

Financial Statements of

TOWN OF HAY RIVER

December 31, 2019

Motion #20-184

Approved on Behalf of the Council:



Mayor

Senior Administrative Officer

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Town of Hay River Management Discussion & Analysis (MD & A) for the year ended December 31, 2019

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 conditions and its future objectives. This MD&A should be read in conjunction with the Audited Financial Statements as at December 31, 2019.

The Year in Review

In 2019, the Town of Hay River continued to rebuild capacity in both Operations and Finance. Efforts to improve operational capacity included staffing the Director of Public Works position and successfully filling the Director of Finance position when it was posted. The Town was successful in applying for significant capital dollars through the Investing in Canada Infrastructure Program (ICIP), receiving approval for \$10.2M in federal support over the next several years for a new lift station, landfill tire removal, and aboveground roadwork.

Highlights of the 2019 capital program include:

- Completion of the new fire training school
- Upgrades to the Community Centre's air handling unit and boiler
- Sewer lagoon upgrades; and
- Upgrades to the town's water and road infrastructure

Other capital additions include:

- Purchase of a new grader
- Continued work on the Fisherman's Wharf Pavilion
- Upgrades to the Council Chamber's IT equipment to allow for streaming of meetings online; and
- Additional playground and parks equipment at several parks in Town

The Town continued its work in developing itself as a tourism destination through completion of both its Tourism Development Plan and Tourism Marketing Plan in 2019.

During 2019, the Town also faced adversity. In March, the Town experienced a landfill fire which cost nearly a million dollars to extinguish, monitor and remediate. The Town applied for financial relief under the Territorial Disaster Relief program in August of 2019, but as July 2020 has yet to receive a response. As the financial impact of this event became clear, management reacted by scrutinizing their budgets to reduce discretionary expenditure. This event eliminated the budgeted surplus before amortization, which was intended to be transferred to reserves to fund future capital expenditures.

Results from Operations

In the 2019 fiscal year, the community recorded an operating deficit of \$2,999,062 before net government transfers including the net government transfers for capital the community recorded a surplus at the end of 2019 of \$188,623.

Revenues excluding capital transfers increased over 2018 by \$1,521,762 due to increases in property tax revenues, sale of services, and other revenue from own sources, water and sewer revenue.

Expenses increased over 2018 due to significantly higher Environmental and Public Health Services which relates entirely to the landfill fire. Recreation and culture expenses were also up year over year; however, this correlates with higher recreation revenue. Water and sewer expenses were up partially due partially to increases in trucked water costs

Financial Position

Financial assets were \$1.4M million lower in 2019 than 2018, due in part to reductions in accounts receivable related to MTS. Liabilities decreased by \$369,000 due to a significant reduction in accounts payable relating to construction of the Community Centre and offset by a significant increase in deferred contributions. Unappropriated surplus decreased from \$6.1M to \$4.6M during the year.

Looking Forward

The Town has ambitious capital goals over the next few years relating to the approved ICIP projects, which will require continued growth to reserves to fund the Town's portion. Major capital items included in the 2020 capital budget include Fraser Place development, Lift Station #4 construction, road and water infrastructure upgrades to Caribou Dr.

From an operational perspective, the Town will continue to look to improve processes to increase revenues and minimize expenses. This includes refinements to its asset management procedures and systems. The Town will continue to enhance its customer service level, by proving credit card payment options and shifting towards paperless transaction and online access. The Town is also implementing new budgeting process to improve responsiveness and streamline the budgeting cycle and completing a cost of service model to ensure utility rates are equitably allocated and sufficient to fund future capital needs.



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 Professional 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 Professional Accountants. The auditor's 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
July 28, 2020

INDEPENDENT AUDITOR'S REPORT

To the Mayor and Council

Opinion

We have audited the financial statements of the Town of Hay River ("the Town"), which comprise the statement of financial position as at December 31, 2019, and the statements of changes in accumulated surplus, operations, changes in net financial assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Town as at December 31, 2019, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Independent Auditor's Report to the Members of the Town of Hay River (continued)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Town's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Town to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

The logo for Ashton Chartered Accountants, featuring the word "Ashton" in a stylized, cursive script.

ASHTON
Chartered Accountants
Business Advisors

Hay River, NT
July 28, 2020

TOWN OF HAY RIVER

Statement I

Statement of Financial Position

December 31, 2019

	2019	2018
Financial Assets		
Cash, Note 2	\$ 10,033,025	\$ 9,494,676
Receivables		
Municipal taxes receivable, Note 3	1,519,642	1,878,109
Accounts receivable, Note 4	2,871,794	4,417,895
Land inventory for resale	396,812	404,255
Total Financial Assets	14,821,273	16,194,935
Liabilities		
Accounts payable and accrued liabilities, Note 6	2,504,283	4,340,439
School taxes payable, Note 7	1,232,402	917,729
Deferred contributions, Note 8	2,826,559	1,050,915
Deposits held	170,239	208,647
Landfill closure liability, Note 9	1,519,311	1,444,945
Long-term debt, Note 10	14,312,373	14,971,505
Total Liabilities	22,565,167	22,934,180
Net Financial Assets (Debt)	\$ (7,743,894)	\$ (6,739,245)
Non-Financial Assets		
Prepaid expenses	\$ 79,769	\$ 69,825
Inventory held for use	89,150	122,852
Tangible capital assets, Note 11		
General fund	54,643,987	53,647,104
Utility fund	23,328,201	23,108,054
Total Non-Financial Assets	\$ 78,141,107	\$ 76,947,835
Accumulated Surplus, Note 12	\$ 70,397,213	\$ 70,208,590

Commitments and contingencies, Notes 14 and 15

TOWN OF HAY RIVER

Statement of Operations and Surplus

For the year ended December 31, 2019

	Schedule	Budget (unaudited)	2019	2018
Revenue				
Property taxes	4	\$ 6,995,439	\$ 6,352,668	\$ 5,852,056
Sales of services	4	452,700	1,043,871	658,702
Other revenue from own sources	4	717,250	1,312,603	1,029,996
Government transfers for operating	5	2,497,525	3,082,388	2,791,287
Government transfers for water and sewer	2	1,021,000	1,045,000	1,021,000
Water and sewer revenues	2	2,023,900	1,914,420	1,788,953
Land sales, lease and development	3	170,960	487,074	574,268
Total Revenue		13,878,774	15,238,024	13,716,262
Expenses				
General government	6	2,112,271	2,603,475	2,036,958
Protective services	7	1,146,097	1,090,363	922,584
Transportation and public works	8	3,258,196	3,137,300	3,312,024
Environmental and public health services	9	584,378	1,523,888	508,821
Planning and development	10	526,917	556,468	483,564
Recreational and cultural	11	4,154,172	4,667,395	4,064,925
Fiscal and valuation	12	834,500	1,357,398	772,806
Water and sewer expenses	2	3,380,735	3,132,749	2,777,015
Land development	3	184,500	168,050	53,013
Total Expenditures		16,181,766	18,237,086	14,931,710
Annual surplus (deficit), before the undernoted		(2,302,992)	(2,999,062)	(1,215,448)
Other revenue (expenditure)				
Net government transfers for capital	5	(1,100,000)	3,314,728	3,473,840
Gain (loss) on disposal of capital assets		-	(127,043)	(153,460)
		(1,100,000)	3,187,685	3,320,380
Annual Surplus (Deficit)		\$ (3,402,992)	\$ 188,623	\$ 2,104,932
Accumulated surplus, beginning of year		70,208,590	70,208,590	68,103,658
Accumulated surplus, end of year		\$ 66,805,598	\$ 70,397,213	\$ 70,208,590

TOWN OF HAY RIVER

Statement of Changes in Net Financial Assets (Debt)

Statement III

For the year ended December 31, 2019

	Budget (unaudited)	2019	2018
Annual Surplus (Deficit)	\$ (3,402,992) \$	188,623	\$ 2,104,932
Amortization expense	-	3,260,485	3,146,900
Acquisition of tangible capital assets	-	(4,539,845)	(8,754,899)
(Gain) loss on disposal of capital assets	-	62,331	153,459
Change in prepaid expenses	-	(9,944)	(23,386)
Change in inventory held for use	-	33,702	(24,064)
Increase (decrease) in net financial assets	(3,402,992)	(1,004,648)	(3,397,058)
Net financial assets (debt), beginning of year	(6,739,245)	(6,739,245)	(3,342,187)
Net financial assets (debt), end of year	\$ (10,142,237) \$	(7,743,893)	\$ (6,739,245)

TOWN OF HAY RIVER

Statement IV

Statement of Cash Flows

For the year ended December 31, 2019

	2019	2018
Operating Activities		
Annual Surplus (Deficit)	\$ 188,623	\$ 2,104,932
Non-cash charges to operations:		
Amortization expense	3,260,485	3,146,900
(Gain) loss on disposal of capital assets	62,331	153,459
Provision for landfill closure	74,366	54,855
	<u>3,585,805</u>	<u>5,460,146</u>
Change in non-cash working capital balances:		
Municipal taxes receivable	358,467	(70,415)
Accounts receivable	1,546,101	(1,266,243)
Land inventory for resale	7,443	500
Accounts payable and accrued liabilities	(1,836,156)	(1,236,492)
School taxes payable	314,673	(464,794)
Deferred contributions	1,775,644	(108,088)
Deposits held	(38,408)	10,440
Prepaid expenses	(9,944)	(23,386)
Inventory held for use	33,702	(24,064)
	<u>5,737,327</u>	<u>2,277,604</u>
Financing Activities		
Principal repayment of long-term debt	(659,132)	-
Proceeds of long-term debt	-	9,037,505
	<u>(659,132)</u>	<u>9,037,505</u>
Capital Activities		
Purchase of tangible capital assets	(4,539,845)	(8,754,899)
	<u>(4,539,845)</u>	<u>(8,754,899)</u>
Increase (decrease) in cash during the year	538,350	2,560,210
Bank accounts, opening	9,494,676	6,934,466
Bank accounts, closing	\$ 10,033,026	\$ 9,494,676

December 31, 2019

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.

December 31, 2019

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 waste water 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 change in net financial assets (debt) for the year.

December 31, 2019

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.

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.

TOWN OF HAY RIVER

Notes to the Financial Statements

December 31, 2019

Note 2. Cash

		2019	2018
<i>Unrestricted</i>			
Operating account	\$	407,369	\$ 2,489,432
<i>Internally restricted</i>			
General fund reserve account		1,825,767	1,787,860
Utility fund reserve account		1,112,002	1,088,914
<i>Externally restricted</i>			
Gas tax account		4,435,773	1,232,511
Community Public Infrastructure account		2,252,114	2,895,959
	\$	10,033,025	\$ 9,494,676

Note 3. Municipal Taxes Receivable

		2019	2018
Current taxes and grant in lieu receivable	\$	688,290	\$ 500,652
Arrears taxes		1,235,213	1,582,090
		1,923,503	2,082,742
Allowance for doubtful collection		(403,861)	(204,633)
	\$	1,519,642	\$ 1,878,109

Note 4. Accounts Receivable

	Balance	Allowance	2019	2018
<i>Accounts receivable</i>				
General accounts receivable	\$ 679,548	\$ 32,697	\$ 646,851	\$ 549,082
Utility system receivable	252,026	9,608	242,418	213,629
Ambulance receivable	417,449	338,788	78,661	77,482
Lease fees receivable	989,713	161,058	828,655	557,451
Northland utilities trust account	487,596	-	487,596	318,158
<i>Capital funding</i>				
Gas tax	-	-	-	1,397,000
Community Access Funding	-	-	-	149,359
Clean Water and Waste Fund	273,008	-	273,008	696,629
<i>Goods and service tax</i>				
Goods and services tax refundable	314,605	-	314,605	459,105
	\$ 3,413,945	\$ 542,151	\$ 2,871,794	\$ 4,417,895

TOWN OF HAY RIVER

Notes to the Financial Statements

December 31, 2019

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:

	2019		2018
General Operating Fund:			
Property taxes	\$ 226,347	\$	-
Ambulance	36,990		15,333
General sundry	-		5,945
Utility system	-		-
Lease fees	-		-
	\$ 263,337	\$	21,278

Note 6. Accounts Payable and Accrued Liabilities

	2019		2018
Trade accounts payable	\$ 2,285,974	\$	4,150,691
Government remittances payable	42,995		45,337
Accrued vacation pay and banked time	175,314		144,411
	\$ 2,504,283	\$	4,340,439

Note 7. School Tax Payable

	2019		2018
Balance consists of:			
Current year levy	\$ 719,290	\$	723,073
Prior year's levy	513,112		194,656
	\$ 1,232,402	\$	917,729

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, 2019

Note 8. Deferred Contributions

	2019		2018
Gas Tax Funding, Schedule 16	\$ 1,957,422	\$	517,905
Community Public Infrastructure Funding, Schedule 17	777,137		485,900
Portable stage funding	92,000		-
Community access program	-		23,110
Hay River beach improvements	-		24,000
	\$ 2,826,559	\$	1,050,915

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.

	2019		2018
Estimated closure costs	\$ 637,686	\$	637,686
Estimated post-closure costs	927,274		865,620
Estimated total liability	1,564,960		1,503,306
Estimated capacity used	97.1%		96.1%
Accrued liability	\$ 1,519,311	\$	1,444,945

Note 10. Long-Term Debt

Description	Principal Balance 2019		Principal Balance 2018
Loan agreement facility for the Hay River Recreation Centre	14,312,373		14,971,505
	\$ 14,312,373	\$	14,971,505

TOWN OF HAY RIVER

Notes to the Financial Statements

December 31, 2019

Note 10. Long-Term Debt (continued)

As at December 31, 2019, the Town has a bankers' acceptance ["BA"] facility of \$14,299,000 for the Hay River Recreation Centre bearing interest at the treasury rate plus a BA fee of 1.34% per annum. To reduce the interest rate risk on the facility, the Town entered into an interest rate swap contract that entitled the Town to receive interest at floating rates on the principal amount and obliged it to pay interest at a fixed rate of 2.60% per annum plus the BA fee of 0.40%.

The total estimated principal repayments of long-term debt due are as follows:

	Principal
2020	\$ 715,733
2021	734,566
2022	753,894
2023	773,730
2024	794,088
Subsequent	10,540,362
	\$ 14,312,373

Note 11. Tangible Capital Assets

	Cost	Accumulated Amortization	Net Book Value	
			2019	2018
General Fund:				
Linear Structures	\$ 22,175,016	\$ 9,278,588	\$ 12,896,428	\$ 12,737,473
Buildings	44,658,379	8,115,425	36,542,954	36,873,964
Machinery and Equipment	7,806,101	6,111,680	1,694,421	1,359,305
Work in progress	819,276	-	819,276	246,780
Land held for town use	2,619,709	-	2,619,709	2,358,383
Works of Art	71,199	-	71,199	71,199
	\$ 78,149,680	\$ 23,505,693	\$ 54,643,987	\$ 53,647,104
Utility Fund:				
Water and Sewer System	\$ 22,702,276	\$ 4,900,634	\$ 17,801,642	\$ 17,499,388
Buildings	7,854,547	2,773,480	5,081,067	5,160,771
Land	1,000	-	1,000	1,000
Vehicles	288,962	278,753	10,209	14,275
Heavy Equipment	11,241	11,241	-	-
Furniture & Equipment	1,951,916	1,599,083	352,833	294,193
Work in progress	81,450	-	81,450	138,427
	\$ 32,891,392	\$ 9,563,191	\$ 23,328,201	\$ 23,108,054
Total	\$ 111,041,072	\$ 33,068,884	\$ 77,972,188	\$ 76,755,158

TOWN OF HAY RIVER

Notes to the Financial Statements

December 31, 2019

Note 12. **Accumulated Surplus**

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

	2019	2018
Accumulated Surplus per Statement of Financial Position	\$ 70,397,213	\$ 70,208,590
Invested in Tangible Capital Assets		
General Fund	40,331,615	38,675,601
Utility Fund	23,328,202	23,108,055
	63,659,817	61,783,656
Internally restricted reserves		
Reserve for Management Training	2,492	2,446
Reserve for Mobile Equipment Replacement	566,078	590,949
Reserve for Recreation Infrastructure	41,330	40,571
Reserve for Municipal Infrastructure	165,897	205,837
Reserve for Computer Systems	13,662	13,410
Reserve for Landfill	842,102	875,051
Reserve for Recreation Center Replacement	248,136	297,007
Reserve for Utility Infrastructure	308,619	314,581
	2,188,316	2,339,852
Unappropriated surplus (deficit)		
General fund	(3,621,398)	(1,198,026)
Utility fund	2,574,902	2,006,556
Land development fund	5,595,576	5,276,552
	4,549,080	6,085,082
	\$ 70,397,213	\$ 70,208,590

TOWN OF HAY RIVER

Notes to the Financial Statements

December 31, 2019

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	\$ 566,078	\$		
Management Training	2,492			
Recreation Infrastructure	41,330			
Municipal Infrastructure	165,897			
Computer System	13,662			
Landfill	842,102			
Recreation Center Replacement	248,136			
	1,879,697	1,825,767	-	(53,930)
Utility Infrastructure	308,619	1,112,002	-	803,383
	\$ 2,188,316	\$ 2,937,769	\$ -	\$ 749,453
Deferred Contributions, Note 8				
Gas Tax Funding	1,957,422	4,435,773	-	2,478,351
Community Public Infrastructure	777,137	2,252,114	-	1,474,977
	2,734,559	6,687,887	-	3,953,328
	\$ 4,922,875	\$ 9,625,656	\$ -	\$ 4,702,781

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:	
2021	\$ 3,650

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.

December 31, 2019

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. Retirement Benefits

Employees of the Town can participate in the RBC Group Advantage retirement savings plan. Union employees make contributions at 5% and management makes contributions at 6.6%. The Town of Hay River makes matching contributions to these amounts. Total contributions by the Town to the program in 2019 were \$102,706 (2018 - \$90,531), 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.

Note 18. Budget

The budgeted figures are those approved by Council on December 19, 2018 and are unaudited.

Note 19. Reclassification

Certain prior year 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, 2019

	Schedule	2019 Budget	2019 Actual	2018 Actual
Revenue				
Property taxes	4	\$ 6,995,439	\$ 6,352,668	\$ 5,852,056
Sales of services	4	452,700	1,043,871	658,702
Other revenue from own sources	4	717,250	1,312,603	1,029,996
Government transfers for operating	5	2,497,525	3,082,388	2,791,287
Total Revenue		10,662,914	11,791,530	10,332,041
Expenditure				
General government	6	2,112,271	2,603,475	2,036,958
Protective services	7	1,146,097	1,090,363	922,584
Transportation and public works	8	3,258,196	3,137,300	3,312,024
Environmental and public health services	9	584,378	1,523,888	508,821
Planning and development	10	526,917	556,468	483,564
Recreational and cultural	11	4,154,172	4,667,395	4,064,925
Fiscal and valuation	12	834,500	1,357,398	772,806
Total Expenditure		12,616,531	14,936,287	12,101,682
Excess revenues over expenditures before the undernoted		(1,953,617)	(3,144,757)	(1,769,641)
Other revenue (expenditure)				
Government transfers for capital	5	-	3,314,728	3,473,840
Gain (loss) on disposal of capital assets		-	(127,043)	(153,460)
			3,187,685	3,320,380
Excess (Deficiency) of revenues over expenditures		\$ (1,953,617)	\$ 42,928	\$ 1,550,739

TOWN OF HAY RIVER

Utility Fund
Schedule of Operations and Surplus

For the year ended December 31, 2019

	2019 Budget	2019 Actual	2018 Actual
Revenue			
Water and sewer billings	\$ 2,000,000	\$ 1,871,753	\$ 1,746,843
Government transfers for water and sewer operations	1,021,000	1,045,000	1,021,000
Interest on reserves	2,000	23,088	18,203
Utilities receivable penalties	15,000	16,950	20,254
Maintenance service	6,900	2,629	3,653
Other	-	-	-
	<u>3,044,900</u>	<u>2,959,420</u>	<u>2,809,953</u>
Expenditure			
Administration	216,668	205,786	237,891
Vehicle maintenance	5,000	373	1,633
Purification & treatment	60,500	52,543	57,392
Transmission and distribution	1,369,000	1,452,573	1,291,137
Building maintenance	17,000	15,291	5,188
Mechanical maintenance	78,067	43,921	30,790
Distribution maintenance	522,369	258,372	320,531
Hydrant maintenance	3,500	-	-
Sewage system maintenance	71,000	64,350	39,814
Mobile equipment fund	-	-	-
Overhead charges (to) from general fund	235,000	284,000	66,000
	<u>2,578,104</u>	<u>2,377,209</u>	<u>2,050,376</u>
Surplus (deficit), before the undernoted	<u>466,796</u>	<u>582,211</u>	<u>759,577</u>
Other items:			
Amortization of tangible capital assets	802,631	755,540	726,639
Excess (Deficiency) of revenues over expenditures	<u>\$ (335,835)</u>	<u>\$ (173,329)</u>	<u>\$ 32,938</u>

TOWN OF HAY RIVERLand Development Fund
Schedule of Operations and Surplus

For the year ended December 31, 2019

	2019 Budget	2019 Actual	2018 Actual
Revenue			
Land sales	\$ -	\$ 123,601	\$ 14,000
Land leases	171,160	341,256	497,517
Legal and transfer fees recovered	-	7,573	19,740
Interest and penalties	(200)	14,644	43,011
	<u>170,960</u>	<u>487,074</u>	<u>574,268</u>
Expenditures			
Administration	80,500	19,340	15,833
Overhead charge (to) from General Fund	39,000	110,000	-
Land leases	65,000	38,710	36,680
Cost of land sold	-	-	500
	<u>184,500</u>	<u>168,050</u>	<u>53,013</u>
Excess (Deficiency) of revenues over expenditures	\$ (13,540)	\$ 319,024	\$ 521,255

TOWN OF HAY RIVER

Schedule 4

General Fund
Schedule of Revenue

For the year ended December 31, 2019

	2019 Budget	2019 Actual	2018 Actual
Property taxes	\$ 5,276,823	\$ 4,857,422	\$ 4,760,077
Grants in lieu of taxes			
Federal	157,084	157,900	156,562
Territorial	1,518,275	2,025,375	1,587,277
NWT Power Corporation	43,257	43,013	43,256
Less school taxes	-	(731,042)	(731,946)
Discounts allowed on school tax	-	-	36,830
	\$ 6,995,439	\$ 6,352,668	\$ 5,852,056
Sales of Services			
Recreation			
- Pool	\$ 72,900	\$ 190,545	\$ 70,890
- Community center	203,400	243,577	166,822
- Curling club rental	27,000	27,000	8,500
- Ballpark rental	14,200	7,905	14,464
- Other	6,750	43,972	7,360
Collection fee school taxes	5,000	5,000	5,000
Dump tipping fees	-	15,450	16,820
Ambulance	380,750	387,649	337,048
Fire calls, inspections, and training	6,000	476	3,795
Fire hall rental	5,900	11,058	4,356
Tourism revenue	-	57,445	-
Taxable cost recovery	(297,000)	-	-
Other	27,800	53,794	23,647
	\$ 452,700	\$ 1,043,871	\$ 658,702
Other Revenue from Own Sources			
Franchise fee	\$ 333,000	\$ 338,386	\$ 312,580
Licenses and permits	151,250	149,672	122,657
Fire training revenues	-	278,383	-
Donations to recreation complex	-	50,000	23,000
Aurora Ford - recreation centre donation	-	100,000	100,000
Fines and dog pound fees	-	1,215	906
Interest and penalties	203,000	266,456	413,191
Landfill fire insurance	-	100,000	-
Loss prevention	30,000	28,491	57,662
	\$ 717,250	\$ 1,312,603	\$ 1,029,996

TOWN OF HAY RIVER

General Fund
Schedule of Revenue

For the year ended December 31, 2019

	2019 Budget	2019 Actual	2018 Actual
Government Transfers			
General - GNWT			
Operating and Maintenance Block Funding	\$ 2,179,000	\$ 2,215,000	\$ 2,179,000
Sport and Recreation	29,000	29,000	29,000
Children Youth Resiliency	16,000	13,636	13,636
Ground Ambulance	-	31,000	31,000
SAO Development	-	55,785	-
Advancing Local Gov't Administrators Program	85,000	86,098	-
Hay River Beach Road	-	100,000	-
Community Wildfire Protection	-	25,000	-
Porrit Landing Dredging Project	-	9,100	-
Community Tourism Coordinator	-	50,000	40,000
Comm Ec Dev - Marketing	-	4,725	15,000
Wildfire Initiative	-	50,000	-
NWT Workers Training Program	-	40,000	154,020
Summer Employment	-	40,000	50,000
Beach Upgrade	-	15,950	-
Conferencing Equipment	-	8,600	-
Summer Students	-	63,050	-
Other Grants	-	191,825	122,284
General			
Other Non-GNWT Grants	188,525	6,509	73,914
	2,497,525	3,035,278	2,707,854
Transfers (to) from deferred revenues	-	47,110	83,433
	\$ 2,497,525	\$ 3,082,388	\$ 2,791,287
Utility - GNWT			
Water and Sewer Block Funding	\$ 1,021,000	\$ 1,045,000	\$ 1,021,000
Capital funding			
Community Public Infrastructure Funding	\$ -	\$ 1,510,000	\$ 1,260,000
Gas Tax	-	2,794,000	1,397,000
Clean Water and Waste Fund	-	273,007	696,629
Wharf Pavillion Funding	-	95,000	-
Portable Stage	-	115,000	-
CanNor - Wharf Pavillion	-	189,000	-
	-	4,976,007	3,353,629
Interest earned on deferred contributions			
Community Public Infrastructure Funding	-	32,078	23,912
Gas Tax	-	37,397	24,533
	-	69,475	48,445
Transfers (to) from deferred contributions			
Community Public Infrastructure Funding	-	(291,236)	33,299
Gas Tax	-	(1,439,518)	38,467
	-	(1,730,754)	71,766
	\$ -	\$ 3,314,728	\$ 3,473,840

TOWN OF HAY RIVER

Schedule 6

General Fund
Schedule of Expenditure

For the year ended December 31, 2019

	2019 Budget	2019 Actual	2018 Actual
General Government			
Mayor's indemnity	\$ 48,507	\$ 52,107	\$ 44,475
Councillors' indemnity	90,564	89,461	59,532
Administration - salaries and benefits	1,331,567	1,312,660	1,031,393
Administration - other	435,030	431,228	486,476
Materials and supplies	18,100	22,037	21,824
Professional services	211,900	332,527	116,595
Insurance	218,500	219,481	58,848
Town hall lease	165,827	149,330	158,376
Town hall operations and maintenance	16,500	17,146	17,675
Conventions, delegations and public relations	5,000	4,372	22,563
Overhead charge to Utility Fund	(501,000)	(101,000)	(66,600)
Overhead charge to Land Fund	(23,000)	(23,000)	-
	2,017,495	2,506,349	1,951,157
Other items:			
Amortization of tangible capital assets	94,776	97,126	85,801
	\$ 2,112,271	\$ 2,603,475	\$ 2,036,958

TOWN OF HAY RIVER

General Fund
Schedule of Expenditure

Schedule 7

For the year ended December 31, 2019

	2019 Budget	2019 Actual	2018 Actual
Protective Services			
Insurance	\$ -	\$ -	\$ 14,513
Bylaw enforcement	68,124	4,283	3,175
Bylaw vehicle maintenance	1,500	100	4,771
Fire protection	437,405	647,039	462,724
Fire department vehicle maintenance	38,800	17,860	23,669
Fire department building maintenance	11,200	7,490	4,590
Emergency response training center	1,820	1,203	923
Civil emergency	63,370	14,414	6,196
Ambulance	75,250	42,090	49,104
Hay River Animal Shelter Contribution	49,100	49,009	46,116
Animal and pest control	74,010	11,403	12,106
	820,579	794,891	627,887
Other items:			
Amortization of tangible capital assets	325,518	295,472	294,697
	\$ 1,146,097	\$ 1,090,363	\$ 922,584

TOWN OF HAY RIVER

General Fund
Schedule of Expenditure

For the year ended December 31, 2019

	2019 Budget	2019 Actual	2018 Actual
Transportation and Public Works			
Public works			
Administration	\$ 499,554	\$ 501,035	\$ 476,707
Vehicle operations & maintenance	193,003	184,997	107,565
Town garage			
Yards	60,800	110,059	157,304
Building maintenance	11,000	6,034	2,289
Carpenter shop			
Operating costs	95,275	117,587	103,808
Roads			
Roads and sidewalks	3,500	12,418	39,790
Summer roads	864,915	854,317	792,605
Roads brushing	50,500	11,246	26,751
Drainage	56,000	42,738	33,038
Winter roads	355,415	235,760	372,708
Street lighting	243,500	271,181	216,796
Road safety	21,000	24,007	10,586
	2,454,462	2,371,379	2,339,947
Other items:			
Amortization of tangible capital assets	1,073,734	1,035,921	972,077
Utility Fund	(135,000)	(135,000)	-
Land Development Fund	(135,000)	(135,000)	-
	\$ 3,258,196	\$ 3,137,300	\$ 3,312,024

TOWN OF HAY RIVER

Schedule 9

General Fund
Schedule of Expenditure

For the year ended December 31, 2019

	2019 Budget		2019 Actual		2018 Actual
Environmental and Public Health Services					
Sanitation operations	\$ 377,000	\$	370,880	\$	365,345
Landfill					
Maintenance	170,300		115,112		64,048
Landfill fire	-		941,688		405
Landfill accretion expense	-		74,363		54,858
Cemetery maintenance	28,000		20,659		15,944
	575,300		1,522,702		500,600
Other items:					
Amortization of tangible capital assets	9,078		1,186		8,221
	\$ 584,378	\$	1,523,888	\$	508,821

TOWN OF HAY RIVER

Schedule 10

General Fund
Schedule of Expenditure

For the year ended December 31, 2019

	2019 Budget		2019 Actual		2018 Actual
Planning and Development					
Planning and Zoning	\$ 237,756	\$	309,723	\$	238,146
Tourism					
Building and yard maintenance	500		3,994		6,110
Programs	245,533		228,584		220,582
Amortization of tangible capital assets	11,816		10,698		10,698
Economic development	31,312		3,469		8,028
	\$ 526,917	\$	556,468	\$	483,564

TOWN OF HAY RIVER

Schedule 11

General Fund
Schedule of Expenditure

For the year ended December 31, 2019

	2019 Budget	2019 Actual	2018 Actual
Recreational and Cultural			
Recreation administration	\$ 179,199	\$ 282,990	\$ 347,289
Insurance	-	41	53,854
Vehicle maintenance	-	17,180	4,385
Recreation center operations	485,162	922,482	877,716
Building maintenance	160,500	199,713	44,114
Mechanical maintenance	20,996	9,259	23,603
Swimming pool operations	920,429	875,823	754,914
Building maintenance	51,900	41,763	68,886
Mechanical maintenance	-	1,109	3,135
Curling club operations	-	84,784	61,475
Sports fields	428,928	174,138	19,702
Annual town clean-up	22,300	34,805	19,845
Parkland	23,200	168,224	129,201
Library	165,000	179,150	165,000
Community television and other services	59,700	59,200	44,400
Northern Arts and Culture Centre	5,000	5,000	5,000
Beautification committee	7,000	7,000	-
Other economic community development initiatives	12,500	72,879	13,750
Recreation programs	453,911	467,315	379,888
	\$ 2,995,725	\$ 3,602,855	\$ 3,016,157
Other items:			
Amortization of tangible capital assets	1,158,447	1,064,540	1,048,768
	\$ 4,154,172	\$ 4,667,395	\$ 4,064,925

TOWN OF HAY RIVER

Schedule 12

General Fund
Schedule of Expenditure

For the year ended December 31, 2019

	2019 Budget	2019 Actual	2018 Actual
Fiscal and Valuation			
Discount on taxes	\$ 135,000	\$ 120,233	\$ 132,670
Debenture interest	400,000	406,189	349,879
Debenture principal	-	-	-
Bank charges	62,500	78,134	83,496
Interest charges	-	216,000	-
Senior/disabled tax exemptions	187,000	273,505	185,483
Provision for (recovery of) bad debts, Note 5	50,000	263,337	21,278
	\$ 834,500	\$ 1,357,398	\$ 772,806

TOWN OF HAY RIVER

Schedule of Expenditures by Object

For the year ended December 31, 2019

	2019 Budget	2019 Actual	2018 Actual
Amortization of tangible capital assets	\$ -	\$ 3,260,486	\$ 3,146,900
Interest on long-term debt	400,000	406,188	349,879
Bank charges and interest	60,500	294,177	83,180
Contracted and general services	2,238,060	1,953,952	1,924,420
Insurance	254,346	253,497	235,919
Materials and supplies	3,765,739	5,055,350	3,526,115
Mayor and council expenses	183,898	140,871	103,657
Provision for bad debts	50,000	263,338	21,278
Salaries, wages and benefits	4,578,358	4,846,310	3,995,842
Utilities - electricity	982,380	1,159,959	918,594
Utilities - fuel	592,485	602,957	625,926
	\$ 13,105,766	\$ 18,237,085	\$ 14,931,710

TOWN OF HAY RIVER

Schedule of Changes in Accumulated Surplus

Schedule 14

December 31, 2019

	General Operating	Utility	Land Development	Reserves	Investment in Capital Assets	2019	2018
Excess (Deficiency of) revenue over expenditures	\$ 42,928	\$ (173,329)	\$ 319,024	\$ -	\$ -	\$ 188,623	\$ 2,104,932
Net interfund transfers							
Amortization	2,504,944	755,541	-	-	(3,260,485)	-	-
Disposals of tangible capital assets	2,354	3,000	-	-	(5,354)	-	-
Additions to tangible capital assets	(3,504,180)	(978,688)	-	-	4,482,868	-	-
Capital funding used for utility infrastructure	(982,968)	982,968	-	-	-	-	-
Long-term debt (repayment)	(659,132)	-	-	-	659,132	-	-
Allocations to Reserves	172,682	(21,146)	-	(151,536)	-	-	-
Changes in fund balances	(2,423,372)	568,346	319,024	(151,536)	1,876,161	188,623	2,104,932
Accumulated Surplus (Deficit), beginning of year	\$ (1,198,026)	\$ 2,006,556	\$ 5,276,552	\$ 2,339,852	\$ 61,783,656	\$ 70,208,590	\$ 68,103,658
Accumulated Surplus (Deficit), end of year	\$ (3,621,398)	\$ 2,574,902	\$ 5,595,576	\$ 2,188,316	\$ 63,659,817	\$ 70,397,213	\$ 70,208,590

Reserves	2018	Increase	Decrease	2019
General operating fund	\$ 2,025,271	\$ 300,261	(445,835)	\$ 1,879,697
Utility infrastructure reserve	314,581	213,339	(219,301)	308,619
	\$ 2,339,852	\$ 513,600	(665,136)	\$ 2,188,316

TOWN OF HAY RIVER
Schedule of Tangible Capital Assets
December 31, 2019

Schedule 15

	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
General Fund										
Linear Structures										
Roads, sidewalks, parking lots	\$ 16,747,811	\$ 934,546	\$ 157,000	\$ 17,525,357	\$ 6,576,823	\$ 10,170,988	\$ 157,000	\$ 695,577	\$ 7,115,400	\$ 10,409,957
Recreation facilities	1,150,822	108,166	-	1,258,988	452,120	698,702	-	46,600	498,720	760,268
Marine facilities	380,703	4,355	-	385,058	130,615	230,088	-	24,705	155,320	209,738
Land Bio treatment facility	183,915	-	-	183,915	52,916	130,999	-	6,659	59,575	124,340
Drainage	2,707,731	-	-	2,707,731	1,278,085	1,429,646	-	105,708	1,383,793	1,323,938
Traffic lights	133,967	-	-	133,967	62,744	71,223	-	3,036	65,780	68,187
	21,284,949	1,047,067	157,000	22,175,016	8,553,303	12,731,646	157,000	882,285	9,278,588	12,896,428
Buildings										
Recreation Centre	23,546,647	528,472	-	24,075,119	722,417	22,824,230	-	732,987	1,455,404	22,619,715
Administration	852,200	-	-	852,200	630,628	221,572	-	17,044	647,672	204,528
New Fire Hall	6,391,795	-	-	6,391,795	636,126	5,755,669	-	127,986	764,112	5,627,683
Fire halls	1,145,000	-	-	1,145,000	622,763	522,237	-	24,078	646,841	498,159
Fire Training School	-	273,677	-	273,677	-	-	-	5,474	5,474	288,203
Generator building	116,400	-	-	116,400	55,290	61,110	-	2,910	58,200	58,200
Emergency response training center	240,400	-	-	240,400	102,170	138,230	-	6,010	108,180	132,220
Tourist information	317,238	-	-	317,238	130,614	186,624	-	9,850	140,464	176,774
Aquatic facility	7,766,880	-	-	7,766,880	2,139,278	5,627,602	-	194,849	2,334,127	5,432,753
Golf clubhouse	918,800	-	-	918,800	459,400	459,400	-	22,970	482,370	436,430
Ski chalet	588,200	-	-	588,200	249,985	338,215	-	14,705	264,690	323,510
Public works garages	969,722	-	-	969,722	619,858	349,864	-	18,639	638,497	331,225
Carpentry	175,432	-	-	175,432	130,719	44,713	-	3,959	134,678	40,754
Land fill	69,600	40,384	34,800	75,184	69,600	-	34,800	808	35,608	39,576
Storage	160,367	-	-	160,367	118,952	41,415	-	10,351	129,303	31,064
Staff house	199,638	-	-	199,638	60,577	138,061	-	5,948	66,525	132,113
Dog pound	157,400	-	-	157,400	82,635	74,765	-	3,935	86,570	70,830
Ball parks	103,572	35,512	-	139,084	139,084	51,989	-	2,889	54,472	84,612
Other	96,843	-	-	96,843	58,575	38,268	-	3,663	62,238	34,605
	43,815,134	878,045	34,800	44,658,379	6,941,170	36,873,964	34,800	1,209,055	8,115,425	36,542,954
Machinery and Equipment										
Vehicles	3,565,833	118,900	249,741	3,434,992	3,146,596	419,237	247,387	128,588	3,027,797	407,195
Heavy equipment	97,948	488,524	-	586,472	94,870	3,078	-	51,932	146,802	439,670
Office furniture and equipment	746,814	5,760	-	752,574	668,873	77,941	-	18,493	687,366	65,208
Operating equipment	1,975,502	90,509	-	2,066,011	1,215,652	759,850	-	163,776	1,379,428	686,583
Computer equipment	402,163	41,553	50,450	393,266	305,157	97,006	50,450	42,784	297,501	95,765
IT Infrastructure	572,786	-	-	572,786	564,765	8,021	-	8,021	572,786	-
	7,361,046	745,246	300,191	7,806,101	5,995,913	1,365,133	297,837	413,604	6,111,680	1,694,421
Work in progress										
Land	246,780	4,840,913	4,268,417	819,276	-	246,780	-	-	-	819,276
Land in development	422,625	-	-	422,625	-	422,625	-	-	-	422,625
	1,935,758	261,326	-	2,197,084	-	1,935,758	-	-	-	2,197,084
	2,358,383	261,326	-	2,619,709	-	2,358,383	-	-	-	2,619,709
Art Work										
	71,199	-	-	71,199	-	71,199	-	-	-	71,199
Tangible Capital Assets - General Fund	\$ 75,137,491	\$ 7,772,597	\$ 4,760,408	\$ 78,149,680	\$ 21,490,386	\$ 53,647,105	\$ 489,637	\$ 2,504,944	\$ 23,505,693	\$ 54,543,987
Utility Fund										
Water and Sewer System	\$ 21,905,173	\$ 797,103	\$ -	\$ 22,702,276	\$ 4,405,785	\$ 17,499,388	\$ -	\$ 494,849	\$ 4,900,634	\$ 17,801,642
Land	1,000	-	-	1,000	-	1,000	-	-	-	1,000
Buildings	7,763,377	120,170	29,000	7,854,547	2,602,606	5,160,771	26,000	196,874	2,773,480	5,081,087
Vehicles	288,962	-	-	288,962	274,687	14,275	-	4,066	278,753	10,209
Heavy Equipment	11,241	-	-	11,241	-	11,241	-	-	11,241	-
Furniture & Equipment	1,842,899	118,392	9,375	1,951,916	1,548,706	294,193	9,375	59,752	1,599,083	352,833
Work in progress	138,427	-	56,977	195,404	-	138,427	-	-	-	81,450
	\$ 31,951,079	\$ 1,035,665	\$ 95,352	\$ 32,891,392	\$ 8,843,025	\$ 23,108,054	\$ 35,375	\$ 755,541	\$ 9,563,191	\$ 23,326,201
Total Tangible Capital Assets	\$ 107,088,570	\$ 8,808,262	\$ 4,855,760	\$ 111,041,072	\$ 30,333,411	\$ 76,755,159	\$ 525,012	\$ 3,260,485	\$ 33,068,884	\$ 77,972,188

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

For the year ended December 31, 2019

	2015	2016	2017	2018	2019	Cumulative
	Actual	Actual	Actual	Actual	Actual	
Funding						
Deferred contribution balance, opening	\$ 1,380,007	\$ 1,180,972	\$ 367,680	\$ 556,372	\$ 517,905	\$ 1,380,007
Annual Gas Tax allocation	1,016,000	1,305,000	1,305,000	1,397,000	2,794,000	7,817,000
Interest earned	9,965	16,186	8,957	24,533	37,397	97,038
	2,405,972	2,502,158	1,681,637	1,977,905	3,349,302	9,294,045
Funds Spent						
Water Treatment Plant Roof Replacement	-	121,440	-	-	86,820	208,260
Reservoir Electrical/Mechanical/Roof Upgrades	-	-	-	-	87,109	87,109
Paradise Road Realignment	-	-	-	-	680	680
Grader Replacement	-	-	-	-	314,464	314,464
Aquatic Facility Boilers	-	-	-	-	49,769	49,769
Fisherman's Wharf Pavillion	-	-	-	-	50,000	50,000
Public Beach Upgrades	-	-	-	-	30,000	30,000
Arena front lot paving	-	-	-	60,000	-	60,000
Mansel, Dessy, Morin W&S upgrade	-	-	-	100,000	773,038	873,038
Courtoreille St. water/sewer/streets/sidewalks	-	-	-	1,300,000	-	1,300,000
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	1,200,000	-	-	-	2,400,000
McRorie N.Store water main upgrade	-	483,734	-	-	-	483,734
Vale Island Drainage	-	49,304	-	-	-	49,304
Upgrade Lift Station #2	25,000	-	-	-	-	25,000
	1,225,000	2,134,478	1,125,265	1,460,000	1,391,880	7,336,623
Deferred contribution balance, closing	\$ 1,180,972	\$ 367,680	\$ 556,372	\$ 517,905	\$ 1,957,422	\$ 1,957,422

TOWN OF HAY RIVER
 Community Public Infrastructure Agreement
 Statement of Revenue, Expenditure and Deferred Contribution

Schedule 17

For the year ended December 31, 2019

	2015	2016	2017	2018	2019	Cumulative
	Actual	Actual	Actual	Actual	Actual	
Funding						
Deferred contribution balance, opening	\$ 4,598,993	\$ 5,227,167	\$ 3,949,756	\$ 519,199	\$ 485,900	\$ 4,598,993
Annual CPI allocation	1,260,000	1,260,000	1,260,000	1,260,000	1,510,000	6,550,000
Interest earned	45,571	39,405	33,174	23,912	32,078	174,140
	5,904,564	6,526,572	5,242,930	1,803,111	2,027,978	11,323,133
Funds Spent						
Trenchless Sewer Line Relining	-	-	-	-	478,655	478,655
Water Treatment Plant Roof Replacement	-	-	-	-	7,427	7,427
Sewage Lagoon Upgrade	-	-	-	-	72,000	72,000
Lift Station System Upgrade	-	-	-	-	29,950	29,950
Caribou Cres. Water and Sewer and Drainage	-	-	-	-	7,875	7,875
Small Capital Recreation Programming	-	-	-	-	14,294	14,294
Day Shelter and Playground Equipment	-	-	-	-	23,668	23,668
Snow Blower - Heavy Duty	-	-	-	-	118,419	118,419
Wright Crescent water & sewer upgrades	-	-	-	107,393	-	107,393
New arena facility concession	-	-	-	30,714	-	30,714
Mansel, Dessy, Morin water and sewer upgrade	-	-	-	600,000	-	600,000
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	64,804	-	184,804
Generator Replacement - WT Plant	-	-	105,274	121	-	105,395
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	-	12,997	14,017
Debt servicing	101,889	207,186	-	452,143	452,143	1,213,361
Pine Point Ball Park	25,000	40,336	-	-	-	65,336
Renovations to town hall	26,453	23,000	-	-	-	49,453
Road/Sidewalk Rehab Program	-	5,500	-	-	-	5,500
Fire hall / Town Hall Demolition	-	1,570	4,844	-	-	6,414
IT annual evergreening	-	6,898	76,591	-	-	83,489
Fire hall 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
Porrirt Landing Boat Launch	-	-	55,988	-	-	55,988
Computer Replacement Program	-	-	-	62,036	33,413	95,449
Trans Canada Trail	8,637	-	-	-	-	8,637
Fire department equipment	10,927	-	-	-	-	10,927
	677,397	2,576,816	4,723,731	1,317,211	1,250,841	10,545,996
Deferred contribution balance, closing	\$ 5,227,167	\$ 3,949,756	\$ 519,199	\$ 485,900	\$ 777,137	\$ 777,137

TOWN OF HAY RIVER

Schedule 18

Clean Water and Waste Fund
Statement of Revenue and Expenditure

For the year ended December 31, 2019

	2017	2018	2019	Cumulative
Revenue				
Clean Water and Waste Fund	\$ 1,092,863	\$ 696,591	\$ 273,008	\$ 2,062,462
Eligible expenditures				
Engineering design	29,353	-	-	29,353
Equipment rental	7,653	-	-	7,653
Construction and field services	1,055,857	696,591	273,008	2,025,456
	1,092,863	696,591	273,008	2,062,462
Surplus / deficit	-	\$ -	\$ -	\$ -

TOWN OF HAY RIVER

Schedule of Salaries, Honoraria, and Travel

For the year ended December 31, 2019

	Salaries	Honoraria	Travel
Mayor			
Kandis Jameson	\$ 48,097	\$ 1,593	\$ 1,593
Deputy Mayor			
Robert Bouchard	13,611	-	-
Councillors			
Linda Duford	10,884	-	-
Jeff Groenewegen	10,884	-	-
Steven Anderson	10,884	-	-
Keith Dohey	10,884	-	-
Brian Willows	10,884	-	-
Emily Chambers	10,884	-	-
Joseph Melanson	6,312	-	-
	\$ 133,324	\$ 1,593	\$ 1,593