

Financial Statements of

TOWN OF HAY RIVER

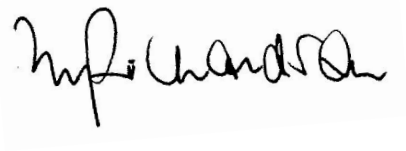
December 31, 2010

Approved on Behalf of the Council:

A handwritten signature in blue ink, appearing to be "M. Richards", written over a light blue circular stamp.

Mayor

Senior Administrative Officer

A handwritten signature in black ink, appearing to be "M. Richards", written on a light grey rectangular background.



Town of Hay River
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Hay River, NT X0E 1G1
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2010

Management Discussion and Analysis

The following financial discussion and analysis has been prepared by management and should be read in conjunction with the audited consolidated financial statements and their accompanying notes and schedules.

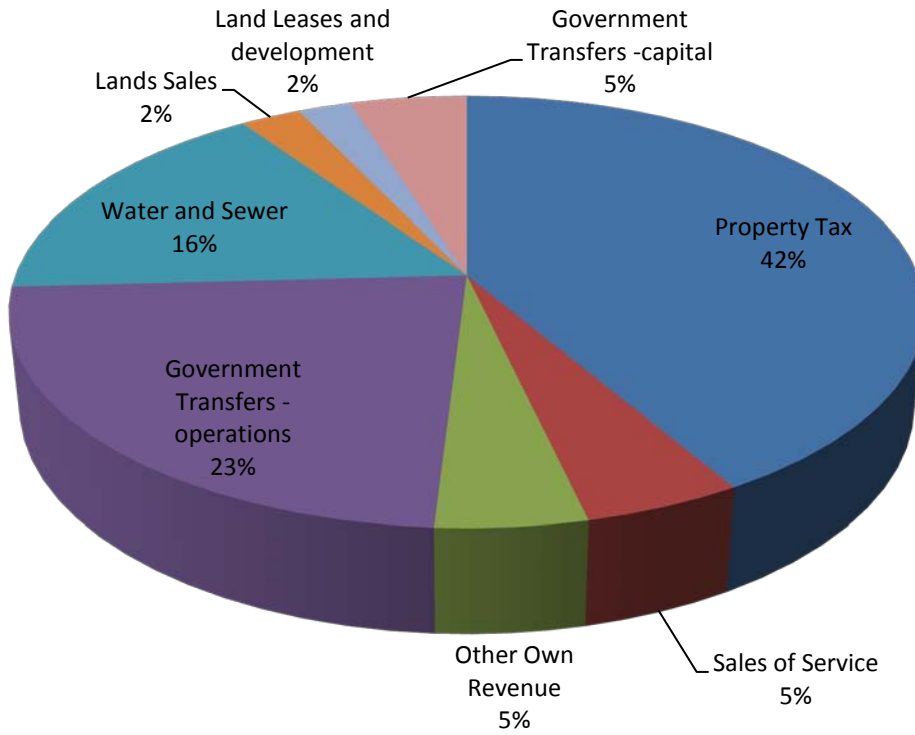
Results from Operations

The Consolidated Statement of Operations reports the Town of Hay River's change in economic resources and accumulated surplus for 2010, on a comparative basis. Revenues did exceed Expenditures in the year by \$20,139 and this increased the accumulated surplus. However, there were "Other items affecting surplus" in the year that resulted in an actual decrease in accumulated surplus by the net amount of \$ 527,351.

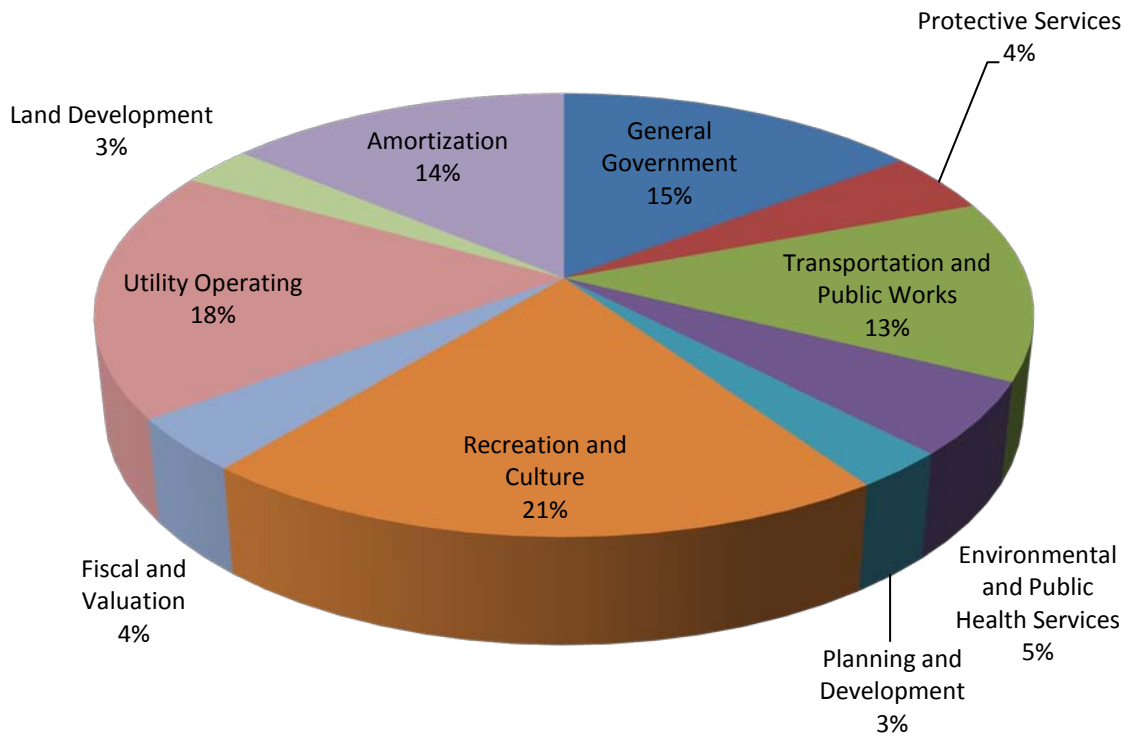
During 2010 this municipal government recorded consolidated revenues of \$ 11.2 million, a decrease of \$ 765,081 over those of 2009 primarily due to a reduction in Government transfers for capital amounting to \$ 1,058,403. There was a decline in the property tax levy but this was offset by increases in sales of service, other own revenue and Government transfers for operations. Water and Sewer billings increased by 25% due to the rate increase that was implemented at the beginning of the year.

Consolidated expenditures for 2010 were \$ 11.2 million, an increase of \$ 654,931 over those of 2009. Protective services increased largely due to the employment of a full time fire chief; there were increased salaries and engineering costs in transportation and public works; environmental and public health services expenditures increased due to the clean-up of the landfill site through the removal of crushed vehicles and the extinguishment of a fire on site; for planning and development there was increased engineering & training costs, increased maintenance for the visitor's information centre and an increase in the Start Your Engines event; Recreation and cultural experienced higher salary costs, a increase in consulting fees with the undertaking of the facility study and higher contributions to the Library and TV society. The utility system experienced higher utility and maintenance costs.

2010 Consolidated Revenue



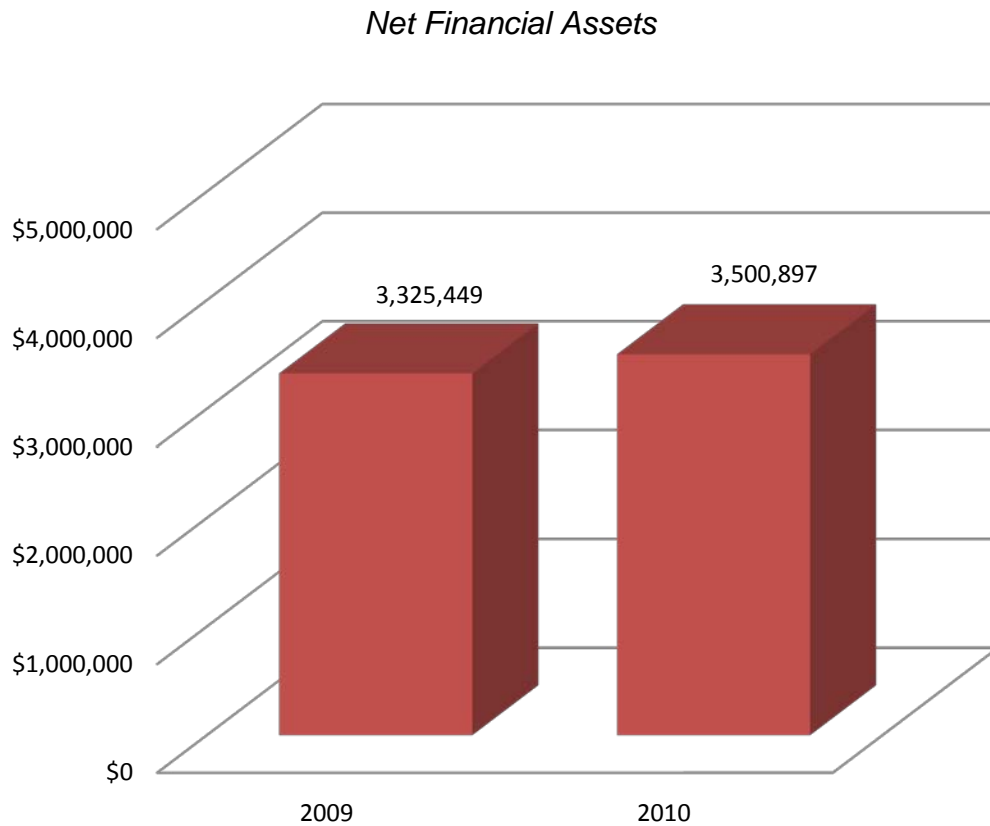
2010 Consolidated Expenditures



Financial Position

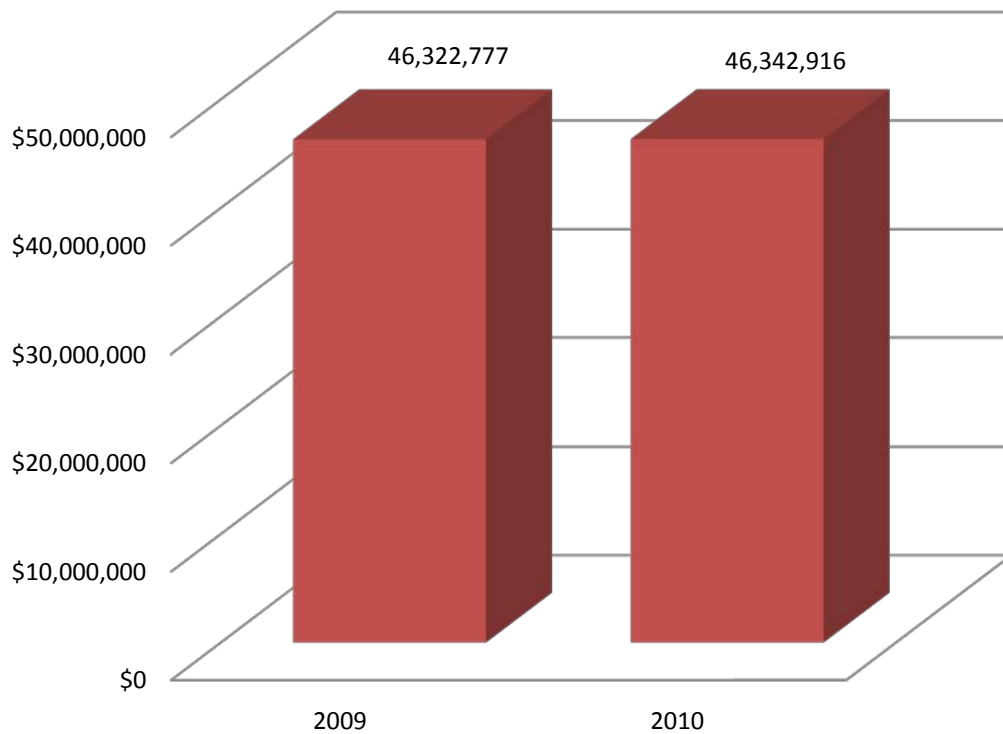
The Consolidation Statement of Financial Position reports this municipal government's financial and non-financial resources, obligations and accumulated surplus as at December 31, 2010 on a comparative basis. This statement is used to evaluate the municipal government's ability to finance its activities and to meet its liabilities and commitments. An important indicator on the Consolidated Statement of Financial Position is the Town's net financial assets.

Net financial assets is the difference between financial assets and liabilities which provides an indication of the affordability of additional spending. Net financial assets increased by 5 % in 2010.



Another important indicator on the Consolidated Statement of Financial Position is the accumulated surplus position. Accumulated surplus represents the net assets of the community and the yearly change in the accumulated surplus is equal to the annual excess of revenues over expenses for the year or results of operations.

Accumulated Surplus



The accumulated surplus position increased slightly from 2009 to 2010.

Investments

The Council of the Town of Hay River receives recommendations from administration respecting the investment of municipal funds and approval is given by way of resolution of Council. Safety of the principal is the first priority for investment decisions. Consideration is also given to liquidity, risk versus return and diversity of the portfolio.

Debt

The Town of Hay River's long term debt is in the form of an installment debenture that was refinanced with the Royal Bank of Canada in February, 2011 for a 10 year term at a rate of 4.93%. The proceeds of the debenture were used for the construction of the Aquatic Centre.

Reserves

Reserve balances increased in 2010 with the allocation to the utility reserve but there was a slight decline in the general reserve.

Mike Richardson
Senior Administrative Officer

July 11, 2011

TOWN OF HAY RIVER

Financial Statements

Year Ended December 31, 2010

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MANAGEMENT RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Town Council, which is responsible for, among other things, the financial statements of the Town of Hay River, delegates to Administration the responsibility of the financial statements. The Town Council appoints independent auditors to examine and report directly to them on the financial statements. The financial statements were prepared by Administration. Accounting principles have been followed as recommended by the Department of Municipal and Community Affairs, based upon the requirements of the Cities, Towns and Villages Act of the Northwest Territories, and the Public Sector Accounting Board recommendations of the Canadian Institute of Chartered Accountants.

Administration maintains a system of internal controls to ensure that transactions are accurately recorded on a timely basis, are properly approved and result in reliable financial statements. There are limits inherent in all systems based on the recognition that the cost of such systems should not exceed the benefits to be derived. Administration believes its system provides the appropriate balance in this respect.

The Town Council carries out its responsibility for review of the financial statements primarily through the Administration. The Administration reports regularly to Council on Financial matters, including the results of the audit examination and any other matters necessary for its consideration in approving the financial statements issuance.

The financial statements have been reported on by Ashton Chartered Accountants. The auditors' report outlines the scope of their audit and their opinion on the presentation of the information included in the Financial statements.

Mike Richardson
Senior Administrative Officer
Town of Hay River

Hay River, NT
July 11, 2011

AUDITORS' REPORT

Mayor and Council
Town of Hay River
Hay River, NT

We have audited the Consolidated Statement of Financial Position of the Town of Hay River as at December 31, 2010 and the related Statements of Operations, Changes in Fund Balances and Investment in Tangible Capital Assets, Capital Financing, and Changes in Consolidated Financial Position for the year then ended. These financial statements are the responsibility of the Town's administration. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by administration, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Town of Hay River as at December 31, 2010 and the results of its operations and the changes in its financial position for the year then ended in accordance with accounting principles for municipal governments established by the Canadian Institute of Chartered Accountants.

We further report in accordance with the Cities, Towns and Villages Act that proper books of account have been kept, the financial statements are in agreement with the books of account, and the transactions that have come under our notice have, in all significant respects, been within the statutory powers of the Town.



ASHTON
Chartered Accountants
Business Advisors

Hay River, NT
July 11, 2011

TOWN OF HAY RIVER

Consolidated Statement of Financial Position

Statement I

December 31, 2010

	2010	2009
Financial Assets		
Cash		
General bank account	\$ 1,655,928	\$ 2,797,880
Reserve and trust accounts	8,288,168	7,310,558
Receivables		
Municipal taxes receivable, Note 3	766,792	237,860
Accounts receivable, Note 4	1,365,685	1,199,379
Land inventory for resale	2,569,922	2,567,765
Total Financial Assets	14,646,495	14,113,442
Liabilities		
Accounts payable and accrued liabilities, Note 6	1,050,059	1,117,179
School taxes payable, Note 5	78,702	87,861
Deferred revenue	36,887	83,633
Deferred contributions, Note 7	6,416,986	4,649,009
Deposits held	136,500	134,865
Long-term debt, Schedule 12	3,426,464	4,715,446
Total Liabilities	11,145,598	10,787,993
Net Financial Assets (Debt)	\$ 3,500,897	\$ 3,325,449
Contingent Liabilities, Note 11		
Non-Financial Assets		
Prepaid expenditure	\$ 48,719	\$ 43,041
Tangible capital assets, Schedule 11		
General fund	26,785,762	27,042,202
Utility fund	16,007,538	15,912,085
Total Non-Financial Assets	\$ 42,842,019	\$ 42,997,328
Accumulated Surplus	\$ 46,342,916	\$ 46,322,777
Represented by:		
Investment in Tangible Capital Assets		
General fund, per Statement VIII	\$ 23,359,298	\$ 23,485,306
Utility fund, per Statement XII	16,007,538	15,912,085
	39,366,836	39,397,391
Reserves		
General fund, per Statement VII	1,844,411	1,857,606
Utility fund, per Statement XI	2,102,015	1,510,775
	3,946,426	3,368,381
Accumulated Surplus (Deficit)		
General fund, per Statement VI	124,869	924,483
Utility fund, per Statement X	(269,385)	(335,774)
Land development fund, per Statement XIV	3,174,170	2,968,296
	3,029,654	3,557,005
Total Accumulated Surplus, Statement IV	\$ 46,342,916	\$ 46,322,777

TOWN OF HAY RIVER

Consolidated Statement of Operations and Surplus

Statement II

For the year ended December 31, 2010

	Schedule	Budget	2010	2009
Revenue				
Property taxes	1	\$ 4,694,923	\$ 4,665,131	\$ 4,727,378
Sales of services	1	492,273	538,767	539,005
Other revenue from own sources	1	557,786	512,782	476,426
Government transfers for operating	2	1,948,500	2,168,642	1,959,932
Government transfers for water and sewer	2	466,421	432,267	466,423
Water and sewer revenues	X	1,814,734	1,824,251	1,454,668
Land sales, lease and development	XIV	475,154	530,063	765,749
Total Revenue		10,449,791	10,671,903	10,389,581
Expenditure				
General government	3	1,686,105	1,649,819	1,763,589
Protective services	4	547,089	500,370	451,069
Transportation and public works	5	1,406,620	1,475,362	1,319,380
Environmental and public health services	6	493,781	596,751	436,502
Planning and development	7	248,382	309,314	201,619
Recreational and cultural	8	2,114,818	2,303,380	2,137,715
Fiscal and valuation	9	409,856	440,279	403,622
Water and sewer expenses	X	2,086,661	2,039,441	1,935,261
Land development	XIV	433,415	324,189	396,010
Total Expenditures		9,426,727	9,638,905	9,044,767
Excess revenues over expenses before the undernoted		1,023,064	1,032,998	1,344,814
Other revenue (expenditure)				
Government transfers for capital	2	2,118,358	545,829	1,602,957
Gain (loss) on disposal of capital assets		-	(2,500)	(12,225)
Amortization of tangible capital assets		-	(1,556,188)	(1,495,395)
		2,118,358	(1,012,859)	95,337
Excess (Deficiency of) revenues over expenses		\$ 3,141,422	\$ 20,139	\$ 1,440,151
Other items affecting surplus				
Purchase of tangible capital assets		(4,134,300)	(1,397,701)	(2,269,529)
Repayment of debentures (principal only)		(300,116)	(130,432)	(99,095)
Appropriation to reserves		(760,231)	(1,117,694)	(1,237,937)
Transfer from reserve for current year expenditures		1,924,200	539,649	805,170
Transfer to investment in tangible capital assets		-	1,558,688	1,507,620
		(3,270,447)	(547,490)	(1,293,771)
Net revenue (expenditure) after items affecting surplus		(129,025)	(527,351)	146,380
Surplus, beginning of year		3,557,005	3,557,005	3,410,625
Surplus, end of year		\$ 3,427,980	\$ 3,029,654	\$ 3,557,005

TOWN OF HAY RIVER

Consolidated Statement of Cash Flows

Statement III

For the year ended December 31, 2010

	2010	2009
Operating Activities		
Net revenue, per Statement II	\$ (527,351)	\$ 146,380
Charges from operations		
(Gain) loss on disposal of capital assets	2,500	12,225
Amortization of tangible capital assets	1,556,188	1,495,395
Net Investment in tangible capital assets	(160,987)	761,909
Long-term debt, principal and interest	288,169	277,047
	1,158,519	2,692,956
Add items not involving cash		
Appropriations to reserve	1,117,694	1,237,937
Cost of land sold	214,695	299,608
	2,490,908	4,230,501
Working capital-to-cash basis		
Receivables - (increase) decrease	(695,238)	(161,672)
Prepays - (increase) decrease	(5,678)	973
Payables - increase (decrease)	(76,278)	447,539
Deferred revenue - increase (decrease)	(46,746)	16,380
Deferred contributions - increase (decrease)	1,767,977	917,477
Deposits held - increase (decrease)	1,635	3,857
Net cash from operations	3,436,580	5,455,055
Financing Activities		
Expenditures paid from reserve	(223,618)	(273,668)
Tangible capital assets paid from reserve	(316,032)	(531,502)
Principal repayment of long-term debt	(1,288,982)	(292,187)
Interest on long-term debt	(157,737)	(177,952)
Net cash from financing activities	(1,986,369)	(1,275,309)
Capital Activities		
Tangible Capital Assets acquired	(1,397,701)	(2,269,530)
Land development costs	(216,852)	(330,808)
Net cash from investing activities	(1,614,553)	(2,600,338)
Increase (decrease) in cash during the year	(164,342)	1,579,408
Bank accounts, opening	10,108,438	8,529,030
Bank accounts, closing	\$ 9,944,096	\$ 10,108,438
Represented by:		
General operating account	\$ 1,655,928	\$ 2,797,880
Reserve and trust accounts	8,288,168	7,310,558
	\$ 9,944,096	\$ 10,108,438

TOWN OF HAY RIVER
Schedule of Changes in Accumulated Surplus

Statement IV

December 31, 2010

	General Operating	Utility	Land Development	Reserves	Investment in Tangible Capital Assets	2010	2009
Excess (Deficiency of) revenue over expenditures	\$ 34,459	\$ (220,194)	\$ 205,874	\$ -	\$ -	\$ 20,139	\$ 1,440,151
Net interfund transfers							
Amortization	1,118,917	437,271	-	-	(1,556,188)	-	-
Gain (loss) on disposal of capital assets	2,500	-	-	-	(2,500)	-	-
Capital additions - Capital Funding	(27,836)	(517,993)	-	-	545,829	-	-
Capital additions - O&M	(837,141)	(14,731)	-	-	851,872	-	-
Debtenture (repayment)	(130,432)	-	-	-	130,432	-	-
Capital Lease	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Fund Transfer	(973,276)	973,276	-	-	-	-	-
Allocations to Reserves	13,195	(591,240)	-	578,045	-	-	-
Changes in fund balances	(799,614)	66,389	205,874	578,045	(30,555)	20,139	1,440,151
Accumulated Surplus, beginning of year	924,483	(335,774)	2,968,296	3,368,381	39,397,391	46,322,777	44,882,626
Accumulated Surplus, end of year (calculated)	\$ 124,869	\$ (269,385)	\$ 3,174,170	\$ 3,946,426	\$ 39,366,836	\$ 46,342,916	\$ 46,322,777
Reserves	2009	Increase	Decrease	2010			
General Operating Fund	\$ 1,857,606	\$ 526,454	(539,649)	\$ 1,844,411			
Utility Operating Fund	1,510,775	591,240	-	2,102,015			
	\$ 3,368,381	\$ 1,117,694	(539,649)	\$ 3,946,426			

TOWN OF HAY RIVER

Consolidated Statement of Changes in Net Financial Assets (Debt)

Statement V

For the year ended December 31, 2010

	2010	2009
Excess revenue (expenditure) for the year	\$ 20,139	\$ 1,440,151
Amortization of tangible capital assets	1,556,188	1,495,395
Acquisition of tangible capital assets	(1,397,701)	(2,269,529)
(Gain) loss on disposal of capital assets	2,500	12,225
Change in prepaid expenses	(5,678)	973
Increase in net financial assets	175,448	679,215
Net financial assets (debt), beginning of year	3,325,449	2,646,234
Net financial assets (debt), end of year	\$ 3,500,897	\$ 3,325,449

TOWN OF HAY RIVER

Statement VI

General Fund
Statement of Operations and Surplus

For the year ended December 31, 2010

	Schedule	2010 Budget	2010 Actual	2009 Actual
Revenue				
Property taxes	1	\$ 4,694,923	\$ 4,665,131	\$ 4,727,378
Sales of services	1	492,273	538,767	539,005
Other revenue from own sources	1	557,786	512,782	476,426
Government transfers for operating	2	1,948,500	2,168,642	1,959,932
Total Revenue		7,693,482	7,885,322	7,702,741
Expenditure				
General government	3	1,686,105	1,649,819	1,763,589
Protective services	4	547,089	500,370	451,069
Transportation and public works	5	1,406,620	1,475,362	1,319,380
Environmental and public health services	6	493,781	596,751	436,502
Planning and development	7	248,382	309,314	201,619
Recreational and cultural	8	2,114,818	2,303,380	2,137,715
Fiscal and valuation	9	409,856	440,279	403,622
Total Expenditure		6,906,651	7,275,275	6,713,496
Excess revenues over expenses before the undernoted		786,831	610,047	989,245
Other revenue (expenditure)				
Government transfers for capital	2	2,118,358	545,829	1,602,957
Gain (loss) on disposal of capital assets		-	(2,500)	(12,225)
Amortization of tangible capital assets		-	(1,118,917)	(1,067,621)
		2,118,358	(575,588)	523,111
Excess (Deficiency of) revenues over expenses		\$ 2,905,189	\$ 34,459	\$ 1,512,356
Other items affecting surplus				
Purchase of tangible capital assets		(984,300)	(864,977)	(2,269,529)
Repayment of debentures (principal only)		(107,024)	(130,432)	(99,095)
Appropriation to reserves		(409,785)	(519,052)	(615,854)
Transfer from reserves for current year expenditures		774,200	539,649	805,170
Transfer to utility fund		(2,177,999)	(980,678)	(448,386)
Transfer to investment in tangible capital assets		-	1,121,417	1,079,846
		(2,904,908)	(834,073)	(1,547,848)
Net revenue (expenditure) after items affecting surplus		281	(799,614)	(35,492)
Surplus, beginning of year		924,483	924,483	959,975
Surplus, end of year		\$ 924,764	\$ 124,869	\$ 924,483

TOWN OF HAY RIVER

Statement VII

General Fund
Statement of Reserves

For the year ended December 31, 2010

	2010 Budget	2010 Actual	2009 Actual
Reserve for Mobile Equipment Replacement			
Balance, beginning of year	\$ 749,132	\$ 749,132	\$ 684,337
Current year appropriation			
- General Fund	94,754	146,517	105,833
- Utility Fund	9,740	7,402	9,379
Proceeds from sale of equipment			
- General Fund	-	-	-
- Utility Fund	-	-	-
Transfer from reserve for current year expenditure			
- General Fund	(286,000)	(191,021)	(50,417)
- Utility Fund	-	-	-
Balance, end of year	\$ 567,626	\$ 712,030	\$ 749,132
Reserve for Management Training			
Balance, beginning of year	\$ 19,129	\$ 19,129	\$ 30,351
Current year appropriation	16	37	20
Transfer from reserve for current year expenditure	-	-	(11,242)
Balance, end of year	\$ 19,145	\$ 19,166	\$ 19,129
Reserve for Recreation Infrastructure			
Balance, beginning of year	\$ 311,722	\$ 311,722	\$ 62,926
Current year appropriation	321,527	299,382	494,486
Less debenture repayments	(268,610)	(267,806)	(245,690)
Transfer from reserve for current year expenditure	-	(25,000)	-
Balance, end of year	\$ 364,639	\$ 318,298	\$ 311,722
Reserve for Municipal Infrastructure			
Balance, beginning of year	\$ 508,957	\$ 508,957	\$ 991,644
Current year appropriation	251,916	316,753	251,024
Transfer from reserve for current year expenditure	(475,000)	(198,160)	(733,711)
Balance, end of year	\$ 285,873	\$ 627,550	\$ 508,957
Reserve for Computer Systems			
Balance, beginning of year	\$ 8,622	\$ 8,622	\$ 8,417
Current year appropriation	10,006	10,017	10,005
Transfer from reserve for current year expenditure	(13,200)	(16,000)	(9,800)
Balance, end of year	\$ 5,428	\$ 2,639	\$ 8,622
Reserve for Landfill			
Balance, beginning of year	\$ 260,044	\$ 260,044	\$ 259,868
Current year appropriation	176	503	176
Transfer from reserve for current year expenditure	-	(109,468)	-
Balance, end of year	\$ 260,220	\$ 151,079	\$ 260,044
Reserve for Recreation Center Replacement			
Balance, beginning of year	\$ -	\$ -	\$ -
Current year appropriation	-	13,649	-
Balance, end of year	\$ -	\$ 13,649	\$ -
Total Reserves			
Balance, beginning of year	\$ 1,857,606	\$ 1,857,606	\$ 2,037,543
Current year appropriation			
- General Fund	409,785	519,052	615,854
- Utility Fund	9,740	7,402	9,379
Transfer from reserve for current year expenditure			
- General Fund	(774,200)	(539,649)	(805,170)
- Utility Fund	-	-	-
Balance, end of year	\$ 1,502,931	\$ 1,844,411	\$ 1,857,606

TOWN OF HAY RIVER

Statement VIII

General Fund

Statement of Investment in Tangible Capital Assets

For the year ended December 31, 2010

	2010	2009
Opening balance	\$ 23,485,306	\$ 22,196,528
Long-term debt retired		
Debentures	130,432	99,095
Tangible capital assets acquired	864,977	2,269,529
Amortization of capital assets	(1,118,917)	(1,067,621)
Cost of tangible capital assets disposed of	(2,500)	(21,831)
Adjustments to accumulated amortization on disposals	-	9,606
Closing balance	\$ 23,359,298	\$ 23,485,306

	2010	2009
Tangible capital assets, Schedule 11	\$ 40,120,863	\$ 39,258,386
Accumulated amortization, Schedule 11	(13,335,101)	(12,216,184)
Long-term debt, Schedule 12	(3,426,464)	(3,556,896)
Closing balance	\$ 23,359,298	\$ 23,485,306

TOWN OF HAY RIVER

Statement IX

General Fund

Statement of Capital Financing

For the year ended December 31, 2010

	2010	2009
Source of Funds		
Long-Term Borrowings		
Debentures	\$ -	\$ -
Transfers From		
General Fund revenue	521,109	357,004
General Fund grant received	27,836	-
General Fund deferred contributions	-	1,381,023
General Fund reserve	316,032	531,502
	\$ 864,977	\$ 2,269,529

Use of Funds

Tangible Capital Assets		
Engineering structures	\$ 208,834	\$ 1,739,039
Buildings	124,714	400,235
Land	-	-
Machinery and equipment	468,554	126,505
Work in progress	62,875	3,750
	\$ 864,977	\$ 2,269,529

TOWN OF HAY RIVER

Utility Fund

Statement of Operations and Surplus

Statement X

For the year ended December 31, 2010

	2010 Budget	2010 Actual	2009 Actual
Revenue			
Water and sewer billings	\$ 1,802,105	\$ 1,809,568	\$ 1,443,564
Government transfers for water and sewer operations	466,421	432,267	466,423
Frontage taxation	3,129	3,129	3,129
Other revenues	4,500	5,704	3,293
Maintenance service	5,000	5,850	4,682
	<u>2,281,155</u>	<u>2,256,518</u>	<u>1,921,091</u>
Expenditure			
Overhead charges from General Fund			
Administration	169,599	187,540	134,816
Public Works	38,455	44,307	27,959
Salaries and benefits	326,223	333,722	324,467
Transmission and distribution	631,306	558,898	522,736
Trucked water delivery service	880,251	880,794	889,863
Trucked sewage subsidy	40,827	34,180	35,420
	<u>2,086,661</u>	<u>2,039,441</u>	<u>1,935,261</u>
Excess revenues over expenses before the undernoted	194,494	217,077	(14,170)
Other revenue (expenditure)			
Amortization of tangible capital assets	-	(437,271)	(427,774)
Excess (Deficiency of) revenues over expenses	\$ 194,494	\$ (220,194)	\$ (441,944)
Other items affecting surplus			
Purchase of tangible capital assets	(3,150,000)	(532,724)	-
Appropriation to reserve for utility Infrastructure	(340,706)	(591,240)	(612,704)
Transfer from reserve for current year expenditure	1,150,000	-	-
Net transfer from (to) reserve for mobile equipment	(9,740)	(7,402)	(9,379)
Transfer to investment in tangible capital assets	-	437,271	427,774
Transfer from General Fund	2,177,997	980,678	448,386
	<u>(172,449)</u>	<u>286,583</u>	<u>254,077</u>
Net revenue (expenditure) after items affecting surplus	22,045	66,389	(187,867)
Surplus (Deficit), beginning of the year	(335,774)	(335,774)	(147,907)
Surplus (Deficit), end of the year	\$ (313,729)	\$ (269,385)	\$ (335,774)

TOWN OF HAY RIVERUtility Fund
Statement of Reserves

Statement XI

For the year ended December 31, 2010

	2010 Budget	2010 Actual	2009 Actual
Reserve for Utility Infrastructure			
Balance, beginning of year	\$ 1,510,775	\$ 1,510,775	\$ 898,071
Current year appropriation	340,706	591,240	612,704
Transfer from reserve for current year expenditure	(1,150,000)	-	-
Balance, end of year	\$ 701,481	\$ 2,102,015	\$ 1,510,775

TOWN OF HAY RIVERUtility Fund
Statement of Investment in Tangible Capital Assets

Statement XII

For the year ended December 31, 2010

	2010	2009
Opening balance	\$ 15,912,085	\$ 16,339,859
Long-term debt retired	-	-
Debentures	-	-
Tangible capital assets acquired	532,724	-
Amortization of capital assets	(437,271)	(427,774)
Cost of tangible capital assets disposed of	-	-
Closing balance	\$ 16,007,538	\$ 15,912,085

	2010	2009
Tangible capital assets, Schedule 11	\$ 22,145,415	\$ 21,612,691
Accumulated amortization, Schedule 11	(6,137,877)	(5,700,606)
Long- Debentures	-	-
Closing balance	\$ 16,007,538	\$ 15,912,085

TOWN OF HAY RIVERUtility Fund
Statement of Capital Financing

Statement XIII

For the year ended December 31, 2010

	2010	2009
Source of Funds		
Transfers from		
Utility Fund revenue	\$ 14,731	\$ -
Utility Fund reserve	-	-
Utility Fund grant received	517,993	-
Infrastructure Capital reserve	-	-
	\$ 532,724	\$ -
Use of Funds		
Tangible Capital Assets		
Infrastructure upgrade	\$ 517,993	\$ -
Machinery and equipment	14,731	-
	\$ 532,724	\$ -

TOWN OF HAY RIVERLand Development Fund
Statement of Operations and Surplus

Statement XIV

For the year ended December 31, 2010

	2010 Budget	2010 Actual	2009 Actual
Revenue			
Land sales	\$ 232,759	\$ 281,953	\$ 513,954
Land leases	241,385	243,193	246,955
Legal and transfer fees recovered	410	5,034	2,867
Interest and penalties	600	(117)	1,973
Total Revenue	475,154	530,063	765,749
Expenditure			
Cost of land sold	212,499	214,695	299,608
Land leases	2,700	34,718	1,450
Overhead charges from General Fund			
Administration	69,158	21,967	38,806
Public Works	15,097	15,624	8,386
Professional fees	80,263	15,819	16,278
Search fees and sundry	4,460	1,003	124
Debenture interest	49,238	20,363	31,358
Total Expenditure	433,415	324,189	396,010
Excess (Deficiency of) revenues over expenses	\$ 41,739	\$ 205,874	\$ 369,739
Other items affecting surplus			
Repayment of debentures (principal only)	(193,092)	-	-
Net revenue (expenditure) after items affecting surplus	(151,353)	205,874	369,739
Surplus, opening	2,968,296	2,968,296	2,598,557
Surplus, closing	\$ 2,816,943	\$ 3,174,170	\$ 2,968,296

TOWN OF HAY RIVER

Notes to the Financial Statements

December 31, 2010

Note 1. **Significant Accounting Policies**

The financial statements of the Town of Hay River are the representations of management prepared in accordance with generally accepted accounting principles for local governments established by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. Significant aspects of the accounting policies adopted by the Town of Hay River are as follows:

Reporting Entity

The financial statements reflect the assets, liabilities, revenues and expenditures, changes in fund balance and change in financial position of the reporting entity.

The Town of Hay River receives significant funding from the Government of the Northwest Territories in the form of operating grants and capital grants. Administration is of the opinion that discontinuance of funding would significantly disrupt operations.

Fund Accounting

The accounts of the Town are maintained in accordance with fund accounting procedures. The various operations of the Town are segregated into the following funds:

- General Operating Fund
- Utility Operating Fund
- Land Development Fund

Basis of Accounting

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

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

Revenue and Expenditure Recognition

The basis of accounting followed in the financial statement presentation includes revenues recognized in the period in which the transactions or events occurred that gave rise to the revenues, and expenditures recognized in the period the goods and services are acquired and a liability is incurred or transfers are due.

Government Transfers

Government transfers are the transfer of monetary assets or tangible capital assets from a government for which the government making the transfer does not:

- receive any goods or services directly in return;
- expect to be repaid in future; or
- expect a direct financial return

Operating transfers are recognized as revenue in the period in which the events giving rise to the transaction occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be determined.

Capital transfers or transfers of tangible capital assets are initially recognized as deferred capital contributions and subsequently recognized as revenue when the related tangible capital assets are purchased, constructed or the eligible expense is incurred

Land Sales Revenue

Land sales revenue is recorded at the date when title has transferred and full proceeds have been received.

TOWN OF HAY RIVER

Notes to the Financial Statements

December 31, 2010

Note 1. **Significant Accounting Policies (continued)**

Land Inventory for Resale

Land inventory is stated at the lower of cost or net realizable value where cost is determined on an average basis. Cost includes purchase price, survey costs and all development costs but excludes debenture interest. Related development costs incurred to provide infrastructure such as water and wastewater services, roads, sidewalks and street lighting are recorded as tangible capital assets under the respective function.

Inventory

Inventories held for consumption are considered a cost of operations and are not recorded on the Town's Statement of Financial Position; they are expensed as costs are incurred.

Tangible Capital Assets

Effective January 1, 2009, the Town adopted Handbook Section 3150 of the Public Sector Accounting Handbook of the Canadian Institute of Chartered Accountants with respect to the reporting of tangible capital assets. In accordance with the handbook, the change in accounting policy has been applied retrospectively.

As a result of this change, opening investment in tangible capital assets in 2009 decreased \$8,709,347 and excess of revenues over expenses decreased \$494,836.

Prior to January 1, 2009, the Town recorded tangible capital assets as expenditures on the statement of operations.

As of January 1, 2009, capital assets are recorded at the net book value (cost less accumulated amortization) on the statement of financial position. Cost includes all amounts directly attributable to acquisition, construction, development or betterment of the asset. The assets are amortized over their estimated useful lives at the following rates:

<u>Asset</u>	<u>Method</u>	<u>Rate</u>
Land held for town use	Not amortized	
Work of Art	Not amortized	
Buildings	Straight line	15-50 years
Linear Infrastructure	Straight line	10-75 years
Computer Equipment	Straight line	3 years
IT Infrastructure	Straight line	5 years
Furniture and Fixtures	Straight line	10 years
Operating Equipment	Straight line	10 years
Mobile Equipment	Declining Balance	24%

The full amount of the annual amortization is charged in the year of acquisition and none in the year of disposal. Assets under construction are not amortized until the asset is available for productive use.

Donated assets are capitalized and recorded at their estimated fair market value upon acquisition. Certain capital assets for which the historical cost information is not available have been recorded at current fair market value discounted by a relevant inflation factor.

Work-in-Progress

Work-in-progress represents expenditures incurred on projects not complete at the end of the year.

Accrued Banked Time and Vacation Pay

The Town accrues employee banked time and vacation pay to the extent that it is earned in the current period and can be carried forward for utilization in future periods.

TOWN OF HAY RIVER

Notes to the Financial Statements

December 31, 2010

Note 1. **Significant Accounting Policies (continued)**

School Taxes

School taxes are collected by the Town on behalf of the Government of the Northwest Territories. These taxes are payable to the Government of the Northwest Territories upon collection from taxpayers.

Reserves

Reserves are established for the purpose of accumulating funds for future operating and capital expenditure. Appropriations to reserve are generally charged to the appropriate operating fund.

Expenditures are charged to the appropriate operating fund; at the same time, an offsetting transfer from reserve is recorded in the operating fund and netted with the current year appropriation (if any).

Investment in Tangible Capital Assets

Investment in Tangible Capital Assets represents the Town's net investment in its total capital assets, after deducting the portion financed by third parties through debenture, long-term capital borrowings and other capital liabilities.

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.

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 expenses as incurred.

Use of Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles 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 expenditure 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.

Note 2. **Cash**

The General Fund maintains the cash for other funds not fully funded on their own.

If all interfund balances were settled and each fund thereby fully funded, the true cash position of each fund would be as follows:

	2010		2009
General Fund	\$ 7,507,217	\$	7,374,356
Utility Fund	1,832,630		1,175,001
Land Development Fund	604,249		1,559,081
	\$ 9,944,096	\$	10,108,438

TOWN OF HAY RIVER

Notes to the Financial Statements

December 31, 2010

Note 3. Municipal Taxes Receivable

	2010		2009
Current taxes and grant in lieu receivable	\$ 627,744	\$	179,336
Arrears taxes	153,523		70,603
	781,267		249,939
Allowance for doubtful collection	(14,475)		(12,079)
	\$ 766,792	\$	237,860

Note 4. Accounts Receivable

	2010		2009
General accounts receivable	\$ 1,118,884	\$	995,801
Utility system receivable	175,511		129,726
Ambulance receivable	87,036		76,132
Lease fees receivable	9,874		28,388
	1,391,305		1,230,047
Allowance for doubtful collection	(83,596)		(71,210)
	1,307,709		1,158,837
Goods and services tax refundable	57,976		40,542
	\$ 1,365,685	\$	1,199,379

Note 5. School Tax Payable

	2010		2009
Balance consists of:			
2010 levy	\$ 67,207	\$	-
2009 levy	9,362		81,193
2008 levy	934		5,239
2007 levy	687		864
2006 levy	155		155
2005 levy	48		86
2004 levy	114		129
2003 levy	114		114
2002 levy	81		81
	\$ 78,702	\$	87,861

School tax levies are recorded as payable in the year they are assessed and are to be remitted to the GNWT as they are collected.

Note 6. Accounts Payable and Accrued Liabilities

	2010		2009
Trade accounts payable	\$ 754,556	\$	680,099
Holdbacks payable	-		185,014
Contributions repayable	140,722		125,000
Accrued vacation pay and banked time	154,781		127,066
	\$ 1,050,059	\$	1,117,179

TOWN OF HAY RIVER

Notes to the Financial Statements

December 31, 2010

Note 7. Deferred Contributions

	2010	2009
Gas Tax Funding, Schedule 13	\$ 497,629	\$ -
Community Public Infrastructure Funding, Schedule 14	4,858,080	3,591,497
Community Capacity Building Funding, Schedule 15	1,057,512	1,057,512
Other Contributions	3,765	-
	\$ 6,416,986	\$ 4,649,009

Note 8. Supplementary Information

Amounts owed to the Town which are considered doubtful of collection have been recorded as bad debts. The provision for (recovery of) bad debts is comprised of:

	2010	2009
General Operating Fund:		
Property taxes	\$ 2,396	\$ 1,079
Other	12,386	10,055
	\$ 14,782	\$ 11,134

Note 9. Reserves and Deferred Contributions

Sufficient funds must be deposited to separate bank accounts to correspond with the respective restricted reserve balances and deferred contribution amounts. Interest earned on the account is credited to the appropriate reserve. As at December 31, 2010, the Town had not complied with this requirement, as they are unable to verify the appropriate transfer amounts until after the audit has been complete. It is expected that the appropriate transfers will be made once the finalized audit statements have been received. There was a shortfall as follows:

Total Reserves		
General fund, per Statement VII	\$	1,844,411
Utility fund, per Statement XI		2,102,015
		3,946,426
Deferred Contributions, Note 7		6,416,986
		10,363,412
Reserve and Trusts bank account balance		8,288,168
Shortfall	\$	2,075,244

Note 10. Operating Leases and Rental Payments

The Town has entered into agreements extending beyond one year for the use of equipment and various service contracts which require periodic payments. The minimum payments under existing agreements over the next three years are as follows:

For the year ending December 31:

2011	\$	377,457
2012	\$	161,249
2013	\$	3,821

Note 11. Contingencies

The Town participates in the Northern Communities Insurance Program. Under this program the Town could become liable for its proportionate share of any claim losses in excess of the funds held by the exchange. Any liability incurred would be accounted for as a current transaction in the year the losses are determined.

TOWN OF HAY RIVER

Notes to the Financial Statements

December 31, 2010

Note 12. Pension Benefits

Employees of the Town can participate in the Desjardins Financial Securities pension plan. This program is a defined contribution program providing pension plan benefits. Members, if they choose to be part of the pension plan, are required to make contributions ranging from 5% to 7.5% depending on the position held. The Town of Hay River is required to make matching contributions of this amount. Employees are permitted to make additional voluntary contributions up to the maximum combined amount of 18% of their salary. Total contributions by the Town to the program in 2010 were \$94,866 (2009 - \$82,115), which were expensed as incurred.

Note 13. Credit Risk

The Town is subject to financial risk that arises from the creditworthiness of the individuals and entities to which it provides goods and services. Credit risk arises from the possibility that those parties may experience financial difficulty and may not be able to fulfill their obligations to the Town. However, because the Town's customers and ratepayers represent a diverse group, there are no significant concentrations of credit risk. In addition, the Town has recourse to certain legislative remedies which reduce the risk of financial loss through unpaid accounts.

The allowance for doubtful accounts as shown represents management's best estimate of the credit risk exposure at year end.

Note 14. Site Restoration Costs

The Town is required to fund the closure of its landfill site and provide for post-closure care of the facility. Closure and post-closure activities include the final clay cover, landscaping, as well as surface and ground water monitoring, leachate control, and visual inspection. These costs are recognized when information is available to estimate the liability.

The reserve for landfill has been established to fund site restoration costs. The current year's reserve balance of \$151,079 represents the total value of such remaining costs identified by an outside consultant in a study conducted in 1999 together with the appropriations for interest.

Note 15. Change in Accounting Policy

Tangible Capital Assets

Effective January 1, 2009, the Town adopted section 3150 of the Public Sector Accounting Handbook with respect to the disclosure of tangible capital assets for local governments. Previously, the Town recorded tangible capital assets as expenses on the statement of revenues and expenses. As of January 1, 2009 they are recorded at cost on the statement of financial position and amortized over their estimated useful lives.

Note 16. Reclassification

Certain prior year's figures have been reclassified for comparative purposes. Specifically, we reclassified the unspent portion of the Community Capacity Building funds, that otherwise would have been maintained in reserves, to deferred revenue, Note 7. This supports the presentation difference between deferred revenue as externally restricted funds and reserves as internally restricted funds. The unspent portion of the Public Transit funds was moved to contributions repayable, Note 6.

Note 17. Budget

The budgeted figures are those approved by the Board and are unaudited.

TOWN OF HAY RIVER

Schedule 1

General Fund
Schedule of Revenue

For the year ended December 31, 2010

	2010 Budget	2010 Actual	2009 Actual
Property taxes	\$ 4,510,781	\$ 4,502,638	\$ 4,512,877
Grants in Lieu of Taxes			
Federal	153,920	152,268	156,071
Territorial	581,637	560,550	613,721
NWT Power Corporation	40,588	40,358	36,675
Less school taxes	(592,003)	(590,683)	(591,966)
	\$ 4,694,923	\$ 4,665,131	\$ 4,727,378
Sales of Services			
Recreation			
- Pool	\$ 108,517	\$ 80,593	\$ 97,944
- Community center	203,707	191,601	197,831
- Curling club rental	30,240	26,864	23,718
- Ballpark rental	4,912	7,994	5,131
- Other	7,407	68,743	6,842
- Aquatic centre fundraising	-	1,228	1,000
Collection fee school taxes	5,000	5,000	5,000
Dump tipping fees	20,000	18,242	18,435
Ambulance	98,200	98,100	92,396
Public works costs recovered	5,450	9,520	4,500
Start Your Engines	-	25,000	(6,677)
Other	8,840	5,882	92,885
	\$ 492,273	\$ 538,767	\$ 539,005
Other Revenue From Own Sources			
Franchise fee	\$ 288,542	\$ 265,970	\$ 255,437
Licenses and permits	119,895	114,874	134,629
Fines and dog pound fees	3,300	2,552	575
Interest and penalties	124,870	112,097	71,192
Airport fuel concession fees	-	-	(1,498)
Disposal of tangible capital assets	3,000	-	-
Discounts allowed on school tax	18,179	17,289	16,091
	\$ 557,786	\$ 512,782	\$ 476,426

TOWN OF HAY RIVER

Schedule 2

General Fund
Schedule of Revenue

For the year ended December 31, 2010

	2010 Budget	2010 Actual	2009 Actual
Government Transfers			
General - GNWT			
Operating and Maintenance Block Funding	\$ 1,939,000	\$ 2,112,000	\$ 1,939,002
Sport and Recreation (28%)	9,500	8,000	8,000
Ground Ambulance (83%)	-	33,164	-
Summer Employment	-	15,840	7,930
Other Miscellaneous Grants	-	19,125	5,000
	1,948,500	2,188,129	1,959,932
Contributions repayable			
Ground Ambulance	-	(15,722)	-
Transfers (to) from deferred revenues			
Other Miscellaneous Grants	-	(3,765)	-
	\$ 1,948,500	\$ 2,168,642	\$ 1,959,932
Utility - GNWT			
Water and Sewer Block Funding	\$ 466,421	\$ 432,267	\$ 466,423
Capital - GNWT			
Community Public Infrastructure Funding	\$ 1,259,640	\$ 1,259,640	\$ 1,259,640
Gas Tax	1,036,607	1,015,622	1,036,607
Sport and Recreation (72%)	19,500	21,000	21,000
Ground Ambulance (17%)	-	6,836	-
Municipal and Rural Infrastructure Funding - GNWT	-	-	100,467
Capital - Federal			
Municipal and Rural Infrastructure Funding - Federal	-	-	100,466
	2,315,747	2,303,098	2,518,180
Interest earned on deferred contributions			
Community Public Infrastructure Funding	-	6,943	2,021
Gas Tax	933	-	233
	933	6,943	2,254
Transfers (to) from deferred contributions			
Community Public Infrastructure Funding	(1,159,849)	(1,266,583)	(1,261,661)
Gas Tax	962,460	(497,629)	344,184
	(197,389)	(1,764,212)	(917,477)
	\$ 2,118,358	\$ 545,829	\$ 1,602,957

TOWN OF HAY RIVER

Schedule 3

General Fund
Schedule of Expenditure

For the year ended December 31, 2010

	2010 Budget	2010 Actual	2009 Actual
General Government			
Mayor's indemnity	\$ 41,101	\$ 41,605	\$ 41,480
Councillors' indemnity	77,892	78,003	69,253
Boards and agencies indemnities and meeting expenses	1,000	3,189	540
Administration - salaries and benefits	907,937	969,564	897,726
Administration - other	301,485	309,958	271,898
Vehicle	54	-	54
Postage	6,395	7,064	6,387
Xerox	14,200	14,311	13,985
Professional services	192,353	101,462	262,489
Taxation	4,884	5,865	4,378
Insurance	112,816	102,617	95,508
Lease fees	2,540	2,490	3,455
Town hall operations	66,096	67,966	70,852
Town hall building maintenance	24,524	34,770	23,840
Town hall equipment maintenance	17,424	370	18,768
Personnel interviews, advertising, memberships and publications	63,658	44,873	79,229
Election expense	-	-	8,943
Conventions, delegations and public relations	68,743	69,513	68,184
Grants administered by Town	21,760	5,706	242
	1,924,862	1,859,326	1,937,211
Deduct overhead charged to:			
Utility Fund	(169,599)	(187,540)	(134,816)
Land Development Fund	(69,158)	(21,967)	(38,806)
	\$ 1,686,105	\$ 1,649,819	\$ 1,763,589

TOWN OF HAY RIVER

General Fund
Schedule of Expenditure

Schedule 4

For the year ended December 31, 2010

	2010 Budget	2010 Actual	2009 Actual
Protective Services			
Insurance	\$ 13,580	\$ 13,909	\$ 11,310
Bylaw enforcement	75,927	12,318	27,857
Bylaw vehicle maintenance	2,109	27	1,647
Fire protection	207,629	274,112	216,425
Fire department vehicle maintenance	15,100	29,307	14,684
Fire department building maintenance	7,666	10,216	3,614
Emergency response training center	21,703	12,933	22,391
Civil emergency	44,339	18,904	40,009
Ambulance	79,620	67,696	53,002
Ambulance vehicle maintenance	16,000	3,422	5,052
Animal and pest control	63,416	57,526	55,078
	\$ 547,089	\$ 500,370	\$ 451,069

TOWN OF HAY RIVER

General Fund
Schedule of Expenditure

Schedule 5

For the year ended December 31, 2010

	2010 Budget	2010 Actual	2009 Actual
Transportation and Public Works			
Public works			
Administration	\$ 283,537	\$ 340,120	\$ 167,713
Vehicle maintenance	-	230	377
Equipment operations administration	2,008	80	5,737
Vehicle operations maintenance	110,767	134,486	88,289
Town garage			
Yards	89,735	107,439	82,605
Building maintenance	22,008	26,980	29,267
Equipment maintenance	-	8	558
Carpenter shop	66,517	74,341	63,892
Vehicle maintenance	692	1,094	479
Building maintenance	989	1,522	2,835
Equipment maintenance	400	-	136
Roads			
General roads	31,534	60,537	27,138
Summer roads	371,762	313,972	419,895
Roads brushing	14,517	7,707	8,578
Sidewalks	11,794	23,210	19,294
Drainage	50,640	27,916	38,660
Winter roads	230,237	238,464	234,397
Street lighting	154,025	156,377	150,865
Parking	2,241	989	1,762
Road safety	16,769	19,821	13,182
Air transportation	-	-	(745)
Marine world	-	-	811
	1,460,172	1,535,293	1,355,725
Deduct overhead charged to:			
Utility Fund	(38,455)	(44,307)	(27,959)
Land Development Fund	(15,097)	(15,624)	(8,386)
	\$ 1,406,620	\$ 1,475,362	\$ 1,319,380

TOWN OF HAY RIVER

Schedule 6

General Fund
Schedule of Expenditure

For the year ended December 31, 2010

	2010 Budget	2010 Actual	*2009 Actual
Environmental and Public Health Services			
Sanitation operations	\$ 432,544	\$ 334,193	\$ 334,073
Dump maintenance	4,826	251,051	68,679
Annual town clean-up	34,495	9,188	26,306
Cemetery	21,916	2,319	7,444
	\$ 493,781	\$ 596,751	\$ 436,502

* Reclassified for comparative purposes

TOWN OF HAY RIVER

Schedule 7

General Fund
Schedule of Expenditure

For the year ended December 31, 2010

	2010 Budget	2010 Actual	2009 Actual
Planning and Development			
Planning and Zoning	\$ 95,663	\$ 148,239	\$ 90,233
Tourism	91,562	83,692	73,196
Building and yard maintenance	17,612	15,245	15,893
Programs	5,000	6,608	2,570
Economic development	8,545	-	4,727
Start Your Engines	30,000	55,530	15,000
	\$ 248,382	\$ 309,314	\$ 201,619

TOWN OF HAY RIVER

Schedule 8

General Fund
Schedule of Expenditure

For the year ended December 31, 2010

	2010 Budget	2010 Actual	*2009 Actual
Recreational and Cultural			
Recreation administration	\$ 333,016	\$ 484,985	\$ 356,391
Insurance	26,282	26,689	21,887
Vehicle maintenance	8,171	12,362	9,039
Recreation centre operations	421,687	534,136	465,358
Building maintenance	45,852	42,023	47,745
Mechanical maintenance	31,191	7,643	13,720
Swimming pool operations	618,309	600,135	658,953
Building maintenance	13,664	23,166	6,605
Mechanical maintenance	25,301	22,383	39,534
Cost of sales	-	-	-
Curling club operations	87,899	91,800	100,960
Building maintenance	2,500	9,190	83
Sportsfields	22,473	28,162	16,286
Parkland	136,755	107,748	126,444
Library	163,468	163,468	145,527
Community television	71,008	71,008	71,008
Recreation programs	107,242	78,482	58,175
	\$ 2,114,818	\$ 2,303,380	\$ 2,137,715

* Reclassified for comparative purposes

TOWN OF HAY RIVER

Schedule 9

General Fund
Schedule of Expenditure

For the year ended December 31, 2010

	2010 Budget	2010 Actual	*2009 Actual
Fiscal and Valuation			
Discount on taxes	\$ 125,870	\$ 133,042	\$ 124,543
Debenture interest	161,587	137,374	146,594
Bank charges	7,929	9,344	9,054
Senior/disabled tax exemptions	109,929	145,737	112,297
Provision for (recovery of) bad debts, Note 8	4,541	14,782	11,134
	\$ 409,856	\$ 440,279	\$ 403,622

* Reclassified for comparative purposes

TOWN OF HAY RIVER

Schedule of Expenditures by Object

Schedule 10

For the year ended December 31, 2010

	2010 Budget	2010 Actual	*2009 Actual
Salaries, wages and benefits	\$ 3,102,679	\$ 3,402,299	\$ 2,982,568
Mayor, council and other indemnities	387,261	437,996	359,528
Office and administration	155,033	197,232	154,222
Community T.V.	71,008	71,008	40,039
Advertising and promotion	113,386	86,431	84,749
Professional services and training	510,086	519,119	399,495
Insurance	202,047	192,659	169,819
Construction and maintenance supplies	932,833	781,485	842,108
Contracted services	1,302,407	1,359,749	1,241,283
Land, machinery and equipment rent	178,503	142,001	232,080
Utilities - Electricity	585,319	637,909	594,416
Utilities - Sanitation	361,049	359,993	417,007
Utilities - Water/Sewer	51,631	64,849	66,890
Utilities - Heating fuel	555,034	498,103	551,688
Vehicle operations	152,139	140,919	114,215
Equipment and vehicle fuel	73,199	66,050	59,832
Interest and bank charges	7,689	9,404	9,054
Interest on long-term debt	210,825	157,737	177,950
Provision for bad debts	4,541	14,782	11,133
Discount on taxes	125,870	133,042	124,543
Grants	131,689	151,443	112,540
Cost of land sold	212,499	214,695	299,608
Overhead charges	-	-	-
Expenditures before the undernoted	9,426,727	9,638,905	9,044,767
Amortization of tangible capital assets	-	1,556,188	1,495,395
	\$ 9,426,727	\$ 11,195,093	\$ 10,540,162

* Reclassified for comparative purposes

TOWN OF HAY RIVER
 Schedule of Tangible Capital Assets
 December 31, 2010

Schedule 11

General Fund	Opening Balance	Additions	Disposals	Closing Balance	Accumulated Amortization Beginning of Year	Net Carrying Amount Beginning of year	Deletions	Amortization	Accumulated Amortization End of Year	Net Carrying Amount
Linear Structures										
Roads, sidewalks, parking lots	\$ 10,507,016	\$ 123,565	\$ -	\$ 10,630,581	\$ 2,044,664	\$ 8,462,352	\$ -	\$ 212,612	\$ 2,257,276	\$ 8,373,305
Recreation facilities	404,393	85,269	-	489,662	135,038	269,355	-	19,567	154,625	335,037
Marine facilities	156,731	-	-	156,731	75,231	81,500	-	6,269	81,500	75,231
Land Bio treatment facility	137,550	-	-	137,550	13,308	124,242	-	2,751	16,059	121,491
Street lighting	95,407	-	-	95,407	38,163	57,244	-	3,180	41,343	54,064
Drainage	2,540,836	-	-	2,540,836	469,747	2,071,089	-	101,634	571,381	1,969,455
Traffic lights	109,098	-	-	109,098	33,652	75,446	-	-	37,288	71,810
	13,951,031	208,834	-	14,159,865	2,809,803	11,141,228	-	349,669	3,159,472	11,000,393
Buildings										
Administration	852,200	-	-	852,200	477,232	374,968	-	17,044	494,276	357,924
Fire halls	1,145,000	-	-	1,145,000	404,831	740,169	-	24,078	428,909	716,091
Generator building	116,400	-	-	116,400	29,100	87,300	-	2,910	32,010	84,390
Emergency response training center	240,400	-	-	240,400	48,080	192,320	-	6,010	54,090	186,310
Fire training centers	325,100	-	-	325,100	97,928	227,172	-	9,289	107,217	217,883
Tourist information	176,600	-	-	176,600	70,640	105,960	-	5,046	75,686	100,914
Arena complex	5,925,635	15,249	-	5,940,884	2,555,978	3,369,657	-	125,367	2,881,345	3,259,539
Aquatic facility	7,739,800	-	-	7,739,800	386,990	7,352,810	-	193,495	580,485	7,159,315
Golf clubhouse	918,800	-	-	918,800	252,670	666,130	-	22,970	275,640	643,160
Ski chalet	588,200	-	-	588,200	117,640	470,560	-	14,705	132,345	455,855
Public works garages	949,900	19,822	-	969,722	456,932	492,668	-	24,055	480,987	488,735
Carpentry	169,800	5,632	-	175,432	95,088	74,712	-	3,959	99,047	76,385
Land fill	214,400	-	-	214,400	77,260	137,140	-	7,100	84,360	130,040
Storage	144,303	84,011	-	228,314	21,362	122,941	-	9,258	30,620	197,694
Staff house	170,000	-	-	170,000	14,713	155,287	-	4,853	19,566	150,434
Dog pound	157,400	-	-	157,400	47,220	110,180	-	3,935	51,155	106,245
Ball parks	180,882	-	-	180,882	70,489	110,393	-	5,262	75,751	105,131
Other	76,885	-	-	76,885	35,172	41,713	-	2,217	37,389	39,496
	20,091,705	124,714	-	20,216,419	5,259,325	14,832,380	-	481,553	5,740,878	14,475,541
Machinery and Equipment										
Vehicles	2,881,928	256,725	-	3,138,653	2,534,197	347,731	-	145,069	2,679,266	459,387
Heavy equipment	67,261	29,687	-	96,948	62,720	4,541	-	4,233	66,953	29,995
Office furniture and equipment	579,733	29,776	-	609,509	400,260	179,473	-	35,956	436,216	173,293
Operating Equipment	978,161	91,481	-	1,069,642	704,173	273,988	-	58,753	762,926	306,716
Computer Equipment	155,785	25,800	-	181,585	125,862	29,923	-	23,667	149,529	32,056
IT Infrastructure	354,190	35,085	-	389,275	319,844	34,346	-	20,017	339,861	49,414
	5,017,058	468,554	-	5,485,612	4,147,066	870,002	-	287,695	4,434,751	1,050,861
Work in progress	3,750	62,875	2,500	64,125	-	3,750	-	-	-	64,125
Land	142,624	-	-	142,624	-	142,624	-	-	-	142,624
Art Work	52,218	-	-	52,218	-	52,218	-	-	-	52,218
Tangible Capital Assets - General Fund	\$ 39,258,386	\$ 864,977	\$ 2,500	\$ 40,120,863	\$ 12,216,184	\$ 27,042,202	\$ -	\$ 1,118,917	\$ 13,335,101	\$ 26,785,762
Utility Fund										
Water and Sewer System	\$ 13,916,320	\$ 517,993	\$ -	\$ 14,434,313	\$ 2,408,080	\$ 11,508,240	\$ -	\$ 288,686	\$ 2,696,766	\$ 11,737,547
Buildings	5,881,500	-	-	5,881,500	1,557,394	4,324,106	-	119,869	1,677,263	4,204,237
Land	1,000	-	-	1,000	-	1,000	-	-	-	1,000
Vehicles	267,764	-	-	267,764	236,923	30,841	-	7,402	244,325	23,439
Heavy Equipment	33,741	-	-	33,741	29,528	4,213	-	527	30,055	3,686
Furniture & Equipment	1,512,366	14,731	-	1,527,097	1,468,681	43,685	-	20,787	1,489,468	37,629
	\$ 21,612,691	\$ 532,724	\$ -	\$ 22,145,415	\$ 5,700,606	\$ 15,912,085	\$ -	\$ 437,271	\$ 6,137,877	\$ 16,007,538
Total Tangible Capital Assets	\$ 60,871,077	\$ 1,397,701	\$ 2,500	\$ 62,266,278	\$ 17,916,790	\$ 42,954,287	\$ -	\$ 1,556,188	\$ 19,472,978	\$ 42,793,300

TOWN OF HAY RIVER

Debentures Issued

Schedule 12

December 31, 2010

No.	Description	Issue Date	Maturity Date	Rate %	Payment	Principal Balance 2010	Principal Balance 2009
105	Aquatic Facility	03/16/05	08/31/14	3.96	*\$ 22,317	\$ 3,426,464	\$ 3,556,896
106	Westview***	05/08/06	07/31/15	Prime	**\$193,092	-	1,158,550
						\$ 3,426,464	\$ 4,715,446

* Principal and interest included, payable monthly

** Principal only, payments due annually

***Westview debenture #106 was paid out in full in the year in an amount of \$1,158,550.

PRINCIPAL AND INTEREST PAYMENTS DUE WITHIN THE NEXT FIVE YEARS:

	Principal	Interest	Total
2011	\$ 134,542	\$ 133,263	\$ 267,805
2012	139,968	127,838	267,806
2013	145,612	122,193	267,805
2014	151,485	116,321	267,806
2015	157,594	110,212	267,806
Subsequent	2,697,263	749,921	3,447,184
	\$ 3,426,464	\$ 1,359,748	\$ 4,786,212

TOWN OF HAY RIVER

Gas Tax Agreement

Statement of Revenue, Expenditure and Deferred Contribution

Schedule 13

For the year ended December 31, 2010

	2006 Actual	2007 Actual	2008 Actual	2009 Actual	2010 Actual	Cumulative April 21/06 to December 31/10
Funding						
Deferred contribution balance, opening	\$ -	\$ 11,990	\$ -	\$ 344,184	\$ -	\$ -
Annual Gas Tax allocation	614,522	411,453	515,645	1,036,607	1,015,622	3,593,849
Interest earned	311	161	-	233	-	705
	614,833	423,604	515,645	1,381,024	1,015,622	3,594,554
Funds Spent						
Stewart Drive Drainage and Restoration	602,843	423,604	31,923	1,381,024	-	2,439,394
Woodland Drive Water Main Repairs	-	-	139,538	-	517,993	657,531
	602,843	423,604	171,461	1,381,024	517,993	3,096,925
Deferred contribution balance, closing	\$ 11,990	\$ -	\$ 344,184	\$ -	\$ 497,629	\$ 497,629

Stewart Drive Drainage and Restoration
 Repaired storm damage to Stewart Drive, installed new drainage system to resolve drainage problems, pave street and install new sidewalks.

Woodland Drive Water Main Repairs
 Repair waterline breakage on Woodland Drive, update drainage system and repave street.

TOWN OF HAY RIVER

Community Public Infrastructure Agreement
Statement of Revenue, Expenditure and Deferred Contribution

Schedule 14

For the year ended December 31, 2010

	2007 Actual	2008 Actual	2009 Actual	2010 Actual	Cumulative April 1/07 to December 31/10
Funding					
Deferred contribution balance, opening	\$ -	\$ 1,037,051	\$ 2,329,836	\$ 3,591,497	\$ -
Annual CPI allocation	1,016,349	1,259,640	1,259,640	1,259,640	4,795,269
Interest earned	20,702	33,145	2,021	6,943	62,811
	1,037,051	2,329,836	3,591,497	4,858,080	4,858,080
Funds Spent					
Project #1	-	-	-	-	-
Project #2	-	-	-	-	-
	-	-	-	-	-
Deferred contribution balance, closing	\$ 1,037,051	\$ 2,329,836	\$ 3,591,497	\$ 4,858,080	\$ 4,858,080

TOWN OF HAY RIVER

Community Capacity Building Fund
Statement of Revenue, Expenditure and Deferred Contribution

Schedule 15

For the year ended December 31, 2010

	2007 Actual	2008 Actual	2009 Actual	2010 Actual	Cumulative Jul 31/07 to indeterminate date
Funding					
Deferred contribution balance, opening	\$ -	\$ 1,057,512	\$ 1,057,512	\$ 1,057,512	\$ -
Annual allocation	1,614,100	-	-	-	1,614,100
Interest earned	-	-	-	-	-
	1,614,100	1,057,512	1,057,512	1,057,512	1,614,100
Funds Spent					
Aboriginal Center Improvements	350,000	-	-	-	350,000
Playground refurbishment and enhancement	206,588	-	-	-	206,588
	556,588	-	-	-	556,588
Deferred contribution balance, closing	\$ 1,057,512	\$ 1,057,512	\$ 1,057,512	\$ 1,057,512	\$ 1,057,512

TOWN OF HAY RIVER

Schedule of Honoraria and Travel

Schedule 16

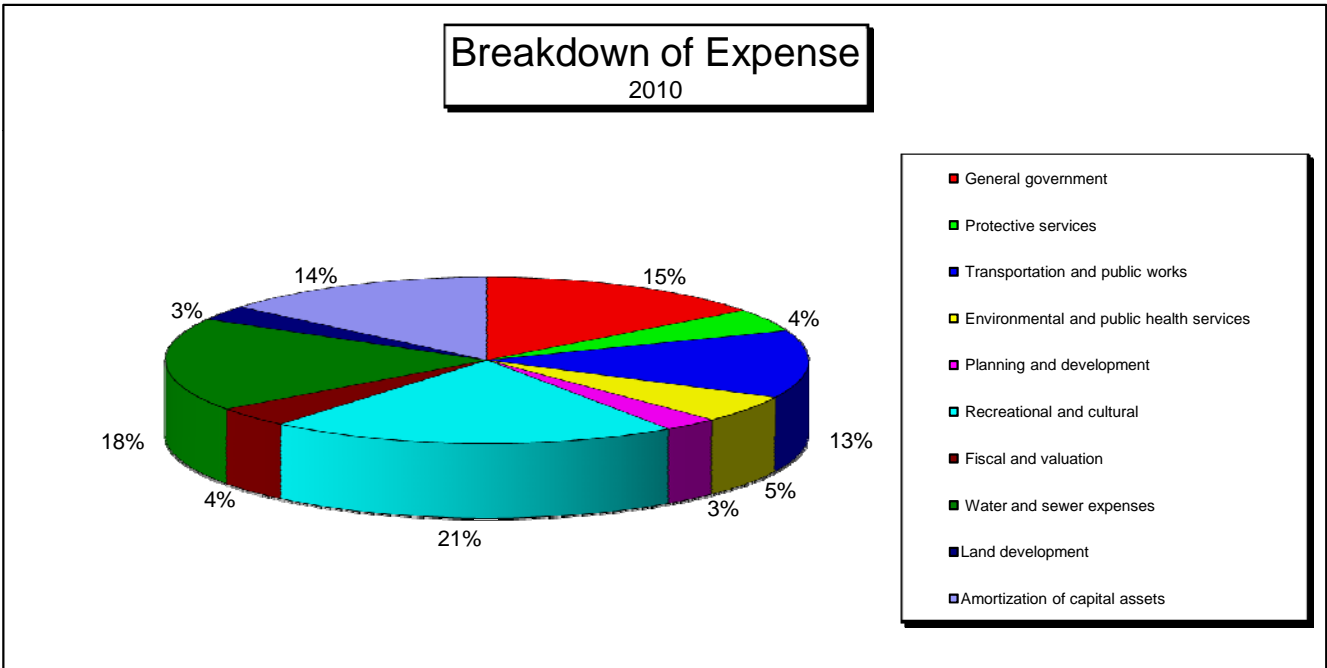
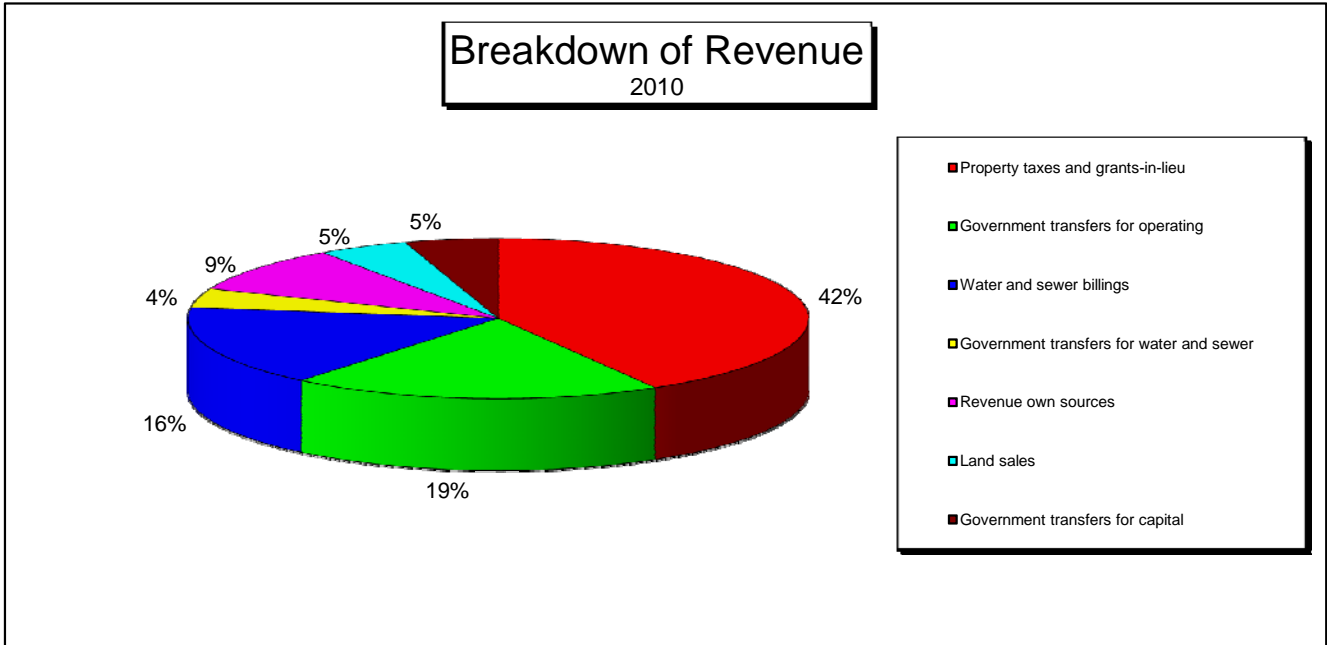
For the year ended December 31, 2010

	Honoraria		Travel	
Mayor				
Kelly Schofield	\$	41,605	\$	2,684
Councillor				
Mike Maher	\$	12,070	\$	541
Kevin Wallington		9,419		-
Ken Latour		9,419		-
Dawna O'Brien		9,419		3,557
Bernard Dueck		9,419		1,289
Andrew Cassidy		9,419		-
Bernard Langille		9,419		-
Reiss Kruger		9,419		1,591
	\$	78,003	\$	6,978

TOWN OF HAY RIVER

Graphical Representation of Breakdown of Revenue and Expense

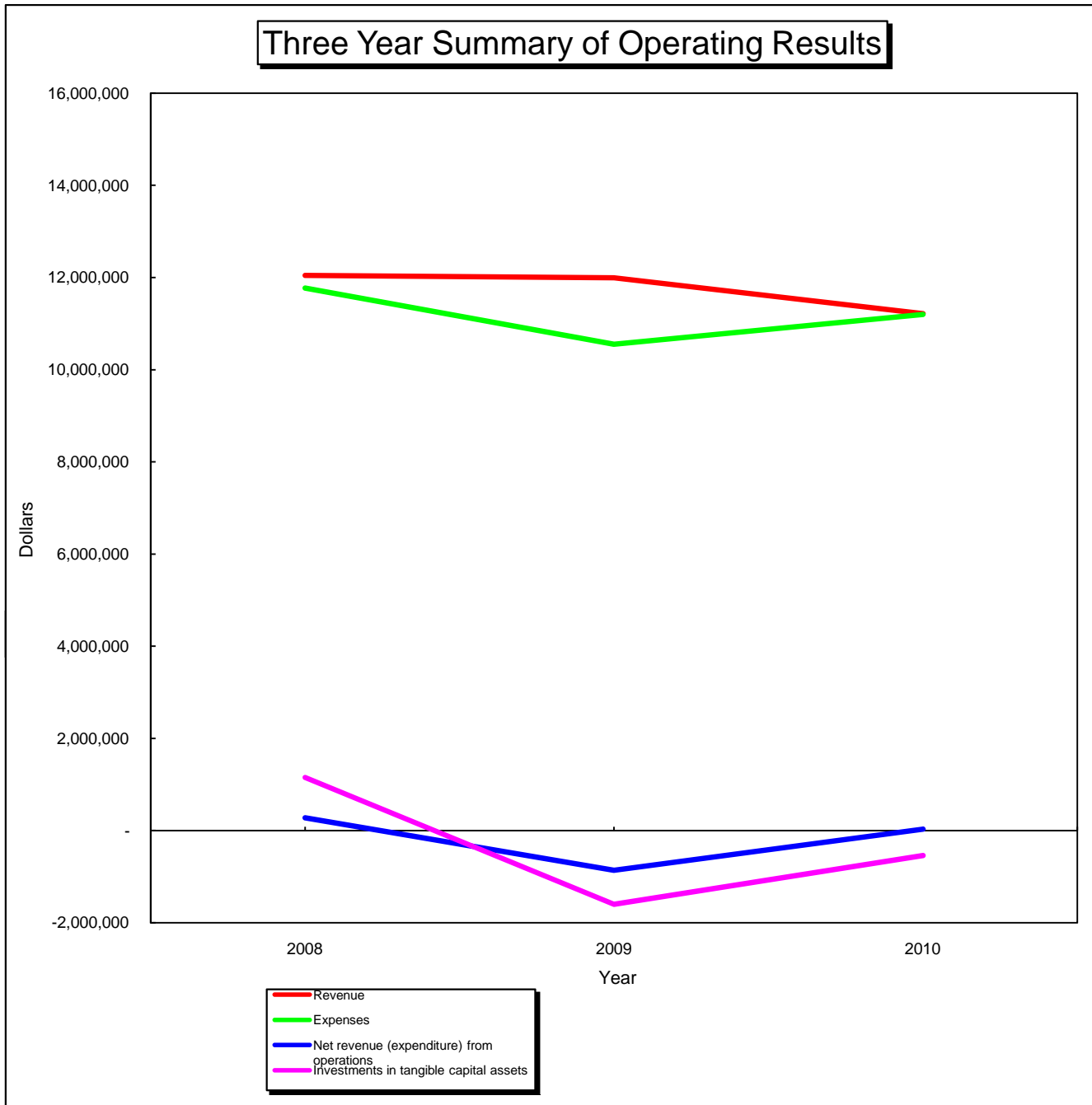
For the year ended December 31, 2010



TOWN OF HAY RIVER

Graphical Representation of Operating Results

For the year ended December 31, 2010



TOWN OF HAY RIVER

Graphical Representation of Ending Financial Position

For the year ended December 31, 2010

