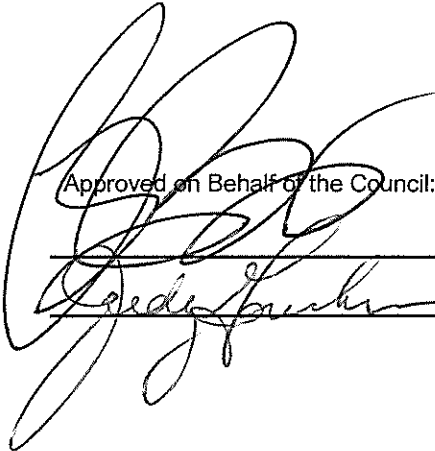


Financial Statements of

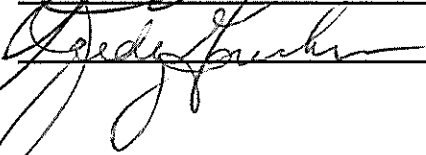
**TOWN OF HAY RIVER**

December 31, 2017

Approved on Behalf of the Council:



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Mayor  
Senior Administrative Officer

# TOWN OF HAY RIVER

## Financial Statements

Year Ended December 31, 2017

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## Town of Hay River

# Management Discussion & Analysis (MD & A) for the year ended December 31, 2017

## 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, 2017.

## The Year in Review

In 2017 the Town of Hay River continued to rebuild capacity in both Operations and Finance. The collective agreement was successfully negotiated for another 3 years to December 31, 2019. The Senior Administrative Officer and the Director of Recreation and Community Services positions were staffed.

The Town of Hay River partnered with the Town of Fort Smith to Host the 2018 Arctic Winter Games. In 2017, efforts were put toward finalizing the tri-party hosting agreement, budgeting, fundraising and planning for the games and supporting the Host Society to prepare for this world-class international event.

Highlights of the 2017 capital program include the continuation of the new recreation centre. Completion date was originally December 2017 however the project continued into 2018. This new facility is a two-level structure that houses a regulation size arena with six dressing rooms, curling rink and lounge, community hall, Doug Weideman hall, multi-purpose room, concession and walking track. The new facility offers sporting and convention spaces and will be a cornerstone for healthy lifestyles and community economic development.

As part of the Tourism Plan, the Town initiated the Porritt Landing revitalization project and winterized the Visitor Centre to make it a year-round facility. These two projects along with the downtown beautification project are aimed at increasing the appeal of Hay River to the tourist industry. A new website was developed and launched with a modernized Town logo and updated social media presence.

Other capital highlights include work completed on the McRorie water and sewer replacement and paving and the water main replacement at Balsam Drive to Birch Road. Work began on the Wright Crescent water and sewer upgrades and the downtown sewer relining was completed.

Projects aimed at improving efficiency include the automatic meter reading system which involved the changeout of the water meters for both residential and commercial customers. This project reached substantial completion in 2017 with 95% of the new meters installed.

Toward the end of 2017, the Town began work on the review of the General Plan By-law, and the Zoning and Planning by-law. This work needed to be undertaken before the Town can move ahead with planning development of areas within the Town for residential, commercial and industrial land use.



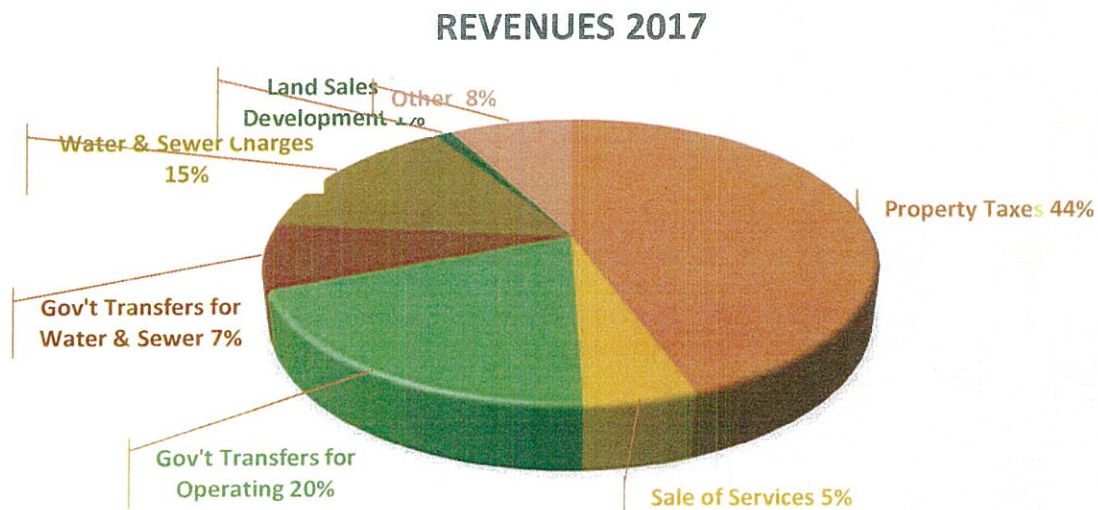
## Results from Operations

In the 2017 fiscal year, the community recorded an operating deficit of \$285,752. Including the net government transfers for capital the overall surplus at the end of 2017 is \$7,149,662.

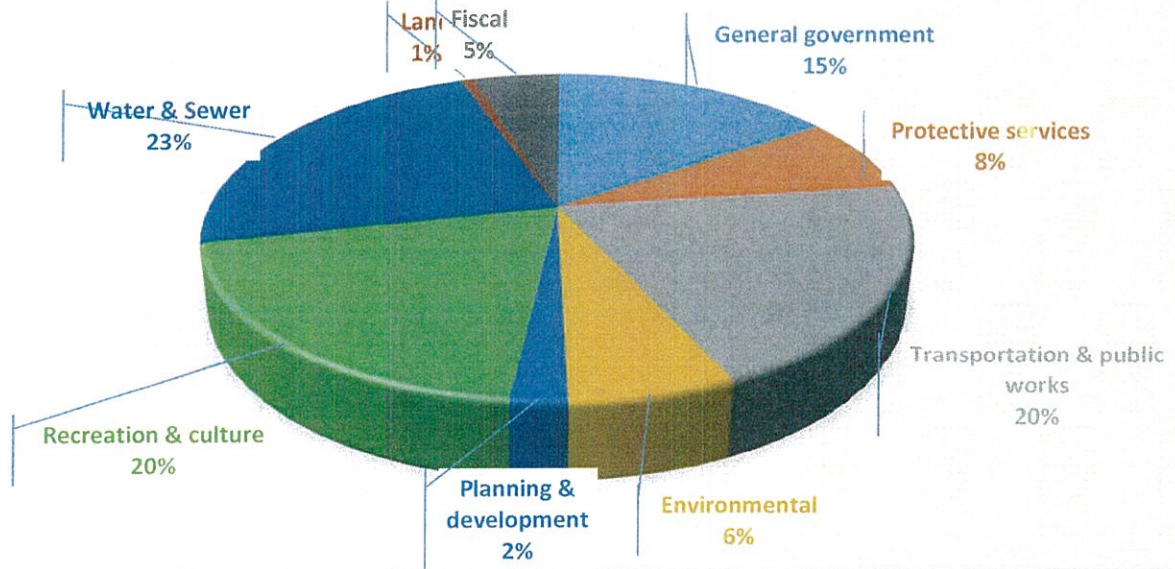
Revenues, excluding capital transfers increased over 2016 by \$502,524 due to increases in the government transfers for operations & maintenance and water and sewer; sale of services. Revenues from land development decreased in the year as sales of land were lower than 2016.

Expenses increased from 2016 due to the negotiated salary increase across the organization. Other increases were due to a change in how the Town accounted for asphalt patching, emergency main repairs and ravine brushing costs. Decreases from 2016 values were in the function of fiscal and valuation resulting from lower provision for bad debts attributed to the collections efforts of the Town and the land development fund due to reduced sales and related costs.

The breakdown of revenues and expenses are as follows:



## EXPENSES 2017



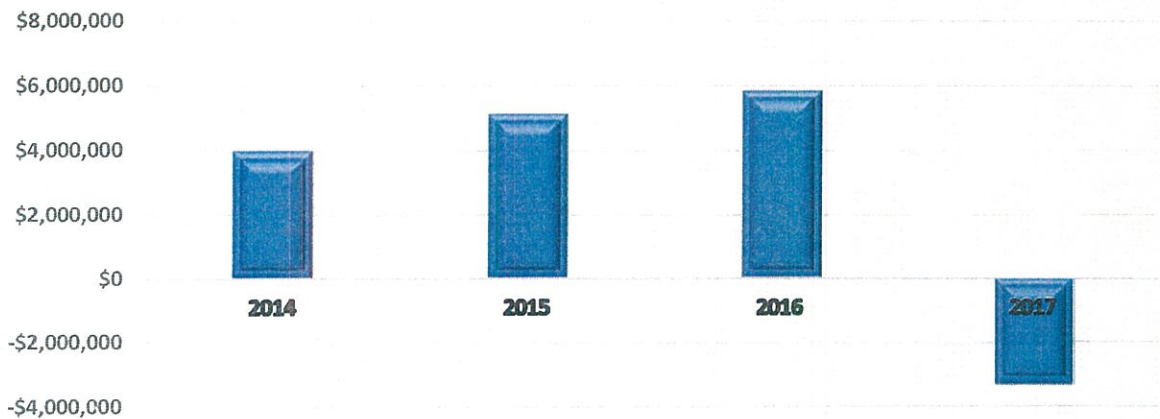
### Financial Position

Over the past year the community has utilized some of the capital funding held in reserve and deferred contributions for completion of capital projects and has collected outstanding capital receivables from 2016 thereby reducing its financial assets. This in combination of increase long term debt and other liabilities is reflected in the net debt position for 2017.

The Town reached agreement on terms for the recreation centre debt and replacing the 4.93% aquatic centre debt with a lower interest rate. By-law 2345 authorized financing for these facilities bearing interest at 2.6%.

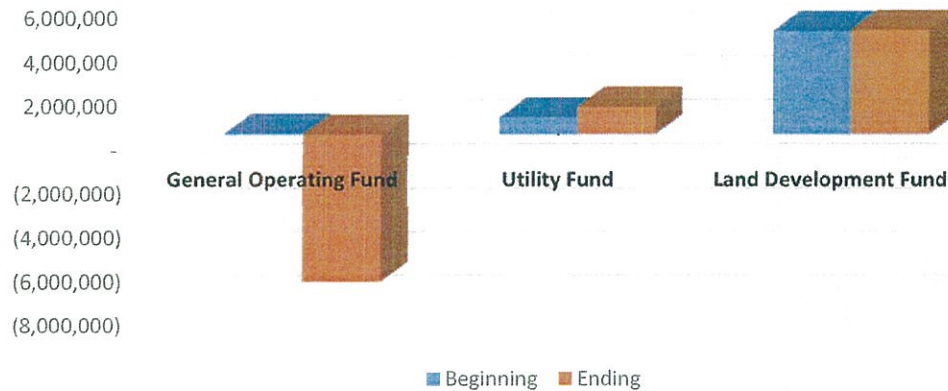
The four year trend for net financial assets (debt) is as follows:

### Net Financial Assets (Debt)





## Change in Accumulated Surplus (Deficit)



In 2017 the financial position of the Town improved in the Utility Fund areas, the Land Development Fund saw no significant change and the General Operating Fund is reflecting the growth the Town is experiencing with a net debt position.

### 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:

- Complete work on the general plan and zoning bylaw
- Land development initiatives to meet the growing housing needs within the community
- Completion of the recreation complex and the Porritt Landing revitalization
- Update the procurement policy
- Continuous improvement in financial reporting
- Continuous improvement in human resource management
- Increase use of the website and social media to improve customer messaging and attract visitors to the community
- 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, 2018



## 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, 2017, 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, 2017, 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, 2018



**TOWN OF HAY RIVER**

Statement I

Consolidated Statement of Financial Position

December 31, 2017

	2017	2016
<b>Financial Assets</b>		
Cash, Note 2	\$ 6,934,466	\$ 11,835,741
Receivables		
Municipal taxes receivable, Note 3	1,807,694	1,285,914
Accounts receivable, Note 4	3,151,652	7,124,094
Land inventory for resale	404,755	404,087
<b>Total Financial Assets</b>	<b>12,298,567</b>	<b>20,649,836</b>
<b>Liabilities</b>		
Accounts payable and accrued liabilities, Note 6	5,576,931	5,453,987
School taxes payable, Note 7	1,382,523	969,482
Deferred contributions, Note 8	1,159,003	4,317,436
Deposits held	198,207	152,516
Landfill closure liability, Note 9	1,390,090	1,222,720
Long-term debt, Note 10	5,934,000	2,675,814
<b>Total Liabilities</b>	<b>15,640,754</b>	<b>14,791,955</b>
<b>Net Financial Assets (Debt)</b>	<b>\$ (3,342,187)</b>	<b>\$ 5,857,881</b>
<b>Non-Financial Assets</b>		
Prepaid expenditure	\$ 46,439	\$ 127,386
Inventory held for use	98,788	135,895
Tangible capital assets, Note 11		
General fund	49,612,594	34,235,789
Utility fund	21,688,024	20,597,045
<b>Total Non-Financial Assets</b>	<b>\$ 71,445,845</b>	<b>\$ 55,096,115</b>
<b>Accumulated Surplus, Note 12</b>	<b>\$ 68,103,658</b>	<b>\$ 60,953,996</b>

*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, 2017

	Schedule	Budget (unaudited)	2017	2016
<b>Revenue</b>				
Property taxes	4	\$ 5,742,678	\$ 5,911,841	\$ 5,458,543
Sales of services	4	536,000	664,145	573,881
Other revenue from own sources	4	647,800	1,034,956	1,003,256
Government transfers for operating	5	2,151,200	2,612,442	2,309,753
Government transfers for water and sewer	2	855,000	992,000	952,000
Water and sewer revenues	2	2,031,900	1,937,356	2,016,040
Land sales, lease and development	3	300,260	145,493	482,236
<b>Total Revenue</b>		<b>12,264,838</b>	<b>13,298,233</b>	<b>12,795,709</b>
<b>Expenses</b>				
General government	6	2,118,918	2,098,953	1,818,625
Protective services	7	806,013	1,019,738	984,178
Transportation and public works	8	1,553,992	2,737,504	2,495,210
Environmental and public health services	9	445,870	877,571	692,561
Planning and development	10	288,813	298,624	244,071
Recreational and cultural	11	2,336,554	2,697,025	2,564,415
Fiscal and valuation	12	483,719	634,695	917,461
Water and sewer expenses	2	2,334,900	3,125,430	2,808,242
Land development	3	300,260	94,445	211,816
<b>Total Expenditures</b>		<b>10,669,039</b>	<b>13,583,985</b>	<b>12,736,579</b>
<b>Annual surplus (deficit), before the undemoted</b>		<b>1,595,799</b>	<b>(285,752)</b>	<b>59,130</b>
<b>Other revenue (expenditure)</b>				
Amortization of tangible capital assets - general fund		(793,799)	-	-
Amortization of tangible capital assets - utility fund		(552,000)	-	-
Transfer to reserves		(250,000)	-	-
Net government transfers for capital	5	-	8,141,963	8,151,758
Gain (loss) on disposal of capital assets		-	(706,549)	(2,805,638)
		<b>(1,595,799)</b>	<b>7,435,414</b>	<b>5,346,120</b>
<b>Annual Surplus (Deficit)</b>		<b>\$ -</b>	<b>\$ 7,149,662</b>	<b>\$ 5,405,250</b>
Accumulated surplus, beginning of year		60,953,996	60,953,996	55,548,746
Accumulated surplus, end of year		<b>\$ 60,953,996</b>	<b>\$ 68,103,658</b>	<b>\$ 60,953,996</b>

# TOWN OF HAY RIVER

Consolidated Statement of Changes in Net Financial Assets (Debt)

Statement III

For the year ended December 31, 2017

	Budget (unaudited)	2017	2016
Annual Surplus (Deficit)	\$ -	\$ 7,149,662	\$ 5,405,250
Amortization expense	1,345,799	2,339,680	2,284,242
Acquisition of tangible capital assets	-	(19,514,013)	(9,908,679)
(Gain) loss on disposal of capital assets	-	706,549	3,024,658
Proceeds on disposal of tangible capital assets	-	-	11,471
Change in prepaid expenses	-	80,947	(92,458)
Change in inventory held for use	-	37,107	(22,793)
Increase (decrease) in net financial assets	1,345,799	(9,200,068)	701,691
Net financial assets (debt), beginning of year	5,857,881	5,857,881	5,156,190
Net financial assets (debt), end of year	\$ 7,203,680	\$ (3,342,187)	\$ 5,857,881



**TOWN OF HAY RIVER**

Statement IV

## Consolidated Statement of Cash Flows

For the year ended December 31, 2017

	2017	2016
<b>Operating Activities</b>		
Annual Surplus (Deficit)	\$ 7,149,662	\$ 5,405,250
Non-cash charges to operations:		
Amortization expense	2,339,680	2,284,242
(Gain) loss on disposal of capital assets	706,549	3,024,658
Provision for landfill closure	167,370	12,531
	<u>10,363,261</u>	<u>10,726,681</u>
Change in non-cash working capital balances:		
Municipal taxes receivable	(521,780)	647,184
Accounts receivable	3,972,442	(2,987,121)
Land inventory for resale	(668)	(106,665)
Accounts payable and accrued liabilities	122,944	4,370,361
School taxes payable	413,041	246,145
Deferred contributions	(3,158,433)	(2,090,703)
Deposits held	45,691	2,073
Prepaid expenses	80,947	(92,458)
Inventory held for use	37,107	(22,793)
	<u>11,354,552</u>	<u>10,692,704</u>
<b>Financing Activities</b>		
Principal repayment of long-term debt	(2,675,814)	(140,646)
Proceeds of long-term debt	5,934,000	-
	<u>3,258,186</u>	<u>(140,646)</u>
<b>Capital Activities</b>		
Purchase of tangible capital assets	(19,514,013)	(9,908,679)
Proceeds on disposal of tangible capital assets	-	11,471
	<u>(19,514,013)</u>	<u>(9,897,208)</u>
Increase (decrease) in cash during the year	(4,901,275)	654,850
Bank accounts, opening	11,835,741	11,180,891
Bank accounts, closing	\$ 6,934,466	\$ 11,835,741

# TOWN OF HAY RIVER

## Notes to the Financial Statements

December 31, 2017

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### 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, 2017

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## 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, 2017

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## 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, 2017

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### 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, 2017

## Note 2. Cash

	2017	2016
<i>Unrestricted</i>		
Operating account	\$ 1,428,586	\$ 1,352,804
<i>Internally restricted</i>		
General fund reserve account	1,757,931	2,172,615
Utility fund reserve account	1,070,711	993,886
<i>Externally restricted</i>		
Gas tax account	2,329,157	1,530,488
Community Public Infrastructure account	348,081	5,785,948
	<b>\$ 6,934,466</b>	<b>\$ 11,835,741</b>

## Note 3. Municipal Taxes Receivable

	2017	2016
Current taxes and grant in lieu receivable	\$ 700,944	\$ 1,225,524
Arrears taxes	1,313,302	576,872
	<b>2,014,246</b>	<b>1,802,396</b>
Allowance for doubtful collection	<b>(206,552)</b>	<b>(516,482)</b>
	<b>\$ 1,807,694</b>	<b>\$ 1,285,914</b>

## Note 4. Accounts Receivable

	Balance	Allowance	2017	2016
General accounts receivable	\$ 730,611	\$ 136,266	\$ 594,345	\$ 357,489
Utility system receivable	304,030	18,368	285,662	357,830
Ambulance receivable	395,983	268,270	127,713	36,791
Lease fees receivable	444,057	339,456	104,601	482,760
Gas tax	-	-	-	652,500
Community Public Infrastructure	-	-	-	1,260,000
CanNor - Community Infrastructure	300,000	-	300,000	-
Canada Waste Water Funding	1,092,863	-	1,092,863	-
Community Access Funding	148,658	-	148,658	-
Hay River Beach Road Funding	100,000	-	100,000	-
Small Communities Fund	-	-	-	3,431,930
Ground Ambulance funding	-	-	-	23,440
Goods and services tax refundable	397,810	-	397,810	521,354
	<b>\$ 3,914,012</b>	<b>\$ 762,360</b>	<b>\$ 3,151,652</b>	<b>\$ 7,124,094</b>



# TOWN OF HAY RIVER

## Notes to the Financial Statements

December 31, 2017

### 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:

	2017		2016
General Operating Fund:			
Property taxes	\$ 7,467	\$	415,066
Ambulance	16,845		16,503
General sundry	27,014		8,320
Utility system	16,872		-
Lease fees	13,548		-
	\$ 81,746	\$	439,889

### Note 6. Accounts Payable and Accrued Liabilities

	2017		2016
Trade accounts payable	\$ 5,392,847	\$	5,272,202
Payroll taxes payable	45,255		39,894
Due to GNWT (payroll tax)	9,298		1,536
Accrued vacation pay and banked time	129,531		140,355
	\$ 5,576,931	\$	5,453,987

### Note 7. School Tax Payable

	2017		2016
Balance consists of:			
2017 levy	\$ 707,814	\$	-
2016 levy	514,485		687,409
2015 levy	128,234		239,332
2014 and prior levy	31,990		42,741
	\$ 1,382,523	\$	969,482

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, 2017

### Note 8. Deferred Contributions

	2017	2016
Gas Tax Funding, Schedule 17	\$ 556,372	\$ 367,680
Community Public Infrastructure Funding, Schedule 18	519,199	3,949,756
Community Tourism Infrastructure - Porritt Landing	20,200	-
CanNor - Canada 150 Community Infrastructure Program	63,232	-
	<b>\$ 1,159,003</b>	<b>\$ 4,317,436</b>

### 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 5.56% 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 4.85% remains.

	2017	2016
Estimated closure costs	\$ 595,287	\$ 518,030
Estimated post-closure costs	865,620	780,149
Estimated total liability	1,460,907	1,298,179
Estimated capacity used	95.2%	94.2%
Accrued liability	\$ 1,390,090	\$ 1,222,720

### Note 10. Long-Term Debt

Description	Principal Balance 2017	Principal Balance 2016
<i>Facility #1</i>		
RBC bankers acceptance loan advance hedged with an interest rate swap, authorized by By-law 2345 to finance the payout of the RBC debenture for the Aquatic Facility, bearing interest at 2.6%.	2,546,000	-
<i>Facility #2</i>		
RBC Bankers Acceptance loan advance hedged with an interest rate swap, authorized by By-law 2345 to finance the new recreation centre, bearing interest at 2.6%.	3,388,000	-
<i>Debenture</i>		
RBC debenture bearing interest at 4.93% per annum, repayable in monthly blended payments of \$ 22,317. The loan was repaid in the year.	-	2,675,814
	<b>\$ 5,934,000</b>	<b>\$ 2,675,814</b>

# TOWN OF HAY RIVER

Notes to the Financial Statements

December 31, 2017

## Note 10. Long-Term Debt (continued)

The aggregate borrowing under facility 1 plus the aggregate borrowings outstanding under facility 2 must not exceed \$15,000,000. The loans for both facilities are advanced on a progressive draw basis based upon the value of work in place and the cost to complete the recreation centre.

Borrowings will be repayable by consecutive monthly blended principal payments based on an amortization period of 25 years. The facility will be repayable in full on the last day of a 1,5 or 10 year term, as selected by the Town.

## Note 11. Tangible Capital Assets

	Cost	Accumulated Amortization	Net Book Value	
			2017	2016
<b>General Fund:</b>				
Linear Structures	\$ 18,646,558	\$ 8,382,373	\$ 10,264,185	\$ 10,119,570
Buildings	20,265,967	5,749,512	14,516,455	14,903,162
Machinery and Equipment	6,628,304	5,655,518	972,786	956,716
Work in progress	21,487,458	-	21,487,458	5,969,326
Land held for town use	2,300,676	-	2,300,676	2,230,981
Art Work	71,034	-	71,034	56,034
	\$ 69,399,997	\$ 19,787,403	\$ 49,612,594	\$ 34,235,789
<b>Utility Fund:</b>				
Water and Sewer System	\$ 20,352,335	\$ 4,487,557	\$ 15,864,778	\$ 13,700,731
Buildings	7,763,377	2,408,135	5,355,242	5,549,713
Land	1,000	-	1,000	1,000
Vehicles	288,962	269,337	19,625	26,665
Heavy Equipment	11,241	11,241	-	525
Furniture & Equipment	1,842,899	1,500,793	342,106	351,893
Work in progress	105,273	-	105,273	966,518
	\$ 30,365,087	\$ 8,677,063	\$ 21,688,024	\$ 20,597,045
<b>Total</b>	<b>\$ 99,765,084</b>	<b>\$ 28,464,466</b>	<b>\$ 71,300,618</b>	<b>\$ 54,832,834</b>



# TOWN OF HAY RIVER

Notes to the Financial Statements

December 31, 2017

**Note 12. Accumulated Surplus**

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

	2017	2016
Accumulated Surplus per Statement of Financial Position	\$ 68,103,658	\$ 60,953,996
<b>Invested in Tangible Capital Assets</b>		
General Fund	43,678,595	32,643,357
Utility Fund	21,688,026	19,513,663
	<b>65,366,621</b>	<b>52,157,020</b>
<b>Internally restricted reserves</b>		
Reserve for Mobile Equipment Replacement	1,012,765	930,934
Reserve for Management Training	21,182	21,009
Reserve for Recreation Infrastructure	46,738	27,548
Reserve for Municipal Infrastructure	281,371	713,733
Reserve for Computer Systems	13,245	7,807
Reserve for Landfill	866,262	165,841
Reserve for Recreation Center Replacement	160,013	312,087
Reserve for Utility Infrastructure	1,025,335	1,060,679
	<b>3,426,911</b>	<b>3,239,638</b>
<b>Unappropriated surplus (deficit)</b>		
General fund	(6,710,353)	67,861
Utility fund	1,265,182	785,228
Land development fund	4,755,297	4,704,249
	<b>(689,874)</b>	<b>5,557,338</b>
	<b>\$ 68,103,658</b>	<b>\$ 60,953,996</b>

# TOWN OF HAY RIVER

Notes to the Financial Statements

December 31, 2017

## 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)
<b>Reserves</b>				
Mobile Equipment	\$ 1,012,765	\$		
Management Training	21,182			
Recreation Infrastructure	46,738			
Municipal Infrastructure	281,371			
Computer System	13,245			
Landfill	866,262			
Recreation Center Replacement	160,013			
	2,401,576	1,757,931	-	(643,645)
Utility Infrastructure	1,025,335	1,070,711	-	45,376
	\$ 3,426,911	\$ 2,828,642	\$ -	\$ (598,269)
<b>Deferred Contributions, Note 8</b>				
Gas Tax Funding	556,372	2,329,157	-	1,772,785
Community Public Infrastructure	519,199	348,081	-	(171,118)
	1,075,571	2,677,238	-	1,601,667
	\$ 4,502,482	\$ 5,505,880	\$ -	\$ 1,003,398

## 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:

2018	\$ 1,400,480
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, 2017

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### 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.

### 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 2017 were \$81,546 (2016 - \$93,442), 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 managements 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, 2017

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## 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	\$ 1,500,000	(1,000,000)	\$ 1,500,000
Northern Farm Training Institute	(121,000)	121,000	-	-
	\$ 879,000	\$ 1,621,000	\$ (1,000,000)	\$ 1,500,000

## Note 19. Budget

The budgeted figures are those approved by Council on May 29, 2017 and are unaudited.

## Note 20. Reclassification

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

# TOWN OF HAY RIVER

Schedule 1

General Fund  
Schedule of Operations and Surplus

For the year ended December 31, 2017

	Schedule	2017 Budget	2017 Actual	2016 Actual
<b>Revenue</b>				
Property taxes	4	\$ 5,742,678	\$ 5,911,841	\$ 5,458,543
Sales of services	4	536,000	664,145	573,881
Other revenue from own sources	4	647,800	1,034,956	1,003,256
Government transfers for operating	5	2,151,200	2,612,442	2,309,753
<b>Total Revenue</b>		<b>9,077,678</b>	<b>10,223,384</b>	<b>9,345,433</b>
<b>Expenditure</b>				
General government	6	2,118,918	2,098,953	1,818,625
Protective services	7	806,013	1,019,738	984,178
Transportation and public works	8	1,553,992	2,737,504	2,495,210
Environmental and public health services	9	445,870	877,571	692,561
Planning and development	10	288,813	298,624	244,071
Recreational and cultural	11	2,336,554	2,697,025	2,564,415
Fiscal and valuation	12	483,719	634,695	917,461
<b>Total Expenditure</b>		<b>8,033,879</b>	<b>10,364,110</b>	<b>9,716,521</b>
<b>Excess revenues over expenditures before the undernoted</b>		<b>1,043,799</b>	<b>(140,726)</b>	<b>(371,088)</b>
<b>Other revenue (expenditure)</b>				
Government transfers for capital	5	-	8,141,963	8,151,758
Gain (loss) on disposal of capital assets		-	(706,549)	(2,805,638)
		-	7,435,414	5,346,120
<b>Excess (Deficiency) of revenues over expenditures</b>		<b>\$ 1,043,799</b>	<b>\$ 7,294,688</b>	<b>\$ 4,975,032</b>



**TOWN OF HAY RIVER**

Schedule 2

Utility Fund

Schedule of Operations and Surplus

For the year ended December 31, 2017

	2017 Budget	2017 Actual	2016 Actual
<b>Revenue</b>			
Water and sewer billings	\$ 2,000,000	\$ 1,886,845	\$ 1,974,662
Government transfers for water and sewer operations	855,000	992,000	952,000
Interest on reserves	20,000	10,032	14,449
Utilities receivable penalties	5,000	37,157	26,164
Maintenance service	6,900	3,322	765
Other	-	-	-
	<b>2,886,900</b>	<b>2,929,356</b>	<b>2,968,040</b>
<b>Expenditure</b>			
Administration	313,900	248,973	194,896
Vehicle maintenance	223,030	226,919	220,297
Purification & treatment	60,500	54,021	50,919
Transmission and distribution	1,348,000	1,393,909	1,274,953
Building maintenance	38,800	14,328	32,098
Mechanical maintenance	34,570	81,258	32,615
Distribution maintenance	238,750	390,872	244,292
Hydrant maintenance	6,350	1,150	3,316
Sewage system maintenance	71,000	27,940	124,064
	<b>2,334,900</b>	<b>2,439,370</b>	<b>2,177,450</b>
Surplus (deficit), before the undernoted	552,000	489,986	790,590
<b>Other items:</b>			
Amortization of tangible capital assets	-	686,060	630,792
<b>Excess (Deficiency) of revenues over expenditures</b>	<b>\$ 552,000</b>	<b>\$ (196,074)</b>	<b>\$ 159,798</b>

**TOWN OF HAY RIVER**Land Development Fund  
Schedule of Operations and Surplus

Schedule 3

For the year ended December 31, 2017

	2017 Budget	2017 Actual	2016 Actual
<b>Revenue</b>			
Land sales	\$ -	\$ 65,000	\$ 163,000
Land leases	299,160	72,652	303,548
Legal and transfer fees recovered	500	853	-
Interest and penalties	600	6,988	15,688
	<u>300,260</u>	<u>145,493</u>	<u>482,236</u>
<b>Expenditures</b>			
Administration	228,200	17,489	1,708
Overhead charge to General Fund	36,000	35,818	35,818
Land leases	36,060	36,980	38,398
Cost of land sold		4,158	135,892
	<u>300,260</u>	<u>94,445</u>	<u>211,816</u>
<b>Excess (Deficiency) of revenues over expenditures</b>	\$ -	\$ 51,048	\$ 270,420

# TOWN OF HAY RIVER

Schedule 4

General Fund  
Schedule of Revenue

For the year ended December 31, 2017

	2017 Budget	2017 Actual	2016 Actual
Property taxes	\$ 5,138,931	\$ 4,642,360	\$ 4,889,069
Local improvement charge	-	228,453	-
Grants in Lieu of Taxes			
Federal	151,216	156,946	151,695
Territorial	1,045,061	1,497,769	1,045,061
NWT Power Corporation	41,670	43,190	41,699
Less school taxes	(652,400)	(656,877)	(687,356)
Discounts allowed on school tax	18,200	-	18,375
	<b>\$ 5,742,678</b>	<b>\$ 5,911,841</b>	<b>\$ 5,458,543</b>
<b>Sales of Services</b>			
Recreation			
- Pool	\$ 96,700	\$ 76,660	\$ 99,248
- Community center	10,000	8,279	92,871
- Curling club rental	-	-	12,236
- Ballpark rental	5,000	15,211	4,200
- Other	14,000	2,709	34,458
Collection fee school taxes	5,000	5,000	5,000
Dump tipping fees	15,000	16,575	16,250
Landfill other revenue	18,200	23,769	-
Ambulance	331,050	396,912	261,779
Fire calls and inspections	6,000	4,697	6,273
Fire hall rental	5,900	10,130	5,734
Other	29,150	104,203	35,832
	<b>\$ 536,000</b>	<b>\$ 664,145</b>	<b>\$ 573,881</b>
<b>Other Revenue from Own Sources</b>			
Franchise fee	\$ 331,000	\$ 315,799	\$ 331,999
Licenses and permits	110,100	106,645	151,526
Donations to recreation complex	-	144,417	-
Aurora Ford - recreation centre donation	-	100,000	-
Curling Club - Chase the Ace donation	-	-	100,000
Fines and dog pound fees	700	180	600
Interest and penalties	175,000	268,681	384,386
Loss prevention	31,000	99,234	34,745
	<b>\$ 647,800</b>	<b>\$ 1,034,956</b>	<b>\$ 1,003,256</b>

# TOWN OF HAY RIVER

Schedule 5

General Fund  
Schedule of Revenue

For the year ended December 31, 2017

	2017 Budget	2017 Actual	2016 Actual
<b>Government Transfers</b>			
<b>General - GNWT</b>			
Operating and Maintenance Block Funding	\$ 2,022,000	\$ 2,124,000	\$ 2,088,000
Sport and Recreation	29,000	29,000	29,000
Ground Ambulance	-	-	23,440
Children Youth Resiliency	15,000	12,857	15,000
Training fund	17,600	-	17,600
Tourism and marketing	50,000	50,000	100,000
Community Economic Development	-	25,000	-
ITI Seed - Hay River information centre	9,600	24,442	-
Fire Smart	-	36,804	-
NWT workers training program	-	120,994	-
Community Access Funding	-	148,658	-
Other Miscellaneous Grants	-	19,330	5,570
<b>General</b>			
Summer Employment	-	1,542	12,728
Canadian Heritage - Canada 150	8,000	6,000	-
Trans Canada Trail	-	2,500	-
NWT Parks and Recreation	-	1,175	1,125
Hay River Metis Government Council	-	10,140	17,290
	2,151,200	2,612,442	2,309,753
<b>Transfers (to) from deferred revenues</b>			
	\$ 2,151,200	\$ 2,612,442	\$ 2,309,753
<b>Utility - GNWT</b>			
Water and Sewer Block Funding	\$ 855,000	\$ 992,000	\$ 952,000
<b>Capital funding</b>			
Community Public Infrastructure Funding	\$ 1,260,000	\$ 1,260,000	\$ 1,260,000
Gas Tax	1,305,000	1,305,000	1,305,000
Canada - NWT Small Communities Fund	-	782,536	3,440,464
Clean water and Waste Water Fund	-	1,092,863	-
CanNor - Canada 150 Comm. Infrastructure Program	-	300,000	-
Tourism infrastructure funding (Porritt Landing)	-	101,000	-
Hay River Beach Road	-	100,000	-
	2,565,000	4,941,399	6,005,464
<b>Interest earned on deferred contributions</b>			
Community Public Infrastructure Funding	5,000	33,174	39,405
Gas Tax	5,000	8,957	16,186
	10,000	42,131	55,591
<b>Transfers (to) from deferred contributions</b>			
Community Public Infrastructure Funding	(1,260,000)	3,430,557	1,277,411
Gas Tax	(1,305,000)	(188,692)	813,292
Tourism infrastructure funding (Porritt Landing)	-	(20,200)	-
CanNor - Canada 150 Comm. Infrastructure Program	-	(63,232)	-
	(2,565,000)	3,158,433	2,090,703
	\$ 10,000	\$ 8,141,963	\$ 8,151,758

# TOWN OF HAY RIVER

General Fund  
Schedule of Expenditure

Schedule 6

For the year ended December 31, 2017

	2017 Budget	2017 Actual	2016 Actual
<b>General Government</b>			
Mayor's indemnity	\$ 43,584	\$ 43,584	\$ 43,584
Councillors' indemnity	82,700	72,354	81,398
Boards and agencies indemnities and meeting expenses	5,055	2,670	5,570
Administration - salaries and benefits	1,216,448	1,080,962	894,675
Administration - other	430,100	465,556	383,405
Vehicle	-	-	-
Postage	3,000	3,283	3,334
Xerox	5,000	4,582	4,264
Professional services	235,000	281,207	144,606
Taxation	3,600	14,879	1,062
Insurance	85,000	90,519	107,647
Town hall lease	132,000	148,096	135,755
Town hall operations	18,450	15,248	81,483
Town hall building maintenance	7,586	3,655	8,954
Town hall equipment maintenance	1,500	197	2,230
Advertising, memberships and publications	29,400	15,784	52,188
Election expense	-	-	-
Conventions, delegations and public relations	20,000	8,238	5,467
	2,318,423	2,250,814	1,955,622
<b>Other items:</b>			
Amortization of tangible capital assets	-	47,644	62,508
Utility Fund	(174,687)	(174,687)	(174,687)
Land Development Fund	(24,818)	(24,818)	(24,818)
	\$ 2,118,918	\$ 2,098,953	\$ 1,818,625



**TOWN OF HAY RIVER**

Schedule 7

General Fund  
Schedule of Expenditure

For the year ended December 31, 2017

	2017 Budget	2017 Actual	2016 Actual
Protective Services			
Insurance	\$ 18,900	\$ 17,641	\$ 19,348
Bylaw enforcement	105,590	185	1,939
Bylaw vehicle maintenance	1,500	212	1,354
Fire protection	483,700	542,900	441,376
Fire department vehicle maintenance	34,450	17,790	25,765
Fire department building maintenance	6,800	6,208	5,897
Emergency response training center	13,045	982	10,241
Civil emergency	23,700	8,461	9,148
Ambulance	53,700	55,732	58,742
HRSPCA Contribution	42,840	44,203	51,390
Animal and pest control	21,788	26,411	24,474
	806,013	720,725	649,674
Other items:			
Amortization of tangible capital assets	-	299,013	334,504
	\$ 806,013	\$ 1,019,738	\$ 984,178

# TOWN OF HAY RIVER

Schedule 8

General Fund  
Schedule of Expenditure

For the year ended December 31, 2017

	2017 Budget	2017 Actual	2016 Actual
Transportation and Public Works			
Public works			
Administration	\$ 316,557	\$ 309,748	\$ 319,369
Vehicle maintenance	1,400	2,638	946
Equipment operations administration	-	-	-
Vehicle operations maintenance	105,653	107,209	101,544
Town garage			
Yards	108,409	124,362	89,303
Building maintenance	35,937	6,537	6,361
Equipment maintenance	-	-	-
Carpenter shop	64,750	58,142	56,623
Vehicle maintenance	580	1,357	903
Building maintenance	1,000	930	2,619
Equipment maintenance	-	-	-
Roads			
General roads	1,500	24,170	18,318
Summer roads	355,591	609,007	440,021
Roads brushing	14,850	105,527	5,007
Sidewalks	7,619	259	-
Drainage	64,707	29,695	68,191
Winter roads	274,740	276,734	281,921
Street lighting	227,191	235,080	238,478
Parking	-	-	-
Road safety	24,508	34,039	22,258
	1,604,992	1,925,434	1,651,862
Other items:			
Amortization of tangible capital assets	-	863,070	894,348
Utility Fund	(40,000)	(40,000)	(40,000)
Land Development Fund	(11,000)	(11,000)	(11,000)
	\$ 1,553,992	\$ 2,737,504	\$ 2,495,210

**TOWN OF HAY RIVER**

Schedule 9

General Fund  
Schedule of Expenditure

For the year ended December 31, 2017

	2017 Budget	2017 Actual	2016 Actual
Environmental and Public Health Services			
Sanitation operations	\$ 370,000	\$ 365,345	\$ 365,638
Landfill			
Maintenance	57,690	229,625	280,958
Landfill accretion expense	-	167,370	12,531
Cemetery maintenance	18,180	10,849	24,556
	445,870	773,189	683,683
Other items:			
Amortization of tangible capital assets	6,200	104,382	8,878
	\$ 452,070	\$ 877,571	\$ 692,561

**TOWN OF HAY RIVER**

Schedule 10

General Fund  
Schedule of Expenditure

For the year ended December 31, 2017

	2017 Budget	2017 Actual	2016 Actual
Planning and Development			
Planning and Zoning	\$ 155,043	\$ 189,897	\$ 136,888
Tourism			
Building and yard maintenance	3,690	3,996	7,575
Programs	78,080	81,215	77,084
Amortization of tangible capital assets	52,000	1,836	9,322
Economic development	-	21,680	13,202
	\$ 288,813	\$ 298,624	\$ 244,071

# TOWN OF HAY RIVER

Schedule 11

General Fund  
Schedule of Expenditure

For the year ended December 31, 2017

	2017 Budget	2017 Actual	2016 Actual
Recreational and Cultural			
Recreation administration	\$ 303,208	\$ 359,841	\$ 269,688
Insurance	47,680	18,942	45,445
Vehicle maintenance	6,237	8,364	3,980
Recreation center operations	233,720	210,541	465,399
Building maintenance	-	18,370	32,588
Mechanical maintenance	-	178,187	7,965
Swimming pool operations	813,336	693,637	657,928
Building maintenance	54,016	97,647	35,046
Mechanical maintenance	17,851	13,943	25,429
Curling club operations	75,595	300	75,594
Building maintenance	-	-	542
Sports fields	28,772	55,431	29,384
Annual town clean-up	29,100	33,552	28,577
Parkland	162,361	189,980	125,327
Library	170,000	165,000	165,000
Community television and other services	59,700	59,700	59,500
Northern Arts and Culture Centre	5,000	5,000	10,000
Beautification committee	7,000	7,000	7,200
Other economic community development initiatives	15,000	15,000	10,000
Recreation programs	307,978	228,916	165,935
	\$ 2,336,554	\$ 2,359,351	\$ 2,220,527
Other items:			
Amortization of tangible capital assets	-	337,674	343,888
	\$ 2,336,554	\$ 2,697,025	\$ 2,564,415

# TOWN OF HAY RIVER

Schedule 12

General Fund  
Schedule of Expenditure

For the year ended December 31, 2017

	2017 Budget	2017 Actual	2016 Actual
Fiscal and Valuation			
Discount on taxes	\$ 120,438	\$ 125,855	\$ 127,496
Debenture interest	132,200	124,059	135,603
Bank charges	5,650	77,626	7,332
Senior/disabled tax exemptions	175,000	225,409	207,141
Provision for (recovery of) bad debts, Note 5	50,431	81,746	439,889
	\$ 483,719	\$ 634,695	\$ 917,461

# TOWN OF HAY RIVER

## Schedule of Reserves

Schedule 13

For the year ended December 31, 2017

	2017 Budget	2017 Actual	2016 Actual
<b>Reserve for Mobile Equipment Replacement</b>			
Balance, beginning of year	\$ 930,934	\$ 930,934	\$ 1,147,016
Current year appropriation			
- General Fund	-	149,662	202,145
- Utility Fund	-	8,000	9,263
Proceeds from sale of equipment			
- General Fund	-	5,000	11,471
- Utility Fund	-	-	-
Transfer from reserve for current year expenditure			
- General Fund	-	(80,831)	(438,961)
- Utility Fund	-	-	-
Balance, end of year	\$ 930,934	\$ 1,012,765	\$ 930,934
<b>Reserve for Management Training</b>			
Balance, beginning of year	\$ 21,009	\$ 21,009	\$ 20,610
Current year appropriation	-	173	399
Transfer from reserve for current year expenditure	-	-	-
Balance, end of year	\$ 21,009	\$ 21,182	\$ 21,009
<b>Reserve for Recreation Infrastructure</b>			
Balance, beginning of year	\$ 27,548	\$ 27,548	\$ 94,778
Current year appropriation	-	19,190	1,831
Less debenture repayments	-	-	(69,061)
Transfer from reserve for current year expenditure	-	-	-
Balance, end of year	\$ 27,548	\$ 46,738	\$ 27,548
<b>Reserve for Municipal Infrastructure</b>			
Balance, beginning of year	\$ 713,733	\$ 713,733	\$ 700,202
Current year appropriation	-	567,638	13,531
Transfer from reserve for current year expenditure	-	(1,000,000)	-
Balance, end of year	\$ 713,733	\$ 281,371	\$ 713,733
<b>Reserve for Computer Systems</b>			
Balance, beginning of year	\$ 7,807	\$ 7,807	\$ 7,659
Current year appropriation	-	5,438	148
Transfer from reserve for current year expenditure	-	-	-
Balance, end of year	\$ 7,807	\$ 13,245	\$ 7,807
<b>Reserve for Landfill</b>			
Balance, beginning of year	\$ 165,841	\$ 165,841	\$ 162,697
Current year appropriation	-	700,421	3,144
Transfer from reserve for current year expenditure	-	-	-
Balance, end of year	\$ 165,841	\$ 866,262	\$ 165,841
<b>Reserve for Recreation Center Replacement</b>			
Balance, beginning of year	\$ 312,087	\$ 312,087	\$ 203,292
Current year appropriation	-	1,332,926	108,795
Transfer from reserve for current year expenditure	-	(1,485,000)	-
Balance, end of year	\$ 312,087	\$ 160,013	\$ 312,087



**TOWN OF HAY RIVER**

Schedule 14

## Schedule of Expenditures by Object

For the year ended December 31, 2017

	2017 Budget	2017 Actual	2016 Actual
Amortization of tangible capital assets	\$ -	\$ 2,339,679	\$ 2,284,240
Interest on long-term debt	124,059	124,059	135,603
Bank charges and interest	3,600	77,462	7,476
Contracted and general services	1,851,646	1,765,468	1,211,948
Insurance	277,280	194,714	240,608
Materials and supplies	3,117,943	4,129,680	3,891,724
Mayor and council expenses	130,328	118,409	130,352
Provision for bad debts	50,431	81,746	439,889
Salaries, wages and benefits	3,665,673	3,604,937	3,063,749
Utilities - electricity	850,960	720,674	912,289
Utilities - fuel	597,119	427,157	418,701
	\$ 10,669,039	\$ 13,583,985	\$ 12,736,579

**TOWN OF HAY RIVER**

Schedule of Changes in Accumulated Surplus

December 31, 2017

Schedule 15

	General Operating	Utility	Land Development	Reserves	Investment in Tangible Capital Assets	2017	2016
Excess (Deficiency of) revenue over expenditures	\$ 7,294,688	\$ (196,074)	\$ 51,048	\$ -	\$ -	\$ 7,149,662	\$ 5,405,250
Net interfund transfers							
Amortization	1,653,620	686,060	-	-	(2,339,680)	-	-
Disposals of tangible capital assets	162,122	706,011	-	-	(868,133)	-	-
Additions to tangible capital assets	(17,192,547)	(2,483,050)	-	-	19,675,597	-	-
Capital funding used for utility infrastructure	(1,777,039)	1,777,039	-	-	-	-	-
Debtenture (repayment)	3,258,183	-	-	-	(3,258,183)	-	-
Allocations to Reserves	(177,241)	(10,032)	-	187,273	-	-	-
Changes in fund balances	(6,778,214)	479,954	51,048	187,273	13,209,601	7,149,662	5,405,250
Accumulated Surplus (Deficit), beginning of year	\$ 67,861	\$ 785,228	\$ 4,704,249	\$ 3,239,638	\$ 52,157,020	\$ 60,953,996	\$ 55,548,746
Accumulated Surplus (Deficit), end of year	\$ (6,710,353)	\$ 1,265,182	\$ 4,755,297	\$ 3,426,911	\$ 65,366,621	\$ 68,103,658	\$ 60,953,996

Reserves	2016		2017	
	Increase	Decrease	Increase	Decrease
General Operating Fund	\$ 2,178,959	\$ 2,788,448	\$ 3,401,576	\$ (1,565,831)
Utility Infrastructure reserve	1,060,679	10,032	1,025,335	(45,376)
	\$ 3,239,638	\$ 2,798,480	\$ 4,426,911	\$ (1,611,207)

**TOWN OF HAY RIVER**  
 Schedule of Tangible Capital Assets  
 December 31, 2017

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
<b>Linear Structures</b>										
Roads, sidewalks, parking lots	\$ 13,421,666	\$ 1,080,269	\$ 196,366	\$ 14,305,569	\$ 5,751,454	\$ 7,670,212	\$ 84,084	\$ 738,521	\$ 6,405,891	\$ 7,869,678
Recreation facilities	1,150,822	-	-	1,150,822	405,520	745,302	-	46,800	452,120	698,702
Marine facilities	189,423	-	-	189,423	123,038	66,385	-	7,577	130,615	58,808
Land Bio treatment facility	171,776	12,137	-	183,913	46,257	125,621	-	6,659	52,916	130,999
Drainage	2,634,539	73,192	-	2,707,731	1,172,378	1,462,161	-	105,708	1,276,086	1,429,645
Traffic lights	109,098	-	-	109,098	59,109	49,989	-	3,636	62,745	46,353
	<b>17,677,326</b>	<b>1,165,508</b>	<b>196,366</b>	<b>18,846,558</b>	<b>7,557,756</b>	<b>10,119,570</b>	<b>84,084</b>	<b>908,701</b>	<b>8,382,373</b>	<b>10,264,185</b>
<b>Buildings</b>										
Administration	852,200	-	-	852,200	596,540	255,660	-	17,044	613,584	238,616
New Fire Hall	6,361,795	30,000	-	6,391,795	379,672	5,982,123	-	127,966	507,638	5,884,137
Fire halls	1,145,000	-	-	1,145,000	573,380	571,620	-	24,078	597,458	547,542
Generator building	116,400	-	-	116,400	48,470	66,930	-	2,910	52,380	64,020
Emergency response training center	240,400	-	-	240,400	90,150	150,250	-	6,010	96,160	144,240
Tourist information	295,823	18,415	-	317,238	109,947	188,876	-	9,389	119,336	197,902
Aquatic facility	7,766,880	-	-	7,766,880	1,749,580	6,017,300	-	194,849	1,944,429	5,822,451
Golf clubhouse	918,800	-	-	918,800	416,936	501,864	-	22,970	439,908	478,894
Ski chalet	585,200	-	-	585,200	220,575	367,625	-	14,705	235,280	352,920
Public works garages	969,722	-	-	969,722	619,659	350,063	-	11,769	631,428	338,294
Carpentry	175,432	-	-	175,432	122,801	52,631	-	3,959	126,760	48,672
Land fill	69,600	-	-	69,600	69,600	-	-	-	69,600	-
Storage	157,847	-	-	157,847	57,505	100,342	-	12,760	70,265	87,582
Staff house	170,000	28,638	-	198,638	48,684	121,316	-	5,948	54,632	144,006
Dog pound	157,400	-	-	157,400	74,783	82,617	-	3,935	78,718	78,682
Ball parks	103,572	-	-	103,572	43,270	60,302	-	7,723	30,993	52,579
Other	91,614	5,229	-	96,843	57,971	33,943	-	2,954	60,925	35,918
	<b>20,183,685</b>	<b>82,282</b>	<b>-</b>	<b>20,265,967</b>	<b>5,280,523</b>	<b>14,903,162</b>	<b>-</b>	<b>468,989</b>	<b>5,749,512</b>	<b>14,516,455</b>
<b>Machinery and Equipment</b>										
Vehicles	3,436,506	36,899	-	3,473,405	2,866,566	599,940	-	145,840	3,014,206	461,189
Heavy equipment	97,948	-	-	97,948	86,709	9,239	-	3,081	91,790	6,158
Office furniture and equipment	687,303	8,828	-	696,131	626,413	60,890	-	24,210	650,623	45,008
Operating equipment	1,267,851	233,353	-	1,501,204	969,033	278,818	-	81,255	1,070,288	430,916
Computer equipment	271,910	12,920	-	284,830	265,446	6,464	-	8,174	273,620	11,210
IT Infrastructure	572,786	-	-	572,786	541,421	31,365	-	13,570	554,991	17,795
	<b>6,336,304</b>	<b>292,000</b>	<b>-</b>	<b>6,628,304</b>	<b>5,379,588</b>	<b>956,716</b>	<b>-</b>	<b>275,930</b>	<b>5,655,518</b>	<b>972,786</b>
<b>Work in progress</b>	<b>5,969,326</b>	<b>17,128,303</b>	<b>1,610,171</b>	<b>21,487,458</b>	<b>-</b>	<b>5,969,326</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>21,487,458</b>
<b>Land</b>	<b>472,465</b>	<b>-</b>	<b>49,840</b>	<b>422,625</b>	<b>-</b>	<b>472,465</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>422,625</b>
<b>Land in development</b>	<b>1,758,516</b>	<b>119,535</b>	<b>-</b>	<b>1,878,051</b>	<b>-</b>	<b>1,758,516</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,878,051</b>
	<b>2,230,981</b>	<b>119,535</b>	<b>49,840</b>	<b>2,300,876</b>	<b>-</b>	<b>2,230,981</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,300,876</b>
<b>Art Work</b>	<b>56,034</b>	<b>15,000</b>	<b>-</b>	<b>71,034</b>	<b>-</b>	<b>56,034</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>71,034</b>
<b>Tangible Capital Assets - General Fund</b>	<b>\$ 52,453,656</b>	<b>\$ 18,802,748</b>	<b>\$ 1,856,377</b>	<b>\$ 69,399,997</b>	<b>\$ 18,217,867</b>	<b>\$ 34,235,789</b>	<b>\$ 84,084</b>	<b>\$ 1,653,820</b>	<b>\$ 19,787,403</b>	<b>\$ 49,612,594</b>
<b>Utility Fund</b>										
Water and Sewer System	\$ 18,121,547	\$ 3,306,168	\$ 1,075,380	\$ 20,352,335	\$ 4,420,816	\$ 13,700,731	\$ 369,369	\$ 436,110	\$ 4,487,557	\$ 15,864,778
Buildings	7,763,377	-	-	7,763,377	2,215,664	5,549,713	-	194,471	2,408,135	5,355,242
Land	1,000	-	-	1,000	-	1,000	-	-	-	1,000
Vehicles	288,982	-	-	288,982	262,297	26,665	-	7,040	269,337	19,625
Heavy Equipment	11,241	-	-	11,241	10,716	525	-	525	11,241	-
Furniture & Equipment	1,804,772	38,127	-	1,842,899	1,452,879	351,893	-	47,914	1,500,793	342,106
Work in progress	966,518	-	861,245	1,052,273	-	966,518	-	-	-	105,273
	<b>\$ 28,957,417</b>	<b>\$ 3,344,295</b>	<b>\$ 1,936,625</b>	<b>\$ 30,365,087</b>	<b>\$ 8,360,372</b>	<b>\$ 20,597,045</b>	<b>\$ 369,369</b>	<b>\$ 686,050</b>	<b>\$ 8,677,063</b>	<b>\$ 21,688,024</b>
<b>Total Tangible Capital Assets</b>	<b>\$ 81,411,073</b>	<b>\$ 22,147,013</b>	<b>\$ 3,793,002</b>	<b>\$ 99,765,084</b>	<b>\$ 26,578,239</b>	<b>\$ 54,832,834</b>	<b>\$ 453,453</b>	<b>\$ 2,339,680</b>	<b>\$ 28,464,466</b>	<b>\$ 71,300,618</b>

**TOWN OF HAY RIVER**

Gas Tax Agreement  
Statement of Revenue, Expenditure and Deferred Contribution

Schedule 17

For the year ended December 31, 2017

	2013 Actual	2014 Actual	2015 Actual	2016 Actual	2017 Actual	Cumulative to Dec 31/17
<b>Funding</b>						
Deferred contribution balance, opening	\$ 2,043,517	\$ 1,554,508	\$ 1,380,007	\$ 1,180,972	\$ 367,680	\$ 2,043,517
Annual Gas Tax allocation	1,015,622	1,015,622	1,016,000	1,305,000	1,305,000	5,657,244
Interest earned	26,948	35,876	9,955	16,186	8,957	97,932
	<u>3,086,087</u>	<u>2,606,006</u>	<u>2,405,972</u>	<u>2,502,158</u>	<u>1,681,637</u>	<u>7,798,693</u>
<b>Funds Spent</b>						
McRorie Rd Water/Sewer Replacement	-	-	-	280,000	581,083	861,083
Ravine brushing	-	-	-	-	16,748	16,748
Industrial area drainage improvements	-	-	-	-	5,066	5,066
Waterline 553 to Service Road	-	-	-	-	138,547	138,547
2017 Asphalt Patching Program	-	-	-	-	340,628	340,628
Vale Island Drainage works	-	-	-	-	43,193	43,193
McBryan Drive Waterline	-	-	1,200,000	-	-	2,400,000
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
Ecolliner	279,418	-	-	-	-	279,418
Upgrade Lift Station #1	887,070	695,264	-	-	-	1,582,334
Upgrade Lift Station #2	355,291	530,735	25,000	-	-	911,026
	<u>1,531,579</u>	<u>1,225,999</u>	<u>1,225,000</u>	<u>2,134,478</u>	<u>1,125,265</u>	<u>7,242,321</u>
Deferred contribution balance, closing	\$ 1,554,508	\$ 1,380,007	\$ 1,180,972	\$ 367,680	\$ 556,372	\$ 556,372

**TOWN OF HAY RIVER**

Schedule 18

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

For the year ended December 31, 2017

	2013 Actual	2014 Actual	2015 Actual	2016 Actual	2017 Actual	Cumulative to December 31/17
<b>Funding</b>						
Deferred contribution balance, opening	\$ 5,945,231	\$ 4,069,751	\$ 4,598,993	\$ 5,227,167	\$ 3,949,756	\$ 5,945,231
Annual CPI allocation	1,260,000	1,260,000	1,260,000	1,260,000	1,260,000	6,300,000
Interest earned	88,605	58,330	45,571	39,405	33,174	265,085
	<u>7,293,836</u>	<u>5,388,081</u>	<u>5,904,564</u>	<u>6,526,572</u>	<u>5,242,930</u>	<u>12,510,316</u>
<b>Funds Spent</b>						
Recreation Centre	-	-	-	-	3,410,946	3,410,946
SCBA Upgrades	-	-	-	-	164,301	164,301
Downtown Sewer Relining	-	-	-	-	317,000	317,000
Downtown Beautification	-	-	-	-	120,000	120,000
Generator Replacement - WTPlant	-	-	-	-	105,274	105,274
Waterline 553 to Service Road	-	-	-	-	100,000	100,000
Sidewalk Rehabilitation	-	-	-	-	86,463	86,463
Emergency Main Repairs	-	-	-	-	44,709	44,709
Wildfire Protection Plan	-	-	-	-	25,183	25,183
Town House Renovations	-	-	-	-	7,721	7,721
Water Treatment Plant Upgrades	-	-	-	-	1,020	1,020
Debtenture payment	276,249	276,248	101,889	207,186	-	861,572
Pine Point Ball Park	50,000	50,000	25,000	40,336	-	165,336
Renovations to town hall	-	-	26,453	23,000	-	49,453
Road/Sidewalk Rehab Program	-	-	-	5,500	-	5,500
Firehall / Town Hall Demolition	-	-	-	1,570	4,844	6,414
IT annual evergreening	-	-	-	6,898	76,591	83,489
Firehall AC	-	-	-	27,914	-	27,914
McBryan Waterline Phase II	-	-	-	1,629,218	-	1,629,218
McRorie Rd Water/Sewer Replacement	-	-	-	635,194	203,691	838,885
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	2,440,129	25,820	-	-	-	2,465,949
Porrirt Landing Boat Launch	-	32,692	-	-	55,988	88,680
Vale Island Drainage	33,665	-	-	-	-	33,665
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	59,135	-	-	-	-	59,135
Computer hardware & software	-	13,044	-	-	-	13,044
Trans Canada Trail	-	69,035	8,637	-	-	77,672
Recreation center repairs & maintenance	12,122	113,141	-	-	-	125,263
Fire department equipment	17,390	-	10,927	-	-	28,317
Various furniture and equipment	35,821	-	-	-	-	35,821
	<u>3,224,085</u>	<u>789,088</u>	<u>677,397</u>	<u>2,576,816</u>	<u>4,723,731</u>	<u>11,991,117</u>
Deferred contribution balance, closing	\$ 4,069,751	\$ 4,598,993	\$ 5,227,167	\$ 3,949,756	\$ 519,199	\$ 519,199

**TOWN OF HAY RIVER**

Schedule 19

Small Communities Fund  
Statement of Revenue and Expenditure

For the year ended December 31, 2017

	2016	2017	Cumulative
<b>Revenue</b>			
Small Communities Fund Funding	\$ 3,440,464	\$ 782,536	\$ 4,223,000
<b>Eligible expenditures</b>			
Recreation Centre			
Contract evaluation	8,533	-	8,533
Schematic & design development	45,375	-	45,375
Proposal assistance	34,659	-	34,659
Construction contract	3,351,897	782,536	4,134,433
	3,440,464	782,536	4,223,000
Surplus / deficit	\$ -	\$ -	\$ -

**TOWN OF HAY RIVER**

Schedule 20

Clean Water and Wastewater Fund  
Statement of Revenue and Expenditure

For the year ended December 31, 2017

	2017	Cumulative
<b>Revenue</b>		
Clean Water and Wastewater Funding	\$ 1,092,863	\$ 1,092,863
<b>Eligible expenditures</b>		
Engineering design	29,353	29,353
Equipment rental	7,653	7,653
Construction and field services	1,055,857	1,055,857
	1,092,863	1,092,863
Surplus / deficit	\$ -	\$ -



**TOWN OF HAY RIVER**

Schedule 21

Schedule of Salaries, Honoraria, and Travel

For the year ended December 31, 2017

	Salaries	Honoraria	Travel
Mayor			
Brad Mapes	\$ 43,584	\$ -	-
Deputy Mayor			
Donna Lee Jungkind	12,336	-	2,469
Councillors			
Rodger Candow	9,866	-	-
Jason Coakwell	9,866	-	-
Keith Dohey	8,966	-	-
Kandis Jameson	9,866	-	-
Vince McKay	9,866	-	-
Steven Anderson	9,866	-	-
	\$ 114,216	\$ -	2,469