

**FINANCIAL
STATEMENTS**

Town of Hudson Bay

Year Ended December 31, 2010

Town of Hudson Bay
Hudson Bay, Saskatchewan
December 31, 2010

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Management's Responsibility

To the ratepayers of Town of Hudson Bay:

Management is responsible for the preparation and presentation of the accompanying financial statement, including responsibility for significant accounting judgments and estimates in accordance with Canadian generally accepted accounting principles and ensuring that all information in the annual report is consistent with the statements. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

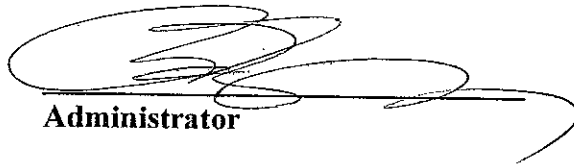
In discharging its responsibilities for the integrity and fairness of the financial statement, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The council is composed of elected officials who are not employees of the municipality. The council is responsible for overseeing management in the performance of its financial reporting responsibilities. The council fulfils these responsibilities by reviewing the financial information prepared by the administration and discussing relevant matters with external auditors. The council is also responsible for recommending the appointment of the municipality's external auditors.

ParkerQuine LLP, an independent firm of chartered accountants, is appointed by the councillors to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the council and administration to discuss their audit findings.



Mayor



Administrator

PARKERQUINE LLP
Chartered Accountants Business Advisors

Independent Auditors' Report

To the council
Town of Hudson Bay

Report on the Financial Statements

We have audited the accompanying financial statements of Town of Hudson Bay, which comprise the Statement of Financial Position as at December 31, 2010, and the Statements of Operations, Changes in Net Financial Assets and Cash Flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Town of Hudson Bay as at December 31, 2010, and the results of its operations, changes in net financial assets and cash flow for the year then ended in accordance with Canadian public sector accounting standards.

PARKERQUINE LLP

Per: 

Yorkton, SK
February 8, 2011

Town of Hudson Bay
Hudson Bay, Saskatchewan
Consolidated Statement of Financial Position as at December 31, 2010

Statement 1

	2010	2009 (Note 11)
Assets		
Financial Assets		
Cash and temporary investments - note 2	638,482	583,816
Taxes receivable - municipal - note 3	54,646	45,161
Other accounts receivable - note 4	368,318	286,043
Land for resale - note 5	1,192,169	562,280
Long-term investments - note 6	643,678	925,553
Total Financial Assets	2,897,293	2,402,853
Liabilities		
Accounts payable	31,882	47,370
Utility deposits	44,120	43,320
Deferred revenue - note 7	10,113	2,910
Long-term debt - note 9	73,497	144,116
Total Liabilities	159,612	237,716
Net Financial Assets	2,737,681	2,165,137
Non-Financial Assets		
Tangible capital assets - schedules 6 and 7	11,196,708	10,037,414
Prepayments and deferred charges	32,364	24,667
Total Non-Financial Assets	11,229,072	10,062,081
Accumulated Surplus - schedule 8	\$ 13,966,753	\$ 12,227,218

Approved on behalf of the council:

Mayor

Councillor

*The notes to financial statements are an integral
part of these financial statements.*

Town of Hudson Bay
 Consolidated Statement of Operations
 For the year ended December 31, 2010

Statement 2

	2010 Budget	2010 Actual	2009 Actual (Note 11)
Revenues			
Taxes and other unconditional revenue - schedule 1	1,428,910	1,551,809	1,510,266
Fees and charges - schedules 4 and 5	880,590	870,946	995,699
Conditional grants - schedules 4 and 5	1,458,340	1,402,055	215,519
Tangible capital asset sales - gain - schedules 4 and 5	4,000	30,825	
Land sales - gain - schedules 4 and 5	10	9,987	1,760
Investment income and commissions - schedules 4 and 5	58,000	72,517	53,890
Other revenues - schedules 4 and 5		<u>28,606</u>	<u>102,651</u>
Total Revenue	<u>3,829,850</u>	<u>3,966,745</u>	<u>2,879,785</u>
Expenses - schedule 3			
General government services	403,450	506,000	418,172
Protective services	224,840	219,305	198,537
Transportation services	617,260	626,067	578,282
Environmental and public health services	196,990	190,891	185,845
Planning and development services	1,050,940	1,028,667	325,231
Recreation and cultural services	607,680	629,279	572,277
Utilities services	432,220	436,548	404,553
Total Expenses	<u>3,533,380</u>	<u>3,636,757</u>	<u>2,682,897</u>
Surplus of Revenues over Expenses before Other Capital Contributions	296,470	329,988	196,888
Provincial/Federal Capital Grants and Contributions - schedules 4 and 5	<u>2,906,800</u>	<u>1,409,547</u>	<u>330,418</u>
Surplus of Revenue over Expenses	3,203,270	1,739,535	527,306
Accumulated Surplus, Beginning of Year	<u>12,227,218</u>	<u>12,227,218</u>	<u>11,699,912</u>
Accumulated Surplus, End of Year	<u>\$ 15,430,488</u>	<u>\$ 13,966,753</u>	<u>\$ 12,227,218</u>

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 part of these financial statements.*

Town of Hudson Bay
 Consolidated Statement of Change in Net Financial Assets
 For the year ended December 31, 2010

Statement 3

	2010 Budget	2010 Actual	2009 Actual (Note 11)
Surplus	<u>3,203,270</u>	<u>1,739,535</u>	<u>527,306</u>
(Acquisition) of tangible capital assets	(3,608,830)	(1,693,664)	(612,931)
Amortization of tangible capital assets	534,640	528,140	519,360
Proceeds on disposal of tangible capital assets	7,055	37,055	
Loss (gain) on the disposal of tangible capital assets	<u>(4,045)</u>	<u>(30,825)</u>	<u> </u>
Surplus (Deficit) of Capital Expenses over Expenditures	<u>(3,071,180)</u>	<u>(1,159,294)</u>	<u>(93,571)</u>
(Acquisition) of supplies inventories		(307)	
(Acquisition) of prepaid expense		(7,391)	(445)
Use of prepaid expense			<u>6,525</u>
Surplus (Deficit) of Expenses of Other Non-Financial over Expenditures	<u>0</u>	<u>(7,698)</u>	<u>6,080</u>
Increase in Net Financial Assets	132,090	572,543	439,815
Net Financial Assets, beginning of year	<u>2,165,138</u>	<u>2,165,138</u>	<u>1,725,323</u>
Net Financial Assets, End of Year	<u>\$ 2,297,228</u>	<u>\$ 2,737,681</u>	<u>\$ 2,165,138</u>

The notes to financial statements are an integral part of these financial statements.

Town of Hudson Bay
 Consolidated Statement of Cash Flow
 For the year ended December 31, 2010

Statement 4

	2010	2009 (Note 11)
Cash Provided by (used for) the Following Activities		
Operating:		
Surplus	1,739,535	527,306
Amortization	528,140	519,360
Loss (gain) on disposal of tangible capital assets	<u>(30,825)</u>	<u> </u>
	2,236,850	1,046,666
Change in Assets/Liabilities		
Taxes receivable - municipal	(9,486)	(125)
Other receivables	(82,275)	(86,015)
Land for resale	(629,890)	(107,269)
Accounts payable	(15,484)	(49,259)
Utility deposits	800	275
Deferred revenue	7,203	(39,656)
Prepayments and deferred charges	<u>(7,698)</u>	<u>6,081</u>
Net Cash from (used for) Operations	<u>1,500,020</u>	<u>770,698</u>
Capital:		
Acquisition of capital assets	(1,693,664)	(612,931)
Proceeds from the disposal of capital assets	<u>37,055</u>	<u> </u>
Net Cash from (used for) Capital	<u>(1,656,609)</u>	<u>(612,931)</u>
Investing:		
Long-term investments	<u>281,874</u>	<u>(208,112)</u>
Financing:		
Long-term debt repaid	<u>(70,619)</u>	<u>(65,343)</u>
Increase (Decrease) in Cash Resources	54,666	(115,688)
Cash and Investments, beginning of year	<u>583,816</u>	<u>699,504</u>
Cash and Investments, End of Year	<u>\$ 638,482</u>	<u>\$ 583,816</u>

*The notes to financial statements are an integral
 part of these financial statements.*

Town of Hudson Bay
Notes to Financial Statements
For the year ended December 31, 2010

1. Significant Accounting Policies

The consolidated financial statements of the municipality are prepared by management in accordance with the local government accounting standards established by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. Significant aspects of the accounting policies are as follows:

(a) Basis of accounting

The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting recognized revenue as they become available and measurable; expenses are recognized as they are incurred and measurable as a result of the receipt of goods and services and the creation of a legal obligation to pay.

(b) Reporting entity

The financial statements consolidate the assets, liabilities and flow of resources of the municipality. The entity is comprised of all of the organizations that are owned or controlled by the municipality and are, therefore, accountable to the council for the administration of their financial affairs and resources.

(c) Collection of funds for other authorities

Collection of funds by the municipality for the school board, municipal hail and conservation and development authorities are collected and remitted in accordance with relevant legislation. The amounts collected are disclosed in note 3.

(d) Government transfers

Government transfers are recognized as either expenditures or revenues in the period that the events giving rise to the transfer occurred, as long as:

- (i) the transfer is authorized;
- (ii) eligibility criteria have been met by the recipient; and
- (iii) a reasonable estimate of the amount can be made.

Unearned government transfer amounts received but not earned will be recorded as deferred revenue.

Earned government transfer amounts not received will be recorded as an amount receivable.

Town of Hudson Bay
Notes to Financial Statements
For the year ended December 31, 2010

1. **Significant Accounting Policies** - continued

(e) Deferred revenue - fees and charges

Certain user charges and fees are collected for which the related services have yet to be performed. Revenue is recognized in the period when the related expenses are incurred or services performed.

(f) Net financial assets

Net financial assets at the end of an accounting period are the net amount of financial assets less liabilities outstanding. Financial assets represent items such as cash and those other assets on hand which could provide resources to discharge existing liabilities or finance future operations. These include realizable assets which are convertible to cash and not intended for consumption in the normal course of operations.

(g) Non-financial assets

Tangible capital and other non-financial assets are accounted for as assets by the government because they can be used to provide government services in future periods. These assets do not normally provide resources to discharge the liabilities of the government unless they are sold.

(h) Tangible capital assets

All tangible capital asset acquisitions or betterments made throughout the year are recorded at their acquisition cost. Initial costs for tangible capital assets that were acquired and developed prior to 2009 were obtained via historical cost information or using current fair market values discounted by a relevant inflation factor back to the point of acquisition. Donated tangible capital assets received are recorded at their fair market value at the date of contribution. The tangible capital assets that are recognized at a nominal value are disclosed in schedule 6. The cost of these tangible capital assets less any residual value are amortized over the asset's useful life using the straight-line method of amortization. The municipality's tangible capital asset useful lives are estimated as follows:

Assets	Useful Life
General Assets	
Land	indefinite
Land improvements	20 to 45 years
Buildings	25 to 50 years
Vehicles	10 to 25 years
Machinery and equipment	10 to 25 years
Infrastructure Assets	
Paving, sidewalks and roadways	15 to 75 years

Town of Hudson Bay
Notes to Financial Statements
For the year ended December 31, 2010

1. Significant Accounting Policies - continued

(i) Government contributions

Government contributions for the acquisition of capital assets are reported as capital revenue and do not reduce the cost of the related asset.

(j) Works of art

Assets that have a historical or cultural significance, which include works of art, monuments and other cultural artifacts are not recognized as tangible capital assets because a reasonable estimate of future benefits associated with this property cannot be made.

(k) Capitalization of interest

The municipality does not capitalize interest incurred while a tangible capital asset is under construction.

(l) Leases

All leases are recorded on the financial statement as either a capital or operating lease. Any lease that transfers the majority of benefits and risk associated with the leased asset is classified as a capital lease. At the inception of a capital lease, an asset and a payment obligation are recorded at an amount equal to the lesser of the present value of the minimum lease payments and the asset's fair market value. Assets under capital leases are amortized on a straight-line basis over their estimated useful lives (lease term). Any other lease not meeting the before-mentioned criteria is classified as an operating lease and rental payments are expensed as incurred.

(m) Measurement uncertainty

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 expenditures during the period. Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary.

The measurement of materials and supplies are based on estimates of volume and quality.

The opening asset costs of tangible capital assets have been estimated where actual costs were not available.

Amortization is based on the estimated useful lives of tangible capital assets.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported in earnings in the periods in which they become known.

Town of Hudson Bay
Notes to Financial Statements
For the year ended December 31, 2010

1. **Significant Accounting Policies** - continued

(n) Basis of segmentation/segment report

The municipality has adopted the new Public Sector Accounting Board's recommendations requiring financial information to be provided on a segmented basis. Municipal services have been segmented by grouping activities that have similar service objectives (by function). Revenues that are directly related to the costs of the function have been attributed to each segment. Interest is allocated to functions based on the purpose of specific borrowings.

The segments (functions) are as follows:

General government: The general government segment provides for the administration of the municipality.

Protective services: Protective services is comprised of expenses for police and fire protection.

Transportation services: The transportation services segment is responsible for the delivery of public works services related to the development and maintenance of roadway systems and street lighting.

Environmental and public health: The environmental segment provides waste disposal and other environmental services. The public health segment provides for expenses related to public health services in the municipality.

Planning and development: The planning and development segment provides for neighbourhood development and sustainability.

Recreation and culture: The recreation and culture segment provides for community services through the provision of recreation and leisure services.

Utility services: The utility services segment provides for delivery of water, collecting and treating of wastewater and providing collection and disposal of solid waste.

	2010	2009
2. Cash and Temporary Investments		
Cash	<u>\$ 638,482</u>	<u>\$ 583,816</u>

Cash and temporary investments include balances with banks, term deposits, marketable securities and short-term investments with maturities of three months or less.

Town of Hudson Bay
Notes to Financial Statements
For the year ended December 31, 2010

	2010	2009
3. Taxes and Grants In Lieu Receivable		
Municipal - current	135,504	34,155
Municipal - arrears	<u>20,919</u>	<u>18,576</u>
	156,423	52,731
Less: Allowance for uncollectibles	<u>101,777</u>	<u>7,571</u>
Total municipal taxes receivable	<u>54,646</u>	<u>45,160</u>
School - current	121,839	12,061
School - arrears	<u>15,055</u>	<u>20,296</u>
Total school taxes receivable	<u>136,894</u>	<u>32,357</u>
Other	<u>16,051</u>	<u>16,051</u>
Total taxes and grants in lieu receivable	207,591	93,568
Less: Taxes receivable to be collected on behalf of other organizations	<u>152,945</u>	<u>48,407</u>
Municipal and Grants In Lieu Taxes Receivable	<u>\$ 54,646</u>	<u>\$ 45,161</u>
4. Other Accounts Receivable		
Federal government	216,655	124,471
Provincial government	28,850	36,088
Local government		2,018
Utility	38,821	41,247
Trade	86,947	83,904
Local improvement levies		<u>3,290</u>
Total other accounts receivable	<u>371,273</u>	<u>291,018</u>
Less: Allowance for uncollectibles	<u>2,955</u>	<u>4,975</u>
Net Other Accounts Receivable	<u>\$ 368,318</u>	<u>\$ 286,043</u>
5. Land for Resale		
Tax title property	66,119	72,531
Less: Allowance for market value adjustment	<u>2,257</u>	<u>2,257</u>
Net tax title property	63,862	70,274
Other land	<u>1,128,307</u>	<u>492,006</u>
Total Land for Resale	<u>\$ 1,192,169</u>	<u>\$ 562,280</u>

Town of Hudson Bay
Notes to Financial Statements
For the year ended December 31, 2010

	2010	2009
6. Long-Term Investments		
Portfolio investments	628,590	912,465
Red Deer River lot development project	<u>15,088</u>	<u>13,088</u>
	<u>\$ 643,678</u>	<u>\$ 925,553</u>

Portfolio investments

Marketable securities are valued at the lower of cost and market value. Market value at 2010 was \$624,481 (2009 - \$942,249).

	2010	2009
7. Deferred Revenue		
Deposits received for services to be provided in the future	<u>\$ 10,113</u>	<u>\$ 2,910</u>

8. Accrued Landfill Costs

The Town of Hudson Bay has operated a landfill with the capacity of approximately 200,000 cubic meters since 1975, of which 140,000 cubic meters remains as useable capacity. Best estimates indicate the remaining life of the site is 33 years, with a cost in today's dollars of \$30,000 required to complete the decommissioning. Decommissioning could be completed within a month of beginning the project. A landfill reserve of \$14,340 (which equals the estimated accrual required of approximately \$14,340) has been set up by town council in prior years; therefore, no landfill closure and post-closure liability is recognized on the Statement of Financial Position.

9. Long-Term Debt

- (a) The debt limit of the municipality is \$2,313,411. The debt limit for a municipality is the total amount of the municipality's own source revenues for the preceding year (*The Municipalities Act* Section 161).
- (b) Bank loan is repayable at \$6,612 principal and interest monthly and bears interest at a rate of 7.79%. It matures in 2011. The bank loan is secured by a general assignment of property taxes receivable.

Town of Hudson Bay
Notes to Financial Statements
For the year ended December 31, 2010

9. **Long-Term Debt - continued**

Future principal repayments are estimated as follows:

	Principal	Interest	2010 Total	2009 Total
2010				79,346
2011	<u>73,497</u>	<u>3,027</u>	<u>76,524</u>	<u>76,254</u>
	<u>\$ 73,497</u>	<u>\$ 3,027</u>	<u>\$ 76,524</u>	<u>\$ 155,600</u>

10. **Contingent Liabilities**

In 2010 the town has agreed to act as a guarantor for the Hudson Bay Trail Riders for a loan up to \$150,000, to be used to acquire a complete tractor and Soucy grooming kit and Mogul Master drag.

11. **Comparative Figures**

Certain balances for comparative purposes have been reclassified to conform with the current year's presentation.

12. **Effect of Change on 2009 Statement of Financial Position**

The municipality has restated its financial statements to correct for tangible capital asset errors and omissions on the 2009 financial statements as quantified below:

2009 Accumulated surplus as previously reported	12,206,326
Add: Correction of net book value of tangible capital assets recorded	<u>20,892</u>
Restated 2008 Accumulated Surplus	<u>\$ 12,227,218</u>

13. **Commitments**

On May 1, 2007 the Town of Hudson Bay signed an agreement with the Canada Saskatchewan Municipal Rural Infrastructure Fund (C.S.M.R.I.F.) for project #16757 - Water Treatment Plant Upgrade - Phase 2. Under the C.S.M.R.I.F. agreement, total funding available for the project is \$332,876 and the project must be completed by March 31, 2012. The project budget has been revised to \$862,500. The C.S.M.R.I.F. funding represents 30% and the Town of Hudson Bay is committed to fund \$264,874 (31%). To date, \$525,046 has been expended on the project, with the balance to be completed in 2011.

Town of Hudson Bay
 Schedule of Taxes and Other Unconditional Revenue
 For the year ended December 31, 2010

Schedule 1

	2010 Budget	2010 Actual	2009 Actual (Note 11)
Taxes			
General municipal tax levy	1,317,160	1,317,879	1,218,748
Abatements and adjustments	(182,400)	(93,940)	(3,464)
Discount on current year taxes	(60,900)	(60,751)	(59,946)
Net municipal taxes	<u>1,073,860</u>	<u>1,163,188</u>	<u>1,155,338</u>
Trailer license fees	12,300	12,377	12,737
Penalties on tax arrears	9,090	14,908	10,046
Other	<u>230</u>	<u>235</u>	<u>446</u>
Total Taxes	<u>1,095,480</u>	<u>1,190,708</u>	<u>1,178,567</u>
Unconditional Grants			
Equalization (revenue sharing)	<u>251,000</u>	<u>251,279</u>	<u>251,279</u>
Total Unconditional Grants	<u>251,000</u>	<u>251,279</u>	<u>251,279</u>
Grants In Lieu of Taxes			
Federal	2,340	2,335	2,137
Provincial			
SaskTel	1,440	1,443	1,321
Other	3,650	3,551	3,902
S.P.C. surcharge	<u>75,000</u>	<u>102,493</u>	<u>73,060</u>
Total Grants In Lieu of Taxes	<u>82,430</u>	<u>109,822</u>	<u>80,420</u>
Total Taxes and Other Unconditional Revenue	<u>\$ 1,428,910</u>	<u>\$ 1,551,809</u>	<u>\$ 1,510,266</u>

*The notes to financial statements are an integral
 part of these financial statements.*

Town of Hudson Bay
Schedule of Operating and Capital Revenue by Function Schedule 2-1
For the year ended December 31, 2010

	2010 Budget	2010 Actual	2009 Actual (Note 11)
General Government Services			
Operating			
Other Segmented Revenue			
Fees and charges			
Custom work	3,020	3,391	2,860
Sale of gravel supplies	440	2,278	454
Licenses and permits	14,650	18,671	11,523
Other	3,600	4,046	27,397
Total Fees and Charges	<u>21,710</u>	<u>28,386</u>	<u>42,234</u>
Tangible capital asset sales - gain	4,000		
Land sales - gain	10	9,987	1,760
Investment income and commissions	58,000	72,517	53,890
Total Other Segmented Revenue	<u>83,720</u>	<u>110,890</u>	<u>97,884</u>
Conditional Grants			
Transit for disabled - operating	2,500	4,142	1,550
Total Conditional Grants	<u>2,500</u>	<u>4,142</u>	<u>1,550</u>
Total General Government Services	<u>\$ 86,220</u>	<u>\$ 115,032</u>	<u>\$ 99,434</u>
Protective Services			
Operating			
Other Segmented Revenue			
Fees and charges			
Policing and fire fees	17,050	24,601	18,902
Gain (loss) on capital asset disposals		(3,220)	
Total Other Segmented Revenue	<u>17,050</u>	<u>21,381</u>	<u>18,902</u>
Total Operating	<u>17,050</u>	<u>21,381</u>	<u>18,902</u>
Capital			
Conditional Grants			
FCC Agri Spirit Fund	0	5,000	0
Total Protective Services	<u>\$ 17,050</u>	<u>\$ 26,381</u>	<u>\$ 18,902</u>

*The notes to financial statements are an integral
part of these financial statements.*

Town of Hudson Bay
 Schedule of Operating and Capital Revenue by Function Schedule 2-2
 For the year ended December 31, 2010

	2010 Budget	2010 Actual	2009 Actual (Note 11)
Transportation Services			
Gain (loss) on capital asset disposals		30,000	
Total Other Segmented Revenue	<u>0</u>	<u>30,000</u>	<u>0</u>
Total Transportation Services	<u>\$ 0</u>	<u>\$ 30,000</u>	<u>\$ 0</u>
Environmental and Public Health Services			
Operating			
Other Segmented Revenue			
Fees and charges			
Rentals	22,270	23,987	22,284
Cemetery fees	4,590	6,263	4,587
Other	<u>15,710</u>	<u>18,100</u>	<u>16,008</u>
Total Fees and Charges	<u>42,570</u>	<u>48,350</u>	<u>42,879</u>
Total Other Segmented Revenue	<u>42,570</u>	<u>48,350</u>	<u>42,879</u>
Conditional Grants			
West Nile		1,811	2,114
Municipal recycling program	<u>2,730</u>	<u>4,088</u>	
Total Conditional Grants	<u>2,730</u>	<u>5,899</u>	<u>2,114</u>
Total Environmental and Public Health Services	<u>\$ 45,300</u>	<u>\$ 54,249</u>	<u>\$ 44,993</u>

*The notes to financial statements are an integral
 part of these financial statements.*

Town of Hudson Bay
Schedule of Operating and Capital Revenue by Function
For the year ended December 31, 2010

Schedule 2-3

	2010 Budget	2010 Actual	2009 Actual (Note 11)
Planning and Development Services			
Operating			
Other Segmented Revenue			
Fees and charges			
Rentals	221,150	196,700	297,692
Other	9,010	13,460	9,045
Total Other Segmented Revenue	<u>230,160</u>	<u>210,160</u>	<u>306,737</u>
Conditional Grants			
Newsask community futures		1,000	
Community adjustment fund	645,000	642,099	117,883
Community development trust fund	799,500	698,955	65,728
Community capacity building fund	1,500	1,500	10,917
Local - other	2,510	43,841	5,338
Total Conditional Grants	<u>1,448,510</u>	<u>1,387,395</u>	<u>199,866</u>
Total Planning and Development Services	<u>\$ 1,678,670</u>	<u>\$ 1,597,555</u>	<u>\$ 506,603</u>
Recreation and Cultural Services			
Operating			
Other Segmented Revenue			
Fees and charges			
Rentals	7,640	7,127	11,549
Recreation fees	132,550	144,114	133,713
Total Fees and Charges	<u>140,190</u>	<u>151,241</u>	<u>145,262</u>
Gain (loss) on capital asset disposals		4,045	
Other revenues	16,500	28,606	102,651
Total Other Segmented Revenue	<u>156,690</u>	<u>183,892</u>	<u>247,913</u>
Conditional Grants			
Student employment	2,200	2,223	2,223
Sask Parks and Recreation	2,400	2,396	9,766
Total Conditional Grants	<u>4,600</u>	<u>4,619</u>	<u>11,989</u>
Total Operating	<u>161,290</u>	<u>188,511</u>	<u>259,902</u>
Capital			
Conditional Grants			
Other	0	3,400	
Total Capital	<u>0</u>	<u>3,400</u>	<u>0</u>
Total Recreation and Cultural Services	<u>\$ 161,290</u>	<u>\$ 191,911</u>	<u>\$ 259,902</u>

*The notes to financial statements are an integral
part of these financial statements.*

Town of Hudson Bay
 Schedule of Operating and Capital Revenue by Function
 For the year ended December 31, 2010

Schedule 2-4

	2010 Budget	2010 Actual	2009 Actual (Note 11)
Utility Services			
Operating			
Other Segmented Revenue			
Fees and charges			
Water	301,500	281,000	294,209
Sewer	127,400	127,208	145,352
Other utilities	10		124
Total Other Segmented Revenue	<u>428,910</u>	<u>408,208</u>	<u>439,685</u>
Capital			
Conditional Grants			
Municipal Economic Enhancement Plan			179,063
New Deal funding	106,000	105,440	83,604
C.S.M.R.I.F.	300,800	230,482	14,225
Community development trust fund	<u>2,500,000</u>	<u>1,065,225</u>	<u>53,526</u>
Total Capital	<u>2,906,800</u>	<u>1,401,147</u>	<u>330,418</u>
Total Utility Services	<u>\$ 3,335,710</u>	<u>\$ 1,809,355</u>	<u>\$ 770,103</u>
Total Operating and Capital Revenue by Function	<u>\$ 5,324,240</u>	<u>\$ 3,824,483</u>	<u>\$ 1,699,937</u>
Summary			
Total Other Segmented Revenue	959,100	1,012,881	1,154,000
Total Conditional Grants	1,458,340	1,402,055	215,519
Total Capital Grants and Contributions	<u>2,906,800</u>	<u>1,409,547</u>	<u>330,418</u>
Total Operating and Capital Revenue by Function	<u>\$ 5,324,240</u>	<u>\$ 3,824,483</u>	<u>\$ 1,699,937</u>

*The notes to financial statements are an integral
 part of these financial statements.*

Town of Hudson Bay
 Total Expenses by Function
 For the year ended December 31, 2010

Schedule 3-1

	2010 Budget	2010 Actual	2009 Actual (Note 11)
General Government Services			
Council remuneration and travel	27,500	27,108	25,385
Wages and benefits	135,630	139,773	126,213
Contractual services - assessment	16,800	16,607	16,798
Contractual services - other	56,410	52,770	53,896
Utilities	11,630	12,038	11,566
Maintenance, materials and supplies	28,200	34,802	32,972
Grants and contributions - operating	108,000	107,717	126,746
Amortization	17,660	17,650	17,650
Insurance	1,600	1,888	1,535
Allowance for uncollectibles	10	95,206	5,000
Other - elections	10	441	411
Total General Government Services	<u>\$ 403,450</u>	<u>\$ 506,000</u>	<u>\$ 418,172</u>
Protective Services			
Police protection			
Wages and benefits	25,100	26,637	22,383
Contractual services	64,000	63,950	63,084
Fire protection			
Wages and benefits	33,000	47,440	33,095
Contractual services	37,600	26,881	27,721
Utilities	8,600	8,418	6,931
Maintenance, materials and supplies	44,100	35,151	28,085
Amortization	12,440	10,828	17,238
Total Protective Services	<u>\$ 224,840</u>	<u>\$ 219,305</u>	<u>\$ 198,537</u>
Transportation Services			
Wages and benefits	193,200	192,308	176,405
Contractual services - maintenance	24,460	24,437	14,575
Utilities	44,340	48,888	44,299
Maintenance buildings	700	2,289	435
Gravel	15,000	13,286	10,710
Machinery costs/fuel/blades	34,710	38,682	35,626
Culverts/drainage	200	219	1,907
Amortization	289,050	289,490	281,488
Other materials and supplies	15,600	16,468	12,837
Total Transportation Services	<u>\$ 617,260</u>	<u>\$ 626,067</u>	<u>\$ 578,282</u>

*The notes to financial statements are an integral
 part of these financial statements.*

Town of Hudson Bay
 Total Expenses by Function
 For the year ended December 31, 2010

Schedule 3-2

	2010 Budget	2010 Actual	2009 Actual (Note 11)
Environmental and Public Health Services			
Wages and benefits	38,720	39,057	35,596
Contractual services - waste	108,780	109,614	111,836
Utilities	12,820	12,335	12,773
Maintenance, materials and supplies	13,730	8,401	8,733
Grants and contributions - public health	9,800	8,377	3,800
Amortization	<u>13,140</u>	<u>13,107</u>	<u>13,107</u>
Total Environmental and Public Health Services	<u>\$ 196,990</u>	<u>\$ 190,891</u>	<u>\$ 185,845</u>
Planning and Development Services			
Wages and benefits	308,450	294,787	72,772
Contractual services	528,670	447,767	123,509
Utilities	29,900	32,096	29,785
Maintenance, materials and supplies	157,560	217,693	77,565
Amortization	7,600	7,597	7,597
Interest	8,750	8,727	14,003
Other	<u>10,010</u>	<u>20,000</u>	<u></u>
Total Planning and Development Services	<u>\$ 1,050,940</u>	<u>\$ 1,028,667</u>	<u>\$ 325,231</u>
Recreation and Cultural Services			
Wages and benefits	206,530	234,100	200,986
Contractual services	14,900	12,910	5,222
Utilities	109,300	118,245	107,636
Maintenance, materials and supplies	109,700	99,489	85,556
Grants and contributions - operating	37,230	37,216	49,478
Amortization	89,500	87,602	84,504
Insurance	19,120	18,319	17,497
Libraries	<u>21,400</u>	<u>21,398</u>	<u>21,398</u>
Total Recreation and Cultural Services	<u>\$ 607,680</u>	<u>\$ 629,279</u>	<u>\$ 572,277</u>

*The notes to financial statements are an integral
 part of these financial statements.*

Town of Hudson Bay
 Total Expenses by Function
 For the year ended December 31, 2010

Schedule 3-3

	2010 Budget	2010 Actual	2009 Actual (Note 11)
Utility Services			
Wages and benefits	163,350	163,346	146,883
Contractual services	25,400	34,158	24,163
Utilities	65,620	72,089	65,609
Maintenance, materials and supplies	72,600	65,089	70,122
Amortization	<u>105,250</u>	<u>101,866</u>	<u>97,776</u>
Total Utility Services	<u>\$ 432,220</u>	<u>\$ 436,548</u>	<u>\$ 404,553</u>
Total Expenses by Function	<u>\$ 3,533,380</u>	<u>\$ 3,636,757</u>	<u>\$ 2,682,897</u>

*The notes to financial statements are an integral
 part of these financial statements.*

Town of Hudson Bay
 Consolidated Schedule of Segment Disclosure by Function
 For the year ended December 31, 2010

Schedule 4

	General Government	Protective Services	Transport. Services	Environ. & Public Health	Planning & Develop.	Rec. & Culture	Utilites Services	Total
Revenues - schedule 2								
Fees and charges	28,386	24,601		48,350	210,160	151,241	408,208	870,946
Tangible capital asset sales - gain		(3,220)	30,000			4,045		30,825
Land sales - gain	9,987							9,987
Investment income and commissions	72,517							72,517
Other revenues						28,606		28,606
Grants - conditional	4,142			5,899	1,387,395	4,619		1,402,055
Grants - capital		5,000				3,400	1,401,147	1,409,547
Total Revenues	<u>115,032</u>	<u>26,381</u>	<u>30,000</u>	<u>54,249</u>	<u>1,597,555</u>	<u>191,911</u>	<u>1,809,355</u>	<u>3,824,483</u>
Expenses - schedule 3								
Wages and benefits	139,773	74,077	192,308	39,057	294,787	234,100	163,346	1,137,448
Professional/contractual services	96,485	90,831	24,437	109,614	447,767	12,910	34,158	816,202
Utilities	12,038	8,418	48,888	12,335	32,096	118,245	72,089	304,109
Maintenance materials and supplies	34,802	35,151	15,575	8,401	217,693	99,489	65,089	476,200
Machinery costs/fuel/blades			38,682					38,682
Culverts/drainage			219					219
Grants and contributions	107,717			8,377		37,216		153,310
Amortization	17,650	10,828	289,490	13,107	7,597	87,602	101,866	528,140
Insurance	1,888					18,319		20,207
Libraries						21,398		21,398
Interest					8,727			8,727
Allowance for uncollectibles	95,206							95,206
Other	441		16,468		20,000			36,909
Total Expenses	<u>506,000</u>	<u>219,305</u>	<u>626,067</u>	<u>190,891</u>	<u>1,028,667</u>	<u>629,279</u>	<u>436,548</u>	<u>3,636,757</u>
Surplus (Deficit) by Function	<u>\$(390,968)</u>	<u>\$(192,924)</u>	<u>\$(596,067)</u>	<u>\$(136,642)</u>	<u>\$ 568,888</u>	<u>\$(437,368)</u>	<u>\$ 1,372,807</u>	<u>187,726</u>
Taxation and other unconditional revenue - schedule 1								<u>1,551,809</u>
Net Surplus								<u>\$ 1,739,535</u>

*The notes to financial statements are an integral
 part of these financial statements.*

Town of Hudson Bay
 Consolidated Schedule of Segment Disclosure by Function
 For the year ended December 31, 2009

Schedule 5

	General Government	Protective Services	Transport. Services	Environ. & Public Health	Planning & Develop.	Rec. & Culture	Utilites Services	Total
Revenues - schedule 2								
Fees and charges	42,234	18,902		42,879	306,737	145,262	439,685	995,699
Land sales - gain	1,760							1,760
Investment income and commissions	53,890							53,890
Other revenues						102,651		102,651
Grants - conditional	1,550			2,114	199,866	11,989		215,519
Grants - capital							330,418	330,418
Total Revenues	<u>99,434</u>	<u>18,902</u>	<u>0</u>	<u>44,993</u>	<u>506,603</u>	<u>259,902</u>	<u>770,103</u>	<u>1,699,937</u>
Expenses - schedule 3								
Wages and benefits	126,213	55,478	176,405	35,596	72,772	200,986	146,883	814,333
Professional/contractual services	96,079	90,805	14,575	111,836	123,509	5,222	24,163	466,189
Utilities	11,566	6,931	44,299	12,773	29,785	107,636	65,609	278,599
Maintenance materials and supplies	32,972	28,085	11,145	8,733	77,565	85,556	70,122	314,178
Machinery costs/fuel/blades			35,626					35,626
Culverts/drainage			1,907					1,907
Grants and contributions	126,746			3,800		49,478		180,024
Amortization	17,650	17,238	281,488	13,107	7,597	84,504	97,776	519,360
Insurance	1,535					17,497		19,032
Libraries						21,398		21,398
Interest					14,003			14,003
Allowance for uncollectibles	5,000							5,000
Other	411		12,837					13,248
Total Expenses	<u>418,172</u>	<u>198,537</u>	<u>578,282</u>	<u>185,845</u>	<u>325,231</u>	<u>572,277</u>	<u>404,553</u>	<u>2,682,897</u>
Surplus (Deficit) by Function	<u>\$(318,738)</u>	<u>\$(179,635)</u>	<u>\$(578,282)</u>	<u>\$(140,852)</u>	<u>\$ 181,372</u>	<u>\$(312,375)</u>	<u>\$ 365,550</u>	<u>(982,960)</u>
Taxation and other unconditional revenue - schedule 1								<u>1,510,266</u>
Net Surplus								<u>\$ 527,306</u>

*The notes to financial statements are an integral
 part of these financial statements.*

Town of Hudson Bay
 Consolidated Schedule of Tangible Capital Assets by Object
 For the year ended December 31, 2010

Schedule 6

	2010							2009	
	General Assets					Infrastruct. Assets	General/ Infrastruct. Assets under Constr.	Total	Total
	Land	Land Improve.	Buildings	Vehicles	Machinery & Equipment	Linear Assets			
Asset Cost									
Opening Asset Cost	573,918	1,413,307	6,556,306	386,377	909,449	8,749,038	64,084	18,652,479	18,039,547
Additions during the year		17,649		7,145	32,971	5,000	1,630,899	1,693,664	612,932
Disposals and write-down during the year				(21,100)	(16,100)			(37,200)	
Closing Asset Costs	573,918	1,430,956	6,556,306	372,422	926,319	8,754,038	1,694,984	20,308,943	18,652,479
Accumulated Amortization Cost									
Opening Accumulated Amortization Costs		709,037	3,346,943	257,138	514,552	3,787,395		8,615,065	8,095,704
Add: Amortization taken		33,818	133,640	14,543	56,190	289,949		528,140	519,360
Less: Accumulated amortization on disposals				18,090	12,880			30,970	
Closing Accumulated Amortization Costs	0	742,855	3,480,582	253,590	557,864	4,077,344	0	9,112,235	8,615,065
Net Book Value	\$ 573,918	\$ 688,101	\$ 3,075,724	\$ 118,832	\$ 368,455	\$ 4,676,694	\$ 1,694,984	\$ 11,196,708	\$ 10,037,414

*The notes to financial statements are an integral
part of these financial statements.*

Town of Hudson Bay
 Consolidated Schedule of Tangible Capital Assets by Function
 For the year ended December 31, 2010

Schedule 7

	2010							2009	
	General Government	Protective Services	Transport. Services	Environ. & Public Health	Planning & Develop.	Rec. & Culture	Water & Sewer	Total	Total
Asset Cost									
Opening Asset Cost	820,683	318,380	7,377,406	311,952	795,569	3,278,517	5,749,972	18,652,479	18,039,548
Additions during the year		123,998	13,335			24,794	1,531,537	1,693,664	612,932
Disposals and write-down during the year		(16,100)				(21,100)		(37,200)	
Closing Asset Costs	<u>820,683</u>	<u>458,478</u>	<u>7,390,741</u>	<u>311,952</u>	<u>795,569</u>	<u>3,324,411</u>	<u>7,281,509</u>	<u>20,383,343</u>	<u>18,652,480</u>
Accumulated Amortization Cost									
Opening Accumulated Amortization Costs	521,530	279,676	3,353,781	121,544	249,035	1,366,904	2,722,595	8,615,065	8,095,704
Add: Amortization taken	17,650	10,828	289,490	13,107	7,597	87,602	101,866	528,140	519,360
Less: Accumulated amortization on disposals		(12,880)				(18,090)		(30,970)	
Closing Accumulated Amortization Costs	<u>539,180</u>	<u>277,624</u>	<u>3,643,271</u>	<u>134,651</u>	<u>256,632</u>	<u>1,436,416</u>	<u>2,824,461</u>	<u>9,112,235</u>	<u>8,615,064</u>
Net Book Value	<u>\$ 281,503</u>	<u>\$ 180,854</u>	<u>\$ 3,747,470</u>	<u>\$ 177,301</u>	<u>\$ 538,937</u>	<u>\$ 1,887,995</u>	<u>\$ 4,457,048</u>	<u>\$ 11,271,108</u>	<u>\$ 10,037,416</u>

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part of these financial statements.*

Town of Hudson Bay
 Consolidated Schedule of Accumulated Surplus
 For the year ended December 31, 2010

Schedule 8

	2009	Changes	2010
Unappropriated Surplus	<u>648,379</u>	<u>676,917</u>	<u>1,325,296</u>
Appropriated Surplus			
Machinery and equipment			
Fire fighting equipment	201,638	(11,125)	190,513
Handivan	18,744		18,744
	<u>220,382</u>	<u>(11,125)</u>	<u>209,257</u>
Public reserve	500	0	500
Capital trust reserve	120,000	0	120,000
Utility			
Waterworks	368,016	0	368,016
Other			
Recreation programs	4,698	(1,149)	3,549
Real estate	210,347		210,347
Dawyduk bursary	3,675		3,675
Industrial development	65,080	(20,000)	45,080
Recreation complex	1,023		1,023
Tennis court	3,000		3,000
Health Centre	44,652		44,652
Streets	350,000		350,000
Arena	500	500	1,000
Library	2,314		2,314
Waste disposal site	14,340		14,340
Medical clinic	59,457	1,848	61,305
Ice plant	25,000		25,000
Fire department training	5,000		5,000
Centennial 2005	14,208		14,208
Trade Fair	8,572	(7,203)	1,369
Blake Beattie Building	157,764	(141,771)	15,993
Eileen Danyluk municipal bursary	5,000		5,000
Hockey school	2,013	11,605	13,618
	<u>976,643</u>	<u>(156,170)</u>	<u>820,473</u>
Total Appropriated	<u>1,685,541</u>	<u>(167,295)</u>	<u>1,518,246</u>
Net Investments in Tangible Capital Assets			
Tangible capital assets - schedule 6	10,037,414	1,159,294	11,196,708
Less: Related debt	144,116	(70,619)	73,497
Net Investment in Tangible Capital Assets	<u>9,893,298</u>	<u>1,229,913</u>	<u>11,123,211</u>
Total Accumulated Surplus	<u>\$ 12,227,218</u>	<u>\$ 1,739,535</u>	<u>\$ 13,966,753</u>

*The notes to financial statements are an integral
 part of these financial statements.*

Town of Hudson Bay
 Schedule of Mill Rates and Assessments
 For the year ended December 31, 2010

Schedule 9



	<u>Property Class</u>					Total
	Agriculture	Residential	Residential Condominium	Seasonal Residential	Commercial & Industrial	
Taxable Assessment	48,560	29,381,350			64,963,665	94,393,575
Regional Park Assessment						
Total Assessment						94,393,575
Mill Rate Factor(s)					1.20 & .60	
Total Base/Minimum Tax (generated for each property class)		115,125			30,940	146,065
Total Municipal Tax Levy (include base and/or minimum tax and special levies)	573	393,773			923,533	1,317,879
Mill Rates:						
		Mills				
Average Municipal*		13.9615				
Average School*		15.0900				
Potash Mill Rate						
Uniform Municipal Mill Rate		11.8000				

*Average Mill Rates (multiply the total tax levy for each taxing authority by 1,000 and divide by the total assessment for the taxing authority).

The notes to financial statements are an integral part of these financial statements.

Town of Hudson Bay
Schedule of Council Remuneration
For the year ended December 31, 2010

Schedule 10

Name	Remuneration	Reimbursed Costs	Total
Elvina Rumak	10,168	2,105	12,273
Len Auger	3,052	711	3,763
Darwin Dallyn	1,254		1,254
Brent Dyck	2,477		2,477
Paula Kowalko	3,766	410	4,176
Glen McCaffery	569	88	657
Betty Lou Palko	3,894	842	4,736
Lorne Riddoch	2,329		2,329
	<u>\$ 27,509</u>	<u>\$ 4,156</u>	<u>\$ 31,665</u>

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part of these financial statements.*

**New Deal for Cities and Communities
Nouveau Pacte Pour Les Villes Et Les Collectivites**

DUE: 1-Jul-2011

New Deal - Federal Gas Tax Program

Municipal Annual Expenditure Report For the Year Ended: 31-Dec-2010

Municipality Name: Town of Hudson Bay

	<u>2010</u>
Opening Balance: (+)	\$139,437.54
Gas Tax Payment Received: (+)	\$105,440.31
Interest Earned: (+)	
Administrative Expense: (-)	
Subtotal (+)	<u>\$244,877.85</u>

Project Expenditures		Project Expenditures
IIP #	Plan Title	
0708-000512	Water Treatment Plant Upgrade - Phase 2	\$248,729.10
	Project Expenditure Subtotal (-)	<u>\$248,729.10</u>
		<u>(\$3,851.25)</u>

Ending Balance:
2001 Census population: 1646

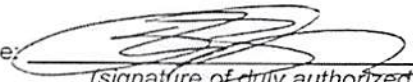
Municipality Name: Town of Hudson Bay

Project Status Information

IIP #	Plan Title	Status (Complete/Incomplete/Other)	Date Completed or Estimated Date to be Completed
0708-000512	Water Treatment Plant Upgrade - Phase 2	Complete relative to gas tax contribution	31-Dec-11

CERTIFICATION BY MUNICIPALITY:

I, Rick Dolezsar, Administrator, of the Town of Hudson Bay certify that the information provided in this Municipal Annual Expenditure Report is a true and accurate representation of the municipality's financial position with respect to the Federal Gas Tax funds. The municipality is in compliance with Section 2.2 (first sentence) and Section 6.2 of the Funding Agreement – Transfer of Federal Gas Tax Revenues under the New Deal for Cities and Communities ("Funding Agreement"). I acknowledge and understand that failure to comply with the terms and conditions of the Funding Agreement may result in an event of default as per Section 7 of the Funding Agreement.

Signature: 
(signature of duly authorized signing officer for the municipality)

Date: 24-Jan-11

Contact phone #: (306)865-2261