

VILLAGE OF HAINES JUNCTION
Financial Statements
For The Year Ended December 31, 2023

INDEPENDENT AUDITORS' REPORT

To the Mayor and Council of Village of Haines Junction

Opinion

We have audited the financial statements of the Village of Haines Junction (the Village), which comprise the statement of financial position as at December 31, 2023, and the statements of operations and accumulated surplus, changes in net financial assets, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Village as at December 31, 2023, and the results of its operations, changes in net financial assets, 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 report. We are independent of the Village in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, 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 Village's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Village or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Village'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 these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

(continues)



Independent Auditors' Report to the Mayor and Council of Village of Haines Junction (*continued*)

- 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 Village'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 Village'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 Village to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

METRIX GROUP LLP

Chartered Professional Accountants

Edmonton, Alberta
June 12, 2024

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

To His Worship the Mayor and Members of Council of the Village of Haines Junction

The integrity, relevance and comparability of the data in the accompanying financial statements are the responsibility of management.

The financial statements are prepared by management in accordance with Canadian public sector accounting standards. They necessarily include some amounts that are based on the best estimates and judgments of management.

To assist in its responsibility, management maintains accounting, budget and other controls to provide reasonable assurance that transactions are appropriately authorized, that assets are properly accounted for and safeguarded, and that financial records are reliable for preparation of financial statements.

Metrix Group LLP, Chartered Professional Accountants, have been appointed by the Village Council to express an opinion on the Village's financial statements.

David Fairbank
Chief Administrative Officer

VILLAGE OF HAINES JUNCTION
Statement of Financial Position
As At December 31, 2023

	2023	2022 <i>(Restated)</i> <i>(Note 13)</i>
FINANCIAL ASSETS		
Cash and cash equivalents <i>(Note 2)</i>	\$ 8,677,214	\$ 7,520,360
Receivables <i>(Note 3)</i>	727,854	602,429
Assets held for sale	325,000	325,000
	<u>9,730,068</u>	<u>8,447,789</u>
LIABILITIES		
Accounts payable and accrued liabilities	411,475	278,386
Deferred revenue <i>(Note 4)</i>	25,274	2,385
Asset retirement obligations <i>(Note 5)</i>	690,680	656,041
	<u>1,127,429</u>	<u>936,812</u>
NET FINANCIAL ASSETS	<u>8,602,639</u>	<u>7,510,977</u>
NON-FINANCIAL ASSETS		
Tangible capital assets <i>(Note 6)</i>	37,787,206	34,496,893
Prepaid expenses	47,166	59,997
	<u>37,834,372</u>	<u>34,556,890</u>
ACCUMULATED SURPLUS <i>(Note 7)</i>	<u>\$ 46,437,011</u>	<u>\$ 42,067,867</u>
Contingencies <i>(Note 9)</i>		

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

VILLAGE OF HAINES JUNCTION
Statement of Operations and Accumulated Surplus
For the Year Ended December 31, 2023

	2023 (Budget) (Note 10)	2023 (Actual)	2022 (Actual) (Restated) (Note 13)
REVENUE			
Government transfers for operating (Schedule 3)	\$ 2,561,676	\$ 2,302,365	\$ 2,144,619
Taxation, including grants in lieu of taxes (Schedule 2)	952,354	952,219	976,368
Interest	120,900	343,264	114,906
Sales and user charges	291,500	292,340	290,757
Licenses, fees, rental and fines	214,666	206,308	183,633
Penalties on taxes	5,000	7,316	7,395
	<u>4,146,096</u>	<u>4,103,812</u>	<u>3,717,678</u>
EXPENSES			
Environmental health	862,214	702,133	679,093
Public works	884,620	666,894	679,227
Administration	788,408	655,281	499,179
Recreation	446,737	377,744	313,010
Protection	324,347	158,546	143,021
Convention centre	136,630	114,111	136,984
Legislative	125,056	110,349	116,674
Planning and development services	11,631	17,725	19,575
Mezzanine	15,300	11,114	10,876
	<u>3,594,943</u>	<u>2,813,897</u>	<u>2,597,639</u>
ANNUAL SURPLUS BEFORE OTHER REVENUE	<u>551,153</u>	<u>1,289,915</u>	<u>1,120,039</u>
OTHER REVENUE (EXPENSE)			
Government transfers for capital (Schedule 3)	1,350,000	4,546,492	3,722,365
Gain (loss) on disposal of assets held for sale	-	36,726	(53,501)
Other	30,000	15,000	10,000
Amortization	-	(1,518,989)	(1,460,736)
	<u>1,380,000</u>	<u>3,079,229</u>	<u>2,218,128</u>
ANNUAL SURPLUS	1,931,153	4,369,144	3,338,167
ACCUMULATED SURPLUS, BEGINNING OF YEAR	<u>42,067,867</u>	<u>42,067,867</u>	<u>38,729,700</u>
ACCUMULATED SURPLUS, END OF YEAR (Note 7)	<u>\$ 43,999,020</u>	<u>\$ 46,437,011</u>	<u>\$ 42,067,867</u>

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

VILLAGE OF HAINES JUNCTION
Statement of Changes in Net Financial Assets
For the Year Ended December 31, 2023

	2023 (Budget) (Note 10)	2023 (Actual)	2022 (Actual) (Restated) (Note 13)
ANNUAL SURPLUS	\$ 1,931,153	\$ 4,369,144	\$ 3,338,167
Acquisition of tangible capital assets	(1,816,000)	(4,825,181)	(3,911,323)
Amortization of tangible capital assets	-	1,518,989	1,460,736
Assets reclassified to held for resale	-	-	325,000
Proceeds on disposal of tangible capital assets	-	52,605	-
Gain (loss) on disposal of tangible capital assets	-	(36,726)	53,501
	115,153	1,078,831	1,266,081
(Acquisition) use of prepaid expenses	-	12,831	21,848
INCREASE IN NET FINANCIAL ASSETS	115,153	1,091,662	1,287,929
NET FINANCIAL ASSETS, BEGINNING OF YEAR	7,510,977	7,510,977	6,223,048
NET FINANCIAL ASSETS, END OF YEAR	\$ 7,626,130	\$ 8,602,639	\$ 7,510,977

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

VILLAGE OF HAINES JUNCTION
Statement of Cash Flows
For The Year Ended December 31, 2023

	2023	2022 <i>(Restated)</i> <i>(Note 13)</i>
OPERATING ACTIVITIES		
Annual surplus	\$ 4,369,144	\$ 3,338,167
Non-cash items not included in annual surplus:		
Amortization of tangible capital assets	1,518,989	1,460,736
Loss (gain) on disposal of capital assets	<u>(36,726)</u>	53,501
	<u>5,851,407</u>	4,852,404
Changes in non-cash working capital balances related to operations:		
Receivables	(125,425)	(371,312)
Accounts payable and accrued liabilities	133,089	(3,658)
Deferred revenue	22,889	(91,434)
Prepaid expenses	12,831	21,848
Asset retirement obligations	<u>34,639</u>	32,902
	<u>78,023</u>	(411,654)
Cash flow from operating activities	<u>5,929,430</u>	4,440,750
CAPITAL ACTIVITIES		
Purchase of tangible capital assets	(4,825,181)	(3,911,323)
Proceeds on sale of tangible capital assets	<u>52,605</u>	-
Cash flow used by capital activities	<u>(4,772,576)</u>	(3,911,323)
CHANGE IN CASH AND CASH EQUIVALENTS DURING YEAR	1,156,854	529,427
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>7,520,360</u>	6,990,933
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 8,677,214</u>	<u>\$ 7,520,360</u>

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

VILLAGE OF HAINES JUNCTION
Schedule of Equity in Tangible Capital Assets
For the Year Ended December 31, 2023

(Schedule 1)

	2023	2022 <i>(Restated)</i> <i>(Note 13)</i>
BALANCE, BEGINNING OF YEAR	\$ 33,840,852	\$ 31,801,668
Acquisition of tangible capital assets	4,825,181	3,911,323
Amortization of tangible capital assets	(1,518,989)	(1,460,736)
Net book value of tangible capital assets disposed of	(15,879)	(53,501)
Assets reclassified to held for resale	-	(325,000)
Asset retirement obligations accretion	(34,639)	(32,902)
BALANCE, END OF YEAR	\$ 37,096,526	\$ 33,840,852
Equity in tangible capital assets is comprised of the following:		
Tangible capital assets (net book value)	\$ 37,787,206	\$ 34,496,893
Asset retirement obligations	(690,680)	(656,041)
	\$ 37,096,526	\$ 33,840,852

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

VILLAGE OF HAINES JUNCTION
Schedule of Taxation
For the Year Ended December 31, 2023

(Schedule 2)

	2023 (Budget) (Note 10)	2023 (Actual)	2022 (Actual)
TAXATION			
Real property tax	\$ 791,547	\$ 791,412	\$ 809,484
Government grants in lieu of property tax	139,782	139,782	145,859
Local improvement taxes	21,025	21,025	21,025
	<u>\$ 952,354</u>	<u>\$ 952,219</u>	<u>\$ 976,368</u>

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

VILLAGE OF HAINES JUNCTION
Schedule of Government Transfers
For the Year Ended December 31, 2023

(Schedule 3)

	2023 (Budget) (Note 10)	2023 (Actual)	2022 (Actual)
TRANSFERS FOR OPERATING			
Government of the Yukon block funding	\$ 2,068,070	\$ 2,068,070	\$ 1,958,907
Senior government grant revenue	493,606	234,295	185,712
	2,561,676	2,302,365	2,144,619
TRANSFERS FOR CAPITAL			
Government of the Yukon conditional transfers	1,350,000	4,546,492	3,722,365
TOTAL GOVERNMENT TRANSFERS	\$ 3,911,676	\$ 6,848,857	\$ 5,866,984

Government transfers for capital is comprised of Canada Community-Building Fund (formerly Gas Tax Funds), Build Canada Fund, Trans Canada Trail program and the Yukon Government transfers.

VILLAGE OF HAINES JUNCTION
Schedule of Segmented Information
For the Year Ended December 31, 2023

(Schedule 4)

	Legislative	Administration and Planning	Protective Services	Public Works	Environmental Health	Recreation Services	Convention Centre	Mezzanine	Unallocated	Total
REVENUE										
Government transfers for operating	-	51,527	41,667	696	43,784	96,593	28	-	2,068,070	2,302,365
Taxation and grants in lieu	952,219	-	-	-	-	-	-	-	-	952,219
Water and sewer user fees	-	-	-	-	292,340	-	-	-	-	292,340
Interest income	343,264	-	-	-	-	-	-	-	-	343,264
Licenses, fees, rental and fines	-	11,977	39,580	28,040	101,294	3,405	15,556	6,456	-	206,308
Penalties on taxes	7,316	-	-	-	-	-	-	-	-	7,316
	1,302,799	63,504	81,247	28,736	437,418	99,998	15,584	6,456	2,068,070	4,103,812
EXPENSES										
Salaries, wages and benefits	-	418,135	11,804	447,785	246,170	79,500	1,047	29	-	1,204,470
Supplies and services	21,281	78,220	26,678	35,964	210,233	132,766	26,912	10,252	-	542,306
Utilities	-	28,110	22,551	17,287	114,742	75,456	22,220	363	-	280,729
Repairs and maintenance	-	7,862	15,602	44,733	17,083	31,367	24,840	470	-	141,957
Insurance	-	-	14,199	17,139	55,983	39,535	39,092	-	-	165,948
Audit and legal fees	-	87,760	-	-	-	-	-	-	-	87,760
Honorarium	72,359	-	29,612	-	-	-	-	-	-	101,971
Fuel and oil	-	-	-	43,320	-	1,178	-	-	-	44,498
FireSmart	-	-	37,500	-	-	-	-	-	-	37,500
Street lights and signs	-	-	-	36,040	-	-	-	-	-	36,040
Parks and mosquito control	-	-	-	20,895	-	-	-	-	-	20,895
Testing and other - Landfill	-	-	-	-	42,041	-	-	-	-	42,041
Other	-	21,354	-	-	-	-	-	-	-	21,354
Grants	14,176	-	-	-	-	16,665	-	-	-	30,841
Training	-	1,268	600	3,731	15,881	1,277	-	-	-	22,757
Assessment	-	16,135	-	-	-	-	-	-	-	16,135
Advertising	-	7,064	-	-	-	-	-	-	-	7,064
Interest and bank charges	-	5,392	-	-	-	-	-	-	-	5,392
Travel and meetings	2,533	1,706	-	-	-	-	-	-	-	4,239
TOTAL EXPENSES BEFORE AMORTIZATION	110,349	673,006	158,546	666,894	702,133	377,744	114,111	11,114	-	2,813,897
Amortization	-	6,627	82,906	239,972	735,290	265,738	188,456	-	-	1,518,989
NET REVENUE (DEFICIT)	1,192,450	(616,129)	(160,205)	(878,130)	(1,000,005)	(543,484)	(286,983)	(4,658)	2,068,070	(229,074)

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

VILLAGE OF HAINES JUNCTION
Schedule of Segmented Information
For the Year Ended December 31, 2022

(Schedule 4)

	Legislative	Administration and Planning	Protective Services	Public Works	Environmental Health	Recreation Services	Convention Centre	Mezzanine	Unallocated	Total
REVENUE										
Government transfers for operating	-	49,030	24,388	1,132	66,887	22,130	22,145	-	1,958,907	2,144,619
Taxation and grants in lieu	976,368	-	-	-	-	-	-	-	-	976,368
Water and sewer user fees	-	-	-	-	290,757	-	-	-	-	290,757
Licenses, fees, rental and fines	-	11,873	40,932	13,690	98,735	795	12,436	5,172	-	183,633
Interest income	114,906	-	-	-	-	-	-	-	-	114,906
Penalties on taxes	7,395	-	-	-	-	-	-	-	-	7,395
	1,098,669	60,903	65,320	14,822	456,379	22,925	34,581	5,172	1,958,907	3,717,678
EXPENSES										
Salaries and wages	-	357,910	14,389	448,566	237,174	74,840	3,395	299	-	1,136,573
Supplies and services	33,744	44,650	36,095	40,277	205,433	59,202	32,746	8,807	-	460,954
Utilities	-	29,290	22,868	26,882	111,785	87,747	24,173	580	-	303,325
Repairs and maintenance	-	1,571	10,722	41,193	37,129	20,109	48,950	1,190	-	160,864
Insurance	-	-	12,838	14,069	43,901	46,676	27,720	-	-	145,204
Honorarium	67,814	-	23,909	-	-	-	-	-	-	91,723
Fuel and Oil	-	-	-	55,127	-	735	-	-	-	55,862
Testing and other - Landfill	-	-	-	-	40,286	-	-	-	-	40,286
Street lights and signs	-	-	-	35,883	-	-	-	-	-	35,883
Grants	13,363	-	-	-	-	21,997	-	-	-	35,360
Other	-	24,514	-	-	-	-	-	-	-	24,514
Audit and legal fees	-	28,585	-	-	-	-	-	-	-	28,585
Parks and mosquito Control	-	-	-	16,137	-	-	-	-	-	16,137
FireSmart	-	-	22,050	-	-	-	-	-	-	22,050
Assessment	-	15,930	-	-	-	-	-	-	-	15,930
Advertising	-	8,476	-	-	-	-	-	-	-	8,476
Training	-	764	150	1,093	3,385	1,704	-	-	-	7,096
Interest and bank charges	-	4,751	-	-	-	-	-	-	-	4,751
Travel and meetings	1,753	2,313	-	-	-	-	-	-	-	4,066
TOTAL EXPENSES BEFORE AMORTIZATION	116,674	518,754	143,021	679,227	679,093	313,010	136,984	10,876	-	2,597,639
Amortization	-	6,637	68,576	242,068	664,004	290,730	188,721	-	-	1,460,736
NET REVENUE (DEFICIT)	981,995	(464,488)	(146,277)	(906,473)	(886,718)	(580,815)	(291,124)	(5,704)	1,958,907	(340,697)

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

VILLAGE OF HAINES JUNCTION
Notes to Financial Statements
Year Ended December 31, 2023

1. ACCOUNTING POLICIES

The financial statements of the Village of Haines Junction (the "Village") are the representations of management, prepared in accordance with Canadian public sector accounting standards. Significant aspects of the accounting policies adopted by the Village are as follows:

(a) Reporting Entity

The financial statements reflect the assets, liabilities, revenues and expenditures, changes in financial position of the reporting entity. The entity is comprised of all the organizations that are owned or controlled by the Village and are, therefore, accountable to the Mayor and Council for the administration of their financial affairs and resources.

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

(b) Basis of Accounting

Revenues are accounted for in the period in which the transactions or events occurred that gave rise to the revenues.

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

Government transfers are recognized in the financial statements as revenues in the period that the events giving rise to the transfer occurred, providing the transfers are authorized, the Village has met any eligibility criteria, and reasonable estimates of the amounts can be made.

Expenses are recognized in the period the goods and services are acquired and a liability is incurred or transfers are due.

(c) Use of Estimates

The preparation of financial statements in conformity with Canadian public sector accounting standards 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 expenses during the period. Where measurement uncertainty exists, the financial statements have been prepared within reasonable limits of materiality. Actual results could differ from those estimates.

The Village has used estimates to determine accrued liabilities, the useful lives of tangible capital assets and asset retirement obligations.

(d) Valuation of financial assets and liabilities

The Village's financial assets and liabilities are measured as follows:

Cash and cash equivalents	Cost and amortized cost
Accounts receivables	Lower of cost or net recoverable value
Assets held for resale	Lower of cost or net recoverable value
Accounts payable and accrued liabilities	Cost
Asset retirement obligations	Cost or present value

(continues)

VILLAGE OF HAINES JUNCTION
Notes to Financial Statements
Year Ended December 31, 2023

1. ACCOUNTING POLICIES (continued)

(e) *Cash and cash equivalents*

Cash and cash equivalents include items that are readily convertible to known amounts of cash, are subject to an insignificant risk of change in value, and have a maturity of 90 days or less at acquisition.

(f) *Assets held for resale*

Assets held for resale are recorded at the lower of cost or net realizable value.

(g) *Asset retirement obligations*

During 2023, the Village adopted *PS 3280 Asset Retirement Obligations* which provides guidance on how to account for and report liabilities for retirement of tangible capital assets.

Asset retirement obligations are legal obligations associated with the retirement of tangible capital assets. Asset retirement activities include all activities relating to an asset retirement obligation including, but not limited to, decommissioning or dismantling, remediation of contamination, post-retirement activities such as monitoring, and constructing other tangible capital assets to perform post-retirement activities.

A liability for asset retirement obligation is recognized when there is a legal obligation to incur retirement costs, the past transaction or event giving rise to the liability as occurred, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount can be made.

When a liability for asset retirement obligation is recognized, asset retirement costs related to recognized tangible capital assets in productive use are capitalized by increasing the carrying value of the related asset and are amortized over the estimated useful life of the underlying tangible capital asset. Asset retirement costs related to unrecognized tangible capital assets and those not in productive use are expensed.

(h) *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 cost, less residual value, of the tangible capital assets is amortized on a straight-line basis over the estimated useful life as follows:

Engineered structures:	
Water and sewer infrastructure	50 years
Roads and bridges	10 - 25 years
Land improvements	20 years
Buildings	10 - 40 years
Machinery and equipment	3 - 15 years
Vehicles	7 years

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

Works of art and historical treasures are property that has cultural, aesthetic or historical value that is worth preserving perpetually but are not recognized as tangible capital assets because a reasonable estimate of the future benefits associated with such property cannot be made.

(continues)

VILLAGE OF HAINES JUNCTION
Notes to Financial Statements
Year Ended December 31, 2023

1. ACCOUNTING POLICIES (continued)

(i) *Tax Revenue*

Property tax revenue is based on market value assessments. Tax rates are established annually. Taxation revenues are recorded at the time tax billings are issued. Assessments are subject to appeal.

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 collectable from property owners for work performed by the municipality and are recognized as revenue in the year in which the local improvement project is completed.

(j) *Contaminated Sites*

Contaminated sites are defined as the result of contamination being introduced in air, soil, water or sediment of a chemical, organic, or radioactive material or live organism that exceeds an environmental standard. A liability for remediation on contaminated sites is recognized, net of any recoveries, when an environmental standard exists, contamination exceeds the environmental standard, the Village is directly responsible for or accepts responsibility for the liability, future economic benefits will be given up, and a reasonable estimate of the liability can be made.

(k) *New Accounting Standards not yet Adopted*

Effective for fiscal years beginning on or after April 1, 2023, PS 3400 Revenue provides guidance on how to account for and report revenue, and specifically, it addresses revenue arising from exchange transactions and unilateral transactions.

2. CASH AND CASH EQUIVALENTS

	<u>2023</u>	<u>2022</u>
High interest savings account	\$ 8,304,517	\$ 6,673,166
Operating accounts	<u>372,697</u>	<u>847,194</u>
	<u>\$ 8,677,214</u>	<u>\$ 7,520,360</u>

3. RECEIVABLES

	<u>2023</u>	<u>2022</u>
Government transfers	\$ 596,271	\$ 471,047
Taxes and other	<u>96,411</u>	<u>97,199</u>
Goods and Services Tax	<u>35,172</u>	<u>34,183</u>
	<u>\$ 727,854</u>	<u>\$ 602,429</u>

VILLAGE OF HAINES JUNCTION
Notes to Financial Statements
Year Ended December 31, 2023

4. DEFERRED REVENUE

	2022	Funds Received	Funds Expended	2023
Government of the Yukon FireSmart ParticipACTION Community funding	\$ -	\$ 12,500	\$ -	\$ 12,500
Government of the Yukon FireSmart	-	7,500	-	7,500
	<u>2,385</u>	<u>5,274</u>	<u>(2,385)</u>	<u>5,274</u>
	<u>\$ 2,385</u>	<u>\$ 25,274</u>	<u>\$ (2,385)</u>	<u>\$ 25,274</u>

5. ASSET RETIREMENT OBLIGATIONS

The Village operates a landfill site and is legally required to perform closure and post-closure activities upon retirement of this site. Closure and post-closure activities include the final clay cover, landscaping, as well as surface and ground water monitoring, leachate control, and visual inspection. A liability for the total obligation, which was incurred when the site started accepting waste, irrespective of volume of waste accepted has been accrued. The Village has not designated assets for settling closure and post-closure liabilities.

The following summarizes the total net present value of the estimated total costs for closure and post-closure care:

	2023	2022
Balance, beginning of the year	\$ 656,041	\$ 623,139
Accretion expense	<u>34,639</u>	<u>32,902</u>
Balance, end of the year	<u>\$ 690,680</u>	<u>\$ 656,041</u>

VILLAGE OF HAINES JUNCTION
Notes to Financial Statements
Year Ended December 31, 2023

6. TANGIBLE CAPITAL ASSETS

	2023	2022
	Net Book	Net Book
	Value	Value
Engineered structures		
Water and wastewater systems	\$ 28,873,379	\$ 25,363,883
Roadways	835,591	914,783
	29,708,970	26,278,666
Buildings	3,785,919	3,851,063
Land improvements	1,809,741	1,934,074
Machinery and equipment	1,524,670	1,346,354
Vehicles	754,551	883,381
Land	203,355	203,355
	\$ 37,787,206	\$ 34,496,893

	Cost	Purchased	Disposals	Write-downs	Cost
	Beginning of	Additions			End of
	Year				Year
Engineered structures					
Roadways	\$ 4,613,590	\$ -	\$ -	\$ -	\$ 4,613,590
Water and wastewater systems	31,949,096	4,174,819	-	-	36,123,915
	36,562,686	4,174,819	-	-	40,737,505
Buildings	10,065,950	293,330	(202,578)	(7,400)	10,149,302
Machinery and equipment	3,574,257	357,032	(252,687)	7,400	3,686,002
Land	203,355	-	-	-	203,355
Land improvements	3,166,449	-	-	-	3,166,449
Vehicles	1,650,502	-	(36,239)	-	1,614,263
	\$ 55,223,199	\$ 4,825,181	\$ (491,504)	\$ -	\$ 59,556,876

	Accumulated	Current	Disposals	Write-downs	Accumulated
	Amortization	Amortization			Amortization
	Beginning of	End of			End of
	Year	Year			Year
Engineered structures					
Roadways	\$ 3,698,807	\$ 79,192	\$ -	\$ -	\$ 3,777,999
Water and wastewater systems	6,585,213	665,323	-	-	7,250,536
	10,284,020	744,515	-	-	11,028,535
Buildings	6,214,887	345,073	(195,097)	(1,480)	6,363,383
Machinery and equipment	2,227,903	176,238	(244,289)	1,480	2,161,332
Land improvements	1,232,375	124,333	-	-	1,356,708
Vehicles	767,121	128,830	(36,239)	-	859,712
	\$ 20,726,306	\$ 1,518,989	\$ (475,625)	\$ -	\$ 21,769,670

VILLAGE OF HAINES JUNCTION
Notes to Financial Statements
Year Ended December 31, 2023

7. ACCUMULATED SURPLUS

	<u>2023</u>	<u>2022</u>
Unrestricted surplus	\$ 5,738,353	\$ 5,092,092
Restricted surplus (Note 8)	3,602,132	3,134,923
Equity in tangible capital assets (Schedule 1)	37,096,526	33,840,852
	<u>\$ 46,437,011</u>	<u>\$ 42,067,867</u>

8. RESTRICTED SURPLUS

	<u>2023</u>	<u>2022</u>
Recreation Facility Reserve	\$ 1,411,211	\$ 1,357,456
Infrastructure Reserve	930,922	895,462
Asset Management reserve	755,930	487,136
Fire Department Reserve	297,515	196,182
Public Arts Reserve	107,726	103,623
Gas Tax Reserve	55,825	53,699
Community Foundation Reserve	43,003	41,365
	<u>\$ 3,602,132</u>	<u>\$ 3,134,923</u>

9. CONTINGENT LIABILITIES

The Village, along with the Yukon Government, have identified a site in which contamination is in excess of current environmental standards. It is the Village's position that, since the contamination occurred previous to the land being transferred to the Village from the Yukon Government in 1992, the Village is not responsible for the contamination and any potential remediation at this time. The Yukon Government has arranged for a Phase 1 environmental site assessment to be completed on this site during 2023. Due to this uncertainty, and the fact that an estimate of the potential remediation costs is currently unknown, a liability has not currently been established.

10. BUDGET FIGURES

The 2023 budget data presented in these financial statements is based on the operating and capital budgets approved by Council on March 22, 2023. The table below reconciles the approved financial plan to the figures reported in these financial statements

	<u>2023 Budget</u>	<u>2023 Actual</u>
Annual surplus	\$ 1,931,153	\$ 4,369,144
Amortization expense	-	1,518,989
Acquisition of tangible capital assets	(1,816,000)	(4,825,181)
Net transfers (to) from reserves	(80,000)	(467,211)
	<u>\$ 35,153</u>	<u>\$ 595,741</u>

VILLAGE OF HAINES JUNCTION
Notes to Financial Statements
Year Ended December 31, 2023

11. SEGMENTED INFORMATION

The Village is a diversified municipal government institution that provides a wide range of services to its citizens such as water, sewer and fire protection. Distinguishable functional segments have been separately disclosed in the segmented information. The nature of the segments and the activities they encompass are as follows:

Legislative

This area is comprised of expenditures that relate to Council, and Council's membership in the Association of Yukon communities

Administration

This department handles administration for the Village of Haines Junction including support to Council and all municipal departments. The office processes all financial transactions for the municipality and is the public face of the Village that handles inquiries, takes payments and issues business licenses and dog tags.

Protection Services

Protection Services includes the Emergency Services Building, the fire department, the FireSmart Program, and animal control.

Public Works

This department handles repair and maintenance of all municipal buildings, maintenance of roads and streets, culverts and ditches, maintenance of municipal vehicles and the care of municipal parks, the cemetery and highway and street right of ways during the summer months.

Environmental Health

Environmental Health is responsible for the maintenance of the municipal water and sewer systems and ensuring the water system meets all required standards. Management of the municipal landfill and maintenance of the Recycle Centre are also included under Environmental Health.

Recreation Services

Arena

The arena operates from October to March each year.

Convention Centre

The St. Elias Convention Centre operates year round and is rented regularly for meetings, conventions, weddings, luncheons, performing arts events, retreats, and a variety of other special events.

Mezzanine

The Mezzanine is available for rent year round and is rented primarily during the winter months for meetings and as a concession and viewing area for the arena rink.

VILLAGE OF HAINES JUNCTION
Notes to Financial Statements
Year Ended December 31, 2023

12. FINANCIAL INSTRUMENT RISKS

The Village is exposed to the following risks in respect of its financial instruments at December 31, 2023.

Credit risk

The Village is exposed to credit risk with respect to receivables. Credit risk arises from the possibility that customers may experience financial difficulty and be unable to fulfill their obligations. The large number and diversity of customers minimizes the Village's credit risk.

Liquidity risk

Liquidity risk is the risk that the Village will encounter difficulty in meeting obligations associated with its financial liabilities. The Village maintains cash balances to ensure that funds are available to meet current and forecasted financial requirements. Management continues to monitor the Village's liquidity position on a regular basis.

Interest rate risk

Interest rate risk is the risk that the Village's annual surplus will be affected by the fluctuation and degree of volatility in interest rates.

13. RESTATEMENT

Effective January 1, 2023, the Village adopted *PS 3280 Asset Retirement Obligations* retroactively and comparative figures have been restated.

The effect of these changes on the comparative figures is as follows:

- Decrease in landfill closure and post-closure liability of \$283,000
- Increase in asset retirement obligations of \$656,041
- Increase in tangible capital assets of \$60,340
- Increase in expenses and decrease in annual surplus of \$20,243
- Decrease in opening accumulated surplus of \$292,458

Effective January 1, 2023, the Village also adopted *PS 3450 Financial Instruments*. There was no impact on the Village's financial reporting regarding this.

14. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the current year's presentation.

15. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved by Council and management.
