

**CITY OF IQALUIT
CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2013**

CITY OF IQALUIT
INDEX TO THE CONSOLIDATED FINANCIAL STATEMENTS
 DECEMBER 31, 2013

	<u>Page</u>
INDEPENDENT AUDITORS' REPORT	2 - 3
CONSOLIDATED FINANCIAL STATEMENTS	
Consolidated Statement of Financial Position	4
Consolidated Statement of Operations	5
Consolidated Statement of Changes in Net Financial Assets	6
Consolidated Statement of Cash Flows	7
Notes to the Consolidated Financial Statements	8 - 21
SCHEDULES	
1 Consolidated Schedule of Changes in Accumulated Fund Balances	22
Consolidated Schedules of Operations	
2 General Operating Fund	23
3 Water and Sewer Fund	24
4 Sanitation Program Fund	25
5 Land Development Fund	26
6 Gravel Fund	27
7 Reserve Fund	28 - 30
General Operating Fund - Revenues	
8 Grants in Lieu	31
8 Government Operating Transfers	31
8 Other Revenue from own Sources	31
General Operating Fund - Departments	
9 General Government	32
10 Emergency Services	33
11 By-law Enforcement	34
12 Public Works and Transportation	35
13 Recreational and Cultural	36
14 Engineering Services	37
15 Economic Development	38
16 Contract Services	39
Tangible Capital Assets	
17 Tangible Capital Assets and Accumulated Depreciation	40
18 Tangible Capital Asset Additions By Funding Source	41
19 Disposals	42

INDEPENDENT AUDITORS' REPORT

Mayor and Council
City of Iqaluit
Iqaluit, Nunavut

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

Administration's Responsibility for the Consolidated Financial Statements

Administration is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian Public Sector Accounting Standards and for such internal control as Administration determines is necessary to enable the preparation of consolidated financial statements that are free of material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

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

Opinion

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the City of Iqaluit as at December 31, 2013 and its financial performance and its cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

Report on Other Legal and Regulatory Requirements

As required by Section 144 of the *Cities, Towns and Villages Act* of Nunavut we report that, in our opinion, the principles have been applied on a basis consistent with that of the preceding year.

We further report in accordance with the *Cities, Towns and Villages Act* of Nunavut that, in our opinion, proper books of account have been kept by the City, the consolidated financial statements are in agreement with the records maintained by the City and the transactions that have come under our notice have, in all significant respects, been within the statutory powers of the City, except as outlined in Note 12 to the consolidated financial statements.

Iqaluit, Nunavut
March 3, 2014



CHARTERED ACCOUNTANTS

CITY OF IQALUIT
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2013

	<u>2013</u>	<u>2012</u>
Financial Assets		
Cash and cash equivalents (Note 2)	\$ 27,496,991	\$ 23,329,321
Accounts receivable		
Taxes and grants in lieu (Note 3)	1,769,832	1,376,100
Trade and other (Note 3)	3,975,059	3,481,386
Land held for resale (Note 4)	15,766	353,302
Land leases receivable (Note 5)	<u>6,917,585</u>	<u>9,147,306</u>
Total Financial Assets	<u>40,175,233</u>	<u>37,687,415</u>
Liabilities		
Accounts payable and accrued liabilities	8,930,365	4,636,837
Due to Government of Nunavut (Note 6)	38,689	294,201
Deposits	116,843	109,667
Performance bond payable	58,692	58,090
Post-employment benefits payable (Note 1)	1,786,232	1,682,087
Closure/post-closure liabilities (Note 13)	2,649,945	2,440,774
Deferred revenue (Note 7)	11,599,453	9,810,304
Long term debt (Note 8)	14,606,058	16,203,419
Obligations under capital lease (Note 9)	<u>146,415</u>	<u>290,398</u>
Total Liabilities	<u>39,932,692</u>	<u>35,525,777</u>
Net Financial Assets	<u>242,541</u>	<u>2,161,638</u>
Non-Financial Assets		
Prepaid expenses	156,833	150,077
Consumable inventories (Note 1)	1,268,383	1,117,418
Tangible capital assets (Note 1 and Schedule 17)	<u>100,813,612</u>	<u>96,385,733</u>
Total Non-Financial Assets	<u>102,238,828</u>	<u>97,653,228</u>
Accumulated Fund Balances (Schedule 1)	<u>\$ 102,481,369</u>	<u>\$ 99,814,866</u>

Contingent Liabilities (Note 13)

Approved on behalf of the City of Iqaluit:

Mayor

Chief Administrative Officer

CITY OF IQALUIT
CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>2013</u> <u>Budget</u>	<u>2013</u> <u>Actual</u>	<u>2012</u> <u>Actual</u>
Revenues			
Taxation and user charges			
Taxes and grants in lieu (Schedule 2)	\$ 13,687,100	\$ 13,679,968	\$ 12,816,297
Water and sewer (Schedule 3)	6,080,700	5,032,065	5,297,756
Sanitation (Schedule 4)	2,457,500	2,529,947	2,482,473
Land development and administration (Schedule 5)	7,094,300	2,620,061	4,483,104
Gravel (Schedule 6)	75,000	130,041	119,271
Other revenue from own sources (Schedule 8)	2,745,500	3,977,922	3,503,600
Government transfers			
Equalization contribution (Schedule 2)	1,915,400	1,915,426	1,915,426
Water and sewer subsidy (Schedule 3)	1,259,300	1,234,597	1,234,597
Sanitation projects (Schedule 4)	0	93,638	0
Land contributions (Schedule 5)	77,000	79,741	78,159
Other government transfers (Schedule 8)	191,800	468,920	147,350
Economic development contribution (Schedule 15)	210,000	310,615	190,000
Contract services (Schedule 16)	721,100	974,595	823,211
Other			
Third party contributions (Schedule 5)	<u>10,000</u>	<u>0</u>	<u>0</u>
	<u>36,524,700</u>	<u>33,047,536</u>	<u>33,091,244</u>
Expenses			
Water and sewer (Schedule 3)	6,372,800	6,878,371	5,914,410
Sanitation (Schedule 4)	2,010,600	2,014,698	1,614,671
Land development and administration (Schedule 5)	5,071,245	3,106,590	4,609,175
Gravel (Schedule 6)	75,600	69,967	94,228
General government (Schedule 9)	5,184,600	4,305,958	4,277,330
Emergency services (Schedule 10)	3,371,300	3,445,510	3,130,809
By-law enforcement (Schedule 11)	1,080,500	972,029	910,161
Public works and transportation (Schedule 12)	3,479,600	3,208,314	3,192,501
Recreational and cultural (Schedule 13)	4,225,400	3,516,664	3,921,485
Engineering services (Schedule 14)	992,300	798,353	653,566
Economic development (Schedule 15)	429,800	336,797	190,826
Contract services (Schedule 16)	720,600	979,512	860,004
Depreciation (Schedule 17)	<u>4,578,300</u>	<u>4,589,702</u>	<u>4,434,641</u>
	<u>37,592,645</u>	<u>34,222,465</u>	<u>33,803,807</u>
Excess Revenues (Expenses) before Other	<u>(1,067,945)</u>	<u>(1,174,929)</u>	<u>(712,563)</u>
Other			
Government transfers relating to capital (Schedule 18)	5,478,000	3,841,432	92,657
Other capital contributions (Schedule 18)	<u>0</u>	<u>0</u>	<u>11,147,551</u>
	<u>5,478,000</u>	<u>3,841,432</u>	<u>11,240,208</u>
Excess Revenues	<u>\$ 4,410,055</u>	<u>\$ 2,666,503</u>	<u>\$ 10,527,645</u>

The accompanying notes are an integral part of these consolidated financial statements.

CITY OF IQALUIT
CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2013

	2013 <u>Budget</u>	2013 <u>Actual</u>	2012 <u>Actual</u>
Excess Revenues	\$ 4,410,055	\$ 2,666,503	\$ 10,527,645
Tangible capital assets purchased	(10,280,500)	(9,041,220)	(13,985,524)
Depreciation	4,578,300	4,589,702	4,434,641
Loss on sale of property, buildings and equipment	<u>0</u>	<u>23,639</u>	<u>0</u>
	(1,292,145)	(1,761,376)	976,762
Change in prepaid expenses	0	(6,755)	18,326
Change in consumable inventories	<u>0</u>	<u>(150,966)</u>	<u>(208,420)</u>
Increase (Decrease) in Net Financial Assets	(1,292,145)	(1,919,097)	786,668
Net Financial Assets, opening	<u>2,161,638</u>	<u>2,161,638</u>	<u>1,374,970</u>
Net Financial Assets, closing	\$ <u><u>869,493</u></u>	\$ <u><u>242,541</u></u>	\$ <u><u>2,161,638</u></u>

The accompanying notes are an integral part of these consolidated financial statements.

CITY OF IQALUIT
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>2013</u>	<u>2012</u>
Operating Activities		
Excess revenues	\$ 2,666,503	\$ 10,527,645
Items not requiring cash:		
Depreciation	4,589,702	4,434,641
Loss on disposal of assets	<u>23,639</u>	<u>0</u>
	7,279,844	14,962,286
 Cash provided by (used for) changes in non-cash working capital:		
Taxes and grants in lieu receivable	(393,732)	342,237
Trade and other receivables	(493,673)	724,127
Land held for resale	337,536	21,659
Land leases receivable	2,229,721	(338,022)
Accounts payable and accrued liabilities	4,293,528	802,835
Due to Government of Nunavut	(255,512)	4,220
Deposits	7,176	(700)
Performance bond payable	602	617
Post-employment benefits payable	104,145	157,337
Closure/post-closure liabilities	209,171	156,274
Deferred revenue	1,789,149	2,623,801
Prepaid expenses	(6,755)	18,325
Consumable inventory	<u>(150,966)</u>	<u>(208,420)</u>
Cash from (used for) operations	<u>14,950,234</u>	<u>19,266,576</u>
 Capital Activities		
Tangible capital assets purchased	<u>(9,041,220)</u>	<u>(13,985,524)</u>
 Financing Activities		
Long term debt repaid	(1,597,361)	(1,311,867)
Long term debt issued	0	3,510,030
Obligations under capital lease repaid	<u>(143,983)</u>	<u>(725,247)</u>
Cash from (used for) financing activities	<u>(1,741,344)</u>	<u>1,472,916</u>
 Increase in Cash	4,167,670	6,753,968
 Cash and cash equivalents, opening	<u>23,329,321</u>	<u>16,575,353</u>
 Cash and cash equivalents, closing	<u>\$ 27,496,991</u>	<u>\$ 23,329,321</u>

The accompanying notes are an integral part of these consolidated financial statements.

CITY OF IQALUIT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

1. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the City of Iqaluit (the "City") are the representations of Administration prepared in accordance with Canadian Public Sector Accounting Standards. The consolidated financial statements have, in Administration's opinion, been properly prepared within reasonable limits of materiality within the framework of the significant accounting policies summarized below:

(a) Reporting Entity

These consolidated financial statements reflect the assets, liabilities, revenues and expenditures of the General Operating Fund, Water and Sewer Fund, Sanitation Program Fund, Land Development Fund, Gravel Fund, and Reserve Fund and include all the activities of all committees of Council. All inter-fund assets, liabilities, revenues, and expenditures are eliminated.

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

(b) Basis of Accounting

The consolidated financial statements are prepared using the accrual basis of accounting. Revenues are accounted for in the period in which the transactions or events occurred that gave rise to the revenues. Expenditures are recognized in the period the goods and services were acquired and a liability is incurred or transfers are due.

Government transfers are recognized in the consolidated financial statements as revenues when:

- 1) a transfer without eligibility criteria or stipulations is authorized.
- 2) a transfer with eligibility criteria but without stipulations is authorized and all eligibility criteria have been met.
- 3) a transfer with or without eligibility criteria but with stipulations is authorized and all eligibility criteria have been met, except when and to the extent that the transfer gives rise to an obligation that meets the definition of a liability.

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

Interest earned on reserve fund cash is transferred to the specific reserve fund that generated the interest.

CITY OF IQALUIT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Use of Estimates

The preparation of the consolidated financial statements of the City requires Administration to make estimates and approximations based on information available as of the date of the consolidated financial statements. Actual results could differ from those estimates and approximations.

(d) Fund Accounting

The City maintains the General Operating Fund, Water and Sewer Fund, Sanitation Program Fund, Land Development Fund, Gravel Fund, and Reserve Fund. Transfers between funds are recorded as adjustments to the appropriate fund balance.

(e) Budget

Budget figures are unaudited and are those approved by Council on January 31, 2013.

(f) Inventory

Inventory for Consumption

Inventories other than for resale are recorded at the lower of cost, determined on a weighted average basis, and net replacement cost.

Inventory of Land Held for Resale

The cost of lots sold is recorded at estimated cost which is assumed to equal the selling price until all costs of development of an area are known. Therefore the inventory of land held for resale represents the residual amount of costs to date on the project.

(g) Leases

Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as capital leases. All other leases are accounted for as operating leases and the related lease payments are charged to expenditures as incurred.

(h) Contributed Tangible Capital Assets

Tangible capital assets acquired as contributions are recorded at their fair value on the date received. Equivalent amounts are recorded as other capital contributions on the Consolidated Statement of Operations.

CITY OF IQALUIT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Tangible Capital Assets

Tangible capital assets are recorded at cost. Depreciation is provided using methods and rates intended to depreciate the cost of assets over their estimated useful lives. Estimated useful life and depreciation methods are set forth below:

<u>Category</u>	<u>Threshold (\$)</u>	<u>Estimated Useful Life</u>	<u>Depreciation Method</u>
Buildings	10,000	40 years	Straight-line
Cemetery development	All	Indefinite	NA
Computer equipment - hardware	5,000	3 years	Straight-line
Computer software	5,000	3 years	Straight-line
Feasibility studies	5,000	1 year	Straight-line
Furniture and fixtures	5,000	5 years	Straight-line
Granular source	All	Indefinite	NA
Infrastructure - water and sewer	10,000	30 years	Straight-line
Infrastructure - sewage treatment	10,000	30 years	Straight-line
Infrastructure - waste	10,000	30 years	Straight-line
Land	All	Indefinite	NA
Machinery and equipment - office	10,000	5 years	Straight-line
Machinery and equipment - heavy equipment	10,000	18 years	Straight-line
Playgrounds - recreation	10,000	18 years	Straight-line
Roads	All	30 years	Straight-line
Vehicles	All	7 years	Straight-line

(j) Post Employment Benefits

Under the terms and conditions of employment, City employees may earn benefits for retirement, vested sick leave, severance and removal costs upon termination of employment. The estimated liability for these benefits is recorded as the benefits are earned by the employees. Severance liabilities are also recorded when employees are identified for lay-off.

(k) Pension Expenditures

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

CITY OF IQALUIT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Reserves

Reserves are established at the discretion of Council to set aside funds for future expenditures. Transfers to and/or from reserves are reflected as an adjustment to the respective fund and not as revenues or expenditures in the consolidated statement of operations.

The reserves as established by Council and their purposes are as follows:

- Vehicle reserves were established to accumulate funds for purchasing new vehicles.
- Building project reserves were established to accumulate funds for purchasing or constructing new buildings.
- Sewage project reserve was established to accumulate funds for future construction and repair of the sewage system.
- Election expense reserve was established to accumulate funds for future election costs.
- Quarry restoration reserve was established to accumulate funds for future costs to restore the existing quarry.
- Quarry development reserve was established to accumulate funds for future quarry development.
- The reserve for estimated future interest expense on debenture no. 14 was established to accumulate funds to offset the anticipated interest expense pertaining to debenture no. 14.
- The ambulance personnel training reserve was established to accumulate funds for the training of ambulance personnel.
- Financial information system reserve was established to accumulate funds for the purchase and maintenance of the City's computer systems.
- Parking lot and Parking lot maintenance reserves were established to accumulate funds for the development and maintenance of new municipal parking lot facilities.
- The Annenburg Foundation future donations reserve was established to accumulate funds for future donations.
- Emergency services equipment replacement reserve was established to accumulate funds for purchasing new emergency equipment.
- Dog pound reserve was established to accumulate funds for the creation of a new dog pound.
- Alarm system reserve was established to accumulate funds for purchasing new equipment.
- Booster station equipment reserve was established to accumulate funds for purchasing and repairing booster station equipment.
- Review and by-law revisions reserve was established to accumulate funds for the future review and revision of the City's by-laws.

CITY OF IQALUIT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Reserves (continued)

- Aerial photo reserve was established to accumulate funds to update aerial photographs of the City.
- Outdoor hard surface reserve was established to accumulate funds for the future construction of an outdoor hard surface for recreational activities.
- Post employment benefit reserves were established to accumulate funds for the payout of retirement, vested sick leave, severance and removal costs earned by current employees upon termination of employment.
- BMX bicycle park reserve was established to accumulate funds for the future construction of a BMX style bicycle park.
- The major infrastructure maintenance reserve was established to accumulate funds for major repairs and maintenance to City owned staff housing units.
- Walkway trail phase 1 and 2 reserve was established to accumulate funds for the future construction of walking trails.
- GIS update reserve was established to accumulate funds for the purchase of new geographic information survey equipment.
- The improvements to the Industrial subdivision reserve was established to accumulate funds for future costs related to the Industrial subdivision.
- Pedestrian walkway reserve was established to accumulate funds for the construction of a future pedestrian walkway.
- Election equipment reserve was established to accumulate funds for the purchase of election equipment.
- Emergency generator reserve was established to accumulate funds for the purchase of an emergency generator.
- Marine infrastructure reserve was established to accumulated funds for development of the City's marine infrastructure.
- Street lighting reserve was established to accumulate funds for major repairs to existing street lighting or for the purchase of new street lighting.
- Road paving and maintenance reserves were established to accumulate funds for future road paving or maintenance.
- Landfill reserve was established to accumulate funds for closure and post-closure costs related to the solid waste facility
- Vacation travel allowance reserve was established to accumulate funds for future vacation travel allowance costs.
- New youth centre reserve was established to accumulate funds for the future construction of a youth centre.

CITY OF IQALUIT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Reserves (continued)

- Lagoon reserve was established to accumulate funds for closure and post-closure costs related to the sewage lagoon.
- Emergency services risk assessment reserve was established to accumulate funds for risk assessment of emergency services.
- Recreation equipment reserves were established to accumulate funds for the replacement of recreation equipment.
- Garage equipment reserve was established to accumulate funds for replacement of garage equipment.
- Gas boy reserve was established to accumulate funds for the replacement of the fuel dispensing system.

2. CASH AND CASH EQUIVALENTS

General Operating Fund maintains the cash and cash equivalents for other funds not fully funded on their own. The actual cash and cash equivalents position is as follows:

	<u>2013</u>	<u>2012</u>
General operating fund	\$ (6,943,349)	\$ (5,882,069)
Capital projects funds	18,488,222	12,328,081
Land development funds	3,551,857	6,499,217
Reserve funds	<u>12,400,261</u>	<u>10,384,092</u>
	<u>\$ 27,496,991</u>	<u>\$ 23,329,321</u>

Cash and cash equivalents consist of current and savings accounts with the Royal Bank of Canada. Cash invested in savings accounts earns interest at variable rates.

Included in the land development fund cash and cash equivalents is \$58,692 (2012 - \$58,100) of performance bonds held in trust. The interest earned on these funds is added to the trust balance to the benefit of the developer.

Included in the capital projects fund is \$10,951,073 (2012 - \$9,032,723) relating to Gas Tax Funding and \$7,537,149 (2012 - \$3,295,358) related to funding for other capital projects. The interest earned on these funds is added to the funding for the capital projects for which the funds were originally received. The use of this cash and cash equivalent is restricted to approved projects under various capital project agreements.

CITY OF IQALUIT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

3. ACCOUNTS RECEIVABLE

Taxes and grants in lieu

	<u>2013</u>	<u>2012</u>
Total municipal taxes receivable	\$ 2,688,273	\$ 2,304,851
Allowance for doubtful collection	<u>(1,555,385)</u>	<u>(1,468,309)</u>
	1,132,888	836,542
Grants in lieu receivable	<u>636,944</u>	<u>539,558</u>
	<u>\$ 1,769,832</u>	<u>\$ 1,376,100</u>

Trade and other

	<u>2013</u>	<u>2012</u>
Water and sewer service	\$ 1,697,869	\$ 1,855,286
General accounts receivable	2,144,393	1,670,920
GST refundable	547,137	388,445
Contracts	46,983	16,283
Capital projects accounts receivable	293,677	307,452
Allowance for doubtful accounts	<u>(755,000)</u>	<u>(757,000)</u>
	<u>\$ 3,975,059</u>	<u>\$ 3,481,386</u>

Included in Capital projects accounts receivable is \$210,342 (2012 - \$224,117) due from specified ratepayers relating to the lower base hook-up capital project.

4. LAND HELD FOR RESALE

Land held for resale represents the following balances.

	<u>Number of</u>		<u>Number of</u>	
	<u>Lots for</u>	<u>2013</u>	<u>Lots for</u>	<u>2012</u>
	<u>Resale</u>		<u>Resale</u>	
Apex infill	1	\$ 11,450	3	\$ 0
Lake subdivision	2	4,316	3	48,455
Plateau subdivision 1	0	0	1	304,847
Plateau subdivision 2	1	0	1	0
Plateau subdivision 3	0	0	0	0
Plateau subdivision 4	<u>0</u>	<u>0</u>	<u>3</u>	<u>0</u>
	<u>4</u>	<u>\$ 15,766</u>	<u>11</u>	<u>\$ 353,302</u>

CITY OF IQALUIT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

5. LAND LEASES RECEIVABLE

	<u>2013</u>	<u>2012</u>
Land leases receivable	\$ 6,434,678	\$ 8,602,851
Land leases receivable - in arrears	<u>1,259,907</u>	<u>1,321,455</u>
	7,694,585	9,924,306
Allowance for doubtful collection	<u>(777,000)</u>	<u>(777,000)</u>
	<u>\$ 6,917,585</u>	<u>\$ 9,147,306</u>

Land leases receivable bear various interest rates from 9.5% to 11%, are due in various periods from 2 years to 15 years and are secured by a leasehold interest in land.

6. DUE TO GOVERNMENT OF NUNAVUT

	<u>2013</u>	<u>2012</u>
School tax payable	\$ 0	\$ 255,512
Gravel royalties payable	<u>38,689</u>	<u>38,689</u>
	<u>\$ 38,689</u>	<u>\$ 294,201</u>

7. DEFERRED REVENUE

	<u>2013</u>	<u>2012</u>
Gas tax program	\$ 9,452,834	\$ 8,602,026
GN operating contribution	793,655	793,655
GN capital contribution	1,269,514	0
Other	38,229	38,229
Contracts	<u>45,221</u>	<u>376,394</u>
	<u>\$ 11,599,453</u>	<u>\$ 9,810,304</u>

CITY OF IQALUIT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

8. LONG TERM DEBT

	<u>2013</u>	<u>2012</u>
Pacific & Western Bank of Canada, secured by a general debenture related to the Plateau subdivision, repayable in monthly installments of \$38,067 principal plus interest at PWB prime rate less 0.06%, maturing November 2015. The City may remit excess payments if funds received from the related land development exceed the required monthly payment.	\$ 875,533	\$ 1,332,333
Royal Bank of Canada, secured by a general debenture related to the Plateau subdivision phase 2, repayable in blended monthly installments of \$38,090 with interest at 2.70%, maturing November 2017.	3,165,948	3,532,184
Pacific & Western Bank of Canada, secured by a general debenture related to the Lake subdivision, repayable in monthly installments of \$8,378 principal plus interest at PWB prime rate less 0.06%, maturing November 2015. The City may remit excess payments if funds received from the related land development exceed the required monthly payment.	192,384	292,915
Pacific & Western Bank of Canada, secured by a general debenture on capital projects, repayable in blended monthly installments of \$7,942 with interest at 5.70%, maturing August 2025.	818,784	865,953
Royal Bank of Canada, secured by certain capital projects, repayable in blended bi-weekly payments of \$2,057 with interest at 3.75%, maturing December 2016.	516,864	547,251
Pacific & Western Bank of Canada, secured by a general debenture related to the lower base capital project, repayable in blended monthly installments of \$4,728 with interest at 5.72%, maturing September 2025.	484,086	512,253

CITY OF IQALUIT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

8. LONG TERM DEBT (continued)

	<u>2013</u>	<u>2012</u>
Royal Bank of Canada, secured by certain capital projects, repayable in blended monthly payments of \$3,174 with interest at 2.70%, maturing November 2017.	365,327	393,144
Royal Bank of Canada, secured by a general debenture related to the Plateau subdivision phase 3, repayable in blended monthly installments of \$39,550 with variable interest at Royal Bank of Canada prime less 0.5% maturing December 2015.	4,901,109	5,248,878
Royal Bank of Canada, secured by a general debenture related to the Plateau subdivision phase 4, repayable in blended monthly installments of \$23,838 with interest at 2.76%, maturing October 2017.	<u>3,286,023</u>	<u>3,478,508</u>
	<u>\$ 14,606,058</u>	<u>\$ 16,203,419</u>

Long term debt is estimated to be repayable as follows:

2014	\$ 2,015,501
2015	5,920,664
2016	1,349,503
2017	4,625,682
2018	152,041
2019 and thereafter	<u>542,667</u>
	<u>\$ 14,606,058</u>

CITY OF IQALUIT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

9. OBLIGATIONS UNDER CAPITAL LEASE

	<u>Expiry</u>	<u>Interest rate</u>	<u>2013</u>	<u>2012</u>
2009 CAT landfill compactor	Aug/14	4.56%	\$ 75,511	\$ 184,558
Metso Mineral sand screener	Dec/15	4.23%	<u>70,904</u>	<u>105,840</u>
			<u>\$ 146,415</u>	<u>\$ 290,398</u>

The future minimum lease payments under capital leases are as follows:

2014	\$ 114,230
2015	<u>35,493</u>
	149,723
Less: imputed interest	<u>3,308</u>
Obligations under capital lease	<u>\$ 146,415</u>

CITY OF IQALUIT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

10. EXPENDITURES BY OBJECT

The following is a summary of the expenditures reported on the Consolidated Statement of Operations by the object of expenditures:

	<u>2013</u>	<u>2012</u>
Salaries and benefits	\$ 16,621,644	\$ 15,990,265
Legal fees	410,993	185,848
Professional fees	136,298	192,312
Contracted services	1,887,969	1,271,774
Rental	227,673	426,876
Telecommunications	205,915	201,292
Materials and supplies	1,282,568	1,015,593
Advertising	94,564	141,394
Interest and service charges	117,931	123,909
Interest on long term debt	468,301	572,987
Bad debts (recovery)	85,076	(80,968)
Professional development and training	221,380	171,909
Electricity	1,630,364	1,406,733
Heating fuel	1,461,880	1,261,124
Repairs and maintenance	751,185	777,680
Vehicle fuel	409,719	391,910
Vehicle repairs and maintenance	589,866	631,081
Travel and accommodation	59,461	63,483
Promotion	103,430	38,105
Sponsorships, memberships and fees	94,079	102,976
Insurance	515,968	697,418
Recruitment	65,498	122,764
Other expenditures	<u>393,656</u>	<u>311,975</u>
	27,835,418	26,018,440
Cost of lot sales	1,588,174	3,194,452
Environmental expenses	209,171	156,274
Depreciation	<u>4,589,702</u>	<u>4,434,641</u>
	<u>\$ 34,222,465</u>	<u>\$ 33,803,807</u>

CITY OF IQALUIT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

11. OTHER INFORMATION

Change in Allowance for Doubtful Accounts Receivable and related Bad Debts Expense (Recovery)

The following amounts owed to the City have been considered doubtful of collection during the year and have been recorded as a bad debts expense (recovery) in their respective funds:

	<u>2013</u>	<u>2012</u>
Municipal taxes receivable	\$ 87,076	\$ (66,968)
General accounts receivable	4,000	5,000
Municipal services receivable	<u>(6,000)</u>	<u>(19,000)</u>
	<u>\$ 85,076</u>	<u>\$ (80,968)</u>

12. STATUTORY INFORMATION

Elimination of Deficit

Section 138 (2) of the *Cities, Towns and Villages Act* requires that every municipal corporation shall eliminate any deficit at the end of a fiscal year by the end of the next fiscal year. At December 31, 2012 the City had deficits in the General Operating, Water and Sewer, Sanitation Program and Gravel Funds. At December 31, 2013 the City has not eliminated the deficits as required on the General Operating, Water and Sewer, Sanitation Program and Gravel Funds.

13. CONTINGENT LIABILITIES

Environmental

The City of Iqaluit has identified various environmentally hazardous sites within the municipal boundaries of the City. Environmental problems include contaminated soil and groundwater and a sewage treatment facility in need of upgrades. Responsible government authorities have been notified of these environmental risks for remedial action. As the outcome of these environmental hazards is not presently determinable, no provision for a loss has been accrued in these consolidated financial statements.

Vendor Payable

A vendor of the City has requested additional payment for amounts which they state were incorrectly billed to the City over the past several years. Management has accrued a provision to the vendor, consistent with management expectations of the settlement amount. The amount of an additional expense, if any, will be recorded in the period known.

CITY OF IQALUIT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

13. CONTINGENT LIABILITIES (continued)

Quarry Site Restoration

Upon termination of the Quarry Administration Agreement between the City and the Government of Nunavut, the City is required to deliver up possession of the quarry site restored to the satisfaction of the Government of Nunavut. To date the City does not have complete information required to estimate restoration costs. As such these costs have not been recorded in these consolidated financial statements.

Insurance

The City participates in the Nunavut Association of Municipalities insurance programs. Under these programs the City is insured for property, automotive and liability. Under the terms of membership, the City could become liable for its proportionate share of any claim losses in excess of the funds available. Any liability incurred would be accounted for in the year the losses are determined.

Closure / Post-closure Costs - Solid Waste Landfill, Sewage Lagoon and Trail Deposit

Included in the City's operations are a solid waste landfill site, sewage lagoon and trail deposit. Closure / post-closure costs are recognized at their estimated present value when information is available to estimate the liability. The actual closure / post-closure costs may differ from these estimates. The amount of additional loss, if any, will be recorded in the period it becomes known.

	<u>Opening Balance</u>	<u>Change</u>	<u>Closing Balance</u>
Solid waste landfill	\$ 1,921,947	\$ 177,472	\$ 2,099,419
Sewage lagoon	444,332	11,004	455,336
Trail deposit	<u>74,495</u>	<u>20,695</u>	<u>95,190</u>
	<u>\$ 2,440,774</u>	<u>\$ 209,171</u>	<u>\$ 2,649,945</u>

14. COMPARATIVE AMOUNTS

Certain of the 2012 comparative financial statement amounts have been reclassified to conform with the presentation adopted in the current year.

CITY OF IQALUIT
CONSOLIDATED SCHEDULE OF CHANGES IN ACCUMULATED FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2013

	General Operating Fund	Water Sewer Fund	Sanitation Program Fund	Land Development Fund	Gravel Fund	Reserve Fund	Equity in Tangible Capital Assets	2013 Municipal Position Total	2012 Municipal Position Total
EXCESS REVENUES (EXPENSES)	<u>\$ 3,022,089</u>	<u>\$ (387,403)</u>	<u>\$ 379,262</u>	<u>\$ (407,519)</u>	<u>\$ 60,074</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,666,503</u>	<u>\$ 10,527,645</u>
Net interfund transfers									
To (from) reserves	(912,784)	184,766	(445,500)	(137,500)	(50,000)	1,361,018	0	0	0
Tangible capital assets purchased	(5,505,837)	(3,520,383)	(15,000)	0	0	0	9,041,220	0	0
Capital leases repaid	(34,936)	0	(109,047)	0	0	0	143,983	0	0
Loss on disposal	23,639	0	0	0	0	0	(23,639)	0	0
Long term debt repaid	(40,240)	(93,301)	0	0	0	0	133,541	0	0
Depreciation	<u>2,265,679</u>	<u>2,093,667</u>	<u>229,625</u>	<u>731</u>	<u>0</u>	<u>0</u>	<u>(4,589,702)</u>	<u>0</u>	<u>0</u>
	<u>(4,204,479)</u>	<u>(1,335,251)</u>	<u>(339,922)</u>	<u>(136,769)</u>	<u>(50,000)</u>	<u>1,361,018</u>	<u>4,705,403</u>	<u>0</u>	<u>0</u>
CHANGE IN FUND BALANCES	(1,182,390)	(1,722,654)	39,340	(544,288)	10,074	1,361,018	4,705,403	2,666,503	10,527,645
BALANCES, OPENING	<u>(306,313)</u>	<u>(2,788,458)</u>	<u>(1,680,333)</u>	<u>714,780</u>	<u>(201,122)</u>	<u>10,299,576</u>	<u>93,776,736</u>	<u>99,814,866</u>	<u>89,287,221</u>
BALANCES, CLOSING	<u><u>\$ (1,488,703)</u></u>	<u><u>\$ (4,511,112)</u></u>	<u><u>\$ (1,640,993)</u></u>	<u><u>\$ 170,492</u></u>	<u><u>\$ (191,048)</u></u>	<u><u>\$ 11,660,594</u></u>	<u><u>\$ 98,482,139</u></u>	<u><u>\$ 102,481,369</u></u>	<u><u>\$ 99,814,866</u></u>

The accompanying notes are an integral part of these consolidated financial statements.

CITY OF IQALUIT
GENERAL OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>2013</u> <u>Budget</u>	<u>2013</u> <u>Actual</u>	<u>2012</u> <u>Actual</u>
Revenues			
User charges			
Taxes	\$ 9,455,100	\$ 9,592,713	\$ 8,853,539
Grants in lieu (Schedule 8)	<u>4,232,000</u>	<u>4,087,255</u>	<u>3,962,758</u>
	13,687,100	13,679,968	12,816,297
Other revenue from own sources (Schedule 8)	<u>2,745,500</u>	<u>3,977,922</u>	<u>3,503,600</u>
	16,432,600	17,657,890	16,319,897
Government transfers			
Equalization contribution	1,915,400	1,915,426	1,915,426
Economic development (Schedule 15)	210,000	310,615	190,000
Government operating transfers (Schedule 8)	191,800	468,920	147,350
Contract services (Schedule 16)	<u>721,100</u>	<u>974,595</u>	<u>823,211</u>
	<u>19,470,900</u>	<u>21,327,446</u>	<u>19,395,884</u>
Expenses			
General government (Schedule 9)	5,184,600	4,305,958	4,277,330
Emergency services (Schedule 10)	3,371,300	3,445,510	3,130,809
By-law enforcement (Schedule 11)	1,080,500	972,029	910,161
Public works and transportation (Schedule 12)	3,479,600	3,208,314	3,192,501
Recreational and cultural (Schedule 13)	4,225,400	3,516,664	3,921,485
Engineering services (Schedule 14)	992,300	798,353	653,566
Economic development (Schedule 15)	429,800	336,797	190,826
Contract services (Schedule 16)	<u>720,600</u>	<u>979,512</u>	<u>860,004</u>
	19,484,100	17,563,137	17,136,682
Depreciation	<u>2,257,700</u>	<u>2,265,679</u>	<u>2,227,362</u>
	<u>21,741,800</u>	<u>19,828,816</u>	<u>19,364,044</u>
Excess Revenues (Expenses) before Other	(2,270,900)	1,498,630	31,840
Other			
Capital contributions	<u>0</u>	<u>1,523,459</u>	<u>104,053</u>
Excess Revenues (Expenses)	<u>\$ (2,270,900)</u>	<u>\$ 3,022,089</u>	<u>\$ 135,893</u>

CITY OF IQALUIT
WATER AND SEWER FUND
FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>2013</u> <u>Budget</u>	<u>2013</u> <u>Actual</u>	<u>2012</u> <u>Actual</u>
Revenues			
User charges			
Residential	\$ 2,981,000	\$ 2,708,802	\$ 2,781,612
Residential subsidy	<u>(1,332,800)</u>	<u>(1,423,860)</u>	<u>(1,542,756)</u>
	1,648,200	1,284,942	1,238,856
Commercial	1,498,400	1,100,990	1,163,823
Government and industrial	2,749,500	2,406,247	2,764,173
Other fees	<u>184,600</u>	<u>239,886</u>	<u>130,904</u>
	6,080,700	5,032,065	5,297,756
Government transfers			
Government of Nunavut subsidies	<u>1,259,300</u>	<u>1,234,597</u>	<u>1,234,597</u>
	<u>7,340,000</u>	<u>6,266,662</u>	<u>6,532,353</u>
Expenses			
Salaries and wages	3,300,400	3,206,647	2,859,118
Transmission and distribution (utilidor)	1,836,100	2,385,012	2,006,366
Interest on capital leases	0	0	7,957
Vehicle fuel	135,000	147,199	150,973
Vehicle operations and maintenance	150,000	241,189	230,960
Provision for closure/post-closure sewage lagoon (Note 13)	<u>0</u>	<u>11,004</u>	<u>10,707</u>
	5,421,500	5,991,051	5,266,081
Administration and maintenance costs			
General government	381,000	380,344	327,110
Emergency services	61,400	61,400	61,670
By-law	32,900	32,900	0
Public works and transportation	<u>476,000</u>	<u>412,676</u>	<u>259,549</u>
	6,372,800	6,878,371	5,914,410
Depreciation	<u>2,088,100</u>	<u>2,093,667</u>	<u>1,978,051</u>
	<u>8,460,900</u>	<u>8,972,038</u>	<u>7,892,461</u>
Excess Revenues (Expenses) before Other	(1,120,900)	(2,705,376)	(1,360,108)
Other			
Capital contributions	<u>0</u>	<u>2,317,973</u>	<u>7,363,787</u>
Excess Revenues (Expenses)	<u>\$ (1,120,900)</u>	<u>\$ (387,403)</u>	<u>\$ 6,003,679</u>

CITY OF IQALUIT
SANITATION PROGRAM FUND
FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>2013</u> <u>Budget</u>	<u>2013</u> <u>Actual</u>	<u>2012</u> <u>Actual</u>
Revenues			
User charges			
Sanitation services	\$ 1,800,000	\$ 1,896,950	\$ 1,835,807
Solid waste tipping fees	650,000	629,430	640,735
Other	<u>7,500</u>	<u>3,567</u>	<u>5,931</u>
	2,457,500	2,529,947	2,482,473
Government transfers			
Other	<u>0</u>	<u>93,638</u>	<u>0</u>
	<u>2,457,500</u>	<u>2,623,585</u>	<u>2,482,473</u>
Expenses			
Salaries and benefits	1,166,500	985,310	950,581
Vehicle fuel	70,000	69,318	62,415
Vehicle operations and maintenance	75,400	86,114	97,755
Materials and supplies	40,800	19,248	27,599
Interest on capital leases	6,200	6,144	10,996
Contracted costs	117,000	239,969	11,526
Electricity	19,200	26,113	16,882
Heating fuel	16,300	14,535	14,725
Provision for closure/post-closure solid waste landfill (Note 13)	<u>0</u>	<u>177,472</u>	<u>143,772</u>
	1,511,400	1,624,223	1,336,251
Administration and maintenance costs			
General government	169,100	149,823	140,363
Public works and transportation	<u>330,100</u>	<u>240,652</u>	<u>138,057</u>
	2,010,600	2,014,698	1,614,671
Depreciation	<u>230,900</u>	<u>229,625</u>	<u>227,591</u>
	<u>2,241,500</u>	<u>2,244,323</u>	<u>1,842,262</u>
Excess Revenues	<u>\$ 216,000</u>	<u>\$ 379,262</u>	<u>\$ 640,211</u>

CITY OF IQALUIT
LAND DEVELOPMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>2013</u> <u>Budget</u>	<u>2013</u> <u>Actual</u>	<u>2012</u> <u>Actual</u>
Revenues			
User charges			
Land sales	\$ 4,497,300	\$ 1,607,107	\$ 3,388,162
Interest on land leases	1,000,000	895,658	903,717
Lot leases revenue	1,500,000	25,244	55,425
Fees	<u>97,000</u>	<u>92,052</u>	<u>135,800</u>
	7,094,300	2,620,061	4,483,104
Government transfers			
Land administration contribution	77,000	79,741	78,159
Other			
Third party contributions	<u>10,000</u>	<u>0</u>	<u>0</u>
	<u>7,181,300</u>	<u>2,699,802</u>	<u>4,561,263</u>
Expenses			
Cost of land sold	2,997,300	1,588,174	3,194,452
Interest on debentures	378,000	351,475	398,960
Salaries and benefits	773,200	404,472	476,216
Office and miscellaneous	72,600	18,237	15,329
Planning, reviews and studies	345,345	304,976	145,215
Professional fees	50,000	35,181	1,620
Rent	54,800	55,686	88,988
Survey, appraisal and title search fees	66,000	34,998	8,711
Training	12,000	10,712	2,031
Electricity	4,400	4,632	3,950
Heating fuel	5,300	5,435	4,856
Vehicle fuel	500	0	75
Vehicle operations, maintenance and rental	1,000	0	0
Bad debts - land leases	<u>10,000</u>	<u>0</u>	<u>0</u>
	4,770,445	2,813,978	4,340,403
Administration and maintenance costs			
General government	266,600	260,907	235,472
Engineering services	9,200	9,200	8,800
By-law	3,200	3,200	3,400
Public works and transportation	<u>21,800</u>	<u>19,305</u>	<u>21,100</u>
	5,071,245	3,106,590	4,609,175
Depreciation	<u>1,600</u>	<u>731</u>	<u>1,637</u>
	<u>5,072,845</u>	<u>3,107,321</u>	<u>4,610,812</u>
Excess Revenues (Expenses)	<u>\$ 2,108,455</u>	<u>\$ (407,519)</u>	<u>\$ (49,549)</u>

CITY OF IQALUIT
GRAVEL FUND
FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>2013</u> <u>Budget</u>	<u>2013</u> <u>Actual</u>	<u>2012</u> <u>Actual</u>
Revenues			
User charges			
Gravel royalties	\$ <u>75,000</u>	\$ <u>130,041</u>	\$ <u>119,271</u>
Expenses			
Government of Nunavut royalty	0	0	4,220
Legal fees	0	0	2,988
Provision for closure/post-closure trail area deposit (Note 13)	0	20,695	1,795
Administration and maintenance costs			
General government	33,900	32,348	54,265
Public works and transportation	<u>41,700</u>	<u>16,924</u>	<u>30,960</u>
	<u>75,600</u>	<u>69,967</u>	<u>94,228</u>
Excess Revenues (Expenses)	<u>\$ (600)</u>	<u>\$ 60,074</u>	<u>\$ 25,043</u>

CITY OF IQALUIT
RESERVE FUND
FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>2013</u>	<u>2012</u>
	<u>Actual</u>	<u>Actual</u>
The reserve fund is allocated as follows:		
General Operating Fund		
Election expense reserve	\$ 66,588	\$ 67,312
Financial information system reserve	187,570	165,665
Administration building project reserve	674,536	625,412
Recreation building project reserve	354,880	237,234
Administration vehicle reserve	5,589	1,558
By-law vehicle reserve	27,447	61,860
Emergency services vehicle reserve	285,273	237,450
Public works vehicle reserve	31,274	93,884
Emergency services equipment replacement reserve	175,000	145,000
Dog pound reserve	71,329	66,006
Alarm monitoring system reserve	40,000	35,000
Recreation vehicle reserve	28,085	8,085
Ambulance vehicle reserve	54,478	204,650
Post employment benefits	330,313	275,613
Outdoor hard surface reserve	7,500	7,500
BMX bicycle park reserve	5,000	5,000
City hall/recreation building reserve	791,879	781,097
Annenburg Foundation future donations reserve	57,539	56,930
Ambulance personnel training reserve	61,711	51,108
Fire hall replacement reserve	208,326	158,326
Major infrastructure maintenance reserve	663,249	579,459
Future recreation building reserve	183,183	181,200
Sustainability and economic development reserve	429,414	329,607
Emergency management operations reserve	51,237	40,749
Animal control vehicle reserve	11,060	8,954
Ambulance building reserve	172,913	121,215
Translation equipment reserve	25,617	20,374
Emergency radio equipment reserve	76,824	61,093
Ambulance equipment reserve	51,253	40,765
Election equipment reserve	47,200	47,200
Marine infrastructure reserve	200,000	150,000
Emergency generator reserve	20,000	15,000
Street lighting reserve	72,000	47,000
Paving maintenance reserve	76,111	50,459
Emergency services risk assessment reserve	12,178	8,073
Building inspector vehicle reserve	10,220	10,092

The accompanying notes are an integral part of these consolidated financial statements.

CITY OF IQALUIT
RESERVE FUND
FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>2013</u>	<u>2012</u>
	<u>Actual</u>	<u>Actual</u>
The reserve fund is allocated as follows: (continued)		
General Operating Fund		
Playground equipment reserve	30,443	20,184
Administration photocopier reserve	15,222	10,092
Finance office furniture reserve	9,133	6,055
Garage equipment reserve	12,177	8,073
Gas pump equipment reserve	15,222	10,092
Soccer equipment reserve	60,887	40,367
New road paving reserve	304,444	201,835
Roads heavy equipment reserve	177,523	150,686
Purchasing warehouse reserve	30,233	15,000
Purchasing vehicle reserve	10,073	5,000
Safety and training vehicle reserve	8,088	4,023
Vacation travel allowance reserve	50,180	0
Youth council reserve	30,254	0
Engineering vehicle reserve	4,000	0
Cemetery development reserve	50,484	25,112
Water and Sewer Fund		
Sewage project reserve	192,325	190,242
Water truck replacement reserve	121,798	386,705
Booster station equipment reserve	120,000	105,000
Sewer truck reserve	200,859	173,853
Future closure of sewage lagoon	91,333	60,551
Post employment benefit reserve	100,000	85,500
Land Development Fund		
Reserve for estimated future interest expense on debenture no. 14	612,819	606,138
Review and by-law revisions reserve	202,500	202,500
Aerial photo reserve	126,000	126,000
Parking lot maintenance reserve	139,980	139,980
GIS update reserve	50,000	50,000
Pedestrian walkway reserve	31,500	31,500
Parking lot reserve	720,000	640,000
Improvement to Industrial subdivision reserve	171,942	170,082
Walking trails, phase 1 and 2 reserve	212,000	212,000
Snow fence reserve	50,170	0
Post employment benefits	15,000	12,500
Lands and planning vehicle reserve	10,080	5,023

CITY OF IQALUIT
RESERVE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>2013</u> <u>Actual</u>	<u>2012</u> <u>Actual</u>
The reserve fund is allocated as follows: (continued)		
Sanitation Fund		
Sanitation vehicle replacement reserve	100,000	50,000
Landfill equipment and vehicle reserve	277,582	224,956
Landfill equipment reserve	605,774	301,341
Future closure landfill	121,778	80,734
Post employment benefits reserve	32,000	26,500
Gravel Fund		
Quarry restoration reserve	407,986	353,993
Quarry development reserve	<u>572,029</u>	<u>572,029</u>
	<u>\$ 11,660,594</u>	<u>\$ 10,299,576</u>

CITY OF IQALUIT
GRANTS IN LIEU AND OTHER REVENUE FROM OWN SOURCES
FOR THE YEAR ENDED DECEMBER 31, 2013

	2013 <u>Budget</u>	2013 <u>Actual</u>	2012 <u>Actual</u>
Grants in Lieu			
Federal government	\$ 931,100	\$ 887,545	\$ 871,827
Government of Nunavut	3,138,300	3,028,989	2,938,710
Nunavut Power Corporation	124,300	133,479	116,279
Canadian Broadcasting Corporation	<u>38,300</u>	<u>37,242</u>	<u>35,942</u>
	<u>\$ 4,232,000</u>	<u>\$ 4,087,255</u>	<u>\$ 3,962,758</u>
Government Operating Transfers			
Federal government	\$ 144,200	\$ 96,911	\$ 74,718
Government of Nunavut	<u>47,600</u>	<u>372,009</u>	<u>72,632</u>
	<u>\$ 191,800</u>	<u>\$ 468,920</u>	<u>\$ 147,350</u>
Other Revenue from Own Sources			
Emergency services	\$ 1,265,000	\$ 1,299,704	\$ 1,351,393
Recreational and cultural	359,300	580,924	642,788
By-law enforcement	213,900	102,003	77,004
Interest earned	150,000	163,210	125,138
Penalties and interest	270,000	347,216	299,603
Tax certificates	15,000	19,800	17,475
Training subsidies	14,200	3,916	7,178
Business licences	83,000	95,800	55,550
Rent recovery	105,000	77,209	140,797
Sale of material	200	0	552
Administration fees on land development	0	1,050,682	488,400
Other licences and permits	27,500	50	18,817
Property rental	42,000	25,249	42,024
Insurance recoveries	25,000	29,224	28,122
Other income	<u>175,400</u>	<u>182,935</u>	<u>208,759</u>
	<u>\$ 2,745,500</u>	<u>\$ 3,977,922</u>	<u>\$ 3,503,600</u>

CITY OF IQALUIT
GENERAL GOVERNMENT
FOR THE YEAR ENDED DECEMBER 31, 2013

	2013	2013	2012
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Expenses			
Mayor's and councillors' salaries	\$ 279,200	\$ 249,504	\$ 169,838
Salaries	2,650,900	2,303,068	2,383,705
Employee benefits	647,500	663,285	767,109
Staff housing costs	5,000	3,188	5,575
Staff training	456,400	205,692	180,896
Utilities	94,100	103,074	87,057
Telecommunications	261,900	246,519	260,334
Stationery, supplies and postage	124,900	70,343	78,985
Council initiated programs	49,000	37,884	31,447
Advertising and promotion	165,500	93,042	128,054
Business travel and education	81,000	56,944	60,819
Minor capital	4,000	0	1,998
Maintenance and repairs	94,400	71,320	78,295
Election and plebiscites	0	70,688	100,089
Insurance	425,000	439,258	457,457
Membership and dues	13,400	5,910	9,912
Fiscal expenses	318,200	209,005	61,940
Professional fees	455,700	354,700	283,204
Contracted services	80,000	25,719	47,346
Labour relations	90,000	121,344	37,511
Contracted translation	25,000	38,734	14,047
Rent	15,900	16,672	27,788
Vehicle fuel	2,200	2,070	2,620
Vehicle operations and maintenance	4,000	4,483	7,600
Interest on capital lease	0	0	101
Computers and software	34,700	72,982	44,375
	<u>6,377,900</u>	<u>5,465,428</u>	<u>5,328,102</u>
Net allocations (to) from:			
Emergency services	(109,400)	(107,914)	(95,990)
By-law enforcement	2,000	1,734	10,600
Public works and transportation	(50,900)	(51,198)	(42,674)
Recreational and cultural	(55,800)	(57,950)	(45,643)
Engineering	(128,600)	(120,720)	(119,855)
Water and sewer fund	(381,000)	(380,344)	(327,110)
Sanitation fund	(169,100)	(149,823)	(140,363)
Land development fund	(266,600)	(260,907)	(235,472)
Gravel fund	(33,900)	(32,348)	(54,265)
	<u>5,184,600</u>	<u>4,305,958</u>	<u>4,277,330</u>
Depreciation	<u>226,700</u>	<u>228,665</u>	<u>242,901</u>
	<u>\$ 5,411,300</u>	<u>\$ 4,534,623</u>	<u>\$ 4,520,231</u>

The accompanying notes are an integral part of these consolidated financial statements.

CITY OF IQALUIT
EMERGENCY SERVICES
FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>2013</u> <u>Budget</u>	<u>2013</u> <u>Actual</u>	<u>2012</u> <u>Actual</u>
Revenues			
User charges			
Ambulance services	\$ 1,100,000	\$ 1,104,000	\$ 1,184,800
Alarm monitoring services	165,000	181,834	164,917
Other recoveries	<u>0</u>	<u>13,870</u>	<u>1,676</u>
	<u>1,265,000</u>	<u>1,299,704</u>	<u>1,351,393</u>
Expenses			
Salaries and benefits	3,046,300	3,123,416	2,784,477
Vehicle fuel	12,000	13,975	14,401
Vehicle operations and maintenance	31,500	41,960	79,926
Fire fighters' association	50,000	49,750	50,000
Office and miscellaneous	52,700	50,131	47,471
Dispatch expenses	3,500	3,474	3,072
Interest on capital leases	0	0	17,374
Professional fees	0	7,795	0
Supplies	58,700	45,927	60,151
Rent	5,300	5,558	9,262
Utilities	88,700	97,482	82,300
Building repairs and maintenance	20,000	12,527	21,050
Training	0	106	0
Minor capital	<u>58,900</u>	<u>55,745</u>	<u>32,310</u>
	3,427,600	3,507,846	3,201,794
Net allocations (to) from:			
General government	109,400	107,914	95,990
Engineering services	9,100	4,550	8,700
By-law	(93,200)	(93,200)	(93,671)
Public works and transportation	(20,200)	(20,200)	(20,334)
Water and sewer fund	<u>(61,400)</u>	<u>(61,400)</u>	<u>(61,670)</u>
	3,371,300	3,445,510	3,130,809
Depreciation	<u>197,400</u>	<u>193,087</u>	<u>208,992</u>
	<u>3,568,700</u>	<u>3,638,597</u>	<u>3,339,801</u>
Excess Expenses	<u>\$ (2,303,700)</u>	<u>\$ (2,338,893)</u>	<u>\$ (1,988,408)</u>

CITY OF IQALUIT
BY-LAW ENFORCEMENT
FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>2013</u> <u>Budget</u>	<u>2013</u> <u>Actual</u>	<u>2012</u> <u>Actual</u>
Revenues			
User charges			
Fines	\$ 150,600	\$ 54,636	\$ 35,224
Licences and permits	48,300	40,549	39,580
Other	<u>15,000</u>	<u>6,818</u>	<u>2,200</u>
	<u>213,900</u>	<u>102,003</u>	<u>77,004</u>
Expenses			
Salaries and benefits	837,000	681,171	656,249
Vehicle fuel	14,000	13,880	13,260
Vehicle repairs and maintenance	20,000	36,273	21,914
Office and miscellaneous	49,300	70,631	44,951
Professional fees	0	2,580	13,670
Rent	70,300	74,100	46,313
Repairs and maintenance	4,600	3,180	3,313
Dog pound expenses	<u>24,200</u>	<u>28,848</u>	<u>23,720</u>
	1,019,400	910,663	823,390
Administration and maintenance costs			
General government	(2,000)	(1,734)	(10,600)
Emergency services	93,200	93,200	93,671
Engineering services	31,900	31,900	30,500
Public works and transportation	(25,900)	(25,900)	(23,400)
Water and sewer fund	(32,900)	(32,900)	0
Land development fund	<u>(3,200)</u>	<u>(3,200)</u>	<u>(3,400)</u>
	1,080,500	972,029	910,161
Depreciation	<u>39,100</u>	<u>36,586</u>	<u>27,169</u>
	<u>1,119,600</u>	<u>1,008,615</u>	<u>937,330</u>
Excess Expenses	<u>\$ (905,700)</u>	<u>\$ (906,612)</u>	<u>\$ (860,326)</u>

CITY OF IQALUIT
PUBLIC WORKS AND TRANSPORTATION
FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>2013</u> <u>Budget</u>	<u>2013</u> <u>Actual</u>	<u>2012</u> <u>Actual</u>
Expenses			
Salaries and benefits	\$ 2,728,700	\$ 2,216,165	\$ 2,185,394
Vehicle fuel	122,000	135,578	128,216
Vehicle operations and maintenance	110,500	204,333	221,237
Building maintenance	453,600	342,113	355,147
Materials and supplies	204,000	229,269	166,896
Street lighting	229,200	277,908	223,544
Traffic services	25,000	88,875	14,763
Contracted costs	40,000	47,488	62,815
Interest on capital leases	3,800	3,783	13,046
Interest on loan financing	35,000	30,418	36,478
Cemetery operations and maintenance	5,000	0	14,020
Road repairs and maintenance	<u>347,000</u>	<u>239,109</u>	<u>169,943</u>
	4,303,800	3,815,039	3,591,499
Net allocations (to) from:			
General government	50,900	51,198	42,674
By-law	25,900	25,900	23,400
Emergency services	20,200	20,200	20,334
Recreational and cultural	10,900	10,900	10,700
Engineering services	(62,500)	(25,366)	(46,440)
Water and sewer fund	(476,000)	(412,676)	(259,549)
Sanitation fund	(330,100)	(240,652)	(138,057)
Gravel fund	(41,700)	(16,924)	(30,960)
Land development fund	<u>(21,800)</u>	<u>(19,305)</u>	<u>(21,100)</u>
	3,479,600	3,208,314	3,192,501
Depreciation	<u>1,312,000</u>	<u>1,301,676</u>	<u>1,189,935</u>
	<u>\$ 4,791,600</u>	<u>\$ 4,509,990</u>	<u>\$ 4,382,436</u>

CITY OF IQALUIT
RECREATIONAL AND CULTURAL
FOR THE YEAR ENDED DECEMBER 31, 2013

	2013 <u>Budget</u>	2013 <u>Actual</u>	2012 <u>Actual</u>
Revenues			
User charges			
Abe Okpik Community Centre	\$ 6,000	\$ 9,574	\$ 4,538
Arctic Winter Games Complex	99,500	112,736	91,750
Arnaituq Arena	62,100	70,206	56,515
Curling rink	7,000	6,920	10,822
Recreation fundraising	0	95,368	200,857
Iqaluit skateboard park	5,000	7,178	5,444
Parks, playgrounds and ballfields	1,400	1,400	1,600
Programs and special events	123,700	199,354	151,230
Soccer	23,400	30,917	18,964
Swimming pool	0	323	58,216
Youth centre	31,200	46,948	42,852
	<u>359,300</u>	<u>580,924</u>	<u>642,788</u>
Expenses			
Administration			
Salaries and benefits	394,300	313,714	307,519
Other administration expenses	39,400	35,827	43,034
Professional fees	0	22,417	0
Vehicle fuel	8,000	11,610	10,430
Vehicle operations and maintenance	0	23,806	22,732
	<u>441,700</u>	<u>407,374</u>	<u>383,715</u>
Fundraising expenses	0	42,173	45,566
Facilities			
Abe Okpik Community Centre	140,300	134,555	120,685
Aquatic Centre	693,300	632	0
Arctic Winter Games Complex	743,400	769,081	250,733
Arnaituq Arena	384,800	393,429	974,019
Curling rink	238,700	209,665	211,071
Elders' facility	111,000	109,124	104,299
Iqaluit skateboard park	81,600	86,552	69,148
Parks, playgrounds and ballfields	162,400	141,377	99,206
Programs and special events	483,600	485,734	433,652
Soccer program	161,500	152,852	127,094
Swimming pool	121,500	115,527	679,814
Youth centre	416,700	421,539	387,540
	<u>4,180,500</u>	<u>3,469,614</u>	<u>3,886,542</u>
Net allocations (to) from:			
General government	55,800	57,950	45,643
Public works and transportation	(10,900)	(10,900)	(10,700)
	<u>4,225,400</u>	<u>3,516,664</u>	<u>3,921,485</u>
Depreciation	479,400	497,243	553,962
	<u>4,704,800</u>	<u>4,013,907</u>	<u>4,475,447</u>
Excess Expenses	<u>\$ (4,345,500)</u>	<u>\$ (3,432,983)</u>	<u>\$ (3,832,659)</u>

The accompanying notes are an integral part of these consolidated financial statements.

CITY OF IQALUIT
ENGINEERING SERVICES
FOR THE YEAR ENDED DECEMBER 31, 2013

	2013 <u>Budget</u>	2013 <u>Actual</u>	2012 <u>Actual</u>
Expenses			
Salaries and benefits	\$ 517,200	\$ 489,376	\$ 415,600
Vehicle fuel	1,000	950	580
Vehicle repairs and maintenance	2,000	11,817	887
Office and miscellaneous	10,100	8,181	5,026
Professional fees	0	10,504	0
Rent	44,300	43,494	20,188
Heating	3,700	3,882	3,468
Materials and supplies	<u>282,200</u>	<u>138,813</u>	<u>98,222</u>
	860,500	707,017	543,971
Administration and maintenance costs			
General government	128,600	120,720	119,855
Economic development	(9,100)	(9,100)	(8,700)
Emergency services	(9,100)	(4,550)	(8,700)
By-law enforcement	(31,900)	(31,900)	(30,500)
Public works and transportation	62,500	25,366	46,440
Land development fund	<u>(9,200)</u>	<u>(9,200)</u>	<u>(8,800)</u>
	992,300	798,353	653,566
Depreciation	<u>3,100</u>	<u>8,422</u>	<u>4,403</u>
	<u>\$ 995,400</u>	<u>\$ 806,775</u>	<u>\$ 657,969</u>

CITY OF IQALUIT
ECONOMIC DEVELOPMENT
FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>2013</u> <u>Budget</u>	<u>2013</u> <u>Actual</u>	<u>2012</u> <u>Actual</u>
Revenues			
Government transfers			
Economic development	\$ 210,000	\$ 235,000	\$ 190,000
Projects	<u>0</u>	<u>75,615</u>	<u>0</u>
	<u>210,000</u>	<u>310,615</u>	<u>190,000</u>
Expenses			
Salaries and benefits	181,100	149,376	142,141
Advertising and promotion	49,200	36,825	29,149
Staff training and travel	10,000	151	2,663
Materials and supplies	18,000	3,069	5,026
Contracted services	<u>162,400</u>	<u>138,276</u>	<u>3,147</u>
	420,700	327,697	182,126
Administration and maintenance costs			
Engineering services	<u>9,100</u>	<u>9,100</u>	<u>8,700</u>
	<u>429,800</u>	<u>336,797</u>	<u>190,826</u>
Excess Expenses	<u>\$ (219,800)</u>	<u>\$ (26,182)</u>	<u>\$ (826)</u>

CITY OF IQALUIT
CONTRACT SERVICES
FOR THE YEAR ENDED DECEMBER 31, 2013

	Community <u>Wellness</u>	Community <u>Health</u>	<u>Other</u>	2013 <u>Total</u>	2012 <u>Total</u>
Revenues					
Government transfers					
Government of Nunavut	\$ 461,994	\$ 0	\$ 14,168	\$ 476,162	\$ 375,755
Government of Canada	<u>0</u>	<u>490,317</u>	<u>8,116</u>	<u>498,433</u>	<u>447,456</u>
	<u>461,994</u>	<u>490,317</u>	<u>22,284</u>	<u>974,595</u>	<u>823,211</u>
Expenses					
Contracted costs	381,929	395,266	8,116	785,311	687,236
Materials and supplies	0	6,299	0	6,299	658
Administration	50,065	11,250	0	61,315	70,453
Salaries and benefits	<u>30,000</u>	<u>96,587</u>	<u>0</u>	<u>126,587</u>	<u>101,657</u>
	<u>461,994</u>	<u>509,402</u>	<u>8,116</u>	<u>979,512</u>	<u>860,004</u>
Excess Revenues (Expenses)	<u>\$ 0</u>	<u>\$ (19,085)</u>	<u>\$ 14,168</u>	<u>\$ (4,917)</u>	<u>\$ (36,793)</u>

CITY OF IQALUIT
TANGIBLE CAPITAL ASSETS AND ACCUMULATED DEPRECIATION
FOR THE YEAR ENDED DECEMBER 31, 2013

	Cost			Accumulated Depreciation				Net Book Value	
	Balance Opening	Additions	Disposals	Balance Closing	Balance Opening	Depreciation	Disposals		Balance Closing
Buildings	\$ 19,810,975	\$ 0	\$ 0	\$ 19,810,975	\$ 9,236,396	\$ 492,458	\$ 0	\$ 9,728,854	\$ 10,082,121
Cemetery development	80,426	0	0	80,426	0	0	0	0	80,426
Computer hardware	480,633	39,938	0	520,571	233,467	122,000	0	355,467	165,104
Computer software	565,177	13,824	0	579,001	562,328	7,004	0	569,332	9,669
Feasibility studies	603,931	0	0	603,931	578,626	25,305	0	603,931	0
Furniture and fixtures	103,380	14,100	0	117,480	91,411	3,679	0	95,090	22,390
Granular source	821,641	0	0	821,641	256,931	27,388	0	284,319	537,322
Infrastructure - water and sewer	51,956,849	3,197,973	0	55,154,822	22,770,986	1,454,470	0	24,225,456	30,929,366
Infrastructure - sewage treatment	16,766,466	15,000	0	16,781,466	4,671,219	559,382	0	5,230,601	11,550,865
Infrastructure - waste	4,096,277	0	0	4,096,277	962,504	136,424	0	1,098,928	2,997,349
Land	8,074,853	249,065	0	8,323,918	0	0	0	0	8,323,918
Machinery and equipment - office	443,391	0	0	443,391	346,564	33,765	0	380,329	63,062
Machinery and equipment - heavy	6,069,334	289,319	0	6,358,653	3,135,056	394,650	0	3,529,706	2,828,947
Machinery and equipment - residential	26,692	0	0	26,692	8,227	3,100	0	11,327	15,365
Playgrounds	226,717	21,861	0	248,578	126,626	12,419	0	139,045	109,533
Roads	29,514,456	1,936,297	0	31,450,753	5,084,304	989,194	0	6,073,498	25,377,255
Vehicles	6,511,446	860,378	(78,533)	7,293,228	5,155,643	328,464	(55,020)	5,429,150	1,864,078
	146,152,644	6,637,755	(78,533)	152,711,803	53,220,288	4,589,702	(55,020)	57,755,033	94,956,770
Assets under construction	3,453,377	2,403,465	0	5,856,842	0	0	0	0	5,856,842
Total	\$149,606,021	\$ 9,041,220	\$ (78,533)	\$158,568,645	\$ 53,220,288	\$ 4,589,702	\$ (55,020)	\$ 57,755,033	\$100,813,612

The accompanying notes are an integral part of these consolidated financial statements.

CITY OF IQALUIT
TANGIBLE CAPITAL ASSET ADDITIONS BY FUNDING SOURCE
 FOR THE YEAR ENDED DECEMBER 31, 2013

Government of Nunavut

Gas Tax Contribution Agreement	
Water booster station	\$ 1,052,000
Water and sewer upgrade	<u>198,500</u>
	<u>1,250,500</u>

Capital Contribution Agreement	
New cemetery access road	700,000
New cemetery design and construction	131,329
Upper base road re-alignment - phase 2	682,124
Water booster station	<u>632,617</u>
	<u>2,146,070</u>

Total Government of Nunavut capital funding	<u>3,396,570</u>
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Government of Canada

Geotechnical study	10,005
Water booster station	<u>434,856</u>

Total Government of Canada capital funding	<u>444,861</u>
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City of Iqaluit

Computer equipment	65,493
Computer software	26,131
Cemetery development	284,395
Furniture and fixtures	20,026
A.V. 30 rehabilitation	2,941
Aquatic centre	1,993,869
Accuflo system	20,237
Machinery and equipment - heavy	270,561
Vehicles	860,314
Land purchase - core area	249,065
Fuel tanks	42,998
Playground upgrades	21,861
Upgrade water and sewer main	4,965
Water booster station	880,000
Infrastructure sewage treatment	15,000
Road to Nowhere bridge upgrade	17,067
Fence	70,514
Website redevelopment	9,175
Trail deposit completion	209,000
Dispatch system and workstation	<u>136,177</u>
Total City of Iqaluit capital funding	<u>5,199,789</u>

	<u>\$ 9,041,220</u>
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**CITY OF IQALUIT
TANGIBLE CAPITAL ASSETS
DISPOSALS
FOR THE YEAR ENDED DECEMBER 31, 2013**

<u>Description</u>	<u>Identification</u>	Proceeds of <u>Disposal</u>
F-350		\$ <u> 0</u>