


Financial Statements of

TOWN OF HAY RIVER

December 31, 2016

Approved on Behalf of the Council:



Judy Louche

Mayor

Senior Administrative Officer

TOWN OF HAY RIVER

Financial Statements

Year Ended December 31, 2016

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Town of Hay River; Management Discussion & Analysis (MD & A) for the year ended December 31, 2016

Purpose

The purpose of the MD&A is to provide Management's summary of how the municipality has performed over the past year, its financial condition and its future objectives. This MD&A should be read in conjunction with the Audited Financial Statements as at December 31, 2016.

The Year in Review

In 2016 the Town of Hay River started to rebuild capacity in both Operations and Finance, following the 2015 labour dispute and in light of significant turnover among senior management positions. Three of four Director positions and the Senior Administrative Officer position were vacant or had new incumbents during most of fiscal 2016.

In 2016, work continued on the McBryan Drive water and sewer replacement and paving project. The new recreation centre moved from the contracting phase into the construction phase and temporary outdoor rinks were established to provide residents with recreation options while the new rink construction progressed.

Toward the end of 2016, the Town completed an organizational review and approved a new organizational structure. Job descriptions were updated to reflect the new structure. Preparations began for the next round of collective bargain as the Town's Agreement with its unionized employees expired at the end of December 2016.

The 2018 Arctic Winter Games continued to be an area of focus as the Town worked to complete agreements between the joint host community of Fort Smith and the Host Society.

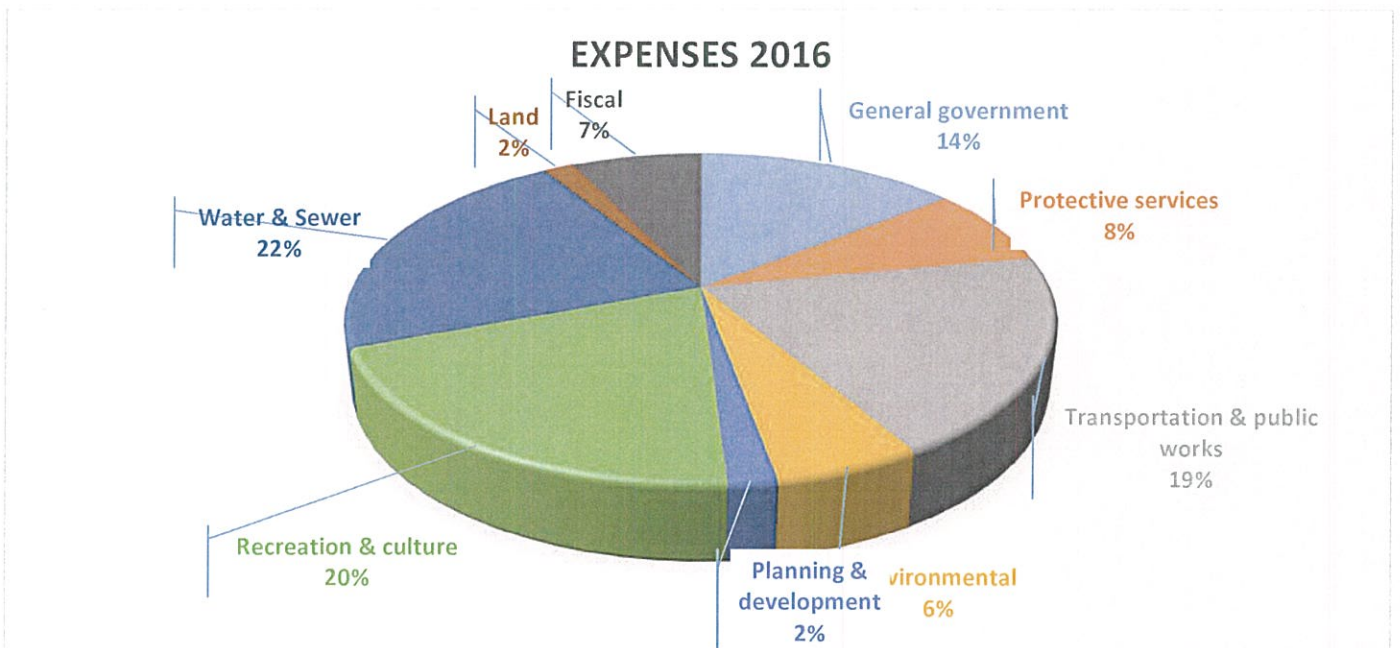
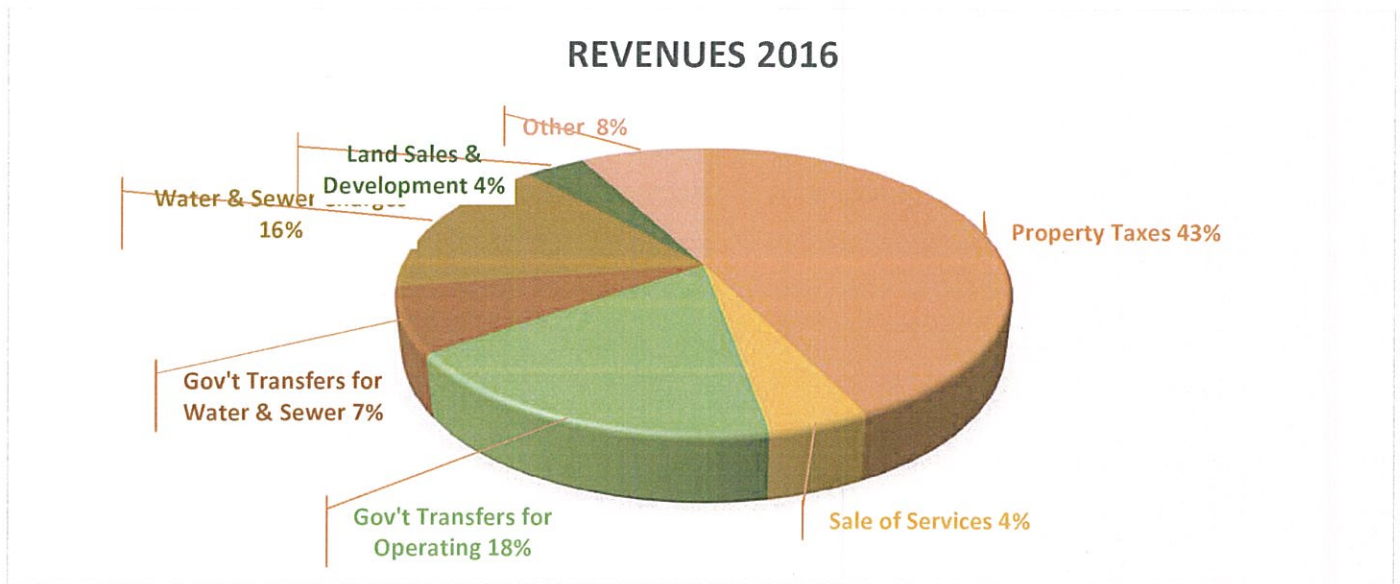
Results from Operations

In the 2016 fiscal year, the community recorded an operating surplus of \$11,684. Including the net government transfers for capital the overall surplus at the end of 2016 is \$5,357,804.

Revenues, excluding capital transfers increased over 2015 by \$177,982 due to increases in the government transfers for operations & maintenance, sale of services and water & sewer and charges. Revenues from other sources decreased due to a reduction in bio treatment pad revenues, and land development.

Expenses decreased from 2015 values in environmental and public health services as a result of reduced activity in the bio treatment pad. Costs in planning and development, recreation and culture and water and sewer increased over 2015 as the result of full staffing in those departments after the labour disruption.

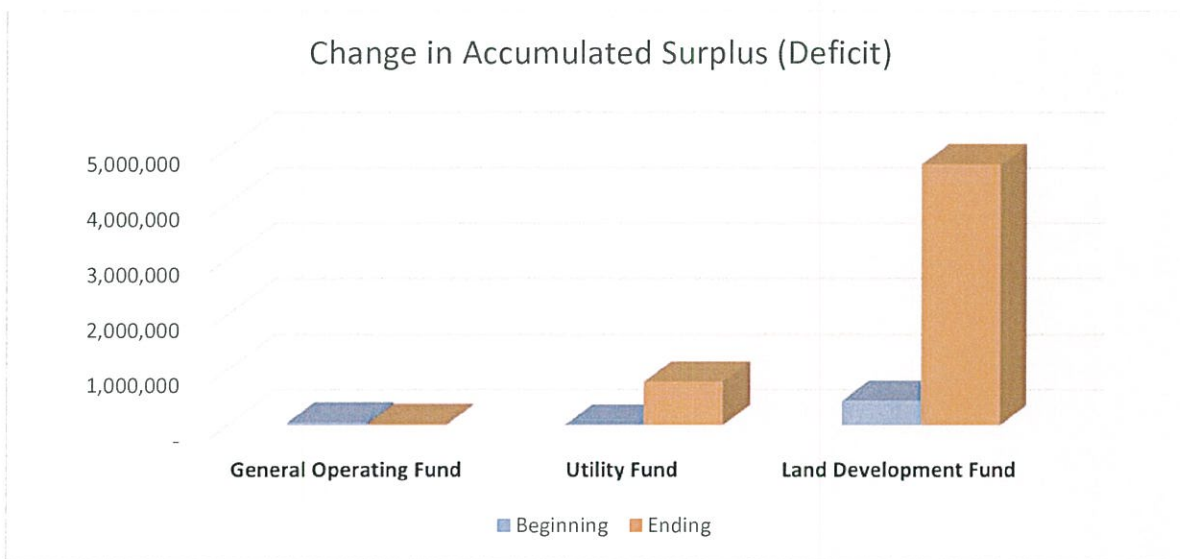
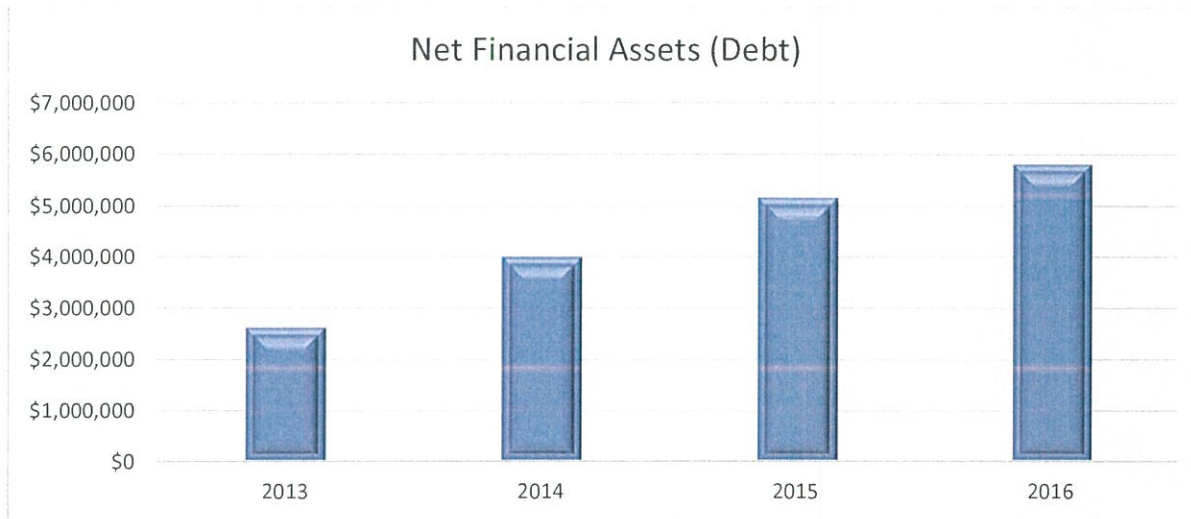
The breakdown of revenues and expenses are as follows:



Financial Position

Over the past several years the community has steadily reduced its long term debt resulting in increasingly positive ratios of financial assets to liabilities. In the 2016 fiscal year, the ratio once again increased partially as a result of increases in outstanding municipal taxes and other accounts receivable.

The four year trend for net financial assets (debt) is as follows:



In 2016 the financial position of the Town improved in all three fund areas, the most significant being in the Land Development Fund.

Looking Forward

Council will continue to direct Administration to further improve financial controls and development of sustainable long-term plans for replacing aging infrastructure.

Some of the measures Council has committed to are:

- Updated general plan and zoning bylaw
- New bylaw to guide Chase-the-Ace type lotteries
- Updated procurement policy
- Continuous improvement in financial reporting
- Continuous improvement in human resource management
- Launch of new website with current, relevant information to improve overall customer service
- Continuous improvement in accounts receivable collection



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 statement 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.

Senior Administrative Officer
Town of Hay River

Hay River, NT
May 29, 2017

AUDITORS' REPORT

To the Mayor and Council

We have audited the consolidated financial statements of the Town of Hay River, which comprise the consolidated statement of financial position as at December 31, 2016, and the consolidated statement of operations and surplus, changes in net financial assets (debt), changes in accumulated surplus and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Auditor's Responsibility

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 required that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Town of Hay River as at December 31, 2016, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.



ASHTON
Chartered Accountants
Business Advisors

Hay River, NT
May 29, 2017

TOWN OF HAY RIVER

Consolidated Statement of Financial Position

Statement I

December 31, 2016

	2016	2015 <i>Restated</i>
Financial Assets		
Cash, Note 2	\$ 11,835,741	\$ 11,180,891
Receivables		
Municipal taxes receivable, Note 3	1,285,914	1,933,098
Accounts receivable, Note 4	7,124,094	4,136,973
Land inventory for resale	404,087	297,422
Total Financial Assets	20,649,836	17,548,384
Liabilities		
Accounts payable and accrued liabilities, Note 6	5,453,987	1,083,626
School taxes payable, Note 7	969,482	723,337
Deferred contributions, Note 8	4,317,436	6,408,139
Deposits held	152,516	150,443
Landfill closure liability, Note 9	1,222,720	1,210,189
Long-term debt, Note 10	2,675,814	2,816,460
Total Liabilities	14,791,955	12,392,194
Net Financial Assets (Debt)	\$ 5,857,881	\$ 5,156,190
Non-Financial Assets		
Prepaid expenditure	\$ 127,386	\$ 34,928
Inventory held for use	135,895	113,102
Tangible capital assets, Note 11		
General fund	34,235,789	30,730,862
Utility fund	20,597,045	19,513,664
Total Non-Financial Assets	\$ 55,096,115	\$ 50,392,556
Accumulated Surplus, Note 12	\$ 60,953,996	\$ 55,548,746

*Commitments and contingencies, Notes 14 and 15**Trusts under administration, Note 18*

TOWN OF HAY RIVER

Statement II

Consolidated Statement of Operations and Surplus

For the year ended December 31, 2016

	Schedule	Budget (unaudited)	2016	2015
Revenue				
Property taxes	4	\$ 4,732,399	\$ 5,458,543	\$ 4,975,606
Sales of services	4	783,971	573,881	382,474
Other revenue from own sources	4	729,726	1,003,256	1,915,944
Government transfers for operating	5	2,160,600	2,309,753	2,177,108
Government transfers for water and sewer	2	511,000	952,000	855,000
Water and sewer revenues	2	2,030,000	2,016,040	1,813,496
Land sales, lease and development	3	300,123	482,236	498,099
Total Revenue		11,247,819	12,795,709	12,617,727
Expenses				
General government	6	1,911,901	1,818,625	1,361,012
Protective services	7	659,028	984,178	860,804
Transportation and public works	8	1,281,322	2,495,210	1,942,140
Environmental and public health services	9	591,150	721,138	1,393,063
Planning and development	10	262,200	244,071	128,472
Recreational and cultural	11	2,501,462	2,535,838	2,326,880
Fiscal and valuation	12	573,000	917,461	541,874
Water and sewer expenses	2	2,479,082	2,808,242	2,722,227
Land development	3	81,578	211,816	153,103
Total Expenditures		10,340,723	12,736,579	11,429,575
Annual surplus (deficit), before the undernoted		907,096	59,130	1,188,152
Other revenue (expenditure)				
Net government transfers for capital	5	50,000	8,151,758	1,902,397
Gain (loss) on disposal of capital assets		-	(2,805,638)	-
		50,000	5,346,120	1,902,397
Annual Surplus (Deficit)		\$ 957,096	\$ 5,405,250	\$ 3,090,549
Accumulated surplus, beginning of year		55,548,746	55,548,746	52,458,197
Accumulated surplus, end of year		\$ 56,505,842	\$ 60,953,996	\$ 55,548,746

TOWN OF HAY RIVER

Consolidated Statement of Changes in Net Financial Assets (Debt)

Statement III

For the year ended December 31, 2016

	Budget (unaudited)	2016	2015
Annual Surplus (Deficit)	\$ 957,096	\$ 5,405,250	\$ 3,090,549
Amortization expense	-	2,284,242	2,180,015
Acquisition of tangible capital assets	(50,000)	(9,908,679)	(4,144,014)
(Gain) loss on disposal of capital assets	-	3,024,658	-
Proceeds on disposal of tangible capital assets	-	11,471	-
Change in prepaid expenses	-	(92,458)	32,044
Change in inventory held for use	-	(22,793)	-
Increase (decrease) in net financial assets	907,096	701,691	1,158,594
Net financial assets (debt), beginning of year	5,156,190	5,156,190	3,997,596
Net financial assets (debt), end of year	\$ 6,063,286	\$ 5,857,881	\$ 5,156,190

TOWN OF HAY RIVER

Consolidated Statement of Cash Flows

Statement IV

For the year ended December 31, 2016

	2016	2015
Operating Activities		
Annual Surplus (Deficit)	\$ 5,405,250	\$ 3,090,549
Non-cash charges to operations:		
Amortization expense	2,284,242	2,180,015
(Gain) loss on disposal of capital assets	3,024,658	-
Provision for landfill closure	12,531	12,531
	10,726,681	5,283,095
Change in non-cash working capital balances:		
Municipal taxes receivable	647,184	(1,510,740)
Accounts receivable	(2,987,121)	(3,798,043)
Land inventory for resale	(106,665)	-
Accounts payable and accrued liabilities	4,370,361	527,204
School taxes payable	246,145	679,589
Deferred contributions	(2,090,703)	76
Deposits held	2,073	6,628
Prepaid expenses	(92,458)	32,044
Inventory held for use	(22,793)	-
Net change in cash from operations	10,692,704	1,219,853
Financing Activities		
Principal repayment of long-term debt	(140,646)	(133,921)
Proceeds of long-term debt	-	-
Net change in cash from financing activities	(140,646)	(133,921)
Capital Activities		
Purchase of tangible capital assets	(9,908,679)	(4,144,014)
Proceeds on disposal of tangible capital assets	11,471	-
Net change in cash from investing activities	(9,897,208)	(4,144,014)
Increase (decrease) in cash during the year	654,850	(3,058,082)
Bank accounts, opening	11,180,891	14,238,973
Bank accounts, closing	\$ 11,835,741	\$ 11,180,891

TOWN OF HAY RIVER

Notes to the Financial Statements

December 31, 2016

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 Chartered Professional Accountants of Canada. 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.

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.

TOWN OF HAY RIVER

Notes to the Financial Statements

December 31, 2016

Note 1. Significant Accounting Policies (continued)

Government Transfers (continued)

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.

Financial Instruments

Cash and receivables, and current liabilities are recorded at approximate fair market value due to their short term maturities.

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.

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.

TOWN OF HAY RIVER

Notes to the Financial Statements

December 31, 2016

Note 1. Significant Accounting Policies (continued)

Tangible Capital Assets

Tangible 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:

Asset	Method	Rate
Land held for town use	Not amortized	
Works 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.

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.

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.

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.

TOWN OF HAY RIVER

Notes to the Financial Statements

December 31, 2016

Note 1. Significant Accounting Policies (continued)

Deferred Revenue

Deferred revenue consists mainly of government transfers for which the events giving rise to the transfer have not yet occurred. The deferred revenue will be recognized in the financial statement as revenue in the period in which the related expenses are incurred.

Liability for Landfill Closure and Post-Closure 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. The liability is determined using the estimated total closure costs adjusted for the remaining capacity of the site and the estimated remaining landfill life.

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.

Segmented Information

The Town of Hay River segments its operations for financial reporting purposes based upon areas of managerial responsibility. This information is provided in schedule 6 through schedule 12.

Trusts under administration

Trusts under administration consists of property that has been conveyed or assigned to the Town to be administered as directed by an agreement. These trusts are excluded from the government's financial statements. A description of the trusts along with a summary of the trust balances is disclosed in Note 18.

TOWN OF HAY RIVER

Notes to the Financial Statements

December 31, 2016

Note 2. Cash

	2016	2015
<i>Unrestricted</i>		
Operating account	\$ 1,352,804	\$ 206,958
<i>Internally restricted</i>		
General fund reserve account	2,172,615	2,154,183
Utility fund reserve account	993,886	2,741,015
<i>Externally restricted</i>		
Gas tax account	1,530,488	1,359,774
Community Public Infrastructure account	5,785,948	4,718,961
	\$ 11,835,741	\$ 11,180,891

Note 3. Municipal Taxes Receivable

	2016	2015
Current taxes and grant in lieu receivable	\$ 1,225,524	\$ 1,617,459
Arrears taxes	576,872	417,054
	1,802,396	2,034,513
Allowance for doubtful collection	(516,482)	(101,415)
	\$ 1,285,914	\$ 1,933,098

Note 4. Accounts Receivable

	Balance	Allowance	2016	2015
General accounts receivable	\$ 463,290	\$ 105,801	\$ 357,489	\$ 187,190
Utility system receivable	359,020	1,190	357,830	346,565
Ambulance receivable	261,957	225,166	36,791	14,255
Lease fees receivable	491,271	8,511	482,760	354,166
Gas tax	652,500	-	652,500	1,523,811
Community Public Infrastructure	1,260,000	-	1,260,000	1,260,000
Small Communities Fund	3,431,930	-	3,431,930	-
Ground Ambulance funding	23,440	-	23,440	-
Goods and services tax refundable	521,354	-	521,354	450,986
	\$ 7,464,762	\$ 340,668	\$ 7,124,094	\$ 4,136,973

TOWN OF HAY RIVER

Notes to the Financial Statements

December 31, 2016

Note 5. 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:

	2016	2015
General Operating Fund:		
Property taxes	\$ 415,066	\$ 27,750
Ambulance	16,503	30,457
General sundry	8,320	70,792
	\$ 439,889	\$ 128,999

Note 6. Accounts Payable and Accrued Liabilities

	2016	2015
Trade accounts payable	\$ 5,312,096	\$ 958,344
Due to GNWT (payroll tax)	1,536	5,789
Accrued vacation pay and banked time	140,355	119,493
	\$ 5,453,987	\$ 1,083,626

Note 7. School Tax Payable

	2016	2015
Balance consists of:		
2016 levy	\$ 687,409	\$ -
2015 levy	239,332	680,596
2014 levy	34,041	34,041
2013 and prior levy	8,700	8,700
	\$ 969,482	\$ 723,337

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.

TOWN OF HAY RIVER

Notes to the Financial Statements

December 31, 2016

Note 8. Deferred Contributions

	2016	2015
Gas Tax Funding, Schedule 17	\$ 367,680	\$ 1,180,972
Community Public Infrastructure Funding, Schedule 18	3,949,756	5,227,167
	\$ 4,317,436	\$ 6,408,139

Note 9. Landfill Closure Liability

The Town is required to estimate future closure and post-closure costs for its landfill site. The estimated liability is based on the sum of discounted future cash flows for closure and post-closure activities for 25 years after closure using a discount rate of 5.25% and inflation of 2.06%.

The accrued liability portion is based on the capacity used at year end compared to the estimated total capacity. The remaining estimated life of the landfill is 7 years and of the total capacity approximately 5.8% remains.

	2016	2015
Estimated closure costs	\$ 518,030	\$ 518,030
Estimated post-closure costs	780,149	780,149
Estimated total liability	1,298,179	1,298,179
Estimated capacity used	94.2%	93.2%
Accrued liability	\$ 1,222,720	\$ 1,210,189

Note 10. Long-Term Debt

Description	Issue Date	Maturity Date	Rate %	Payment	Principal Balance 2016	Principal Balance 2015
Aquatic Facility - RBC	2/23/11	2/25/21	4.93	\$ 23,021	2,675,814	2,816,460
					\$ 2,675,814	\$ 2,816,460

* Principal and interest included, payable monthly

TOWN OF HAY RIVER

Notes to the Financial Statements

December 31, 2016

Note 10. Long-Term Debt (continued)

Principal and interest payments due within the next five years:

	Principal	Interest	Total
2017	\$ 146,400	\$ 121,406	\$ 267,806
2018	153,355	114,451	267,806
2019	160,640	107,166	267,806
2020	168,271	99,535	267,806
2021	176,264	91,542	267,806
Subsequent	1,870,884	379,501	2,250,385
	\$ 2,675,814	\$ 913,601	\$ 3,589,415

Note 11. Tangible Capital Assets

	Cost	Accumulated Amortization	Net Book Value	
			2016	2015
General Fund:				
Linear Structures	\$ 17,677,326	\$ 7,557,756	\$ 10,119,570	\$ 7,836,050
Buildings	20,183,685	5,280,523	14,903,162	18,020,194
Machinery and Equipment	6,336,304	5,379,588	956,716	794,444
Work in progress	5,969,326	-	5,969,326	1,574,139
Land held for town use	2,230,981	-	2,230,981	2,450,001
Art Work	56,034	-	56,034	56,034
	\$ 52,453,656	\$ 18,217,867	\$ 34,235,789	\$ 30,730,862
Utility Fund:				
Water and Sewer System	\$ 18,121,547	\$ 4,420,816	\$ 13,700,731	\$ 10,898,720
Buildings	7,763,377	2,213,664	5,549,713	5,744,182
Land	1,000	-	1,000	1,000
Vehicles	288,962	262,297	26,665	36,433
Heavy Equipment	11,241	10,716	525	1,051
Furniture & Equipment	1,804,772	1,452,879	351,893	21,669
Work in progress	966,518	-	966,518	2,810,609
	\$ 28,957,417	\$ 8,360,372	\$ 20,597,045	\$ 19,513,664
Total	\$ 81,411,073	\$ 26,578,239	\$ 54,832,834	\$ 50,244,526

TOWN OF HAY RIVER

Notes to the Financial Statements

December 31, 2016

Note 12. Accumulated Surplus

Accumulated surplus consists of restricted and unrestricted amounts and equity in tangible capital assets as follows:

	2016	2015
Accumulated Surplus per Statement of Financial Position	\$ 60,953,996	\$ 55,548,746
Invested in Tangible Capital Assets		
General Fund	32,643,357	27,914,403
Utility Fund	19,513,663	19,513,663
	52,157,020	47,428,066
Internally restricted reserves		
Reserve for Mobile Equipment Replacement	930,934	1,147,016
Reserve for Management Training	21,009	20,610
Reserve for Recreation Infrastructure	27,548	94,778
Reserve for Municipal Infrastructure	713,733	700,202
Reserve for Computer Systems	7,807	7,659
Reserve for Landfill	165,841	162,697
Reserve for Recreation Center Replacement	312,087	203,292
Reserve for Utility Infrastructure	1,060,679	1,290,395
	3,239,638	3,626,649
Unappropriated surplus (deficit)		
General fund	67,861	51,623
Utility fund	785,228	8,579
Land development fund	4,704,249	4,433,829
	5,557,338	4,494,031
	\$ 60,953,996	\$ 55,548,746

TOWN OF HAY RIVER

Notes to the Financial Statements

December 31, 2016

Note 13. Reserves and Deferred Contributions

The Financial Administration By-law requires that funds accumulated in reserves are deposited into the General reserve bank account. Interest earned on the account is credited to the appropriate reserve.

	Account Balance	Cash Balance	Receivable	Excess (Shortfall)
Reserves				
Mobile Equipment	\$ 930,934	\$		
Management Training	21,009			
Recreation Infrastructure	27,548			
Municipal Infrastructure	713,733			
Computer System	7,807			
Landfill	165,841			
Recreation Center Replacement	312,087			
	2,178,959	2,172,615	-	(6,344)
Utility Infrastructure	1,060,679	993,886	-	(66,793)
	\$ 3,239,638	\$ 3,166,501	\$ -	\$ (73,137)
Deferred Contributions, Note 8				
Gas Tax Funding	367,680	1,530,488	652,500	1,815,308
Community Public Infrastructure	3,949,756	5,785,948	1,260,000	3,096,192
	4,317,436	7,316,436	1,912,500	4,911,500
	\$ 7,557,074	\$ 10,482,937	\$ 1,912,500	\$ 4,838,363

Note 14. Commitments

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 are as follows:

For the year ending December 31:

2017	\$ 1,234,926
2018	1,234,106
2019	1,234,106
2020	\$ 7,301

Note 15. Contingent Liabilities

Insurance

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, 2016

Note 15. Contingent Liabilities

Legal claims

In the normal course of operations, the Town is subject to various legal claims. At the date of the audit report, it is not possible to determine the outcomes of the claims and the amount of the potential liability cannot be reasonably determined. Management has indicated that it is unlikely there will be a material adverse effect on the financial position of the Town.

Accounts receivable

On April 27, 2016, NTCL applied for and was granted creditor protection by the Court of Queen's Bench, Calgary, AB. At December 31, 2016, NTCL had outstanding property taxes of \$836,250 and outstanding lease fees of \$339,305 with the Town.

The *Property Assessment and Taxation Act*, requires that property taxes are paid when the property changes ownership. Accordingly, the town has a first charge on the lands in relation to property taxes. Additionally, the courts have granted that the property taxes and lease payments will continue to be payable post-bankruptcy filing on properties that the Company continues to use.

At the date of the financial statements, it is unknown whether the property taxes and lease fees receivable are impaired and the amount of a potential impairment cannot be reasonably estimated. Any decrease in the value of the receivables would be accounted for as a current transaction in the year the impairment is determined.

Note 16. 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 2016 were \$93,442 (2015 - \$66,628), which were expensed as incurred.

Note 17. Financial Instruments

The Town's financial instruments consist of cash, accounts receivable, accounts payable and accrued liabilities, and long-term debt. It is management's opinion that the town is not exposed to significant interest or currency risks arising from these financial instruments.

The town is subject to credit risk with respect to taxes and grants in place of taxes receivables and trade and other receivables. Credit risk arises from the possibility that taxpayers and entities to which the town provides services may experience financial difficulty and be unable to fulfill their obligations. The large number and diversity of taxpayers and customers minimizes the credit risk.

Unless otherwise noted, the carrying value of the financial instrument approximates fair value.

TOWN OF HAY RIVER

Notes to the Financial Statements

December 31, 2016

Note 18. Trusts under administration

2018 Arctic Winter Games

The Town of Hay River and the Arctic Winter Games International Committee "AWGIC" entered into the AWG agreement, with respect to the hosting and staging of the 25th Arctic Winter Games in March 2018. The agreement commences on June 10, 2015 and terminates on December 31, 2018. The GNWT shall pay the contribution to the Town of Hay River in an amount not to exceed \$3,500,000. The Town shall use the contribution for costs directly related to the project, in accordance with the AWG Agreement.

Northern Farm Training Institute

The Town of Hay River established a contribution agreement with the Canadian Northern Economic Development Agency "CanNor" to administer funding for the Northern Farm Training Institute. The term of the agreement is from June 10th, 2014 until March 31, 2016. CanNor shall provide a contribution not to exceed the amount of \$2,000,000. The contribution is to cover costs directly related to the program.

	Balance, Beg. of the year	Receipts & Transfers	Expenses & Transfers	Balance, End of the Year
2018 Arctic Winter Games	\$ 1,000,000	\$ 1,000,000	(1,000,000)	\$ 1,000,000
Northern Farm Training Institute	(92,406)	-	(28,594)	(121,000)
	\$ 907,594	\$ 1,000,000	\$ (1,028,594)	\$ 879,000

Note 19. Budget

The budgeted figures are those approved by Council on June 16, 2016 and are unaudited.

Note 20. Reclassification

Certain prior year's figures have been reclassified to agree with current year presentation.

Note 21. Restatement of prior period

The Town had previously recorded land transferred from other governments at the acquisition cost. The public sector accounting standards require that the land be recorded at the fair market value, or best estimate, on the date of transfer. During the current year, management determined the fair market value of the land at the transfer date. The financial statements have been adjusted retrospectively and the change resulted in an increase to capital assets and accumulated surplus of \$280,000.

TOWN OF HAY RIVER

Schedule 1

General Fund
Schedule of Operations and Surplus

For the year ended December 31, 2016

	Schedule	2016 Budget	2016 Actual	2015 Actual
Revenue				
Property taxes	4	\$ 4,732,399	\$ 5,458,543	\$ 4,975,606
Sales of services	4	783,971	573,881	382,474
Other revenue from own sources	4	729,726	1,003,256	1,915,944
Government transfers for operating	5	2,160,600	2,309,753	2,177,108
Total Revenue		8,406,696	9,345,433	9,451,132
Expenditure				
General government	6	1,911,901	1,818,625	1,361,012
Protective services	7	659,028	984,178	860,804
Transportation and public works	8	1,281,322	2,495,210	1,942,140
Environmental and public health services	9	591,150	721,138	1,393,063
Planning and development	10	262,200	244,071	128,472
Recreational and cultural	11	2,501,462	2,535,838	2,326,880
Fiscal and valuation	12	573,000	917,461	541,874
Total Expenditure		7,780,063	9,716,521	8,554,245
Excess revenues over expenditures before the undernoted		626,633	(371,088)	896,887
Other revenue (expenditure)				
Government transfers for capital	5	50,000	8,151,758	1,902,397
Gain (loss) on disposal of capital assets		-	(2,805,638)	(553,182)
		50,000	5,346,120	1,349,215
Excess (Deficiency) of revenues over expenditures		\$ 676,633	\$ 4,975,032	\$ 2,246,102

TOWN OF HAY RIVER

Schedule 2

Utility Fund
Schedule of Operations and Surplus

For the year ended December 31, 2016

	2016 Budget	2016 Actual	2015 Actual
Revenue			
Water and sewer billings	\$ 2,000,000	\$ 1,974,662	\$ 1,783,014
Government transfers for water and sewer operations	511,000	952,000	855,000
Interest on reserves	20,000	14,449	26,433
Utilities receivable penalties	3,100	26,164	72
Maintenance service	6,900	765	3,977
Other	-	-	-
	<u>2,541,000</u>	<u>2,968,040</u>	<u>2,668,496</u>
Expenditure			
Overhead charges from General Fund			
Administration	281,873	178,177	268,212
Public Works	57,759	36,510	54,960
Salaries and benefits	369,950	331,228	296,058
Transmission and distribution	708,500	509,939	564,844
Trucked water delivery service	986,000	997,532	990,623
Trucked sewage subsidy	36,000	30,830	25,000
Sewage system maintenance	39,000	93,234	-
Amortization of tangible capital assets	-	630,792	522,530
	<u>2,479,082</u>	<u>2,808,242</u>	<u>2,722,227</u>
Excess (Deficiency) of revenues over expenditures	\$ 61,918	\$ 159,798	\$ (53,731)

TOWN OF HAY RIVER

Schedule 3

Land Development Fund
Schedule of Operations and Surplus

For the year ended December 31, 2016

	2016 Budget	2016 Actual	2015 Actual
Revenue			
Land sales	\$ -	\$ 163,000	\$ 195,000
Land leases	299,423	303,548	301,091
Legal and transfer fees recovered	-	-	364
Interest and penalties	700	15,688	1,644
	300,123	482,236	498,099
Expenditures			
Cost of land sold	-	135,892	46,394
Land leases	36,060	38,398	40,740
Overhead charges from General Fund			
Administration	35,818	35,818	62,757
Professional fees	7,500	-	1,950
Search fees and sundry	2,200	1,708	1,262
Uncollectible Interest and penalties	-	-	-
	81,578	211,816	153,103
Excess (Deficiency) of revenues over expenditures	\$ 218,545	\$ 270,420	\$ 344,996

TOWN OF HAY RIVER

Schedule 4

General Fund
Schedule of Revenue

For the year ended December 31, 2016

	2016 Budget	2016 Actual	2015 Actual
Property taxes	\$ 4,591,857	\$ 4,889,069	\$ 4,809,481
Grants in Lieu of Taxes			
Federal	153,286	151,695	151,201
Territorial	570,200	1,045,061	658,911
NWT Power Corporation	51,256	41,699	41,610
Less school taxes	(652,400)	(687,356)	(685,597)
Discounts allowed on school tax	18,200	18,375	-
	\$ 4,732,399	\$ 5,458,543	\$ 4,975,606
Sales of Services			
Recreation			
- Pool	\$ 106,000	\$ 99,248	\$ 29,436
- Community center	194,971	92,871	92,483
- Curling club rental	24,000	12,236	19,480
- Ballpark rental	6,600	4,200	-
- Other	18,000	34,458	69,417
Collection fee school taxes	5,000	5,000	5,000
Dump tipping fees	16,000	16,250	13,750
Ambulance	371,000	261,779	146,009
Fire calls and inspections	6,000	6,273	(599)
Fire hall rental	5,900	5,734	189
Other	30,500	35,832	7,309
	\$ 783,971	\$ 573,881	\$ 382,474
Other Revenue from Own Sources			
Franchise fee	\$ 300,000	\$ 331,999	\$ 351,406
Licenses and permits	101,600	151,526	74,174
Curling Club - Chase the Ace donation	-	100,000	-
Fines and dog pound fees	1,500	600	575
Landfill soil reclamation project	262,626	-	1,245,935
Interest and penalties	54,000	384,386	209,607
Loss prevention	10,000	34,745	34,247
	\$ 729,726	\$ 1,003,256	\$ 1,915,944

TOWN OF HAY RIVER

Schedule 5

General Fund
Schedule of Revenue

For the year ended December 31, 2016

	2016 Budget	2016 Actual	2015 Actual
Government Transfers			
General - GNWT			
Operating and Maintenance Block Funding	\$ 2,022,000	\$ 2,088,000	\$ 2,022,000
Sport and Recreation	50,000	-	-
Ground Ambulance	50,000	23,440	55,000
Children Youth Resiliency	-	15,000	-
Regional Youth Sporting Event	29,000	29,000	-
Training fund	-	17,600	-
Tourism and marketing	-	100,000	-
Other Miscellaneous Grants	-	4,570	-
General			
Summer Employment	9,600	12,728	-
NWT Power Corporation	-	-	41,610
NWT Parks and Recreation	-	1,125	1,935
NWT Literacy Council	-	1,000	-
Hay River Metis Government Council	-	17,290	-
	2,160,600	2,309,753	2,120,545
Transfers (to) from deferred revenues			
Public transit funding	-	-	56,563
	\$ 2,160,600	\$ 2,309,753	\$ 2,177,108
Utility - GNWT			
Water and Sewer Block Funding	\$ 511,000	\$ 952,000	\$ 855,000
Capital - GNWT			
Community Public Infrastructure Funding	\$ 1,260,000	\$ 1,260,000	\$ 1,260,000
Gas Tax	1,016,000	1,305,000	1,016,000
Canada - NWT Small Communities Fund	-	3,440,464	-
	2,276,000	6,005,464	2,276,000
Interest earned on deferred contributions			
Community Public Infrastructure Funding	45,000	39,405	45,571
Gas Tax	5,000	16,186	9,965
	50,000	55,591	55,536
Transfers (to) from deferred contributions			
Community Public Infrastructure Funding	(1,260,000)	1,277,411	(628,174)
Gas Tax	(1,016,000)	813,292	199,035
	(2,276,000)	2,090,703	(429,139)
	\$ 50,000	\$ 8,151,758	\$ 1,902,397

TOWN OF HAY RIVER

Schedule 6

General Fund
Schedule of Expenditure

For the year ended December 31, 2016

	2016 Budget	2016 Actual	2015 Actual
General Government			
Mayor's indemnity	\$ 44,800	\$ 43,584	\$ 43,584
Councillors' indemnity	82,700	81,398	81,398
Boards and agencies indemnities and meeting expenses	3,400	5,570	1,671
Administration - salaries and benefits	1,037,600	894,675	519,485
Administration - other	407,550	435,593	393,644
Vehicle	-	-	-
Postage	-	3,334	4,968
Xerox	5,000	4,264	10,550
Professional services	262,000	144,606	211,057
Taxation	6,000	1,062	-
Insurance	85,000	107,647	98,876
Town hall lease	148,100	135,755	129,213
Town hall operations	14,400	81,483	35,734
Town hall building maintenance	2,956	8,954	5,726
Town hall equipment maintenance	10,300	2,230	3,306
Advertising, memberships and publications	-	-	-
Election expense	-	-	-
Conventions, delegations and public relations	1,600	5,467	9,108
	2,111,406	1,955,622	1,548,320
Other items:			
Amortization of tangible capital assets	-	62,508	57,002
Utility Fund	(174,687)	(174,687)	(193,902)
Land Development Fund	(24,818)	(24,818)	(50,408)
	\$ 1,911,901	\$ 1,818,625	\$ 1,361,012

TOWN OF HAY RIVER

Schedule 7

General Fund
Schedule of Expenditure

For the year ended December 31, 2016

	2016 Budget	2016 Actual	2015 Actual
Protective Services			
Insurance	\$ -	\$ 19,348	\$ 18,911
Bylaw enforcement	250	1,939	20,084
Bylaw vehicle maintenance	-	1,354	223
Fire protection	473,703	441,376	383,212
Fire department vehicle maintenance	29,450	25,765	35,458
Fire department building maintenance	6,800	5,897	3,761
Emergency response training center	16,045	10,241	5,870
Civil emergency	23,700	9,148	9,492
Ambulance	57,250	58,742	70,143
HRSPCA Contribution	51,830	51,390	48,000
Animal and pest control	-	24,474	15,458
	659,028	649,674	610,612
Other items:			
Amortization of tangible capital assets	-	334,504	250,192
	\$ 659,028	\$ 984,178	\$ 860,804

TOWN OF HAY RIVER

Schedule 8

General Fund
Schedule of Expenditure

For the year ended December 31, 2016

	2016 Budget	2016 Actual	2015 Actual
Transportation and Public Works			
Public works			
Administration	\$ 121,500	\$ 319,369	\$ 201,161
Vehicle maintenance	6,000	946	1,669
Equipment operations administration	-	-	-
Vehicle operations maintenance	112,100	101,544	104,894
Town garage			
Yards	80,530	89,303	86,930
Building maintenance	55,450	6,361	667
Equipment maintenance	-	-	-
Carpenter shop	52,140	56,623	41,792
Vehicle maintenance	1,150	903	257
Building maintenance	900	2,619	349
Equipment maintenance	-	-	-
Roads			
General roads	31,190	18,318	18,905
Summer roads	390,150	440,021	258,896
Roads brushing	13,720	5,007	1,768
Sidewalks	3,632	-	-
Drainage	14,160	68,191	20,781
Winter roads	211,750	281,921	297,420
Street lighting	212,600	238,478	211,846
Parking	-	-	-
Road safety	25,350	22,258	4,875
Marine world	-	-	-
	1,332,322	1,651,862	1,252,210
Other items:			
Amortization of tangible capital assets	-	894,348	831,549
Utility Fund	(40,000)	(40,000)	(129,270)
Land Development Fund	(11,000)	(11,000)	(12,349)
	\$ 1,281,322	\$ 2,495,210	\$ 1,942,140

TOWN OF HAY RIVER

Schedule 9

General Fund
Schedule of Expenditure

For the year ended December 31, 2016

	2016 Budget	2016 Actual	2015 Actual
Environmental and Public Health Services			
Sanitation operations	\$ 370,000	\$ 365,638	\$ 364,827
Landfill			
Maintenance	164,950	280,958	966,826
Amortization of tangible capital assets	-	-	6,174
Landfill accretion expense	-	12,531	12,531
Annual town clean-up	28,600	28,577	2,263
Cemetery			
Maintenance	27,600	24,556	11,727
	591,150	712,260	1,364,348
Other items:			
Amortization of tangible capital assets	-	8,878	28,715
	\$ 591,150	\$ 721,138	\$ 1,393,063

TOWN OF HAY RIVER

Schedule 10

General Fund
Schedule of Expenditure

For the year ended December 31, 2016

	2016 Budget	2016 Actual	2015 Actual
Planning and Development			
Planning and Zoning	\$ 134,540	\$ 136,888	\$ 77,981
Tourism			
Building and yard maintenance	12,500	7,575	-
Programs	72,960	77,084	41,049
Amortization of tangible capital assets	-	9,322	6,115
Economic development	42,200	13,202	3,327
	\$ 262,200	\$ 244,071	\$ 128,472

TOWN OF HAY RIVER

Schedule 11

General Fund
Schedule of Expenditure

For the year ended December 31, 2016

	2016 Budget	2016 Actual	2015 Actual
Recreational and Cultural			
Recreation administration	\$ 300,600	\$ 269,688	\$ 172,285
Insurance	45,000	45,445	62,909
Vehicle maintenance	4,005	3,980	3,164
Recreation center operations	615,817	465,399	345,928
Building maintenance	110,000	32,588	85,573
Mechanical maintenance	27,350	7,965	24,322
Swimming pool operations	653,040	657,928	485,575
Building maintenance	18,500	35,046	13,602
Mechanical maintenance	13,350	25,429	13,868
Curling club operations	103,500	75,594	108,197
Building maintenance	5,700	542	8,381
Sports fields	32,350	29,384	17,514
Parkland	93,600	125,327	133,279
Library	165,000	165,000	160,000
Community television and other services	64,500	59,500	55,000
Northern Arts and Culture Centre	5,000	10,000	-
Persons with Disabilities	5,000	10,000	-
Recreation programs	239,150	173,135	159,544
	\$ 2,501,462	\$ 2,191,950	\$ 1,849,141
Other items:			
Amortization of tangible capital assets	-	343,888	477,739
	\$ 2,501,462	\$ 2,535,838	\$ 2,326,880

TOWN OF HAY RIVER

Schedule 12

General Fund
Schedule of Expenditure

For the year ended December 31, 2016

	2016 Budget	2016 Actual	2015 Actual
Fiscal and Valuation			
Discount on taxes	\$ 155,000	\$ 127,496	\$ 120,076
Debenture interest	136,000	135,603	142,328
Bank charges	7,000	7,332	9,652
Senior/disabled tax exemptions	175,000	207,141	140,819
Provision for (recovery of) bad debts, Note 5	100,000	439,889	128,999
	\$ 573,000	\$ 917,461	\$ 541,874

TOWN OF HAY RIVER

Schedule of Reserves

Schedule 13

For the year ended December 31, 2016

	2016 Budget	2016 Actual	2015
Reserve for Mobile Equipment Replacement			
Balance, beginning of year	\$ 1,147,016	\$ 1,147,016	\$ 1,013,092
Current year appropriation			
- General Fund	-	202,145	121,529
- Utility Fund	-	9,263	12,395
Proceeds from sale of equipment			
- General Fund	-	11,471	-
- Utility Fund	-	-	-
Transfer from reserve for current year expenditure			
- General Fund	-	(438,961)	-
- Utility Fund	-	-	-
Balance, end of year	\$ 1,147,016	\$ 930,934	\$ 1,147,016
Reserve for Management Training			
Balance, beginning of year	\$ 20,610	\$ 20,610	\$ 20,153
Current year appropriation	-	399	457
Transfer from reserve for current year expenditure	-	-	-
Balance, end of year	\$ 20,610	\$ 21,009	\$ 20,610
Reserve for Recreation Infrastructure			
Balance, beginning of year	\$ 94,778	\$ 94,778	\$ 92,675
Current year appropriation	-	1,831	2,103
Less debenture repayments	-	(69,061)	-
Transfer from reserve for current year expenditure	-	-	-
Balance, end of year	\$ 94,778	\$ 27,548	\$ 94,778
Reserve for Municipal Infrastructure			
Balance, beginning of year	\$ 700,202	\$ 700,202	\$ 684,663
Current year appropriation	-	13,531	15,539
Transfer from reserve for current year expenditure	-	-	-
Balance, end of year	\$ 700,202	\$ 713,733	\$ 700,202
Reserve for Computer Systems			
Balance, beginning of year	\$ 7,659	\$ 7,659	\$ 7,489
Current year appropriation	-	148	170
Transfer from reserve for current year expenditure	-	-	-
Balance, end of year	\$ 7,659	\$ 7,807	\$ 7,659
Reserve for Landfill			
Balance, beginning of year	\$ 162,697	\$ 162,697	\$ 159,087
Current year appropriation	-	3,144	3,610
Transfer from reserve for current year expenditure	-	-	-
Balance, end of year	\$ 162,697	\$ 165,841	\$ 162,697
Reserve for Recreation Center Replacement			
Balance, beginning of year	\$ 203,292	\$ 203,292	\$ 188,689
Current year appropriation	-	108,795	14,603
Balance, end of year	\$ 203,292	\$ 312,087	\$ 203,292

TOWN OF HAY RIVER
 Schedule of Expenditures by Object

Schedule 14

For the year ended December 31, 2016

	2016 Budget	2016 Actual	2015 Actual
Amortization of tangible capital assets	\$ -	\$ 2,284,240	\$ 2,180,017
Interest on long-term debt	136,000	135,603	142,328
Bank charges and interest	5,000	7,476	9,660
Contracted and general services	1,126,095	1,211,948	876,656
Insurance	196,700	240,608	258,322
Materials and supplies	3,737,014	3,891,724	4,245,566
Mayor and council expenses	130,700	130,352	126,453
Provision for bad debts	100,000	439,889	128,999
Salaries, wages and benefits	3,340,177	3,063,749	2,147,698
Utilities - electricity	891,760	912,289	940,382
Utilities - fuel	677,277	418,701	373,494
	\$ 10,340,723	\$ 12,736,579	\$ 11,429,575

TOWN OF HAY RIVER

Schedule of Changes in Accumulated Surplus

December 31, 2016

Schedule 15

	Investment in							2015
	General	Utility	Land	Reserves	Tangible	2016	restated	
	Operating		Development		Capital			
					Assets			
Excess (Deficiency of) revenue over expenditures	\$ 4,975,032	\$ 159,798	\$ 270,420	\$ -	\$ -	\$ 5,405,250	\$ 3,090,549	
Net interfund transfers								
Amortization	1,653,448	630,794	-	-	(2,284,242)	-	-	
Disposals of tangible capital assets	3,035,623	506	-	-	(3,036,129)	-	-	
Additions to tangible capital assets	(8,193,998)	(1,714,681)	-	-	9,908,679	-	-	
Capital funding used for utility infrastructure	(1,714,681)	1,714,681	-	-	-	-	-	
Debtenture (repayment)	(140,646)	-	-	-	140,646	-	-	
Transfer for meter reading system	244,165	-	-	(244,165)	-	-	-	
Allocations to Reserves	157,295	(14,449)	-	(142,846)	-	-	-	
Changes in fund balances	16,238	776,649	270,420	(387,011)	4,728,954	5,405,250	3,090,549	
Accumulated Surplus (Deficit), beginning of year	\$ 51,623	\$ 8,579	\$ 4,433,829	\$ 3,626,649	\$ 47,428,066	\$ 55,548,746	\$ 52,458,197	
Accumulated Surplus (Deficit), end of year	\$ 67,861	\$ 785,228	\$ 4,704,249	\$ 3,239,638	\$ 52,157,020	\$ 60,953,996	\$ 55,548,746	
Reserves	2015		2016					
	Increase		Decrease					
General Operating Fund	\$ 2,336,254	\$ 350,727	\$ (508,022)	\$ 2,178,959				
Utility Operating Fund	1,290,395	14,449	(244,165)	1,060,679				
	\$ 3,626,649	\$ 365,176	\$ (752,187)	\$ 3,239,638				

TOWN OF HAY RIVER
 Schedule of Tangible Capital Assets
 December 31, 2016

Schedule 16

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	\$ 10,440,851	\$ 2,980,915	\$ -	\$ 13,421,666	\$ 5,035,970	\$ 5,404,881	\$ -	\$ 715,484	\$ 5,751,454	\$ 7,670,212
Recreation facilities	966,066	184,756	-	1,150,822	358,920	607,146	-	46,600	405,520	745,302
Marine facilities	1,145,000	-	-	1,145,000	115,461	73,962	-	7,577	123,038	66,385
Landfill treatment facility	171,778	-	-	171,778	40,093	131,695	-	6,174	46,257	125,521
Drainage	2,634,539	-	-	2,634,539	1,069,798	1,564,741	-	102,580	1,172,378	1,462,161
Traffic lights	109,098	-	-	109,098	55,473	53,625	-	39,368	59,109	49,989
	14,511,755	3,165,571	-	17,677,326	6,675,705	7,836,050	-	882,051	7,557,756	10,119,570
Buildings										
Administration	852,200	-	-	852,200	579,496	272,704	-	17,044	596,540	256,660
New Fire Hall	6,310,881	50,914	-	6,361,795	252,436	6,056,445	-	127,236	379,672	5,982,123
Fire halls	1,145,000	-	-	1,145,000	549,302	595,698	-	24,078	573,380	571,620
Generator building	116,400	-	-	116,400	46,560	69,840	-	2,910	49,470	66,930
Emergency response training center	240,400	-	-	240,400	84,140	156,260	-	6,010	90,150	150,250
Fire training centers	325,100	-	325,100	-	153,660	171,440	153,660	-	-	-
Tourist information	186,600	112,223	-	298,823	101,295	85,305	-	8,652	109,947	188,876
Arena complex	5,946,193	-	5,946,193	-	3,309,950	2,636,243	3,309,950	-	174,850	6,017,300
Aquatic facility	7,766,880	-	-	7,766,880	1,554,730	6,212,150	-	22,970	416,936	501,864
Golf clubhouse	918,800	-	-	918,800	393,666	524,834	-	14,705	220,575	367,625
Ski chalet	589,200	-	-	589,200	205,870	374,117	-	24,054	619,659	350,063
Public works garages	969,722	-	-	969,722	595,605	374,117	-	3,959	69,600	52,631
Carpentry	175,432	-	-	175,432	118,842	56,590	-	-	69,600	100,342
Land fill	69,600	-	-	69,600	69,600	-	-	-	69,600	-
Storage	157,847	-	-	157,847	51,039	106,808	-	6,466	57,505	121,316
Staff house	170,000	-	-	170,000	43,831	126,169	-	4,853	48,684	82,617
Dog pound	157,400	-	-	157,400	70,848	86,552	-	3,935	74,783	60,302
Ball parks	124,372	-	20,800	103,572	56,261	68,111	16,044	3,063	43,270	33,643
Other	91,614	-	-	91,614	55,016	36,598	-	2,955	57,971	14,903,162
	26,312,641	163,137	6,292,093	20,183,685	8,292,447	18,020,194	3,479,654	467,730	5,280,523	569,940
Machinery and Equipment										
Vehicles	3,354,918	439,961	355,373	3,439,506	3,042,883	312,035	354,297	179,980	2,868,566	9,239
Heavy equipment	97,948	-	-	97,948	85,629	12,319	-	3,080	86,709	60,890
Office furniture and equipment	862,869	4,937	503	867,303	694,210	78,659	503	22,706	626,413	278,818
Operating Equipment	1,480,911	19,422	231,482	1,267,851	1,196,002	324,909	228,393	61,424	989,033	6,464
Computer Equipment	271,794	7,783	7,667	271,910	264,899	6,895	7,668	8,215	265,446	31,365
IT Infrastructure	572,786	-	-	572,786	513,159	59,627	-	28,262	541,421	537,958
	6,461,226	470,103	595,025	6,336,304	5,666,782	794,444	590,861	303,667	5,379,588	956,716
Work in progress	1,574,139	4,395,187	-	5,969,326	-	1,574,139	-	-	-	5,969,326
Land	545,844	-	73,379	472,465	-	545,844	-	-	-	472,465
Land in development	1,904,157	-	145,641	1,758,516	-	1,904,157	-	-	-	1,758,516
	2,450,001	-	219,020	2,230,981	-	2,450,001	-	-	-	2,230,981
Art Work	56,034	-	-	56,034	-	56,034	-	-	-	56,034
Tangible Capital Assets - General Fund	\$ 51,365,796	\$ 8,193,998	\$ 7,106,138	\$ 52,453,656	\$ 20,634,934	\$ 30,730,862	\$ 4,070,515	\$ 1,653,448	\$ 18,217,867	\$ 34,235,789
Utility Fund										
Water and Sewer System	\$ 14,934,837	\$ 3,186,710	\$ -	\$ 18,121,547	\$ 4,036,117	\$ 10,698,720	\$ -	\$ 384,699	\$ 4,420,816	\$ 13,700,731
Buildings	7,763,377	-	-	7,763,377	2,019,195	5,744,182	-	194,469	2,213,664	5,949,713
Land	1,000	-	-	1,000	302,297	36,433	49,262	9,262	262,297	26,665
Vehicles	338,730	-	49,768	288,962	302,297	1,051	12,500	526	10,716	525
Heavy Equipment	33,741	-	22,500	11,241	32,690	1,241	22,500	526	10,716	351,893
Furniture & Equipment	1,568,642	372,062	125,932	1,864,772	1,536,973	21,669	125,932	41,838	1,462,879	966,518
Work in progress	2,810,609	(1,844,091)	-	966,518	-	2,810,609	-	-	-	20,597,045
	\$ 27,440,936	\$ 1,714,681	\$ 199,200	\$ 28,957,417	\$ 7,927,272	\$ 19,513,664	\$ 197,694	\$ 630,794	\$ 8,360,372	\$ 20,597,045
Tangible Capital Assets - Utility Fund	\$ 78,606,732	\$ 9,908,679	\$ 7,304,338	\$ 81,411,073	\$ 28,562,206	\$ 50,244,526	\$ 4,268,209	\$ 2,284,242	\$ 26,578,239	\$ 54,832,834

TOWN OF HAY RIVER
 Gas Tax Agreement
 Statement of Revenue, Expenditure and Deferred Contribution

For the year ended December 31, 2016

	2012 Actual	2013 Actual	2014 Actual	2015 Actual	2016 Actual	Cumulative April 21/06 to Dec 31/16
Funding						
Deferred contribution balance, opening	\$ 1,101,651	\$ 2,043,517	\$ 1,554,508	\$ 1,380,007	\$ 1,180,972	\$ 1,101,651
Annual Gas Tax allocation	1,015,622	1,015,622	1,015,622	1,016,000	1,305,000	5,367,866
Interest earned	16,934	26,948	35,876	9,965	16,186	105,909
	<u>2,134,207</u>	<u>3,086,087</u>	<u>2,606,006</u>	<u>2,405,972</u>	<u>2,502,158</u>	<u>6,575,426</u>
Funds Spent						
McBryan Drive Waterline	-	-	-	1,200,000	1,200,000	2,400,000
McRorie Rd Water/Sewer Replacement	-	-	-	-	280,000	280,000
McRorie N. Store water main upgrade	-	-	-	-	483,734	483,734
Vale Island Drainage	-	-	-	-	49,304	49,304
Water treatment plant upgrades	-	9,800	-	-	121,440	131,240
Ecoliner	-	279,418	-	-	-	279,418
Water/Sewer replacement Wright Crescent	76,433	-	-	-	-	76,433
Upgrade Lift Station #1	9,792	887,070	695,264	-	-	1,592,126
Upgrade Lift Station #2	4,465	355,291	530,735	25,000	-	915,491
	<u>90,690</u>	<u>1,531,579</u>	<u>1,225,999</u>	<u>1,225,000</u>	<u>2,134,478</u>	<u>6,207,746</u>
Deferred contribution balance, closing	\$ 2,043,517	\$ 1,554,508	\$ 1,380,007	\$ 1,180,972	\$ 367,680	\$ 367,680

TOWN OF HAY RIVER

Schedule 18

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

For the year ended December 31, 2016

	2012 Actual	2013 Actual	2014 Actual	2015 Actual	2016 Actual	Cumulative April 1/07 to December 31/16
Funding						
Deferred contribution balance, opening	\$ 5,730,534	\$ 5,945,231	\$ 4,069,751	\$ 4,598,993	\$ 5,227,167	\$ 5,730,534
Annual CPI allocation	1,260,000	1,260,000	1,260,000	1,260,000	1,260,000	6,300,000
Interest earned	78,686	88,605	58,330	45,571	39,405	310,597
	7,069,220	7,293,836	5,388,081	5,904,564	6,526,572	12,341,131
Funds Spent						
Debtenture payment	-	276,249	276,248	101,889	207,186	861,572
Pine Point Ball Park	6,420	50,000	50,000	25,000	40,336	171,756
Renovations to town hall	-	-	-	26,453	23,000	49,453
Road/Sidewalk Rehab Program	-	-	-	-	5,500	5,500
Firehall / Town Hall Demolition	-	-	-	-	1,570	1,570
IT annual evergreening	-	-	-	-	6,898	6,898
Firehall AC	-	-	-	-	27,914	27,914
McBryan Waterline Phase II	-	-	-	-	1,629,218	1,629,218
McRorie Rd Water/Sewer Replacement	-	-	-	-	635,194	635,194
Portable radios	-	-	-	3,133	-	3,133
Visitor Information Centre upgrade	-	-	-	62,000	-	62,000
Paving project	-	-	-	400,000	-	400,000
Crank up tower	-	-	-	36,750	-	36,750
Vehicle	-	-	-	2,608	-	2,608
Zamboni	-	-	43,888	-	-	43,888
Skate and BMX Park	-	-	145,720	-	-	145,720
Hearse	-	-	19,500	-	-	19,500
Fire Hall	395,455	2,440,129	25,820	-	-	2,861,404
Porrilt Landing Boat Launch	-	-	32,692	-	-	32,692
Vale Island Drainage	49,700	33,665	-	-	-	83,365
Ambulance	-	159,417	-	-	-	159,417
Engineering surveys	-	7,264	-	-	-	7,264
5-ton box truck	-	46,473	-	-	-	46,473
Repeater system	-	9,545	-	-	-	9,545
Riding Mowers	-	52,892	-	-	-	52,892
Sound system	-	15,684	-	-	-	15,684
Line Laser	-	8,299	-	-	-	8,299
Landfill improvements	9,115	59,135	-	-	-	68,250
Computer hardware & software	197,870	-	13,044	-	-	210,914
Storage garage	6,454	-	-	-	-	6,454
Parking lot curbs	2,092	-	-	-	-	2,092
Park Signage	2,111	-	-	-	-	2,111
Downtown Banners	3,466	-	-	-	-	3,466
Fisherman's Wharf improvements	14,732	-	-	-	-	14,732
Visitor Information Centre improvements	20,013	-	-	-	-	20,013
Water treatment plant upgrades	9,100	-	-	-	-	9,100
Drainage master plan	20,682	-	-	-	-	20,682
Dump Truck	134,717	-	-	-	-	134,717
Trans Canada Trail	22,680	-	69,035	8,637	-	100,352
Recreation center repairs & maintenance	92,361	12,122	113,141	-	-	217,624
Fire department equipment	19,587	17,390	-	10,927	-	47,904
Various furniture and equipment	-	35,821	-	-	-	35,821
Drainage improvements	25,459	-	-	-	-	25,459
Downtown accessibility & beautification	26,686	-	-	-	-	26,686
Tri-Service Park development	19,888	-	-	-	-	19,888
Upgrade golf course road	45,401	-	-	-	-	45,401
	1,123,989	3,224,085	789,088	677,397	2,576,816	8,391,375
Deferred contribution balance, closing	\$ 5,945,231	\$ 4,069,751	\$ 4,598,993	\$ 5,227,167	\$ 3,949,756	\$ 3,949,756

TOWN OF HAY RIVER

Schedule 19

Small Communities Fund
Statement of Revenue and Expenditure

For the year ended December 31, 2016

	2016	Cumulative
Revenue		
Small Communities Fund Funding	\$ 3,319,717	\$ 3,319,717
Eligible expenditures		
Recreation Centre		
Contract evaluation	8,533	8,533
Schematic & design development	45,375	45,375
Proposal assistance	34,659	34,659
Construction contract	3,231,150	3,231,150
	3,319,717	3,319,717
Surplus / deficit	\$ -	\$ -

TOWN OF HAY RIVER

Schedule 20

Schedule of Salaries, Honoraria, and Travel

For the year ended December 31, 2016

	Salaries	Honoraria	Travel
Mayor			
Brad Mapes	\$ 43,584	\$ -	\$ 4,728
Deputy Mayor			
Donna Lee Jungkind	12,336	-	-
Councillors			
Mike Maher	9,866	-	-
Rodger Candow	9,866	-	-
Jason Coakwell	9,866	-	-
Keith Dohey	9,866	-	-
Kandis Jameson	9,866	-	-
Vince McKay	9,866	-	-
Steven Anderson	9,866	-	-
	\$ 124,982	\$ -	\$ 4,728