Financial Statements of

TOWN OF HAY RIVER

December 31, 2009

Approved on Behalf of the Council:

_____ Mayor

_____ Senior Administrative Officer

TOWN OF HAY RIVER

Financial Statements

Year Ended December 31, 2009

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MANAGEMENT RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

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

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

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

Terry Molenkamp
Senior Administrative Officer
Town of Hay River

Hay River, NT
June 23, 2010

ASHTON
Chartered Accountants
Business Advisors

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AUDITORS' REPORT

Mayor and Council
Town of Hay River
Hay River, NT

We have audited the Consolidated Statement of Financial Position and the Statement of Financial Position of the General Operating Fund, Utility Operating Fund and the Land Development Fund of the Town of Hay River as at December 31, 2009 and the related Statements of Financial Activities, Changes in Fund Balances and Investment in Tangible Capital Assets, Capital Financing, and Changes in Consolidated Financial Position for the year then ended. These financial statements are the responsibility of the Town's administration. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Town of Hay River as at December 31, 2009 and the results of its operations and the changes in its financial position for the year then ended in accordance with accounting principles for municipal governments established by the Canadian Institute of Chartered Accountants.

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

ASHTON
Chartered Accountants
Business Advisors

Hay River, NT
June 23, 2010

TOWN OF HAY RIVER

Statement I

Consolidated Statement of Financial Position

December 31, 2009

		2009		2008
Financial Assets				
Cash				
General bank account	$	**2,797,880**	$	2,721,367
Reserve and trust accounts		**7,310,558**		5,807,663
Receivables				
Municipal taxes receivable, Note 3		**237,860**		172,230
Accounts receivable, Note 4		**1,199,379**		1,103,337
Land inventory for resale		**2,567,765**		2,536,566
Total Financial Assets		**14,113,442**		12,341,163
Liabilities				
Accounts payable and accrued liabilities, Note 6		**992,179**		607,871
School taxes payable, Note 5		**87,861**		24,633
Deferred revenue		**83,633**		67,253
Deferred contributions, Note 7		**3,591,497**		2,674,020
Deposits held		**134,865**		131,008
Long-Term Debt, Schedule 12		**4,715,446**		5,007,632
Total Liabilities		**9,605,481**		8,512,417
Net Financial Assets (Debt)	$	**4,507,961**	$	3,828,746
Contingent Liabilities, Note 10				
Non-Financial Assets				
Prepaid expenditure	$	**43,041**	$	44,014
Tangible capital assets, Schedule 11				
General fund		**27,042,202**		25,852,519
Utility fund		**15,912,085**		16,339,859
Total Non-Financial Assets	$	**42,997,328**	$	42,236,392
Accumulated Surplus				
Investment in Tangible Capital Assets				
General Operating Fund, per Statement VII	$	**23,485,306**	$	22,196,528
Utility Operating Fund, per Statement XI		**15,912,085**		16,339,859
		39,397,391		38,536,387
Reserves				
General Operating fund, per Statement VI		**3,040,118**		3,220,055
Utility Operating fund, per Statement X		**1,510,775**		898,071
		4,550,893		4,118,126
Accumulated Surplus (Deficit)				
General Operating Fund, per Statement V		**924,483**		959,975
Utility Operating fund, per Statement IX		**(335,774)**		(147,907)
Land Development fund, per Statement XIII		**2,968,296**		2,598,557
		3,557,005		3,410,625
Total Accumulated Surplus	$	**47,505,289**	$	46,065,138

TOWN OF HAY RIVER

Statement II

Consolidated Statement of Financial Activities and Surplus

For the year ended December 31, 2009

	Schedule	Budget	**2009**	2008
Revenue				
Property taxes	1	$ 4,652,455	$ **4,727,378**	$ 3,876,937
Sales of services	1	488,521	**539,005**	638,790
Other revenue from own sources	1	651,658	**478,680**	681,142
GNWT block funding				
General Operating fund	V	1,790,000	**1,939,002**	1,790,000
Utility Operating fund	IX	372,464	**466,423**	372,464
Conditional transfers				
General Operating fund	2	2,325,247	**2,539,110**	2,059,095
Utility Operating fund	IX	-	**-**	-
Water and Sewer billings	IX	1,696,147	**1,443,564**	1,410,310
Other utility operating fund	IX	14,729	**11,104**	14,004
Land sales	XIII	514,714	**513,954**	966,965
Land leases	XIII	219,219	**246,955**	229,444
Other land development fund	XIII	1,935	**4,840**	7,184
Total Revenue		12,727,089	**12,910,015**	12,046,335
Expenditure				
General government	3	1,715,643	**1,763,589**	1,588,168
Protective services	4	450,184	**451,069**	491,563
Transportation and public works	5	1,085,598	**1,319,380**	1,120,384
Environmental and public health services	6	505,214	**522,493**	435,928
Planning and development	7	256,615	**201,619**	243,181
Recreational and cultural	8	1,928,827	**2,164,021**	1,962,040
Fiscal and valuation	9	323,004	**291,325**	305,040
Utility operating	IX	2,032,296	**1,935,261**	1,962,120
Land development	XIII	444,943	**396,010**	382,447
Total Expenditures		8,742,324	**9,044,767**	8,490,871
Net operating revenue before the undernoted		3,984,765	**3,865,248**	3,555,464
Other revenue (expenditure)				
Transfers from (to) deferred contributions		1,712,377	**(917,477)**	(1,636,970)
Gain (loss) on disposal of capital assets		-	**(12,225)**	(186,323)
Amortization of tangible capital assets		-	**(1,495,395)**	(1,456,783)
		1,712,377	**(2,425,097)**	(3,280,076)
Net revenue (expenditure) for the year		$ **5,697,142**	$ **1,440,151**	$ **275,388**
Other items affecting surplus				
Purchase of tangible capital assets		(6,304,324)	**(2,269,529)**	(1,148,270)
Repayment of debentures (principal only)		(295,303)	**(99,095)**	(97,614)
Appropriation to reserves		(936,663)	**(1,237,937)**	(842,530)
Transfer from reserve for current year expenditures		1,938,400	**805,170**	876,253
Transfer to investment in tangible capital assets		-	**1,507,620**	1,643,106
		(5,597,890)	**(1,293,771)**	430,945
Net revenue (expenditure) after items affecting surplus		99,252	**146,380**	706,333
Surplus, beginning of year		3,410,625	**3,410,625**	2,704,292
Surplus, end of year		$ 3,509,877	$ **3,557,005**	$ 3,410,625

TOWN OF HAY RIVER

Statement III

Consolidated Statement of Changes in Financial Position

For the year ended December 31, 2009

		2009		2008
Operating Activities				
Net revenue, per Statement II	$	**146,380**	$	706,333
Charges from operations				
(Gain) loss on disposal of capital assets		**12,225**		186,323
Amortization of tangible capital assets		**1,495,395**		1,456,783
Net Investment in tangible capital assets		**761,909**		(494,836)
Long-term debt, principal and interest		**277,047**		340,248
		2,692,956		2,194,851
Add items not involving cash				
Appropriations to reserve		**1,237,937**		1,358,175
Cost of land sold		**299,608**		339,305
		4,230,501		3,892,331
Working capital-to-cash basis				
Receivables - (increase) decrease		**(161,672)**		593,032
Prepaids - (increase) decrease		**973**		17,552
Payables - increase (decrease)		**447,539**		(1,899,001)
Deferred revenue - increase (decrease)		**16,380**		(58,464)
Deferred contributions - increase (decrease)		**917,477**		1,776,507
Deposits held - increase (decrease)		**3,857**		3,007
Net cash from operations		**5,455,055**		4,324,964
Financing Activities				
Expenditures paid from reserve		**(273,668)**		(620,753)
Tangible capital assets paid from reserve		**(531,502)**		(910,681)
Principal repayment of long-term debt		**(292,187)**		(290,705)
Interest on long-term debt		**(177,952)**		(242,634)
Net cash from financing activities		**(1,275,309)**		(2,064,773)
Capital Activities				
Tangible Capital Assets acquired		**(2,269,530)**		(1,148,270)
Land development costs		**(330,808)**		(187,194)
Net cash from investing activities		**(2,600,338)**		(1,335,464)
Increase (decrease) in cash during the year		**1,579,408**		924,727
Bank accounts, opening		**8,529,030**		7,604,303
Bank accounts, closing	$	**10,108,438**	$	8,529,030
Represented by:				
General operating account	$	**2,797,880**	$	2,721,367
Reserve and trust accounts		**7,310,558**		5,807,663
	$	**10,108,438**	$	8,529,030

TOWN OF HAY RIVER

Consolidated Statement of Changes in Net Financial Assets (Debt) Statement IV

For the year ended December 31, 2009

		2009		2008
Excess revenue (expenditure) for the year	$	**1,440,151**	$	275,388
Amortization of tangible capital assets		**1,495,395**		1,456,783
Acquisition of tangible capital assets		**(2,269,529)**		(1,148,270)
Gain (loss) on disposal of capital assets		**12,225**		186,323
Change in prepaid expenses		**973**		17,552
Increase in net financial assets		**679,215**		787,776
Net financial assets (debt), beginning of year		**3,828,746**		3,040,970
Net financial assets (debt), end of year	$	**4,507,961**	$	3,828,746

TOWN OF HAY RIVER

Statement V

General Operating Fund
Statement of Financial Activities and Surplus

For the year ended December 31, 2009

	Schedule	2009 Budget	**2009 Actual**	2008 Actual
Revenue				
Property taxes	1	$ 4,652,455	$ **4,727,378**	$ 3,876,937
Sales of services	1	488,521	**539,005**	638,790
Other revenue from own sources	1	651,658	**478,680**	681,142
GNWT block funding	-	1,790,000	**1,939,002**	1,790,000
Conditional transfers	2	2,325,247	**2,539,110**	2,059,095
Total Revenue		9,907,881	**10,223,175**	9,045,964
Expenditure				
General government	3	1,715,643	**1,763,589**	1,588,168
Protective services	4	450,184	**451,069**	491,563
Transportation and public works	5	1,085,598	**1,319,380**	1,120,384
Environmental and public health services	6	505,214	**522,493**	435,928
Planning and development	7	256,615	**201,619**	243,181
Recreational and cultural	8	1,928,827	**2,164,021**	1,962,040
Fiscal and valuation	9	323,004	**291,325**	305,040
Total Expenditure		6,265,085	**6,713,496**	6,146,304
Net operating revenue (expenditure) before the undernoted		3,642,796	**3,509,679**	2,899,660
Other revenue (expenditure)				
Transfers from (to) deferred contributions		1,712,377	**(917,477)**	(1,636,970)
Gain (loss) on disposal of capital assets		-	**(12,225)**	(186,323)
Amortization of tangible capital assets		-	**(1,067,621)**	(1,024,493)
		1,712,377	**(1,997,323)**	(2,847,786)
Net revenue (expenditure) for the year		**$ 5,355,173**	**$ 1,512,356**	**$ 51,874**
Other items affecting surplus				
Purchase of tangible capital assets		(3,904,324)	**(2,269,529)**	(663,347)
Repayment of debentures (principal only)		(102,211)	**(99,095)**	(97,614)
Appropriation to reserves		(446,131)	**(615,854)**	(409,855)
Transfer from reserves for current year expenditures		1,038,400	**805,170**	825,169
Transfer to utility operating fund		(1,940,838)	**(448,386)**	(801,485)
Transfer to investment in tangible capital assets		-	**1,079,846**	1,210,816
		(5,355,104)	**(1,547,848)**	63,684
Net revenue (expenditure) after items affecting surplus		69	**(35,492)**	115,558
Surplus, beginning of year		959,975	**959,975**	844,417
Surplus, end of year		$ 960,044	$ **924,483**	$ 959,975

TOWN OF HAY RIVER

Statement VI

General Operating Fund
Statement of Reserves

For the year ended December 31, 2009

		2009 Budget		**2009 Actual**		2008 Actual
Reserve for Mobile Equipment Replacement						
Balance, beginning of year	$	684,337	$	**684,337**	$	642,004
Current year appropriation						
- General Operating Fund		112,766		**105,833**		134,184
- Utility Operating Fund		9,242		**9,379**		12,815
Proceeds from sale of equipment						
- General Operating Fund		-		**-**		3,600
- Utility Operating Fund		-		**-**		-
Transfer from reserve for current year expenditure						
- General Operating Fund		(42,000)		**(50,417)**		(108,266)
- Utility Operating Fund		-		**-**		-
Balance, end of year	$	764,345	$	**749,132**	$	684,337
Reserve for Management Training						
Balance, beginning of year	$	30,351	$	**30,351**	$	52,928
Current year appropriation		728		**20**		1,094
Transfer from reserve for current year expenditure		(20,000)		**(11,242)**		(23,671)
Balance, end of year	$	11,079	$	**19,129**	$	30,351
Reserve for Recreation Infrastructure						
Balance, beginning of year	$	62,926	$	**62,926**	$	140,438
Current year appropriation		449,791		**494,486**		326,824
Less debenture repayments		(268,610)		**(245,690)**		(268,610)
Transfer of unused funds from General Operations reserve		-		**-**		83,262
Transfer from reserve for current year expenditure		-		**-**		(218,988)
Balance, end of year	$	244,107	$	**311,722**	$	62,926
Reserve for Municipal Infrastructure						
Balance, beginning of year	$	2,174,156	$	**2,174,156**	$	2,108,104
Current year appropriation		135,427		**251,024**		272,160
Transfer of unused funds from General Operations reserve		-		**-**		66,933
Transfer of unused funds from Tax Assessment reserve		-		**-**		93,690
Transfer of unused funds from Fire Department reserve		-		**-**		293
Transfer from reserve for current year expenditure		(966,400)		**(733,711)**		(367,024)
Balance, end of year	$	1,343,183	$	**1,691,469**	$	2,174,156
Reserve for Fire Department Equipment Replacement						
Balance, beginning of year	$	-	$	**-**	$	293
Current year appropriation		-		**-**		-
Transfer from reserve to Municipal Infrastructure reserve		-		**-**		(293)
Balance, end of year	$	-	$	**-**	$	-
Reserve for Computer Systems						
Balance, beginning of year	$	8,417	$	**8,417**	$	16,476
Current year appropriation		10,158		**10,005**		10,341
Transfer from reserve for current year expenditure		(10,000)		**(9,800)**		(18,400)
Balance, end of year	$	8,575	$	**8,622**	$	8,417
Reserve for Landfill						
Balance, beginning of year	$	259,868	$	**259,868**	$	254,606
Current year appropriation		5,871		**176**		5,262
Transfer from reserve for current year expenditure		-		**-**		-
Balance, end of year	$	265,739	$	**260,044**	$	259,868

TOWN OF HAY RIVER

Statement VI

General Operating Fund
Statement of Reserves (continued)

For the year ended December 31, 2009

		2009 Budget		**2009 Actual**		2008 Actual
Reserve for General Reassessment						
Balance, beginning of year	$	-	$	**-**	$	93,690
Current year appropriation		-		**-**		-
Transfer from reserve to Municipal Infrastructure reserve		-		**-**		(93,690)
Balance, end of year	$	-	$	**-**	$	-
Reserve for General Operations						
Balance, beginning of year	$	-	$	**-**	$	314,015
Current year appropriation		-		**-**		-
Transfer from reserve to Municipal Infrastructure reserve		-		**-**		(66,933)
Transfer from reserve to Recreation Infrastructure reserve		-		**-**		(83,262)
Transfer from reserve to Utility reserve		-		**-**		(75,000)
Transfer from reserve for current year expenditure		-		**-**		(88,820)
Balance, end of year	$	-	$	**-**	$	-
Total Reserves						
Balance, beginning of year	$	3,220,055	$	**3,220,055**	$	3,622,554
Current year appropriation						
- General Operating Fund		446,131		**615,854**		484,855
- Utility Operating Fund		9,242		**9,379**		12,815
Transfers between reserves, net		-		**-**		(75,000)
Transfer from reserve for current year expenditure						
- General Operating Fund		(1,038,400)		**(805,170)**		(825,169)
- Utility Operating Fund		-		**-**		-
Balance, end of year	$	2,637,028	$	**3,040,118**	$	3,220,055

TOWN OF HAY RIVER

Statement VII

General Operating Fund
Statement of Investment in Tangible Capital Assets

For the year ended December 31, 2009

		2009		2008
Opening balance	$	**22,196,528**	$	27,442,017
Adjustments to capital assets cost		**-**		5,342,747
Adjustments for opening accumulated amortization		**-**		(10,133,676)
		22,196,528		22,651,088
Long-term debt retired				
Debentures		**99,095**		97,614
Tangible capital assets acquired		**2,269,529**		663,347
Amortization of capital assets		**(1,067,621)**		(1,024,493)
Cost of tangible capital assets disposed of		**(21,831)**		(191,028)
Adjustments to accumulated amortization on disposals		**9,606**		-
Closing balance	$	**23,485,306**	$	22,196,528

TOWN OF HAY RIVER

Statement VIII

General Operating Fund
Statement of Capital Financing

For the year ended December 31, 2009

		2009		2008
Source of Funds				
Long-Term Borrowings				
Debentures	$	**-**	$	-
Transfers From				
General Operating Fund revenue		**357,004**		200,400
General Operating Fund grant received		**-**		-
General Operating Fund deferred contributions		**1,381,023**		31,923
General Operating Fund reserve		**531,502**		431,024
	$	**2,269,529**	$	663,347
Use of Funds				
Tangible Capital Assets				
Engineering structures	$	**1,739,039**	$	331,950
Buildings		**400,235**		6,852
Land		**-**		-
Machinery and equipment		**126,505**		324,545
Work in progress		**3,750**		-
	$	**2,269,529**	$	663,347

TOWN OF HAY RIVER

Statement IX

Utility Operating Fund
Statement of Financial Activities and Surplus

For the year ended December 31, 2009

		2009 Budget		**2009 Actual**		2008 Actual
Revenue						
Water and sewer billings	$	1,696,147	$	**1,443,564**	$	1,410,310
GNWT block funding		372,464		**466,423**		372,464
Territorial capital grants		-		**-**		-
Frontage taxation		3,129		**3,129**		3,129
Other revenues		5,600		**3,293**		6,091
Maintenance service		6,000		**4,682**		4,784
		2,083,340		**1,921,091**		1,796,778
Expenditure						
Overhead charges from General Operating Fund						
Administration		166,500		**134,816**		169,599
Public Works		32,500		**27,959**		38,455
Salaries and benefits		284,770		**324,467**		304,865
Transmission and distribution		705,302		**522,736**		566,604
Trucked water delivery service		803,195		**889,863**		845,337
Trucked sewage subsidy		40,029		**35,420**		37,260
		2,032,296		**1,935,261**		1,962,120
Net operating revenue (expenditure) before the undernoted		51,044		**(14,170)**		(165,342)
Other revenue (expenditure)						
Amortization of tangible capital assets		-		**(427,774)**		(432,290)
Net revenue (expenditure) for the year	$	**51,044**	$	**(441,944)**	$	**(597,632)**
Other items affecting surplus						
Purchase of tangible capital assets		(2,400,000)		**-**		(484,923)
Appropriation to reserve for utility Infrastructure		(481,290)		**(612,704)**		(419,860)
Transfer from reserve for current year expenditure		900,000		**-**		51,084
Net transfer from (to) reserve for mobile equipment		(9,242)		**(9,379)**		(12,815)
Transfer to investment in tangible capital assets		-		**427,774**		432,290
Transfer from General Operating Fund		1,940,838		**448,386**		801,485
		(49,694)		**254,077**		367,261
Net revenue (expenditure) after items affecting surplus		1,350		**(187,867)**		(230,371)
Surplus (Deficit), beginning of the year		(147,907)		**(147,907)**		82,464
Surplus (Deficit), end of the year	$	(146,557)	$	**(335,774)**	$	(147,907)

TOWN OF HAY RIVER

Statement X

Utility Operating Fund
Statement of Reserves

For the year ended December 31, 2009

		2009 Budget		**2009 Actual**		2008 Actual
Reserve for Utility Infrastructure						
Balance, beginning of year	$	898,071	$	**898,071**	$	529,295
Current year appropriation		481,290		**612,704**		344,860
Transfer from general operations reserve		-		**-**		75,000
Transfer from reserve for current year expenditure		(900,000)		**-**		(51,084)
Balance, end of year	$	479,361	$	**1,510,775**	$	898,071

TOWN OF HAY RIVER

Statement XI

Utility Operating Fund
Statement of Investment in Tangible Capital Assets

For the year ended December 31, 2009

		2009		2008
Opening balance	$	**16,339,859**	$	19,803,717
Adjustments to capital assets cost		**-**		1,324,051
Adjustments for opening accumulated amortization		**-**		(4,840,542)
		16,339,859		16,287,226
Long-term debt retired				
Debentures		**-**		-
Tangible capital assets acquired		**-**		484,923
Amortization of capital assets		**(427,774)**		(432,290)
Cost of tangible capital assets disposed of		**-**		-
Closing balance	$	**15,912,085**	$	16,339,859

TOWN OF HAY RIVER

Statement XII

Utility Operating Fund
Statement of Capital Financing

For the year ended December 31, 2009

		2009		2008
Source of Funds				
Transfers from				
Utility Operating Fund revenue	$	**-**	$	5,265
Utility Operating Fund reserve		**-**		51,084
Gas Tax Fund reserve		**-**		139,538
Infrastructure Capital reserve		**-**		289,036
	$	**-**	$	484,923
Use of Funds				
Tangible Capital Assets				
Infrastructure upgrade	$	**-**	$	479,657
Machinery and equipment		**-**		5,266
	$	**-**	$	484,923

TOWN OF HAY RIVER

Statement XIII

Land Development Fund
Statement of Financial Activities and Surplus

For the year ended December 31, 2009

		2009 Budget		**2009 Actual**		2008 Actual
Revenue						
Land sales	$	514,714	$	**513,954**	$	966,965
Land leases		219,219		**246,955**		229,444
Legal and transfer fees recovered		735		**2,867**		5,684
Interest and penalties		1,200		**1,973**		1,500
Total Revenue		735,868		**765,749**		1,203,593
Expenditure						
Cost of land sold		187,507		**299,608**		217,533
Land leases		450		**1,450**		351
Overhead charges from General Operating Fund						
Administration		68,700		**38,806**		69,158
Public Works		12,300		**8,386**		15,097
Professional fees		110,082		**16,278**		8,471
Search fees and sundry		2,580		**124**		199
Debenture interest		63,324		**31,358**		71,638
Total Expenditure		444,943		**396,010**		382,447
Net revenue (expenditure) for the year	$	**290,925**	$	**369,739**	$	**821,146**
Other items affecting surplus						
Repayment of debentures (principal only)		(193,092)		-		-
Net revenue (expenditure) after items affecting surplus		97,833		**369,739**		821,146
Surplus, opening		2,598,557		**2,598,557**		1,777,411
Surplus, closing	$	2,696,390	$	**2,968,296**	$	2,598,557

Note 1. **Significant Accounting Policies**

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

Reporting Entity

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

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

Fund Accounting

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

General Operating Fund
Utility Operating Fund
Land Development Fund

Basis of Accounting

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

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

Revenue and Expenditure Recognition

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

Transfers

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

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

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

Capital transfers or transfers of tangible capital assets are initially recognized as deferred capital contributions and subsequently recognized as revenue when the related tangible capital assets are purchased.

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

Land Sales Revenue

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

Land Inventory

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.

Tangible Capital Assets

Effective January 1, 2009, the Town adopted Handbook Section 3510 of the Public Sector Accounting Handbook of the Canadian Institute of Chartered Accountants with respect to the reporting of tangible capital assets. In accordance with the handbook, the change in accounting policy has been applied retrospectively.

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

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

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

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

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

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

Work-in-Progress

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

Accrued Banked Time and Vacation Pay

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

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

School Taxes

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

Reserves

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

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

Investment in Tangible Capital Assets

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

Non-Financial Assets

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

Leases

Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as capital leases. All other leases are accounted for as operating leases and the related lease payments are charged to expenses as incurred.

Use of Estimates

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

Note 2. **Cash**

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

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

		2009		2008
General Operating Fund	$	**7,374,356**	$	6,365,234
Utility Operating Fund		**1,175,001**		750,164
Land Development Fund		**1,559,081**		1,413,632
	$	**10,108,438**	$	8,529,030

Note 3. **Municipal Taxes Receivable**

		2009		2008
Total municipal taxes receivable	$	**249,939**	$	183,230
Allowance for doubtful collection		**(12,079)**		(11,000)
	$	**237,860**	$	172,230

Note 4. **Accounts Receivable**

		2009		2008
General accounts receivable	$	**995,801**	$	885,093
Utility system receivable		**129,726**		132,385
Ambulance receivable		**76,132**		68,165
Lease fees receivable		**28,388**		10,274
		1,230,047		1,095,917
Allowance for doubtful collection		**(71,210)**		(61,156)
		1,158,837		1,034,761
Goods and services tax refundable		**40,542**		68,576
	$	**1,199,379**	$	1,103,337

Note 5. **School Tax Payable**

		2009		2008
Balance consists of:				
2009 levy	$	**81,194**	$	-
2008 levy		**5,239**		19,220
2007 levy		**162**		4,065
2006 levy		**856**		898
2005 levy		**86**		126
2004 levy		**129**		129
2003 levy		**114**		114
2002 levy		**81**		81
	$	**87,861**	$	24,633

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

Note 6. **Accounts Payable and Accrued Liabilities**

		2009		2008
Trade accounts payable	$	**680,099**	$	380,298
Holdbacks payable		**185,014**		118,398
Accrued vacation pay and banked time		**127,066**		109,175
	$	**992,179**	$	607,871

Note 7. **Deferred Contributions**

		2009		2008
Gas Tax Funding	$	**-**	$	344,184
Community Public Infrastructure Funding		**3,591,497**		2,329,836
	$	**3,591,497**	$	2,674,020

Note 8. **Supplementary Information**

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

		2009		2008
General Operating Fund:				
Property taxes	$	**1,079**	$	758
Other		**10,055**		1,483
	$	**11,134**	$	2,241

Note 9. **Reserves and Deferred Contributions**

Sufficient funds must be deposited to separate bank accounts to correspond with the respective reserve balances and deferred contribution amounts. Interest earned on the account is credited to the appropriate reserve. As at December 31, 2009, the Town had not complied with this requirement, as they are unable to verify the appropriate transfer amounts until after the audit has been complete. It is expected that the appropriate transfers will be made once the finalized audit statements have been received. There was a shortfall as follows:

Total Reserves		
General Operating fund, per Statement VI	$	3,040,118
Utility Operating fund, per Statement X		1,510,775
		4,550,893
Deferred Contributions, Note 7		3,591,497
		8,142,390
Reserve and Trusts bank account balance		7,310,558
Shortfall	$	831,832

Note 10. **Contingencies**

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

Note 11. **Credit Risk**

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

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

Note 12. **Site Restoration Costs**

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

The reserve for landfill has been established to fund site restoration costs. The current year's reserve balance of $260,044 represents the total value of such remaining costs identified by an outside consultant in a study conducted in 1999 together with the appropriations for interest.

Note 13. **Change in Accounting Policy**

Tangible Capital Assets

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

Note 14. **Reclassification**

Certain prior year's figures have been reclassified for comparative purposes. Specifically, we reclassified the unspent portions of the Gas Tax and Community Public Infrastructure Funds, that otherwise would have been maintained in reserves, to deferred revenue. This supports the allocation difference between deferred revenue as externally restricted funds and reserves as internally restricted funds.

TOWN OF HAY RIVER

Schedule 1

General Operating Fund
Schedule of Revenue

For the year ended December 31, 2009

		2009 Budget		**2009 Actual**		2008 Actual
Property taxes	$	4,377,915	$	**4,512,877**	$	3,822,888
Grants in Lieu of Taxes						
Federal		181,122		**156,071**		133,623
Territorial		624,699		**613,721**		466,546
NWT Power Corporation		43,024		**36,675**		35,175
Less school taxes		(574,305)		**(591,966)**		(581,295)
	$	4,652,455	$	**4,727,378**	$	3,876,937
Sales of Services						
Recreation						
- Pool	$	120,497	$	**97,944**	$	100,339
- Community center		192,305		**197,831**		192,242
- Curling club rental		23,721		**23,718**		23,721
- Ballpark rental		4,238		**5,131**		4,483
- Other		5,000		**6,842**		17,450
- Aquatic centre fundraising		-		**1,000**		8,800
Collection fee school taxes		5,000		**5,000**		5,000
Dump tipping fees		30,000		**18,435**		15,789
Ambulance		95,300		**92,396**		103,795
Public works costs recovered		5,500		**4,500**		4,950
Tourism revenues		100		**4**		-
Start Your Engines		-		**(6,677)**		75,237
Other		6,860		**92,881**		86,984
	$	488,521	$	**539,005**	$	638,790
Other Revenue From Own Sources						
Franchise fee	$	213,347	$	**255,437**	$	205,141
Licenses and permits		120,000		**134,629**		119,092
Fines and dog pound fees		4,800		**575**		5,200
Interest and penalties		198,438		**73,446**		208,031
Airport fuel concession fees		5,000		**(1,498)**		8,902
Disposal of Tangible Capital Assets, Note 8		3,000		**-**		3,600
Other contributions		88,103		**-**		113,040
Discounts allowed on school tax		18,970		**16,091**		18,136
	$	651,658	$	**478,680**	$	681,142

TOWN OF HAY RIVER

Schedule 2

General Operating Fund
Schedule of Revenue

For the year ended December 31, 2009

	2009 Budget	**2009 Actual**	2008 Actual
Conditional Transfers			
GNWT Grants			
- Summer employment	$ -	$ **7,930**	$ -
- Territorial recreation	29,000	**29,000**	36,500
- Territorial capital and other	1,259,640	**1,259,640**	2,022,595
- Territorial miscellaneous	1,036,607	**1,142,074**	-
Federal Government Grants			
- Federal miscellaneous	-	**100,466**	-
	$ 2,325,247	$ **2,539,110**	$ 2,059,095

TOWN OF HAY RIVER

Schedule 3

General Operating Fund
Schedule of Expenditure

For the year ended December 31, 2009

	2009 Budget	**2009 Actual**	2008 Actual
General Government			
Mayor's indemnity	$ 41,474	$ **41,480**	$ 40,057
Councilors' indemnity	78,600	**69,253**	69,821
Boards and agencies indemnities	1,000	**540**	850
Administration - salaries and benefits	823,934	**897,726**	785,002
Administration - other	278,864	**271,898**	280,124
Vehicle	323	**54**	23
Postage	6,081	**6,387**	5,999
Xerox	14,200	**13,985**	13,299
Professional services	303,325	**262,489**	223,751
Taxation	4,300	**4,378**	4,148
Insurance	90,251	**95,508**	108,611
Lease fees	1,900	**3,455**	1,725
Town hall operations	61,235	**70,852**	67,648
Town hall building maintenance	43,768	**23,840**	23,560
Town hall equipment maintenance	16,378	**18,768**	13,699
Personnel interviews, advertising, memberships and publications	90,150	**79,229**	50,566
Election expense	10,000	**8,943**	5,214
Conventions, delegations and public relations	62,500	**68,184**	66,492
Grants administered by Town	21,760	**242**	66,336
	1,950,043	**1,937,211**	1,826,925
Deduct overhead charged to:			
Utility Fund	(166,500)	**(134,816)**	(169,599)
Land Development Fund	(67,900)	**(38,806)**	(69,158)
	$ 1,715,643	$ **1,763,589**	$ 1,588,168

TOWN OF HAY RIVER

Schedule 4

General Operating Fund
Schedule of Expenditure

For the year ended December 31, 2009

		2009 Budget		**2009 Actual**		2008 Actual
Protective Services						
Insurance	$	11,764	$	**11,310**	$	11,764
Bylaw enforcement		69,824		**27,857**		78,373
Bylaw vehicle maintenance		2,500		**1,647**		2,613
Fire protection		194,475		**216,425**		183,976
Fire department vehicle maintenance		19,100		**14,684**		14,405
Fire department building maintenance		5,456		**3,614**		3,624
Emergency response training center		27,568		**22,391**		34,001
Civil emergency		19,825		**40,009**		67,830
Ambulance		61,120		**53,002**		64,673
Ambulance vehicle maintenance		8,000		**5,052**		1,752
Animal and pest control		30,552		**55,078**		28,552
	$	450,184	$	**451,069**	$	491,563

TOWN OF HAY RIVER

Schedule 5

General Operating Fund
Schedule of Expenditure

For the year ended December 31, 2009

		2009 Budget		**2009 Actual**		2008 Actual
Transportation and Public Works						
Public works						
Administration	$	242,568	$	**167,713**	$	228,385
Vehicle maintenance		-		**377**		18
Equipment operations administration		3,000		**5,737**		2,992
Vehicle operations maintenance		76,800		**88,289**		115,135
Town garage						
Yards		70,686		**82,605**		80,595
Building maintenance		24,102		**29,267**		2,015
Equipment maintenance		500		**558**		-
Carpenter shop		48,231		**63,892**		54,393
Vehicle maintenance		750		**479**		23
Building maintenance		700		**2,835**		1,002
Equipment maintenance		400		**136**		73
Roads						
General roads		47,228		**27,138**		42,536
Summer roads		266,880		**419,895**		215,334
Roads brushing		14,810		**8,578**		10,958
Sidewalks		12,888		**19,294**		12,836
Drainage		28,255		**38,660**		31,470
Winter roads		125,401		**234,397**		207,665
Street lighting		148,988		**150,865**		145,566
Parking		1,000		**1,762**		1,572
Road safety		14,475		**13,182**		15,684
Air transportation		2,736		**(745)**		5,684
Marine world		-		**811**		-
		1,130,398		**1,355,725**		1,173,936
Deduct overhead charged to:						
Utility Operating Fund		(32,500)		**(27,959)**		(38,455)
Land Development Fund		(12,300)		**(8,386)**		(15,097)
	$	1,085,598	$	**1,319,380**	$	1,120,384

TOWN OF HAY RIVER

Schedule 6

General Operating Fund
Schedule of Expenditure

For the year ended December 31, 2009

		2009 Budget		**2009 Actual**		2008 Actual
Environmental and Public Health Services						
Sanitation operations	$	372,844	$	**334,073**	$	323,722
Dump maintenance		8,585		**68,679**		2,236
Cemetery		22,578		**7,444**		7,602
Senior/disabled tax exemptions		101,207		**112,297**		102,368
	$	505,214	$	**522,493**	$	435,928

TOWN OF HAY RIVER

Schedule 7

General Operating Fund
Schedule of Expenditure

For the year ended December 31, 2009

		2009 Budget		**2009 Actual**		2008 Actual
Planning and Development						
Planning and Zoning	$	84,062	$	**90,233**	$	84,289
Tourism		98,453		**73,196**		76,422
Building and yard maintenance		17,100		**15,893**		13,578
Programs		5,000		**2,570**		2,907
Economic development		52,000		**4,727**		12,398
Start Your Engines		-		**15,000**		53,587
	$	256,615	$	**201,619**	$	243,181

TOWN OF HAY RIVER

Schedule 8

General Operating Fund
Schedule of Expenditure

For the year ended December 31, 2009

		2009 Budget		**2009 Actual**		2008 Actual
Recreational and Cultural						
Recreation administration	$	300,118	$	**356,391**	$	269,435
Insurance		20,527		**21,887**		20,527
Vehicle maintenance		4,800		**9,039**		4,790
Recreation centre operations		363,814		**465,358**		444,283
Building maintenance		46,794		**47,745**		43,422
Mechanical maintenance		35,172		**13,720**		47,714
Swimming pool operations		529,899		**658,953**		595,757
Building maintenance		3,000		**6,605**		13,418
Mechanical maintenance		26,983		**39,534**		16,405
Cost of sales		250		**-**		-
Curling club operations		83,443		**100,960**		105,314
Building maintenance		5,400		**83**		970
Sportsfields		24,469		**16,286**		15,874
Parkland		111,850		**126,444**		96,591
Library		145,527		**145,527**		142,341
Community television		71,008		**71,008**		68,935
Recreation programs		120,238		**58,175**		41,499
Annual town clean-up		35,535		**26,306**		34,765
	$	1,928,827	$	**2,164,021**	$	1,962,040

TOWN OF HAY RIVER

Schedule 9

General Operating Fund
Schedule of Expenditure

For the year ended December 31, 2009

		2009 Budget		**2009 Actual**		2008 Actual
Fiscal and Valuation						
Discount on taxes	$	125,870	$	**124,543**	$	123,369
Debenture interest		166,399		**146,594**		170,996
Bank charges		7,195		**9,054**		8,434
Provision for (recovery of) bad debts, Note 8		23,540		**11,134**		2,241
	$	323,004	$	**291,325**	$	305,040

TOWN OF HAY RIVER

Schedule 10

Schedule of Expenditures by Object

For the year ended December 31, 2009

	2009 Budget	**2009 Actual**	2008 Actual
Salaries, wages and benefits	$ 2,719,483	$ **2,982,568**	$ **2,712,162**
Mayor, council and other indemnities	370,401	**359,528**	**345,387**
Office and administration	288,925	**287,078**	**305,977**
Community T.V.	40,039	**40,039**	**38,722**
Advertising and promotion	110,200	**84,749**	**104,618**
Professional services and training	638,969	**399,495**	**380,960**
Insurance	163,135	**169,819**	**181,590**
Construction and maintenance supplies	695,918	**740,065**	**477,277**
Contracted services	1,123,973	**1,241,283**	**1,257,563**
Land, machinery and equipment rent	138,860	**232,080**	**145,148**
Utilities - Electricity	533,717	**594,416**	**594,194**
Utilities - Sanitation	363,369	**417,007**	**351,129**
Utilities - Water/Sewer	47,551	**66,890**	**46,068**
Utilities - Heating fuel	590,919	**551,688**	**606,749**
Vehicle operations	108,050	**83,402**	**96,474**
Equipment and vehicle fuel	100,128	**59,832**	**83,938**
Interest and bank charges	7,195	**9,054**	**8,434**
Interest on long-term debt	229,723	**177,950**	**242,634**
Provision for bad debts	23,300	**11,133**	**2,241**
Discount on taxes	125,870	**124,543**	**123,369**
Grants	122,967	**112,540**	**168,704**
Cost of land sold	187,507	**299,608**	**217,533**
Land debenture principal	193,092	**-**	**-**
Overhead charges	800	**-**	**-**
	$ 8,924,091	$ **9,044,767**	$ 8,490,871

TOWN OF HAY RIVER

Schedule of Tangible Capital Assets

Schedule 11

December 31, 2009

	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	$ 8,854,011	$ 1,653,005	$ -	$ 10,507,016	$ 1,834,524	$ 7,019,487	$ -	$ 210,140	$ 2,044,664	$ 8,462,352
Recreation facilities	340,190	86,034	21,831	404,393	128,468	211,722	9,606	16,176	135,038	269,355
Marine facilities	156,731	-	-	156,731	68,962	87,769	-	6,269	75,231	81,500
Airport fuel facilities	-	-	-	-	-	-	-	-	-	-
Land Bio treatment facility	137,550	-	-	137,550	10,557	126,993	-	2,751	13,308	124,242
Street lighting	95,407	-	-	95,407	34,983	60,424	-	3,180	38,163	57,244
Drainage	2,540,836	-	-	2,540,836	368,114	2,172,722	-	101,633	469,747	2,071,089
Traffic lights	109,098	-	-	109,098	30,015	- 79,083	-	- 3,637	- 33,652	75,446
	12,233,823	1,739,039	21,831	13,951,031	2,475,623	9,758,200	9,606	343,786	2,809,803	11,141,228
Buildings										
Administration	852,200	-	-	852,200	460,188	392,012	-	17,044	477,232	374,968
Fire halls	1,145,000	-	-	1,145,000	380,752	764,248	-	24,079	404,831	740,169
Generator building	116,400	-	-	116,400	26,190	90,210	-	2,910	29,100	87,300
Emergency response training center	240,400	-	-	240,400	42,070	198,330	-	6,010	48,080	192,320
Fire training centers	325,100	-	-	325,100	88,640	236,460	-	9,288	97,928	227,172
Tourist information	176,600	-	-	176,600	65,594	111,006	-	5,046	70,640	105,960
Arena complex	5,525,400	400,235	-	5,925,635	2,431,176	3,094,224	-	124,802	2,555,978	3,369,657
Aquatic facility	7,739,800	-	-	7,739,800	193,495	7,546,305	-	193,495	386,990	7,352,810
Golf clubhouse	918,800	-	-	918,800	229,700	689,100	-	22,970	252,670	666,130
Ski chalet	588,200	-	-	588,200	102,935	485,265	-	14,705	117,640	470,560
Public works garages	949,900	-	-	949,900	433,670	516,230	-	23,262	456,932	492,968
Carpentry	169,800	-	-	169,800	91,692	78,108	-	3,396	95,088	74,712
Land fill	214,400	-	-	214,400	70,160	144,240	-	7,100	77,260	137,140
Storage	144,303	-	-	144,303	15,465	128,838	-	5,897	21,362	122,941
Staff house	170,000	-	-	170,000	9,860	160,140	-	4,853	14,713	155,287
Dog pound	157,400	-	-	157,400	43,285	114,115	-	3,935	47,220	110,180
Ball parks	180,882	-	-	180,882	65,227	115,655	-	5,262	70,489	110,393
Other	76,885	-	-	76,885	32,955	43,930	-	2,217	35,172	41,713
	19,691,470	400,235	-	20,091,705	4,783,054	14,908,416	-	476,271	5,259,325	14,832,380
Machinery and Equipment										
Vehicles	2,817,223	64,705	-	2,881,928	2,424,388	392,835	-	109,809	2,534,197	347,731
Heavy equipment	67,261	-	-	67,261	61,093	6,168	-	1,627	62,720	4,541
Office furniture and equipment	576,397	3,336	-	579,733	363,108	213,289	-	37,152	400,260	179,473
Operating Equipment	967,390	10,771	-	978,161	646,957	320,433	-	57,216	704,173	273,988
Computer Equipment	122,292	33,493	-	155,785	104,264	18,028	-	21,598	125,862	29,923
IT Infrastructure	339,990	14,200	-	354,190	299,682	40,308	-	20,162	319,844	34,346
	4,890,553	126,505	-	5,017,058	3,899,492	991,061	-	247,564	4,147,056	870,002
Work in progress	-	3,750	-	3,750	-	-	-	-	-	3,750
Land	142,624	-	-	142,624	-	142,624	-	-	-	142,624
Art Work	52,218	-	-	52,218	-	52,218	-	-	-	52,218
Tangible Capital Assets - General Fund	$ 37,010,688	$ 2,269,529	$ 21,831	$ 39,258,386	$ 11,158,169	$ 25,852,519	$ 9,606	$ 1,067,621	$ 12,216,184	$ 27,042,202
Utility Fund										
Water and Sewer System	$ 13,916,320	$ -	$ -	$ 13,916,320	$ 2,129,754	$ 11,786,566	$ -	$ 278,326	$ 2,408,080	$ 11,508,240
Buildings	5,881,500	-	-	5,881,500	1,437,525	4,443,975	-	119,869	1,557,394	4,324,106
Land	1,000	-	-	1,000	-	1,000	-	-	-	1,000
Vehicles	267,764	-	-	267,764	227,183	40,581	-	9,740	236,923	30,841
Heavy Equipment	33,741	-	-	33,741	29,002	4,739	-	526	29,528	4,213
Furniture & Equipment	1,512,366	-	-	1,512,366	1,449,368	62,998	-	19,313	1,468,681	43,685
Tangible Capital Assets - Utility Fund	$ 21,612,691	$ -	$ -	$ 21,612,691	$ 5,272,832	$ 16,339,859	$ -	$ 427,774	$ 5,700,606	$ 15,912,085
Total Tangible Capital Assets	$ 58,623,379	$ 2,269,529	$ 21,831	$ 60,871,077	$ 16,431,001	$ 42,192,378	$ 9,606	$ 1,495,395	$ 17,916,790	$ 42,954,287

TOWN OF HAY RIVER

Schedule 12

Debentures Issued

December 31, 2009

No.	Description	Issue Date	Maturity Date	Rate %	Payment		**Principal Balance 2009**		Principal Payment Due 2010
105	Aquatic Facility	03/16/05	08/31/14	3.96	*$ 22,317	$	**3,556,896**	$	129,283
106	Westview	05/08/06	07/31/15	Prime	**$193,092		**1,158,550**		193,092
						$	**4,715,446**	$	322,375

* Principal and interest included, payable monthly

** Principal only, payments due annually

		General Fund		Utility Fund		Land Development Fund		Total
PRINCIPAL PAYMENTS DUE WITHIN THE NEXT FIVE YEARS:								
2010	$	129,283	$	-	$	193,092	$	322,375
2011		134,496		-		193,092		327,588
2012		139,920		-		193,092		333,012
2013		145,562		-		193,092		338,654
2014		151,432		-		193,092		344,524
Subsequent		2,856,203		-		193,090		3,049,293
	$	3,556,896	$	-	$	1,158,550	$	4,715,446

TOWN OF HAY RIVER

Schedule 13

Gas Tax Agreement
Statement of Revenue, Expenditure and Deferred Contribution

For the year ended December 31, 2009

		2009 Budget		**2009 Actual**		2008 Actual
Revenues						
Territorial Government Grants	$	1,036,607	$	**1,036,607**	$	515,645
Interest		-		**233**		-
Total Revenue		**1,036,607**		**1,036,840**		515,645
Expenditures						
Stewart Drive Drainage and Restoration		-		**1,381,024**		31,923
Woodland Drive Water Main Repairs		1,500,000		**-**		139,538
		1,500,000		**1,381,024**		171,461
Net revenue (expenditure) for the year		**(463,393)**		**(344,184)**		344,184
Deferred contribution balance, opening		344,184		**344,184**		-
Deferred contribution balance, closing	$	**(119,209)**	$	**-**	$	344,184

Stewart Drive Drainage and Restoration

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

TOWN OF HAY RIVER

Schedule 14

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

For the year ended December 31, 2009

		2009 Budget		**2009 Actual**		2008 Actual
Revenues						
Territorial Government Grants	$	1,259,640	$	**1,259,640**	$	1,259,640
Interest		-		**2,021**		33,146
Total Revenue		1,259,640		**1,261,661**		1,292,786
Expenditures						
Stewart Drive Drainage and Restoration		1,508,624		**-**		-
Arena Roof Replacement		1,000,000		**-**		-
		2,508,624		-		-
Net revenue for the year		(1,248,984)		**1,261,661**		1,292,786
Deferred contribution balance, opening		2,329,836		**2,329,836**		1,037,050
Deferred contribution balance, closing	$	**1,080,852**	$	**3,591,497**	$	2,329,836

TOWN OF HAY RIVER

Schedule 15

Schedule of Honoraria and Travel

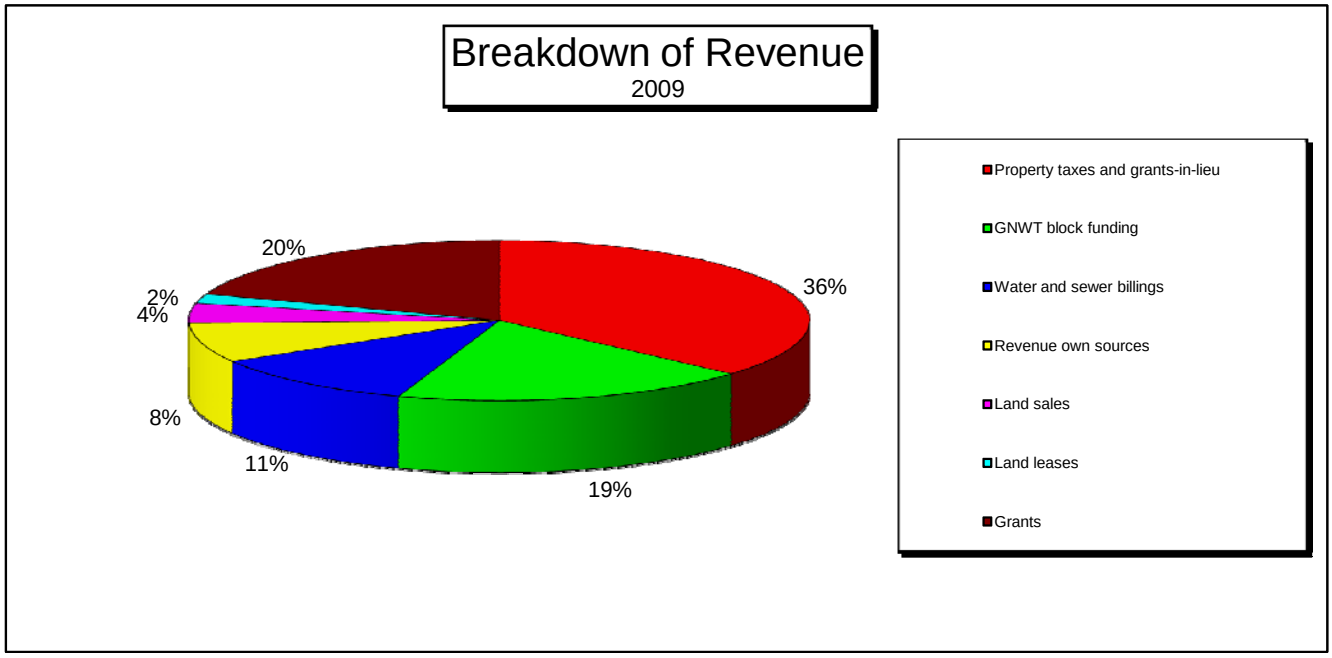
For the year ended December 31, 2009

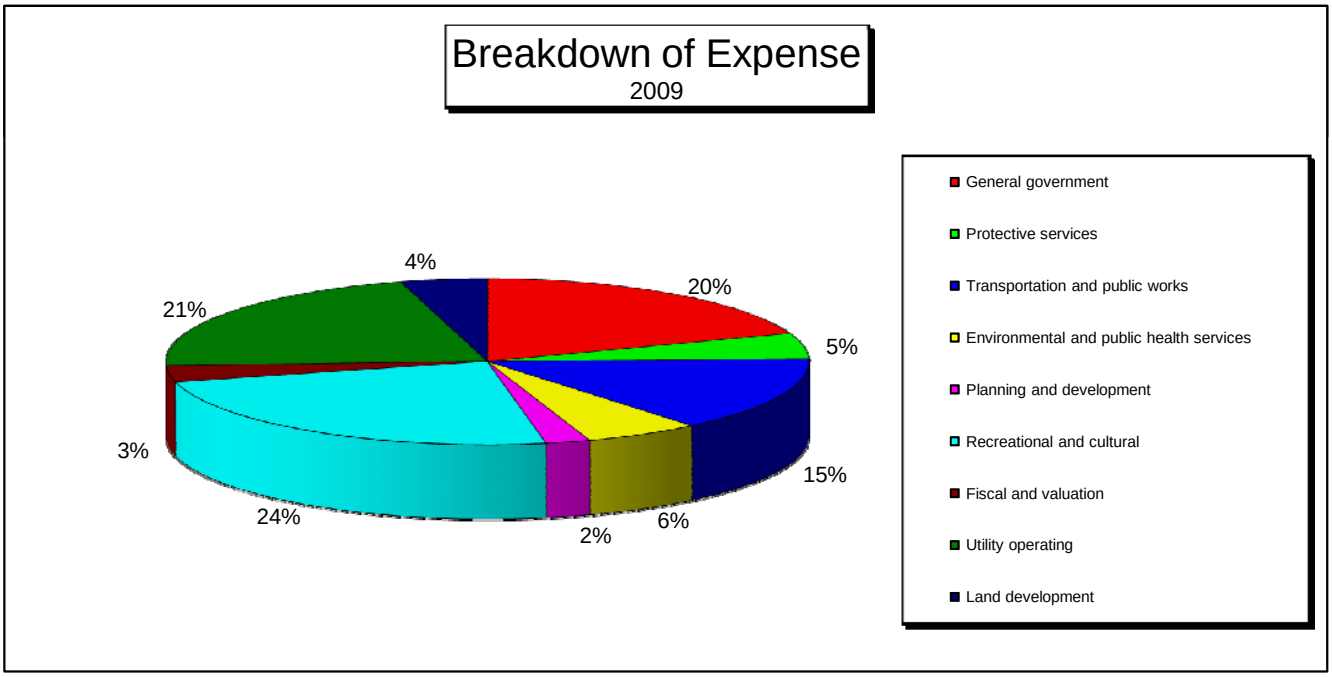
		Honoraria		Travel
Mayor				
Kelly Schofield	$	6,913	$	1,601
Jean Marc Miltenberger		34,557		841
	$	41,470	$	2,442
Councilor				
Mike Maher	$	11,348	$	2,840
Kevin Wallington		9,390		-
Ken Latour		9,390		-
Dawna O'Brien		9,390		1,752
Bernard Dueck		1,565		-
Andrew Cassidy		1,565		-
Bernard Langille		1,565		-
Reiss Kruger		1,565		-
Vince McKay		7,825		5,400
Sandra Lester		7,825		-
Pat Burnstad		7,825		1,406
	$	33,645	$	1,036

TOWN OF HAY RIVER

Graphical Representation of Breakdown of Revenue and Expense

For the year ended December 31, 2009

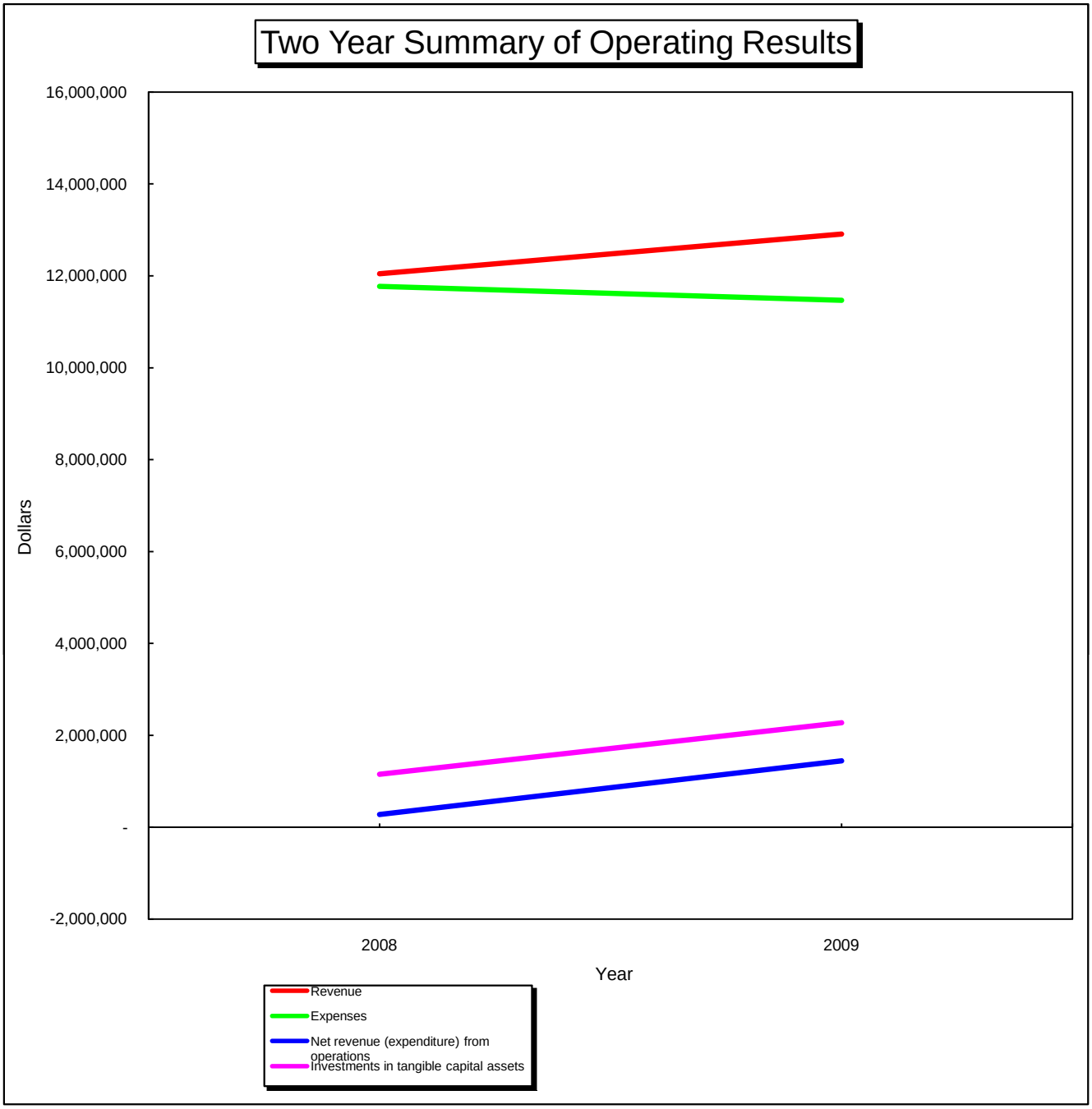




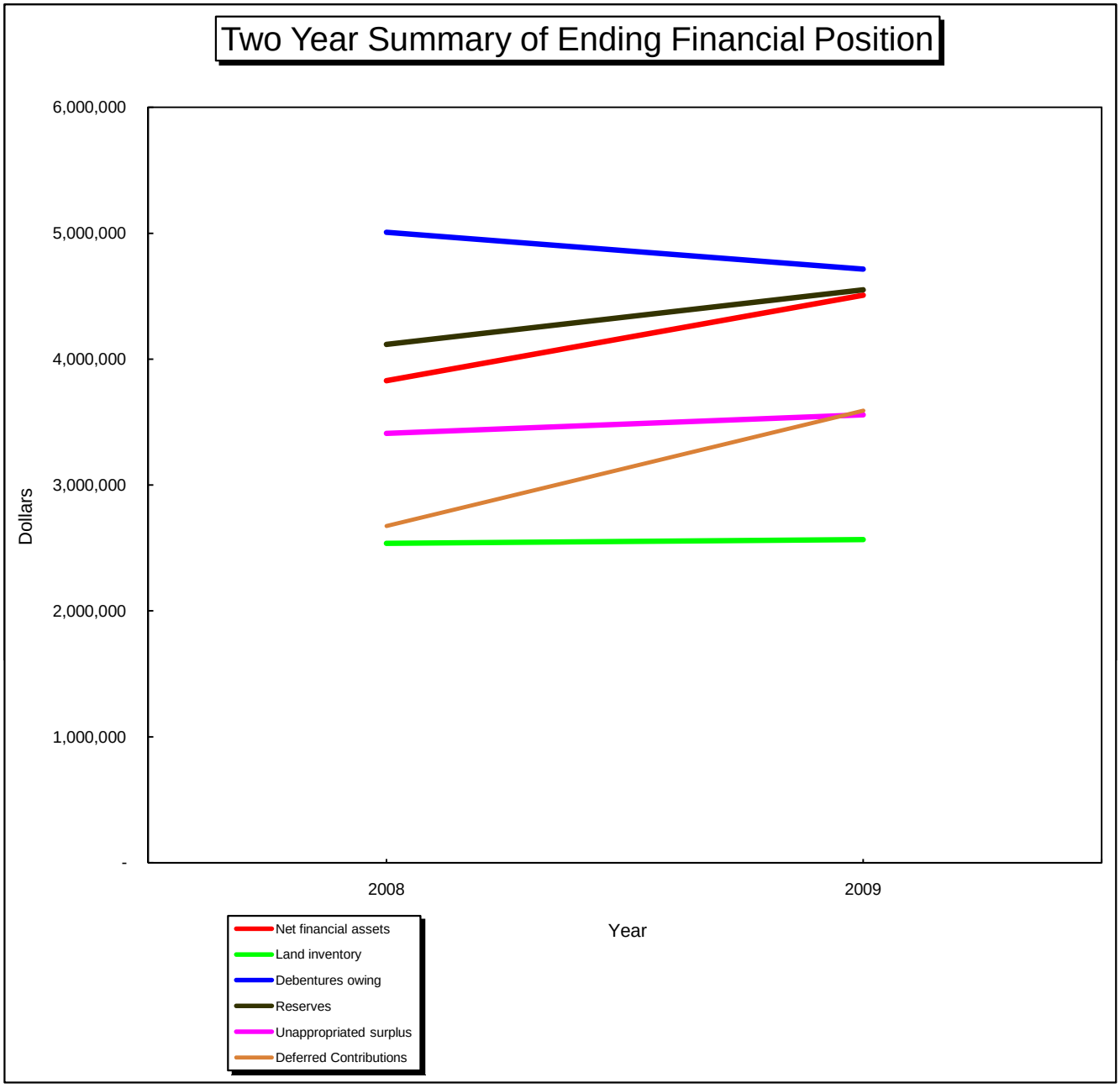
TOWN OF HAY RIVER

Graphical Representation of Operating Results

For the year ended December 31, 2009



TOWN OF HAY RIVER

Graphical Representation of Ending Financial Position

For the year ended December 31, 2009