

VILLAGE OF HAINES JUNCTION
Financial Statements
For The Year Ended December 31, 2017



METRIX GROUP LLP

CHARTERED PROFESSIONAL
ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To the Mayor and Councilors of Village of Haines Junction

We have audited the accompanying financial statements of Village of Haines Junction, which comprise the statement of financial position as at December 31, 2017 and the statements of operations and accumulated surplus, changes in net financial assets, and cash flows 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 Village of Haines Junction as at December 31, 2017 and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Other Matter

The financial statements of the Village as at and for the year ended December 31, 2016 were audited by BDO Canada LLP Chartered Professional Accountants who expressed an unqualified opinion on those statements on June 28, 2017.

METRIX GROUP LLP

Chartered Professional Accountants

June 13, 2018
Edmonton, Alberta



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.

Haines Junction, Yukon
June 13, 2018



Cathy Clarke
Chief Administrative Officer

VILLAGE OF HAINES JUNCTION
Statement of Financial Position
As At December 31, 2017

	2017	2016
FINANCIAL ASSETS		
Cash and cash equivalents <i>(Note 2)</i>	\$ 4,088,051	\$ 4,044,982
Receivables <i>(Note 3)</i>	708,385	549,308
Assets held for sale	38,652	38,652
	<u>4,835,088</u>	<u>4,632,942</u>
LIABILITIES		
Accounts payable and accrued liabilities	285,883	312,254
Landfill closure and post-closure liability <i>(Note 4)</i>	48,762	44,718
Long-term debt <i>(Note 5)</i>	164,304	183,143
	<u>498,949</u>	<u>540,115</u>
NET FINANCIAL ASSETS	<u>4,336,139</u>	<u>4,092,827</u>
NON-FINANCIAL ASSETS		
Tangible capital assets <i>(Note 6)</i>	21,269,088	19,987,696
Prepaid expenses	74,940	45,890
	<u>21,344,028</u>	<u>20,033,586</u>
ACCUMULATED SURPLUS <i>(Note 7)</i>	<u>\$ 25,680,167</u>	<u>\$ 24,126,413</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, 2017

	2017 (Budget) (Note 12)	2017 (Actual)	2016 (Actual)
REVENUE			
Government transfers for operating (Schedule 3)	\$ 1,831,548	\$ 1,834,437	\$ 1,780,654
Taxation, including grants in lieu of taxes (Schedule 2)	842,858	842,858	835,774
Licenses, fees, rental and fines	274,547	212,754	223,478
Sales and user charges	158,000	160,717	158,365
Interest	30,350	36,173	29,629
Penalties on taxes	7,900	7,861	5,833
	<u>3,145,203</u>	<u>3,094,800</u>	<u>3,033,733</u>
EXPENSES			
Environmental health	644,606	964,341	897,364
Public works	717,452	847,979	762,933
Administration	566,608	519,041	462,218
Recreation	297,812	516,633	439,751
Convention centre	112,694	270,853	225,516
Protection	195,697	156,071	121,742
Legislative	151,529	118,559	91,231
Mezzanine	22,500	23,844	10,387
	<u>2,708,898</u>	<u>3,417,321</u>	<u>3,011,142</u>
ANNUAL SURPLUS (DEFICIT) BEFORE OTHER REVENUE	<u>436,305</u>	<u>(322,521)</u>	<u>22,591</u>
OTHER REVENUE			
Government transfers for capital (Schedule 3)	-	1,873,274	386,201
Gain (loss) on disposal of tangible capital assets	3,000	3,001	(16,065)
	<u>3,000</u>	<u>1,876,275</u>	<u>370,136</u>
ANNUAL SURPLUS	439,305	1,553,754	392,727
ACCUMULATED SURPLUS, BEGINNING OF YEAR	<u>24,126,413</u>	<u>24,126,413</u>	<u>23,733,686</u>
ACCUMULATED SURPLUS, END OF YEAR (Note 7)	<u>\$ 24,565,718</u>	<u>\$ 25,680,167</u>	<u>\$ 24,126,413</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, 2017

	2017 (Budget) (Note 12)	2017 (Actual)	2016 (Actual)
ANNUAL SURPLUS	\$ 439,305	\$ 1,553,754	\$ 392,727
Acquisition of tangible capital assets	(783,622)	(2,277,934)	(428,433)
Amortization of tangible capital assets	-	996,542	886,653
Assets reclassified to held for resale	-	-	38,652
Proceeds on disposal of tangible capital assets	-	3,001	-
Loss (gain) on sale of tangible capital assets	-	(3,001)	16,064
	(344,317)	272,362	905,663
(Acquisition) use of prepaid expenses	-	(29,050)	34,910
INCREASE IN NET FINANCIAL ASSETS	(344,317)	243,312	940,573
NET FINANCIAL ASSETS, BEGINNING OF YEAR	4,092,827	4,092,827	3,152,254
NET FINANCIAL ASSETS, END OF YEAR	\$ 3,748,510	\$ 4,336,139	\$ 4,092,827

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, 2017

	2017	2016
OPERATING ACTIVITIES		
Annual surplus	\$ 1,553,754	\$ 392,727
Non-cash items not included in annual surplus:		
Amortization of tangible capital assets	996,542	886,653
Loss on disposal of tangible capital assets	-	16,065
	<u>2,550,296</u>	<u>1,295,445</u>
Changes in non-cash working capital balances related to operations:		
Receivables	(159,077)	(285,123)
Accounts payable and accrued liabilities	(26,371)	34,537
Landfill closure and post-closure liability	4,044	3,786
Prepaid expenses	(29,050)	34,910
	<u>(210,454)</u>	<u>(211,890)</u>
Cash flow from operating activities	<u>2,339,842</u>	<u>1,083,555</u>
CAPITAL ACTIVITIES		
Purchase of tangible capital assets	(2,277,934)	(428,433)
Proceeds on sale of tangible capital assets	3,001	-
Cash flow used by capital activities	<u>(2,277,934)</u>	<u>(428,433)</u>
FINANCING ACTIVITIES		
Repayment of long-term debt	(18,839)	(17,857)
CHANGE IN CASH AND CASH EQUIVALENTS DURING YEAR	43,069	637,265
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>4,044,982</u>	<u>3,407,717</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 4,088,051</u>	<u>\$ 4,044,982</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, 2017

(Schedule 1)

	2017	2016
BALANCE, BEGINNING OF YEAR	\$ 19,804,553	\$ 20,299,631
Acquisition of tangible capital assets	2,277,934	428,433
Amortization of tangible capital assets	(996,542)	(886,653)
Repayment of capital long-term debt	18,839	17,857
Net book value of tangible capital assets disposed of	-	(54,715)
BALANCE, END OF YEAR	\$ 21,104,784	\$ 19,804,553
Equity in tangible capital assets is comprised of the following:		
Tangible capital assets (net book value)	\$ 21,269,088	\$ 19,987,696
Long-term debt	(164,304)	(183,143)
	\$ 21,104,784	\$ 19,804,553

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

VILLAGE OF HAINES JUNCTION**Schedule of Taxation****(Schedule 2)****For the Year Ended December 31, 2017**

	2017 (Budget) (Note 12)	2017 (Actual)	2016 (Actual)
TAXATION			
Real property tax	\$ 669,874	\$ 669,874	\$ 662,598
Government grants in lieu of property tax	148,148	148,148	148,340
Local improvement taxes	24,836	24,836	24,836
	<u>\$ 842,858</u>	<u>\$ 842,858</u>	<u>\$ 835,774</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, 2017

(Schedule 3)

	2017 (Budget) (Note 12)	2017 (Actual)	2016 (Actual)
TRANSFERS FOR OPERATING			
Government of the Yukon block funding	\$ 1,667,904	\$ 1,667,904	\$ 1,673,202
Senior government grant revenue	163,644	166,533	107,452
	1,831,548	1,834,437	1,780,654
TRANSFERS FOR CAPITAL			
Territorial government conditional transfers	-	1,873,274	386,201
TOTAL GOVERNMENT TRANSFERS	\$ 1,831,548	\$ 3,707,711	\$ 2,166,855

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, 2017

(Schedule 4)

	Legislative	Administration	Protective Services	Public Works	Environmental Health	Recreation Services	Convention Centre	Mezzanine	Unallocated	Total
REVENUE										
Government transfers for operating	-	107,588	40,000	6,070	8,360	4,515	-	-	1,667,904	1,834,437
Taxation and grants in lieu	842,858	-	-	-	-	-	-	-	-	842,858
Licenses, fees, rental and fines	-	15,979	38,848	21,840	92,032	24,889	14,573	4,593	-	212,754
Water and sewer user fees	-	-	-	-	160,717	-	-	-	-	160,717
Interest income	36,173	-	-	-	-	-	-	-	-	36,173
Penalties on taxes	7,861	-	-	-	-	-	-	-	-	7,861
	886,892	123,567	78,848	27,910	261,109	29,404	14,573	4,593	1,667,904	3,094,800
EXPENSES										
Salaries, wages and benefits	-	301,724	7,973	456,484	153,573	120,416	7,552	1,616	-	1,049,338
Amortization	-	21,424	17,304	187,446	388,510	216,758	162,831	2,289	-	996,542
Supplies and services	31,659	29,514	16,135	19,659	202,102	6,612	1,313	487	-	307,481
Repairs and maintenance	-	1,733	28,051	93,354	21,352	38,349	56,896	19,472	-	259,207
Utilities	-	19,648	13,772	4,418	93,237	72,327	20,499	-	-	223,901
Insurance	-	-	7,434	7,650	28,757	34,537	21,762	-	-	100,140
Other	-	52,831	-	-	-	22,570	-	-	-	75,401
Grants	33,858	20,068	-	-	-	-	-	-	-	53,926
Testing and other - Landfill	-	-	-	-	51,980	-	-	-	-	51,980
Honorarium	22,251	-	23,535	-	-	-	-	-	-	45,786
FireSmart	-	-	40,000	-	-	-	-	-	-	40,000
Audit and legal fees	-	38,531	-	-	-	-	-	-	-	38,531
Travel and meetings	30,791	120	1,452	147	5,033	-	-	-	-	37,543
Fuel and oil	-	-	-	28,870	-	928	-	-	-	29,798
Street lights, signs, culverts, and ditches	-	-	-	29,194	-	-	-	-	-	29,194
Advertising	-	19,193	-	-	-	-	-	-	-	19,193
Parks and mosquito control	-	-	-	17,940	-	-	-	-	-	17,940
Training	-	-	415	2,817	9,724	4,136	-	-	-	17,092
Assessment	-	12,503	-	-	-	-	-	-	-	12,503
Interest and bank charges	-	1,752	-	-	10,073	-	-	-	-	11,825
	118,559	519,041	156,071	847,979	964,341	516,633	270,853	23,844	-	3,417,321
NET REVENUE (DEFICIT)	768,333	(395,474)	(77,223)	(820,069)	(703,232)	(487,229)	(256,280)	(19,251)	1,667,904	(322,521)

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, 2016

(Schedule 4)

	Legislative	Administration	Protective Services	Public Works	Environmental Health	Recreation Services	Convention Centre	Mazarrine	Unallocated	Total
REVENUE										
Government transfers for operating	-	52,572	40,000	390	8,084	6,406	-	-	1,673,202	1,780,654
Taxation and grants in lieu	835,774	-	-	-	-	-	-	-	-	835,774
Licenses, fees, rental and fines	-	27,450	38,285	6,355	92,564	30,364	19,099	9,361	-	223,478
Water and sewer user fees	-	-	-	-	158,365	-	-	-	-	158,365
Interest income	29,629	-	-	-	-	-	-	-	-	29,629
Penalties on taxes	5,833	-	-	-	-	-	-	-	-	5,833
	871,236	80,022	78,285	6,745	259,013	36,770	19,099	9,361	1,673,202	3,033,733
EXPENSES										
Salaries and wages	-	244,807	4,743	451,658	142,010	97,740	6,213	961	-	948,132
Amortization	-	21,419	17,905	161,236	359,275	186,159	138,390	2,269	-	886,653
Supplies and services	21,063	30,810	12,891	12,400	195,551	7,192	1,133	485	-	281,525
Utilities	-	16,869	10,991	6,507	82,360	74,284	16,869	-	-	207,880
Repairs and maintenance	-	2,040	14,254	54,040	22,725	27,552	42,022	6,672	-	169,305
Insurance	-	-	7,445	7,689	24,116	34,544	20,889	-	-	94,683
Audit and legal fees	-	78,297	-	-	-	-	-	-	-	78,297
Testing and other - Landfill	-	-	-	-	52,270	-	-	-	-	52,270
Honorarium	30,972	-	16,900	-	-	-	-	-	-	47,872
Grants	17,995	20,500	-	-	-	-	-	-	-	38,495
FireSmart	-	-	36,000	-	-	-	-	-	-	36,000
Travel and meetings	21,201	4,798	288	396	3,582	-	-	-	-	30,265
Street lights, signs, culverts and ditches	-	-	-	28,080	-	-	-	-	-	28,080
Fuel and Oil	-	-	-	23,908	-	787	-	-	-	24,695
Other	-	10,568	-	-	-	5,391	-	-	-	15,959
Advertising	-	15,846	-	-	-	-	-	-	-	15,846
Parks and mosquito Control	-	-	-	15,249	-	-	-	-	-	15,249
Training	-	2,088	325	1,770	4,420	6,102	-	-	-	14,705
Interest and bank charges	-	1,764	-	-	11,055	-	-	-	-	12,819
Assessment	-	12,412	-	-	-	-	-	-	-	12,412
	91,231	462,218	121,742	762,933	897,364	439,751	225,516	10,387	-	3,011,142
NET REVENUE (DEFICIT)	780,005	(382,196)	(43,457)	(756,188)	(638,351)	(402,981)	(206,417)	(1,026)	1,673,202	22,591

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

VILLAGE OF HAINES JUNCTION
Notes to Financial Statements
For The Year Ended December 31, 2017

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 expenditures 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.

(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 one year 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
For The Year Ended December 31, 2017

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 for display are not recorded as tangible capital assets but are disclosed.

(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.

(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.

2. CASH AND CASH EQUIVALENTS

	<u>2017</u>	<u>2016</u>
High interest savings account	\$ 3,867,910	\$ 4,007,056
Operating accounts	220,141	37,926
	<u>\$ 4,088,051</u>	<u>\$ 4,044,982</u>

VILLAGE OF HAINES JUNCTION
Notes to Financial Statements
For The Year Ended December 31, 2017

3. RECEIVABLES

	<u>2017</u>	<u>2016</u>
Government transfers	\$ 479,188	\$ 417,602
Taxes and other	189,580	114,440
Goods and Services Tax	39,617	17,266
	<u>\$ 708,385</u>	<u>\$ 549,308</u>

4. LANDFILL CLOSURE AND POST-CLOSURE LIABILITY

The Village has estimated that the remaining life of its landfill is to be at least 46 years. The future closure costs at the end of the life are estimated to be \$890,000. Approximately 34% (2016 - 33%) of the capacity has been used at December 31, 2017. Management has recognized a liability of \$48,762 at December 31, 2017 (2016 - \$44,718) based on the estimated future closure costs, remaining capacity and a discount rate of 4.5% (2016 - 4.5%).

5. LONG-TERM DEBT

	<u>2017</u>	<u>2016</u>
Government of Yukon debenture repayable in annual amounts of \$28,912 including interest at 5.5% maturing July 2024.	\$ 164,304	\$ 183,143

Principal and interest payments are due as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 19,875	\$ 9,037	\$ 28,912
2019	20,968	7,944	28,912
2020	22,122	6,790	28,912
2021	23,338	5,574	28,912
2022	24,622	4,290	28,912
To maturity	<u>53,379</u>	<u>4,442</u>	<u>57,821</u>
	<u>\$ 164,304</u>	<u>\$ 38,077</u>	<u>\$ 202,381</u>

Total interest paid on long-term debt in 2017 amounted to \$10,073 (2016 - \$11,055).

VILLAGE OF HAINES JUNCTION
Notes to Financial Statements
For The Year Ended December 31, 2017

6. TANGIBLE CAPITAL ASSETS

	2017 Net Book Value	2016 Net Book Value
Engineered structures		
Water and wastewater systems	\$ 13,824,262	\$ 12,411,825
Roadways	1,338,532	1,432,579
	<u>15,162,794</u>	<u>13,844,404</u>
Buildings	4,713,061	4,956,653
Machinery and equipment	619,350	507,796
Land improvements	361,954	390,564
Land	203,355	203,355
Vehicles	208,574	84,924
	<u>\$ 21,269,088</u>	<u>\$ 19,987,696</u>

	Cost Beginning of Year	Purchased Additions	Disposals	Write-downs	Cost End of Year
Engineered structures					
Roadways	\$ 4,613,590	\$ -	\$ -	\$ -	\$ 4,613,590
Water and wastewater systems	16,570,074	1,778,180	-	-	18,348,254
	<u>21,183,664</u>	<u>1,778,180</u>	<u>-</u>	<u>-</u>	<u>22,961,844</u>
Buildings	9,185,329	70,815	-	-	9,256,144
Machinery and equipment	2,147,712	247,231	(71,114)	-	2,323,829
Land	203,355	-	-	-	203,355
Land improvements	1,165,955	12,658	-	-	1,178,613
Vehicles	494,417	169,050	-	-	663,467
	<u>\$ 34,380,432</u>	<u>\$ 2,277,934</u>	<u>\$ (71,114)</u>	<u>\$ -</u>	<u>\$ 36,587,252</u>

	Accumulated Amortization Beginning of Year	Current Amortization	Disposals	Write-downs	Accumulated Amortization End of Year
Engineered structures					
Roadways	\$ 3,181,011	\$ 84,047	\$ -	\$ -	\$ 3,275,058
Water and wastewater systems	4,158,249	365,743	-	-	4,523,992
	<u>7,339,260</u>	<u>459,790</u>	<u>-</u>	<u>-</u>	<u>7,799,050</u>
Buildings	4,228,676	314,407	-	-	4,543,083
Machinery and equipment	1,639,916	135,677	(71,114)	-	1,704,479
Land improvements	775,391	41,268	-	-	816,659
Vehicles	409,493	45,400	-	-	454,893
	<u>\$ 14,392,736</u>	<u>\$ 996,542</u>	<u>\$ (71,114)</u>	<u>\$ -</u>	<u>\$ 15,318,164</u>

VILLAGE OF HAINES JUNCTION
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7. ACCUMULATED SURPLUS

	<u>2017</u>	<u>2016</u>
Unrestricted surplus	\$ 3,612,410	\$ 3,503,887
Restricted surplus <i>(Note 8)</i>	962,973	817,973
Equity in tangible capital assets <i>(Schedule 1)</i>	<u>21,104,784</u>	<u>19,804,553</u>
	<u>\$ 25,680,167</u>	<u>\$ 24,126,413</u>

8. RESTRICTED SURPLUS

	<u>2017</u>	<u>2016</u>
Infrastructure reserve	\$ 502,973	\$ 502,973
Fire department reserve	400,000	275,000
Recreation facility reserve	<u>60,000</u>	<u>40,000</u>
	<u>\$ 962,973</u>	<u>\$ 817,973</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 solely, or possibly not at all, responsible for the contamination and any potential remediation. 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, accounts payable and accrued liabilities and long-term debt. 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
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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, the Culture Parks and Recreation Committee 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, Council Committees 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

Pool

This department operates the municipal pool from May to August

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
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For The Year Ended December 31, 2017

12. BUDGET FIGURES

The 2017 budget, prepared by the Village of Haines Junction, reflects all municipal activities including capital projects, debt repayments, and reserves for future use. The reconciliation below is provided to encompass these items and is provided for information purposes only.

	<u>2017 Budget</u>	<u>2017 Actual</u>
Annual surplus	\$ 439,305	\$ 1,553,754
Amortization expense	-	996,542
Acquisition of tangible capital assets	(783,622)	(2,277,934)
Net transfers (to) from reserves	334,717	(145,000)
	<u>\$ (9,600)</u>	<u>\$ 127,362</u>

13. RELATED PARTY TRANSACTIONS

The 2017 utilities expense include approximately \$75,530 (2016 - \$66,683) paid to a business that is owned by a Village councillor.

14. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved by Council and management.

15. COMPARATIVE FIGURES

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