

Financial Statements of the
CORPORATION OF THE VILLAGE OF MIDWAY
December 31, 2024

CORPORATION OF THE VILLAGE OF MIDWAY

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December 31, 2024

Financial Statements

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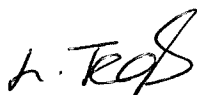
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RESPONSIBILITY FOR FINANCIAL REPORTING

Management is responsible for the preparation of the accompanying financial statements. The financial statements have been prepared in accordance with the accounting principles disclosed in Note 2 to the financial statements and include amounts that are based on estimates and judgments. Management believes that the financial statements fairly present Corporation of the Village of Midway's financial position and results of operations. The integrity of the information presented in the financial statements, including estimates and judgments relating to matters not concluded by fiscal year-end, is the responsibility of management. The financial statements have been approved by Council.

Management has established and maintained appropriate systems of internal control including policies and procedures, which are designed to provide reasonable assurance that Corporation of the Village of Midway's assets are safeguarded and that reliable financial records are maintained to form a proper basis of preparation of the financial statements.

The independent external auditors, Doane Grant Thornton LLP, Chartered Professional Accountants, have been appointed by Council to express an opinion as to whether the financial statements present fairly, in all material respects, Corporation of the Village of Midway's financial position, results of operations, and changes in its net financial assets, and its cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards. The report of Doane Grant Thornton LLP, Chartered Professional Accountants, follows and outlines the scope of their examination and their opinion on the financial statements.



Lisa Teggarty, Chief Administrative Officer

Independent auditor's report

Doane Grant Thornton LLP
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To the Mayor and Council of,
The Corporation of the Village of Midway

Qualified Opinion

We have audited the financial statements of the Corporation of the Village of Midway (the "Village"), which comprise the statement of financial position as at December 31, 2024, and the statements of operations, change 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, except for the effects of the matter described in the basis for qualified opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation of the Village of Midway as at December 31, 2024, and its results of operations, its changes in its net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Qualified Opinion

The Village's investment in West Boundary Community Forest Inc. and its equity from West Boundary Community Forest Inc. were subjected to a Compilation engagement, and were not audited. Since we did not perform audit procedures on West Boundary Community Forest Inc., we were unable to obtain sufficient audit evidence related to income from equity in West Boundary Community Forest Inc. for the 2024 and 2023 financial statements.

Our audit opinion on the financial statements for the year ended December 31, 2024 was modified as we were unable to determine whether any adjustments to those accounts were necessary because of the possible effects of the limitations in scope.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's 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 these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. Schedules 3, 4 and 5 are presented for the purposes of additional information and are not a required part of the financial statements. Such information has not been subject to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion thereon.

Responsibilities of Management and Those Charged with Governance 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.

In preparing the financial statements, management is responsible for assessing the Village's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the 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.

Auditor's Responsibilities for the Audit of the Financial Statements

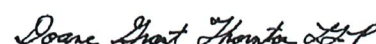
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee 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:

- 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 auditor's 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 auditor's 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.

Trail, BC
May 12, 2025



Chartered Professional Accountants

CORPORATION OF THE VILLAGE OF MIDWAY**STATEMENT OF FINANCIAL POSITION**

As At December 31, 2024

	2024	2023
FINANCIAL ASSETS		
Cash	\$ 3,980,499	\$ 3,672,641
Short-term investments (Note 3)	4,949,103	3,977,276
Taxes and utility user fees receivable	43,709	38,972
Accounts receivable (Note 4)	178,083	495,637
Investment in West Boundary Community Forest Inc. (Note 5)	652,653	109,099
	9,804,047	8,293,625
LIABILITIES		
Accounts payable and accrued liabilities (Note 6)	346,302	247,869
Employee future benefits (Note 7)	22,666	15,590
Deferred revenue (Note 8)	1,217,785	778,291
Long-term debt (Note 10)	11,347	49,418
Asset retirement obligations (Note 11)	51,182	48,870
	1,649,282	1,140,038
NET FINANCIAL ASSETS	8,154,765	7,153,587
NON-FINANCIAL ASSETS		
Prepaid expenses and deposits	96,027	26,321
Tangible capital assets (Schedule 1)	8,053,738	8,074,800
	8,149,765	8,101,121
ACCUMULATED SURPLUS (Note 12)	\$16,304,530	\$15,254,708
CONTINGENT LIABILITIES (Note 20)		
CONTRACTS AND COMMITMENTS (Note 21)		



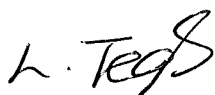
Chief Administrative Officer

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE VILLAGE OF MIDWAY**STATEMENT OF OPERATIONS**

For the Year Ended December 31, 2024

	2024 Budget (Note 18)	2024 Actual	2023 Actual
REVENUE			
Taxation and grants-in-lieu (Note 17)	\$ 769,309	\$ 777,460	\$ 733,965
Canada Community-Building Fund	90,248	93,054	90,663
Provincial and other grants (Note 15)	2,190,017	814,715	2,118,139
Sale of services and other (Note 16)	611,137	469,505	407,213
Water and sewer user, and connection fees	234,854	230,389	226,433
Interest and penalties on taxes	5,000	7,493	6,828
Interest on investments	64,220	248,590	154,642
Equity (loss) - West Boundary Community Forest Inc. (Note 5)	400,000	743,555	(127,055)
	<u>4,364,785</u>	<u>3,384,761</u>	<u>3,610,828</u>
EXPENSES			
General government	1,406,442	960,437	853,969
Parks and recreation	273,544	255,251	221,250
Protective services	534,716	470,249	518,662
Public works and transportation	230,415	226,850	196,752
Water and sewer services	241,022	118,602	190,262
Amortization on tangible capital assets	-	303,550	281,742
	<u>2,686,139</u>	<u>2,334,939</u>	<u>2,262,637</u>
ANNUAL SURPLUS	<u>1,678,646</u>	<u>1,049,822</u>	<u>1,348,191</u>
ACCUMULATED SURPLUS, BEGINNING OF YEAR (Note 12)	<u>15,254,708</u>	<u>15,254,708</u>	<u>13,906,517</u>
ACCUMULATED SURPLUS, END OF YEAR (Note 12)	<u>\$16,933,354</u>	<u>\$16,304,530</u>	<u>\$15,254,708</u>



Chief Administrative Officer

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE VILLAGE OF MIDWAY
STATEMENT OF CHANGES IN NET FINANCIAL ASSETS
For the Year Ended December 31, 2024

	2024 Budget (Note 18)	2024 Actual	2023 Actual
ANNUAL SURPLUS	\$ 1,678,646	\$ 1,049,822	\$ 1,348,191
Acquisition of tangible capital assets	-	(282,488)	(958,692)
Amortization of tangible capital assets	-	303,550	281,742
(Decrease) increase in prepaid expenses	-	(69,706)	18,268
INCREASE IN NET FINANCIAL ASSETS	1,678,646	1,001,178	689,509
NET FINANCIAL ASSETS, BEGINNING OF YEAR	7,153,587	7,153,587	6,464,078
NET FINANCIAL ASSETS, END OF YEAR	\$ 8,832,233	\$ 8,154,765	\$ 7,153,587



Chief Administrative Officer

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE VILLAGE OF MIDWAY**STATEMENT OF CASH FLOW**
For the Year Ended December 31, 2024

	2024	2023
OPERATING TRANSACTIONS		
Cash receipts from property taxation	772,723	734,763
Cash receipts from grants and own sources	2,379,697	2,982,913
Cash paid to employees and suppliers	(1,989,418)	(1,891,877)
Cash paid for interest	(3,855)	(6,206)
Cash received for interest	229,192	27,205
	-	-
Cash Provided by Operating Transactions	1,388,339	1,846,798
CAPITAL TRANSACTIONS		
Cash used for purchase of tangible capital assets	(282,488)	(912,029)
	(282,488)	(912,029)
INVESTING TRANSACTIONS		
Dividends received - West Boundary Community Forest Inc.	200,000	400,000
Investment in term deposits	(971,827)	(134,265)
Cash Provided by (Used for) Investing Transactions	(771,827)	265,735
FINANCING TRANSACTIONS		
Cash used for repayment of long-term debt	(26,166)	(26,421)
Cash Provided by (Used for) Financing Transactions	(26,166)	(26,421)
(DECREASE) INCREASE IN CASH	307,858	1,174,083
CASH, BEGINNING FOR YEAR	3,672,641	2,498,558
CASH, END OF YEAR	3,980,499	3,672,641
SUPPLEMENTARY CASH FLOW INFORMATION		
Non-cash tangible capital asset additions	-	46,663



Chief Administrative Officer

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE VILLAGE OF MIDWAY

NOTES TO FINANCIAL STATEMENTS

As At December 31, 2024

1. NATURE OF THE ENTITY

The Village of Midway (the "Village") is incorporated under the Local Government Act of British Columbia and is subject to the provisions of the Community Charter and legislation under the Province. The Village's principal activity includes the provision of local government services to residents of the incorporated area.

The financial statements are the responsibility of management and prepared in accordance with Canadian Public Sector Accounting Standards ("PSAS"). The preparation of these financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

2. SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the significant accounting policies of the Village of Midway.

Basis of Presentation

The Village's resources and operations are segregated into General, Water and Sewer funds, Statutory and Non-statutory reserve funds, and Reserves for future capital expenditures for accounting and financial reporting purposes. The financial statements include all of the accounts of these funds. All inter-fund transactions and balances have been eliminated.

Basis of Accounting

The Village's financial statements are prepared using the accrual basis of accounting.

Reserve Funds

Under the Community Charter, Village Council may, by bylaw, establish reserve funds for special purposes. Money in a reserve fund, and interest earned thereon, must be expended by bylaw only for the purpose for which the fund was established. If the amount in a reserve fund is greater than required, Village Council may, by bylaw, transfer all or part of the balance to another reserve fund.

Investment in West Boundary Community Forest Inc.

The Village is the registered holder of 1 Common Share in West Boundary Community Forest Inc., representing a 50% interest in the corporation. This is an investment in a government business enterprise accounted for using the modified equity method. Under this method, the business enterprise's accounting principals are not adjusted to conform with those of the Village. The equity income or loss for the year is recorded in revenue in the Village's statement of operations and the investment in West Boundary Community Forest Inc. is adjusted accordingly.

Deferred Revenue

Deferred revenue relates to restricted government transfers, grants and other funds received but not yet spent on the stipulated eligible expenditures.

Revenue Recognition

The Village records revenue on the accrual basis and includes revenue in the period in which the transactions or events that give rise to the revenues occur. Taxation revenue are recognized at the time of the issuing of the property tax notices for the fiscal year. Levies imposed by other taxing authorities are not included as taxes for municipal purposes. Sale of services and user fees are recognized when the service or product is rendered by the Village. Government transfers and other grant revenues are recognized as revenue when the funding becomes receivable and eligibility criteria, if any, has been met. Unearned revenue in the current period is recorded as deferred revenue. Transactions where goods or services are provided for consideration include performance obligations to a specific payor. Revenue from these transactions is recognized as the performance obligations are satisfied. Transactions without performance obligations are recognized when the revenue is received or receivable.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Short-Term Investments

Short-term investments include term deposits with the Steller Vista Credit Union and highly liquid short-term bond funds with the Municipal Finance Authority.

Municipal Pension Plan

The Village's pension plan follows the guidelines of the Municipal Pension Plan which is administered by the Province of British Columbia for all British Columbia municipalities. The Village and its employees contribute to the Municipal Pension Plan (a jointly trustee pension plan). The board of trustees, representing plan members and employers is responsible for administering the plan, including investment assets and administration of benefits. The plan is a multi-employer defined benefit plan.

Liability for Contaminated Sites

Contaminated sites are a result of contamination being introduced into air, soil, water, or sediment of a chemical, organic or radioactive material, or live organism that exceeds an environmental standard. The liability is recognized net of any expected recoveries. A liability for remediation of contaminated sites is recognized when a site is not in productive use and all the following criteria are met:

- an environmental standard exists;
- contamination exceeds the environmental standard;
- the Village is directly responsible or accepts responsibility;
- it is expected that future economic benefits will be given up; and
- a reasonable estimate of the amount can be made.

The liability is recognized at management's estimate of the cost of post remediation including operation, maintenance and monitoring that are an integral part of the remediation strategy for the contaminated site. The Village has no liabilities under this standard as at December 31, 2024 and December 31, 2023.

Expenses

Expenses are recognized as they are incurred and measurable based upon receipt of goods or services and/or the creation of a legal obligation to pay.

Tangible Capital Assets

Tangible capital assets are recorded at cost less accumulated amortization and are classified according to their functional use. Amortization is recorded on a straight-line basis over the estimated useful life commencing in the year the asset is put into service. Donated tangible capital assets are reported at the fair value at the time of donation. The estimated useful lives are as follows:

Buildings and improvements	20 - 50 years
Engineering structures	15 - 30 years
Fixtures, furniture, equipment and vehicles	5 - 25 years
IT infrastructure	3 - 10 years
Sewer infrastructure	10 - 100 years
Water infrastructure	10 - 100 years

Budget Figures

The budget figures are based on Bylaw No. 548, the Five-Year Financial Plan for the year 2024 adopted on May 13, 2024.

CORPORATION OF THE VILLAGE OF MIDWAY
NOTES TO FINANCIAL STATEMENTS
As At December 31, 2024

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Municipal Finance Authority Cash Deposits and Demand Notes

The Village issues its debt instruments through the Municipal Finance Authority. As a condition of these borrowings, a portion of the debenture proceeds are withheld by the Municipal Finance Authority as debt reserve fund. The Village also executes demand notes in connection with each debenture whereby the Village may be required to loan certain amounts to the Municipal Finance Authority. These amounts are note included in the Village's financial statements. The details of these cash deposits and demand notes at year end are as follows:

	Demand Notes	Cash Deposits	2024	2023
Sewer fund	\$ <u>4,566</u>	\$ <u>2,955</u>	\$ <u>7,521</u>	\$ <u>15,124</u>

Long-Term Debt

Outstanding debenture debt is reported net of applicable sinking fund balances.

Interest on debt is charged to current operations. Interest charges are accrued for the period from the date of the latest interest payment to the end of the year.

Use of Estimates

The preparation of financial statements in accordance with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Significant areas requiring estimates include the useful lives of tangible capital assets for amortization, the determination of payroll and employee future benefits accruals, the asset retirement obligations, and the provision for contingencies. Actual results could differ from management's best estimates as additional information becomes available in the future.

Financial Instruments

The Village's financial instruments consist of cash, short-term investments, accounts receivable, MFA debt reserve cash deposits, accounts payable and accrued liabilities, asset retirement obligations and employee future benefits. All financial instruments are recorded at their cost and amortized cost.

Transaction costs related to the financial instruments measured at cost or amortized cost are added to the carrying value of the financial instrument. Transaction cost related to financial instruments recorded at their fair value are expensed as incurred.

Financial liabilities (or part of a financial liability) are removed from the statement of financial position when, and only when, they are discharged or cancelled or expire.

CORPORATION OF THE VILLAGE OF MIDWAY
NOTES TO FINANCIAL STATEMENTS
As At December 31, 2024

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Asset Retirement Obligations

A liability for an asset retirement obligation is recognized when all of the following criteria are met:

- there is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- the past transaction or event giving rise to the liability has occurred;
- it is expected that future economic benefits will be given up; and
- a reasonable estimate of the amount can be made.

The liability is measured at the Village's best estimate of the amount required to retire a tangible capital asset (or a component thereof) at the financial statement date. The estimate includes costs directly attributable to the asset retirement activities.

Upon initial recognition of the liability for an asset retirement obligation, the carrying amount of the corresponding tangible capital assets (or component thereof) is increased by the same amount.

The capitalized asset retirement cost is expensed in a rational and systematic manner of the useful life of the tangible capital asset (or a component thereof). For obligations for which there is no tangible capital assets recognized or for tangible capital assets that are no longer in productive use, the asset retirement costs are expensed immediately. Subsequently, the liability is reviewed at each financial statement reporting date and adjusted for:

- changes as a result of the passage of time with corresponding accretion expense;
- for any revisions to the timing, amount of the original estimated of undiscounted cash flows, or the discount rate.

Adjustments to the liability as a result of revisions to the timing, amount of the estimate of undiscounted cash flows or the discount rate are adjusted to the cost of the related tangible capital asset and the revised carrying amount of the related tangible capital asset is amortized except for adjustments related to tangible capital assets that are not recognized or no longer in productive use, which are expensed in the period they are incurred.

The asset retirement costs are amortized over the period in which the costs are expected to be incurred.

A recovery related to asset retirement obligation is recognized when the recovery can be appropriately measured; reasonably estimated and it is expected that future economic benefits will be obtained. The recovery is not netted against the liability.

Change in Accounting Policies

PS 3400 Revenue issued November, 2018 establishes standards on how to account for and report on revenue and is effective January 1, 2024. Specifically, it differentiates between revenue arising from transactions that include performance obligations, referred to as "exchange transactions", and transactions that do not have performance obligations, referred to as "non-exchange transactions".

Revenue from transactions with performance obligations should be recognized when (or as) the Village satisfies a performance obligation by providing the promised goods or services to a payer.

Revenue from transactions with no performance obligations should be recognized when the Village:

- has the authority to claim or retain an inflow or economic resources; and
- Identifies a past transaction or event that gives rise to an asset.

The standard was applied prospectively and had no impact on the comparative figures.

CORPORATION OF THE VILLAGE OF MIDWAY**NOTES TO FINANCIAL STATEMENTS**

As At December 31, 2024

3. SHORT-TERM INVESTMENTS

	2024	2023
Credit Union term deposits and equity shares	\$ 4,072,758	\$ 3,872,278
Municipal Finance Authority short-term bond and money market funds	110,518	104,998
Municipal Finance Authority high interest pooled investment funds	<u>765,827</u>	<u>-</u>
	<u>\$ 4,949,103</u>	<u>\$ 3,977,276</u>

4. ACCOUNTS RECEIVABLE

	2024	2023
Government transfers and other grants	\$ 122,238	\$ 170,964
Trade accounts and other	<u>55,845</u>	<u>324,673</u>
	<u>\$ 178,083</u>	<u>\$ 495,637</u>

5. INVESTMENT IN WEST BOUNDARY COMMUNITY FOREST INC.

The Village is the registered holder of 1 Common Share in West Boundary Community Forest Inc. ("Community Forest") representing a 50% interest in the corporation, with the City of Greenwood holding the balance. The Community Forest was created for the purpose of managing a community forest license and has an agreement with the BC Ministry of Forests, Lands and Natural Resource Operations for a twenty-five year term beginning on January 1, 2014 to harvest Crown timber in specific areas of the West Boundary.

The Village accounts for its investment in the government business enterprise using the modified equity method. The condensed financial information of the investment for the year ending December 31, 2024, with comparative figures for December 31, 2023 are as follows:

	2024	2023
Assets		
Current assets	\$ 1,577,897	\$ 1,057,790
Long-term assets	<u>348,552</u>	<u>361,933</u>
	<u>1,926,449</u>	<u>1,419,723</u>
Liabilities		
Accounts payable	113,143	426,525
Silviculture accrual	<u>508,000</u>	<u>775,000</u>
	<u>621,143</u>	<u>1,201,525</u>
Shareholder's Equity	<u>\$ 1,305,306</u>	<u>\$ 218,198</u>
Village Interest	<u>\$ 652,653</u>	<u>\$ 109,099</u>

Under the modified equity method, the cost of the investment is adjusted by earnings or losses of the entity from the date of acquisition as well as any dividends paid. In 2024, the Village recorded equity income of \$743,555 (2023 - equity loss of \$127,055) and received \$200,000 (2023 - \$400,000) in dividends from West Boundary Community Forest Inc.

CORPORATION OF THE VILLAGE OF MIDWAY
NOTES TO FINANCIAL STATEMENTS
As At December 31, 2024

6. ACCOUNTS PAYABLE

	2024	2023
Trade accounts payable	\$ 248,451	\$ 94,618
Wages payable	55,326	61,675
Accrued and other liabilities	30,370	91,576
Vendor holdback	<u>12,155</u>	<u>-</u>
	<u>\$ 346,302</u>	<u>\$ 247,869</u>

7. EMPLOYEE FUTURE BENEFITS

The Village records liabilities for accrued employee benefits in the period in which they are earned by the employee. Short-term benefits, such as banked overtime and vacation entitlements, are included in accrued liabilities. Long-term benefits, such as sick leave entitlements, are reported as employee future benefits at management's estimate of the cost of the future entitlements. The Village has estimated the discounted cost of this employee future benefit and has accrued \$22,666 (2023 - \$15,590) in the financial statements.

8. DEFERRED REVENUE

These funds are externally restricted for the purposes for which they are collected.

	Beginning Balance	Contributions Received	Spent during the year	Accounts Receivable	Ending Balance
Investing in Canada Infrastructure Program	\$ 304,103	\$ -	\$ 62,307	\$ 62,307	\$ 304,103
Heritage Canada Building Communities through Arts Legacy Fund	263,099	11,258	59,248	59,248	274,357
Province of BC - REDIP Grant	97,359	-	88,889	-	8,470
UBCM - 2024 CRI Firesmart	-	199,650	-	-	199,650
UBCM - Next Gen 911	22,500	-	15,105	-	7,395
Province of BC - Housing Capacity Grant	-	153,271	2,225	-	151,046
Government of BC - Climate Action Grant	45,082	132,093	(45,082)	-	222,257
Government of BC - Indigenous Engagement Requirement Funding (IERFP)	-	40,000	40,000	-	-
Victim Services Grant	44,199	115,282	111,586	-	47,895
RDKB Grants	-	34,211	34,211	-	-
Other Grant Revenue	<u>1,949</u>	<u>63,606</u>	<u>63,626</u>	<u>683</u>	<u>2,612</u>
	<u>\$ 778,291</u>	<u>\$ 749,371</u>	<u>\$ 432,115</u>	<u>\$ 122,238</u>	<u>\$ 1,217,785</u>

9. PHOENIX COMMUNITY FOUNDATION ENDOWMENT

As at December 31, 2024, the Village has transferred a total of \$61,500 (2023 - \$61,500) in contributions to the Phoenix Community Foundation. These funds are held permanently, and the Village receives annual investment income on these funds. As the Village has the right to receive only the investment income and has no access to the contributed principal, the balance held is not shown on the Village's Statement of Financial Position.

CORPORATION OF THE VILLAGE OF MIDWAY

NOTES TO FINANCIAL STATEMENTS

As At December 31, 2024

10. LONG-TERM DEBT

	Beginning Balance	Proceeds of Debt	Repayment of Principal	Actuarial Adjustments	Ending Balance
General Capital Fund					
MFA equipment loan	\$ 14,444	\$ -	\$ (14,444)	\$ -	\$ -
Sewer System Capital Fund					
Sewer Bylaw #338	<u>34,974</u>	<u>-</u>	<u>(11,722)</u>	<u>(11,905)</u>	<u>11,347</u>
	<u>\$ 49,418</u>	<u>\$ -</u>	<u>\$ (26,166)</u>	<u>\$ (11,905)</u>	<u>\$ 11,347</u>

11. ASSET RETIREMENT OBLIGATIONS

The Village has recognized an asset retirement obligation related to remediation expenses for lead and asbestos in certain buildings for which the Village has a legal obligation to incur.

A reconciliation of the aggregate carrying amount of the liability is as follows:

	2024	2023
Beginning balance	\$ 48,870	\$ -
Initial recognition of expected discounted cash flows	-	46,663
Increase due to accretion	<u>2,312</u>	<u>2,207</u>
Ending balance	<u>\$ 51,182</u>	<u>\$ 48,870</u>

The liability is estimated using a present value technique that discounts future expenditures. The discount rate used was based on long-term financing rates with MFA of 4.45% (2023: 4.73%). The total undiscounted expenditures and the time period over which they are expected to be incurred is as follows:

2048	\$ 141,834
2076	<u>\$ 48,661</u>
	<u>\$ 190,495</u>

CORPORATION OF THE VILLAGE OF MIDWAY
NOTES TO FINANCIAL STATEMENTS
As At December 31, 2024

12. ACCUMULATED SURPLUS

	2024	2023
General Operating Fund surplus	\$ 3,036,669	\$ 2,614,976
Water Operating Fund surplus	70,300	70,300
Sewer Operating Fund surplus	41,888	41,888
Sewer Capital Financial equity	80,653	80,653
Equity in Tangible Capital Assets (Note 13)	7,991,209	7,976,512
Building Replacement reserve	154,144	139,569
Capital Equipment reserve	236,254	219,073
Carbon Tax Credits reserve	18,285	17,705
Community Forest reserve	486,797	277,694
Community Hall Replacement reserve	523,612	497,311
Canada Community Building Fund reserve	752,110	683,205
Contaminated Sites reserve	2,735	2,648
Equipment Depreciation reserve	54,487	74,183
Fire Truck reserve	265,006	197,289
Growing Communities reserve	787,199	763,000
Land Sales Capital reserve	116,729	113,024
Sewer Infrastructure reserve	540,812	450,198
Sick and Severance reserve	71,191	59,249
Water Infrastructure reserve	<u>1,074,450</u>	<u>976,231</u>
	<u>\$ 16,304,530</u>	<u>\$ 15,254,708</u>

13. EQUITY IN TANGIBLE CAPITAL ASSETS

Equity in Tangible Capital Assets represents the net book value of total capital assets less long-term obligations assumed to acquire those assets and consists of the following:

	2024	2023
Equity, beginning of year	\$ 7,976,512	\$ 7,311,030
Add:		
Capital acquisitions, net of dispositions	282,488	958,692
Debt principal repayments	26,166	26,421
Actuarial adjustment	11,905	10,981
Less:		
Amortization	(303,550)	(281,742)
Recognition of asset retirement obligations	-	(46,663)
Asset retirement obligation accretion	<u>(2,312)</u>	<u>(2,207)</u>
Equity, end of year	<u>\$ 7,991,209</u>	<u>\$ 7,976,512</u>

CORPORATION OF THE VILLAGE OF MIDWAY

NOTES TO FINANCIAL STATEMENTS

As At December 31, 2024

14. MUNICIPAL PENSION PLAN

The Village and its employees contribute to the Municipal Pension Plan (the plan), a jointly trustee pension plan. The Board of Trustees, representing plan members and employers, is responsible for administering the plan, including investment of assets, and administration of benefits. The plan is a multi-employer defined benefit pension plan. Basic pension benefits provided are based on a formula. As at December 31, 2023, the last reporting date, the plan had about 256,000 active members and approximately 129,000 retired members. Active members include approximately 45,000 contributors from local governments.

Every three years, an actuarial valuation is performed to assess the financial position of the plan and adequacy of plan funding. The actuary determines an appropriate combined employer and member contribution rate to fund the plan. The actuary's calculated contribution rate is based on the entry-age normal cost method, which produces the long-term rate of member and employer contributions sufficient to provide benefits for average future entrants to the plan. This rate may be adjusted for the amortization of any actuarial funding surplus and will be adjusted for the amortization of any unfunded actuarial liability.

The most recent actuarial valuation for the Municipal Pension Plan as at December 31, 2021, indicated a \$3,761 million funding surplus for basic pension benefits on a going concern basis.

The Village paid \$60,846 (2023 - \$52,254) for employer contributions to the plan in fiscal 2024.

The next valuation will be as of December 31, 2024, with results available in 2025.

Employers participating in the plan record their pension expenses as the amount of employer contributions made during the fiscal year (defined contribution pension plan accounting). This is because the plan records accrued liabilities and accrued assets for the plan in aggregate, resulting in no consistent and reliable basis for allocating the obligation, assets, and costs to individual employers participating in the plan.

15. PROVINCIAL AND OTHER GRANTS

	2024	2023
Provincial Government transfers - unconditional	382,600	350,425
Provincial Government transfers - conditional	291,396	1,486,213
Federal Government transfers - conditional	79,931	-
Regional Government transfers and other grants	<u>60,788</u>	<u>281,501</u>
	<u>\$ 814,715</u>	<u>\$ 2,118,139</u>

CORPORATION OF THE VILLAGE OF MIDWAY**NOTES TO FINANCIAL STATEMENTS**

As At December 31, 2024

16. SALE OF SERVICES AND OTHER

	2024	2023
Ambulance building lease	35,730	35,340
Arena revenue	43,951	41,089
Campground	16,952	18,395
ICBC and MVB commissions	154,843	138,878
Licences and permits	25,025	8,876
Rentals	20,361	23,440
Rural Fire Protection transfers from RDKB	129,586	98,631
Sundry	<u>43,057</u>	<u>42,564</u>
	<u>\$ 469,505</u>	<u>\$ 407,213</u>

17. TAXATION AND GRANTS-IN-LIEU

In addition to taxes levied for municipal purposes, the Village is legally obligated to collect and remit taxes levied for other government authorities. These collections and remittances are not recorded as revenue and expenses.

	2024	2023
General Municipal Purposes	\$ 777,460	\$ 734,076
Collections for Other Governments		
Province of B.C. - School and Police	414,217	406,408
British Columbia Assessment Authority	11,685	11,382
West Kootenay Boundary Regional Hospital	30,740	30,924
Municipal Finance Authority	39	38
Regional District of Kootenay Boundary	<u>92,463</u>	<u>83,358</u>
	<u>\$ 1,326,604</u>	<u>\$ 1,266,186</u>
Transfers to Other Governments		
Province of B.C. - School and Police	(414,217)	(406,401)
British Columbia Assessment Authority	(11,685)	(11,389)
West Kootenay Boundary Regional Hospital	(30,740)	(30,958)
Municipal Finance Authority	(39)	(39)
Regional District of Kootenay Boundary	<u>(92,463)</u>	<u>(83,434)</u>
	<u>\$ (549,144)</u>	<u>\$ (532,221)</u>
	<u>\$ 777,460</u>	<u>\$ 733,965</u>

CORPORATION OF THE VILLAGE OF MIDWAY
NOTES TO FINANCIAL STATEMENTS
As At December 31, 2024

18. RECONCILIATION TO BUDGET

The following reconciles the budget as shown on the statement of operations to the budget as presented in Bylaw No. 562 adopted May 13, 2024.

Annual surplus per the statement of operations	\$ 1,678,646
Debt principal repayments	(11,483)
Purchase of tangible capital assets	(2,148,600)
Transfers to reserves	(661,920)
Transfers from reserves	<u>1,143,357</u>
	<u>\$ -</u>

19. TRUST FUNDS

Funds held in trust and administered by the Village are as follows:

	2024	2023
Assets and Net Position		
Cash and short-term investments	\$ <u>18,643</u>	\$ <u>17,819</u>
Fund Balances		
Trusts - Cemetery Care	\$ <u>18,643</u>	\$ <u>17,819</u>
Transactions for the Year Ended December 31, 2024		
Cemetery Care, beginning balance	\$ 17,819	
Interest paid	-	
Contributions	<u>824</u>	
Cemetery Care, ending balance	<u>\$ 18,643</u>	

Trust funds are not included in the Village's financial statements.

20. CONTINGENT LIABILITIES

The Village, as a member of the Regional District of Kootenay Boundary, is jointly and severally liable for the future capital liabilities of the Regional District. The loan agreements with the Municipal Finance Authority provide that if the Authority does not have sufficient funds to meet its obligations, it shall make payments from the debt reserve fund which is in turn established by a similar debt reserve fund of the Village and all other borrowing participants. If the debt reserve fund is deficient, the Authority's obligation becomes a liability of the Regional District, and may become a liability of the participating municipalities.

The Village is at times faced with claims of a diverse nature. As at December 31, 2024, the total of these costs, if any, cannot be reasonably estimated and no amount has been accrued in the financial statements.

21. CONTRACTS AND COMMITMENTS

The Village entered into purchase and service contracts related to current capital projects valued as follows:

Water Infrastructure Backup Generator	\$ 57,345
Community Hall Renovations	\$ 2,352,194

CORPORATION OF THE VILLAGE OF MIDWAY
NOTES TO FINANCIAL STATEMENTS
As At December 31, 2024

22. FINANCIAL INSTRUMENTS

The Village is exposed to various risks through its financial instruments. The following analysis provides information about the Village's risk exposure and concentration as of December 31, 2024:

Credit Risk

Credit risk is the risk of financial loss to the Village if a debtor fails to discharge their obligation (e.g., pay the accounts receivable owing to the Village). The Village is exposed to this risk arising from its cash, short-term investments, taxes and utility user fees receivable and accounts receivable.

Taxes and utility user fees receivable is primarily due from corporations and individuals. Accounts receivable is primarily due from governments, corporations and individuals. Credit risk is mitigated by the highly diversified nature of the debtors and other customers. The Community Charter grants legislative authority for the Village to enforce the collection of unpaid property taxes. The Village measures its exposure to credit risk based on how long the amounts have been outstanding. An impairment allowance is set up based on the estimated collectibility of the underlying receivable. In the current and prior years, no receivables have been considered impaired. The amounts outstanding at year-end were as follows:

2024	Current	31-60 Days	61-90 Days	91-120 Days	120+ Days	Total
Government transfers and other grants	122,238	-	-	-	-	122,238
Trade accounts and other Taxation and utility fees	<u>30,843</u>	<u>2,299</u>	<u>767</u>	<u>650</u>	<u>64,995</u>	<u>99,554</u>
Total	<u>\$ 153,081</u>	<u>\$ 2,299</u>	<u>\$ 767</u>	<u>\$ 650</u>	<u>\$ 64,995</u>	<u>\$ 221,792</u>

2023	Current	31-60 Days	61-90 Days	91-120 Days	120+ Days	Total
Government transfers and other grants	170,964	-	-	-	-	170,964
Trade accounts and other Taxation and utility fees	<u>324,232</u>	<u>105</u>	<u>320</u>	<u>-</u>	<u>38,988</u>	<u>363,645</u>
Total	<u>\$ 495,196</u>	<u>\$ 105</u>	<u>\$ 320</u>	<u>\$ -</u>	<u>\$ 38,988</u>	<u>\$ 534,609</u>

There has been no significant changes from the prior year in the exposure to risk or policies, procedures and methods used to measure the risk.

Liquidity Risk

Liquidity risk is the risk that the Village will not be able to meet all cash outflow obligations as they come due. The Village mitigates this risk by monitoring cash activities and expected outflows that extensive budgeting and maintaining investments that may be converted to cash in the near-term if unexpected cash outflows arise.

All financial liabilities mature within one year.

There has been no significant changes from the previous year in the exposure to risk or policy, procedures and methods used to measure the risk.

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

The Village is not significantly exposed to these risks other than as follows:

CORPORATION OF THE VILLAGE OF MIDWAY
NOTES TO FINANCIAL STATEMENTS
As At December 31, 2024

22. FINANCIAL INSTRUMENTS (continued)

Interest Rate Risk

Interest rate risk is the potential for financial loss caused by fluctuation in the fair value of future cash flows of financial instruments because of changes in market interest rates. The Village is exposed to this risk through its interest-bearing investments. As at December 31, 2024, a 1% fluctuation in interest rates, with all other variables held constant, would have an estimated increase in interest income of its short-term investments of \$49,491 (2023 - \$39,772).

There has been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the risk.

23. SEGMENTED INFORMATION

The Village of Midway is a diversified municipal government that provides a wide range of services to its citizens. The Village's operations and activities are organized and reported by funds and departments. The General fund reports on operations funded primarily by property taxes and government transfers which include services provided by the Village such as general government services, parks and recreation, protective services, public works and transportation. The utility operations are comprised of the water and sewer system each accounting for its own operations and programs within its own fund. Operating results reported by the following segments are included in Schedule 2 .

General Government

General government is primarily funded by property taxation and unconditional government transfers. The expenses within the segment are for legislative, general administration and finance functions as well as all operations and maintenance costs relating to the municipal buildings and grants to community organizations.

Parks and Recreation

Parks and recreation services contribute to the quality of life and personal wellness through the maintenance of the parks, arena and campground.

Protective Services

Protective services is comprised of the Village and rural fire protection services, emergency recovery expenses, ambulance building maintenance and bylaw enforcement.

Public Works and Transportation

Public works and transportation is a broad function comprised of crews engaged in the maintenance and improvement to the road systems, drainage, snow removal, works yard maintenance and other planning and maintenance activities.

Water and Sewer Services

The water utility provides safe drinking water to the Village. Revenue and expenses represent the amounts that are directly attributable to the function of the water utility.

The sewer utility operates the sanitary sewer system networks and treatment plant. Revenue and expenses represent the amounts that are directly attributable to the function of the sewer utility.

24. COMPARATIVE FIGURES

Comparative figures have been adjusted to conform to changes in current year presentation.

CORPORATION OF THE VILLAGE OF MIDWAY

SCHEDULE 1 - TANGIBLE CAPITAL ASSETS

For the Year Ended December 31, 2024

	Land	Buildings and Improvements	Fixtures, furniture, equipment and vehicles	Engineering Structures	Water Infrastructure	Sewer Infrastructure	2024	2023
Historical Cost:								
Beginning balance	\$ 2,192,504	\$ 4,182,837	\$ 1,606,539	\$ 1,812,301	\$ 2,261,467	\$ 1,801,377	\$ 13,857,025	\$ 12,898,335
Additions	-	224,174	54,814	3,500	-	-	282,488	958,692
Dispositions	-	-	-	-	-	-	-	-
Ending balance	<u>2,192,504</u>	<u>4,407,011</u>	<u>1,661,353</u>	<u>1,815,801</u>	<u>2,261,467</u>	<u>1,801,377</u>	<u>14,139,513</u>	<u>13,857,027</u>
Accumulated								
Amortization	-	1,581,993	992,417	1,028,649	1,290,320	888,846	5,782,225	5,500,485
Beginning balance	-	-	-	-	-	-	-	-
Amortization expense	-	86,175	87,617	49,810	44,391	35,557	303,550	281,742
Disposals	-	-	-	-	-	-	-	-
Ending balance	<u>-</u>	<u>1,668,168</u>	<u>1,080,034</u>	<u>1,078,459</u>	<u>1,334,711</u>	<u>924,403</u>	<u>6,085,775</u>	<u>5,782,227</u>
Ending net balance	<u>\$ 2,192,504</u>	<u>\$ 2,738,843</u>	<u>\$ 581,319</u>	<u>\$ 737,342</u>	<u>\$ 926,756</u>	<u>\$ 876,974</u>	<u>\$ 8,053,738</u>	<u>\$ 8,074,800</u>

The net book value of work-in-progress, which are tangible capital assets held under the buildings and improvements and not being amortized, is \$206,991 (2023 - \$265,655).

CORPORATION OF THE VILLAGE OF MIDWAY
SCHEDULE 2 - SEGMENTED INFORMATION
For the Year Ended December 31, 2024

	General Government Services	Protective Services	Parks and Recreation Services	Public Works and Transportation	Sub Total	Water Funds	Sewer Funds	2024	2023
Revenue:									
Taxation and grants-in-lieu Canada Community Building	747,751	-	-	-	747,751	-	29,710	777,460	733,965
Fund	93,054	-	-	-	93,054	-	-	93,054	90,663
Provincial and other grants	654,299	133,685	26,731	-	814,715	-	-	814,715	2,118,139
Sales of services and other	243,288	165,315	60,902	-	469,505	-	-	469,505	407,213
Water and sewer user, and connection fees	-	-	-	-	-	116,573	113,815	230,389	226,433
Interest and penalties on taxes	7,493	-	-	-	7,493	-	-	7,493	6,828
Interest on investments	189,532	-	-	-	189,532	38,018	21,040	248,590	154,642
Equity (loss) income - WBCF	743,555	-	-	-	743,555	-	-	743,555	(127,055)
Total Revenues	<u>\$ 2,678,972</u>	<u>\$ 299,000</u>	<u>\$ 87,633</u>	<u>\$ -</u>	<u>\$ 3,065,605</u>	<u>\$ 154,592</u>	<u>\$ 164,565</u>	<u>\$ 3,384,761</u>	<u>\$ 3,610,828</u>
Expenses:									
Amortization	35,850	59,470	61,028	67,254	223,602	44,391	35,557	303,550	281,742
Goods and services	354,666	264,218	138,008	69,850	826,742	34,723	7,212	868,676	965,972
Grants and community groups	116,004	-	-	-	116,004	-	-	116,004	52,162
Interest expense	-	-	-	-	-	-	3,855	3,855	6,206
Wages, benefits, council stipends	489,767	206,032	117,244	157,000	970,042	21,650	51,163	1,042,855	956,555
Total Expenses	<u>\$ 996,286</u>	<u>\$ 529,719</u>	<u>\$ 316,279</u>	<u>\$ 294,104</u>	<u>\$ 2,136,389</u>	<u>\$ 100,764</u>	<u>\$ 97,786</u>	<u>\$ 2,334,939</u>	<u>\$ 2,262,637</u>
Annual Surplus (Deficit)	<u>\$ 1,682,686</u>	<u>\$ (230,719)</u>	<u>\$ (228,646)</u>	<u>\$ (294,104)</u>	<u>\$ 929,216</u>	<u>\$ 53,828</u>	<u>\$ 66,779</u>	<u>\$ 1,049,822</u>	<u>\$ 1,348,191</u>

CORPORATION OF THE VILLAGE OF MIDWAY
SCHEDULE 3 - PROVINCE OF BC COVID-19 RESTART GRANT
For the Year Ended December 31, 2024
(Unaudited)

	2024	2023
COVID-19 Safe Restart Grant, beginning balance	\$ <u>302,140</u>	\$ <u>326,338</u>
Expenditures in the Year		
Computer and other electronic technology costs	9,100	9,832
Facility reopening and operating costs	-	9,366
Library grant in aid	22,958	5,000
Midway Social Centre Society (formerly Midway Senior Citizen Branch 117)	<u>2,000</u>	<u>-</u>
	34,058	24,198
Balance included in general operating fund accumulated surplus carried forward for use in subsequent years	\$ <u><u>268,082</u></u>	\$ <u><u>302,140</u></u>

CORPORATION OF THE VILLAGE OF MIDWAY

SCHEDULE 4 - BC GROWING COMMUNITIES FUND GRANT

For the Year Ended December 31, 2024

(Unaudited)

	2024	2023
BC Growing Communities Fund Grant, beginning balance	\$ <u>763,000</u>	\$ <u>-</u>
Grants received during the year	-	763,000
Interest income earned on funds during the year	<u>24,199</u>	<u>-</u>
BC Growing Communities Fund Grant, ending balance	\$ <u><u>787,199</u></u>	\$ <u><u>763,000</u></u>

CORPORATION OF THE VILLAGE OF MIDWAY
SCHEDULE 5 - LOCAL GOVERNMENT HOUSING INITIATIVES GRANT
For the Year Ended December 31, 2024
(Unaudited)

	2024	2023
Local Government Housing Initiatives Grant, beginning balance	\$ <u>-</u>	\$ <u>-</u>
Grants received during the year	<u>153,271</u>	<u>-</u>
Expenditures in the Year		
Consulting service costs	<u>2,225</u>	<u>-</u>
Local Government Housing Initiatives Grant, ending balance	\$ <u><u>151,046</u></u>	\$ <u><u>-</u></u>
