

VILLAGE OF HAINES JUNCTION
Financial Statements
For The Year Ended December 31, 2022

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, 2022, 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, 2022, 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
May 31, 2023

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.

Donna Istchenko
Deputy Chief Administrative Officer

VILLAGE OF HAINES JUNCTION
Statement of Financial Position
As At December 31, 2022

	2022	2021
FINANCIAL ASSETS		
Cash and cash equivalents <i>(Note 2)</i>	\$ 7,520,360	\$ 6,990,933
Receivables <i>(Note 3)</i>	602,429	231,117
Assets held for sale	325,000	-
	<u>8,447,789</u>	<u>7,222,050</u>
LIABILITIES		
Accounts payable and accrued liabilities	278,386	282,044
Deferred revenue <i>(Note 4)</i>	2,385	93,819
Landfill closure and post-closure liability <i>(Note 5)</i>	283,000	269,000
	<u>563,771</u>	<u>644,863</u>
NET FINANCIAL ASSETS	<u>7,884,018</u>	<u>6,577,187</u>
NON-FINANCIAL ASSETS		
Tangible capital assets <i>(Note 6)</i>	34,436,553	32,363,126
Prepaid expenses	59,997	81,845
	<u>34,496,550</u>	<u>32,444,971</u>
ACCUMULATED SURPLUS <i>(Note 7)</i>	<u>\$ 42,380,568</u>	<u>\$ 39,022,158</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, 2022

	2022 (Budget) (Note 12)	2022 (Actual)	2021 (Actual)
REVENUE			
Government transfers for operating (Schedule 3)	\$ 2,303,912	\$ 2,144,619	\$ 2,517,315
Taxation, including grants in lieu of taxes (Schedule 2)	976,368	976,368	1,012,166
Sales and user charges	273,900	291,483	247,434
Licenses, fees, rental and fines	188,712	182,907	181,980
Interest	30,800	114,906	15,860
Penalties on taxes	5,000	7,395	6,292
	<u>3,778,692</u>	<u>3,717,678</u>	<u>3,981,047</u>
EXPENSES			
Public works	704,092	679,227	641,880
Environmental health	801,211	660,191	615,190
Administration	510,390	499,179	673,627
Recreation	365,811	313,010	345,115
Protection	190,615	143,021	180,563
Convention centre	301,865	136,984	101,057
Legislative	121,844	116,674	98,326
Planning and development services	50,000	19,575	8,790
Mezzanine	15,275	10,876	10,227
	<u>3,061,103</u>	<u>2,578,737</u>	<u>2,674,775</u>
ANNUAL SURPLUS BEFORE OTHER REVENUE	<u>717,589</u>	<u>1,138,941</u>	<u>1,306,272</u>
OTHER REVENUE (EXPENSE)			
Government transfers for capital (Schedule 3)	2,478,350	3,722,365	3,213,525
Other	20,000	10,000	-
Amortization	-	(1,459,395)	(1,308,903)
Gain (loss) on disposal of assets held for sale	-	(53,501)	2,050
	<u>2,498,350</u>	<u>2,219,469</u>	<u>1,906,672</u>
ANNUAL SURPLUS	<u>3,215,939</u>	<u>3,358,410</u>	<u>3,212,944</u>
ACCUMULATED SURPLUS, BEGINNING OF YEAR	<u>39,022,158</u>	<u>39,022,158</u>	<u>35,809,214</u>
ACCUMULATED SURPLUS, END OF YEAR (Note 7)	<u>\$ 42,238,097</u>	<u>\$ 42,380,568</u>	<u>\$ 39,022,158</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, 2022

	2022 (Budget) (Note 12)	2022 (Actual)	2021 (Actual)
ANNUAL SURPLUS	\$ 3,215,939	\$ 3,358,410	\$ 3,212,944
Acquisition of tangible capital assets	(2,847,550)	(3,911,323)	(3,932,808)
Amortization of tangible capital assets	-	1,459,395	1,308,903
Assets reclassified to held for resale	-	325,000	-
Proceeds on disposal of tangible capital assets	-	-	2,050
Gain (loss) on disposal of tangible capital assets	-	53,501	(2,050)
	368,389	1,284,983	589,039
(Acquisition) use of prepaid expenses	-	21,848	572
INCREASE IN NET FINANCIAL ASSETS	368,389	1,306,831	589,611
NET FINANCIAL ASSETS, BEGINNING OF YEAR	6,577,187	6,577,187	5,987,576
NET FINANCIAL ASSETS, END OF YEAR	\$ 6,945,576	\$ 7,884,018	\$ 6,577,187

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, 2022

	2022	2021
OPERATING ACTIVITIES		
Annual surplus	\$ 3,358,410	\$ 3,212,944
Non-cash items not included in annual surplus:		
Amortization of tangible capital assets	1,459,395	1,308,903
Loss (gain) on disposal of capital assets	53,501	(2,050)
Provision for landfill closure and post-closure liability	14,000	14,000
	<u>4,885,306</u>	<u>4,533,797</u>
Changes in non-cash working capital balances related to operations:		
Receivables	(371,312)	1,165,249
Accounts payable and accrued liabilities	(3,658)	(289,046)
Deferred revenue	(91,434)	(59,856)
Prepaid expenses	21,848	572
	<u>(444,556)</u>	<u>816,919</u>
Cash flow from operating activities	<u>4,440,750</u>	<u>5,350,716</u>
CAPITAL ACTIVITIES		
Purchase of tangible capital assets	(3,911,323)	(3,932,808)
Proceeds on sale of tangible capital assets	-	2,050
Cash flow used by capital activities	<u>(3,911,323)</u>	<u>(3,930,758)</u>
CHANGE IN CASH AND CASH EQUIVALENTS DURING YEAR	529,427	1,419,958
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	6,990,933	5,570,975
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 7,520,360	\$ 6,990,933

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, 2022

(Schedule 1)

	2022	2021
BALANCE, BEGINNING OF YEAR	\$ 32,363,126	\$ 29,739,221
Acquisition of tangible capital assets	3,911,323	3,932,808
Amortization of tangible capital assets	(1,459,395)	(1,308,903)
Net book value of tangible capital assets disposed of	(53,501)	-
Assets reclassified to held for resale	(325,000)	-
BALANCE, END OF YEAR	\$ 34,436,553	\$ 32,363,126
Equity in tangible capital assets is comprised of the following:		
Tangible capital assets (net book value)	\$ 34,436,553	\$ 32,363,126

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

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

(Schedule 2)

	2022 (Budget) (Note 12)	2022 (Actual)	2021 (Actual)
TAXATION			
Real property tax	\$ 809,484	\$ 809,484	\$ 830,345
Government grants in lieu of property tax	145,859	145,859	160,796
Local improvement taxes	<u>21,025</u>	<u>21,025</u>	<u>21,025</u>
	\$ 976,368	\$ 976,368	\$ 1,012,166

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, 2022

(Schedule 3)

	2022 (Budget) (Note 12)	2022 (Actual)	2021 (Actual)
TRANSFERS FOR OPERATING			
Government of the Yukon block funding	\$ 1,958,907	\$ 1,958,907	\$ 1,883,852
Senior government grant revenue	345,005	185,712	633,463
	2,303,912	2,144,619	2,517,315
TRANSFERS FOR CAPITAL			
Government of the Yukon conditional transfers	2,478,350	3,722,365	3,213,525
TOTAL GOVERNMENT TRANSFERS	\$ 4,782,262	\$ 5,866,984	\$ 5,730,840

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, 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	-	-	-	-	291,483	-	-	-	-	291,483
Licenses, fees, rental and fines	-	12,680	40,932	12,883	98,009	795	12,436	5,172	-	182,907
Interest income	114,906	-	-	-	-	-	-	-	-	114,906
Penalties on taxes	7,395	-	-	-	-	-	-	-	-	7,395
	1,098,669	61,710	65,320	14,015	456,379	22,925	34,581	5,172	1,958,907	3,717,678
EXPENSES										
Salaries, wages and benefits	-	357,910	14,389	448,566	237,174	74,840	3,395	299	-	1,136,573
Supplies and services	35,126	43,343	35,591	9,592	194,408	56,629	3,914	580	-	379,183
Utilities	-	23,014	22,868	24,781	101,960	87,029	23,014	-	-	282,666
Repairs and maintenance	-	2,701	11,226	60,702	36,739	23,400	78,941	9,997	-	223,706
Insurance	-	-	12,838	14,070	43,901	46,676	27,720	-	-	145,205
Honorarium	67,814	-	23,909	-	-	-	-	-	-	91,723
Fuel and oil	-	-	-	55,127	-	735	-	-	-	55,862
Testing and other - Landfill	-	-	-	-	42,624	-	-	-	-	42,624
Street lights and signs	-	-	-	41,229	-	-	-	-	-	41,229
Grants	13,363	-	-	-	-	21,997	-	-	-	35,360
Other	-	31,532	-	-	-	-	-	-	-	31,532
Audit and legal fees	-	28,585	-	-	-	-	-	-	-	28,585
Parks and mosquito control	-	-	-	24,067	-	-	-	-	-	24,067
FireSmart	-	-	22,050	-	-	-	-	-	-	22,050
Assessment	-	15,930	-	-	-	-	-	-	-	15,930
Advertising	-	8,476	-	-	-	-	-	-	-	8,476
Training	-	199	150	1,093	3,385	1,704	-	-	-	6,531
Interest and bank charges	-	4,751	-	-	-	-	-	-	-	4,751
Travel and meetings	371	2,313	-	-	-	-	-	-	-	2,684
TOTAL EXPENSES BEFORE AMORTIZATION	116,674	518,754	143,021	679,227	660,191	313,010	136,984	10,876	-	2,578,737
Amortization	-	5,296	68,576	242,068	664,004	290,730	188,721	-	-	1,459,395
NET REVENUE (DEFICIT)	981,995	(462,340)	(146,277)	(907,280)	(867,816)	(580,815)	(291,124)	(5,704)	1,958,907	(320,454)

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, 2021

(Schedule 4)

	Legislative	Administration and Planning	Protective Services	Public Works	Environmental Health	Recreation Services	Convention Centre	Mezzanine	Unallocated	Total
REVENUE										
Government transfers for operating	-	493,336	57,871	10,334	38,467	22,410	11,045	-	1,883,852	2,517,315
Taxation and grants in lieu	1,012,166	-	-	-	-	-	-	-	-	1,012,166
Water and sewer user fees	-	-	-	-	247,434	-	-	-	-	247,434
Licenses, fees, rental and fines	-	12,510	39,984	20,532	85,714	1,406	15,655	6,179	-	181,980
Interest income	15,860	-	-	-	-	-	-	-	-	15,860
Penalties on taxes	6,292	-	-	-	-	-	-	-	-	6,292
	1,034,318	505,846	97,855	30,866	371,615	23,816	26,700	6,179	1,883,852	3,981,047
EXPENSES										
Salaries and wages	-	423,006	15,478	393,314	247,194	75,076	1,266	-	-	1,155,334
Supplies and services	21,239	37,660	21,984	10,469	180,068	92,933	2,860	550	-	367,763
Repairs and maintenance	-	13,347	25,608	104,346	14,936	21,687	43,310	9,677	-	232,911
Utilities	-	21,815	15,514	11,800	86,546	77,984	21,815	-	-	235,474
Insurance	-	-	13,988	12,782	49,859	53,646	31,805	-	-	162,080
Other	-	115,617	-	-	-	-	-	-	-	115,617
Honorarium	65,071	-	30,131	-	-	-	-	-	-	95,202
FireSmart	-	-	57,280	-	-	-	-	-	-	57,280
Fuel and Oil	-	-	-	41,056	-	967	-	-	-	42,023
Street lights and signs	-	-	-	38,394	-	-	-	-	-	38,394
Grants	11,711	-	-	-	-	21,997	-	-	-	33,708
Audit and legal fees	-	31,702	-	-	-	-	-	-	-	31,702
Testing and other - Landfill	-	-	-	-	24,507	-	-	-	-	24,507
Parks and mosquito Control	-	-	-	21,652	-	-	-	-	-	21,652
Advertising	-	20,688	-	-	-	-	-	-	-	20,688
Training	-	175	580	6,972	8,075	825	-	-	-	16,627
Assessment	-	14,332	-	-	-	-	-	-	-	14,332
Travel and meetings	305	177	-	1,095	4,006	-	-	-	-	5,583
Interest and bank charges	-	3,898	-	-	-	-	-	-	-	3,898
TOTAL EXPENSES BEFORE AMORTIZATION	98,326	682,417	180,563	641,880	615,191	345,115	101,056	10,227	-	2,674,775
Amortization	-	3,033	59,731	236,720	592,773	219,466	197,180	-	-	1,308,903
NET REVENUE (DEFICIT)	935,992	(179,604)	(142,439)	(847,734)	(836,349)	(540,765)	(271,536)	(4,048)	1,883,852	(2,631)

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

VILLAGE OF HAINES JUNCTION
Notes to Financial Statements
Year Ended December 31, 2022

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 landfill closure and post-closure liability.

(d) 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.

(e) Assets held for resale

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

(continues)

VILLAGE OF HAINES JUNCTION
Notes to Financial Statements
Year Ended December 31, 2022

1. ACCOUNTING POLICIES (continued)

(f) Landfill Closure and Post-Closure Liability

The estimated present value of the landfill closure liability and post-closure costs are recognized as a liability. This liability is recognized based on estimated future expenses, included estimated inflation discounted to the current date and accrued based on the proportion of the total capacity of the landfill used to date. The change in this estimated liability during the year is recorded as a charge to operations. These estimates are reviewed and adjusted annually.

(g) 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.

(h) 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.

(i) 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.

(continues)

VILLAGE OF HAINES JUNCTION
Notes to Financial Statements
Year Ended December 31, 2022

1. ACCOUNTING POLICIES (continued)

(j) *New Accounting Standards not yet Adopted*

Effective for fiscal years beginning on or after April 1, 2022, PS 3280 Asset Retirement Obligations provides guidance on how to account for and report liabilities for retirement of tangible capital assets.

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>2022</u>	<u>2021</u>
High interest savings account	\$ 6,673,166	\$ 6,328,122
Operating accounts	847,194	662,811
	<u>\$ 7,520,360</u>	<u>\$ 6,990,933</u>

3. RECEIVABLES

	<u>2022</u>	<u>2021</u>
Government transfers	\$ 471,047	\$ 167,370
Taxes and other	97,199	47,776
Goods and Services Tax	34,183	15,971
	<u>\$ 602,429</u>	<u>\$ 231,117</u>

4. DEFERRED REVENUE

	<u>2021</u>	<u>Funds Received</u>	<u>Funds Expended</u>	<u>2022</u>
Other	\$ 2,775	\$ 2,385	\$ (2,775)	\$ 2,385
Community Energy Efficiency Upgrades grant	91,044	127,451	(218,495)	-
	<u>\$ 93,819</u>	<u>\$ 129,836</u>	<u>\$ (221,270)</u>	<u>\$ 2,385</u>

VILLAGE OF HAINES JUNCTION
Notes to Financial Statements
Year Ended December 31, 2022

5. LANDFILL CLOSURE AND POST-CLOSURE LIABILITY

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 monitoring, site inspections and maintenance.

The Village estimates that the remaining life of its landfill is at least 45 years. The estimated liability is based on the sum of discounted future cash flows for closure and post-closure activities for 25 years after closure using a discount rate of 4.3% (2021 - 3.2%) and assuming annual inflation of 3.1% (2021 - 2%).

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

	<u>2022</u>	<u>2021</u>
Estimated closure costs	\$ 572,932	\$ 566,138
Estimated post-closure costs	<u>160,930</u>	<u>159,022</u>
Estimated total liability	<u>733,862</u>	<u>725,160</u>
Estimated capacity remaining	61 %	63 %
Portion of total liability remaining to be recognized	<u>450,862</u>	<u>456,160</u>
Estimated capacity used	39 %	37 %
Accrued liability portion	<u>\$ 283,000</u>	<u>\$ 269,000</u>

VILLAGE OF HAINES JUNCTION
Notes to Financial Statements
Year Ended December 31, 2022

6. TANGIBLE CAPITAL ASSETS

	2022	2021
	Net Book	Net Book
	Value	Value
Engineered structures		
Water and wastewater systems	\$ 25,363,883	\$ 23,846,745
Roadways	914,783	993,975
	26,278,666	24,840,720
Buildings	3,851,063	4,182,335
Land improvements	1,873,734	1,076,684
Machinery and equipment	1,346,354	776,523
Vehicles	883,381	958,509
Land	203,355	528,355
	\$ 34,436,553	\$ 32,363,126

	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	29,858,827	2,180,726	(90,457)	-	31,949,096
	34,472,417	2,180,726	(90,457)	-	36,743,600
Buildings	10,036,161	29,789	-	-	10,065,950
Machinery and equipment	2,886,010	722,369	(34,122)	-	3,574,257
Land	528,355	-	(325,000)	-	203,355
Land improvements	2,130,468	924,687	-	-	3,055,155
Vehicles	1,596,750	53,752	-	-	1,650,502
	\$ 51,650,161	\$ 3,911,323	\$ (449,579)	\$ -	\$ 55,111,905

	Accumulated	Current	Disposals	Write-downs	Accumulated
	Amortization	Amortization			Amortization
	Beginning of	End of			End of
	Year	Year			Year
Engineered structures					
Roadways	\$ 3,619,615	\$ 79,192	\$ -	\$ -	\$ 3,698,807
Water and wastewater systems	6,012,082	610,087	(36,956)	-	6,585,213
	9,631,697	689,279	(36,956)	-	10,284,020
Buildings	5,853,826	361,061	-	-	6,214,887
Machinery and equipment	2,109,487	152,538	(34,122)	-	2,227,903
Land improvements	1,053,784	127,637	-	-	1,181,421
Vehicles	638,241	128,880	-	-	767,121
	\$ 19,287,035	\$ 1,459,395	\$ (71,078)	\$ -	\$ 20,675,352

VILLAGE OF HAINES JUNCTION
Notes to Financial Statements
Year Ended December 31, 2022

7. ACCUMULATED SURPLUS

	<u>2022</u>	<u>2021</u>
Unrestricted surplus	\$ 4,809,092	\$ 3,566,478
Restricted surplus (<i>Note 8</i>)	3,134,923	3,092,554
Equity in tangible capital assets (<i>Schedule 1</i>)	34,436,553	32,363,126
	<u>\$ 42,380,568</u>	<u>\$ 39,022,158</u>

8. RESTRICTED SURPLUS

	<u>2022</u>	<u>2021</u>
Recreation Facility Reserve	\$ 1,357,456	\$ 1,339,110
Infrastructure Reserve	895,462	1,213,360
Asset Management reserve	487,136	240,552
Fire Department Reserve	196,182	103,531
Public Arts Reserve	103,623	102,222
Gas Tax Reserve	53,699	52,973
Community Foundation Reserve	41,365	40,806
	<u>\$ 3,134,923</u>	<u>\$ 3,092,554</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 2022. 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. FINANCIAL INSTRUMENTS

The Village's financial instruments consist of cash and cash equivalents, receivables, and accounts payable and accrued liabilities. It is management's opinion that the Village is not exposed to significant interest, currency or credit risk arising from these financial instruments. Unless otherwise noted, the fair values of these financial instruments approximate their carrying values.

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.

VILLAGE OF HAINES JUNCTION
Notes to Financial Statements
Year Ended December 31, 2022

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, 2022

12. BUDGET FIGURES

The 2022 budget data presented in these financial statements is based on the operating and capital budgets approved by Council on April 13, 2022. The table below reconciles the approved financial plan to the figures reported in these financial statements

	<u>2022 Budget</u>	<u>2022 Actual</u>
Annual surplus	\$ 3,215,939	\$ 3,358,410
Amortization expense	-	1,459,395
Acquisition of tangible capital assets	(2,847,550)	(3,911,323)
Net transfers (to) from reserves	-	(42,368)
	<hr/>	<hr/>
	\$ 368,389	\$ 864,114
	<hr/>	<hr/>

13. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved by Council and management.

VILLAGE OF HAINES JUNCTION
Notes to Financial Statements
Year Ended December 31, 2022

14. REVENUE AND EXPENDITURE SCHEDULE

The following is disclosed as a requirement of CanNor funding Agreement #2223-CN-000073.

	2022 Budget	2022 Actual
Project Funding		
Government of Canada CanNor Funding	\$ 367,500	\$ 367,500
Government of Yukon	-	363,437
Trans Canada Trail Grant	150,000	150,000
Own Source Funding	-	34,928
Total Project funding	517,500	915,865
Project Costs Incurred		
Advertising and Promotion	500	-
Contract Professional Fees	495,000	910,540
Capital	7,000	-
Materials and Supplies	15,000	5,325
Total Project Costs Incurred	517,500	915,865
Operating Unexpended Funding (Deficit)	\$ -	\$ -
