitoring will be required indefinitely.

b) New Landfill - Cell A and Cell B

Total closure and post-closure costs are estimated to be \$5.5 million (2021 - \$7.3 million) of which \$2.8 million has been recognized (2021 - \$4.3 million). Of the total costs, \$2.6 million is for site closure activities and \$2.9 million is for post-closure care activities. The City has recognized \$1.3 million (2021 - \$2.7 million) for site closure costs and \$1.4 million (2021 - \$1.6 million) for post-closure care costs. In 2022, the estimated landfill capacity increased from 305,613 cubic metres to 370,807 cubic metres, of which only 182,409 cubic metres (49%) remains. The remaining estimated life of the landfill is 6 years and monitoring will be required indefinitely.

Future events may result in significant changes to the total estimated expenses, capacity used or total capacity and would be recognized prospectively as a change in estimate.

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.

Any funds received or unexpended at year end are not recognized in the financial statements. The unexpended funds received as of December 31, 2022 are \$0.

The agreement is effective until March 31, 2024.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2022 (in thousands of dollars)

15. FUND ACTIVITIES AND CHANGE IN FUND BALANCES

	General Fund	Land Development Fund	Solid Waste Management Fund	Water and Sewer Fund	Capital Fund	Service Connection Failure Assistance Fund	Reserves	Equity in Tangible Capital Assets	2022 Total
Balance, beginning of year	\$ 10,745	\$ 10,341	\$ (8,103)	\$ 3,571	\$ 35,102	\$ 1,556	\$ 11,462	\$ 267,288	\$ 331,962
Excess revenues (expenses)	(5,160)	1,143	11,478	(4,766)	5,813	(140)	-	-	8,368
Net inter-fund transfers									
Amortization of tangible capital assets	7,397	-	1,201	6,469	-	-	-	(15,067)	-
Tangible capital asset purchases	-	-	-	-	-	-	-	22,463	22,463
Net disposal of TCA	8	-	-	-	-	-	-	(8)	-
Long-term debt proceeds net of repayments	-	-	-	-	8,030	-	-	(8,030)	-
Net transfer from (to) other funds/reserves	1,929	(405)	(358)	(1,174)	1,349	-	(1,341)	-	-
Balance, end of year	\$ 14,919	\$ 11,079	\$ 4,218	\$ 4,100	\$ 50,294	\$ 1,416	\$ 10,121	\$ 266,646	\$ 362,793

The equity in tangible capital assets is comprised of tangible capital assets of \$286.629 million (2021 - \$279.241 million) less debt-capital of \$19.983 million (2021 - \$11.952 million).

Reserves consist of:	Opening Balance	Increases	Decreases	Closing Balance
Community grant reserve	\$ 77	\$ 66	\$ (75)	\$ 68
Downtown development reserve	927	29	(225)	731
Heritage reserve	141	33	-	174
Information technology reserve	1,977	310	(490)	1,797
Major community facility reserve	3,220	57	(2,430)	847
Mobile equipment replacement reserve	2,275	1,500	(121)	3,654
Revitalization initiative reserve	2,416	-	-	2,416
Samuel Colley library donation reserve	429	5	-	434
	\$ 11,462	\$ 2,000	\$ (3,341)	\$ 10,121

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2022 (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:

	Total
2023	\$ 6,740
2024	4,855
2025	3,483
2026	2,484
2027 and thereafter	595
	\$ 18,157

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, 2022. The expected minimum payments for these contracts is \$62.3 million. Of this total, \$56.9 million is for the aquatic centre which is expected to be completed between 2023 and 2024.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2022 (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:

	2022	2021
Employers' contribution	\$ 1,674	\$ 1,596
Employees' contribution	1,674	1,601
	\$ 3,348	\$ 3,197

Participating employers in the Plan, including the City, are required to make contributions to the plan of 8.00% (2021 - 8.00%) of pensionable earnings, and to remit employee contributions of 8.00% (2021 - 8.00%). These contributions cover current service costs and a provision for adverse deviation.

As at January 1, 2022, the Plan had a going concern surplus of \$65.4 million (2021 - \$47.1 million), a wind up deficit of \$124.8 million (2021 - \$165.4 million) and a funded ratio of 124.00% (2021 - 119.00%). The Plan serves 3,655 employee members and 118 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, 2022 (in thousands of dollars)

19. COMPARATIVE AMOUNTS

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

Budget figures have been reclassified to conform with the presentation adopted in the current year. The City's 2022 Financial Plan reported all capital expenditures including tangible capital assets acquisitions as operations expenses.

Capital expenditures have been reclassified as follows:

	2022 Budget
Capital purchases as presented in the budget	\$ 46,292
Less: Acquisition of tangible capital assets	38,921
Less: Interest on debt related to capital	503
Minor Capital Expense	\$ 6,868

The annual surplus (deficit) as approved in the 2022 Financial Plan has been reclassified as follows:

	2022 Budget
Annual surplus (deficit) as presented in the budget	\$ (2,925)
Add: Acquisitions of tangible capital assets	38,921
Less: Debenture proceeds net of repayments	8,025
Less: Amortization	15,409
Annual surplus	\$ 12,562

20. CASH HELD IN TRUST

	2022	2021
Firefighters' Training Alternative Measures Agreement	\$ 5	\$ 5
Twin Pine Hill Escrow Agreement	22	22
	\$ 27	\$ 27

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2022 (in thousands of dollars)

21. CONTRACTUAL RIGHTS

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

The total capital transfers expected to be received from these agreements is \$42,972 and includes the following:

• New Building Canada Fund - Aquatic Centre (2023)	\$	3,393
• ICIP - Increasing Waste Diversion (2023-2027)	\$	1,413
• ICIP - Lagoon Expansion & Sludge Removal (2023-2027)	\$	4,881
• ICIP - Paving (2023-2027)	\$	4,746
• ICIP - New Landfill Cell Development (2023-2027)	\$	3,554
• DMAF - Submarine Line (2023-2028)	\$	24,985

The City receives an operating transfer for power distribution franchise fees based on a percentage of gross revenue of the franchisee until December 31, 2025.

22. 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) Provision for Landfill Closure

Estimates of landfill closure and post closure costs are subject to significant measurement uncertainty. The current provision includes a material estimate for contingency costs, 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 2023.

23. SUBSEQUENT EVENT

On August 16, 2023, the City was evacuated due to forest wildfires. The total costs associated with evacuation of residents, forest fire fighting prevention, development of fire prevention barriers, support to residents during the evacuation, costs associated with re-entry to the City, clean-up of the fire prevention measures, professional and administrative costs for administering cost recovery are currently undetermined. Consequently, the City has opted not to transfer any funds from the General Fund to the Capital Fund as prescribed by the City's Budget Policy at year end. As at 31 December 2022, the General Fund balance remained at \$14.9 million.

SCHEDULE OF TANGIBLE CAPITAL ASSETS

For the year ended
December 31, 2022
(in thousands of dollars)

		Land	Buildings	Roads & Sidewalks Infrastructure	Water & Sewer Infrastructure	Other Infrastructure	Vehicles	Equipment	Work In Progress	2022 Totals
Cost										
Balance, beginning of year	\$	36,091	\$ 133,218	\$ 96,839	\$ 193,440	\$ 24,746	\$ 4,891	\$ 19,921	\$ 1,779	\$ 510,925
Add: Additions during year		-	1,283	1,384	2,747	182	67	110	16,690	22,463
Less: Disposals during year		-	310	131	115	-	-	-	-	556
Balance, end of year		36,091	134,191	98,092	196,072	24,928	4,958	20,031	18,469	532,832
Accumulated amortization										
Balance, beginning of year	-		56,588	53,198	96,532	12,055	2,141	11,170	-	231,684
Add: Amortization during the year	-		3,392	4,093	4,780	1,375	357	1,070	-	15,067
Less: Accumulated amortization on disposals	-		302	130	116	-	-	-	-	548
Balance, end of year	-		59,678	57,161	101,196	13,430	2,498	12,240	-	246,203
Net book value of tangible capital assets		36,091	74,513	40,931	94,876	11,498	2,460	7,791	18,469	286,629
2021 Net book value of tangible capital assets	\$	36,091	\$ 76,630	\$ 43,641	\$ 96,908	\$ 12,691	\$ 2,750	\$ 8,751	\$ 1,779	\$ 279,241

SCHEDULE OF SEGMENT DISCLOSURE

<i>For the year ended December 31, 2022 (in thousands of dollars)</i>	2022 Budget	General Government	Community Services	Planning and Development	Public Safety	Public Works and Engineering	Solid Waste Facility	Water and Sewer	2022	2021
Revenue										
Municipal taxation	\$ 34,067	\$ 34,179	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 34,179	\$ 32,235
User fees and sale of goods	22,882	890	1,923	398	3,616	361	4,165	13,781	25,134	23,217
Land sales	3,421	-	-	1,091	-	-	-	-	1,091	3,118
Grants and transfers	886	406	244	-	46	-	12	430	1,138	2,315
Investment income	680	2,614	-	122	-	-	-	-	2,736	1,020
Fines, penalties and cost of taxes	930	320	3	-	353	-	-	97	773	753
Development levies, licenses and permits	1,051	552	35	363	92	-	-	-	1,042	1,555
Franchise fees	1,079	1,092	-	-	-	-	-	-	1,092	1,076
Total Revenues	64,996	40,053	2,205	1,974	4,107	361	4,177	14,308	67,185	65,289
Expenses										
Amortization of tangible assets	15,409	392	2,238	-	346	4,422	1,201	6,469	15,068	14,800
Provision for allowance	250	135	-	-	-	-	-	-	135	62
Bank charges and short-term interest	238	217	-	-	-	-	-	-	217	192
Materials and supplies	1,711	319	37	5	133	475	-	385	1,354	898
Contracted and general services	19,893	3,409	3,329	453	715	4,863	1,152	4,117	18,038	17,097
Insurance	819	827	-	-	-	-	-	-	827	899
Interest debt	503	899	-	-	-	-	-	-	899	783
Mayor and council expenses	638	549	-	-	-	-	-	-	549	546
Salaries, wages, employee benefits & unfunded liabilities	32,332	7,827	5,846	1,388	8,144	3,289	1,119	2,664	30,277	29,037
Utilities + electricity	2,940	110	1,027	-	66	54	57	1,485	2,799	2,658
Utilities + fuel	1,402	99	560	-	36	51	49	729	1,524	1,075
Landfill closure costs (recovery)	880	-	-	-	-	-	(10,879)	-	(10,879)	(3,347)
Total Expenses	77,015	14,783	13,037	1,846	9,440	13,154	(7,301)	15,849	60,808	64,700
Annual Surplus before Other	(12,019)	25,270	(10,832)	128	(5,333)	(12,793)	11,478	(1,541)	6,377	589
Contributed tangible capital assets	-	-	-	-	-	-	-	-	-	909
Government transfers related to capital	31,449	27,203	160	-	-	-	33	-	27,396	16,325
Net Transfer Administration Fees	-	1,921	-	(389)	-	-	(358)	(1,174)	-	-
Minor capital expense	(6,868)	(562)	(204)	-	(113)	(1,494)	(44)	(525)	(2,942)	(1,986)
Annual Surplus (Deficit) after Other	\$ 12,562	\$ 51,911	\$ (10,876)	\$ 128	\$ (5,446)	\$ (14,287)	\$ 11,467	\$ (2,066)	\$ 30,831	\$ 15,837

SCHEDULE OF GOVERNMENT TRANSFERS OPERATING

<i>December 31, 2022</i> <i>(in thousands of dollars)</i>	2022 Budget	2022 Actual	2021 Actual
Government of Canada			
New Horizon	\$ -	\$ -	\$ 3
Canadian Northern Economic Development Agency (CanNor)			
Supporting Improved Visitor Experiences/Wayfinding (1819-CN-000064)	-	-	8
YKDFN Shared Economic Development Strategy (1920-CN-000038)	-	32	29
Yellowknife Visitor Centre Relocation Plan (2021-CN-000704)	-	-	109
Crown-Indigenous Relations and Northern Affairs Canada			
Giant Mine	100	72	274
Canadian Heritage			
Canada Day Celebration	25	105	15
Organize the National Ice Competition-Winterlude	-	-	40
	\$ 125	\$ 209	\$ 478

SCHEDULE OF GOVERNMENT TRANSFERS OPERATING

<i>December 31, 2022</i> <i>(in thousands of dollars)</i>	2022 Budget	2022 Actual	2021 Actual
Government of the Northwest Territories			
MACA Contribution Agreements			
Property Assessment	\$ 125	\$ 125	\$ 137
Library Grant	110	110	108
Ground Ambulance and Highway Rescue	37	-	74
MACA Water and Sewer Funding	429	429	429
Labour market recovery program	-	25	-
COVID-19 Safe Restart Funding	-	-	780
Street Outreach Program	1	-	130
Emergency Sport Funding	-	-	32
Recreation Special Event Grants/Clean up - GNWT	3	-	2
COVID-19, Wastewater Sampling Initiative	-	-	5
Education, Culture and Employment Agreements			
Arts in the Park	-	-	5
Industry, Tourism and Investment Agreements			
Agriculture Awareness Program	-	-	6
Economic Development Officer	50	50	50
Visitor Services/Assist Tourism	-	139	31
Shop Local Campaign	-	25	-
Literacy Council	5	5	7
Other			
Federation of Canadian Municipalities: CEDI Program 5-year Strategy	-	-	35
Federation of Canadian Municipalities: CEDI Program Graduation Event	-	-	6
Other	1	21	-
	761	929	1,837
	\$ 886	\$ 1,138	\$ 2,315

SCHEDULE OF GOVERNMENT TRANSFERS CAPITAL

<i>December 31, 2022 (in thousands of dollars)</i>	2022 Budget	2022 Actual	2021 Actual
Government of Canada			
Gas Tax (GTF) Funding	\$ 6,140	\$ 4,648	\$ 5,463
Disaster Mitigation and Adaptation Fund (DMAF)	750	724	74
New Building Canada Fund and Small Communities Fund (SCF)	10,525	8,512	622
Giant Mine (2021-HQ-000146 Amend. 0001)	-	-	100
Yellowknife Visitor Centre Relocation Plan (2021-CN-000704)	-	274	-
	17,415	14,158	6,259
Government of the Northwest Territories			
MACA Contribution Agreements			
MACA Formula Funding	2,320	7,860	7,828
Capital Grant - Community Public Infrastructure (CPI) Funding	2,159	1,919	2,140
Sport and Recreation Grant	80	160	9
Public Sector Account Board PS 3280 - Asset Retirement Obligation		40	-
Environment & Natural Resources			
Hydro Seeder	-	33	-
Industry, Tourism and Investment Agreements			
Arts Gallery for Visitor Centre		15	-
Visitor Services/Assist Tourism		345	-
McMeekan Causeway Stabilization (ICIP)	-	-	4
Paving Project (ICIP)	2,813	1,703	48
Weigh Station (ICIP)	-	39	-
New Landfill/Landfill Expansion - New Landfill Cell Design (ICIP)	-	84	-
Lagoon Expansion (Lagoon Sludge Removal) (ICIP)	713	654	58
Community Energy Program Waste Strategic Plan (ICIP)	-	-	8
Energy Monitoring Design (Energy Conservation Program)	-	-	(6)
Water & Sewer Infrastructure Replacement	439	313	-
Federation of Canadian Municipalities - YK Community Energy Plan Renewal	-	-	(23)
Federation of Canadian Municipalities - Green Municipal Fund	-	73	-
	8,524	13,238	10,066
	\$ 25,939	\$ 27,396	\$ 16,325

SCHEDULE OF REVENUE AND EXPENDITURES GAS TAX AGREEMENT

December 31, 2022
(in thousands of dollars)

	2022 Budget	2022 Actual	2021 Actual	2020 Actual	2019 Actual	2018 Actual
Funding						
Opening Balance	\$ -	\$ 15,654	\$ 12,665	\$ 9,665	\$ 679	\$ -
Annual Gas Tax	6,140	5,717	8,370	5,511	11,022	5,511
Interest Earned	-	356	82	32	-	-
Total Funding	6,140	21,727	21,117	15,208	11,701	5,511
Eligible Expenditures						
Asset Management	-	150	70	18	-	-
Backup Power Liftstation Generator Installation	-	71	135	187	17	-
Lagoon Control Structure Replacement	-	15	15	42	18	-
Paving Program 2021/2027	-	7	16	-	-	-
Pellet Boiler at WTP	2,500	207	-	-	-	-
PH#4 Water Truckfill Safety Project	-	100	-	-	-	-
Pumphouse 1 Replacement	-	140	-	-	-	-
Water & Sewer Infrastructure Replacement	3,640	3,842	2,723	1,901	1,920	4,742
Wetland Delineation	-	115	-	-	-	-
New Landfill/Landfill Expansion - Cell Design	-	-	27	-	-	-
Roads and Sidewalk Rehabilitation	-	-	2,477	-	-	-
Pump Replacement Program	-	-	-	145	39	-
Sewage Force Main Upgrade	-	-	-	250	-	-
CEP City Hall Boiler Design	-	-	-	-	20	-
Pumphouse 1 Infrastructure Upgrades	-	-	-	-	22	-
Potable Water Reservoir Repairs	-	-	-	-	-	90
Total Expenditures	6,140	4,647	5,463	2,543	2,036	4,832
Closing Balance to Deferred Revenue	\$ -	\$ 17,080	\$ 15,654	\$ 12,665	\$ 9,665	\$ 679

SCHEDULE OF REVENUE AND EXPENDITURES COMMUNITY PUBLIC INFRASTRUCTURE

December 31, 2022
(in thousands of dollars)

	2022 Budget	2022 Actual	2021 Actual	2020 Actual	2019 Actual	2018 Actual
Funding						
Opening Balance	\$ -	\$ 126	\$ 1,411	\$ 1,358	\$ 463	\$ -
Annual CPI	2,706	8,191	855	2,863	2,863	2,210
Total Funding	2,706	8,317	2,266	4,221	3,326	2,210
Eligible Expenditures						
Accessibility Audit Implementation	182	46	786	197	-	-
Columbarium	1	1	17	2	-	-
Curling Club Upgrade	150	-	-	-	-	-
Fire Hall Equipment	63	63	-	-	-	-
Multiplex Iceplant Upgrade	80	80	-	555	-	-
Park Equipment Replacement	55	43	-	-	-	-
Road and Sidewalks Rehabilitation	1,215	1,231	-	1,061	1,968	1,747
Rotary Range Lake Trail	210	-	-	-	-	-
Submarine Line Replacement	466	241	-	-	-	-
Traffic Light Upgrades	98	70	-	-	-	-
Water & Sewer Infrastructure Replacement	146	104	1,249	-	-	-
YKCA Upgrade	40	40	-	5	-	-
Submarine Line	-	-	25	10	-	-
Tommy Forest Ball Park Upgrade	-	-	15	60	-	-
Traffic Light Upgrades	-	-	48	84	-	-
Asset Management	-	-	-	8	-	-
City Hall Upgrades	-	-	-	367	-	-
Curling Club Upgrades	-	-	-	19	-	-
FDM Software	-	-	-	65	-	-
Library Upgrades	-	-	-	120	-	-
Park Development	-	-	-	14	-	-
Self-Containing Breathing Aparatus	-	-	-	243	-	-
Total Expenditures	2,706	1,919	2,140	2,810	1,968	1,747
Closing Balance to Deferred Revenue	\$ -	\$ 6,398	\$ 126	\$ 1,411	\$ 1,358	\$ 463

SCHEDULE OF REVENUE AND EXPENDITURES INVESTING IN CANADA INFRASTRUCTURE PROGRAM

December 31, 2022
(in thousands of dollars)

	2022 Budget	2022 Actual	2021 Actual	2020 Actual	2019 Actual
Funding	-	-	-	-	-
ICIP Funding	\$ 3,965	\$ 2,792	\$ 118	\$ 1,625	\$ 1,463
Holdback Receivable	-	-	-	9	153
CPI Funding	1,361	1,335	-	1,061	1,968
Formula Funding	-	68	3	1,554	-
User Fees	237	218	19	98	-
Gas Tax	3,640	3,849	16	-	-
Developer	-	147	-	-	-
Capital Fund	-	363	-	-	-
Land Fund	47	-	-	-	-
Total Funding	9,250	8,772	156	4,347	3,584
Eligible Expenditures	-	-	-	-	-
Paving (ICIP)	4,075	3,490	63	3,680	3,584
Increasing Waste Diversion (ICIP)	-	112	11	353	-
Weight Station	-	39	-	-	-
Lagoon Expansion (Lagoon Sludge Removal) (ICIP)	950	871	76	43	-
McMeekan Causeway Stabilization (ICIP)	-	-	6	271	-
Water & Sewer Infrastructure Replacement (Paving)	4,225	4,260	-	-	-
Total Expenditures	9,250	8,772	156	4,347	3,584
Funding Surplus (Deficit)	\$ -	\$ -	\$ -	\$ -	\$ -

SCHEDULE OF REVENUE AND EXPENDITURES SMALL COMMUNITIES FUND

December 31, 2022
(in thousands of dollars)

	2022 Budget	2022 Actual	2021 Actual	2020 Actual	2019 Actual	2018 Actual
Funding						
Small Communities Funding	\$ 10,525	\$ 8,512	\$ 622	\$ 314	\$ -	\$ 59
Formula Funding	231	764	208	105	27	20
Reserves	-	2,430	-	-	-	-
Debt	10,001	-	-	-	-	-
Total Funding	20,757	11,706	830	419	27	79
Eligible Expenditures						
Aquatic Centre	20,757	11,706	830	419	27	79
Total Expenditures	20,757	11,706	830	419	27	79
Funding Surplus (Deficit)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

SCHEDULE OF REVENUE AND EXPENDITURES DISASTER MITIGATION AND ADAPTATION FUND

December 31, 2022
(in thousands of dollars)

	2022 Budget	2022 Actual	2021 Actual	2020 Actual	2019 Actual	2018 Actual
Funding						
DMAF	\$ 750	\$ 724	\$ 73	\$ 79	\$ -	\$ -
CPI	250	242	25	9	-	-
Formula Funding	-	-	-	-	24	6
Total Funding	1,000	966	98	88	24	6
Eligible Expenditures						
Submarine Line	1,000	966	98	39	59	23
Total Expenditures	1,000	966	98	39	59	23
Funding Surplus (Deficit)	\$ -	\$ -	\$ -	\$ 49	\$ (35)	\$ (17)

SCHEDULE OF SALARIES, HONORARIA AND TRAVEL

For the year ended December 31, 2022
(in thousands of dollars)

Name	Salary	Honoraria	Travel	2022 Total
Mayor				
Rebecca Alty	\$ 137	\$ -	\$ 5	\$ 142
Councillor/Deputy Mayor				
Steve Payne	35	-	-	35
Councillor				
Julian Morse	30	-	-	30
Shauna Morgan	30	-	-	30
Niels Konge	28	-	-	28
Cynthia Mufandaedza	30	-	-	30
Rommel Silverio	30	-	-	30
Robin Williams	30	-	-	30
Stacie Arden- Smith	37	-	-	37
Garett Cochrane	4	-	-	4
Ryan Fequet	4	-	-	4
Ben Hendriksen	4	-	-	4
Cat McGurk	-	-	-	-
Tom McLennan	5	-	-	5
Rob Warburton	5	-	-	5
	\$ 409	\$ -	\$ 5	\$ 414