

CITY OF IQALUIT
CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2012

CITY OF IQALUIT
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DECEMBER 31, 2012

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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, 2012 and its financial performance and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants.

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 1, 2013

CHARTERED ACCOUNTANTS

CITY OF IQALUIT
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2012

	<u>2012</u>	<u>2011</u>
Financial Assets		
Cash and cash equivalents (Note 2)	\$ 23,329,321	\$ 16,575,353
Accounts receivable		
Taxes and grants in lieu (Note 3)	1,376,100	1,718,337
Trade and other (Note 3)	3,481,386	4,205,513
Land held for resale (Note 4)	353,302	374,961
Land leases receivable (Note 5)	<u>9,147,306</u>	<u>8,809,284</u>
Total Financial Assets	<u>37,687,415</u>	<u>31,683,448</u>
Liabilities		
Accounts payable and accrued liabilities	4,636,837	3,834,002
Due to Government of Nunavut (Note 6)	294,201	289,980
Deposits	109,667	110,368
Performance bond payable	58,090	57,473
Post-employment benefits payable (Note 1)	1,682,087	1,524,751
Closure/post-closure liabilities (Note 13)	2,440,774	2,284,500
Deferred revenue (Note 7)	9,810,304	7,186,503
Long term debt (Note 8)	16,203,419	14,005,256
Obligations under capital lease (Note 9)	<u>290,398</u>	<u>1,015,645</u>
Total Liabilities	<u>35,525,777</u>	<u>30,308,478</u>
Net Financial Assets (Net Debt)	<u>2,161,638</u>	<u>1,374,970</u>
Non-Financial Assets		
Prepaid expenses	150,077	168,402
Consumable inventories (Note 1)	1,117,418	908,997
Tangible capital assets (Note 1 and Schedule 17)	<u>96,385,733</u>	<u>86,834,852</u>
Total Non-Financial Assets	<u>97,653,228</u>	<u>87,912,251</u>
Accumulated Fund Balances (Schedule 1)	<u>\$ 99,814,866</u>	<u>\$ 89,287,221</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, 2012

	<u>2012</u> <u>Budget</u>	<u>2012</u> <u>Actual</u>	<u>2011</u> <u>Actual</u>
Revenues			
Taxation and user charges			
Taxes and grants in lieu (Schedule 2)	\$ 12,814,600	\$ 12,816,297	\$ 12,139,505
Water and sewer (Schedule 3)	5,628,200	5,297,756	5,235,754
Sanitation (Schedule 4)	2,382,500	2,482,473	2,797,826
Land development and administration (Schedule 5)	6,997,000	4,483,104	3,464,180
Gravel (Schedule 6)	75,000	119,271	89,079
Other revenue from own sources (Schedule 8)	2,777,500	3,503,600	4,318,735
Government transfers			
Equalization contribution (Schedule 2)	1,915,426	1,915,426	1,817,642
Water and sewer subsidy (Schedule 3)	1,234,600	1,234,597	1,204,694
Land contributions (Schedule 5)	77,000	78,159	76,505
Other government transfers (Schedule 8)	275,732	147,350	123,548
Economic development contribution (Schedule 15)	190,000	190,000	218,840
Contract services (Schedule 16)	721,100	823,211	811,788
Other			
Third party contributions (Schedule 5)	<u>10,000</u>	<u>0</u>	<u>27,466</u>
	<u>35,098,658</u>	<u>33,091,244</u>	<u>32,325,562</u>
Expenses			
Water and sewer (Schedule 3)	6,380,200	5,914,410	6,110,541
Sanitation (Schedule 4)	1,913,900	1,614,671	2,933,211
Land development and administration (Schedule 5)	6,467,660	4,609,175	3,372,608
Gravel (Schedule 6)	94,400	94,228	90,191
General government (Schedule 9)	5,149,300	4,277,330	3,731,515
Emergency services (Schedule 10)	3,107,300	3,130,809	2,924,114
By-law enforcement (Schedule 11)	920,200	910,161	993,012
Public works and transportation (Schedule 12)	3,397,800	3,192,501	2,830,666
Recreational and cultural (Schedule 13)	3,938,653	3,921,485	3,981,248
Engineering services (Schedule 14)	785,700	653,566	582,216
Economic development (Schedule 15)	310,200	190,826	202,733
Contract services (Schedule 16)	720,600	860,004	812,427
Depreciation (Schedule 17)	<u>4,258,700</u>	<u>4,434,641</u>	<u>4,386,744</u>
	<u>37,444,613</u>	<u>33,803,807</u>	<u>32,951,226</u>
Excess Revenues (Expenses) before Other	<u>(2,345,955)</u>	<u>(712,563)</u>	<u>(625,664)</u>
Other			
Government transfers relating to capital (Schedule 18)	2,000	92,657	1,123,792
Other capital contributions (Schedule 18)	<u>0</u>	<u>11,147,551</u>	<u>20,000</u>
	<u>2,000</u>	<u>11,240,208</u>	<u>1,143,792</u>
Excess Revenues (Expenses)	<u>\$ (2,343,955)</u>	<u>\$ 10,527,645</u>	<u>\$ 518,128</u>

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

CITY OF IQALUIT
CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS (NET DEBT)
FOR THE YEAR ENDED DECEMBER 31, 2012

	2012 <u>Budget</u>	2012 <u>Actual</u>	2011 <u>Actual</u>
Excess Revenues (Expenses)	\$ (2,343,955)	\$ 10,527,645	\$ 518,128
Tangible capital assets purchased	0	(13,985,524)	(2,857,931)
Depreciation	<u>4,258,700</u>	<u>4,434,641</u>	<u>4,386,744</u>
	1,914,745	976,762	2,046,941
Change in prepaid expenses	0	18,326	(22,983)
Change in consumable inventories	<u>0</u>	<u>(208,420)</u>	<u>(120,406)</u>
Increase (Decrease) in Net Financial Assets	1,914,745	786,668	1,903,552
Net Financial Assets (Net Debt), opening	<u>1,374,970</u>	<u>1,374,970</u>	<u>(528,582)</u>
Net Financial Assets (Net Debt), closing	<u>\$ 3,289,715</u>	<u>\$ 2,161,638</u>	<u>\$ 1,374,970</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, 2012

	<u>2012</u>	<u>2011</u>
Operating Activities		
Excess revenues	\$ 10,527,645	\$ 518,128
Item not requiring cash:		
Depreciation	<u>4,434,641</u>	<u>4,386,744</u>
	14,962,286	4,904,872
 Cash provided by (used for) changes in non-cash working capital:		
Taxes and grants in lieu receivable	342,237	(243,511)
Trade and other receivables	724,127	(145,626)
Government of Nunavut - contributions receivable	0	2,244,597
Land held for resale	21,659	386,889
Land leases receivable	(338,022)	1,426,871
Accounts payable and accrued liabilities	802,835	(4,058,019)
Due to Government of Nunavut	4,220	3,152
Deposits	(700)	(1,050)
Performance bond payable	617	608
Post-employment benefits payable	157,337	40,851
Closure/post-closure liabilities	156,274	1,242,802
Deferred revenue	2,623,801	2,276,039
Prepaid expenses	18,325	(22,982)
Consumable inventory	<u>(208,420)</u>	<u>(120,406)</u>
Cash from (used for) operations	<u>19,266,576</u>	<u>7,935,087</u>
 Capital Activities		
Tangible capital assets purchased	<u>(13,985,524)</u>	<u>(2,857,931)</u>
 Financing Activities		
Long term debt repaid	(1,311,867)	(1,287,750)
Long term debt issued	3,510,030	1,926,417
Obligations under capital lease repaid	(725,247)	(1,040,973)
Obligations under capital lease issued	<u>0</u>	<u>86,408</u>
Cash from (used for) financing activities	<u>1,472,916</u>	<u>(315,898)</u>
 Increase in cash	6,753,968	4,761,258
 Cash and cash equivalents, opening	<u>16,575,353</u>	<u>11,814,095</u>
 Cash and cash equivalents, closing	<u>\$ 23,329,321</u>	<u>\$ 16,575,353</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, 2012

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 generally accepted accounting principles as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. 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, 2012

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 10, 2012.

(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, 2012

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, 2012

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.

CITY OF IQALUIT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Reserves (continued)

- 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.
- 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.

CITY OF IQALUIT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(I) 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>2012</u>	<u>2011</u>
General operating fund	\$ (5,882,069)	\$ (3,946,294)
Capital projects funds	12,328,081	9,966,984
Land development funds	6,499,217	1,859,514
Reserve funds	<u>10,384,092</u>	<u>8,695,149</u>
	<u>\$ 23,329,321</u>	<u>\$ 16,575,353</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 \$58,100 (2011 - \$57,483) 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 fund cash and cash equivalents is \$9,032,723 (2011 - \$6,708,294) relating to Gas Tax Funding and \$3,295,358 (2011 - \$3,258,690) 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, 2012

3. ACCOUNTS RECEIVABLE

Taxes and grants in lieu

	<u>2012</u>	<u>2011</u>
Total municipal taxes receivable	\$ 2,304,851	\$ 2,033,102
Allowance for doubtful collection	<u>(1,468,309)</u>	<u>(1,535,277)</u>
	836,542	497,825
Grants in lieu receivable	<u>539,558</u>	<u>1,220,512</u>
	<u>\$ 1,376,100</u>	<u>\$ 1,718,337</u>

Trade and other

	<u>2012</u>	<u>2011</u>
Water and sewer service	\$ 1,855,286	\$ 2,353,300
General accounts receivable	1,670,920	1,939,917
GST refundable	388,445	221,953
Contracts	16,283	141,113
Capital projects accounts receivable	307,452	320,230
Allowance for doubtful accounts	<u>(757,000)</u>	<u>(771,000)</u>
	<u>\$ 3,481,386</u>	<u>\$ 4,205,513</u>

Included in Capital projects accounts receivable is \$224,117 (2011 - \$236,894) 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>Lots for</u> <u>Resale</u>	<u>2012</u>	<u>Number of</u> <u>Lots for</u> <u>Resale</u>	<u>2011</u>
Apex infill	3	\$ 0	0	\$ 0
Lake subdivision	3	48,455	3	48,455
Plateau subdivision 1	1	304,847	1	304,847
Plateau subdivision 2	1	0	1	0
Plateau subdivision 3	0	0	1	0
Plateau subdivision 4	<u>3</u>	<u>0</u>	<u>0</u>	<u>21,659</u>
	<u>11</u>	<u>\$ 353,302</u>	<u>6</u>	<u>\$ 374,961</u>

CITY OF IQALUIT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

5. LAND LEASES RECEIVABLE

	<u>2012</u>	<u>2011</u>
Land leases receivable	\$ 8,602,851	\$ 8,036,360
Land leases receivable - in arrears	<u>1,321,455</u>	<u>1,549,924</u>
	9,924,306	9,586,284
Allowance for doubtful collection	<u>(777,000)</u>	<u>(777,000)</u>
	<u>\$ 9,147,306</u>	<u>\$ 8,809,284</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>2012</u>	<u>2011</u>
School tax payable	\$ 255,512	\$ 255,512
Gravel royalties payable	<u>38,689</u>	<u>34,468</u>
	<u>\$ 294,201</u>	<u>\$ 289,980</u>

7. DEFERRED REVENUE

	<u>2012</u>	<u>2011</u>
Gas tax program	\$ 8,602,026	\$ 6,422,977
Government of Nunavut	793,655	710,712
Other	38,229	41,720
Contracts	<u>376,394</u>	<u>11,094</u>
	<u>\$ 9,810,304</u>	<u>\$ 7,186,503</u>

CITY OF IQALUIT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

8. LONG TERM DEBT

	<u>2012</u>	<u>2011</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.	\$ 1,332,333	\$ 1,789,133
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.	3,532,184	3,798,672
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.	292,915	393,346
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.	865,953	910,376
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.	547,251	576,408
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.	512,253	538,775

CITY OF IQALUIT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

8. LONG TERM DEBT (continued)

	<u>2012</u>	<u>2011</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.	393,144	410,399
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.	5,248,878	5,588,147
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>3,478,508</u>	<u>0</u>
	<u>\$ 16,203,419</u>	<u>\$ 14,005,256</u>

Long term debt is estimated to be repayable as follows:

2013	\$ 2,018,673
2014	1,965,191
2015	6,243,226
2016	1,575,044
2017	4,085,712
2018 and thereafter	<u>315,573</u>
	<u>\$ 16,203,419</u>

CITY OF IQALUIT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

9. OBLIGATIONS UNDER CAPITAL LEASE

	<u>Expiry</u>	<u>Interest</u> <u>rate</u>	<u>2012</u>	<u>2011</u>
Sterling water truck	Sep/11	7.45%	\$ 0	\$ 33,794
Sterling water truck	Sep/11	7.45%	0	33,794
2007 Spartan Smeal fire truck	Dec/12	5.85%	0	317,596
Building 1342	Mar/23	8.00%	0	199,175
C253 photocopier - recreation	Aug/12	8.15%	0	3,405
2009 CAT landfill compactor	Aug/14	4.56%	184,558	288,753
Metso Mineral sand screener	Dec/15	4.23%	<u>105,840</u>	<u>139,128</u>
			<u>\$ 290,398</u>	<u>\$ 1,015,645</u>

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

2013	\$ 191,986
2014	<u>116,158</u>
	308,144
Less: imputed interest	<u>17,746</u>
Obligations under capital lease	<u>\$ 290,398</u>

CITY OF IQALUIT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

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>2012</u>	<u>2011</u>
Salaries and benefits	\$ 15,990,265	\$ 15,258,134
Legal fees	185,848	319,845
Professional fees	192,312	170,287
Contracted services	1,271,774	1,499,913
Rental	426,876	400,906
Telecommunications	201,292	197,374
Materials and supplies	1,015,593	1,046,091
Advertising	141,394	82,920
Interest and service charges	123,909	115,820
Interest on long term debt	572,987	682,619
Bad debts (recovery)	(80,968)	(111,416)
Professional development and training	171,909	231,476
Electricity	1,406,733	1,510,005
Heating fuel	1,261,124	1,308,702
Repairs and maintenance	777,680	827,213
Vehicle fuel	391,910	412,356
Vehicle repairs and maintenance	631,081	389,795
Travel and accommodation	63,483	92,251
Promotion	38,105	43,751
Sponsorships, memberships and fees	102,976	96,155
Insurance	697,418	494,682
Recruitment	122,764	118,829
Other expenditures	<u>311,975</u>	<u>316,635</u>
	26,018,440	25,504,343
Cost of lot sales	3,194,452	1,817,337
Environmental expenses	156,274	1,242,802
Depreciation	<u>4,434,641</u>	<u>4,386,744</u>
	<u>\$ 33,803,807</u>	<u>\$ 32,951,226</u>

CITY OF IQALUIT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

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>2012</u>	<u>2011</u>
Municipal taxes receivable	\$ (66,968)	\$ (52,416)
General accounts receivable	5,000	(30,000)
Municipal services receivable	<u>(19,000)</u>	<u>(29,000)</u>
	<u>\$ (80,968)</u>	<u>\$ (111,416)</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 January 1, 2012 the City had deficits in the Water and Sewer, Sanitation Program and Gravel Funds. At December 31, 2012 the City has not eliminated the deficits as required on the 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, 2012

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	\$ 1,778,175	\$ 143,772	\$ 1,921,947
Sewage lagoon	433,625	10,707	444,332
Trail deposit	<u>72,700</u>	<u>1,795</u>	<u>74,495</u>
	<u>\$ 2,284,500</u>	<u>\$ 156,274</u>	<u>\$ 2,440,774</u>

14. COMPARATIVE AMOUNTS

Certain of the 2011 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, 2012

	General Operating Fund	Water Sewer Fund	Sanitation Program Fund	Land Development Fund	Gravel Fund	Reserve Fund	Equity in Tangible Capital Assets	2012 Municipal Position Total	2011 Municipal Position Total
EXCESS REVENUES (EXPENSES)	<u>\$ 3,908,261</u>	<u>\$ 6,003,679</u>	<u>\$ 640,211</u>	<u>\$ (49,549)</u>	<u>\$ 25,043</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 10,527,645</u>	<u>\$ 518,128</u>
Net interfund transfers									
To (from) reserves	(831,709)	(109,500)	(448,000)	(157,500)	(75,000)	1,621,709	0	0	0
Tangible capital assets purchased	(5,720,659)	(7,986,802)	(65,937)	(212,126)	0	0	13,985,524	0	0
Capital leases repaid	(1,083,234)	(67,588)	(104,195)	0	0	0	1,255,017	0	0
Long term debt repaid	(34,180)	(83,175)	0	0	0	0	117,355	0	0
Depreciation	<u>2,227,362</u>	<u>1,978,051</u>	<u>227,591</u>	<u>1,637</u>	<u>0</u>	<u>0</u>	<u>(4,434,641)</u>	<u>0</u>	<u>0</u>
	<u>(5,442,420)</u>	<u>(6,269,014)</u>	<u>(390,541)</u>	<u>(367,989)</u>	<u>(75,000)</u>	<u>1,621,709</u>	<u>10,923,255</u>	<u>0</u>	<u>0</u>
CHANGE IN FUND BALANCES	(1,534,159)	(265,335)	249,670	(417,538)	(49,957)	1,621,709	10,923,255	10,527,645	518,128
BALANCES, OPENING	<u>1,227,846</u>	<u>(2,523,123)</u>	<u>(1,930,003)</u>	<u>1,132,318</u>	<u>(151,165)</u>	<u>8,677,867</u>	<u>82,853,481</u>	<u>89,287,221</u>	<u>88,769,093</u>
BALANCES, CLOSING	<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>

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

CITY OF IQALUIT
GENERAL OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>2012</u> <u>Budget</u>	<u>2012</u> <u>Actual</u>	<u>2011</u> <u>Actual</u>
Revenues			
User charges			
Taxes	\$ 8,875,400	\$ 8,853,539	\$ 8,408,035
Grants in lieu (Schedule 8)	<u>3,939,200</u>	<u>3,962,758</u>	<u>3,731,470</u>
	12,814,600	12,816,297	12,139,505
Other revenue from own sources (Schedule 8)	<u>2,777,500</u>	<u>3,503,600</u>	<u>4,318,735</u>
	15,592,100	16,319,897	16,458,240
Government transfers			
Equalization contribution	1,915,426	1,915,426	1,817,642
Economic development (Schedule 15)	190,000	190,000	218,840
Government operating transfers (Schedule 8)	275,732	147,350	123,548
Contract services (Schedule 16)	<u>721,100</u>	<u>823,211</u>	<u>811,788</u>
	<u>18,694,358</u>	<u>19,395,884</u>	<u>19,430,058</u>
Expenses			
General government (Schedule 9)	5,149,300	4,277,330	3,731,515
Emergency services (Schedule 10)	3,107,300	3,130,809	2,924,114
By-law enforcement (Schedule 11)	920,200	910,161	993,012
Public works and transportation (Schedule 12)	3,397,800	3,192,501	2,830,666
Recreational and cultural (Schedule 13)	3,938,653	3,921,485	3,981,248
Engineering services (Schedule 14)	785,700	653,566	582,216
Economic development (Schedule 15)	310,200	190,826	202,733
Contract services (Schedule 16)	<u>720,600</u>	<u>860,004</u>	<u>812,427</u>
	18,329,753	17,136,682	16,057,931
Depreciation	<u>2,138,500</u>	<u>2,227,362</u>	<u>2,262,620</u>
	<u>20,468,253</u>	<u>19,364,044</u>	<u>18,320,551</u>
Excess Revenues (Expenses) before Other	(1,773,895)	31,840	1,109,507
Other			
Capital contributions	<u>0</u>	<u>3,876,421</u>	<u>104,053</u>
Excess Revenues (Expenses)	<u>\$ (1,773,895)</u>	<u>\$ 3,908,261</u>	<u>\$ 1,213,560</u>

CITY OF IQALUIT
WATER AND SEWER FUND
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>2012</u> <u>Budget</u>	<u>2012</u> <u>Actual</u>	<u>2011</u> <u>Actual</u>
Revenues			
User charges			
Residential	\$ 2,920,000	\$ 2,781,612	\$ 2,959,855
Residential subsidy	<u>(1,360,000)</u>	<u>(1,542,756)</u>	<u>(1,637,620)</u>
	1,560,000	1,238,856	1,322,235
Commercial	1,436,000	1,163,823	1,258,428
Government and industrial	2,503,400	2,764,173	2,502,763
Other fees	<u>128,800</u>	<u>130,904</u>	<u>152,328</u>
	5,628,200	5,297,756	5,235,754
Government transfers			
Government of Nunavut subsidies	<u>1,234,600</u>	<u>1,234,597</u>	<u>1,204,694</u>
	<u>6,862,800</u>	<u>6,532,353</u>	<u>6,440,448</u>
Expenses			
Salaries and wages	3,203,900	2,859,118	2,839,388
Transmission and distribution (utilidor)	2,028,200	2,006,366	2,070,582
Interest on capital leases	16,200	7,957	21,200
Vehicle fuel	125,000	150,973	152,400
Vehicle operations and maintenance	150,000	230,960	149,774
Provision for closure/post-closure sewage lagoon (Note 13)	<u>0</u>	<u>10,707</u>	<u>10,140</u>
	5,523,300	5,266,081	5,243,484
Administration and maintenance costs			
General government	348,100	327,110	306,713
Emergency services	55,500	61,670	52,600
Public works and transportation	<u>453,300</u>	<u>259,549</u>	<u>507,744</u>
	6,380,200	5,914,410	6,110,541
Depreciation	<u>1,893,400</u>	<u>1,978,051</u>	<u>1,920,459</u>
	<u>8,273,600</u>	<u>7,892,461</u>	<u>8,031,000</u>
Excess Revenues (Expenses) before Other	(1,410,800)	(1,360,108)	(1,590,552)
Other			
Capital contributions	<u>0</u>	<u>7,363,787</u>	<u>469,753</u>
Excess Revenues (Expenses)	<u>\$ (1,410,800)</u>	<u>\$ 6,003,679</u>	<u>\$ (1,120,799)</u>

CITY OF IQALUIT
SANITATION PROGRAM FUND
 FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>2012</u> <u>Budget</u>	<u>2012</u> <u>Actual</u>	<u>2011</u> <u>Actual</u>
Revenues			
User charges			
Sanitation services	\$ 1,725,000	\$ 1,835,807	\$ 1,779,317
Solid waste tipping fees	650,000	640,735	686,415
Other	7,500	5,931	132,094
Contracts	<u>0</u>	<u>0</u>	<u>200,000</u>
	<u>2,382,500</u>	<u>2,482,473</u>	<u>2,797,826</u>
Expenses			
Salaries and benefits	1,120,400	950,581	799,143
Vehicle fuel	70,000	62,415	61,538
Vehicle operations and maintenance	72,400	97,755	47,855
Materials and supplies	40,800	27,599	43,178
Interest on capital leases	11,000	10,996	15,632
Contracted costs	82,000	11,526	311,908
Electricity	14,300	16,882	19,796
Heating fuel	15,500	14,725	15,596
Provision for closure/post-closure solid waste landfill (Note 13)	<u>0</u>	<u>143,772</u>	<u>1,230,962</u>
	1,426,400	1,336,251	2,545,608
Administration and maintenance costs			
General government	156,000	140,363	126,020
Public works and transportation	<u>331,500</u>	<u>138,057</u>	<u>261,583</u>
	1,913,900	1,614,671	2,933,211
Depreciation	<u>223,600</u>	<u>227,591</u>	<u>202,028</u>
	<u>2,137,500</u>	<u>1,842,262</u>	<u>3,135,239</u>
Excess Revenues (Expenses) before Other	245,000	640,211	(337,413)
Other			
Capital contributions	<u>0</u>	<u>0</u>	<u>569,986</u>
Excess Revenues (Expenses)	<u>\$ 245,000</u>	<u>\$ 640,211</u>	<u>\$ 232,573</u>

CITY OF IQALUIT
LAND DEVELOPMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>2012</u> <u>Budget</u>	<u>2012</u> <u>Actual</u>	<u>2011</u> <u>Actual</u>
Revenues			
User charges			
Land sales	\$ 4,445,000	\$ 3,388,162	\$ 2,118,063
Interest on land leases	850,000	903,717	1,090,875
Lot leases revenue	1,500,000	55,425	83,057
Fees	<u>202,000</u>	<u>135,800</u>	<u>172,185</u>
	6,997,000	4,483,104	3,464,180
Government transfers			
Land administration contribution	77,000	78,159	76,505
Other			
Third party contributions	<u>10,000</u>	<u>0</u>	<u>27,466</u>
	<u>7,084,000</u>	<u>4,561,263</u>	<u>3,568,151</u>
Expenses			
Cost of land sold	4,677,760	3,194,452	1,817,337
Interest on debentures	337,000	398,960	419,936
Salaries and benefits	606,600	476,216	456,123
Office and miscellaneous	73,600	15,329	14,319
Planning, reviews and studies	306,000	145,215	177,149
Professional fees	45,000	1,620	31,217
Rent	55,300	88,988	88,281
Survey, appraisal and title search fees	66,000	8,711	12,256
Training	15,000	2,031	23,384
Electricity	4,400	3,950	6,931
Heating fuel	4,100	4,856	8,032
Vehicle fuel	500	75	0
Bad debts - land leases	<u>10,000</u>	<u>0</u>	<u>0</u>
	6,201,260	4,340,403	3,054,965
Administration and maintenance costs			
General government	233,100	235,472	227,562
Engineering services	8,800	8,800	8,500
By-law	3,400	3,400	11,500
Emergency services	0	0	1,200
Public works and transportation	<u>21,100</u>	<u>21,100</u>	<u>68,881</u>
	6,467,660	4,609,175	3,372,608
Depreciation	<u>3,200</u>	<u>1,637</u>	<u>1,637</u>
	<u>6,470,860</u>	<u>4,610,812</u>	<u>3,374,245</u>
Excess Revenues (Expenses)	<u>\$ 613,140</u>	<u>\$ (49,549)</u>	<u>\$ 193,906</u>

CITY OF IQALUIT
GRAVEL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>2012</u> <u>Budget</u>	<u>2012</u> <u>Actual</u>	<u>2011</u> <u>Actual</u>
Revenues			
User charges			
Gravel royalties	\$ <u>75,000</u>	\$ <u>119,271</u>	\$ <u>89,079</u>
Expenses			
Government of Nunavut royalty	0	4,220	3,152
Legal fees	0	2,988	0
Provision for closure/post-closure trail area deposit (Note 13)	0	1,795	1,700
Administration and maintenance costs			
General government	53,400	54,265	50,085
Public works and transportation	<u>41,000</u>	<u>30,960</u>	<u>35,254</u>
	<u>94,400</u>	<u>94,228</u>	<u>90,191</u>
Excess Revenues (Expenses)	<u>\$ (19,400)</u>	<u>\$ 25,043</u>	<u>\$ (1,112)</u>

CITY OF IQALUIT
RESERVE FUND
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>2012</u>	<u>2011</u>
	<u>Actual</u>	<u>Actual</u>
The reserve fund is allocated as follows:		
General Operating Fund		
Election expense reserve	\$ 67,312	\$ 61,557
Financial information system reserve	165,665	143,979
Administration building project reserve	625,412	576,569
Recreation building project reserve	237,234	120,845
Administration vehicle reserve	1,558	34,708
By-law vehicle reserve	61,860	91,502
Emergency services vehicle reserve	237,450	422,392
Engineering vehicle reserve	0	28,000
Public works vehicle reserve	93,884	92,867
Emergency services equipment replacement reserve	145,000	115,000
Dog pound reserve	66,006	60,686
Alarm monitoring system reserve	35,000	30,000
Recreation vehicle reserve	8,085	37,786
Ambulance vehicle reserve	204,650	164,650
Post employment benefits	275,613	223,681
Outdoor hard surface reserve	7,500	7,500
BMX bicycle park reserve	5,000	5,000
City hall/recreation building reserve	781,097	579,240
Annenburg Foundation future donations reserve	56,930	56,326
Ambulance personnel training reserve	51,108	40,613
Fire hall replacement reserve	158,326	117,721
Major infrastructure maintenance reserve	579,459	433,470
Future recreation building reserve	181,200	179,233
Sustainability and economic development reserve	329,607	271,150
Emergency management operations reserve	40,749	30,368
Animal control vehicle reserve	8,954	6,869
Ambulance building reserve	121,215	79,392
Translation equipment reserve	20,374	15,183
Emergency radio equipment reserve	61,093	45,523
Ambulance equipment reserve	40,765	30,384
Election equipment reserve	47,200	47,200
Marine infrastructure reserve	150,000	100,000
Emergency generator reserve	15,000	10,000
Street lighting reserve	47,000	50,000
Paving maintenance reserve	50,459	25,072
Emergency services risk assessment reserve	8,073	4,012
Building inspector vehicle reserve	10,092	5,014

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

CITY OF IQALUIT
RESERVE FUND
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>2012</u> <u>Actual</u>	<u>2011</u> <u>Actual</u>
The reserve fund is allocated as follows: (continued)		
General Operating Fund		
Playground equipment reserve	20,184	10,029
Administration photocopier reserve	10,092	5,014
Finance office furniture reserve	6,055	3,009
Garage equipment reserve	8,073	4,012
Gas pump equipment reserve	10,092	5,014
Soccer equipment reserve	40,367	20,058
New road paving reserve	201,835	100,289
Roads heavy equipment reserve	150,686	0
Purchasing warehouse reserve	15,000	0
Purchasing vehicle reserve	5,000	0
Safety and training vehicle reserve	4,023	0
Cemetery development reserve	25,112	0
Water and Sewer Fund		
Sewage project reserve	190,242	188,176
Water truck replacement reserve	386,705	357,627
Booster station equipment reserve	105,000	90,000
Sewer truck reserve	173,853	147,109
Future closure of sewage lagoon	60,551	30,087
Post employment benefit reserve	85,500	71,000
Land Development Fund		
Reserve for estimated future interest expense on debenture no. 14	606,138	599,513
Review and by-law revisions reserve	202,500	237,500
Aerial photo reserve	126,000	170,000
Parking lot maintenance reserve	139,980	140,000
GIS update reserve	50,000	95,000
Pedestrian walkway reserve	31,500	31,500
Parking lot reserve	640,000	560,000
Improvement to Industrial subdivision reserve	170,082	168,237
Walking trails, phase 1 and 2 reserve	212,000	212,000
Post employment benefits	12,500	10,000
Lands and planning vehicle reserve	5,023	0
Sanitation Fund		
Sanitation vehicle replacement reserve	50,000	0
Landfill equipment and vehicle reserve	224,956	170,345
Landfill equipment reserve	301,341	0
Future closure landfill	80,734	40,115
Post employment benefits reserve	26,500	21,000

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

CITY OF IQALUIT
RESERVE FUND
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>2012</u> <u>Actual</u>	<u>2011</u> <u>Actual</u>
The reserve fund is allocated as follows: (continued)		
Gravel Fund		
Quarry restoration reserve	353,993	275,712
Quarry development reserve	<u>572,029</u>	<u>572,029</u>
	<u>\$ 10,299,576</u>	<u>\$ 8,677,867</u>

CITY OF IQALUIT
GRANTS IN LIEU AND OTHER REVENUE FROM OWN SOURCES
FOR THE YEAR ENDED DECEMBER 31, 2012

	2012 <u>Budget</u>	2012 <u>Actual</u>	2011 <u>Actual</u>
Grants in Lieu			
Federal government	\$ 883,900	\$ 871,827	\$ 837,376
Government of Nunavut	2,911,200	2,938,710	2,757,814
Nunavut Power Corporation	107,000	116,279	101,205
Canadian Broadcasting Corporation	<u>37,100</u>	<u>35,942</u>	<u>35,075</u>
	<u>\$ 3,939,200</u>	<u>\$ 3,962,758</u>	<u>\$ 3,731,470</u>
Government Operating Transfers			
Federal government	\$ 210,600	\$ 74,718	\$ 51,256
Government of Nunavut	<u>65,132</u>	<u>72,632</u>	<u>72,292</u>
	<u>\$ 275,732</u>	<u>\$ 147,350</u>	<u>\$ 123,548</u>
Other Revenue from Own Sources			
Emergency services	\$ 1,255,000	\$ 1,351,393	\$ 1,333,673
Recreational and cultural	434,100	642,788	506,641
By-law enforcement	91,700	77,004	71,499
Interest earned	150,000	125,138	125,099
Penalties and interest	252,000	299,603	269,837
Tax certificates	15,000	17,475	18,375
Training subsidies	4,200	7,178	1,146
Business licences	103,000	55,550	89,990
Rent recovery	153,000	140,797	147,955
Sale of material	200	552	69
Administration fees on land development	0	488,400	1,296,267
Other licences and permits	77,500	18,817	114,281
Property rental	40,800	42,024	40,800
Insurance recoveries	25,000	28,122	175,813
Other income	<u>176,000</u>	<u>208,759</u>	<u>127,290</u>
	<u>\$ 2,777,500</u>	<u>\$ 3,503,600</u>	<u>\$ 4,318,735</u>

CITY OF IQALUIT
GENERAL GOVERNMENT
FOR THE YEAR ENDED DECEMBER 31, 2012

	2012	2012	2011
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Expenses			
Mayor's and councillors' salaries	\$ 196,200	\$ 169,838	\$ 175,441
Salaries	2,563,600	2,383,705	2,152,027
Employee benefits	619,500	767,109	563,627
Staff housing costs	5,000	5,575	7,743
Staff training	460,800	180,896	146,914
Utilities	87,500	87,057	74,189
Telecommunications	280,200	260,334	236,341
Stationery, supplies and postage	120,300	78,985	97,305
Council initiated programs	52,000	31,447	35,826
Advertising and promotion	175,700	128,054	93,131
Business travel and education	78,500	60,819	68,709
Minor capital	4,500	1,998	39
Maintenance and repairs	106,700	78,295	85,021
Election and plebiscites	90,000	100,089	108
Insurance	425,000	457,457	384,330
Membership and dues	8,300	9,912	6,806
Fiscal expenses	315,200	61,940	33,408
Professional fees	455,200	283,204	212,973
Contracted services	102,000	47,346	24,643
Labour relations	40,000	37,511	221,364
Contracted translation	15,000	14,047	10,111
Rent	15,900	27,788	24,373
Vehicle fuel	2,200	2,620	1,711
Vehicle operations and maintenance	4,000	7,600	4,229
Interest on capital lease	800	101	490
Computers and software	30,700	44,375	56,136
	<u>6,254,800</u>	<u>5,328,102</u>	<u>4,716,995</u>
Net allocations (to) from:			
Emergency services	(101,700)	(95,990)	(90,636)
By-law enforcement	10,600	10,600	13,800
Public works and transportation	(50,800)	(42,674)	(43,000)
Recreational and cultural	(55,700)	(45,643)	(47,700)
Engineering	(117,300)	(119,855)	(107,564)
Water and sewer fund	(348,100)	(327,110)	(306,713)
Sanitation fund	(156,000)	(140,363)	(126,020)
Land development fund	(233,100)	(235,472)	(227,562)
Gravel fund	(53,400)	(54,265)	(50,085)
	<u>5,149,300</u>	<u>4,277,330</u>	<u>3,731,515</u>
Depreciation	<u>269,400</u>	<u>242,901</u>	<u>263,184</u>
	<u>\$ 5,418,700</u>	<u>\$ 4,520,231</u>	<u>\$ 3,994,699</u>

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

CITY OF IQALUIT
EMERGENCY SERVICES
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>2012</u> <u>Budget</u>	<u>2012</u> <u>Actual</u>	<u>2011</u> <u>Actual</u>
Revenues			
User charges			
Ambulance services	\$ 1,100,000	\$ 1,184,800	\$ 1,172,000
Alarm monitoring services	155,000	164,917	152,886
Other recoveries	<u>0</u>	<u>1,676</u>	<u>8,787</u>
	<u>1,255,000</u>	<u>1,351,393</u>	<u>1,333,673</u>
Expenses			
Salaries and benefits	2,735,700	2,784,477	2,613,334
Vehicle fuel	13,200	14,401	14,387
Vehicle operations and maintenance	42,500	79,926	76,106
Fire fighters' association	50,000	50,000	50,000
Office and miscellaneous	54,700	47,471	34,498
Dispatch expenses	3,500	3,072	8,540
Interest on capital leases	17,400	17,374	19,979
Supplies	74,000	60,151	58,506
Rent	5,300	9,262	8,030
Utilities	88,500	82,300	79,021
Building repairs and maintenance	24,000	21,050	19,535
Training	0	0	19,981
Minor capital	<u>46,200</u>	<u>32,310</u>	<u>6,661</u>
	3,155,000	3,201,794	3,008,578
Net allocations (to) from:			
General government	101,700	95,990	90,636
Engineering services	8,700	8,700	8,500
By-law	(84,300)	(93,671)	(112,500)
Public works and transportation	(18,300)	(20,334)	(17,300)
Land development fund	0	0	(1,200)
Water and sewer fund	<u>(55,500)</u>	<u>(61,670)</u>	<u>(52,600)</u>
	3,107,300	3,130,809	2,924,114
Depreciation	<u>158,100</u>	<u>208,992</u>	<u>204,245</u>
	<u>3,265,400</u>	<u>3,339,801</u>	<u>3,128,359</u>
Excess Expenses	<u>\$ (2,010,400)</u>	<u>\$ (1,988,408)</u>	<u>\$ (1,794,686)</u>

CITY OF IQALUIT
BY-LAW ENFORCEMENT
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>2012</u> <u>Budget</u>	<u>2012</u> <u>Actual</u>	<u>2011</u> <u>Actual</u>
Revenues			
User charges			
Fines	\$ 49,700	\$ 35,224	\$ 32,264
Licences and permits	42,000	39,580	39,235
Other	<u>0</u>	<u>2,200</u>	<u>0</u>
	<u>91,700</u>	<u>77,004</u>	<u>71,499</u>
Expenses			
Salaries and benefits	663,900	656,249	687,510
Vehicle fuel	13,500	13,260	13,568
Vehicle repairs and maintenance	6,000	21,914	38,977
Office and miscellaneous	38,400	58,621	51,632
Rent	70,300	46,313	41,279
Repairs and maintenance	7,100	3,313	7,484
Dog pound expenses	<u>43,600</u>	<u>23,720</u>	<u>51,962</u>
	842,800	823,390	892,412
Administration and maintenance costs			
General government	(10,600)	(10,600)	(13,800)
Emergency services	84,300	93,671	112,500
Engineering services	30,500	30,500	29,600
Public works and transportation	(23,400)	(23,400)	(16,200)
Land development fund	<u>(3,400)</u>	<u>(3,400)</u>	<u>(11,500)</u>
	920,200	910,161	993,012
Depreciation	<u>22,200</u>	<u>27,169</u>	<u>22,179</u>
	<u>942,400</u>	<u>937,330</u>	<u>1,015,191</u>
Excess Expenses	<u>\$ (850,700)</u>	<u>\$ (860,326)</u>	<u>\$ (943,692)</u>

CITY OF IQALUIT
PUBLIC WORKS AND TRANSPORTATION
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>2012</u> <u>Budget</u>	<u>2012</u> <u>Actual</u>	<u>2011</u> <u>Actual</u>
Expenses			
Salaries and benefits	\$ 2,599,600	\$ 2,185,394	\$ 2,328,958
Vehicle fuel	122,000	128,216	140,470
Vehicle operations and maintenance	171,100	221,237	87,672
Building maintenance	436,300	355,147	363,493
Materials and supplies	239,600	166,896	192,092
Street lighting	222,100	223,544	217,980
Traffic services	25,000	14,763	6,552
Rent	0	0	1,127
Contracted costs	85,000	62,815	50,725
Interest on capital leases	42,300	13,046	54,257
Interest on loan financing	35,000	36,478	39,852
Staff training	0	0	42,227
Cemetery operations and maintenance	5,000	14,020	263
Road repairs and maintenance	<u>220,000</u>	<u>169,943</u>	<u>144,341</u>
	4,203,000	3,591,499	3,670,009
Net allocations (to) from:			
General government	50,800	42,674	43,000
By-law	23,400	23,400	16,200
Emergency services	18,300	20,334	17,300
Recreational and cultural	10,700	10,700	10,500
Engineering services	(61,500)	(46,440)	(52,881)
Water and sewer fund	(453,300)	(259,549)	(507,744)
Sanitation fund	(331,500)	(138,057)	(261,583)
Gravel fund	(41,000)	(30,960)	(35,254)
Land development fund	<u>(21,100)</u>	<u>(21,100)</u>	<u>(68,881)</u>
	3,397,800	3,192,501	2,830,666
Depreciation	<u>1,170,900</u>	<u>1,189,935</u>	<u>1,170,698</u>
	<u>\$ 4,568,700</u>	<u>\$ 4,382,436</u>	<u>\$ 4,001,364</u>

CITY OF IQALUIT
RECREATIONAL AND CULTURAL
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>2012</u> <u>Budget</u>	<u>2012</u> <u>Actual</u>	<u>2011</u> <u>Actual</u>
Revenues			
User charges			
Abe Okpik Community Centre	\$ 9,000	\$ 4,538	\$ 11,073
Arctic Winter Games Complex	98,000	91,750	110,010
Arnaituq Arena	70,000	56,515	55,853
Curling rink	5,000	10,822	7,636
Recreation fundraising	0	200,857	68,784
Iqaluit skateboard park	3,000	5,444	2,755
Parks, playgrounds and ballfields	2,500	1,600	3,200
Programs and special events	126,500	151,230	146,171
Soccer	16,000	18,964	0
Swimming pool	69,600	58,216	71,199
Youth centre	34,500	42,852	29,960
	<u>434,100</u>	<u>642,788</u>	<u>506,641</u>
Expenses			
Administration			
Salaries and benefits	381,000	307,519	395,710
Other administration expenses	43,800	43,034	80,705
Vehicle fuel	7,500	10,430	10,295
Vehicle operations and maintenance	6,000	22,732	26,341
	<u>438,300</u>	<u>383,715</u>	<u>513,051</u>
Fundraising expenses	0	45,566	40,340
Facilities			
Abe Okpik Community Centre	129,100	120,685	66,313
Arctic Winter Games Complex	763,200	250,733	567,721
Arnaituq Arena	354,000	974,019	707,194
Curling rink	199,400	211,071	161,366
Elders' facility	115,700	104,299	209,409
Iqaluit skateboard park	76,300	69,148	67,452
Parks, playgrounds and ballfields	144,700	99,206	98,397
Programs and special events	453,253	433,652	414,767
Soccer program	144,400	127,094	0
Swimming pool	683,400	679,814	695,691
Youth centre	391,900	387,540	402,347
	<u>3,893,653</u>	<u>3,886,542</u>	<u>3,944,048</u>
Net allocations (to) from:			
General government	55,700	45,643	47,700
Public works and transportation	(10,700)	(10,700)	(10,500)
	<u>3,938,653</u>	<u>3,921,485</u>	<u>3,981,248</u>
Depreciation	514,800	553,962	600,527
	<u>4,453,453</u>	<u>4,475,447</u>	<u>4,581,775</u>
Excess Expenses	<u>\$ (4,019,353)</u>	<u>\$ (3,832,659)</u>	<u>\$ (4,075,134)</u>

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

CITY OF IQALUIT
ENGINEERING SERVICES
FOR THE YEAR ENDED DECEMBER 31, 2012

	2012 <u>Budget</u>	2012 <u>Actual</u>	2011 <u>Actual</u>
Expenses			
Salaries and benefits	\$ 492,500	\$ 415,600	\$ 349,683
Vehicle fuel	1,000	580	907
Vehicle repairs and maintenance	2,000	887	2,467
Office and miscellaneous	12,100	5,026	7,028
Rent	39,800	20,188	19,668
Heating	3,000	3,468	2,677
Materials and supplies	<u>113,200</u>	<u>98,222</u>	<u>94,441</u>
	663,600	543,971	476,871
Administration and maintenance costs			
General government	117,300	119,855	107,564
Economic development	(8,700)	(8,700)	(8,500)
Emergency services	(8,700)	(8,700)	(8,500)
By-law enforcement	(30,500)	(30,500)	(29,600)
Public works and transportation	61,500	46,440	52,881
Land development fund	<u>(8,800)</u>	<u>(8,800)</u>	<u>(8,500)</u>
	785,700	653,566	582,216
Depreciation	<u>3,100</u>	<u>4,403</u>	<u>1,787</u>
	<u>\$ 788,800</u>	<u>\$ 657,969</u>	<u>\$ 584,003</u>

CITY OF IQALUIT
ECONOMIC DEVELOPMENT
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>2012</u> <u>Budget</u>	<u>2012</u> <u>Actual</u>	<u>2011</u> <u>Actual</u>
Revenues			
Government transfers			
Economic development	\$ 190,000	\$ 190,000	\$ 190,000
Projects	<u>0</u>	<u>0</u>	<u>28,840</u>
	<u>190,000</u>	<u>190,000</u>	<u>218,840</u>
Expenses			
Salaries and benefits	143,100	142,141	128,295
Advertising and promotion	44,200	29,149	33,959
Staff training and travel	15,000	2,663	66
Materials and supplies	17,800	5,026	3,436
Contracted services	<u>81,400</u>	<u>3,147</u>	<u>28,477</u>
	301,500	182,126	194,233
Administration and maintenance costs			
Engineering services	<u>8,700</u>	<u>8,700</u>	<u>8,500</u>
	<u>310,200</u>	<u>190,826</u>	<u>202,733</u>
Excess Revenues (Expenses)	<u>\$ (120,200)</u>	<u>\$ (826)</u>	<u>\$ 16,107</u>

CITY OF IQALUIT
CONTRACT SERVICES
 FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Brighter Futures</u>	<u>Community Health</u>	<u>Other</u>	<u>2012 Total</u>	<u>2011 Total</u>
Revenues					
Government transfers					
Government of Nunavut	\$ 348,258	\$ 0	\$ 27,497	\$ 375,755	\$ 309,711
Government of Canada	<u>0</u>	<u>447,456</u>	<u>0</u>	<u>447,456</u>	<u>502,077</u>
	<u>348,258</u>	<u>447,456</u>	<u>27,497</u>	<u>823,211</u>	<u>811,788</u>
Expenses					
Contracted costs	266,786	390,217	30,233	687,236	695,143
Materials and supplies	0	658	0	658	0
Administration	56,025	11,250	3,178	70,453	23,114
Salaries and benefits	<u>30,000</u>	<u>71,657</u>	<u>0</u>	<u>101,657</u>	<u>94,170</u>
	<u>352,811</u>	<u>473,782</u>	<u>33,411</u>	<u>860,004</u>	<u>812,427</u>
Excess Revenues (Expenses)	<u>\$ (4,553)</u>	<u>\$ (26,326)</u>	<u>\$ (5,914)</u>	<u>\$ (36,793)</u>	<u>\$ (639)</u>

CITY OF IQALUIT
TANGIBLE CAPITAL ASSETS AND ACCUMULATED DEPRECIATION
 FOR THE YEAR ENDED DECEMBER 31, 2012

	Cost			Accumulated Depreciation			Net Book Value		
	Balance Opening	Additions	Disposals	Balance Closing	Balance Opening	Depreciation		Disposals	Balance Closing
Buildings	\$ 19,393,748	\$ 417,227	\$ 0	\$ 19,810,975	\$ 8,760,604	\$ 475,792	\$ 0	\$ 9,236,396	\$ 10,574,579
Cemetery development	80,426	0	0	80,426	0	0	0	0	80,426
Computer hardware	276,659	206,540	(2,566)	480,633	157,437	78,596	(2,566)	233,467	247,166
Computer software	565,177	0	0	565,177	533,350	28,978	0	562,328	2,849
Feasibility studies	578,626	25,305	0	603,931	405,552	173,074	0	578,626	25,305
Furniture and fixtures	94,044	9,336	0	103,380	89,104	2,307	0	91,411	11,969
Granular source	821,641	0	0	821,641	229,543	27,388	0	256,931	564,710
Infrastructure - water and sewer	44,225,533	7,731,316	0	51,956,849	21,583,109	1,187,877	0	22,770,986	29,185,863
Infrastructure - sewage treatment	16,766,466	0	0	16,766,466	4,112,337	558,882	0	4,671,219	12,095,247
Infrastructure - waste	4,096,277	0	0	4,096,277	826,079	136,425	0	962,504	3,133,773
Land	8,074,853	0	0	8,074,853	0	0	0	0	8,074,853
Machinery and equipment - office	418,353	32,752	(7,714)	443,391	312,820	41,458	(7,714)	346,564	96,827
Machinery and equipment - heavy	5,623,418	445,916	0	6,069,334	2,778,227	356,829	0	3,135,056	2,934,278
Machinery and equipment - residential	26,692	0	0	26,692	5,128	3,099	0	8,227	18,465
Playgrounds	222,685	4,032	0	226,717	114,532	12,094	0	126,626	100,091
Roads	25,648,404	3,866,052	0	29,514,456	4,229,358	854,946	0	5,084,304	24,430,152
Vehicles	6,187,297	324,149	0	6,511,446	4,658,747	496,896	0	5,155,643	1,355,803
	133,100,299	13,062,625	(10,280)	146,152,644	48,795,927	4,434,641	(10,280)	53,220,288	92,932,356
Assets under construction	2,530,478	922,899	0	3,453,377	0	0	0	0	3,453,377
Total	\$135,630,777	\$ 13,985,524	\$ (10,280)	\$149,606,021	\$ 48,795,927	\$ 4,434,641	\$ (10,280)	\$ 53,220,288	\$ 96,385,733

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, 2012

Government of Nunavut	
Gas Tax Contribution Agreement	
Water booster station	\$ 65,144
Sewage lift station #2	<u>5,518</u>
Total Government of Nunavut capital funding	<u>70,662</u>
Government of Canada	
Geotechnical study	<u>21,995</u>
Other Capital Contributions	
Water and sewer mains	7,293,125
Roads	<u>3,854,426</u>
Total other capital contributions	<u>11,147,551</u>
City of Iqaluit	
Computer equipment	191,383
Computer software	24,547
Cemetery development	18,126
Buildings	417,227
A.V. 305 rehabilitation	268,929
Feasibility studies and plans	25,305
Machinery and equipment - office	42,089
Machinery and equipment - heavy	461,494
Vehicles	324,157
Landfill water management upgrade	6,076
Development of emergency plan/lagoon	72,190
Supplementary water source	35,012
Pavement maintenance plan	20,563
Water licence application	30,784
Lake Geraldine dam	162,022
Road to Nowhere bridge upgrade	77,082
Snow fence	194,000
Upper base/trail deposit road	373,118
Trail deposit completion	<u>1,212</u>
Total City of Iqaluit capital funding	<u>2,745,316</u>
	<u>\$ 13,985,524</u>

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

CITY OF IQALUIT
TANGIBLE CAPITAL ASSETS
DISPOSALS
 FOR THE YEAR ENDED DECEMBER 31, 2012

<u>Description</u>	<u>Identification</u>	<u>Proceeds of Disposal</u>
CAT 817 loader		\$ 2,500
Laptop		0
Neopost postage meter		<u>0</u>
		<u>\$ 2,500</u>