

Consolidated Financial Statements of

TOWN OF HINTON

Year ended December 31, 2018

TOWN OF HINTON

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Year ended December 31, 2018

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MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The accompanying consolidated financial statements of the Town of Hinton (the "Town") are the responsibility of the Town's management and have been prepared in compliance with legislation, and in accordance with Canadian public sector accounting standards. The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods. The Town's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the consolidated financial statements. These systems are monitored and evaluated by management.

Council met with management and the external auditors to review the consolidated financial statements and discuss any significant financial reporting or internal control matters prior to their receipt of the consolidated financial statements. The consolidated financial statements have been audited by KPMG LLP, independent external auditors appointed by the Town. The accompanying Auditors' Report outlines their responsibilities, the scope of their examination and their opinion on the Town's consolidated financial statements.

Martin Taylor
Chief Administrative Officer
April 16, 2019



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INDEPENDENT AUDITORS' REPORT

To the Mayor and Members of Council of the Town of Hinton

Opinion

We have audited the consolidated financial statements of Town of Hinton (the Entity), which comprise:

- the consolidated statement of financial position as at December 31, 2018
- the consolidated statement of operations and accumulated surplus for the year then ended
- the consolidated statement of changes in net financial assets (net debt) for the year then ended
- the consolidated statement of cash flows for the year then ended
- and notes to the consolidated financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2018, and its results of operations, changes in net financial assets (net debt) 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 "*Auditors' Responsibilities for the Audit of the Financial Statements*" section of our auditors' report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other responsibilities in accordance with these 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 Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

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

Auditors' 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 auditors' 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 the 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 for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- 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 Entity'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 Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Entity's 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
- 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.

KPMG LLP

Chartered Professional Accountants

Edmonton, Canada

April 16, 2019

TOWN OF HINTON

Consolidated Statement of Financial Position

December 31, 2018, with comparative information for 2017

| | 2018 | 2017 |
|--|-----------------------|-----------------------|
| Financial assets: | | |
| Receivables: | | |
| Taxes and grants in place of taxes (note 2) | \$ 457,859 | \$ 616,056 |
| Trade and other receivables (note 3) | 3,112,506 | 3,989,568 |
| Loan receivable (note 4) | 1,416,685 | 1,500,000 |
| Land held for resale | 2,960 | 2,960 |
| Investments (note 5) | 9,352,610 | 14,681,982 |
| | <u>14,342,620</u> | <u>20,790,566</u> |
| Liabilities: | | |
| Bank indebtedness | 232,299 | 708,299 |
| Accounts payable and accrued liabilities | 2,480,864 | 3,041,759 |
| Deposit liabilities | 786,135 | 346,143 |
| Deferred revenue (note 6) | 1,756,350 | 3,869,534 |
| Long-term debt (notes 7 and 8) | 5,749,433 | 8,271,902 |
| Landfill closure and post-closure liability (note 9) | 83,809 | 79,402 |
| | <u>11,088,890</u> | <u>16,317,039</u> |
| Net financial assets | 3,253,730 | 4,473,527 |
| Non-financial assets: | | |
| Tangible capital assets (Schedule 1) | 154,952,676 | 151,453,772 |
| Inventory for consumption | 286,830 | 315,313 |
| Prepaid expenses and deposits | 186,342 | 97,752 |
| | <u>155,425,848</u> | <u>151,866,837</u> |
| Contingencies and guarantees (note 14) | | |
| Accumulated surplus (note 10) | \$ 158,679,578 | \$ 156,340,364 |

See accompanying notes to consolidated financial statements.

Approved by:



Mayor



Councilor
CORPORATE
SERVICES
DIRECTOR

TOWN OF HINTON

Consolidated Statement of Operations and Accumulated Surplus

Year ended December 31, 2018, with comparative information for 2017

| | 2018 Budget | 2018 | 2017 |
|---|-----------------------|-----------------------|-----------------------|
| Revenue: | | | |
| Net municipal taxes (Schedule 3) | \$ 12,102,455 | \$ 12,066,899 | \$ 11,624,582 |
| User fees and sales of goods | 6,836,154 | 6,812,516 | 6,516,399 |
| Government transfers for operating (Schedule 4) | 3,958,776 | 5,816,378 | 5,103,502 |
| Franchise fees | 1,458,000 | 1,425,708 | 1,448,605 |
| Rentals | 617,853 | 578,526 | 604,129 |
| Fines | 950,000 | 488,019 | 768,267 |
| Investment income | 183,100 | 288,202 | 233,628 |
| Other | 90,949 | 275,345 | 631,823 |
| Penalties and costs on taxes | 191,000 | 208,846 | 204,153 |
| Licenses and permits | 132,600 | 149,304 | 134,067 |
| Development levies | 50,000 | 7,493 | 13,631 |
| | 26,570,887 | 28,117,236 | 27,282,786 |
| Expenses (Schedule 5): | | | |
| Infrastructure services | 7,777,357 | 7,807,051 | 7,065,144 |
| Protective services | 5,120,725 | 4,925,126 | 5,098,465 |
| Environmental services | 4,151,552 | 3,916,892 | 3,388,528 |
| General government | 3,486,320 | 3,674,187 | 3,590,010 |
| Parks, recreation and culture | 3,223,247 | 3,557,643 | 3,372,478 |
| Planning and development | 2,378,040 | 2,712,180 | 3,001,567 |
| Public health and welfare | 1,695,542 | 1,900,924 | 1,697,668 |
| Library | 660,817 | 642,479 | 639,515 |
| | 28,493,600 | 29,136,482 | 27,853,375 |
| Deficiency of revenue over expenses before other | (1,922,713) | (1,019,246) | (570,589) |
| Capital revenue: | | | |
| Government transfers for capital (Schedule 4) | 417,000 | 3,108,399 | 3,726,974 |
| Gain (loss) on disposal of tangible capital assets | - | 250,061 | (51,782) |
| Annual surplus (deficit) | (1,505,713) | 2,339,214 | 3,104,603 |
| Accumulated surplus, beginning of year | 156,340,364 | 156,340,364 | 153,235,761 |
| Accumulated surplus, end of year | \$ 154,834,651 | \$ 158,679,578 | \$ 156,340,364 |

See accompanying notes to consolidated financial statements.

TOWN OF HINTON

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

Year ended December 31, 2018, with comparative information for 2017

| | Budget | 2018 | 2017 |
|--|----------------|--------------|--------------|
| Annual surplus (deficit) | \$ (1,505,713) | \$ 2,339,214 | \$ 3,104,603 |
| Acquisition of tangible capital assets | (9,793,202) | (8,126,253) | (6,228,706) |
| Amortization of tangible capital assets | 4,765,962 | 4,646,958 | 4,463,497 |
| Proceeds on disposal of tangible capital assets | - | 230,452 | 73,290 |
| Loss (gain) on disposal of tangible capital assets | - | (250,061) | 51,782 |
| | (5,027,240) | (3,498,904) | (1,640,137) |
| Change in prepaid expenses and deposits | - | (88,590) | (47,005) |
| Change in inventory for consumption | - | 28,483 | 47,634 |
| | - | (60,107) | 629 |
| Change in net financial assets (net debt) | (6,532,953) | (1,219,797) | 1,465,095 |
| Net financial assets, beginning of year | 4,473,527 | 4,473,527 | 3,008,432 |
| Net financial assets (net debt), end of year | \$ (2,059,426) | \$ 3,253,730 | \$ 4,473,527 |

See accompanying notes to consolidated financial statements.

TOWN OF HINTON

Consolidated Statement of Cash Flows

Year ended December 31, 2018, with comparative information for 2017

| | 2018 | 2017 |
|--|--------------|--------------|
| Cash provided by (used in): | | |
| Operations: | | |
| Annual surplus (deficit) | \$ 2,339,214 | \$ 3,104,603 |
| Items not involving cash: | | |
| Amortization of tangible capital assets | 4,646,958 | 4,463,497 |
| Loss (gain) on disposal of tangible capital assets | (250,061) | 51,782 |
| Changes in non-cash operating working capital: | | |
| Taxes and grants in place of taxes | 158,197 | (39,974) |
| Trade and other receivables | 877,062 | (81,450) |
| Loan receivable | 83,315 | (1,500,000) |
| Accounts payable and accrued liabilities | (560,895) | 502,660 |
| Deposit liabilities | 439,992 | (93,002) |
| Deferred revenue | (2,113,184) | 63,215 |
| Landfill closure and post-closure liability | 4,407 | 27,500 |
| Inventory for consumption | 28,483 | 47,634 |
| Prepaid expenses and deposits | (88,590) | (47,005) |
| Cash provided by operating activities | 5,564,898 | 6,499,460 |
| Capital activities: | | |
| Acquisition of tangible capital assets | (8,126,253) | (6,228,706) |
| Proceeds on disposal of tangible capital assets | 230,452 | 73,290 |
| Cash applied to capital activities | (7,895,801) | (6,155,416) |
| Investing activities: | | |
| Purchase of investments | (5,739,628) | (8,716,899) |
| Redemption of investments | 11,069,000 | 6,057,394 |
| Cash applied to investing activities | 5,329,372 | (2,659,505) |
| Financing activities: | | |
| Issuance of long-term debt | - | 1,500,000 |
| Repayment of long-term debt | (2,522,469) | (2,344,034) |
| Cash applied to financing activities | (2,522,469) | (844,034) |
| Increase (decrease) in cash | 476,000 | (3,159,495) |
| Bank indebtedness, beginning of year | (708,299) | 2,451,196 |
| Bank indebtedness, end of year | \$ (232,299) | \$ (708,299) |

See accompanying notes to consolidated financial statements.

TOWN OF HINTON

Notes to Consolidated Financial Statements

Year ended December 31, 2018

1. Significant accounting policies:

The consolidated financial statements of the Town of Hinton (the "Town") are the representations of management prepared in accordance with Canadian public sector accounting standards (PSAS). Significant aspects of the accounting policies adopted by the Town are as follows:

(a) Reporting entity:

(i) Consolidated entities:

The consolidated financial statements reflect the assets, liabilities, revenues and expenses of the reporting entity. The reporting entity is comprised of the municipal operations plus all of the organizations that are owned or controlled by the Town and are, therefore, accountable to the Town for the administration of their financial affairs and resources. The reporting entity is comprised of the municipal operations of the Town and the Town of Hinton Municipal Library. Interdepartmental and organizational transactions and balances are eliminated.

(ii) West Yellowhead Regional Waste Management Authority:

The Town is a member of the West Yellowhead Regional Waste Management Authority (the "Authority"). The Town accounts for the Authority as a government partnership using the proportionate consolidation method. Under this method, the Town's proportionate share of assets, liabilities, revenue and expenses are included in the consolidated financial statements.

(iii) Accounting for school board and housing management body transactions:

Taxes levied include requisitions for the Alberta School Fund Foundation and The Evergreens Foundation. The taxation, other revenue, expenses, assets and liabilities with respect to the operations of the Alberta School Fund Foundation and Evergreens Seniors Foundation are not reflected in these consolidated financial statements.

(iv) Trust funds:

The consolidated financial statements exclude trust assets that are administered for the benefit of external parties.

(b) Basis of accounting:

The Town follows the accrual basis of accounting for revenues and expenses. Revenues are accounted for in the year in which they are earned and measurable. Expenses are recognized as they are incurred and measurable as a result of receipts of goods and services and/or the creation of a legal obligation to pay.

TOWN OF HINTON

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2018

1. Significant accounting policies (continued):

(b) Basis of accounting (continued):

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

Investment income is reported as revenue in the year earned. When required by the funding government or by legislation, investment income earned on deferred revenue is added to the investment and forms part of the deferred revenue balance.

(c) Government transfers:

Government transfers are recognized as revenue in the year in which events giving rise to the transfer occur, provided the transfers are authorized, any eligibility criteria have been met and reasonable estimates of the amounts can be made. A transfer with or without eligibility criteria but stipulation is recognized in the period the transfer is authorized and all eligibility criteria have been met, except when and to the extent that the transfer gives rise to an obligation that meets the definition of a liability.

(d) Tax revenue:

Tax revenues are recognized when the tax has been authorized by bylaw and the taxable event has occurred.

Requisitions operate as a flow through and are excluded from municipal revenue.

(e) Requisition over levy and under levy:

Over-levies and under-levies arise from the difference between the actual property tax levy made to cover each requisition and the actual amount requisitioned.

If the actual levy exceeds the requisition, the over-levy is accrued as a liability and property tax revenue is reduced. Where the actual levy is less than the requisition amount, the under-levy is accrued as a receivable and as property tax revenue.

Requisition tax rates in the subsequent year are adjusted for any over-levies or under-levies of the prior year.

TOWN OF HINTON

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2018

1. Significant accounting policies (continued):

(f) Prepaid local improvement charges:

Construction and borrowing costs associated with local improvement projects are recovered through annual special assessments during the period of the related borrowings. These levies are collectible from property owners for work performed by the Town.

Where a property owner has elected to prepay the outstanding local improvement charges, such amounts are recorded as deferred revenue. Deferred revenue is amortized to revenue as the expenses are incurred to complete the project.

(g) Land held for resale:

Land held for resale is recorded at the lower of cost or net realizable value. Cost includes costs for land acquisition and improvements required to prepare the land for servicing such as clearing, stripping and levelling charges. Related development costs incurred to provide infrastructure such as water and wastewater services, roads, sidewalks and street lighting are recorded as physical assets under the respective function.

(h) Investments:

Investments are recorded at amortized cost. Premiums and discounts arising on the purchase of these investments are amortized over the term of the respective investments. When there has been a loss in value that is other than a temporary decline, the respective investment is written down to recognize the loss.

(i) Landfill closure and post-closure liability:

Pursuant to the Alberta Environmental Protection and Enhancement Act, 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 requirement is being provided for over the estimated remaining life of the landfill site based on usage.

(j) Contaminated sites liability:

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. The liability is recorded net of any expected recoveries. A liability for remediation of a contaminated site is recognized when a site is not in productive use and is management's estimate of the cost of post-remediation including operation, maintenance, and monitoring.

TOWN OF HINTON

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2018

1. Significant accounting policies (continued):

(k) 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 ordinary course of operations.

i) Tangible capital assets:

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The costs, less residual value, of tangible capital assets are amortized on a straight-line basis over their estimated useful lives as follows:

| | Years |
|-------------------------|----------|
| Land improvements | 15 - 50 |
| Buildings | 50 |
| Engineered structures | 10 - 100 |
| Machinery and equipment | 5 - 25 |
| Vehicles | 5 - 25 |

Amortization is charged in the year of acquisition and no amortization is charged in the year of disposal. Assets under construction are not amortized until the asset is available for productive use.

ii) Contributions of tangible capital assets:

Tangible capital assets received as contributions are recorded at fair value at the date of receipt and also are recorded as revenue.

iii) Works of art and cultural and historic assets:

Works of art and cultural and historic assets are not recorded as assets in these consolidated financial statements.

iv) 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.

TOWN OF HINTON

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2018

1. Significant accounting policies (continued):

(k) Non-financial assets (continued):

v) Inventory for consumption:

Inventory for consumption is recorded at the lower of cost and replacement cost. Cost is determined by the first-in, first-out method.

(l) Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amount of revenues and expenses during the period. Significant estimates include assumptions used in estimating the provisions for uncollectible accounts receivable, assumptions related to recording accrued liabilities, useful lives of tangible capital assets and fair value of contributed tangible capital assets. Actual results could differ from those estimates.

(m) Changes in accounting policies:

The Town has adopted the following accounting standards effective January 1, 2018: PS2200 *Related Party Transactions*, PS3420 *Inter-Entity Transactions*, PS3210 *Assets*, PS3320 *Contingent Assets* and PS3380 *Contractual Rights*. The adoption of these standards has resulted in certain changes to disclosures in the financial statements.

(n) Future accounting standard pronouncements:

The following summarizes upcoming changes to PSAS. In 2019, the Town will continue to assess the impact and prepare for the adoption of these standards. While the timing of standard adoption may vary, certain standards must be adopted concurrently. The requirements in PS1201 *Financial Statement Presentation*, PS3450 *Financial Instruments*, PS2601 *Foreign Currency Translation* and PS3041 *Portfolio Investments* must be implemented at the same time.

| Public Sector Accounting Standards | Effective date for fiscal periods beginning on or after |
|--|---|
| PS3430 <i>Restructuring Transactions</i> | April 1, 2018 |
| PS1201 <i>Financial Statement Presentation</i> | April 1, 2021 |
| PS3450 <i>Financial Instruments</i> | April 1, 2021 |
| PS2601 <i>Foreign Currency Translation</i> | April 1, 2021 |
| PS3041 <i>Portfolio Investments</i> | April 1, 2021 |
| PS3280 <i>Asset Retirement Obligations</i> | April 1, 2021 |
| PS3400 <i>Revenue</i> | April 1, 2022 |

TOWN OF HINTON

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2018

2. Taxes and grants in place of taxes:

| | 2018 | 2017 |
|--|-------------------|-------------------|
| Current taxes and grants in place of taxes | \$ 299,397 | \$ 340,999 |
| Tax arrears | 158,462 | 275,057 |
| | <u>\$ 457,859</u> | <u>\$ 616,056</u> |

3. Trade and other receivables:

| | 2018 | 2017 |
|--|---------------------|---------------------|
| Trade accounts receivable | \$ 1,553,424 | \$ 2,368,423 |
| Due from other governments | 945,001 | 1,048,639 |
| Utilities receivable | 511,408 | 562,491 |
| Due from members of the West Yellowhead Regional Waste Management Authority | 138,687 | 46,029 |
| Allowance for doubtful accounts | (36,014) | (36,014) |
| | <u>\$ 3,112,506</u> | <u>\$ 3,989,568</u> |

4. Loan receivable:

In prior years, the Town had guaranteed a loan for the Hinton Golfing Society (the "Society") to construct a new club house and consolidate an existing loan. In 2017, the Town entered into a new long-term debt agreement for \$1,500,000 on behalf of the Society and transferred the full amount of funding to the Society. The Society then repaid the previously guaranteed loan. The Society has entered into an agreement with the Town to repay the current loan under the same terms and conditions as the Town's long-term debt arrangement (refer to note 7). The receivable is secured by all assets of the Society.

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Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2018

5. Investments:

| | 2018 | 2017 |
|------------------------------------|---------------------|----------------------|
| Demand notice savings deposits | \$ 7,040,239 | \$ 12,381,081 |
| Guaranteed investment certificates | 2,000,000 | 2,000,000 |
| Other investments | 312,371 | 300,901 |
| | <u>\$ 9,352,610</u> | <u>\$ 14,681,982</u> |

Demand notice savings deposits have effective interest rates ranging from 0.10% to 1.80% (2017 - 0.10% to 1.80%) and require 31 to 90 days (2017 - 0 to 90 days) notice prior to withdrawal.

Guaranteed investment certificates have effective interest rates ranging from 2.30% to 2.59% (2017 - 1.70% to 1.80%) and a maturity date of September 9, 2019 (2017 - September 9, 2018).

TOWN OF HINTON

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2018

6. Deferred revenue:

| | 2018 | 2017 |
|--|---------------------|---------------------|
| Operating government transfers: | | |
| Alberta social housing grant | \$ 957,141 | \$ - |
| Gas tax grant | 107,216 | - |
| Municipal policing assistance grant | - | 91,615 |
| ACP intermunicipal collaboration grant | 63,089 | - |
| Alberta CARES grant | 35,238 | - |
| Parent link west network grant | 23,756 | 35,525 |
| Out of school grant | - | 48,857 |
| Early childhood grant | - | 20,145 |
| Elder abuse grant | - | 8,131 |
| MSI Operating | 19,490 | - |
| | <u>1,205,930</u> | <u>204,273</u> |
| Capital government transfers: | | |
| Municipal Sustainability Initiative | 534,907 | 3,649,305 |
| | <u>534,907</u> | <u>3,649,305</u> |
| Other deferred amounts: | | |
| Other | 15,513 | 13,282 |
| Prepaid local improvement charges | - | 2,674 |
| | <u>15,513</u> | <u>15,956</u> |
| | <u>\$ 1,756,350</u> | <u>\$ 3,869,534</u> |

TOWN OF HINTON

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2018

7. Long-term debt:

| | 2018 | 2017 |
|---------------------|---------------------|---------------------|
| Tax supported debt | \$ 4,240,170 | \$ 6,664,460 |
| Self-supported debt | 1,509,263 | 1,607,442 |
| | \$ 5,749,433 | \$ 8,271,902 |

Principal and interest repayments are due as follows:

| | Principal | Interest | Total |
|------------|---------------------|-------------------|---------------------|
| 2019 | \$ 1,387,677 | \$ 179,279 | \$ 1,566,956 |
| 2020 | 1,065,833 | 134,209 | 1,200,042 |
| 2021 | 962,404 | 95,468 | 1,057,872 |
| 2022 | 494,335 | 67,497 | 561,832 |
| 2023 | 351,752 | 50,119 | 401,871 |
| Thereafter | 1,487,432 | 52,270 | 1,539,702 |
| | \$ 5,749,433 | \$ 578,842 | \$ 6,328,275 |

Tax supported debenture debt is repayable to Alberta Capital Finance Authority and bears interest at rates ranging from 2.23% to 6.63% per annum and mature in 2019 through 2025.

Self-supported debt includes the amounts due to the Canada Mortgage and Housing Corporation that bear interest at rates of 1.43% and 8.25%, mature January 2022 and December 2026, and are repayable in annual instalments of \$13,203 and monthly instalments of \$502, respectively.

Self-supported debt also includes a debenture due to ATB that bears interest at prime minus 0.25% and matures October 2032. Interest is payable monthly, and principal payments of \$16,667 are payable seasonally for 6 months of each year commencing May 31, 2018.

Debt is issued on the credit and security of the Town at large. The Town's total cash payments for the interest in 2018 were \$270,124 (2017 - \$365,305).

The Town has established an operating line of credit up to \$1,336,891 (2017 - \$1,336,891) and has a letter of credit in the amount of \$663,109 (2017 - \$663,109). The Town has not drawn against these facilities as at December 31, 2018. The operating line of credit is secured by borrowing bylaws. Outstanding amounts bear interest at prime.

TOWN OF HINTON

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2018

8. Debt limits:

Section 276(2) of the Municipal Government Act requires that debt and debt limits as defined by Alberta Regulation 255/00 for the Town be disclosed as follows:

| | 2018 | 2017 |
|---|----------------------|----------------------|
| Total debt limit | \$ 42,175,854 | \$ 40,846,506 |
| Total debt | (5,749,433) | (8,271,902) |
| Total debt guaranteed for other organizations | - | (64,061) |
| Amount of debt limit unused | \$ 36,426,421 | \$ 32,510,543 |
| Debt servicing limit | \$ 7,029,309 | \$ 6,807,751 |
| Debt servicing | (1,566,956) | (2,809,258) |
| Amount of debt servicing limit unused | \$ 5,462,353 | \$ 3,998,493 |

The debt limit is calculated at 1.5 times revenue of the Town (as defined in Alberta Regulation 255/00) and the debt service limit is calculated at 0.25 times such revenue. Incurring debt beyond these limitations requires approval by the Minister of Municipal Affairs. These thresholds are guidelines used by Alberta Municipal Affairs to identify municipalities that could be at financial risk if further debt is acquired. The calculation taken alone does not represent the financial stability of the Town. Rather, the financial statements must be interpreted as a whole.

TOWN OF HINTON

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2018

9. Landfill closure and post closure liability:

Alberta environmental law requires closure and post-closure care of landfill sites, which includes final covering and landscaping, pumping of ground water and leachates from the site, and ongoing environmental monitoring, site inspections and maintenance.

The estimated total liability is based on the sum of discounted future cash flows for closure and post-closure activities for 25 years after closure.

The accrued liability portion is based on the cumulative capacity used at year end compared to the estimated total landfill capacity. The total capacity of the site is estimated at 3.089 million cubic metres. The estimated remaining capacity of the landfill site is 2.464 (2017 - 2.488) million cubic metres. The existing landfill site is expected to reach capacity in approximately the year 2060.

Assets have been designated for settling closure and post-closure liabilities (note 10).

Key assumptions in determining the liability at December 31, 2018 for the landfill are as follow:

| | |
|------------------------------|-------------|
| Estimated closure costs | \$2,085,900 |
| Estimated post-closure costs | \$989,000 |
| Inflation rate | 2.22% |
| Discount rate | 3.66% |

| | 2018 | 2017 |
|--|--------------|--------------|
| Estimated closure costs | \$ 1,183,813 | \$ 1,167,368 |
| Estimated post-closure costs | 470,342 | 463,808 |
| Estimated capacity remaining | 79.73% | 80.53% |
| Portion of total liability remaining to be recognized | 1,318,920 | 1,313,569 |
| Estimated capacity used | 20.27% | 19.47% |
| Closure and post closure liability | 335,235 | 317,607 |
| Town's 25% proportionate share | \$ 83,809 | \$ 79,402 |

TOWN OF HINTON

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2018

10. Accumulated surplus:

| | 2018 | 2017 |
|--|-----------------------|-----------------------|
| Unrestricted deficiency | \$ (479,818) | \$ (116,622) |
| Restricted: | | |
| Library | 145,483 | 129,854 |
| Housing | 397,243 | 412,093 |
| Operating - project requests | (52,900) | 192,586 |
| Operating - other | 75,823 | 126,936 |
| Automated traffic enforcement | 1,153,551 | 1,133,487 |
| Equipment and fleet | 1,721,889 | 1,818,330 |
| Facilities and components | (1,164,358) | (827,932) |
| Fire department | 402,767 | 620,945 |
| Information technology | 157,061 | 122,061 |
| Infrastructure major facility | (18,756) | 282,242 |
| Municipal reserve | 907,641 | 898,832 |
| New infrastructure | 2,890,756 | 1,870,657 |
| Offsite levy fund | 1,724,951 | 1,700,754 |
| Parks and trails infrastructure | (34,601) | 413,289 |
| Roads and sidewalks | 457,975 | 412,595 |
| Water and sewer | (900,047) | 1,939,192 |
| Other capital | 420,401 | 199,172 |
| West Yellowhead Regional Waste Management Authority | 254,409 | 330,023 |
| Equity in tangible capital assets | 150,620,108 | 144,681,870 |
| | <u>\$ 158,679,578</u> | <u>\$ 156,340,364</u> |

TOWN OF HINTON

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2018

11. West Yellowhead Regional Waste Management Authority:

The Town of Hinton, Yellowhead County, Town of Edson, and Municipality of Jasper (the "members") jointly own and operate the West Yellowhead Regional Waste Management Authority (the "Authority") to construct, maintain, control and manage a regional solid waste disposal system.

The members have agreed to proportionately share costs associated with expenditures arising from the operation of the Authority. The proportions are based on each member's volume of municipal solid waste hauled and deposited to the system for disposal, relative to the total tonnage of solid waste hauled and deposited by all members.

The following is 100% of the financial position and results of operations the Authority partnership of which 25% has been proportionately consolidated in the financial statements of the Town:

| | 2018 | 2017 |
|------------------------------|--------------|--------------|
| Financial Position: | | |
| Financial assets | \$ 1,824,295 | \$ 1,796,119 |
| Liabilities | 806,659 | 476,027 |
| Net financial assets | 1,017,636 | 1,320,092 |
| Non-financial assets | 4,231,489 | 3,930,495 |
| Accumulated surplus | 5,249,125 | 5,250,587 |
| Operations: | | |
| Revenue | 1,514,739 | 1,737,862 |
| Expenses | 1,516,201 | 1,521,834 |
| Annual surplus | (1,462) | 216,028 |
| Accumulated surplus, opening | 5,250,587 | 5,034,559 |
| Accumulated surplus, closing | \$ 5,249,125 | \$ 5,250,587 |

TOWN OF HINTON

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2018

12. Salary and benefits disclosure:

Disclosure of salaries and benefits for elected municipal officials, the chief administrative officer and designated officers as required by Alberta Regulation 313/2000 is as follows:

| | Salary (note 12(a)) | Benefits(note 12(b)) | 2018 Total | 2017 Total |
|--------------------------------------|------------------------|-------------------------|---------------|---------------|
| Mayor: | | | | |
| R. Mackin | \$ - | \$ - | \$ - | 47,904 |
| M. Michaels | 79,150 | 3,167 | 82,317 | 19,195 |
| Councillors: | | | | |
| G. Barrow | - | - | - | 17,752 |
| T. Haas | 35,850 | 1,340 | 37,190 | 5,819 |
| R. Maguhn | 28,575 | 1,033 | 29,608 | 27,296 |
| M. Michaels | - | - | - | 19,369 |
| D. Nelson | 36,925 | 1,385 | 38,310 | 7,825 |
| A. Ostashek | 33,675 | 1,248 | 34,923 | 29,969 |
| J. Race | 37,500 | 1,409 | 38,909 | 7,851 |
| S. Taylor | - | - | - | 23,477 |
| T. Waugh | 35,925 | 1,343 | 37,268 | 7,919 |
| M. Young | - | - | - | 21,370 |
| Chief Administrative Officer: | | | | |
| L. Howarth | - | - | - | 59,728 |
| S. Labonne | 54,684 | 13,007 | 67,691 | 55,820 |
| D. Parent | 58,879 | 13,091 | 71,970 | - |
| M. Schwirtz | - | - | - | 183,505 |
| | \$ 401,163 | \$ 37,023 | \$ 438,186 | \$ 534,799 |

- a) Salary includes regular base pay, bonuses, overtime, lump sum payments, gross honoraria and any other direct cash remuneration.
- b) Benefits include the employer's share of all employee benefits and contributions or payments made on behalf of employees including pension, health care, dental coverage, vision coverage, group life insurance, accidental disability and dismemberment insurance, long and short term disability plans, professional membership and tuition.

TOWN OF HINTON

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2018

13. Local authorities pension plan:

Employees of the Town participate in the Local Authorities Pension Plan (LAPP), which is one of the plans covered by the Alberta Public Sector Pension Plans Act.

Contributions for current service are recorded as expenses in the year in which they become due.

The Town is required to make current service contributions to the LAPP of 10.39% (2017 - 11.39%) of pensionable earnings up to the year's maximum pensionable earnings under the Canada Pension Plan and 14.84% (2017 - 15.84%) on pensionable earnings above this amount. Employees of the Town are required to make current service contributions of 9.39% (2017 - 10.39%) of pensionable salary up to the year's maximum pensionable salary and 13.84% (2017 - 14.84%) on pensionable salary above this amount.

Total current service contributions by the Town to the LAPP in 2018 were \$760,221 (2017 - \$795,760). Total current service contributions by the employees of the Town to the Local Authorities Pension Plan in 2018 were \$693,913 (2017 - \$735,250).

As at December 31, 2017, the LAPP disclosed an actuarial deficiency of \$4.8 million (2016 - \$637 million). This amount was not specifically allocated to the participating government organizations. The 2018 actuarial balance was not available at the date these financial statements were released.

TOWN OF HINTON

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2018

14. Contingencies and guarantees:

The Town is a member of the Alberta Local Authorities Reciprocal Insurance Exchange and MUNIX. Under the terms of membership, 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.

The Town has been named as a co-defendant in a legal action claiming damages. At this time, the final outcome with respect to the claim is indeterminable. Town management is of the opinion that there is a strong defence against the claim. Accordingly, no provision for losses has been reflected in the financial statements for this matter.

In prior years, the Town provided a refundable grant to a developer for the construction of an affordable housing development, Happy Creek Estates Ltd ("Happy Creek"). The developer agreed to operate Happy Creek for a period of 20 years (2009 to 2029). At the end of the 20 year period, if the Town determines that Happy Creek is no longer required as an affordable housing development, the Town will be entitled to a refund of the original grant (\$1,619,646) or 19.6% of Happy Creek's fair value, whichever is greater.

15. Financial instruments:

The Town's financial instruments consist of cash, receivables, investments, accounts payable and accrued liabilities, deposit 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 instruments approximates fair value.

TOWN OF HINTON

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2018

16. Segmented disclosure:

The Town provides a range of services to its ratepayers. For each reported segment, revenues and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements and subsequently submitted to Alberta Municipal Affairs. For additional information, see Consolidated Schedule 5 - Segmented Disclosure.

(i) Infrastructure services

This service includes maintenance of roads, streets, walks, and lighting, including snow and ice removal as well as public transit. In addition, this service includes buildings and vehicles used by the other services. These costs are allocated out through interdepartmental transfers.

(ii) Parks, recreation and culture

This service comprises of recreation facilities and grounds, parks, trails, sports fields, playgrounds and green spaces.

(iii) Protective services

Protective services include fire and law enforcement. Hinton Fire Rescue provides fire and rescue services. The Town's Peace Officers are responsible for enforcing the Town's bylaws and the RCMP provide law enforcement services.

(iv) General government

General government includes activities that provide for the overall operation of the Town, which are common to or affect all services provided by the Town, including Council and legislative, general administration, property assessment, taxation administration, licensing, elections, and municipal census.

(v) Environmental services

Environmental Services includes garbage and waste collection operations and water and sewer services.

(vi) Planning and development

Planning and development manages all aspects of land use planning, including long-range forecasting, planning and processing of development permits, and processing compliance certificates.

TOWN OF HINTON

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2018

16. Segmented disclosure (continued):

(vii) Public health and welfare

Included in this service are Family and Community Support Services (FCSS), seniors' programming, community development, youth programs, and cemeteries.

(viii) Library

The library provides information, entertainment, communication, literacy and learning for all members of the community.

17. Comparative information:

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior year surplus.

18. Approval of financial statements:

The Mayor and Members of Council have approved these financial statements for release on April 16, 2019.

19. Related party transactions:

Related parties include key management personnel of the Town. The Town has defined key management personnel to include those individuals disclosed in Note 12 and Directors of the Town. Transactions with key management personnel primarily consist of compensation related payments and are undertaken on similar terms and conditions to those that would be adopted if the parties were dealing at arm's length.

TOWN OF HINTON

Consolidated Schedule 1 - Tangible Capital Assets

Year ended December 31, 2018, with comparative information for 2017

| | Land | Land improvements | Buildings | Engineered structures | Machinery and equipment | Vehicles | Assets under construction | 2018 | 2017 |
|--|----------------------|---------------------|----------------------|-----------------------|-------------------------|---------------------|---------------------------|-----------------------|-----------------------|
| Cost: | | | | | | | | | |
| Balance, beginning of year | \$ 18,153,548 | \$ 14,999,334 | \$ 43,902,131 | \$ 145,439,060 | \$ 7,557,145 | \$ 4,936,036 | \$ 1,237,150 | \$ 236,224,404 | \$ 230,798,793 |
| Construction in progress | - | - | 229,388 | - | 112,685 | - | (342,073) | - | - |
| Acquisition of tangible capital assets | 225,000 | 131,691 | 65,690 | 734,136 | 350,480 | 59,174 | 6,560,082 | 8,126,253 | 6,228,706 |
| Disposals of tangible capital assets | - | - | - | - | (5,099) | (64,206) | - | (69,305) | (803,095) |
| Balance end of year | 18,378,548 | 15,131,025 | 44,197,209 | 146,173,196 | 8,015,211 | 4,931,004 | 7,455,159 | 244,281,352 | 236,224,404 |
| Accumulated amortization: | | | | | | | | | |
| Balance, beginning of year | - | 8,236,176 | 15,649,719 | 54,269,569 | 5,064,857 | 1,550,311 | - | 84,770,632 | 80,985,158 |
| Amortization of tangible capital assets | - | 609,792 | 1,161,604 | 2,253,142 | 354,630 | 267,790 | - | 4,646,958 | 4,463,497 |
| Disposals of tangible capital assets | - | - | - | - | (5,099) | (83,815) | - | (88,914) | (678,023) |
| Balance, end of year | - | 8,845,968 | 16,811,323 | 56,522,711 | 5,414,388 | 1,734,286 | - | 89,328,676 | 84,770,632 |
| Net book value of tangible capital assets | | | | | | | | | |
| Balance, beginning of year | \$ 18,378,548 | \$ 6,285,057 | \$ 27,385,886 | \$ 89,650,485 | \$ 2,600,823 | \$ 3,196,718 | \$ 7,455,159 | \$ 154,952,676 | \$ 151,453,772 |

TOWN OF HINTON

Consolidated Schedule 2 - Expenses by Object

Year ended December 31, 2018, with comparative information for 2017

| | Budget | 2018 | 2017 |
|--|----------------------|----------------------|----------------------|
| Salaries, wages and benefits | \$ 10,907,094 | \$ 10,704,493 | \$ 10,358,001 |
| Contracted and general services | 6,831,469 | 8,436,908 | 6,431,551 |
| Amortization of tangible capital assets | 4,765,962 | 4,646,958 | 4,463,497 |
| Materials, goods, supplies and utilities | 5,144,406 | 4,403,842 | 5,498,858 |
| Transfers to other governments and organizations | 552,712 | 726,940 | 692,215 |
| Interest on long-term debt | 270,123 | 193,344 | 345,952 |
| Bank charges and short-term interest | 21,834 | 23,997 | 63,301 |
| | \$ 28,493,600 | \$ 29,136,482 | \$ 27,853,375 |

TOWN OF HINTON

Consolidated Schedule 3 - Net Municipal Taxes

Year ended December 31, 2018, with comparative information for 2017

| | Budget | 2018 | 2017 |
|--|----------------------|----------------------|----------------------|
| Taxes | | | |
| Real property taxes | \$ 16,674,070 | \$ 16,304,802 | \$ 16,287,979 |
| Linear property taxes | 407,922 | 414,354 | 397,164 |
| Designated industrial taxes | - | 399,407 | - |
| Government grants in place of property taxes | 61,500 | 59,959 | 60,529 |
| Special assessments and local improvement taxes | 15,944 | 18,618 | 18,618 |
| | <u>17,159,436</u> | <u>17,197,140</u> | <u>16,764,290</u> |
| Less: Requisitions | | | |
| Alberta School Foundation Fund | 4,341,939 | 4,385,292 | 4,436,487 |
| The Evergreens Foundation | 715,042 | 744,949 | 703,221 |
| | <u>5,056,981</u> | <u>5,130,241</u> | <u>5,139,708</u> |
| Net municipal taxes | <u>\$ 12,102,455</u> | <u>\$ 12,066,899</u> | <u>\$ 11,624,582</u> |

TOWN OF HINTON

Consolidated Schedule 4 - Government Transfers

Year ended December 31, 2018, with comparative information for 2017

| | Budget | 2018 | 2017 |
|-----------------------------------|---------------------|---------------------|---------------------|
| Transfers for operating | | | |
| Provincial | \$ 1,543,716 | \$ 3,296,594 | \$ 2,601,201 |
| Local Government | 2,415,060 | 2,456,327 | 2,495,714 |
| Federal | - | 63,457 | 6,587 |
| | <u>3,958,776</u> | <u>5,816,378</u> | <u>5,103,502</u> |
| Transfers for capital | | | |
| Provincial | 400,000 | 3,114,399 | 2,133,222 |
| Local Government | 17,000 | (6,000) | 593,752 |
| Federal | - | - | 1,000,000 |
| | <u>417,000</u> | <u>3,108,399</u> | <u>3,726,974</u> |
| Total government transfers | <u>\$ 4,375,776</u> | <u>\$ 8,924,777</u> | <u>\$ 8,830,476</u> |

TOWN OF HINTON

Consolidated Schedule 5 - Segmented Disclosure

Year ended December 31, 2018, with comparative information for 2017

| | Infrastructure services | Parks, recreation and culture | Protective services | General government | Environmental services | Planning and development | Public health and welfare | Library | 2018 | 2017 |
|--|-------------------------|-------------------------------|---------------------|--------------------|------------------------|--------------------------|---------------------------|--------------|---------------|---------------|
| Revenue: | | | | | | | | | | |
| Net municipal taxes | \$ - | \$ - | \$ - | \$ 12,066,899 | \$ - | \$ - | \$ - | \$ - | \$ 12,066,899 | \$ 11,624,582 |
| User fees and sales of goods | 3,439 | 594,800 | 288,535 | 27,806 | 5,606,287 | 7,460 | 264,904 | 19,285 | 6,812,516 | 6,516,399 |
| Government transfers for operating | - | 519,729 | 844,906 | 2,323,408 | - | 962,337 | 1,066,489 | 99,509 | 5,816,378 | 5,103,502 |
| Franchise fees | - | - | - | 1,425,708 | - | - | - | - | 1,425,708 | 1,448,605 |
| Rentals | - | 97,288 | 136,756 | 271,032 | - | 33,675 | 39,775 | - | 578,526 | 604,129 |
| Fines | - | - | 488,019 | - | - | - | - | - | 488,109 | 768,267 |
| Investment income | - | (304) | - | 288,383 | - | - | - | 123 | 288,202 | 233,628 |
| Other | - | 37,725 | 18,518 | 49,961 | 1,408 | 90,000 | 72,377 | 5,356 | 275,345 | 631,823 |
| Penalties and costs on taxes | - | - | - | 181,353 | 27,493 | - | - | - | 208,846 | 204,153 |
| Licenses and permits | - | - | 5,060 | - | - | 144,244 | - | - | 149,304 | 134,067 |
| Development levies | - | - | - | - | - | 7,493 | - | - | 7,493 | 13,631 |
| | 3,439 | 1,249,238 | 1,781,794 | 16,634,550 | 5,635,188 | 1,245,209 | 1,443,545 | 124,273 | 28,117,236 | 27,282,786 |
| Expenses: | | | | | | | | | | |
| Salaries, wages and benefits | 2,410,112 | 2,210,909 | 1,296,902 | 1,995,801 | 457,702 | 701,088 | 1,167,087 | 464,892 | 10,704,493 | 10,358,001 |
| Contracted and general services | 1,021,094 | 464,551 | 2,887,890 | 969,561 | 1,640,865 | 1,235,118 | 136,775 | 81,054 | 8,436,908 | 6,431,551 |
| Amortization of tangible capital assets | 2,522,105 | 352,020 | 343,863 | 146,836 | 1,224,852 | 50,378 | 1,117 | 5,787 | 4,646,958 | 4,463,497 |
| Material, goods, supplies and utilities | 1,824,768 | 302,082 | 355,141 | 363,661 | 574,657 | 673,658 | 219,542 | 90,133 | 4,403,842 | 5,498,858 |
| Transfers to other governments and organizations | - | 175,000 | 1,557 | 144,277 | - | 29,951 | 376,155 | - | 726,940 | 692,215 |
| Interest on long-term debt | 28,972 | 33,661 | 39,272 | 50,836 | 18,816 | 21,787 | - | - | 193,344 | 345,952 |
| Bank charges and short-term interest | - | 19,420 | 501 | 3,215 | - | - | 248 | 613 | 23,997 | 63,301 |
| | 7,807,051 | 3,557,643 | 4,925,126 | 3,674,187 | 3,916,892 | 2,712,180 | 1,900,924 | 642,479 | 29,136,482 | 27,853,375 |
| Annual surplus (deficiency) before the undemoted: | (7,803,612) | (2,308,405) | (3,143,332) | 12,960,363 | 1,718,296 | (1,466,971) | (457,379) | (518,206) | (1,019,246) | (570,589) |
| Capital revenue: | | | | | | | | | | |
| Government transfers for capital | 2,967,228 | 147,171 | (6,000) | - | - | - | - | - | 3,108,399 | 3,726,974 |
| Gain (loss) on disposal of tangible capital assets | 25,061 | - | - | - | - | 225,000 | - | - | 250,061 | (51,782) |
| | 2,992,289 | 147,171 | - | - | - | 225,000 | - | - | 3,358,460 | 3,675,192 |
| Annual surplus (deficit) | \$ (4,811,323) | \$ (2,161,234) | \$ (3,149,332) | \$ 12,960,363 | \$ 1,718,296 | \$ (1,241,971) | \$ (457,379) | \$ (518,206) | \$ 2,339,214 | \$ 3,104,603 |