

2024 ANNUAL REPORT



Reporting on 2023 goals, objectives, resources, and planning for the future.

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OVERVIEW

The District of New Hazelton has a responsibility to provide its citizens with a wide variety of services in a financially responsible way. The Annual report is a way for the District to inform its residents of the progress it has made in a given year on accomplishing its goals and objectives, managing its resources, and planning for the future.

2023 saw a return to business as usual for residents and businesses with the end to the Covid-19 Pandemic, which was quite welcome after all the restrictions over the past two years.

A number of projects were carried out in all District departments, modernizing systems, improving emergency response, and working towards greater access to amenities and quality of life for residents. Work still remains in all aspects of government, especially to attract business, source reliable infrastructure funding, and find more efficient ways to bring quality services to the people of New Hazelton.



MAYOR'S MESSAGE

June 30, 2024

I am pleased to present a copy of the District of New Hazelton Annual Report for 2023. I hope that you will find the information presented useful and enlightening.

We know that some of our businesses are still struggling in the wake of the COVID Pandemic; labour shortages, supply chain disruptions, and higher costs have impeded many businesses, especially those small businesses that make their home in New Hazelton. One of the highlights for this year was the inaugural Small Business Reception that was held at the end of 2023. This event brought entrepreneurs, business owners, non-profits, and local government staff together for an evening of camaraderie, food, and relationship building. It is our hope that this will continue to be an annual event that will offer support to our businesses in the area.

The Erwin Stege Community Center continues to be a place for community members to gather whether it is at the annual Seniors Christmas Dinner put on by the South Hazelton Women's Institute, a wedding, memorial service, flu clinic, or election polling station; it is a busy place! The Misty Rivers Community Arts Council continues to provide a wonderful inviting place to showcase the many talented artists in our communities. The volunteer board also coordinates workshops and vendor sales to suit everyone's needs. They continue to make improvements to the space, and I invite you to follow their social media page on Facebook and drop by and see the great work they are doing.

Leah and her team at the Visitor Center were open for the majority of the year in 2023 adding an alternative for gift shopping for residents and visitors alike. Continuing changes to the Visitor Center will happen over the next few years and Leah is always looking for ways to improve the space. It is well worth stopping by and checking it out. The stakeholders for the Visitor Center; the District of New Hazelton, the Village of Hazelton, and the Regional District of Kitimat Stikine wanted to provide the community with an opportunity to purchase items from local artisans throughout the season and it has been very successful. More exciting things are planned for 2024, and I can't wait for you to see what is happening!

2023 saw a full return to our Canada Day and Winterfest celebrations and we couldn't be happier. It is our privilege to provide these events for our community and look forward to seeing everyone and catching up with friends. Our staff does a phenomenal job of preparing for these events; my thanks to them and Council for all of the hard work it takes to put such

events together. A huge shout out also to the New Hazelton Volunteer Fire Department for their incredible fireworks display during Winterfest.

Our office team has been joined by Amber Robinson, a longtime resident of the Kitwanga Valley who will be filling in for a maternity leave and our summer student, Tatum Epp who will be returning each summer while she is attending university. Our public works department added Joel Giguere to their team mid-year. We are excited to have new faces and longtime residents joining the District team.

Our public works staff continue to work hard to improve our roads, water, and wastewater infrastructure. Due to supply chain constraints, some of our projects were moved to 2024. Specifically paving was done to the District Office parking lot, 9th Avenue from Graham to Ross (overlay), new pavement on 9th joining at McLeod, and small repairs to the Firehall and Visitor Center parking lots as well as 13th and Pugsley avenues. We also installed new storm drain on 5th from Churchill to Pugsley, 7th from McBride to Laurier, and Laurier Street from 7th to 8th. A new zero turn lawnmower was purchased to replace the one that had reached the end of its useful life.

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.



Gail Lowry
Mayor



MAYOR & COUNCIL



Mayor Gail Lowry

Administrative Review Committee
Northern Development Initiative Trust
Regional District of Kitimat-Stikine
Skeena Housing Coalition
Wrinch Memorial Foundation

Councillor George Burns

Deputy Mayor
Audit Committee (Chair)
Social Issues Advocacy Committee
Upper Skeena Recreation Center

Councillor Braunwyn Henwood

Administrative Review Committee (Chair)
Hazelton Community Accessibility Committee
Northern Development Initiative Trust (Alt)
Regional District of Kitimat-Stikine (Alt)

Councillor Jutta Hobenshield

Audit Committee
Hazelton District Public Library
Upper Skeena Development Center (Alt)

Councillor Mike Weeber

Administrative Review Committee
Social Issues Advocacy Committee
Making Agriculture Sustainable in the Hazeltons (MASH)

Councillor Allan Berg

Audit Committee
Hazelton District Public Library (Alt)
Skeena TV Association

Councillor Ray Sturney

Administrative Review Committee
BV Airshed Society
Northern Medical Programs Trust
Upper Skeena Development Center



STRATEGIC PRIORITIES

Council's mandate is to work on behalf of the residents of New Hazelton to ensure the District is making a difference in your everyday life. This is achieved by setting budgets, enacting bylaws and policies to provide direction to staff and residents, and by working with senior levels of government to encourage the expansion of programming and resources into the Upper Skeena region. Council engaged in a strategic planning session in 2022 that provided them with strategic priorities for the duration of their term, ending in 2026.

OUR VISION

New Hazelton is a welcoming, diverse and sustainable community, offering a quiet, less complicated lifestyle.

OUR MISSION

To facilitate a community that embraces opportunity, diversity, sustainability, and growth. We do this through the provision of reliable municipal services.

Strategic Priority #1

Asset Management – *provide safe, reliable municipal services*

- Address aging infrastructure
- Develop infrastructure
- Asset Management Plan

The District continues to work with Urban Systems to determine the condition of our assets both in and above ground. In 2021, utilizing a grant from the Provincial government, the District undertook a condition assessment on all waste water lines. The result was a priorities list that spanned over the next few years outlining the critical and not so critical upgrades that needed to be done.

Strategic Priority #2

Organizational Capacity – *to foster a happy, well-trained and stable workforce*

- Staff recruitment
- Staff training
- Staff retention
- Succession planning

Strategic Priority #3

Advocacy – to advocate for solutions to the identified critical issues of the community

- Housing shortages
- Small business support
- Lack of childcare

Strategic Priority #4

Economic Development – to promote a diverse local economy with a stable workforce

- Workforce shortage
- Small business support
- Diverse tax base
- Housing shortages

SO HOW DID WE DO IN 2023?

Asset Management – provide safe, reliable municipal services

In 2023, the District continued to work on its asset management priorities, specifically in the areas of roads, water, and wastewater. Due to some supply chain constraints, a number of projects originally planned for 2023 were put on hold until 2024 however we were still able to complete a number of paving projects including:

- The Erwin Stege Community Center & District Office parking lot
- Overlay on 9th Avenue from Graham to Ross
- New pavement on 9th Avenue onto McLeod
- Small repairs at the Firehall, Visitor Center, 13th Ave, and Pugsley Street

New storm drain was installed on 5th Avenue from Churchill to Pugsley.

New storm drain on 7th Avenue McBride to Laurier & 7th to 8th Avenue on Laurier.

A new zero turn lawnmower was purchased to replace one that had reached the end of its useful life.

Looking Ahead to 2024

2024 will see staff continue to work on grant applications for watermain, wastewater line, and lagoon infrastructure work as part of our Asset Management Plan. We will also be engaging with Urban Systems to continue working on formalizing the remainder of our Asset Management Policy and updating our asset list and requirements for asset reserves that will ensure that our community is ready for the future.

The District will continue working with the Resource Benefits Alliance to lobby the Provincial Government for a benefits agreement for resource extraction in the North. This agreement would provide the District of New Hazelton and all 21 local governments in the Alliance much needed guaranteed funds that will be used for infrastructure upgrades and asset management best practices.

Organizational Capacity – to foster a happy, well-trained and stable workforce

Staff is one our most important resources and critical to the success of the District of New Hazelton. For this reason, it is one of Council's strategic priorities. During 2023, the District engaged the services of Leslie Groulx, former Chief Administrative Officer for the District of Clearwater and a well respected consultant on personnel matters. Ms. Groulx provided council and administration with an in-depth analysis of staff wages, benefits, and policies as well as council remuneration. Ms. Groulx compared the District of New Hazelton to a number of communities similar in size, composition, and geographical area.

The results demonstrated a clear imbalance in the wages of many staff members and also in council remuneration. One particularly interesting note was that there was no other small community that had a Chief Administrative Officer with as long a tenure as the District. This demonstrates that the District is starting to get on the right track. Based on the report from the consultant, administration was able to put together a new Personnel Policy that clearly outlines wages, opportunities for staff to grow in their positions, and guaranteed increases that are based on Consumer Price Index data produced by the Federal and Provincial governments. Council members (excluding the Mayor) were also given an increase in remuneration that brings them more in line with their counterparts in other communities of similar size.

Staff continue to be offered a variety of training opportunities both virtually and in-person. By providing the support and ability for staff to increase their knowledge on a variety of subjects, they are able to provide more services and have a better understanding of not only their own job, but that of others as well!

Various staff members began or completed training in public administration, water distribution, wastewater distribution, water treatment, wastewater treatment, air brakes, and more. Congratulations to all our staff who continually strive to improve their knowledge.

Lastly, however no less important, we welcomed new staff members Amber Robinson and Joel Giguere to our team. Amber has joined the front-line staff and Joel is working in our Public Works department. Brooke White has had a beautiful baby girl and will be on maternity leave until late 2024. Congratulations to the White Family and welcome to the team, Amber and Joel.

Looking Ahead to 2024

As we continue to work on fostering a happy, well-trained, and stable workforce, we anticipate looking at redefining our benefits package to better represent the needs of our staff. We will continue to support training and opportunities for growth to all of our staff. We also look forward to having Brooke back as she returns from her maternity leave.

Advocacy – to advocate for solutions to the identified critical issues of the community

This strategic priority is put in place to support advocacy efforts in the areas of housing, small business support, and lack of childcare. Council felt that these items were a priority and after the pandemic it is extremely important to ensure that it does as much as possible and that it is legislatively permissible. We continue to write letters of support for housing initiatives and additional childcare spaces when asked.

In the last quarter of 2023, our Economic Development Officer and the Visitor Center staff, Meghan, Leah, and Jackson held a business engagement evening and invited all business owners from the Hazelton area to come for an evening of relationship building, camaraderie, food, and great discussion on the challenges they are facing as businesses in the wake of the pandemic.

Looking Ahead to 2024

Thanks to the success of the business engagement evening, we hope to be able to make this an annual event. Meghan and Leah will continue to work on supporting our businesses and will look at an advertising campaign that focusses on businesses in our communities.

ADMINISTRATION

New Hazelton requires a significant amount of behind-the-scenes work to run smoothly. This includes managing records, communications, and capital projects, issuing permits and licenses, working with other organizations and government agencies, and overseeing the District's finances.

The District of New Hazelton has three full-time statutory administrative positions: the Chief Administrative Officer, the Chief Financial Officer, and the Corporate Officer.

What does a CAO do?

CAO Stands for Chief Administrative Officer. The CAO's main job is to ensure that a municipality runs smoothly and efficiently. This includes overseeing staffing levels, preparing legal documents and bylaws, drafting the budget, and managing District-owned property, among many other duties.

Administration is also responsible for providing Council with background information to inform decision making, and to facilitate strategic planning to encourage consistent goals.

Why are some meetings closed to the public?

Closed or “in-camera” meetings are allowed by provincial law under particular circumstances. Legal or financial negotiations, deliberations on award recipients, conversations concerning staff, and a few other topics are all able to be held in a closed meeting.

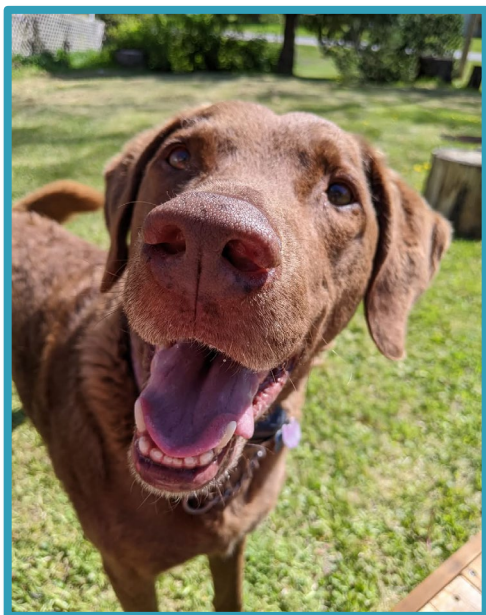
Council is required to indicate during the public meeting which circumstance allows the closed meeting and BC Law prohibits them from discussing public topics in the closed forum.

Council Meetings

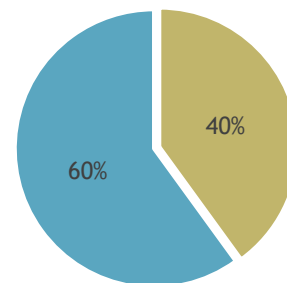
The District of New Hazelton holds monthly Council Meetings, where Council has the opportunity to pass bylaws, review and respond to important local issues, and carry out the executive function of Local Government. In 2023, there were 12 Regular Meetings, 3 Closed Meetings, and 2 Special Meetings.

Business Licenses

The District renewed 99 business licenses in 2023. Fifteen of those were for **new** business license applications, and out of those fifteen applications, six were for out-of-town businesses, and nine were for local businesses. It is important that if you are conducting business within the District’s boundaries that you have a valid license (renewed yearly) and the corresponding fee has been paid.



15 New Business Licenses Issued



■ Out of Town (6) ■ Local (9)

Dog Licenses

Dog licenses are free of charge for the residents of New Hazelton. In 2023, six new dog licenses were issued. It is important to have your dog licensed to comply with District bylaws. Dogs should not be in public places without being leashed; licensing your dog ensures it can be identified and returned if it accidentally gets loose.

Special Events



Canada Day

After the COVID-19 pandemic, Council and the community were ready to get back to everyday life. The District was pleased to offer Canada Day once again in 2023. Our pancake breakfast, soap box derby, mountain madness run, gift baskets, and kids events are the highlight of this festive event that brings together 500+ people each year.

Winterfest

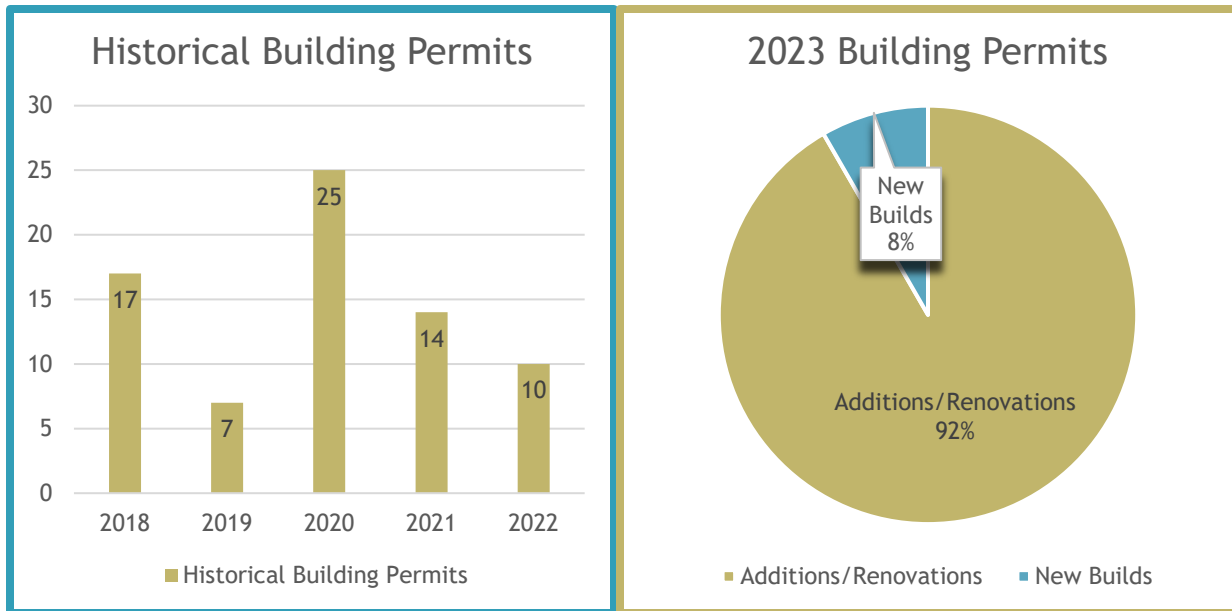
In 2023, the District resumed Winterfest after the COVID-19 hiatus. Annually held the first Friday in December, hotdogs, hot chocolate, cupcakes, gift baskets, and popcorn complemented the spectacular fireworks display put on by the New Hazelton Volunteer Fire Department and co-sponsored by the Bulkley Valley Credit Union Community Support Fund.



PLANNING & DEVELOPMENT

Part of the duties of a local government include land use planning. Through zoning, building, and development procedure bylaws, the District is able to ensure that land in the District is developed safely and with foresight.

The District of New Hazelton has a relatively simple zoning bylaw compared to larger communities, with only six residential, two commercial, one industrial, one community services, and one rural resource zones. In 2023 we issued 12 building permits and 92% of those permits were for additions or renovations, no demolitions, and there was one new build. The total value of building permits issued in 2023 was \$1,026,863.00!



These charts shows the type distribution of building permits in 2023, and the trend of overall building permits.

PARKS AND TRAILS

Public Works Staff work every day to make sure that our parks remain clean and in good condition for the use of all residents and visitors. The District maintains Allen Park, Mural Park, the Visitor Center, the Waterfall and Lookout Trails, and the Breakover Trail as well as all of the public boulevards in the District.

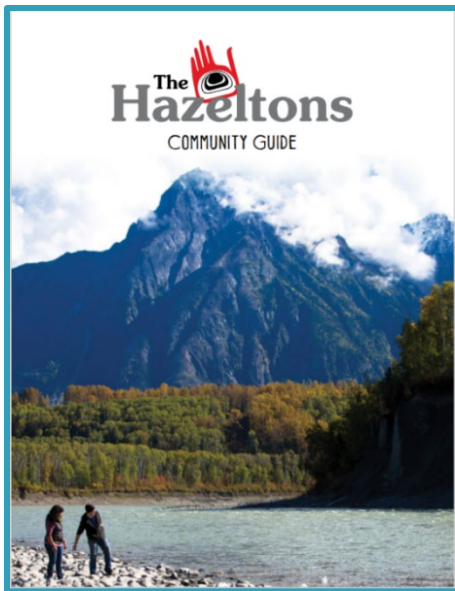
ECONOMIC DEVELOPMENT

Northern Development Initiative Trust began phasing out our Love the Hazeltons Shop Local Program. Staff are working to develop a new program that is locally grown and supported. NDIT also provides capacity building funding that helps to cover part of the wage for an Economic Development Officer, who works in partnership with other Upper Skeena Communities as well as the Regional District of Kitimat-Stikine and a Tourism Coordinator that works full time at the Visitor Center. The capacity building funding also contributes to our marketing programs that help to promote New Hazelton as a place live, work, and play.

2023 ECONOMIC DEVELOPMENT PROJECTS

Support for Local Businesses

2023 saw the inaugural business reception take place at the Erwin Stege Community Center. The idea was to bring business owners and entrepreneurs together for an evening of camaraderie, food, and relationship building. Attendees were asked to fill out a questionnaire that sought to discover the challenges businesses were facing as well as the successes that were achieved coming through the COVID-19 era. These responses will hope to form part of the economic development strategic plan for 2024. While in its infancy, it is hoped that this reception will continue to grow as we move forward.



Tourism Marketing

Specifically related to marketing, the District participated in marketing through the Ride the North mountain biking campaign, social media accounts, and an investment ready profile in partnership with the Regional District of Kitimat Stikine. We also printed two runs of our Hazeltons Community Brochure that is distributed through our Visitor Center.

Workforce Attraction and Retention

During 2023, New Hazelton continued to support the Workforce Attraction and Retention campaign spearheaded by the Regional District of Kitimat Stikine. A website and guide have been created by independent consultants which can be used by the District and local businesses to showcase the Hazeltons as a preferred destination to live, work, and play.

Looking Ahead to 2024

The last quarter of 2024 and into 2025 staff will be utilizing the consultants to update the Workforce and Attraction and Retention data and refine the content to keep it relevant. We will develop an Economic Development Strategic Plan and host the 2nd annual Business Reception evening.



COMMUNITY

A significant number of non-profit organizations call the District of New Hazelton their home, and take steps to improve our community on a daily basis. Here are some of the ways the District of New Hazelton supported or partnered with local non-profits in 2023.

Grants to Community Organizations

The District receives many grant requests throughout the year. In 2023, Mayor and Council provided grants to:

- Hazelton District Public Library - \$2,500.00
- sponsored Hazelton Secondary School student Alexander Howard to attend the BC Youth Parliament Program in Victoria during the Christmas break;
- Tatum Epp & Jackson Weeber – Hazelton Secondary School Scholarships - \$2,000.00 ea;
- Chicago Creek Community Environmental Enhancement Society - \$1485.00
- the South Hazelton Women’s Institute – Senior’s Dinner - \$1485.00 & free use of the Erwin Stege Community Hall
- the Salvation Army - \$1485.00
- the Learner’s Opportunity Group (LOGS) - \$1,000.00

Upper Skeena Recreation Centre – The Heart of the Hazeltons



The District of New Hazelton supports the Upper Skeena Recreation Centre (USRC) and the excellent community initiatives it provides. The facility requires significant year-over-year financial input from many of the governments that make up the Upper Skeena, including New Hazelton. The District staff and Council continue to support the Regional District with the priority of pursuing alternative funding for the USRC.

FIRE DEPARTMENT

2023 Fire Department Projects

Ongoing Training

The fire department continues to utilize their fire training center and dedicates time to train on their road rescue skills. With continued changes in the legislative requirement for firefighters, there is a constant pressure to keep up with all of the training required.



INFRASTRUCTURE

New Hazelton is a small community, but has significant needs for infrastructure. Our public works crew work all year to maintain sewer and water systems, roads, sidewalks, District-owned buildings, and other public spaces in a safe and reliable state. This includes patching potholes, repairing structures, and monitoring water and effluence testing facilities and equipment for damage and wear. The District often needs to perform larger replacement projects as well, which are typically dependent on funding.



New Hazelton waterfall, where the District's water comes from.



The inside of our water treatment plant, look at those pipes!

FINANCE

The Finance Department is responsible for overseeing the budget. The District of New Hazelton works hard to make sure that receiving revenue and spending money is performed responsibly. Finance is responsible for collecting taxes, ensuring the District stays within spending limits and pays vendors on time, and that the District’s finances are transparent for the yearly audit.

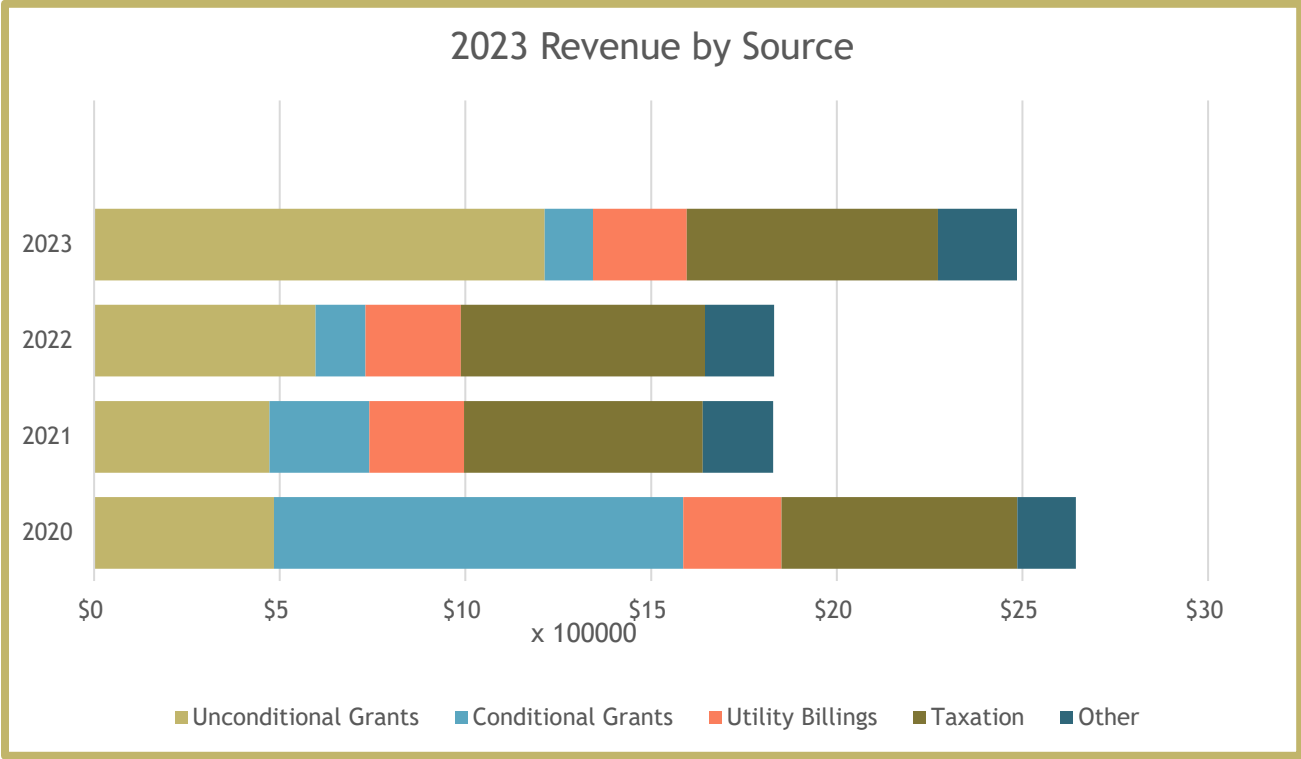
Your Tax Dollars

New Hazelton receives the vast majority of its revenue from sources other than direct taxation. The below graph shows how little of the District’s annual budget is represented by New Hazelton taxpayers directly. The majority of New Hazelton’s funding comes from grants administered through not-for-profit, provincial, or federal programs.

What are Conditional and Unconditional Grants?

Conditional Grants are given to the District on the condition that we spend the money on a particular type of project, such as public art or improving Emergency Response.

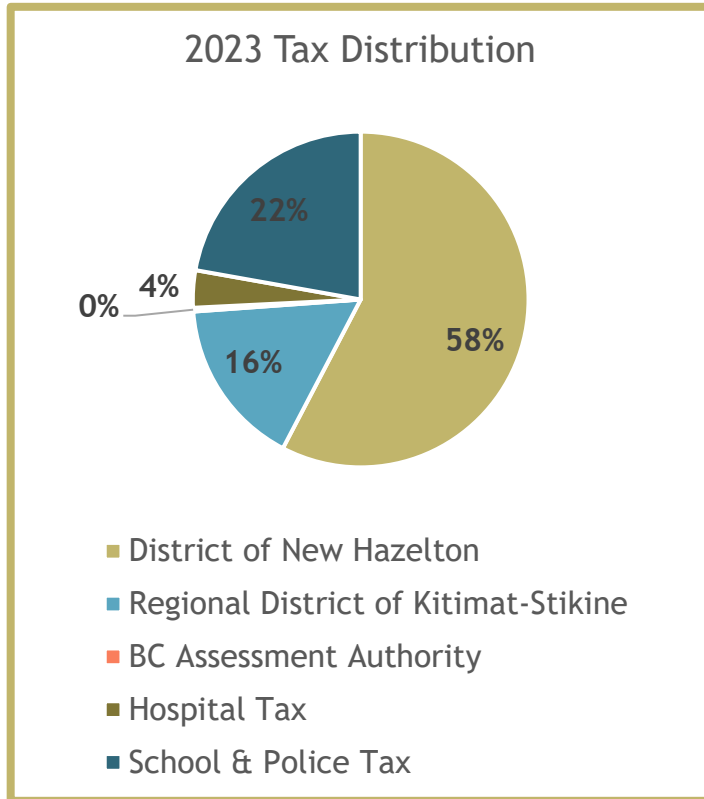
Unconditional Grants can be used for nearly anything in the budget, including regular operations or maintenance.



In order to carry out the projects and everyday services, the District has many expenses. Council and Staff take the responsibility of public fund stewardship very seriously and consideration is given to efficiency when making financial decisions.

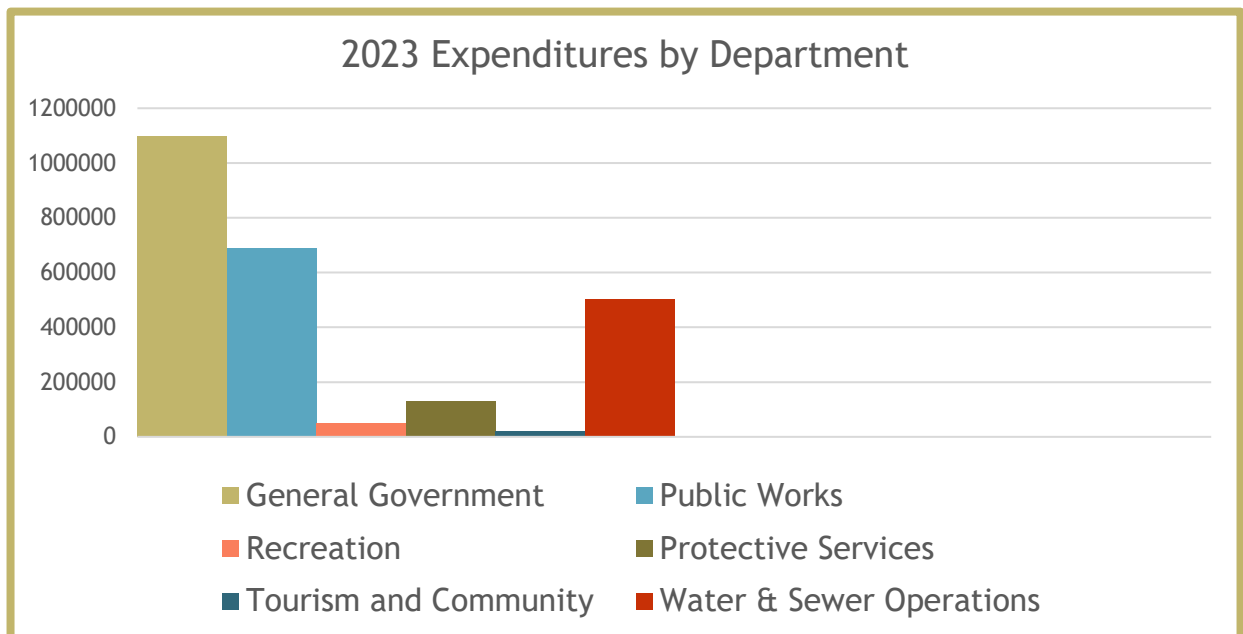
Where Do Your Tax Dollars Go?

How your tax dollars were distributed in 2023.

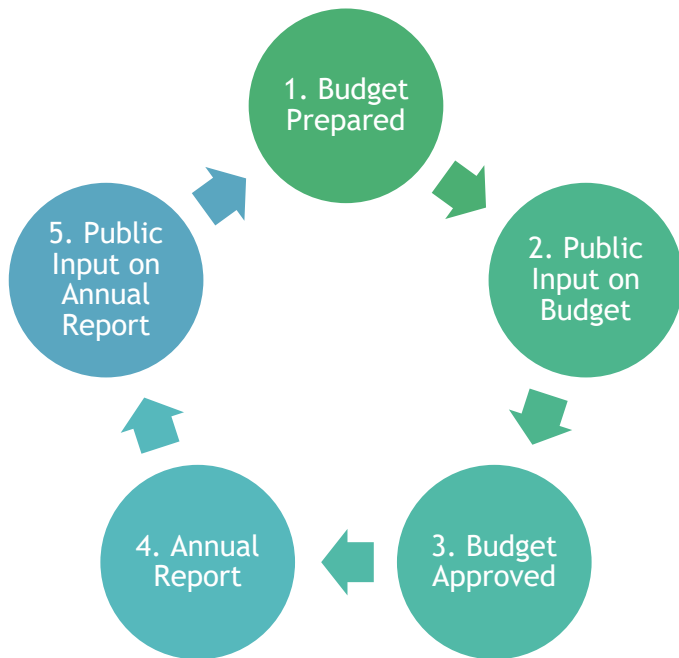


A large portion of the taxes you pay to the District of New Hazelton are redirected to other governments. In 2023, New Hazelton added just over half of received taxes to revenue.

The District draws on many funding sources other than direct taxation, such as grants and Payments in Lieu of Taxes (PILTs) from other governments and crown corporations. As a whole, the District’s expenditures were distributed between departments as indicated by this graph.



The Yearly Cycle



Each year there is a cycle for the approval of the budget:

1. Administration prepares a draft of the budget based on Council's priorities and input from the previous year's reporting.
2. Council reviews the Draft and the public is given an opportunity to ask questions and supply input on the draft budget.
3. Council chooses which changes they wish to make and then they approve the year's budget.
4. The following year, Staff prepares an annual report to lay out deliverables for the previous year.
5. Council and the public comment on the annual report and suggest elements they wish to see next year.

The Future

Each year during the budget process, the District of New Hazelton must prepare a five-year financial plan. The figures for the final four years included in the plan are estimates based on suspected tax revenue, anticipated grant funding, and foreseeable projects. These are not confirmed until the financial plan is adopted for that year, so residents will have further opportunity to provide input on the budget for future years. The plan encompasses five years to ensure that the District is planning for future expenses and keeping a long-term view of financial stewardship.

Annual Report Progress

The Community Charter and the Local Government Act are the pieces of legislation by which local governments obtain their authority to create bylaws, collect taxes, conduct elections and perform services for their citizens. This legislation also requires that local governments develop annual reports as a means of informing the public on the activities and functions that are achieved throughout the year. Local governments are also required to identify objectives, strategies and measures to report on the effectiveness and efficiency of municipal programs. As these objectives, strategies and measures are refined and reporting practices are improved over the years, a comprehensive picture of local government operations will be available to the public, funding agencies, partners and any other organization that seeks information. The information contained in this year's Annual Report depicts the comprehensive progress report for the year 2023 and includes objectives for 2024.

2023 PRIORITIES AND OBJECTIVES

For the report on 2022, staff presented a list of goals and objectives to work on for the 2023 calendar year. The following is a snapshot of the goals and objectives that includes how successful we were in achieving those goals.

ADMINISTRATION			
Objective	Strategy	Measure	How Did We Do?
Reduce Costs & Generate Additional Revenue	Continue to evaluate operations to reduce costs or increase revenue	Add to Operating Surplus	Surplus of \$794,800 recorded on financial statements
	Train new staff on house insurance	Begin offering House Insurance again	Ongoing
Asset Management	Continue to work on Asset Management Plan with Consultants	Completion by Fiscal end 2024	Ongoing
Organizational Capacity	Work on succession planning, education, happy & well-trained workforce	Succession Plan in place, staff well trained and stable	Staff training continues to build organizational knowledge & skills

ECONOMIC DEVELOPMENT			
Objective	Strategy	Measure	How Did We Do?
Market New Hazelton	Develop ways to attract & retain businesses	New Investment Occurs	Ongoing
Buy Local Campaign	Introduce a new local buying campaign to replace Love the Hazeltons	New campaign Promoted	Ongoing
Engage Local Businesses	Engage Local Businesses; surveys and methods	Business Engagement Increases	1 st Business Reception held in 2023 was well received.
Promote a Diverse Local Economy with Stable Workforces	Work with local businesses & Province to help address shortages, business support, diverse tax base, and housing shortages	Businesses will see a more stable workforce	Ongoing
	Request Province to release Crown Land with DONH boundaries to alleviate land shortage for housing	Province will grant release of crown land	Letter sent to Minister of Housing including mapping – no tangible response

WASTE WATER COLLECTION

Objective	Strategy	Measure	How Did We Do?
Lagoon Desludging	Apply for grant – work will be completed by a contractor & pw staff	Grant received	No grants available - ongoing
Sewer Line Rehabilitation	Work to be completed by contractors to maintain efficient operation of lines	Work completed	Ongoing

DOWNTOWN REVITALIZATION

Objective	Strategy	Measure	How Did We Do?
Replace Refuse & Recycling Containers	Apply for grant & replace structures	Grant received & containers replaced	Grant unsuccessful – move to 2024
Complete Office Building & Parking Lot Pavement	Contractor will complete parking lot	Paving will be complete	Completed

WATER DISTRIBUTION SYSTEM

Objective	Strategy	Measure	How Did We Do?
Young Street Waterline Upgrade	Apply for grant funding Work will be completed by contractor	Grant Received Work completed by contractor	Grant Unsuccessful - ongoing

ROAD UPGRADES

Objective	Strategy	Measure	How Did We Do?
Paving Overlays	9 th Ave – Kelly to Laurier & Graham to Ross	Work will be completed by contractor	Work was completed by Contractor

EQUIPMENT REPLACEMENT

Objective	Strategy	Measure	How Did We Do?
Purchase new ¾ ton pickup truck	Public Works and Finance will source a new vehicle	Vehicle will be purchased	Moved to 2025

COUNCIL ADVOCACY

Objective	Strategy	Measure	How Did We Do?
To Advocate for solutions to identified critical issues in the Strategic Plan 2022 - 2026	Council will advocate to the Province regarding housing shortages, small business support, and lack of childcare resources	Community, residents, and businesses will see an improvement in these areas	Ongoing
Resource Benefits Alliance	Advocate with 21 local governments for an agreement to collect revenue on resource extraction from the North	Agreement will be signed	Ongoing

LOOKING AHEAD TO 2024

The following is a look ahead at the goals and objectives for 2024. Success of these goals will be defined by the measurables outlined in the tables.

ADMINISTRATION			
Objective	Strategy	Measure	How Did We Do?
Reduce Costs & Generate Additional Revenue	Continue to evaluate operations to reduce costs or increase revenue	Add to Operating Surplus	
	Train new staff on house insurance	Begin offering House Insurance again	
Asset Management	Continue to work on Asset Management Plan with Consultants	Completion by Fiscal end 2024	
Organizational Capacity	Work on succession planning, education, happy & well-trained workforce	Succession Plan in place, staff well trained and stable	

ECONOMIC DEVELOPMENT			
Objective	Strategy	Measure	How Did We Do?
Market New Hazelton	Develop ways to attract & retain businesses	New Investment Occurs	
Buy Local Campaign	Introduce a new local buying campaign to replace Love the Hazeltons	New campaign Promoted	
Engage Local Businesses	Engage Local Businesses	Business Engagement Increases	
Promote a Diverse Local Economy with Stable Workforces	Work with local businesses & Province to help address shortages, business support, diverse tax base, and housing shortages	Businesses will see a more stable workforce	

WASTE WATER COLLECTION

Objective	Strategy	Measure	How Did We Do?
Lagoon Desludging	Apply for grant – work will be completed by a contractor & pw staff	Grant received	
Sewer Line Rehabilitation	Work to be completed by contractors to maintain efficient operation of lines	Work completed	
Install Overflow Pipe From S15 to Lagoon	Apply for grant for this project. Work to be completed by Contractor	Grant received and work completed by contractor	
Storm Sewer	Short sections and tie-ins done by Public Works staff	Work is complete	

DOWNTOWN REVITALIZATION

Objective	Strategy	Measure	How Did We Do?
Replace Refuse & Recycling Containers & Picnic tables	Apply for grant & replace structures	Grant received & containers replaced	
Replace gravel pathways at VC	Public Works staff and/or contractor to replace gravel pathways	Pathways will be replaced	

WATER DISTRIBUTION SYSTEM

Objective	Strategy	Measure	How Did We Do?
Young Street Waterline Upgrade	Apply for grant funding Work will be completed by contractor	Grant Received Work completed by contractor	

ROAD UPGRADES

Objective	Strategy	Measure	How Did We Do?
Paving Overlays	Templeman from 8 th to 9 th McBride from 12 th to 13 th 14 th from McLeod to Kelly	Work will be completed by contractor	

EQUIPMENT REPLACEMENT

Objective	Strategy	Measure	How Did We Do?
Purchase new ½ ton pickup truck	Public Works and Finance will source a new vehicle	Vehicle will be purchased	
Replace Backhoe	Public Works and Finance will source a new backhoe	Backhoe will be purchased	

COUNCIL ADVOCACY

Objective	Strategy	Measure	How Did We Do?
To Advocate for solutions to identified critical issues in the Strategic Plan 2022 - 2026	Council will advocate to the Province regarding housing shortages, small business support, and lack of childcare resources	Community, residents, and businesses will see an improvement in these areas	
Resource Benefits Alliance	Begin lobbying for a longer agreement to replace the one expiring in 2028	A new Resource Benefits Agreement will be in place when the present one expires	

APPENDIX A: DECLARATION OF DISQUALIFICATIONS

There were no disqualifications made under Section 111 of the *Community Charter* in 2023.

Wendy Hunt
Chief Administrative Officer

APPENDIX B: PERMISSIVE TAX EXEMPTIONS

In accordance with section 98(2)(b) of the Community Charter, the following properties in the District of New Hazelton were provided permissive property tax exemptions by Council for 2023, Tax Exemption Bylaw No. 371, 2023.

- | | |
|---|----------|
| 1. Roman Catholic Episcopal Corp of Prince Rupert
Lots 4-6 & Lots 7-21, Block 29, Plan PRP968, District Lot 863,
Section 2, Cassiar Land District | \$754.19 |
| 2. BC Conf Mennonite Brethren Churches
Lot A, Plan PRP12334, District Lot 863, Cassiar Land District | \$441.09 |
| 3. New Hazelton Congregation of Jehovah's Witnesses
Lot A, Plan EPP78072, District Lot 882, Section 2,
Cassiar Land District | \$70.64 |

APPENDIX C: AUDITED FINANCIAL STATEMENT

The District Of New Hazelton
Financial Statements
December 31, 2023

The District Of New Hazelton Contents

For the year ended December 31, 2023

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Management's Responsibility

To the Mayor and Members of Council of the District Of New Hazelton:

Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards and ensuring that all information in the annual report is consistent with the statements. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Council is composed primarily of Councilors who are neither management nor employees of the District. The Council is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial information included in the annual report. The Council fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Council is also responsible for recommending the appointment of the District's external auditors.

MNP LLP is appointed by the Council to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Council and management to discuss their audit findings.

April 22, 2024


Gail Lowry, Mayor


Wendy Hunt, Chief Administrative Officer

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, 2023, and the statements of operations, accumulated operating surplus, changes in net financial assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the District as at December 31, 2023, and the results of its operations and accumulated surplus, changes in its net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for 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 our 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 comprises the annual report and is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will 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 identified above when it becomes available 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.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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 in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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

April 22, 2024

MNP LLP

Chartered Professional Accountants

The District Of New Hazelton
Statement of Financial Position

As at December 31, 2023

	2023	2022
Financial assets		
Cash and cash equivalents (Note 4)	3,646,749	2,786,958
Accounts receivable (Note 5)	119,314	171,888
Taxes receivable (Note 6)	55,241	74,498
Total of assets	3,821,304	3,033,344
Liabilities		
Accounts payable and accruals	96,694	141,472
Deferred revenue (Note 7)	283,383	168,659
Asset retirement obligation (Note 9)	36,502	-
Total of financial liabilities	416,579	310,131
Net financial assets	3,404,725	2,723,213
Commitments and contingencies (Note 10)		
Non-financial assets		
Tangible capital assets (Schedule 1)	11,830,924	12,001,361
Inventory - parts and supplies	117,483	115,316
Prepaid expenses	18,776	17,102
Total non-financial assets	11,967,183	12,133,779
Accumulated surplus (Note 11)	15,371,908	14,856,992

Approved on behalf of the Council



Mayor



Chief
Administrative
Officer

The District Of New Hazelton Statement of Operations and Accumulated Surplus

For the year ended December 31, 2023

	2023 <i>Budget</i> <i>(Note 15)</i>	2023	2022
Revenue			
Government grants and transfers <i>(Note 13)</i>	2,326,000	1,343,119	730,618
Net taxes available for municipal purposes <i>(Note 14)</i>	655,500	676,009	657,528
ICBC commissions	352,000	401,757	351,477
Utility usage fees	267,000	252,964	256,733
Other fees and sale of goods and services	158,100	213,054	186,520
Investment income	20,000	108,190	60,266
	3,778,600	2,995,093	2,243,142
Program expenses			
General government services	1,333,550	1,095,961	996,086
Protective services	125,750	129,320	111,464
Transportation and transit services	756,500	686,934	609,887
Recreation and youth services	43,000	48,392	67,890
Water operations	157,500	251,033	242,152
Sewer operations	460,500	158,492	124,252
Garbage operations	94,500	91,700	92,663
Tourism and community development	12,500	18,345	52,500
	2,983,800	2,480,177	2,296,894
Annual surplus (deficit)	794,800	514,916	(53,752)
Accumulated surplus, beginning of year	14,856,992	14,856,992	14,910,744
Accumulated surplus, end of year	15,651,792	15,371,908	14,856,992

The accompanying notes are an integral part of these financial statements

The District Of New Hazelton
Statement of Change in Net Financial Assets
For the year ended December 31, 2023

	2023 Budget (Note 15)	2023	2022
Annual surplus (deficit)	794,800	514,916	(53,752)
Acquisition of tangible capital assets	(2,654,000)	(312,732)	(567,078)
Amortization of tangible capital assets	350,000	518,021	513,074
Asset retirement obligations	-	(34,852)	-
Changes in other non-financial assets	-	(3,841)	(3,477)
Change in net financial assets	(1,509,200)	681,512	(111,233)
Net financial assets, beginning of year	2,723,213	2,723,213	2,834,446
Net financial assets, end of year	1,214,013	3,404,725	2,723,213

The accompanying notes are an integral part of these financial statements

The District Of New Hazelton Statement of Cash Flows

For the year ended December 31, 2023

	2023	2022
Operating activities		
Annual surplus (deficit)	514,916	(53,752)
Non-cash items		
Amortization	518,021	513,074
Accretion expense	1,649	-
	1,034,586	459,322
Changes in working capital accounts		
Accounts receivable	52,573	141,941
Taxes receivable	19,256	(41,536)
Accounts payable and accruals	(44,780)	(85,877)
Deferred revenue	114,724	45,356
Inventory - parts and supplies	(2,167)	(1,631)
Prepaid expenses	(1,669)	(1,846)
	1,172,523	515,729
Capital activities		
Purchases of tangible capital assets	(312,732)	(567,078)
Increase (decrease) in cash resources	859,791	(51,349)
Cash resources, beginning of year	2,786,958	2,838,307
Cash resources, end of year	3,646,749	2,786,958

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.

2. Change in accounting policy

Asset retirement obligations

Effective January 1, 2023, the District adopted the Public Sector Accounting Board's (PSAB) new standard for the recognition, measurement and disclosure of a liability for asset retirement obligations under PS 3280 *Asset Retirement Obligations*. The new standard establishes when to recognize and how to measure a liability for an asset retirement obligation, and provides the related financial statement presentation and disclosure requirements. Pursuant to these recommendations, the change was applied prospectively, and prior periods have not been restated.

There was no material impact on the financial statements from the prospective application of the new accounting recommendations. See Note 9 for details of asset retirement obligations recorded.

Financial instruments

Effective January 1, 2023, the District adopted the Public Sector Accounting Board's (PSAB) new recommendations for the recognition, measurement, presentation and disclosure of financial assets, financial liabilities and derivatives under Section PS 3450 *Financial Instruments*. The new Section is applied prospectively, and prior periods have not been restated. There was no material impact on the financial statements from the prospective application of the new accounting recommendations.

3. Significant accounting policies

These financial statements are the representations of management, prepared in accordance with Canadian public sector accounting standards and including the following significant accounting policies:

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.

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.

Cash and cash equivalents

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.

3. Significant accounting policies *(Continued from previous page)*

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.

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:

	Years
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

Tax sale property held by the District is not amortized.

Liability for contaminated site

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 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, 2023.

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, 2023 as the District has not identified any contaminated sites.

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.

Revenue recognition

Government transfers

The District recognizes a government transfer as revenue when the transfer is authorized and all eligibility criteria, if any, have been met. A government transfer with stipulations giving rise to an obligation that meets the definition of a liability is recognized as a liability. In such circumstances, the District recognizes revenue as the liability is settled. Transfers of non-depreciable assets are recognized in revenue when received or receivable.

Tax revenue

The District recognizes taxes as assets and revenue when they meet the definition of an asset; are authorized by a legislature, council, or legislative convention; and the taxable event has occurred.

3. Significant accounting policies *(Continued from previous page)*

Revenue recognition *(Continued from previous page)*

Tax revenue is initially measured at management's best estimate of the amount resulting from the original taxable event in accordance with tax legislation. The related tax receivable is initially recognized at its realizable value at the date of acquisition. At each financial statement date, the District evaluates the tax receivable for collectability and records a valuation allowance to reflect the tax receivable at its net recoverable amount, if necessary.

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.

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

Segments

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.

Use of estimates

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Provisions are made for slow moving and obsolete inventory. Amortization is based on the estimated useful lives of tangible capital assets. Asset retirement obligations are the best estimate of the amount required to retire the tangible capital asset.

By their nature, these judgments are subject to measurement uncertainty, and the effect on the financial statements of changes in such estimates and assumptions in future years could be significant. These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in earnings in the years in which they become known.

Financial instruments

The District recognizes its financial instruments when the District becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value.

At initial recognition, the District may irrevocably elect to subsequently measure any financial instrument at fair value. The District has not made such an election during the year.

The District subsequently measures investments in equity instruments quoted in an active market and all derivative instruments, except those that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, at fair value. Fair value is determined by published price quotations. Transactions to purchase or sell these items are recorded on the trade date. Net gains and losses arising from changes in fair value are recognized in the statement of remeasurement gains and losses. Interest income is recognized in the statement of operations. Investments in equity instruments not quoted in an active market and derivatives that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, are subsequently measured at cost. With the exception of those instruments designated at fair value, all other financial assets and liabilities are subsequently measured at amortized cost using the effective interest rate method.

Transaction costs directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in operating annual surplus (deficit). Conversely, transaction costs are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

3. Significant accounting policies *(Continued from previous page)*

Financial instruments *(Continued from previous page)*

All financial assets except derivatives are tested annually for impairment. Management considers whether the investee has experienced continued losses for a period of years, recent collection experience for the loan, such as a default or delinquency in interest or principal payments, in determining whether objective evidence of impairment exists. Any impairment, which is not considered temporary, is recorded in the statement of operations. Write-downs of financial assets measured at cost and/or amortized cost to reflect losses in value are not reversed for subsequent increases in value. Reversals of any net remeasurements of financial assets measured at fair value are reported in the statement of remeasurement gains and losses. A statement of remeasurement gains and losses has not been presented in the financial statements as it would not contain any balances or transactions.

Asset retirement obligation

A liability for an asset retirement obligation is recognized at the best estimate of the amount required to retire a tangible capital asset (or a component thereof) at the financial statement date when there is a legal obligation for the District to incur retirement costs in relation to a tangible capital asset (or component thereof), the past transaction or event giving rise to the liability has occurred, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount can be made. The best estimate of the liability includes all costs directly attributable to asset retirement activities, based on information available at December 31, 2023. The best estimate of an asset retirement obligation incorporates a present value technique, when the cash flows required to settle or otherwise extinguish an asset retirement obligation are expected to occur over extended future periods.

When a liability for an asset retirement obligation is initially recognized, a corresponding asset retirement cost is capitalized to the carrying amount of the related tangible capital asset (or component thereof). The asset retirement cost is amortized over the useful life of the related asset.

At each financial reporting date, the District reviews the carrying amount of the liability. The District recognizes period-to-period changes to the liability due to the passage of time as accretion expense. Changes to the liability arising from revisions to either the timing, the amount of the original estimate of undiscounted cash flows or the discount rate are recognized as an increase or decrease to the carrying amount of the related tangible capital asset.

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.

4. Cash and cash equivalents

Cash and temporary investments are comprised of cash on deposit and investments as follows:

	2023	2022
Cash	1,549,839	2,552,400
Municipal Finance Authority of B.C. investments - money market fund	240,595	229,016
Term deposits	1,856,315	5,542
	3,646,749	2,786,958

Term deposits are non-redeemable and carry interest rates and maturity dates as follows:

<u>Amount</u>	<u>Interest Rate</u>	<u>Maturity Date</u>
5,626	1.50%	March 21, 2024
416,109	4.75%	February 27, 2024
416,109	4.75%	March 23, 2024
748,000	4.75%	February 27, 2024
270,471	4.75%	February 27, 2024

The District Of New Hazelton
Notes to the Financial Statements
For the year ended December 31, 2023

5. Accounts receivable

	2023	2022
Northern Development Initiative Trust	46,746	49,970
GST rebate	26,827	36,754
Other receivables	45,741	85,164
	119,314	171,888

6. Taxes receivable

	2023	2022
Current	35,891	60,123
Arrears	19,350	14,375
	55,241	74,498

7. Deferred revenue

	2023	2022
Federal Gas Tax - Community Works Fund (Note 8)	260,883	168,659
UBCM Next Generation 911	22,500	-
	283,383	168,659

8. Federal Gas Tax Community Works Fund

	2023	2022
UBCM Federal Gas Tax Community Works Fund reserve		
Balance - beginning of year	168,659	123,303
Amount received during the year	87,496	83,407
Interest revenue	4,728	1,949
Regional District USRC contribution	-	(40,000)
	260,883	168,659

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.

9. Asset retirement obligation

The District recognized a liability for the asset retirement obligation and a corresponding amount has been capitalized as an asset retirement cost and added to the carrying value of buildings and gravel pits. The asset retirement cost is amortized on a straight-line basis over the useful life of the tangible capital asset.

The District estimated the amount of the liability using discounted future expenditures estimated to retire the tangible capital asset. The significant assumptions used to determine the best estimate of the liability include:

- the estimated total future expenditures for settlement of the liability is assumed to be \$104,376
- the discount rate applied in the calculation was 4.73%

	2023	2022
Liabilities incurred	34,853	-
Accretion expense	1,649	-
Balance, end of year	36,502	-

10. Commitments and contingencies

a) 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, 2022, the plan has approximately 240,000 active members and approximately 124,000 retired members. Active members include approximately 43,000 contributors from local governments.

Every three years, an actuarial valuation is performed to assess the financial position of the plan and adequacy of plan funding. The actuary determines an appropriate combined employer and member contribution rate to fund the plan. The actuary's calculated contribution rate is based on the entry-age normal cost method, which produces the long-term rate of member and employer contributions sufficient to provide benefits for average future entrants to the plan. This rate may be adjusted for 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, 2021, indicated a \$3,761 million funding surplus for basic pension benefits on a going concern basis.

The District of New Hazelton paid \$46,549 for employer contributions to the plan in fiscal 2023 (\$42,905 in 2022).

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

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.

b) 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.

c) 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.

d) 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 the Financial Statements
For the year ended December 31, 2023

11. Accumulated surplus

	2023	2022
Operating fund	3,217,714	2,522,753
Reserves (Schedule 3)	359,772	332,878
Equity in tangible capital assets (Note 12)	11,794,422	12,001,361
	15,371,908	14,856,992

12. 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:

	2023	2022
Increases:		
Capital acquisitions	312,732	567,078
Asset retirement obligation asset	34,852	-
Decreases:		
Amortization	(518,021)	(513,074)
Asset retirement obligation liability	(36,502)	-
	(206,939)	54,004
Equity in tangible capital assets - beginning of year	12,001,361	11,947,357
	11,794,422	12,001,361

13. Government grants and transfers

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

	2023	2022
Unconditional grants and transfers		
Provincial	1,208,000	591,000
Regional District / Other	5,000	5,000
	1,213,000	596,000
Conditional grants and transfers		
Provincial	123,828	90,746
Recognition of deferred revenue - UBCM Federal Gas Tax Agreement Community Works Fund	-	40,000
Regional District / Other	-	1,680
Federal	6,291	2,192
	130,119	134,618
	1,343,119	730,618

The District Of New Hazelton
Notes to the Financial Statements
For the year ended December 31, 2023

14. Net taxes available for municipal purposes

	2023	2022
Taxes:		
Municipal taxes levied	1,036,033	981,165
Frontage	61,817	61,294
Revenue in lieu of taxes	52,037	51,170
Penalties and interest on taxes	22,369	14,688
	1,172,256	1,108,317
Less taxes on behalf of:		
School District	(260,184)	(231,405)
North West Regional Hospital District	(42,081)	(36,889)
Regional District of Kitimat-Stikine	(189,741)	(178,762)
B.C. Assessment Authority	(4,241)	(3,733)
	(496,247)	(450,789)
Net taxes available for municipal purposes	676,009	657,528

15. Annual budget

Fiscal plan amounts represent the Financial Plan Bylaw adopted by Council on March 6, 2023.

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

Financial Plan approved by Council	-	
Add back:		
Capital expenditures per budget	2,654,000	
Transfers to reserves	50,000	
Less:		
Amortization	(350,000)	
Transfers from own funds	(1,559,200)	
Annual Surplus per Statement of Operations	794,800	

The District Of New Hazelton
Notes to the Financial Statements
For the year ended December 31, 2023

16. 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. The funds are included in the operating fund and in 2023, the grant monies received and spent were as follows:

	2023	2022
Opening balance	357,151	348,780
Interest earned	18,072	8,371
<hr/>		
Ending balance	375,223	357,151
<hr/>		

17. Growing Communities Fund

The Province of British Columbia distributed conditional GCF grants to communities at the end of March 2023 to help local governments build community infrastructure and amenities to meet the demands of population growth. The GCF provided a one-time total of \$1 billion in grants to all 161 municipalities and 27 regional districts in British Columbia.

The District of New Hazelton received \$748,000 of GCF funding in March 2023. In 2023, the monies received and spent were as follows:

		2023
Balance, beginning of year		748,000
Interest earned		28,387
<hr/>		
Balance, end of year		776,387
<hr/>		

18. Financial Instruments

The District as part of its operations carries a number of financial instruments. It is management's opinion that the District is not exposed to significant interest, currency or credit risks arising from these financial instruments except as otherwise disclosed.

19. 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 Centre 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 and policing. 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. 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.

The District Of New Hazelton
Schedule 1 - Schedule of Tangible Capital Assets

For the year ended December 31, 2023

	<i>Land</i>	<i>Buildings</i>	<i>Equipment, furniture and motor vehicles</i>	<i>Water infrastructure</i>	<i>Sewer infrastructure</i>	<i>Subtotal</i>
Cost						
Balance, beginning of year	643,281	7,723,688	2,693,863	3,873,871	1,228,252	16,162,955
Acquisition of tangible capital assets	-	112,007	11,191	-	20,799	143,997
Asset retirement obligation	-	23,667	-	-	-	23,667
Balance, end of year	643,281	7,859,362	2,705,054	3,873,871	1,249,051	16,330,619
Accumulated amortization						
Balance, beginning of year	-	1,786,980	2,011,512	1,549,697	817,522	6,165,711
Annual amortization	-	152,957	136,253	53,137	72,167	414,514
Balance, end of year	-	1,939,937	2,147,765	1,602,834	889,689	6,580,225
Net book value of tangible capital assets	643,281	5,919,425	557,289	2,271,037	359,362	9,750,394
Net book value of tangible capital assets 2022	643,281	5,936,708	682,351	2,324,174	410,730	9,997,244

The District Of New Hazelton
Schedule 1 - Schedule of Tangible Capital Assets
For the year ended December 31, 2023

	<i>Subtotal</i>	<i>Transportation and transit services</i>	<i>Tax sale land</i>	<i>2023</i>	<i>2022</i>
Cost					
Balance, beginning of year	16,162,955	4,007,367	71,562	20,241,884	19,674,806
Acquisition of tangible capital assets	143,997	155,435	13,300	312,732	567,078
Asset retirement obligation	23,667	11,185	-	34,852	-
Balance, end of year	16,330,619	4,173,987	84,862	20,589,468	20,241,884
Accumulated amortization					
Balance, beginning of year	6,165,711	2,074,812	-	8,240,523	7,727,449
Annual amortization	414,514	103,507	-	518,021	513,074
Balance, end of year	6,580,225	2,178,319	-	8,758,544	8,240,523
Net book value of tangible capital assets	9,750,394	1,995,668	84,862	11,830,924	12,001,361
Net book value of tangible capital assets 2022	9,997,244	1,932,555	71,562	12,001,361	

The District of New Hazelton
Schedule 2 - Schedule of Segmented Revenue and Expenses

For the year ended December 31, 2023

	General government services	Protective services	Transportation and transit services	Recreation and youth services	Water operations	Sewer operations	Garbage operations	Tourism and community development	Other	2023	2023 Budget (Note 15)
Revenues											
Government grants and transfers	1,343,119	-	-	-	-	-	-	-	-	1,343,119	2,326,000
Net taxes available for municipal purposes	-	-	-	-	-	-	-	-	676,009	676,009	655,500
Utility usage fees	-	-	-	-	143,320	41,403	68,241	-	-	252,964	267,000
Other fees and sale of goods and services	184,754	17,000	3,200	8,100	-	-	-	-	-	213,054	158,100
ICBC commissions	-	-	-	-	-	-	-	-	401,757	401,757	352,000
Investment income	-	-	-	-	-	-	-	-	108,190	108,190	20,000
	1,527,873	17,000	3,200	8,100	143,320	41,403	68,241	-	1,185,957	2,995,093	3,778,600
Expenses											
Salaries, wages and benefits	566,622	61,691	358,469	-	66,093	-	-	-	-	1,052,875	1,139,750
Goods and services	305,257	54,814	248,827	24,937	73,367	84,459	91,700	-	-	883,361	1,474,550
Interest and bank charges	7,575	-	-	-	-	-	-	-	-	7,575	7,000
Other	-	-	-	-	-	-	-	18,345	-	18,345	12,500
Amortization	216,507	12,815	79,638	23,455	111,573	74,033	-	-	-	518,021	350,000
	1,095,961	129,320	686,934	48,392	251,033	158,492	91,700	18,345	-	2,480,177	2,983,800
	431,912	(112,320)	(683,734)	(40,292)	(107,713)	(117,089)	(23,459)	(18,345)	1,185,957	514,916	794,800

The District of New Hazelton
Schedule 2 - Schedule of Segmented Revenue and Expenses

For the year ended December 31, 2022

	General government services	Protective services	Transportation and transit services	Recreation and youth services	Water operations	Sewer operations	Garbage operations	Tourism and community development	Other	2022
Revenues										
Government grants and transfers	730,618	-	-	-	-	-	-	-	-	730,618
Net taxes available for municipal purposes	-	-	-	-	-	-	-	-	657,528	657,528
Utility usage fees	-	-	-	-	147,478	41,014	68,241	-	-	256,733
Other fees and sale of goods and services	156,345	17,000	5,375	7,800	-	-	-	-	-	186,520
ICBC commissions	-	-	-	-	-	-	-	-	351,477	351,477
Investment income	-	-	-	-	-	-	-	-	60,266	60,266
	886,963	17,000	5,375	7,800	147,478	41,014	68,241	-	1,069,271	2,243,142
Expenses										
Salaries, wages and benefits	490,334	62,803	297,625	-	57,049	-	-	-	-	907,811
Goods and services	287,922	35,846	234,268	42,765	72,671	50,440	92,663	-	-	816,575
Interest and bank charges	6,934	-	-	-	-	-	-	-	-	6,934
Other	-	-	-	-	-	-	-	52,500	-	52,500
Amortization	210,896	12,815	77,994	25,125	112,432	73,812	-	-	-	513,074
	996,086	111,464	609,887	67,890	242,152	124,252	92,663	52,500	-	2,296,894
	(109,123)	(94,464)	(604,512)	(60,090)	(94,674)	(83,238)	(24,422)	(52,500)	1,069,271	(53,752)

The District Of New Hazelton
Schedule 3 - Schedule of Reserve Fund Activities

For the year ended December 31, 2023

	<i>General capital</i>	<i>Sewer capital</i>	<i>Cemetery fund</i>	<i>Northern Capital and Planning</i>	2023	<i>2022</i>
Balance - beginning of year	51,214	236,904	4,048	40,712	332,878	601,522
Transfers in	50,000	-	-	-	50,000	50,000
Transfers out	-	-	-	(41,077)	(41,077)	(327,716)
Investment income (expense)	5,119	11,982	133	687	17,921	9,072
Contributions	-	-	-	-	-	-
Balance - end of year	106,333	248,886	4,181	322	359,722	332,878