Financial Information Regulation, Schedule 1

Checklist – Statement of Financial Information (SOFI)

For the Corporation:

Corporate Name:	District of New Hazelton	Contact Name:	Wendy Hunt, CAO/CFO
Fiscal Year End:	December 31, 2013	Phone Number:	250-842-6571
Date Submitted:	June 6, 2014	E-mail:	whunt@newhazelton.ca

For the Ministry:

Ministry Name:		Reviewer:				
Date Received:		Deficiencies:	Yes	☐	No	☐
Date Reviewed:		Deficiencies Addressed:	Yes	☐	No	☐
Approved (SFO):		Further Action Taken:				

Distribution: Legislative Library ☐ Ministry Retention ☐

FIR Schedule 1 Section	Item	Yes	No	N/A	Comments
	General				
1 (1) (a)	Statement of assets and liabilities	☐	☐	☐	
1 (1) (b)	Operational statement	☐	☐	☐	
1 (1) (c)	Schedule of debts	☐	☐	☐	
1 (1) (d)	Schedule of guarantee and indemnity agreements	☐	☐	☐	
1 (1) (e)	Schedule of employee remuneration and expenses	☐	☐	☐	
1 (1) (f)	Schedule of suppliers of goods and services	☐	☐	☐	
1 (3)	Statements prepared on a consolidated basis or for each fund, as appropriate	☐	☐	☐	
1 (4) 1 (5)	Notes to the financial statements for the statements and schedules listed above	☐	☐	☐	

FIR Schedule 1 Section	Item	Yes	No	N/A	Comments
Statement of Assets & Liabilities					
2	• A balance sheet prepared in accordance with GAAP or stated accounting principles / policies, and • Show changes in equity and surplus or deficit due to operations	☐	☐	☐	
Operational Statement					
3 (1)	Prepared in accordance with GAAP or stated accounting principles / policies and consists of: • a Statement of Income or Statement of Revenue and Expenditures, and • a Statement of Changes in Financial Position	☐	☐	☐	
3 (2) 3 (3)	• The Statement of Changes in Financial Position may be omitted if it provides no additional information • The omission must be explained in the notes	☐	☐	☐	
3 (4)	Community colleges, school districts, and municipalities must prepare a Statement of Changes in Financial Position for the Capital Fund	☐	☐	☐	
Schedule of Debts					
4 (1) (a) 4 (2)	List each long-term debt (secured by debentures, mortgages, bonds, etc.), stating the amount outstanding, the interest rate, and the maturity date	☐	☐	☐	
4 (1) (b)	Identify debts covered by sinking funds or reserves and amounts in these accounts	☐	☐	☐	
4 (3) 4 (4)	• The schedule may be omitted if addressed under section 2 or 5 and it provides no additional information • The omission must be explained in a note to the schedule	☐	☐	☐	

FIR Schedule 1 Section	Item	Yes	No	N/A	Comments
Schedule of Guarantee and Indemnity Agreements					
5 (1)	List financial agreements that required government approval prior to being given (see Guarantees and Indemnities Regulation in FIA Guidance Package)	☐	☐	☐	
5 (2)	State the entities involved, and the specific amount involved if known	☐	☐	☐	
5 (3) 5 (4)	• The schedule may be omitted if addressed under section 2 or 4 and it provides no additional information • The omission must be explained in a note to the schedule	☐	☐	☐	
Schedule of Remuneration and Expenses (See Guidance Package for suggested format)					
6 (2) (a)	List separately, by name and position, the total remuneration and the total expenses for each elected official, member of the board of directors, and employee appointed by Cabinet	☐	☐	☐	
6 (2) (b)	List alphabetically each employee whose total remuneration exceeds $75,000 and the total expenses for each [excluding the persons listed under 6 (2) (a)]	☐	☐	☐	
6 (2) (c)	Include a consolidated total for employees whose remuneration is $75,000 or less [excluding the persons listed under 6 (2) (a)]	☐	☐	☐	
6 (2) (d)	Reconcile or explain any difference between total remuneration in this schedule and related information in the operational statement	☐	☐	☐	
6 (3)	Exclude personal information other than name, position, function or remuneration and expenses of employees	☐	☐	☐	

FIR Schedule 1 Section	Item	Yes	No	N/A	Comments
Schedule of Remuneration and Expenses (See Guidance Package for suggested format)					
6 (6)	Report the employer portion of EI and CPP as a supplier payment to the Receiver General for Canada rather than as employee remuneration	☐	☐	☐	
6 (7) (a) 6 (7) (b)	Include a statement of severance agreements providing: • the number of severance agreements under which payment commenced in the fiscal year being reported on for non-union employees, and • the range of equivalent months' compensation for them (see Guidance Package for suggested format)	☐	☐	☐	
6 (8)	Provide the reason for omitting a statement of severance agreements in a note to the schedule of remuneration and expenses	☐	☐	☐	
Schedule of Suppliers of Goods or Services (See Guidance Package for suggested format)					
7 (1) (a)	List in alphabetical order all suppliers of goods and services who received aggregate payments exceeding $25,000	☐	☐	☐	
7 (1) (b)	Include a consolidated total of all payments to suppliers who received $25,000 or less	☐	☐	☐	
7 (1) (c)	Reconcile or explain any difference between the consolidated total and related figures in the operational statement	☐	☐	☐	
7 (2) (b)	Include a statement of payments for the purposes of grants or contributions	☐	☐	☐	

FIR Schedule 1 Section	Item	Yes	No	N/A	Comments
Inactive Corporations					
8 (1)	The ministry reports for the corporation if the corporation is not operating to the extent required to produce a SOFI	☐	☐	☐	
8 (2) (a)	The ministry's report contains the statements and schedules required under section 1 (1), to the extent possible	☐	☐	☐	
8 (2) (b)	The ministry's report contains a statement of the operational status of the corporation (see Guidance Package regarding what to include)	☐	☐	☐	
Approval of Financial Information					
9 (1)	Corporations other than municipalities – the SOFI is signed as approved by the board of directors or the governing body (see Guidance Package for example)	☐	☐	☐	
9 (2)	Municipalities – the SOFI is approved by its council and by the officer assigned responsibility for financial administration (see Guidance Package for example)	☐	☐	☐	
9 (3)	A management report is included, signed by the head and chief financial officer, or by the municipal officer assigned responsibility for financial administration (see examples in annual report at http://www.gov.bc.ca/cas/popt/)	☐	☐	☐	
9 (4)	The management report explains the roles and responsibilities of the board of directors or governing body, audit committee, management, and the auditors	☐	☐	☐	
9 (5)	Signature approvals required in section 9 are for each of the statements and schedules of financial information, not just the financial statements	☐	☐	☐	

DISTRICT OF NEW HAZELTON

SCHEDULE SHOWING THE REMUNERATION & EXPENSES PAID TO OR ON BEHALF OF EACH EMPLOYEE

1. Elected Officials

Name	Position	Remuneration
Lowry, Marilyn	Mayor	$ 10,815.22
Weeber, Pieter	Councillor	$ 3,692.40
Burns, George	Councillor	$ 4,800.12
Henwood, Braunwyn	Councillor	$ 4,800.12
Sturney, Ray	Councillor	$ 4,800.12
Weeber, Michael	Councillor	$ 4,800.12
Willson, Janet	Councillor	$ 4,800.12
Total: elected officials		**$ 38,508.22**

2. Other Employees (excluding those listed in Part 1 Above)

Name	Position	Remuneration		Expenses
Berg, Allan	Publ Wks Super.	$ 75,682.03		$ 213.76
Hunt, Wendy	CFO/CAO	$ 69,912.57		$ 3,105.51
van Dyk, Donald	CAO	$ 80,115.32		$ 2,630.83
Staff under $60,000		$ 295,809.62		
Total: Other Employees		$ 521,519.54		$ 5,950.10

3. Reconciliation

Total remuneration: Elected Officials	$	38,508.22
Total remuneration: Other Employees	$	521,519.54
Subtotal:	**$**	**560,027.76**
Reconciling Items	$	66,456.24
Total per statement of Revenue & Expenditure	**$**	**626,484.00**
Variance	$	-

- Prepared under the Financial Information Regulation, Schedule 1, section 6(2), (3), (4), (5), and (6)

Reconciling Items

Protective Services Remuneration	$	18,085.00
Benefits Payments	$	48,371.24
Total Reconciling Items	**$**	**66,456.24**

DISTRICT OF NEW HAZELTON

STATEMENT OF SEVERANCE AGREEMENTS

There were **no** severance agreements made between the District of New Hazelton and its non-unionized employees during the fiscal year 2013.

- Prepared under the Financial Information Regulation, Schedule 1, subsection 6(8)

SCHEDULE SHOWING PAYMENTS MADE FOR THE PROVISION OF GOODS OR SERVICES

1 Alphabetical list of suppliers who received aggregate payments exceeding 25,000

Supplier Name	Aggregate Amount Paid	
B. C HYDRO	$ 92,745.71	
BRANDT TRACTOR LTD.	$ 35,352.55	
BULKLEY ELECTRIC LTD.	$ 179,711.24	
OPUS DAYTON KNIGHT	$ 25,931.35	
KLAPPAN CONTRACTING	$ 39,360.30	
LB PAVING	$ 164,408.12	
PREMIUM TRUCK AND TRAILER	$ 120,207.95	
ROYAL BANK OF CANADA VISA	$ 55,429.20	
Total aggregate amount paid to suppliers	**$ 713,146.42**	

2 Consolidated total paid to suppliers who received aggregate payments of $25,000 or less

Supplier Name	Aggregate Amount Paid	
Total aggregate amount paid to suppliers	**$ 601,620.18**	

3 Total payments to suppliers for grants and contributions exceeding $25,000

Supplier Name	Aggregate Amount Paid	
HAZELTON AREA TOURIST INFORMATION CENTER	$ 10,000.00	
HAZELTON RECREATION CENTER	$ 34,000.00	
REGIONAL DISTRICT OF KITIMAT STIKINE	$ 25,000.00	
Consolidated total of grants exceeding $25,000	**$ 69,000.00**	
Consolidated total of contributions exceeding $25,000	**$ -**	
Consolidation of all grants and contributions exceeding $25,000	**$ 69,000.00**	

4 Reconciliation

Total aggregate payments exceeding $25,000 paid to suppliers	$	713,146.42
Consolidated total fo payments fo $25,000 or less paid to suppliers	$	610,285.58
Consolidated total of all grants and contributions exceeding $25,000	$	69,000.00
Reconciling items	$	-
Total per Statement of Revenue and Expenditures	$	1,392,432.00
Variance	$	0.00

Prepared under the Financial Information Regulation, Schedule 1, section 7 and the *Financial Information Act, section 2.*

Reconciling Items - Revenue and Expenditures

Total Reconciling Items	$0.00

DISTRICT OF NEW HAZELTON

STATEMENT OF FINANCIAL INFORMATION APPROVAL

The undersigned, as authorized by the Financial Information Regulation, Schedule 1, subsection 9(2), approves all the statements and schedules included in this Statement of Financial Information, produced under the Financial Information Act.

Wendy Hunt
Chief Financial Officer
June 6, 2014

Gail Lowry
Council Member on behalf of Council
June 6, 2014

▫ Prepared pursuant to the Financial Information Regulation, Schedule 1, section 9

DISTRICT OF NEW HAZELTON

MANAGEMENT REPORT

The Financial Statements contained in this Statement of Financial Information under the *Financial Information Act* have been prepared by management in accordance with generally accepted accounting principles or stated accounting principles, and the integrity and objectivity of these statements are management's responsibility. Management is also responsible for all the statements and schedules, and for ensuring that this information is consistent, where appropriate, with the information contained in the financial statements.

Management is also responsible for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

The Municipal Council is responsible for ensuring that management fulfils its responsibilities for finanacial reporting and internal control and exercises this reponsibility through the Committee of the Whole. The Committee of the Whole meets with management and the external auditors once a year, more frequently if necessary.

The Chief Administrative Officer has the responsibility of assessing the management systems and practices of the municipality.

The external auditors, McAlpine and Co., conduct an independent examination, in accordance with generally accepted auditing standards, and express their opinion on the financial statements. Their examination does not relate to the other schedules and statements required by the Act. Their examination includes a review and evaluation of the corporation's system of internal control and appropriate tests and procedures to provide reasonable assurance that the financial statements are presented fairly. The external auditors have full and free access to the Committee of the Whole and meet with it on a yearly basis.

On behalf of the District of New Hazelton

Wendy Hunt
Chief Financial Officer
June 6, 2014

Prepared pursuant to Financial Information Regulation, Schedule 1, section 9

THE DISTRICT OF NEW HAZELTON

Consolidated Financial Statements

As at December 31, 2013

McAlpine
& Co. CA
CHARTERED ACCOUNTANTS

THE DISTRICT OF NEW HAZELTON
COUNCIL - 2013

MAYOR
Gail Lowry

COUNCILORS

Braunwyn Henwood
Ray Sturney
Janet Willson
Peter Newbery
George Burns
Mike Weeber

APPOINTED OFFICIALS - 2013

Chief Administrative Officer — Wendy Hunt
Director of Public Works — Allan Berg

DISTRICT OF NEW HAZELTON

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2013

INDEX

Management's Report	Page 1
Independent Auditors' Report	Page 2
Consolidated Statement of Financial Position	Page 3
Consolidated Statement of Operations	Page 4
Consolidated Statement of Changes in Net Financial Assets	Page 5
Consolidated Statement of Cash Flow	Page 6
Notes to Consolidated Financial Statements	Pages 7 - 12
Consolidated Schedule of Segmented Revenue and Expenses	Schedule 1
Consolidated Schedule of Tangible Capital Assets	Schedule 2
Consolidated Schedule of Reserve Fund Activities	Schedule 3

MANAGEMENT'S REPORT

The management of The District of New Hazelton is responsible for the integrity of the accompanying consolidated financial statements. The consolidated financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles. The preparation of the consolidated financial statements necessarily includes some amounts which are based on the best estimates and careful judgement 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 consolidated financial statements have been audited by the independent firm of McAlpine & Co. Chartered Accountants. Their report to the Mayor and Council, stating the scope of their examination and opinion on the consolidated financial statements accompanies this statement.

Gail Lowry
Mayor

Wendy Hunt
Chief Administrative Officer

McAlpine
& Co. CA
CHARTERED ACCOUNTANTS

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Rory Reinbolt, CPA, CA
Michael Johnson, CPA, CA
Principal:
Sheryl Rice, CPA, CGA
(Incorporated Professionals)

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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of The District of New Hazelton, which comprise the statement of financial position as at December 31, 2013, and the statements of revenues and expenditures, changes in net assets and cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of The District of New Hazelton as at December 31, 2013, and the results of its operations and its cash flow for the year then ended in accordance with Canadian generally accepted accounting principles.

McAlpine & Co.

Terrace British Columbia
May 05, 2014

CHARTERED ACCOUNTANTS

DISTRICT OF NEW HAZELTON

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2013

	2013	2012
Financial assets		
Cash - *(Note 2)*	$ 2,590,178	$ 2,659,009
Accounts receivable, trade and other - *(Note 3)*	182,406	337,246
Taxes receivable - current	37,286	33,771
Taxes receivable - arrears	24,765	11,751
	2,834,635	3,041,777
Liabilities		
Accounts payable and accrued liabilities	89,531	66,096
Payable to other government bodies	8,029	1,599
Deferred revenue - *(Note 4)*	442,522	688,648
	540,082	756,343
Net financial assets	2,294,553	2,285,434
Non-financial assets		
Inventory - property	98,849	109,984
Tangible capital assets - *(Note 5)*	8,449,922	8,043,649
Prepaid expenses	12,251	19,426
	8,551,022	8,173,059
Accumulated surplus	$ 10,845,575	$ 10,458,493
Accumulated surplus comprised of:		
Operating fund	$ 1,897,346	$ 2,020,484
Reserves fund *(Schedule 3)*	498,305	394,361
Equity in tangible capital assets - *(Note 6)*	8,449,922	8,043,648
	$ 10,845,575	$ 10,458,493

Commitments and contingent liabilities - *(Note 9)*

Approved by:

Gail Lowry
Mayor

Wendy Hunt
Chief Administrative Officer

See notes to consolidated financial statements

DISTRICT OF NEW HAZELTON

CONSOLIDATED STATEMENT OF OPERATIONS
AS AT DECEMBER 31, 2013

	2013	Budget	2012
Revenues			
Net taxes available for municipal purposes - *(Note 7)*	$ 591,222	$ 586,000	$ 598,631
Utility usage fees	159,172	150,000	162,598
Other fees and sale of goods and services	121,114	66,000	89,525
Government grants and transfers - *(Note 8)*	765,760	698,000	660,031
ICBC commissions	309,147	250,000	285,664
Investment income	25,330		24,247
	1,971,745	1,750,000	1,820,696
Expenses			
General government	626,003	574,000	560,000
Protective services	57,808	105,000	46,177
Transportation and transit	230,454	495,000	204,908
Recreation and youth services	36,785	40,000	38,416
Water operations	123,179	120,000	112,190
Sewer operations	85,602	80,000	75,440
Tourism and community development	69,000	54,000	10,097
Amortization	342,022		324,169
	1,570,853	1,468,000	1,371,397
Operating surplus	400,892	282,000	449,299
Other items			
Proceeds on disposal of land inventory	4,944		13,600
Cost of land inventory sold	(21,353)		(24,720)
Land inventory write down			(38,858)
Gain on disposal of Tangible Capital	2,599		
	(13,810)		(49,978)
Annual surplus	387,082	282,000	399,321
Accumulated surplus - beginning of year	10,458,493	10,458,493	10,059,172
Accumulated surplus - end of year	$ 10,845,575	$ 10,740,493	$ 10,458,493

See notes to consolidated financial statements

DISTRICT OF NEW HAZELTON

CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS
AS AT DECEMBER 31, 2013

	2013	Budget	2012
Annual surplus	**$ 387,082**	$ 282,000	$ 399,321
Acquisition of tangible capital assets	**(761,200)**	(927,000)	(582,661)
Amortization of tangible capital assets	**342,022**		324,169
(Gain) loss on disposal of land inventory	**16,409**		11,120
Disposal of tangible capital assets	**12,907**		
Changes in other non-financial assets	**11,899**		235,438
Increase (decrease) in net financial assets	**9,119**	(645,000)	387,387
Net financial assets - beginning of year	**2,285,434**	2,285,434	1,898,047
Net financial assets - end of year	**$ 2,294,553**	$ 1,640,434	$ 2,285,434

See notes to consolidated financial statements

DISTRICT OF NEW HAZELTON

CONSOLIDATED STATEMENT OF CASH FLOW
AS AT DECEMBER 31, 2013

	2013	2012
Operating transactions		
Annual surplus	$ 387,082	$ 399,321
Non-cash items:		
Amortization	342,022	324,169
(Increase) decrease in inventory and other	28,310	246,558
Changes to financial assets/liabilities:		
(Increase) decrease in taxes receivable	(16,529)	(5,145)
Decrease (increase) in accounts receivable	154,840	(215,942)
Increase (decrease) in accounts payable	23,435	22,804
Increase (decrease) in government payables	6,430	(19,256)
Increase (decrease) in deferred revenue	(246,126)	250,178
Cash provided (used) by operating transactions	679,464	1,002,687
Capital transactions		
Acquisition of tangible capital assets	(761,200)	(582,661)
Proceeds from the disposal of tangible capital assets	15,504	
(Gain) loss on the disposal of tangible capital assets	(2,599)	
Increase (decrease) in cash position	(68,831)	420,026
Cash and equivalents - beginning of year	2,659,009	2,238,983
Cash and equivalents - end of year	$ 2,590,178	$ 2,659,009

Cash and equivalents is represented by cash and short-term investments.

1. Significant accounting policies

The consolidated financial statements of The District of New Hazelton (the District) are prepared by management in accordance with Canadian generally accepted accounting principles for municipal governments established by the Public Sector Accounting Board ("PSAB") of the Canadian Institute of Chartered Accountants. 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 transactinos or events occured that gave rise to the revenues and expenses in the period the goods and services and services were acquired and a liability was incurred.

b) Fund accounting

Funds within the consolidated 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.

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:

Land improvements	15 years
Buildings	20 to 50 years
Furniture, equipment and technology	5 to 20 years
Motor vehicles	15 to 20 years
Transportation infrastructure	15 to 40 years
Water infrastructure	10 to 100 years
Sanitary sewer infrastructure	25 to 85 years

Inventories held for consumption are recorded at the lower of cost and replacement cost.

d) Revenue recognition

Taxation

Annual levies for non-optional municipal services and general administrative services are recored as taxes for municipal services in the year they are levied. Levies imposed by other taxing authorities are not included as taxes for municipal purposes. Through the British Columbia Assessments appeal process, taxes may be adjusted by way of supplementary roll adjustments. The affects of these adjustments on taxes are recognized at the time they are awarded.

(continued)

1. **Significant accounting policies** *(continued)*

d) Revenue recognition *(continued)*

Government transfers

Government transfers are recognized in the financial statements as revenue in the period in which the events giving rise to the transfer occur, provideing the transfers are authorized, eligibility criteria have been met and reasonable estimates of the amounts can be made. Government transfers that gife rise to an obligation that meets the definition of a liability are recorded as deferred revenue until settlement of the liability has occured.

e) Land held for resale

Land held for resale is recorded at the lower of cost and net realizable value. Cost includes amounts for land acquisition and improvements to prepare the land for sale.

f) Basis of segmentation

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

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 consolidated change in net financial assets for the year.

h) Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles 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 and landfill closure liability.

I) Financial instruments

The District's financial instruments consist of cash, accounts receivable, and accounts payable. 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) Reporting entity and principles of financial reporting

The District's reporting entity includes the operations of The District of New Hazelton municipal government and all related entities which are either owned or controlled by The District of New Hazelton.

2. Cash and short-term investments

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

	2013	2012
Municipal Finance Authority of B.C. investments:		
- Money market fund	$ 207,039	$ 204,788
Cash	2,383,139	2,454,221
	$ 2,590,178	$ 2,659,009

3. Accounts receivable

	2013	2012
Government grants receivable:		
Provincial		
Northern Development Initiative Trust - Economic Capacity Fund	$ 41,993	$ 42,500
Towns for Tomorrow - Trails Project	37,355	165,899
ICBC Commissions	17,602	14,442
Utilities - sewer and water	404	10,175
HST/GST rebate	64,625	68,654
School tax overpayment		7,612
Other	20,427	27,964
	$ 182,406	$ 337,246

4. Deferred revenue

Included in deferred revenue is the following:

	2013	2012
UBCM Federal Gas Tax Community Works Fund reserve - balance at beginning of year	$ 363,622	$ 285,119
Amount received during the year	75,264	75,275
Interest revenue	3,636	3,228
Balance - end of year	442,522	363,622
Province of BC Small Communities Grant		325,026
	$ 442,522	$ 688,648

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 Municipality 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.

5. Tangible capital assets

	2013	2012
Land	$ 559,207	$ 559,207
Buildings	2,920,636	2,927,540
Machinery and equipment	814,058	798,696
Transportation infrastructure	1,632,094	1,205,650
Water infrastructure	1,881,790	1,932,960
Sanitary sewer infrastructure	383,210	395,536
	8,190,995	7,819,589
Assets under construction	258,927	224,059
	$ 8,449,922	$ 8,043,648

For additional information, see the Consolidated Schedule of Tangible Capital Assets (Schedule 2).

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 consolidated equity in tangible capital assets is as follows:

	2013	2012
Increases:		
Capital acquisitions	$ 761,200	$ 582,661
Decreases:		
Dispositions at net book value	(12,904)	
Amortization	(342,022)	(324,169)
Change in equity in tangible capital assets	406,274	258,492
Equity in tangible capital assets - beginning of year	8,043,648	7,785,156
Equity in tangible capital assets - end of year	$ 8,449,922	$ 8,043,648

7. Net taxes available for municipal purposes

	2013	2012
Taxes:		
Property	$ 770,315	$ 778,011
Frontage	60,134	60,307
Revenue in lieu of taxes	65,443	67,796
Penalties and interest on taxes	9,619	9,889
	905,511	916,003
Less taxes on behalf of:		
School	214,990	217,796
North West Regional Hospital District	27,446	30,968
Regional District of Kitimat-Stikine	68,061	63,977
B.C. Assessment Authority	3,784	4,622
Other	8	9
	314,289	317,372
Net taxes available for municipal purposes	$ 591,222	$ 598,631

8. Government grants and transfers

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

	2013	2012
Unconditional grants and transfers		
Provincial	$ 598,152	$ 412,706
Regional District / Other	50,993	81,426
	649,145	494,132
Conditional grants and transfers		
Provincial	116,615	165,899
	116,615	165,899
	$ 765,760	$ 660,031

9. Commitments and contingencies

a) Capital requirements

District Council has approved a 2013 - 2017 tangible capital expenditure financial plan of $5,683,000. The 2014 requirement of $764,000 is to be funded as follows:

Operating funds	$
Allocation of surplus funds	606,000
Grants	158,000
	$ 764,000

b) Pension plan

The District of New Hazelton and its employees contribute to the Municipal Pension Plan (the plan), a jointly- trusteed pension plan. The board of trustees, representing plan members and employers, is responsible for overseeing the management of the pension plan, including investment of the assets and administration of benefits. The plan is a multi-employer contributory pension plan. Basic pension benefits provided are based on a formula. The plan has approximately 179,000 active members and about 71,000 retired members. Active members include approximately 7 contributors from the District of New Hazelton.

The latest valuation as at December 31, 2012 indicated a $1,370 million funding deficit for basic pension benefits. The next valuation will be as at December 31, 2016. 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 with the result that there is no consistent and reliable basis for allocating the obligation, assets and cost to the individual employers participating in the Plan

The District of New Hazelton paid $41,276 for employer contributions to the plan in fiscal 2013 ($43,536 in 2012).

9. **Commitments and contingencies** *(continued)*

c) B.C. Assessment Authority appeals

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

d) Contingent liabilities

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

DISTRICT OF NEW HAZELTON
Consolidated Schedule of Segmented Revenue and Expenses
Year Ended December 31, 2013

Schedule 1

	General government services	Protective services	Transportation and transit services	Recreation and youth services	Water operations	Sewer operations	Tourism and community development	Other	2013	2012	2013 Budget
Revenues											
Net taxes available for district purposes	$	$	$	$	$	$	$	$ 591,222	$ 591,222	$ 598,631	$ 586,000
User fees and sale of goods and services	62,040	15,356	685	9,901	117,397	41,775		20,448	267,602	244,818	216,000
Government grants and transfers	765,760								765,760	660,031	698,000
ICBC Commissions								309,147	309,147	285,664	250,000
Investment income								25,330	25,330	24,247	
Building rentals and other revenue								33,132	33,132	20,905	
	827,800	15,356	685	9,901	117,397	41,775		979,279	1,992,193	1,834,296	1,750,000
Expenses											
Salaries, wages and benefits	400,693	18,085	99,916		60,858	46,932			626,484	594,491	684,000
Goods and services	221,938	39,723	130,538	36,785	62,321	38,671		34,258	564,233	503,791	784,000
Interest and bank charges	3,372								3,372	2,427	
Other							69,000		69,000	10,097	
Amortization								342,022	342,022	324,169	
	626,003	57,808	230,454	36,785	123,179	85,603	69,000	376,280	1,605,111	1,434,975	1,468,000
	$ 201,797	$ (42,452)	$ (229,769)	$ (26,884)	$ (5,782)	$ (43,828)	$ (69,000)	$ 602,999	$ 387,082	$ 399,321	$ 282,000

DISTRICT OF NEW HAZELTON
Consolidated Schedule of Tangible Capital Assets
Year Ended December 31, 2013

Schedule 2

	Land	Buildings	Equipment, furniture and motor vehicles	Water infrastructure	Sewer infrastructure	Transportation infrastructure	Other	2013	2012
Cost									
Opening balance	$ 559,207	$ 3,914,667	$ 1,961,282	$ 2,960,188	$ 793,435	$ 2,559,591	$	$ 12,748,370	$ 12,165,707
Additions - purchased		88,562	190,040		206,762	275,834		761,198	582,661
Additions - donated									
Disposals			(141,330)					(141,330)	
Writedowns									
Ending balance	559,207	4,003,229	2,009,992	2,960,188	1,000,197	2,835,425		13,368,238	12,748,368
Accumulated amortization									
Opening balance		987,127	1,162,585	1,027,227	397,899	1,129,881		4,704,719	4,380,551
Amortization		95,466	109,610	51,170	12,327	73,449		342,022	324,169
Acc. amortization on disposals			(128,425)					(128,425)	
Ending balance		1,082,593	1,143,770	1,078,397	410,226	1,203,330		4,918,316	4,704,720
Net book value December 31, 2013	$ 559,207	$ 2,920,636	$ 866,222	$ 1,881,791	$ 589,971	$ 1,632,095	$	$ 8,449,922	$ 8,043,649

DISTRICT OF NEW HAZELTON
Consolidated Schedule of Reserve Fund Activities
Year Ended December 31, 2013

Schedule 3

	Machinery and equipment	Water capital	Sewer capital	Cemetery fund	Tax sale reserve	Sewer operations	Building fund	2013	2012
Balance - beginning of year	$ 84,595	$ 32,583	$ 187,970	$ 3,634	$ 85,579	$	$	$ 394,361	$ 390,456
Transfers in									
Investment income	846	326	1,880	36	856			3,944	3,905
Contributions							100,000	100,000	
Balance - end of year	$ 85,441	$ 32,909	$ 189,850	$ 3,670	$ 86,435	$	$ 100,000	$ 498,305	$ 394,361