

DISTRICT OF NEW HAZELTON



2021 Annual Report

District of New Hazelton

2021 Annual Report

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MAYOR'S MESSAGE

May 12, 2020

I am pleased to present a copy of the District of New Hazelton Annual Report for 2021. I hope that you will find the information presented useful and enlightening.

The District of New Hazelton along with the rest of the world was stunned by the news of the COVID-19 virus that began showing its teeth in January. Who would have guessed that two months later, we would be in the midst of the world-wide pandemic that has claimed so many lives and lasted so long? I would like to take this opportunity to thank the residents of New Hazelton for their continued vigilance and adherence to the rules to try and keep our community safe. To the essential workers, including District of New Hazelton staff, grocery store and other front-line workers, financial institutions, and restaurant and business owners, I express my heartfelt thanks to you for continuing to come to work every day, taking the extra precautions necessary to keep yourself, your colleagues, and your customers safe, and for having the courage to continue to do your job even in such frightening times. I would also like to thank the First Responders, RCMP, and most importantly the staff at Wrinch Memorial Hospital and Public Health for working under tremendous stress. The vaccine rollouts in all of our communities were very well done and I was pleased to see so many residents taking advantage of the community wide program.

Unfortunately, the Pandemic also forced many businesses to temporarily close or to modify their level of service. Thank you for your perseverance during these difficult times and hopefully things will begin to change and our future will start to look brighter as the Province works on the vaccine rollout program. It has been a difficult year for all of you and I am cautiously optimistic that we will get through this together. The Provincial Health Orders affected the community's use of our Meeting Center and Erwin Stege Community Center due to the ban on public gatherings. Our Canada Day celebrations were put on hold for 2020 and 2021 will also be cancelled. As part of our Winterfest event, Councillors Henwood and Hobenshield along with Robyn Morrison-Ellis and Kylie Davis in the office, held a virtual celebration with a number of events and prizes. This was topped off with a spectacular fireworks display coordinated by the New Hazelton Volunteer Fire Department and enjoyed by many from their own yards and from the safety of their vehicles. Hopefully there is some brightness coming our way toward the end of 2021 and we can all get back to some sense of normalcy in whatever form that may be.

Our office staff continue to provide house insurance, ICBC and Motor Vehicle Licensing, as well as answering all of your questions regarding the municipality. We thank everyone who has attended our office for your patience, understanding, and most of all your diligence in respecting the protocols that we have in place to keep everyone safe. It is greatly appreciated.

In April, 2020, the District of New Hazelton said goodbye to outgoing Public Works Superintendent, Chris Lawrence and welcomed Roger Smith into the position. Roger comes to us with a wealth of knowledge and is no stranger to local government. We are excited that he and his wife have finally been able to find a home to live in and are now residents of New Hazelton. We are excited to see the changes that are taking place in the department under Roger's expert guidance.

In September of 2020, we welcomed Helene Paranich as our new Fire Chief. Helene is employed on a part-time basis and the department is filled with many amazing volunteers who are eager to learn new skills. Helene has a number of training opportunities scheduled during 2021 that will enhance the knowledge of our volunteers. This includes a new Live Fire Training Center that is being built in partnership with the Village of Hazelton and the Regional District of Kitimat Stikine. The crew is very excited and the District is fortunate to have such an energetic leader in this important role.

During 2020, crews continued to work on upgrading storm water infrastructure, paving and you may have noticed the replacement of our hanging baskets and flower planters to new self-watering vessels which helped to alleviate most of the watering needed to keep everything looking fresh. In 2021, we will continue to make upgrades to our community and Allen Park. Watch for the changes!

Finally, we are excited to announce that the District of New Hazelton has signed a contract with Alfred Horie Construction Ltd. to build a new municipal office on the same site as the Erwin Stege Community Center! This is possible thanks to the Provincial government's Northern Capital Planning Grant that we received in 2019 and 2020. You should start to see some construction happening in June and watch for the grand opening later this year! As a bit of trivia, Alfred Horie Construction successfully won the bid to build the main structure of the Hagwilget bridge on **November 4, 1930** (under the name Baynes & Horie)!

Thank you for taking the time to read our Annual Report. If you have any questions, please do not hesitate to drop by the office and have a chat with the staff.

A handwritten signature in black ink that reads "Gail Lowry". The signature is written in a cursive, flowing style.

Gail Lowry
Mayor

THE DISTRICT OF NEW HAZELTON
Financial Statements
As at December 31, 2020

**THE DISTRICT OF NEW HAZELTON
COUNCIL - 2020**

MAYOR
Gail Lowry

COUNCILORS

Braunwyn Henwood
Ray Sturney
Jutta Hobenshield

Allan Berg
George Burns
Mike Weeber

APPOINTED OFFICIALS - 2020

Chief Administrative Officer
Chief Financial Officer
Public Works Superintendent

Wendy Hunt
Robyn Carle
Roger Smith

I N D E X

Management's Report

Independent Auditor's Report

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Statement of Operations Page 2

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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 3, 2021


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, 2020, 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, 2020, 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 3, 2021

MNP LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

THE DISTRICT OF NEW HAZELTON
 STATEMENT OF FINANCIAL POSITION
 AS AT DECEMBER 31, 2020

	2020	2019
Financial assets		
Cash and short-term investments - (Note 3)	\$ 4,262,745	\$ 3,530,604
Accounts receivable, trade and other - (Note 4)	155,161	181,334
Taxes receivable - current	20,437	27,806
Taxes receivable - arrears	9,723	8,096
	4,448,066	3,747,840
Liabilities		
Accounts payable and accrued liabilities	91,913	243,901
Net financial assets	4,356,153	3,503,939
Non-financial assets		
Inventory - parts and supplies	102,362	68,576
Tangible capital assets - (Schedule 2)	9,884,414	10,170,197
Prepaid expenses	18,692	18,874
	10,005,468	10,257,647
Accumulated surplus - (Note 7)	\$ 14,361,621	\$ 13,761,586

Commitments and contingencies - (Note 10)

Approved by:



 Gail Lowry
 Mayor



 Wendy Hunt
 Chief Administrative Officer

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

**THE DISTRICT OF NEW HAZELTON
STATEMENT OF OPERATIONS
AS AT DECEMBER 31, 2020**

	2020	Budget (Note 11)	2019
Revenues			
Net taxes available for municipal purposes - (Note 8)	\$ 635,342	\$ 632,796	\$ 626,282
Utility usage fees	264,048	247,500	246,083
Other fees and sale of goods and services	157,419	139,600	130,199
Government grants and transfers - (Note 9)	1,586,875	3,804,500	3,780,663
ICBC commissions	450,357	385,000	396,299
Investment income	32,106	35,000	74,062
Gain (loss) on disposal of tangible capital assets	(209,360)	-	20,010
	2,916,787	5,244,396	5,273,598
Expenses			
General government	940,636	3,012,650	823,458
Protective services	137,646	113,700	74,482
Transportation and transit	687,776	893,500	658,959
Recreation and youth services	47,836	29,200	54,307
Water operations	250,175	161,000	311,771
Sewer operations	108,589	472,000	117,848
Garbage operations	91,594	84,500	84,397
Tourism and community development	52,500	52,500	452,500
	2,316,752	4,819,050	2,577,722
Annual surplus	600,035	425,346	2,695,876
Accumulated surplus - beginning of year	13,761,586	13,761,586	11,065,710
Accumulated surplus - end of year	\$ 14,361,621	\$ 14,186,932	\$ 13,761,586

**THE DISTRICT OF NEW HAZELTON
STATEMENT OF CHANGES IN NET FINANCIAL ASSETS
AS AT DECEMBER 31, 2020**

	2020	Budget (Note 11)	2019
Annual surplus	\$ 600,035	\$ 425,346	\$ 2,695,876
Acquisition of tangible capital assets	(413,623)	(3,359,000)	(1,536,368)
Amortization of tangible capital assets	442,625	350,000	439,248
Gain (loss) on disposal of tangible capital assets	209,360	-	(20,010)
Proceeds on disposal of tangible capital assets	47,421	-	75,098
Changes in other non-financial assets	(33,604)	-	4,324
Increase in net financial assets	852,214	(2,583,654)	1,658,168
Net financial assets - beginning of year	3,503,939	3,503,939	1,845,771
Net financial assets - end of year	\$ 4,356,153	\$ 920,285	\$ 3,503,939

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

**THE DISTRICT OF NEW HAZELTON
STATEMENT OF CASH FLOW
AS AT DECEMBER 31, 2020**

	2020	2019
Operating transactions		
Annual surplus	\$ 600,035	\$ 2,695,876
Non-cash items:		
Amortization	442,626	439,248
Loss (gain) on disposal of tangible capital assets	209,360	(20,010)
Changes to financial assets/liabilities:		
Accounts receivable, trade and other	26,172	49,086
Taxes receivable - current	7,369	16,917
Taxes receivable - arrears	(1,627)	7,608
Accounts payable and accrued liabilities	(151,988)	91,262
Deferred revenue	-	(278,259)
Inventory - parts and supplies	(33,786)	3,192
Prepaid expenses	182	1,132
Cash provided by operating transactions	1,098,343	3,006,052
Capital transactions		
Acquisition of tangible capital assets	(413,623)	(1,536,368)
Proceeds from the disposal of tangible capital assets	47,421	75,098
	(366,202)	(1,461,270)
Increase in cash position	732,141	1,544,782
Cash and short-term investments - beginning of year	3,530,604	1,985,822
Cash and short-term investments - end of year	\$ 4,262,745	\$ 3,530,604

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

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 added cleaning and supply costs. 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 reduced customer demand, supply chain disruptions, staff shortages, and increased government regulations, all of which may negatively impact the District's business 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, 2020.

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, 2020 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:

	2020	2019
Municipal Finance Authority of B.C. investments:		
- Money market fund	\$ 224,324	\$ 222,440
Cash	4,033,041	3,302,864
Term deposits	5,380	5,300
	\$ 4,262,745	\$ 3,530,604

4. Accounts receivable, trade and other

	2020	2019
Government grants receivable:		
Provincial		
Northern Development Initiative Trust - Economic Capacity Fund	\$ 67,247	\$ 29,684
13th Avenue Water Line Upgrade Project	-	50,190
GST rebate	28,479	53,887
Other	59,435	47,573
	\$ 155,161	\$ 181,334

5. Gas tax community works fund

	2020	2019
UBCM Federal Gas Tax Community Works Fund reserve - balance at beginning of year	\$ -	\$ 278,259
Amount received during the year	79,550	164,092
Regional District USRC contribution	(40,000)	(40,000)
Community hall	(39,550)	(402,351)
Balance - end of year	\$ -	\$ -

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, 2020**

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:

	2020	2019
Increases:		
Capital acquisitions	\$ 413,623	\$ 1,536,368
Decreases:		
Dispositions at net book value	(256,780)	(55,088)
Amortization	(442,626)	(439,248)
Change in equity in tangible capital assets	(285,783)	1,042,032
Equity in tangible capital assets - beginning of year	10,170,197	9,128,165
Equity in tangible capital assets - end of year	\$ 9,884,414	\$ 10,170,197

7. Accumulated surplus

	2020	2019
Operating fund	\$ 1,425,084	\$ 1,248,202
Reserves fund (<i>Schedule 3</i>)	3,052,123	2,343,187
Equity in tangible capital assets	9,884,414	10,170,197
	\$ 14,361,621	\$ 13,761,586

8. Net taxes available for municipal purposes

	2020	2019
Taxes:		
Property	\$ 893,553	\$ 880,011
Frontage	62,048	61,198
Revenue in lieu of taxes	51,559	52,610
Penalties and interest on taxes	12,281	13,023
	1,019,441	1,006,842
Less taxes on behalf of:		
School District	202,603	215,268
North West Regional Hospital District	34,178	34,924
Regional District of Kitimat-Stikine	143,587	127,026
B.C. Assessment Authority	3,719	3,331
Other	12	11
	384,099	380,560
Net taxes available for municipal purposes	\$ 635,342	\$ 626,282

9. Government grants and transfers

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

	2020	2019
Unconditional grants and transfers		
Provincial	\$ 476,659	\$ 454,123
Regional District / Other	7,382	8,006
	484,041	462,129
Conditional grants and transfers		
Provincial	958,227	2,876,184
Deferred revenue - UBCM Federal Gas Tax Agreement		
Community Works Fund	79,550	442,351
Regional District / Other	65,058	-
	\$ 1,586,875	\$ 3,780,663

10. Commitments and contingencies

a) Capital requirements

District Council has approved a 2020 - 2024 tangible capital expenditure financial plan of \$3,872,000. The 2020 requirement of \$2,012,000 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, 2019, the plan has approximately 213,000 active members and approximately 106,000 retired members. Active members include approximately 41,000 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 billion funding surplus for basic pension benefits on a going concern basis.

The District of New Hazelton paid \$63,071 for employer contributions to the plan in fiscal 2020 (\$54,284 in 2019).

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

(continued)

10. Commitments and contingencies *(continued)*

b) Pension plan *(continued)*

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 the individual employers participating in the plan.

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.

11. Annual budget

Fiscal plan amounts represent the Financial Plan Bylaw adopted by Council on March 2, 2020.

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	(571,654)
Less:	
Capital expenditures per budget	3,359,000
Transfer to/from reserve	(2,012,000)
<hr/>	
Annual Surplus per Statement of Operations	\$ 425,346

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, recreation centre, garbage collection 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 City Manager is the liaison between Council and the District departments and staff. The Corporate Services Department 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. Policing is provided under contract with the RCMP operating from a detachment building located in the District.

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 and Plumbing 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 and Transit Services (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

Garbage Services (Public Works) is responsible for the garbage collection and compost and recycling programs operating in the District of New Hazelton. Garbage collection is 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 2020, the grant monies received and spent were as follows:

Grant received	\$	357,000
Interest earned	\$	411
Use of grant:		
Revenue shortfall	\$	10,000
Eligible expenses	\$	-
<hr/>		
Ending balance	\$	347,411
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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, 2020

Schedule 1

	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	2020 Budget
Revenues											
Net taxes available for district purposes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 635,342	\$ 635,342	\$ 632,796
Utility usage fees	-	-	-	-	151,796	42,163	70,089	-	-	264,048	247,500
Other fees and sale of goods and services	110,167	17,000	1,175	5,555	-	-	-	-	23,522	157,419	139,600
Government grants and transfers	1,586,875	-	-	-	-	-	-	-	-	1,586,875	3,804,500
ICBC Commissions	-	-	-	-	-	-	-	-	450,357	450,357	385,000
Investment income	-	-	-	-	-	-	-	-	32,106	32,106	35,000
Gain (loss) on disposal of tangible capital assets	(209,360)	-	-	-	-	-	-	-	-	(209,360)	-
	1,487,682	17,000	1,175	5,555	151,796	42,163	70,089	-	1,141,327	2,916,787	5,244,396
Expenses											
Salaries, wages and benefits	515,191	35,778	360,402	-	62,417	-	-	-	-	973,788	948,100
Goods and services	248,930	89,053	250,869	17,203	74,735	70,324	91,594	-	-	842,708	3,462,450
Interest and bank charges	5,130	-	-	-	-	-	-	-	-	5,130	6,000
Other	-	-	-	-	-	-	-	52,500	-	52,500	52,500
Amortization	171,385	12,815	76,505	30,633	113,023	38,265	-	-	-	442,626	350,000
	940,636	137,646	687,776	47,836	250,175	108,589	91,594	52,500	-	2,316,752	4,819,050
	\$ 547,046	\$ (120,646)	\$ (686,601)	\$ (42,281)	\$ (98,379)	\$ (66,426)	\$ (21,505)	\$ (52,500)	\$ 1,141,327	\$ 600,035	\$ 425,346

	General government services	Protective services	Transportation and transit services	Recreation and youth services	Water operations	Sewer operations	Garbage operations	Tourism and community development	Other	2019
Revenues										
Net taxes available for district purposes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 626,282	\$ 626,282
Utility usage fees	-	-	-	-	136,619	40,959	68,505	-	-	246,083
Other fees and sale of goods and services	86,943	17,250	2,025	9,005	-	-	-	-	14,976	130,199
Government grants and transfers	3,780,663	-	-	-	-	-	-	-	-	3,780,663
ICBC commissions	-	-	-	-	-	-	-	-	396,299	396,299
Investment income	-	-	-	-	-	-	-	-	74,062	74,062
Gain (loss) on disposal of tangible capital assets	20,010	-	-	-	-	-	-	-	-	20,010
	3,887,616	17,250	2,025	9,005	136,619	40,959	68,505	-	1,111,619	5,273,598
Expenses										
Salaries, wages and benefits	425,098	18,286	337,504	-	54,407	-	-	-	-	835,295
Goods and services	228,822	43,381	245,689	26,978	137,219	79,376	84,397	-	-	845,862
Interest and bank charges	4,757	-	-	-	-	-	-	-	-	4,757
Other	(19,950)	-	-	-	-	-	-	452,500	-	432,550
Amortization	164,721	12,815	75,766	27,329	120,145	38,472	-	-	-	439,248
	803,448	74,482	658,959	54,307	311,771	117,848	84,397	452,500	-	2,557,712
	\$ 3,084,168	\$ (57,232)	\$ (656,934)	\$ (45,302)	\$ (175,152)	\$ (76,889)	\$ (15,892)	\$ (452,500)	\$ 1,111,619	\$ 2,715,886

THE DISTRICT OF NEW HAZELTON
Schedule of Tangible Capital Assets
Year Ended December 31, 2020

Schedule 2

	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)	(51,740)	-	-	-	-	(510,166)
Writedowns	-	-	-	-	-	-	-	-
Ending balance	643,281	4,972,150	2,639,423	3,856,990	1,186,688	3,802,438	80,055	17,181,025
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	-	442,626
Acc. amortization on disposals	-	(250,798)	(2,587)	-	-	-	-	(253,385)
Ending balance	-	1,520,827	1,792,535	1,441,802	673,709	1,867,739	-	7,296,612
Net book value	\$ 643,281	\$ 3,451,323	\$ 846,888	\$ 2,415,188	\$ 512,979	\$ 1,934,699	\$ 80,055	\$ 9,884,414
	Land	Buildings	Equipment, furniture and motor vehicles	Water infrastructure	Sewer infrastructure	Transportation and transit services	Tax sale land	2019
Cost								
Opening balance	\$ 683,707	\$ 4,521,231	\$ 2,376,826	\$ 3,618,982	\$ 1,133,405	\$ 3,456,794	\$ 78,551	\$ 15,869,496
Additions - purchased	-	674,213	368,747	224,575	25,925	241,404	1,504	1,536,368
Additions - donated	-	-	-	-	-	-	-	-
Disposals	-	-	(128,296)	-	-	-	-	(128,296)
Writedowns	-	-	-	-	-	-	-	-
Ending balance	683,707	5,195,444	2,617,277	3,843,557	1,159,330	3,698,198	80,055	17,277,568
Accumulated amortization								
Opening balance	-	1,575,771	1,581,192	1,326,160	600,706	1,657,505	-	6,741,334
Amortization	-	102,445	135,722	61,382	36,605	103,094	-	439,248
Acc. amortization on disposals	-	-	(73,210)	-	-	-	-	(73,210)
Ending balance	-	1,678,216	1,643,704	1,387,542	637,311	1,760,599	-	7,107,372
Net book value	\$ 683,707	\$ 3,517,228	\$ 973,573	\$ 2,456,015	\$ 522,019	\$ 1,937,599	\$ 80,055	\$ 10,170,197

Assets under construction have a net book value of \$134,121 in 2020 (2019 - \$19,315).

THE DISTRICT OF NEW HAZELTON
 Schedule of Reserve Fund Activities
 Year Ended December 31, 2020

Schedule 3

	Machinery and equipment	Water capital	Sewer capital	Cemetery fund	Tax sale reserve	Building fund	Northern Capital and Planning	2020	2019
Balance - beginning of year	\$ 90,697	\$ (268,825)	\$ 226,946	\$ 3,896	\$ 91,752	\$ -	\$ 2,198,721	\$ 2,343,187	\$ 861,356
Transfers in	-	-	-	-	-	-	532,000	532,000	2,580,000
Transfers out	-	-	-	-	-	-	(114,806)	(114,806)	(934,516)
Investment income (expense)	907	(3,794)	2,269	39	918	-	18,784	19,123	38,847
Contributions	-	272,619	-	-	-	-	-	272,619	(202,500)
Balance - end of year	\$ 91,604	\$ -	\$ 229,215	\$ 3,935	\$ 92,670	\$ -	\$ 2,634,699	\$ 3,052,123	\$ 2,343,187

DISTRICT OF NEW HAZELTON

2021 ANNUAL REPORT

Permissive Tax Exemptions 2020

Permissive Tax Exemption Bylaw No. 343, 2018 provided the following Permissive Tax Exemptions in 2020. Municipal taxes which were not imposed are:

1. Skeena Lions Society
Lots 6-11, Block 100, Section 2, Plan 968
District Lot 882, Cassiar Land District \$ 2,844.98

2. New Hazelton Congregation of Jehovah's
Witnesses
Lot A, Section 2, Plan EPP78072
District Lot 882, Cassiar Land District \$ 96.02

3. Roman Catholic Episcopal Corp of Prince Rupert
Lots 4-21, Closed Laneway, Block 29, Section 2,
Plan 968, District Lot 863, Cassiar Land District \$ 822.85

DISTRICT OF NEW HAZELTON 2021 ANNUAL REPORT

Municipal Services and Operations 2020

The District of New Hazelton provides many services to citizens and visitors to the community. These include:

- Curbside Collection
- Streets and roads
- Street lighting
- Potable water supply
- Sanitary sewer
- Storm/runoff drainage
- Parks and trails
- Recreational services
- ICBC Agency
- Motor Vehicle Licensing
- Building inspection services
- Firefighting and prevention
- Highway rescue services
- First Responder services
- Tourism information and promotion
- Planning
- Administration
- House insurance
- Meeting Center
- Erwin Stege Community Center

The District of New Hazelton operated with a full-time staff of ten (10) persons during 2020. The full-time public works crew of five (5) was assisted by three (3) summer students. The full-time administration staff of five (5) was assisted by one (1) summer student.

Our Volunteer Fire Department consists of a part-time paid Fire Chief and eleven (11) volunteer members. The Fire Department members are also responsible for the delivery of service for

our Jaws of Life, costs of which are partnered with the Regional District of Kitimat Stikine and the Village of Hazelton.

Our Visitor Centre is staffed from May – September each year and employs up to four (4) staff members, usually high school/university students. However, due to Covid 19 restrictions the Visitor Centre was staff from June-August and employed three (3) staff members. This centre is partnered on a cost sharing basis between the District of New Hazelton, the Regional District of Kitimat Stikine, the Village of Hazelton, and Destination BC.

The major emphasis of Council and Administration continues to be to preserve existing services and assets without significantly increasing the cost to taxpayers.

**DISTRICT OF NEW HAZELTON
2021 Annual Report**

**Declaration of Disqualifications
2020**

No member of Council was disqualified from holding office under Section 111 of the Community Charter.

DISTRICT OF NEW HAZELTON
2021 Annual Report

2021 Statement of Objectives and Measures

Service/Department	Objective	Strategy	Measure
Administration	Work to reduce costs and generate additional revenue	Continue to systematically evaluate operations to reduce costs or increase revenue	Add to operating surplus
		Continue to market ICBC/House Insurance to increase sales	Commission revenues will increase
	Build new municipal office	Work to be completed by contractor	Work will be completed by contractor
Economic Development	Market New Hazelton	Work with Economic Development Officer to find new ways to attract & retain businesses	New investment occurs
	Continue to promote local businesses	Work with Economic Development Officer to promote local businesses	Local businesses see an increase in profits
	Engage local businesses	Work with Economic Development Officer to continue engaging with local businesses	Opportunities and challenges facing local businesses will be identified

DISTRICT OF NEW HAZELTON
2021 Annual Report

2021 Statement of Objectives and Measures

Service/Department	Objective	Strategy	Measure
Downtown Revitalization	Replace garbage receptacles and picnic tables	Receive grant for funding Purchase new garbage receptacles and picnic tables	New garbage receptacles and picnic tables placed throughout downtown core
Recreation	Replace outdoor ice arena Increase outdoor fitness equipment at Allen Park	Receive grant for funding Work to be completed by contractor and public works staff Receive grant for funding Purchase new pieces of equipment and installed by public works	Received grant Work will be completed by contractor and public works staff Received grant Equipment will be purchased and installed by public works
Waste Water Collection	Sewer lines condition assessment	Receive grant for funding Work to be completed by contractors to maintain efficient operation of lines	Received grant Work will be completed by contractor

**DISTRICT OF NEW HAZELTON
2021 Annual Report**

2021 Statement of Objectives and Measures

Service/Department	Objective	Strategy	Measure
Waste Water Collection	Lagoon desludging	Receive grant for funding Work to be completed by contractor and public works staff	Received grant Work will be completed by contractor and public works staff
Road Upgrades	Overlay McBride St from 11 th Ave to 12 th Ave, McLeod St from 10 th Ave around corner onto 9 th Ave, 5 th Ave from Churchill St to McBride St, Community Center parking lot Apply crush to College St south	Work to be completed by paving contractor Work to be completed by public works staff	Work will be completed by contractor Work will be completed by public works staff
Public Works	Install storm sewer along McBride St from 7 th Ave to 8 th Ave, Pugsley St from 4 th Ave to 5 th Ave	Work to be completed by public works staff	Work will be completed by public works staff
Fire Department	Build fire training center	Work to be completed by public works staff and volunteer firefighters	Work will be completed by public works staff and volunteer firefighters

DISTRICT OF NEW HAZELTON
2021 Annual Report

2022 Statement of Objectives and Measures

Service/Department	Objective	Strategy	Measure
Administration	Work to reduce costs and generate additional revenue	Continue to systematically evaluate operations for new opportunities to reduce costs or increase revenue	Add to operating surplus
Economic Development	Market New Hazelton	Continue to promote area and local businesses	New investment occurs
Waste Water Collection	Annual cleaning of waste water distribution lines	Work to be completed by contractors to maintain efficient operation of lines	Work will be completed by contractor
Roadways	Continue to improve paved and gravel road surfaces throughout the community	Continue to improve services offered to our residents	Work will be completed
Public Works	Continue to improve storm sewer system throughout the community	Work will be completed by public works	Work will be completed

**DISTRICT OF NEW HAZELTON
2021 Annual Report**

Progress Report 2020

Service/Department	Objective	Strategy	Measure	Outcome
Administration	Work to reduce costs and generate additional revenue	<p>Continue to systematically evaluate operations to reduce costs or increase revenue</p> <p>Partnered with Bulkley Valley Insurance Services in Smithers to offer house insurance services to residents of the Hazeltons</p> <p>Marketing ICBC Broker Agency more consistently to increase business</p>	<p>Add to operating surplus instead of drawing on it</p> <p>Commission revenues will increase</p> <p>Commission revenues will increase</p>	<p>Operating surplus decreased from \$2,695,876 for 2019 to \$600,035 for 2020</p> <p>House insurance commission revenue increased by \$8,230.55 from 2019</p> <p>ICBC/Motor vehicle commission revenue increased by \$45,826.94 from 2019</p>
Economic Development	Market New Hazelton	Work with Economic Development Officer to find new ways to attract & retain businesses	New investment occurs	Economic Development Officer completed regional Business Retention & Expansion Plan

DISTRICT OF NEW HAZELTON
2021 Annual Report

Progress Report 2020

Service/Department	Objective	Strategy	Measure	Outcome
Economic Development	<p>Continue to promote local businesses with a buy local campaign</p> <p>Engage local businesses</p>	<p>Promote Love Northern BC/Love the Hazeltons website</p> <p>Collaborate with the RDKS and Village of Hazelton to carry out surveys with local business</p>	<p>Local businesses see an increase in profits</p> <p>Opportunities and challenges facing local business will be identified</p>	<p>Economic Development Officer developed tools for workforce and resident attraction including the development of a digital marketing strategy</p> <p>In person surveys could not be completed due to Covid 19</p>
Downtown Revitalization	Replace flower planters and hanging baskets	Purchase new flower planters and hanging baskets from vendor	New flower planters and baskets placed throughout downtown core	Replaced existing planters and baskets with new self-watering planters and baskets from Equinox Industries Ltd

**DISTRICT OF NEW HAZELTON
2021 Annual Report**

Progress Report 2020

Service/Department	Objective	Strategy	Measure	Outcome
Water Distribution System	Young Street waterline upgrade	Receive grant for funding Work and restoration to be completed by contractor	Received grant Work will be completed by contractor	Grant was not received Work was not completed and put on hold till funding becomes available
Waste Water Collection	Annual cleaning of waste water distribution lines Lagoon desludging	Work to be completed by contractors to maintain efficient operation of lines Work to be completed by contractor and public works staff	Work will be completed by contractor Work will be completed by contractor	Work was completed Work has put on hold until grant application decision
Roadways	Overlay on 13 th Ave from Bowser St to McLeod St, 14 th Ave from Bowser St to McLeod St, McLeod St from 14 th Ave to 15 th Ave	Work to be completed by contractor and public works crew	Work will be completed	Work was completed

DISTRICT OF NEW HAZELTON
2021 Annual Report

Progress Report 2020

Service/Department	Objective	Strategy	Measure	Outcome
Public Works	Install storm sewer along Templeman St from Hwy 16 to 9 th Ave, 9 th Ave from Templeman St to Laurier St, and Laurier St from 13 th Ave to 14 th Ave	Work will be completed by public works	Work will be completed	<p>Work was completed</p> <p>Additional storm sewer was installed along 13th Ave from Kelly St to Sargeant Cr, ½ of 11th Ave from McLeod St to Bowser St, ½ of McLeod St from 11th Ave to 12th</p>