

**CITY OF DAWSON**  
**Financial Statements**  
**For The Year Ended December 31, 2022**

## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

To the Mayor and Members of Council of City of Dawson

The integrity, relevance and comparability of the data in the accompanying financial statements are the responsibility of management.

The financial statements are prepared by management in accordance with Canadian public sector accounting standards. They necessarily include some amounts that are based on the best estimates and judgements of management.

To assist in its responsibility, management maintains accounting, budget and other controls to provide reasonable assurance that transactions are appropriately authorized, that assets are properly accounted for and safeguarded, and that financial records are reliable for preparation of financial statements.

Metrix Group LLP, Chartered Professional Accountants, have been appointed by the City Council to express an opinion on the City's financial statements.



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David Henderson  
Chief Administrative Officer

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## INDEPENDENT AUDITORS' REPORT

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To the Mayor and Council of City of Dawson

### *Opinion*

We have audited the financial statements of City of Dawson (the City), which comprise the statement of financial position as at December 31, 2022, and the statements of operations and accumulated surplus, changes in net financial assets, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the City as at December 31, 2022, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### *Basis for Opinion*

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

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

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

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

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

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

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

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Independent Auditors' Report to the Mayor and Council of City of Dawson (*continued*)

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

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

**METRIX GROUP LLP**

Chartered Professional Accountants

Edmonton, Alberta  
July 12, 2023

**CITY OF DAWSON**  
**Statement of Financial Position**  
**As At December 31, 2022**

	2022	2021
<b>FINANCIAL ASSETS</b>		
Cash and cash equivalents	\$ 1,585,052	\$ 4,217,170
Investments (Note 2)	5,170,607	5,151,652
Receivables (Note 3)	2,734,652	424,037
	<u>9,490,311</u>	<u>9,792,859</u>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities (Note 4)	1,149,076	1,007,553
Deferred revenue (Note 5)	237,538	274,723
	<u>1,386,614</u>	<u>1,282,276</u>
<b>NET FINANCIAL ASSETS</b>	<u>8,103,697</u>	<u>8,510,583</u>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Note 6)	34,702,269	34,170,018
Prepaid expenses	97,209	68,015
Inventory for consumption	-	27,907
	<u>34,799,478</u>	<u>34,265,940</u>
<b>ACCUMULATED SURPLUS (Note 7)</b>	<u>\$ 42,903,175</u>	<u>\$ 42,776,523</u>
Contingencies (Note 9)		

ON BEHALF OF COUNCIL:


  


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

**CITY OF DAWSON**

**Statement of Operations and Accumulated Surplus**

**For the Year Ended December 31, 2022**

	2022 (Budget) (Note 12)	2022 (Actual)	2021 (Actual)
<b>REVENUE</b>			
Taxes and grants in lieu of taxes	\$ 3,437,390	\$ 3,450,311	\$ 3,246,103
Government transfers for operating	3,041,483	3,063,320	2,950,077
Sales and user charges	2,474,866	2,502,803	2,404,385
Return on investments	30,000	47,251	23,976
Licenses and permits	74,500	46,477	110,271
Penalties and costs on taxes	13,600	28,366	23,916
Other	31,000	21,776	33,479
Fines	3,000	1,850	3,025
	<u>9,105,839</u>	<u>9,162,154</u>	<u>8,795,232</u>
<b>EXPENSES</b>			
Parks and recreation	1,779,697	1,863,267	1,585,710
Water supply and distribution	1,217,070	1,773,319	1,266,697
General administration	1,607,271	1,549,810	1,511,000
Transportation services	1,403,578	1,478,697	1,206,316
Waste management	801,518	768,153	625,778
Wastewater treatment and disposal	505,681	445,442	430,275
Fire	374,491	304,213	328,439
Land use planning, zoning and development	406,075	264,452	196,051
Cable television	230,359	255,281	221,146
Council and other legislative	278,864	231,442	173,882
Bylaws enforcement and emergency measures	147,027	138,709	127,450
Cemeteries	13,000	3,265	-
Amortization	-	2,090,938	2,072,974
	<u>8,764,631</u>	<u>11,166,988</u>	<u>9,745,718</u>
<b>ANNUAL DEFICIT BEFORE OTHER REVENUE</b>	<u>341,208</u>	<u>(2,004,834)</u>	<u>(950,486)</u>
<b>OTHER REVENUE</b>			
Government transfers for capital	13,241,962	2,131,486	104,899
Gain (loss) on disposal of tangible capital assets	-	-	(5,007)
	<u>13,241,962</u>	<u>2,131,486</u>	<u>99,892</u>
<b>ANNUAL SURPLUS (DEFICIT)</b>	13,583,170	126,652	(850,594)
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>	<u>42,776,523</u>	<u>42,776,523</u>	<u>43,627,117</u>
<b>ACCUMULATED SURPLUS, END OF YEAR</b> (Note 7)	<u>\$ 56,359,693</u>	<u>\$ 42,903,175</u>	<u>\$ 42,776,523</u>

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

**CITY OF DAWSON**

**Statement of Changes in Net Financial Assets**

**For the Year Ended December 31, 2022**

	2022 (Budget) (Note 12)	<b>2022 (Actual)</b>	2021 (Actual)
<b>ANNUAL SURPLUS (DEFICIT)</b>	\$ 13,583,170	\$ <b>126,652</b>	\$ (850,594)
Acquisition of tangible capital assets	(14,315,873)	<b>(2,623,189)</b>	(389,086)
Amortization of tangible capital assets	-	<b>2,090,938</b>	2,072,974
Loss (gain) on disposal of tangible capital assets	-	-	5,007
	<u>(732,703)</u>	<u><b>(405,599)</b></u>	838,301
(Acquisition) use of inventory for consumption	-	<b>(29,194)</b>	(6,849)
(Acquisition) use of prepaid expenses	-	<b>27,907</b>	(32,813)
	<u>(732,703)</u>	<u><b>(406,886)</b></u>	798,639
<b>INCREASE (DECREASE) IN NET FINANCIAL ASSETS</b>	<u>(732,703)</u>	<u><b>(406,886)</b></u>	798,639
<b>NET FINANCIAL ASSETS, BEGINNING OF YEAR</b>	<u>8,510,583</u>	<u><b>8,510,583</b></u>	7,711,944
<b>NET FINANCIAL ASSETS, END OF YEAR</b>	<u>\$ 7,777,880</u>	<u><b>\$ 8,103,697</b></u>	\$ 8,510,583

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

**CITY OF DAWSON**  
**Statement of Cash Flows**  
**For The Year Ended December 31, 2022**

	<b>2022</b>	2021
<b>OPERATING ACTIVITIES</b>		
Annual surplus (deficit)	\$ 126,652	\$ (850,594)
Non-cash items not included in annual surplus (deficit):		
Amortization of tangible capital assets	2,090,938	2,072,974
Loss (gain) on disposal of tangible capital assets	-	5,007
	<u>2,217,590</u>	<u>1,227,387</u>
Changes in non-cash working capital balances related to operations:		
Receivables	(2,310,615)	485,060
Accounts payable and accrued liabilities	141,523	(303,433)
Deferred revenue	(37,185)	45,871
Inventory for consumption	27,907	(6,849)
Prepaid expenses	(29,194)	(32,813)
	<u>(2,207,564)</u>	<u>187,836</u>
Cash flow from operating activities	<u>10,026</u>	<u>1,415,223</u>
<b>CAPITAL AND INVESTING ACTIVITIES</b>		
Purchase of tangible capital assets	(2,623,189)	(389,086)
Purchase of investments	(5,170,607)	(5,151,652)
Proceeds on sale of investments	5,151,652	5,112,869
Cash flow used by capital and investing activities	<u>(2,642,144)</u>	<u>(427,869)</u>
<b>FINANCING ACTIVITIES</b>		
Repayment of obligations under capital lease	-	(12,947)
<b>CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>(2,632,118)</b>	<b>974,407</b>
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>4,217,170</u>	<u>3,242,763</u>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>\$ 1,585,052</b>	<b>\$ 4,217,170</b>

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



**CITY OF DAWSON****Schedule of Equity in Tangible Capital Assets  
For the Year Ended December 31, 2022****(Schedule 1)**

	<u>2022</u>	<u>2021</u>
<b>BALANCE, BEGINNING OF YEAR</b>	<b>\$ 34,170,018</b>	\$ 35,845,966
Acquisition of tangible capital assets	<b>2,623,189</b>	389,086
Amortization of tangible capital assets	<b>(2,090,938)</b>	(2,072,974)
Repayment of obligations under capital lease	-	12,947
Net book value of disposed tangible capital assets	-	(5,007)
<b>BALANCE, END OF YEAR</b>	<b>\$ 34,702,269</b>	\$ 34,170,018
Equity in tangible capital assets is comprised of the following:		
Tangible capital assets (net book value)	<b>\$ 34,702,269</b>	\$ 34,170,018

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

**CITY OF DAWSON**  
**Schedule of Segmented Information**  
**For the Year Ended December 31, 2022**

**(Schedule 2)**

	General Administration	Parks and Recreation	Protective Services	Transportation Services	Utilities and Cable TV	All Other	Total
<b>REVENUE</b>							
Taxes and grants in lieu of taxes	\$ 724,565	\$ 1,035,093	\$ 362,283	\$ 724,565	\$ 483,044	\$ 120,761	\$ 3,450,311
Government transfers	658,775	966,391	288,015	593,622	494,658	61,859	3,063,320
Sales and user charges	86,627	182,707	27,086	-	2,202,084	4,300	2,502,804
All other	115,504	-	1,850	-	13,506	14,860	145,720
	<u>1,585,471</u>	<u>2,184,191</u>	<u>679,234</u>	<u>1,318,187</u>	<u>3,193,292</u>	<u>201,780</u>	<u>9,162,155</u>
<b>EXPENSES</b>							
Salaries, wages and benefits	657,405	816,168	280,910	686,822	1,169,652	403,893	4,014,850
Contracted and general services	389,910	127,145	80,575	406,378	1,382,218	92,405	2,478,631
Materials and supplies	156,799	164,415	59,606	337,240	275,179	2,861	996,100
Utilities	33,059	270,666	14,015	34,921	393,846	-	746,507
Insurance	266,914	-	4,716	-	-	-	271,630
Repairs and maintenance	45,723	416,281	2,852	13,336	21,301	-	499,493
Grants to individuals and organizations	-	68,592	-	-	-	-	68,592
Interest on capital lease and long-term debt	-	-	248	-	-	-	248
	<u>\$ 1,549,810</u>	<u>\$ 1,863,267</u>	<u>\$ 442,922</u>	<u>\$ 1,478,697</u>	<u>\$ 3,242,196</u>	<u>\$ 499,159</u>	<u>\$ 9,076,051</u>
<b>NET REVENUE (DEFICIT) BEFORE AMORTIZATION</b>	35,661	320,924	236,312	(160,510)	(48,904)	(297,379)	86,104
Amortization	115,989	827,016	83,879	121,229	942,825	-	2,090,938
<b>NET REVENUE (DEFICIT)</b>	<u>\$ (80,328)</u>	<u>\$ (506,092)</u>	<u>\$ 152,433</u>	<u>\$ (281,739)</u>	<u>\$ (991,729)</u>	<u>\$ (297,379)</u>	<u>\$ (2,004,834)</u>

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

**CITY OF DAWSON**

**Schedule of Segmented Information  
For the Year Ended December 31, 2021**

**(Schedule 3)**

	General Administration	Parks and Recreation	Protective Services	Transportation Services	Utilities and Cable TV	All Other	Total
<b>REVENUE</b>							
Taxes and grants in lieu of taxes	\$ 681,682	\$ 973,831	\$ 340,841	\$ 681,681	\$ 454,454	\$ 113,614	\$ 3,246,103
Government transfers	782,546	846,477	281,492	584,724	393,906	60,932	2,950,077
Sales and user charges	117,599	195,701	20,380	-	2,068,305	2,400	2,404,385
All other	167,725	-	3,025	-	8,991	14,926	194,667
	<u>1,749,552</u>	<u>2,016,009</u>	<u>645,738</u>	<u>1,266,405</u>	<u>2,925,656</u>	<u>191,872</u>	<u>8,795,232</u>
<b>EXPENSES</b>							
Salaries, wages and benefits	\$ 596,567	\$ 841,734	\$ 267,283	\$ 593,794	\$ 985,304	\$ 272,019	\$ 3,556,701
Contracted and general services	396,453	126,923	118,715	269,166	991,432	95,462	1,998,151
Materials and supplies	186,129	150,812	46,823	305,584	224,770	2,453	916,571
Utilities	27,133	267,935	12,457	22,023	337,811	-	667,359
Insurance	267,332	-	4,262	-	-	-	271,594
Repairs and maintenance	37,386	161,518	5,086	15,748	4,579	-	224,317
Grants to individuals and organizations	-	36,788	-	-	-	-	36,788
Interest on capital lease and long-term debt	-	-	1,263	-	-	-	1,263
	<u>1,511,000</u>	<u>1,585,710</u>	<u>455,889</u>	<u>1,206,315</u>	<u>2,543,896</u>	<u>369,934</u>	<u>7,672,744</u>
<b>NET REVENUE (DEFICIT) BEFORE AMORTIZATION</b>	238,552	430,299	189,849	60,090	381,760	(178,062)	1,122,488
Amortization	107,092	850,056	83,291	89,710	942,825	-	2,072,974
<b>NET REVENUE (DEFICIT)</b>	<u>\$ 131,460</u>	<u>\$ (419,757)</u>	<u>\$ 106,558</u>	<u>\$ (29,620)</u>	<u>\$ (561,065)</u>	<u>\$ (178,062)</u>	<u>\$ (950,486)</u>

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

# CITY OF DAWSON

## Notes to Financial Statements

Year Ended December 31, 2022

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### 1. SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Dawson (the "City") are the representations of management, prepared in accordance with Canadian public sector accounting standards. Significant aspects of the accounting policies adopted by the City are as follows:

*(a) Reporting Entity*

The financial statements reflect the assets, liabilities, revenues and expenses, changes in financial position of the reporting entity. The entity is comprised of all the organizations that are owned or controlled by the City and are, therefore, accountable to the Mayor and Council for the administration of their financial affairs and resources.

*(b) Basis of Accounting*

Revenues are accounted for in the period in which the transactions or events occurred that gave rise to the revenues.

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

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

Expenses are recognized in the period the goods and services are acquired and a liability is incurred or transfers are due.

*(c) Use of Estimates*

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the period. Where measurement uncertainty exists, the financial statements have been prepared within reasonable limits of materiality. Actual results could differ from those estimates.

The City has used estimates to determine accrued liabilities, tangible capital asset useful lives as well as provisions made for allowances for amounts receivable or any provision for impairment.

*(d) Cash and cash equivalents*

Cash and cash equivalents is comprised of items that are readily convertible to known amount of cash, are subject to an insignificant risk of change in value, and have a maturity of 90 days or less at acquisition.

*(e) Land Held for Resale*

Land held for resale is recorded at the lower of cost or net realizable value. Cost includes costs for land acquisition and improvements required to prepare the land for servicing such as clearing, stripping and leveling charges. Related development costs incurred to provide infrastructure such as water and wastewater services, roads and sidewalks are recorded as physical assets under the respective function.

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**CITY OF DAWSON**  
**Notes to Financial Statements**  
**Year Ended December 31, 2022**

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**1. SIGNIFICANT ACCOUNTING POLICIES (continued)**

*(f) Inventory for consumption*

Inventories are valued at the lower of cost and net realizable value with cost determined by the first in, first out method.

*(g) Tangible Capital Assets*

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets is amortized on a straight-line basis over the estimated useful life as follows:

Buildings	7 - 40 years
Engineered structures:	
Cable TV	10 - 25 years
Water and wastewater	15 - 50 years
Other	7 - 20 years
Roads	30 years
Machinery and equipment	7 - 20 years
Land improvements	7 - 25 years

Tangible capital assets received as contributions are recorded at fair value at the date of receipt and also are recorded as revenue.

Works of art for display are not recorded as tangible capital assets but are disclosed in the year of purchase.

*(h) Tax Revenue*

Property tax revenue is based on market value assessments determined in accordance with the Municipal Act. Tax rates are established annually. Taxation revenues are recorded at the time tax billings are issued. Assessments are subject to appeal.

Construction and borrowing costs associated with local improvement projects are recovered through annual special assessments during the period of the related borrowings. These levies are collectable from property owners for work performed by the municipality and are recognized as revenue in the year in which the local improvement project is completed.

*(i) Contaminated Sites*

Contaminated sites are defined as a result of contamination being introduced in air, soil, water or sediment of a chemical, organic, or radioactive material or live organism that exceeds an environmental standard. A liability for remediation on contaminated sites is recognized, net of any recoveries, when an environmental standard exists, contamination exceeds the environmental standard, the City is directly responsible for or accepts responsibility for the liability, future economic benefits will be given up, and a reasonable estimate of the liability can be made.

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**CITY OF DAWSON**  
**Notes to Financial Statements**  
**Year Ended December 31, 2022**

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**1. SIGNIFICANT ACCOUNTING POLICIES (continued)**

(j) *Non-Financial Assets*

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

(k) *New Accounting Standards not yet Adopted*

Effective for fiscal years beginning on or after April 1, 2022, PS 3280 Asset Retirement Obligations provides guidance on how to account for and report liabilities for retirement of tangible capital assets.

Effective for fiscal years beginning on or after April 1, 2023, PS 3400 Revenue provides guidance on how to account for and report revenue, and specifically, it addresses revenue arising from exchange transactions and unilateral transactions

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**2. INVESTMENTS**

Investments consist of Guaranteed Investment Certificates bearing interest at rates ranging from 1.20% to 3.35% (2021 - 0.30% to 0.40%) and maturing between April and November 2023 (2021 - April and November 2022).

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**3. RECEIVABLES**

	<u>2022</u>	<u>2021</u>
Receivable from other governments	\$ 2,148,913	\$ 210,081
Trade and other receivable	407,505	111,494
Goods and Services Tax	126,727	40,912
Taxes and grants in place of taxes	<u>52,609</u>	<u>62,652</u>
	2,735,754	425,139
Less: allowance for doubtful accounts	<u>(1,102)</u>	<u>(1,102)</u>
	<u>\$ 2,734,652</u>	<u>\$ 424,037</u>

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**4. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	<u>2022</u>	<u>2021</u>
Trade accounts payable and accrued liabilities	\$ 814,037	\$ 627,214
Accrued vacation, overtime and sick time	<u>335,039</u>	<u>380,339</u>
	<u>\$ 1,149,076</u>	<u>\$ 1,007,553</u>

The vacation and overtime liability is comprised of the vacation and overtime that employees are deferring to future years. Employees have either earned the benefits (and are vested) or are entitled to these benefits within the next budgetary year. Sick time is recorded at 50% of total time incurred.

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**CITY OF DAWSON**  
**Notes to Financial Statements**  
**Year Ended December 31, 2022**

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**5. DEFERRED REVENUE**

	2021	Funds Received	Funds Utilized	2022
Parks Canada grant	\$ 99,997	\$ -	\$ -	\$ 99,997
Prepaid utilities	87,849	80,040	(87,849)	80,040
Lottery grants	24,918	43,051	(20,192)	47,777
Prepaid taxes	7,259	9,724	(7,259)	9,724
Government of Canada - Indigenous Community Support Fund	54,700	-	(54,700)	-
	<b>\$ 274,723</b>	<b>\$ 132,815</b>	<b>\$ (170,000)</b>	<b>\$ 237,538</b>

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**CITY OF DAWSON**  
**Notes to Financial Statements**  
**Year Ended December 31, 2022**

**6. TANGIBLE CAPITAL ASSETS**

	2022 Net Book Value	2021 Net Book Value
Engineered structures		
Water and wastewater	\$ 18,932,596	\$ 19,719,075
Other	513,491	586,364
Roads	495,835	517,394
Cable television	146,359	208,068
	<b>20,088,281</b>	21,030,901
Buildings	7,420,896	8,288,877
Work in progress	2,697,318	1,181,560
Land	1,822,451	1,630,285
Land improvements	1,325,553	1,206,935
Machinery, equipment, and furnishings	1,347,770	831,460
	<b>\$ 34,702,269</b>	<b>\$ 34,170,018</b>

	Cost Beginning of Year	Additions	Disposals	Transfers	Cost End of Year
Engineered structures					
Cable television	\$ 1,542,682	\$ -	\$ -	\$ -	\$ 1,542,682
Water and wastewater	27,970,980	-	-	-	27,970,980
Other	1,574,076	-	-	-	1,574,076
Roads	646,742	-	-	-	646,742
	31,734,480	-	-	-	31,734,480
Buildings	22,763,746	-	-	-	22,763,746
Machinery, equipment, and furnishings	3,366,807	720,959	-	-	4,087,766
Land	1,630,285	192,166	-	-	1,822,451
Land improvements	2,003,585	194,306	-	-	2,197,891
Work in progress	1,181,560	1,515,758	-	-	2,697,318
	<b>\$ 62,680,463</b>	<b>\$ 2,623,189</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 65,303,652</b>

	Accumulated Amortization Beginning of Year	Current Amortization	Disposals	Transfers	Accumulated Amortization End of Year
Engineered structures					
Cable television	\$ 1,334,614	\$ 61,707	-	-	\$ 1,396,321
Water and wastewater	8,251,905	786,479	-	-	9,038,384
Other	987,712	72,873	-	-	1,060,585
Roads	129,348	21,558	-	-	150,906
	10,703,579	942,617	-	-	11,646,196
Buildings	14,474,869	867,979	-	-	15,342,848
Machinery, equipment, and furnishings	2,535,347	204,651	-	-	2,739,998
Land improvements	796,650	75,691	-	-	872,341
	<b>\$ 28,510,445</b>	<b>\$ 2,090,938</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 30,601,383</b>



**CITY OF DAWSON**  
**Notes to Financial Statements**  
**Year Ended December 31, 2022**

**7. ACCUMULATED SURPLUS**

	<u>2022</u>	<u>2021</u>
Unrestricted surplus	\$ 2,126,717	\$ 2,754,165
Restricted surplus:		
Reserves ( <i>Note 8</i> )	6,074,189	5,852,340
Equity in tangible capital assets ( <i>Schedule 1</i> )	<u>34,702,269</u>	<u>34,170,018</u>
	<b><u>\$ 42,903,175</u></b>	<b><u>\$ 42,776,523</u></b>

**8. RESERVES**

	<u>2022</u>	<u>2021</u>
Recreation - facility	\$ 2,033,478	\$ 1,788,905
Water and sewer services	1,120,966	1,146,977
Equipment replacement	980,530	991,624
Contingency	538,085	534,094
Road maintenance	338,615	336,104
Waste management	277,434	275,377
Land development	219,507	217,879
Load capacity	182,490	181,137
Heritage	182,217	180,866
Cable	123,996	123,076
Green initiatives	48,302	47,944
Parking	28,569	28,357
	<b><u>\$ 6,074,189</u></b>	<b><u>\$ 5,852,340</u></b>

**9. CONTINGENCIES**

The City and the Yukon Government are in discussions over whose responsibility the closure and post-closure costs of the Quigley Waste Management Facility will be. City management anticipates the City will be responsible for a portion of the costs but currently the City's share, if any, has not yet been determined. Since the amount cannot be reasonably estimated at this time no amount has been included in the financial statements.

**10. FINANCIAL INSTRUMENTS**

The City's financial instruments consist of cash, investments, receivables, and accounts payable and accrued liabilities. It is management's opinion that the City is not exposed to significant interest or currency risk arising from these financial instruments. Unless otherwise noted, the fair values of these financial instruments approximate their carrying values.

The City is exposed to credit risk with respect to receivables. Credit risk arises from the possibility that customers may experience financial difficulty and be unable to fulfill their obligations. The large number and diversity of customers minimizes the City's credit risk.

## CITY OF DAWSON

### Notes to Financial Statements

Year Ended December 31, 2022

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#### 11. SEGMENTED DISCLOSURES

The City provides a range of services to its citizens. Segment disclosures are intended to enable users to better understand the government reporting entity and the major expense and revenue activities of the City. For each reported segment, revenues and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis.

The segments have been selected based on a presentation similar to that adopted for the municipal financial planning and budget processes. Segments include:

- (a) General Administration consists of corporate administration and general municipal services.
- (b) Parks and Recreation develops initiatives to provide opportunities and support in the areas of arts heritage and culture, and in recreation, sport and leisure.
- (c) Protective Services is comprised of fire, bylaws enforcement and emergency measures.
- (d) Transportation Services is comprised of roads, streets, walks and lighting.
- (e) Utilities and Cable TV is comprised of water supply and distribution, wastewater treatment and disposal, waste management and cable television.
- (f) All other is comprised of council and other legislative, land use planning, zoning, development and cemeteries.

The accounting policies used in the segment disclosures are consistent with those followed in the preparation of the financial statements (Note 1). For additional information see the Schedule of Segmented Disclosure (Schedule 2).

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**CITY OF DAWSON**  
**Notes to Financial Statements**  
**Year Ended December 31, 2022**

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**12. BUDGET**

The budget figures presented in these financial statements are based upon the 2022 operating and capital budgets approved by Council on March 30, 2022.

The 2022 budget, prepared by the City, reflects all municipal activities including capital projects, debt repayments, and reserves for future use. The reconciliation below is provided to encompass these items and is provided for information purposes only.

	2022 (Budget)	2022 (Actual)
Annual surplus (deficit)	\$ 13,583,170	\$ 126,652
Add:		
Amortization expense	-	2,090,938
Transfers from reserves	888,911	203,083
Use of unrestricted surplus	225,000	-
	<u>1,113,911</u>	<u>2,294,021</u>
Deduct:		
Transfers to reserves	(381,208)	(424,932)
Acquisition of tangible capital assets	(14,315,873)	(2,623,189)
	<u>(14,697,081)</u>	<u>(3,048,121)</u>
	<u>\$ -</u>	<u>\$ (754,099)</u>

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**13. COMPARATIVE FIGURES**

Certain comparative figures have been reclassified to conform to the current year's presentation.

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**14. APPROVAL OF FINANCIAL STATEMENTS**

These financial statements were approved by Council and management.

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