

DISTRICT OF NEW HAZELTON
REGULAR MEETING OF COUNCIL

Monday, May 2, 2022
Council Chambers

Regular Meeting – 7:00 pm

(1) CALL TO ORDER:

(2) MINUTES:

- a) Accept minutes of the April 4, 2022 regular meeting

(3) PETITIONS & DELEGATIONS:

- a) MNP – Presentation of 2021 Financial Statements

(4) UNFINISHED BUSINESS: None

- a) Update on Community Garden responses

(5) CORRESPONDENCE: None

(6) REPORTS: None

(7) BYLAWS:

- a) 2022 Tax Rate Bylaw No. 365, 2022 – Adopt
- b) Repealing Bylaw No. 366, 2022 – 1st, 2nd, and 3rd readings
- c) Permissive Tax Exemption Bylaw No. 367, 2022

(8) NEW BUSINESS:

a) Council Schedule:

- May 3-6 NCLGA – Fort St. John
- May 26 Lunch meeting with Nathan Cullen (12:30 – 1:30)
- June 6 Regular Council Meeting
- July 1 Canada Day
- July 4 Regular Council Meeting

b) Approval of 2021 Financial Statements presented by MNP

c) Canada Day

d) Resolution for Young Street Watermain Project

e) Discussion regarding proceeds from Carnaby sale – briefing note attached

f) Signing Officer Revision – briefing note attached

g) Chief Election Officer and Deputy Chief Election Officer Appointment for 2022 Municipal Election

h) Appointment of Officers as defined in Bylaw No. 311, 2013

Adjournment

DISTRICT OF NEW HAZELTON
REGULAR COUNCIL MEETING
April 4, 2022
COUNCIL CHAMBERS

1) CALL TO ORDER: Meeting called to order at 7:00 pm

PRESENT: Mayor Lowry
Councillor J. Hobenshield
Councillor B. Henwood
Councillor G. Burns
Councillor A. Berg
Councillor M. Weeber
Councillor R. Sturney

STAFF PRESENT: R. Carlé
W. Hunt
B. White

PUBLIC Linda Patterson
Jonathon Patterson

2) MINUTES:

RESOLUTION 8097/22

MOVED & SECONDED

That, the minutes of the March 7, 2022 regular meeting be accepted as presented.

CARRIED

3) PETITIONS & DELEGATIONS: None

4) UNFINISHED BUSINESS:

a) Cannabis Application – Responses to Public Notice

RESOLUTION 8098/22

MOVED & SECONDED

That, the District of New Hazelton support of the provincial cannabis application submitted to the Liquor and Cannabis Regulation Branch for a Non-Medical Cannabis Retail Store proposed to be located at 4645 10th Avenue in New Hazelton.

- Councillor A. Berg opposed this resolution.

b) Variance Committee Appointment

RESOLUTION 8099/22

MOVED & SECONDED

That, the District of New Hazelton appoint Nikki Kirton as a representative to the Variance Committee.

CARRIED

5) CORRESPONDENCE: None

6) REPORTS:

Councillor Henwood provided an update on the Northern Development Imitative Trust, Regional Advisory Committee. Councillor Burns inquired about whether NDI had provided or the means of providing funding for a cafeteria at USRC. Mayor Lowry advised that they are waiting for sewage problem to be fixed.

Councillor Hobenshield provided an updated on the Library, they have copies of UNDRIP available and cognitive care kits. 2023 is the library's diamond jubilee and they are planning events throughout the year.

7) BYLAWS:

a) 2022 Tax Rate Bylaw No. 365, 2022 – First, Second & Third Readings

RESOLUTION 8100/22

MOVED & SECONDED

That, the District of New Hazelton give the 1st, 2nd and 3rd reading of the 2022 Tax Rate Bylaw No.365, 2022.

CARRIED

8) NEW BUSINESS:

a) Council Schedule

RESOLUTION 8101/22

MOVED & SECONDED

That, the District of New Hazelton cancel the Regular Council Meeting Scheduled for April 25, 2022.

CARRIED

b) Staff has contracted Poole Consulting for an elected official's orientation session following the 2022 election as well as a strategic planning session for the next 4 year term.

- c) Councillor Hobenshield asked for an update regarding the landscaping budget for the year. Council will be provided an update once the financial statements are completed by the auditors.
- d) Councillor Berg and Councillor Hobenshield requesting update about community garden. It was decided that an ad will go in the Bulkley Browser for call of interest in a community garden.

9) CLOSED SESSION:

RESOLUTION 8102/22

MOVED & SECONDED

That, the public be excluded from the meeting at 7:37pm pursuant to Section 90.1(e) of the Community Charter, regarding land matters.

CARRIED

10) ADJOURNMENT:

RESOLUTION 8103/22

MOVED & SECONDED

That, the regular meeting be adjourned at 7:58pm

CARRIED

CERTIFIED CORRECT THIS

DAY OF

, 2022

CHIEF ADMINISTRATIVE OFFICER

MAYOR



The District Of New Hazelton

2021 Audit Findings

Report to Council

December 31, 2021

Erin Reimer, CPA, CA
T: (250) 635-4925
E: erin.reimer@mnp.ca



Wherever business takes you

[MNP.ca](https://mnp.ca)

Overview

We are pleased to submit to you this Audit Findings Report (the "Report") for discussion of our audit of the financial statements of The District Of New Hazelton (the "District") as at December 31, 2021 and for the year then ended. In this report we cover those significant matters which, in our opinion, you should be aware of as members of Council.

As auditors, we report to the members on the results of our examination of the financial statements of the District as at and for the year ended December 31, 2021. The purpose of this Report is to assist you, as members of Council, in your review of the results of our audit.

This Report is intended solely for the information and use of Council and management and should not be distributed to or used by any other parties than these specified parties.

We appreciate having the opportunity to meet with you and to respond to any questions you may have about our audit, and to discuss any other matters that may be of interest to you.

Engagement Status

We have substantially completed our audit of the financial statements of the District which has been carried out in accordance with Canadian generally accepted auditing standards and are prepared to sign our Independent Auditor's Report subsequent to completion of the following procedures:

- Receipt of the signed management representation letter;
- Discussion of subsequent events with Council;
- Council's review and approval of the financial statements.

No significant limitations were placed on the scope or timing of our audit.

Independent Auditor's Report






We expect to have the above procedures completed and to release our Independent Auditor's Report on May 2, 2022.




Unless unforeseen complications arise, our Independent Auditor's Report will provide an unmodified opinion to the members of the District. A draft copy of our proposed Independent Auditor's Report has been included with this report. The matters disclosed in the Independent Auditor's Report are discussed further in the relevant sections of the Report.

Audit Reporting Matters

Our audit was carried out in accordance with Canadian generally accepted auditing standards, and included a review of all significant accounting and management reporting systems, with each material year end balance, key transaction and other events considered significant to the financial statements considered separately.

Significant Audit, Accounting and Reporting Matters

Area		Comments
	Changes from Audit Service Plan	There were no deviations from the Audit Service Plan previously presented to you.
	Final Materiality	Final materiality used for our audit was \$117,000 for December 31, 2021, and \$110,000 for December 31, 2020.
	Identified or Suspected Fraud	While our audit cannot be relied upon to detect all instances of fraud, no incidents of fraud, or suspected fraud, came to our attention in the course of our audit.
	Identified or Suspected Non-Compliance with Laws and Regulations	Nothing has come to our attention that would suggest any non-compliance with laws and regulations that would have a material effect on the financial statements.
	Matters Arising in Connection with Related Parties	No significant matters arose during the course of our audit in connection with related parties of the District.

Area		Comments
	Auditor's Views of Significant Accounting Practices, Accounting Policies and Accounting Estimates	<p>The application of Canadian public sector accounting standards allows and requires the District to make accounting estimates and judgments regarding accounting policies and financial statement disclosures.</p> <p>As auditors, we are uniquely positioned to provide open and objective feedback regarding your District's accounting practices, and have noted the following items during the course of our audit that we wish to bring to your attention.</p> <p>The accounting policies used by the District are appropriate and have been consistently applied.</p> <p>All significant accounting estimates were reviewed and no material differences used by management were noted. The methodologies and processes used by management were consistent with prior periods.</p>
	Financial Statement Disclosures	<p>The disclosures made in the notes to the financial statements appear clear, neutral and consistent with our understanding of the entity and the amounts presented in the financial statements.</p>
	Matters Arising From Discussions with Management	<p>There were no significant matters discussed, or subject to correspondence, with management that in our judgment need be brought to your attention.</p>

Significant Risk Areas and Responses

Significant Risk Area	Response and Conclusion
Tax revenues Risk that revenue is recorded in the wrong account, tax notices are not issued, bills are recorded as revenue in the wrong period, revenue is recorded for taxes that do not exist, bills are issued for the wrong amount (rate).	Recalculate the General Taxation Levies to the BC Assessment value per rates set out in the District of New Hazelton; No control testing - proof-in-total. Results were as expected.
Grant Revenue Risk that revenue is recorded but no service provided/not earned, revenue is recorded at the wrong amount, revenues are recorded in the wrong account, revenues are not recorded, revenues are recorded in the wrong period.	Obtain listing of revenue accounts and trace to supporting documentation provided by Robyn Carle. Results were as expected.

Significant Risk Area	Response and Conclusion
Related party balances & transactions Related party transactions occurred near period-end, related party receivables have been outstanding for a significant amount of time, related party transactions occurred near period-end.	Examine one expense claim from each Councillor and upper management for reasonableness of expense and appropriate approvals. Obtain a listing of companies owned by Council and upper management. Enquire about transactions with the related companies. Results were as expected.
Deferred government contributions Transactions occurred close to period-end, risk that deferred government contributions does not belong to the DONH, deferred government contributions is recorded in the wrong amount, deferred government contributions are not recorded in the correct general ledger account, deferred government contributions are not grouped correctly or disclosures are not adequate.	Review and agree to grant agreements/support. Results were as expected.
Site contamination and landfill liabilities/asset retirement obligations Risk that the site contamination liability is understated.	Enquire about non-owned sites with past DONH activity that may have risk of contamination. Results were as expected.

Other Areas

Area	Comments
Auditor Independence	We confirm to Council that we are independent of the District. Our letter to Council discussing our independence is included as part of the additional materials attached to this report.
Management Representations	We have requested certain written representations from management, which represent a confirmation of certain oral representations given to us during the course of our audit. This letter, provided by management, has been included as additional material to this report.
Summary of Significant Differences	A few significant differences were proposed to management with respect to the December 31, 2021 financial statements.

Area	Comments
Other Information	Pursuant to our responsibilities under Canadian generally accepted auditing standards, we have reviewed other financial and non-financial information included in documents containing the financial statements and our auditor's report thereon. We review these documents for the purpose of ensuring their content does not contradict information derived from our audit procedures.

Summary of Significant Differences

Significant Unadjusted Differences

Differences Noted and Items Affected	FINANCIAL POSITION	EARNINGS
To record estimate of change in vacation owing to staff over prior year unrecorded by the District of New Hazelton.	\$ 125	\$ (125)
To record cut off error on Bulkley Valley Credit Union grant.	\$ 3,000	\$ (3,000)
To adjust opening amortization for assets in use and not amortized in prior years.	\$ (31,356)	\$ 31,356
To record estimate of change in sick pay owing to staff over prior year unrecorded by the District of New Hazelton.	\$ 1,456	\$ (1,456)
Total Unadjusted Differences (Income Effect)		\$ 26,775

We appreciate having the opportunity to meet with you and respond to any questions you may have about our audit, and to discuss any other matters that may be of interest to you.

Sincerely,

MNP LLP

Chartered Professional Accountants

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INDEPENDENT AUDITOR'S REPORT

To the Mayor and Members of Council of The District of New Hazelton

Opinion

We have audited the financial statements of The District of New Hazelton (the "District"), which comprise the statement of financial position as at December 31, 2021, and the statements of operations, changes in net financial assets and cash flow 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 District as at December 31, 2021, and the results of its operations 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 Auditor's Responsibilities for the Audit of the Financial Statements section of the report. We are independent of the District 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 opinion.

Other Information

Management is responsible for the other information. The other information obtained at the date of this auditor's report is information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of the auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 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 District'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 District or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the District'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 to 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 District'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 account and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the District'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 District 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.

Terrace British Columbia
May 2, 2022

MNP LLP

CHARTERED PROFESSIONAL ACCOUNTANTS

May 2, 2022

Mayor and members of Council
The District Of New Hazelton
PO Box 340
New Hazelton, BC V0J 2J0

Dear Mayor and members of Council:

We have been engaged to audit the financial statements of The District Of New Hazelton (the "Municipality") as at December 31, 2021 and for the year then ended.

CAS 260 *Communication With Those Charged With Governance* requires that we communicate with you matters that are significant to our engagement. One such matter is relationships between the Municipality and its related entities or persons in financial reporting oversight roles at the Municipality and MNP LLP and any affiliates ("MNP") that, in our professional judgment, may reasonably be thought to bear on our independence. In determining which relationships to report, the Standard requires us to consider relevant rules and related interpretations prescribed by the appropriate professional accounting body and applicable legislation, covering such matters as:

- (a) Holding a financial interest, either directly or indirectly, in a client;
- (b) Holding a position, either directly or indirectly, that gives the right or responsibility to exert significant influence over the financial or accounting policies of a client or a related entity;
- (c) Personal or business relationships of immediate family, close relatives, partners or retired partners, either directly or indirectly, with a client or a related entity;
- (d) Economic dependence on a client; and
- (e) Provision of non-assurance services in addition to the audit engagement.

We are aware of the following relationships between the Municipality and MNP that, in our professional judgment, may reasonably be thought to bear on our independence. The following relationships represent matters that have occurred from January 1, 2021 to May 2, 2022.

In preparation of the annual audit engagement, MNP prepared a number of adjusting journal entries. Any independence issues are mitigated as MNP did not prepare any source documents and the District's management reviewed, approved, and took responsibility for the financial statement impact of these adjustments.

This report is intended solely for the use of Council, management and others within the Municipality and should not be used for any other purposes.

We look forward to discussing with you the matters addressed in this letter as well as other matters that may be of interest to you at our upcoming meeting. We will be prepared to answer any questions you may have regarding our independence as well as other matters.

Sincerely,

MNP LLP

Chartered Professional Accountants

encls.

MADE ^{IN} CANADA

And proud of it!

At MNP we're proud to be the national accounting, consulting and tax firm that is 100% Made in Canada.

Our history defines who we are and our approach to business. Being a Canadian firm has helped shape our values, our collaborative approach, and the way we work with our clients, engaging them every step of the way.

We have a unique perspective. Our decisions are made here — decisions that drive Canadian business and help us all achieve success — and we know the impact that our choices have on the cities and towns we call home.

Throughout our six decades of work, we've seen our communities are more than just a place we do business in. They're a place where our families live, play, and thrive, and we work to make them the best places they can be.

Being 100% Canadian is something we wear proudly. This country provides us with great opportunities, and we're here to help our clients seize the opportunities so we can create a brighter future for the generations to come.



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 **PRAXITY**
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DISTRICT OF NEW HAZELTON
BYLAW NO. 365, 2022

Being a bylaw for the levying of rates for Municipal,
Hospital and Regional District for the year 2022

THE COUNCIL of the District of New Hazelton, in open meeting assembled, enacts as follows:

1. The following rates are hereby imposed and levied for the year 2022
 1. For all lawful **general** purposes of the Municipality on the value of land and improvements taxable for general municipal purposes, rates appearing in **Column "A"** of the Schedule attached hereto and forming a part hereof.
 2. For **hospital** purposes on the value of land and improvements taxable for Hospital District purposes, rates appearing in **Column "B"** of the Schedule attached hereto and forming a part hereof.
 3. For purposes of the **Regional District of Kitimat-Stikine** on the value of land and improvements taxable for general municipal purposes, rates appearing in **Column "C"** of the Schedule attached hereto and forming a part hereof.
2. This Bylaw may be cited as **"2022 Tax Rate Bylaw No. 365, 2022."**

READ A FIRST TIME this 4th day of April, 2022

READ A SECOND TIME this 4th day of April, 2022

READ A THIRD TIME this 4th day of April, 2022

ADOPTED this day of

CHIEF ADMINISTRATIVE OFFICER

MAYOR

Schedule A

Bylaw No. 365, 2022

PROPERTY CLASS	A GENERAL MUNICIPAL	B HOSPITAL	C REGIONAL DISTRICT
Residential	7.3608	0.4892	2.3456
Utilities	25.7628	1.712	8.2097
Supportive Housing	7.3608	0.4892	2.3456
Major Industry	25.0267	1.6631	7.9751
Light Industry	25.0267	1.6631	7.9751
Business	18.0340	1.1984	5.7468
Managed Forest Land	22.0824	1.4675	7.0369
Recreation/Non Profit	7.3608	0.4892	2.3456
Farm	7.3608	0.4892	2.3456



DISTRICT OF NEW HAZELTON BYLAW NO. 366, 2022

A bylaw to repeal District of New Hazelton Capital Works, Machinery and Equipment Reserve Fund Establishment and Tax Sale Properties Reserve Fund Establishment

WHEREAS it is necessary to repeal previous bylaws;

NOW THEREFORE the Council of the District of New Hazelton in open meeting assembled enacts as follows:

1. REPEAL BYLAW

Upon adoption of this bylaw, the following bylaws are rescinded in their entirety:

Capital Works, Machinery and Equipment Reserve Fund Establishment By-law No. 35,
1982

Tax Sale Properties Reserve Fund Establishment Bylaw No. 218, 1996

2. CITATION

This Bylaw may be cited as the District of New Hazelton Repealing Bylaw No. 366, 2022.

READ A FIRST TIME THIS DAY OF

READ A SECOND TIME THIS DAY OF

READ A THIRD TIME THIS DAY OF

ADOPTED THIS DAY OF

MAYOR

CHIEF ADMINISTRATIVE OFFICER



DISTRICT OF NEW HAZELTON BYLAW NO. 367, 2022

A bylaw to amend District of New Hazelton Permissive Tax Exemption Bylaw No. 362, 2021

The Council of the District of New Hazelton in open meeting assembled, enacts as follows:

That, the following amendments be made to the Permissive Tax Exemption Bylaw No. 362, 2021:

1. This Bylaw may be cited as Permissive Tax Exemption Amendment Bylaw No. 367, 2022.
2. District of New Hazelton Permissive Tax Exemption Bylaw No. 362, 2021 is amended as follows:
 - a) Add the following legal descriptions and PIDs:

Name	Address	Folio	Legal Description	PIDs
Roman Catholic Episcopal Corp of Prince Rupert	4063 9 th Ave	555000	Lots 4-6, Block 29, Plan 968, District Lot 863, Section 2, Cassiar Land District That Part Of Block 29 Section 1 District Lot 863 Cassiar District Plan 968 Shown As Closed Road On Plan PRP13875	016-801-539 016-801-547 016-801-555 024-785-989

Read a first time this _____ day of _____

Read a second time this _____ day of _____

Read a third time this _____ day of _____

Adopted this _____ day of _____

MAYOR

CHIEF ADMINISTRATIVE OFFICER

Draft for discussion purposes only

THE DISTRICT OF NEW HAZELTON

Financial Statements

As at December 31, 2021

**THE DISTRICT OF NEW HAZELTON
COUNCIL - 2021**

MAYOR
Gail Lowry

COUNCILORS

Braunwyn Henwood
Ray Sturney
Jutta Hobenshield

Allan Berg
George Burns
Mike Weeber

APPOINTED OFFICIALS - 2021

Chief Administrative Officer
Chief Financial Officer
Public Works Superintendent

Wendy Hunt
Robyn Carle
Roger Smith

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Management's Report

Independent Auditor's Report

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Schedule of Tangible Capital Assets

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Schedule of Reserve Fund Activities

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MANAGEMENT'S REPORT

The management of The District Of New Hazelton is responsible for the integrity of the accompanying financial statements. The financial statements have been prepared by management in accordance with Canadian public sector accounting standards. The preparation of the financial statements necessarily includes some amounts which are based on the best estimates and careful judgment of management.

To assist in meeting its responsibility, management maintains accounting, budget and other internal controls. These controls provide reasonable assurance that transactions are appropriately authorized and accurately recorded, that assets are properly accounted for and safeguarded, in order that the integrity of financial records is maintained.

The financial statements have been audited by the independent firm of MNP LLP Chartered Professional Accountants. Their report to the Mayor and Council, stating the scope of their examination and opinion on the financial statements accompanies this statement.

May 2, 2022

Gail Lowry
Mayor

Wendy Hunt
Chief Administrative Officer

INDEPENDENT AUDITOR'S REPORT

To the Mayor and Members of Council of The District of New Hazelton

Opinion

We have audited the financial statements of The District of New Hazelton (the "District"), which comprise the statement of financial position as at December 31, 2021, and the statements of operations, changes in net financial assets and cash flow 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 District as at December 31, 2021, and the results of its operations 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 Auditor's Responsibilities for the Audit of the Financial Statements section of the report. We are independent of the District 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 opinion.

Other Information

Management is responsible for the other information. The other information obtained at the date of this auditor's report is information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of the auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 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 District'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 District or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the District'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 to 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 District'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 account and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the District'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 District 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.

Terrace British Columbia
May 2, 2022

MNP LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

THE DISTRICT OF NEW HAZELTON
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2021

	2021	2020
Financial assets		
Cash and short-term investments - (Note 3)	\$ 2,838,307	\$ 4,262,745
Accounts receivable, trade and other - (Note 4)	313,829	155,161
Taxes receivable - current	23,038	20,437
Taxes receivable - arrears	9,924	9,723
	3,185,098	4,448,066
Liabilities		
Accounts payable and accrued liabilities	227,349	91,913
Deferred revenue - (Note 5)	123,303	-
	2,834,446	4,356,153
Net financial assets		
Non-financial assets		
Inventory - parts and supplies	113,685	102,362
Tangible capital assets - (Schedule 2)	11,947,357	9,884,414
Prepaid expenses	15,256	18,692
	12,076,298	10,005,468
Accumulated surplus - (Note 7)	\$ 14,910,744	\$ 14,361,621

Commitments and contingencies - (Note 10)

Approved by:

Gail Lowry
Mayor

Wendy Hunt
Chief Administrative Officer

THE DISTRICT OF NEW HAZELTON
STATEMENT OF OPERATIONS
AS AT DECEMBER 31, 2021

	2021	Budget (Note 11)	2020
Revenues			
Net taxes available for municipal purposes - (Note 8)	\$ 643,570	\$ 645,492	\$ 635,342
Utility usage fees	254,456	256,100	264,048
Other fees and sale of goods and services	189,043	133,600	157,419
Government grants and transfers - (Note 9)	741,503	4,922,715	1,586,875
ICBC commissions	383,066	408,000	450,357
Investment income	17,805	20,000	32,106
Gain (loss) on disposal of tangible capital assets	476,038	-	(209,360)
	2,705,481	6,385,907	2,916,787
Expenses			
General government	900,396	3,720,115	940,636
Protective services	144,862	221,600	137,646
Transportation and transit	670,522	975,500	687,776
Recreation and youth services	35,881	12,700	47,836
Water operations	138,014	166,000	250,175
Sewer operations	122,295	478,600	108,589
Garbage operations	91,888	92,000	91,594
Tourism and community development	52,500	72,500	52,500
	2,156,358	5,739,015	2,316,752
Annual surplus	549,123	646,892	600,035
Accumulated surplus - beginning of year	14,361,621	14,361,621	13,761,586
Accumulated surplus - end of year	\$ 14,910,744	\$ 15,008,513	\$ 14,361,621

THE DISTRICT OF NEW HAZELTON
STATEMENT OF CHANGES IN NET FINANCIAL ASSETS
AS AT DECEMBER 31, 2021

	2021	Budget (Note 11)	2020
Annual surplus	\$ 549,123	\$ 646,892	\$ 600,035
Acquisition of tangible capital assets	(2,613,675)	(4,318,000)	(413,623)
Amortization of tangible capital assets	491,234	350,000	442,626
Gain (loss) on disposal of tangible capital assets	(476,037)	-	209,360
Proceeds on disposal of tangible capital assets	535,535	-	47,421
Changes in other non-financial assets	(7,887)	-	(33,605)
Increase (decrease) in net financial assets	(1,521,707)	(3,321,108)	852,214
Net financial assets - beginning of year	4,356,153	4,356,153	3,503,939
Net financial assets - end of year	\$ 2,834,446	\$ 1,035,045	\$ 4,356,153

THE DISTRICT OF NEW HAZELTON
STATEMENT OF CASH FLOW
AS AT DECEMBER 31, 2021

	2021	2020
Operating transactions		
Annual surplus	\$ 549,123	\$ 600,035
Non-cash items:		
Amortization	491,234	442,626
Loss (gain) on disposal of tangible capital assets	(476,037)	209,360
Changes to financial assets/liabilities:		
Accounts receivable, trade and other	(158,670)	26,172
Taxes receivable - current	(2,601)	7,369
Taxes receivable - arrears	(201)	(1,627)
Accounts payable and accrued liabilities	135,436	(151,988)
Deferred revenue	123,303	-
Inventory - parts and supplies	(11,321)	(33,786)
Prepaid expenses	3,436	182
Cash provided by operating transactions	653,702	1,098,343
Capital transactions		
Acquisition of tangible capital assets	(2,613,675)	(413,623)
Proceeds from the disposal of tangible capital assets	535,535	47,421
	(2,078,140)	(366,202)
Increase (decrease) in cash position	(1,424,438)	732,141
Cash and short-term investments - beginning of year	4,262,745	3,530,604
Cash and short-term investments - end of year	\$ 2,838,307	\$ 4,262,745

1. General

The District of New Hazelton (the "District") was incorporated under the provisions of the British Columbia Municipal Act. Its principal activities are the provision of local government services in the District, as governed by the Community Charter and the Local Government Act.

Impact on operations of COVID-19 (coronavirus)

In early March 2020 the impact of the global outbreak of COVID-19 (coronavirus) began to have a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders.

The District's operations were impacted by COVID-19 due to closure of recreational facilities, added cleaning and supply costs, cancellation of events, and delay of major projects requiring outside consultants and contractors.

The impact of COVID-19 has been partially offset by available Government programs for which the District was eligible, including the COVID-19 Safe Restart Grant.

At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the District as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus. While the extent of the impact is unknown, we anticipate this outbreak may cause delays in capital projects requiring outside consultants and contractors, increased prices of goods, supply chain disruptions, staff shortages, and increased government regulations, all of which may negatively impact the District's ability to operate and financial condition.

2. Significant accounting policies

The financial statements of The District are prepared by management in accordance with Canadian public sector accounting standards for municipal governments established by the Public Sector Accounting Board ("PSAB") of CPA Canada. The significant accounting policies are summarized as follows:

a) Basis of accounting

The basis of accounting followed in these financial statements is an accrual method and includes revenues in the period in which the transactions or events occurred that gave rise to the revenues and expenses in the period the goods and services were acquired and a liability was incurred.

b) Fund accounting

Funds within the financial statements consists of the operating, capital and reserves funds. Transactions between funds are recorded as inter fund transfers.

- | | |
|----------------|--|
| Operating Fund | - This fund, consisting of the general, water and sewer operating funds, comprises the operating costs of the services provided by the District. |
| Capital Fund | - This fund, consisting of the general, water and sewer capital funds, comprises property, plant and equipment expenditures and related financing. |
| Reserves Fund | - The reserves fund has been established to hold assets for specific future purposes as approved by Council. Allowable transfers to and from these funds are defined in reserve fund establishment bylaws. |

(continued)

2. Significant accounting policies *(continued)*

c) Tangible capital assets

Tangible capital assets, comprised of capital assets and capital work-in-progress, 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 of the asset commencing the year the asset is put in to service. Donated tangible capital assets are reported at fair value at the time of donation. Estimated useful lives are as follows:

Buildings	20 to 50 years
Equipment, furniture and motor vehicles	5 to 20 years
Transportation and transit services	15 to 40 years
Water infrastructure	10 to 100 years
Sewer infrastructure	25 to 85 years

d) Inventory

Inventory of supplies is recorded as a non-financial asset and is valued at the lower of cost and net realizable value. Cost is determined by the first-in, first-out method. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling costs.

e) Revenue recognition

Taxation revenues are recognized at the time of issuing the property tax notices for the fiscal year. Fees and charges revenue are recognized when services are rendered. Investment income is accrued as earned.

Other revenues are recognized when earned in accordance with the terms of the agreement when the amounts are measurable and when collection is reasonably assured.

The District recognizes a government transfer as revenue when the transfer is authorized and all eligibility criteria, if any, have been met. Grants and donations are recognized in the financial statements in the period which the events giving rise to the transfer occur, eligibility criteria are met, and reasonable estimates of the amount can be made. A government transfer with stipulations giving rise to an obligation that meets the definition of a liability is recognized as a liability (deferred revenue). In such circumstances, the District recognizes the revenue as the liability is settled.

Deferred revenue represents user charges and other fees which have been collected, for which the related services have yet to be provided. These amounts will be recognized as revenue in the fiscal year the services are provided

f) Basis of segmentation

Municipal services have been segmented by grouping services that have similar service objectives (by function). Revenues that are directly related to the costs of the function have been attributed to each segment.

(continued)

2. Significant accounting policies (continued)

g) Non-financial assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations. The change in non-financial assets during the year, together with the excess of revenue over expenses, provides the change in net financial assets for the year.

h) 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 amounts reported in the financial statements and accompanying notes. It is reasonably possible that circumstances may arise that cause actual results to differ from management estimates, however, management does not believe it is likely that such differences will materially affect the District's financial position. Adjustments, if any, will be reflected in operations in the period of settlement.

Significant areas requiring the use of management estimates relate to amortization of tangible capital assets, the collectibility of accounts and taxes receivable.

i) Financial instruments

The District's financial instruments consist of cash and short-term investments, accounts receivable, trade, and other and accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the District is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying values, unless otherwise noted.

j) Cash and short-term investments

Cash and short-term investments are comprised of amounts held in the District's bank accounts including cash deposits, short-term investments with maturity of one year or less and Municipal Finance Authority of B.C. money market funds.

k) Liability for contaminated sites

A liability for remediation of a contaminated site is recognized at the best estimate of the amount required to remediate the contaminated site when contamination exceeding an environmental standard exists, the District of New Hazelton is either directly responsible or accepts responsibility, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount is determinable. The best estimate of the liability includes all costs directly attributable to remediation activities and is reduced by expected net recoveries based on information available at December 31, 2021.

At each financial reporting date, the District reviews the carrying amount of the liability. Any revisions required to the amount previously recognized is accounted for in the period revisions are made. The District continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made.

There are no liabilities recorded for contaminated sites at December 31, 2021 as the District has not identified any contaminated sites.

3. Cash and short-term investments

Cash and short-term investments are comprised of cash on deposit and investments as follows:

	2021	2020
Municipal Finance Authority of B.C. investments:		
- Money market fund	\$ 224,667	\$ 224,324
Cash	2,608,179	4,033,041
Term deposits	5,461	5,380
	\$ 2,838,307	\$ 4,262,745

4. Accounts receivable, trade and other

	2021	2020
Government grants receivable:		
Provincial		
Northern Development Initiative Trust	\$ 59,458	\$ 67,247
GST rebate	131,298	28,479
Other	123,073	59,435
	\$ 313,829	\$ 155,161

5. Gas tax community works fund

	2021	2020
UBCM Federal Gas Tax Community Works Fund reserve - balance at beginning of year	\$ -	\$ -
Amount received during the year	162,957	79,550
Interest revenue	346	-
Regional District USRC contribution	(40,000)	(40,000)
Community hall	-	(39,550)
Balance - end of year	\$ 123,303	\$ -

UBCM Federal Gas Tax Agreement Community Works Fund

Gas tax funding is provided by the Government of Canada. The use of the funding is established by a funding agreement between the District and the Union of B.C. Municipalities. Gas tax funding may be used towards designated public transit, community energy, water, wastewater, solid waste and capacity building projects, as specified in the funding agreements.

THE DISTRICT OF NEW HAZELTON
NOTES TO FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2021

6. 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. The change in equity in tangible capital assets is as follows:

	2021	2020
Increases:		
Capital acquisitions	\$ 2,613,675	\$ 413,623
Decreases:		
Dispositions at net book value	(59,498)	(256,780)
Amortization	(491,234)	(442,626)
Change in equity in tangible capital assets	2,062,943	(285,783)
Equity in tangible capital assets - beginning of year	9,884,414	10,170,197
Equity in tangible capital assets - end of year	\$ 11,947,357	\$ 9,884,414

7. Accumulated surplus

	2021	2020
Operating fund	\$ 2,361,865	\$ 1,425,084
Reserves fund (<i>Schedule 3</i>)	601,522	3,052,123
Equity in tangible capital assets (<i>Note 6</i>)	11,947,357	9,884,414
	\$ 14,910,744	\$ 14,361,621

8. Net taxes available for municipal purposes

	2021	2020
Taxes:		
Property	\$ 943,014	\$ 893,553
Frontage	61,713	62,048
Revenue in lieu of taxes	50,998	51,559
Penalties and interest on taxes	11,325	12,281
	1,067,050	1,019,441
Less taxes on behalf of:		
School District	219,382	202,603
North West Regional Hospital District	34,346	34,178
Regional District of Kitimat-Stikine	165,992	143,587
B.C. Assessment Authority	3,760	3,719
Other	-	12
	423,480	384,099
Net taxes available for municipal purposes	\$ 643,570	\$ 635,342

9. Government grants and transfers

The following government grants and transfers have been included in revenues:

	2021	2020
Unconditional grants and transfers		
Provincial	\$ 467,000	\$ 476,659
Regional District / Other	5,000	7,382
	472,000	484,041
Conditional grants and transfers		
Provincial	142,138	958,227
Recognition of deferred revenue - UBCM Federal Gas Tax Agreement		
Community Works Fund	40,000	79,550
Regional District / Other	87,365	65,058
	\$ 741,503	\$ 1,586,875

10. Commitments and contingencies

a) Capital requirements

District Council has approved a 2021 - 2025 tangible capital expenditure financial plan of \$4,318,000. The 2021 requirement of \$2,866,215 is to be funded from an allocation of surplus funds.

b) Pension plan

The District and its employees contribute to the Municipal Pension Plan (a jointly-trusted pension plan). The board of trustees, representing plan members and employers, is responsible for administering the plan, including investment of the 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, 2020, the plan has approximately 220,000 active members and approximately 112,000 retired members. Active members include approximately 42,000 contributors from local government.

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 amortization of any actuarial funding surplus and will be adjusted for the amortization of any unfunded actuarial liability.

The most recent valuation for the Municipal Pension Plan as of December 31, 2018, indicated a \$2,866 million funding surplus for basic pension benefits on a going concern basis.

The District of New Hazelton paid \$63,639 for employer contributions to the plan in fiscal 2021 (\$63,071 in 2020).

The next valuation will be as at December 31, 2021, with results available in 2022.

Employers participating in the plan record their pension expense 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 cost to individual employers participating in the plan.

(continued)

10. Commitments and contingencies (continued)

c) B.C. Assessment Authority appeals

Due to the uncertainty of the outcome of appeals to the B.C. Assessment Authority, it is not possible to accurately estimate any liability to repay taxes or any asset for taxes receivable. It is the policy of the District to record the effect of any tax adjustments relating to outstanding appeals in the year the taxes are repaid or received.

d) Reciprocal Insurance Exchange Agreement

The District is a subscribed member of the Municipal Insurance Association of British Columbia (The "Exchange") as provided by Section 3.02 of the Insurance Act of the Province of British Columbia. The main purpose of the Exchange is to pool the risks of liability so as to lessen the impact upon any subscriber. Under the Reciprocal Insurance Exchange Agreement the District is assessed a premium and specific deductible for its claims based on population. The obligation of the District with respect to the Exchange and/or contracts and obligations entered into by the exchange on behalf of its subscribers in connection with the Exchange are in every case several, and not joint and several. The District irrevocably and unconditionally undertakes and agrees to indemnify and save the other harmless subscribers against liability losses and costs which the other subscriber may suffer.

e) Contingent liabilities

The District, as a member of the Regional District of Kitimat-Stikine, is jointly and severally liable for their net capital liabilities.

THE DISTRICT OF NEW HAZELTON
NOTES TO FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2021

11. Annual budget

Fiscal plan amounts represent the Financial Plan Bylaw adopted by Council on May 3, 2021.

The Financial Plan anticipated the use of surpluses accumulated in previous years to balance against current year expenses in excess of current year revenues. In addition, the Financial Plan anticipated capital expenses rather than amortization expense.

The following shows how these amounts were combined:

Financial Plan approved by Council	\$ -
Add Back:	
Amortization	(350,000)
Transfers to/from own funds	(454,893)
Less:	
Capital expenditures per budget	4,318,000
Transfer to/from reserve	(2,866,215)
Annual Surplus per Statement of Operations	\$ 646,892

12. Segmented information

The District is a diversified municipal government institution that provides a wide range of services to its citizens such as roads, water, sewer and drainage infrastructure, fire protection, police protection (RCMP), cemetery, garbage collection, the Erwin Stege Community Center and parkland. Distinguishable functional segments have been separately disclosed in the segmented information. The nature of the segments and the activities they encompass are as follows:

General government services

The Chief Administrative Officer is the liaison between Council and the District departments and staff. The Corporate Officer supports the legislated activities of Council, and provides information to citizens with respect to Council/Committee processes, reporting procedures and decisions, and District activities.

Protective services

Protection is comprised of fire protection, policing, dog control officer and building inspection. Bylaw enforcement administers, monitors, and seeks compliance with the bylaws enacted by the Mayor and Council to regulate the conduct of affairs in the District. Fire protection is provided by the fire department, whose volunteer members receive compensation for each callout in which they take part.

12. Segmented information (continued)

Protective services (continued)

The District's Management and Public Works Department work together to regulate all construction within the District. This is achieved through the use of the District's Building Bylaw, the British Columbia Building Code, the British Columbia Fire Code and other related bylaws and enactments with the District.

Transportation and transit services

The Transportation (Public Works) Department is responsible for the infrastructure of the District including ensuring clean and safe water to the District, supplied through underground pipes and reservoirs, maintaining a separate system of underground pipes to collect sewer or waste water for proper treatment prior to discharging it, and providing and maintaining the District's roads, sidewalks, street lights, signage and line markings, storm drainage and hydrants.

Cemetery (Public Works) Department provides cemetery services including the maintenance of the cemetery grounds.

Recreation and youth services

The Recreation and Youth Services Department contributes to the quality of life and personal wellness of the community through the provision of a variety of special events, programs, services and facilities.

Water operations

Water includes all of the operating activities related to the treatment and distribution of water throughout the District.

Sewer operations

Sewer includes all of the operating activities related to the collection and treatment of waste water (sewage) throughout the District.

Garbage operations

Administration is responsible for the garbage collection and recycling programs operating in the District of New Hazelton. Garbage collection and recycling services are performed by a contractor.

Tourism and community development

Tourism and Community Development contribute to community organizations providing services to benefit community members.

13. COVID-19 Safe Restart Grant

The District received a COVID-19 Safe Restart grant from the Province of BC. The purpose of the grant was to support the District with increased operating costs and decreased revenues due to the COVID-19 pandemic. In 2021, the grant monies received and spent were as follows:

	2021	2020
Opening balance	\$ 347,411	\$ -
Grant received	\$ -	\$ 357,000
Interest earned	\$ 3,474	\$ 411
Use of grant:		
Revenue shortfall	\$ 2,105	\$ 10,000
Eligible expenses	\$ -	\$ -
Ending balance	\$ 348,780	\$ 347,411

14. Comparative figures

Certain comparative figures have been reclassified to conform with current year presentation.

THE DISTRICT OF NEW HAZELTON
Schedule of Segmented Revenue and Expenses
Year Ended December 31, 2021

	General government services	Protective services	Transportation and transit services	Recreation and youth services	Water operations	Sewer operations	Garbage operations	Tourism and community development	Other	2021	2021 Budget
Revenues											
Net taxes available for district purposes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 643,570	\$ 645,492
Utility usage fees	-	-	-	-	142,816	42,068	69,572	-	-	254,456	256,100
Other fees and sale of goods and services	135,837	17,000	2,860	6,900	-	-	-	-	26,444	189,043	133,600
Government grants and transfers	741,503	-	-	-	-	-	-	-	-	741,503	4,922,715
ICBC Commissions	-	-	-	-	-	-	-	-	383,066	383,066	408,000
Investment income	-	-	-	-	-	-	-	-	17,805	17,805	20,000
Gain (loss) on disposal of tangible capital assets	476,038	-	-	-	-	-	-	-	-	476,038	-
	1,353,378	17,000	2,860	6,900	142,816	42,068	69,572	-	1,070,885	2,705,481	6,385,907
Expenses											
Salaries, wages and benefits	454,896	65,372	341,698	-	57,512	-	-	-	-	919,478	1,042,500
Goods and services	251,626	66,675	252,893	7,858	(32,488)	48,561	91,888	-	-	687,013	4,268,015
Interest and bank charges	6,132	-	-	-	-	-	-	-	-	6,132	6,000
Other	-	-	-	-	-	-	-	-	-	52,500	72,500
Amortization	187,742	12,815	75,931	28,023	112,990	73,734	-	-	-	491,235	350,000
	900,396	144,862	670,522	35,881	138,014	122,295	91,888	52,500	-	2,156,358	5,739,015
	\$ 452,982	\$ (127,862)	\$ (667,662)	\$ (28,981)	\$ 4,802	\$ (80,227)	\$ (22,316)	\$ (52,500)	\$ 1,070,885	\$ 549,123	\$ 648,892

	General government services	Protective services	Transportation and transit services	Recreation and youth services	Water operations	Sewer operations	Garbage operations	Tourism and community development	Other	2020
Revenues										
Net taxes available for district purposes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 635,342
Utility usage fees	-	-	-	-	151,796	42,163	70,089	-	-	284,048
Other fees and sale of goods and services	110,168	17,000	1,175	5,555	-	-	-	-	23,521	157,419
Government grants and transfers	1,586,875	-	-	-	-	-	-	-	-	1,586,875
ICBC commissions	-	-	-	-	-	-	-	-	450,357	450,357
Investment income	-	-	-	-	-	-	-	-	32,106	32,106
Gain (loss) on disposal of tangible capital assets	(209,360)	-	-	-	-	-	-	-	-	(209,360)
	1,487,683	17,000	1,175	5,555	151,796	42,163	70,089	-	1,141,326	2,916,787
Expenses										
Salaries, wages and benefits	515,191	35,778	360,402	-	62,417	-	-	-	-	973,788
Goods and services	248,930	89,053	250,869	17,203	74,735	70,324	91,594	-	-	842,708
Interest and bank charges	5,130	-	-	-	-	-	-	-	-	5,130
Other	-	-	-	-	-	-	-	-	-	52,500
Amortization	171,385	12,815	76,505	30,633	113,023	38,265	-	-	-	442,626
	940,636	137,646	687,776	47,836	250,175	108,589	91,594	52,500	-	2,316,752
	\$ 547,047	\$ (120,646)	\$ (686,601)	\$ (42,281)	\$ (98,379)	\$ (66,426)	\$ (21,505)	\$ (52,500)	\$ 1,141,326	\$ 600,035

THE DISTRICT OF NEW HAZELTON
Schedule of Tangible Capital Assets
Year Ended December 31, 2021

	Land	Buildings	Equipment, furniture and motor vehicles	Water infrastructure	Sewer infrastructure	Transportation and transit services	Tax sale land	2021
Cost								
Opening balance	\$ 643,281	\$ 4,972,150	\$ 2,581,656	\$ 3,856,990	\$ 1,186,688	\$ 3,802,438	\$ 80,055	\$ 17,123,258
Additions - purchased	-	2,368,759	104,848	-	26,946	112,098	1,024	2,613,675
Additions - donated	-	-	-	-	-	-	-	-
Disposals	-	-	(52,610)	-	-	-	(9,517)	(62,127)
Writedowns	-	-	-	-	-	-	-	-
Ending balance	643,281	7,340,909	2,633,894	3,856,990	1,213,634	3,914,536	71,562	19,674,806
Accumulated amortization								
Opening balance	-	1,520,827	1,734,768	1,441,802	673,709	1,867,739	-	7,238,845
Amortization	-	119,419	141,767	54,226	71,888	103,954	-	491,234
Acc. amortization on disposals	-	-	(2,630)	-	-	-	-	(2,630)
Ending balance	-	1,640,246	1,873,905	1,496,028	745,577	1,971,693	-	7,727,449
Net book value	\$ 643,281	\$ 5,700,663	\$ 759,989	\$ 2,360,962	\$ 468,057	\$ 1,942,843	\$ 71,562	\$ 11,947,357
	Land	Buildings	Equipment, furniture and motor vehicles	Water infrastructure	Sewer infrastructure	Transportation and transit services	Tax sale land	2020
Cost								
Opening balance	\$ 683,707	\$ 5,195,444	\$ 2,617,278	\$ 3,843,557	\$ 1,159,329	\$ 3,698,198	\$ 80,055	\$ 17,277,568
Additions - purchased	-	194,706	73,885	13,433	27,359	104,240	-	413,623
Additions - donated	-	-	-	-	-	-	-	-
Disposals	(40,426)	(418,000)	(109,507)	-	-	-	-	(567,933)
Writedowns	-	-	-	-	-	-	-	-
Ending balance	643,281	4,972,150	2,581,656	3,856,990	1,186,688	3,802,438	80,055	17,123,258
Accumulated amortization								
Opening balance	-	1,678,215	1,643,703	1,387,542	637,311	1,760,600	-	7,107,371
Amortization	-	93,410	151,419	54,260	36,398	107,139	-	442,826
Acc. amortization on disposals	-	(250,798)	(60,354)	-	-	-	-	(311,152)
Ending balance	-	1,520,827	1,734,768	1,441,802	673,709	1,867,739	-	7,238,845
Net book value	\$ 643,281	\$ 3,451,323	\$ 846,888	\$ 2,415,188	\$ 512,979	\$ 1,934,699	\$ 80,055	\$ 9,884,414

Assets under construction have a net book value of \$Nil in 2021 (2020 - \$134,121).

THE DISTRICT OF NEW HAZELTON
Schedule of Reserve Fund Activities
Year Ended December 31, 2021

Schedule 3

	Machinery and equipment	Water capital	Sewer capital	Cemetery fund	Tax sale reserve	Building fund	Northern Capital and Planning	2021	2020
Balance - beginning of year	\$ 91,604	\$ -	\$ 229,215	\$ 3,935	\$ 92,670	\$ -	\$ 2,634,699	\$ 3,052,123	\$ 2,343,187
Transfers in	-	-	-	-	-	-	-	-	532,000
Transfers out	(91,604)	-	-	-	(92,670)	-	(2,278,227)	(2,462,501)	(114,806)
Investment income (expense)	-	-	2,073	36	-	-	9,791	11,900	19,123
Contributions	-	-	-	-	-	-	-	-	272,619
Balance - end of year	\$ -	\$ -	\$ 231,288	\$ 3,971	\$ -	\$ -	\$ 366,263	\$ 601,522	\$ 3,052,123

BRIEFING NOTE

Prepared by: Robyn Carlé

April 28, 2022

Reason for Briefing Note:

To discuss the use of the proceeds from the sale of the West ½ of District Lot 811 Cassiar District except Plans 11686 and 12799 (Carnaby Property).

Background:

The Carnaby property went to tax sale in 2015. The District was the default purchaser as no one bid on the property. Council decided on the recommendation of staff to put the property up for sale in the fall 2021. The property was listed with Eldon Whalen of Calderwood Realty Ltd. The property was sold to Triantha Enterprises Ltd on October 13, 2021 for the asking price of \$500,000. The realtor fee for the sale was \$19,950.00, which was deducted from the sale price. The final amount deposited to the District was \$480,050.00.

The District has undertaken a number of large projects over the last few year including:

1. Ken Trombley Arena Demolition	\$150,000
2. 13 th Avenue & Lauier Street Tie In Water Line Replacement	\$815,749.30
3. USRC Contributions	\$1,190,000
4. Erwin Stege Community Center	\$1,227,268
5. DONH Municipal Office	<u>\$2,628,349.57 (to date)</u>
Total	\$6,011,366.87

as well as continuing with our normal capital expenditures such as paving and storm sewers. The District has used grant funding for as many of these projects as possible. The 13th Avenue & Laurier Street Tie In Waterline Replacement Project was two thirds granted funded. The USRC contributions have included contributions from our Community Works Funds (gas tax) and Northern Capital Planning Grant. NDI contributed \$215,014 and the District had saved \$500,000 towards the Erwin Stege Community Center. The new municipal office has been funded through the Northern Capital Planning Grant. Completing the municipal office will likely use the remaining funds from the Northern Capital Planning Grant.

These projects have reduced the general operating fund and reserves of the District of New Hazelton significantly. Staff has reduced the planned capital budget for the next five years in the hopes of working towards replenishing the District's general operating fund and reserves for future projects. Even if grant funding is received few are 100% funded usually requiring at least a one third contribution from the District. If the District wants to be in a position to apply for grants to complete future projects it is necessary to reduce spending and start putting money aside again.

Recommendation:

That Council leaves the \$480,050.00 in the general operating fund or move portions to reserve funds for future water and sewer projects.

BRIEFING NOTE

Prepared by: Wendy Hunt

April 28, 2022

Reason for Briefing Note:

Change in Signing Authority

Background:

With Robyn Carlé's move to the Village of Hazelton and the subsequent hire of Laura Roe as the new Chief Financial Officer, the District will require a resolution to change its signing authorities.

Currently the following people are signers for the District of New Hazelton Account, and the New Hazelton Visitor Center account:

Wendy Hunt, Chief Administrative Officer

Robyn Carlé, Chief Financial Officer

Gail Lowry, Mayor

George Burns, Councillor

Braunwyn Henwood, Councillor

Update:

See recommendation below.

Recommendation:

Staff is recommending that Council pass a resolution to remove Robyn Carlé, Chief Financial Officer and add Laura Roe, Chief Financial Officer as signing authority for the District of New Hazelton Accounts under Membership #332908 and New Hazelton Visitor Center Membership #333476. Any two to sign. Further, Council authorizes Laura Roe to have full privileges to the District of New Hazelton and New Hazelton Visitor Center on-line banking platforms.

Staff is also recommending a second resolution to remove Robyn Carlé, Chief Financial Officer and add Laura Roe, Chief Financial Officer as a signing authority for the District of New Hazelton accounts and on-line banking held with the Royal Bank of Canada.



DISTRICT OF NEW HAZELTON

Bylaw No. 311, 2013

A bylaw to establish the Officer positions of the District of New Hazelton and to establish the powers, duties and responsibilities of such officers.

The Council for the District of New Hazelton, in open meeting assembled, enacts as follows:

TITLE

1. This Bylaw may be cited as the Officers Bylaw No. 311, 2013.

OFFICER POSITIONS

2. The following positions are established as officer positions of the District of New Hazelton:
 - (a) Chief Administrative Officer;
 - (b) Chief Financial Officer;
 - (c) Corporate Officer; and
 - (d) Approving Officer.

POWERS, DUTIES AND RESPONSIBILITIES

3. The powers, duties and responsibilities of the Chief Administrator Officer are as set out in Schedule "A".
4. The powers, duties and responsibilities of the Chief Financial Officer are as set out in Schedule "B".
5. The powers, duties and responsibilities of the Corporate Officer are as set out in Schedule "C".
6. The Approving Officer is assigned the responsibility of land use within the District of New Hazelton, which includes the powers, duties and functions pursuant to Section 77 of the *Land Title Act, R.S.B.C 1996, c. 250*, as amended.

OATH OF OFFICE

7. Upon appointment to the position, an officer shall make the Oath of Office as set out in Schedule "D".
8. District of New Hazelton Officers and Employees Bylaw No. 238, 1999, as amended is hereby repealed.

READ A FIRST TIME THIS 4th day of February, 2013

READ A SECOND TIME THIS 4th day of February, 2013

READ A THIRD TIME THIS 4th day of February, 2013

ADOPTED THIS 4th day of March, 2013

Mayor

Chief Administrative Officer

SCHEDULE "A"

Powers, Duties and Responsibilities of the Chief Administrative Officer

The Chief Administrative Officer is assigned the following powers, duties and responsibilities:

General Administration

1. Performing the powers, duties and functions pursuant to Section 147 of the *Community Charter, S.B.C. 2003, c. 26*;
2. Acting as the principle intermediary between the District of New Hazelton and other governments or entities;
3. Re-organizing the administrative structure to improve the efficient and effective operation of the District of New Hazelton;

Human Resources

4. Administering human resource matters including:
 - (a) The appointment, promotion, demotion, suspension or termination of employees of the District of New Hazelton, excluding officers;
 - (b) The appointment, promotion, demotion, or suspension of officers of the District of New Hazelton;
 - (c) The approval of all wages, salaries and working conditions excluding their own which are approved by council.
5. Supervising all officers of the District of New Hazelton;
6. Appointing acting department heads to administer departments in case of illness or absence;

Legal Advice and Proceedings

7. Obtaining legal advice or services on behalf of the District of New Hazelton;

8. Authorizing settlements or claims against the District of New Hazelton;

Council

9. Supervising the preparation of Council agendas;
10. Providing advice and recommendations to Council on any matter within Council's jurisdiction;
11. Reporting any matter of importance to the Council;

Contracts

12. Authorizing the use or budgeted purchase or sale of the District of New Hazelton facilities, equipment and services;
13. Authorizing the awarding of contracts for budgeted items;
14. Supervising the calling and awarding of tenders for the supply of materials, equipment, services or construction approved by Council;

Additional Powers, Duties and Responsibilities

15. Acting as Signing Officer on behalf of the District of New Hazelton;
16. Performing other related powers, duties and responsibilities as assigned by Council.

SCHEDULE “B”

Powers, Duties and Responsibilities of the Chief Financial Officer

The Chief Financial Officer is assigned the following powers, duties and responsibilities:

1. Performing the powers, duties and functions pursuant to Section 149 of the *Community Charter, S.B.C. 2003, c. 26*;
2. Directing the preparation of all financial statements, reports or statistical reports required by government departments or agencies or Council;
3. Ensuring the establishment of appropriate safeguards over all funds, physical assets, insurance and other property of the District of New Hazelton;
4. Liaising with the District of New Hazelton auditor for the financial audit;
5. Acting as Deputy Chief Administrative Officer in the absence of the Chief Administrative Officer;
6. Performing other related powers, duties and responsibilities as assigned by Council or the Chief Administrative Officer.

SCHEDULE “C”

Powers, Duties and Responsibilities of the Corporate Officer

The Corporate Officer is assigned the following powers, duties and responsibilities:

1. Performing the powers, duties and functions pursuant to Section 148 of the *Community Charter, S.B.C. 2003, c. 26*;
2. Implementing the directives of Council and the Chief Administrative Officer;
3. Administering the operations of the bylaw enforcement function of the District of New Hazelton;
4. Administering the *Freedom of Information and Protection of Privacy Act* for the District of New Hazelton, as the Head;
5. Performing other related powers, duties and functions as assigned by Council or the Chief Administrative Officer.

SCHEDULE "D"

Oath of Office

I, _____ do swear/solemnly affirm that:

- a) I will truly, faithfully and impartially, to the best of my knowledge, skills and ability, execute the office of _____ to which I have been appointed for the District of New Hazelton.
- b) I have not received and will not receive any payment or reward, or any promise of payment or award, for the exercise of any partiality or other improper execution of my office.

Sworn/Affirmed by me, at _____, on _____.
(Place) (Date)

Signature of person swearing/affirming Oath

Signature of person administering Oath
