Financial Information Regulation, Schedule 1

Checklist – Statement of Financial Information (SOFI)

For the Corporation:

Corporate Name:	District of New Hazelton	Contact Name:	Wendy Hunt, CFO
Fiscal Year End:	December 31, 2012	Phone Number:	250-842-6571
Date Submitted:	June 13, 2013	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		$ 4,800.12	
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			**$ 39,615.94**	

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

Name	Position	Remuneration		Expenses
Berg, Allan	Publ Wks Super.	$ 79,438.58		$ 1,169.92
Hunt, Wendy	CFO	$ 60,537.36		$ 2,288.20
van Dyk, Donald	**CAO**	$ 100,782.66		$ 2,421.96
Staff under $60,000		$ 295,650.46		
Total: Other Employees		$ 536,409.06		$ 5,880.08

3. Reonciliation

Total remuneration: Elected Officials	$	39,615.94
Total remuneration: Other Employees	$	536,409.06
Subtotal:	**$**	**576,025.00**
Reconciling Items	$	18,465.00
Total per statement of Revenue & Expenditure	**$**	**594,490.00**
Variance	$	-

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

Reconciling Items

Protective Services Remuneration	$	18,465.00
Total Reconciling Items	**$**	**18,465.00**

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 2012.

- 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	$ 75,661.74	
BRANDT TRACTOR LTD.	$ 42,623.88	
LB PAVING	$ 121,846.15	
ROYAL BANK VISA	$ 45,280.58	
Total aggregate amount paid to suppliers	**$ 285,412.35**	

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	**$ 218,380.65**	

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

Supplier Name	Aggregate Amount Paid	
Consolidated total of grants exceeding $25,000	$ -	
Consolidated total of contributions exceeding $25,000	$ -	
Consolidation of all grants and contributions exceeding $25,000	$ -	

4 Reconciliation

Total aggregate payments exceeding $25,000 paid to suppliers	$	285,412.35
Consolidated total fo payments fo $25,000 or less paid to suppliers	$	218,380.65
Consolidated total of all grants and contributions exceeding $25,000	$	-
Reconciling items	$	-
Total per Statement of Revenue and Expenditures	$	503,793.00
Variance	$	-

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 13, 2013

Gail Lowry
Council Member on behalf of Council
June 13, 2013

▫ 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 20, 2012

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

THE DISTRICT OF NEW HAZELTON

Consolidated Financial Statements

As at December 31, 2012

McAlpine
& Co. CA
CHARTERED ACCOUNTANTS

THE DISTRICT OF NEW HAZELTON
COUNCIL - 2012

MAYOR
Gail Lowry

COUNCILORS

Braunwyn Henwood
Ray Sturney
Janet Willson
Pieter Weeber
George Burns
Mike Weeber

APPOINTED OFFICIALS - 2012

Chief Administrative Officer	Donny van Dyk
Chief Financial Officer	Wendy Hunt
Director of Public Works	Allan Berg

DISTRICT OF NEW HAZELTON

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AS AT DECEMBER 31, 2012

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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

Donny van Dyk
Chief Administrative Officer

McAlpine
& Co. CA
CHARTERED ACCOUNTANTS

201 - 4630 LAZELLE AVENUE, TERRACE, B.C. V8G 1S6
Telephone: (250) 635-4925
Toll Free: 1-888-311-3366
Fax No.: (250) 635-4975

Partners:
Curtis Billey, B.Comm, C.A.
Rory Reinbolt, C.A.
Michael Johnson, C.A.
Principal:
Sheryl Rice, C.G.A.
(Incorporated Professionals)

Web page: http://www.mcalpine-ca.net
E-mail: info@mcalpine-ca.net

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, 2012, 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, 2012, 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 06, 2013

CHARTERED ACCOUNTANTS

DISTRICT OF NEW HAZELTON

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2012

	2012	2011
Financial assets		
Cash - *(Note 2)*	**$ 2,659,009**	$ 2,238,983
Accounts receivable, trade and other - *(Note 3)*	**337,246**	121,304
Taxes receivable - current	**33,771**	24,875
Taxes receivable - arrears	**11,751**	15,502
	3,041,777	2,400,664
Liabilities		
Accounts payable and accrued liabilities	**66,096**	43,292
Payable to other government bodies	**1,599**	20,855
Deferred revenue - *(Note 4)*	**688,648**	438,470
	756,343	502,617
Net financial assets	**2,285,434**	1,898,047
Non-financial assets		
Inventory - property	**109,984**	359,427
Tangible capital assets - *(Note 5)*	**8,043,648**	7,785,156
Prepaid expenses	**19,427**	16,542
	8,173,059	8,161,125
Accumulated surplus	**$ 10,458,493**	$ 10,059,172
Accumulated surplus comprised of:		
Operating fund	**$ 2,020,484**	$ 1,883,560
Reserves fund *(Schedule 3)*	**394,361**	390,456
Equity in tangible capital assets - *(Note 6)*	**8,043,648**	7,785,156
	$ 10,458,493	$ 10,059,172

Commitments and contingent liabilities - *(Note 9)*

Approved by:

Gail Lowry
Mayor

Donny van Dyk
Chief Administrative Officer

See notes to consolidated financial statements

DISTRICT OF NEW HAZELTON

CONSOLIDATED STATEMENT OF OPERATIONS
AS AT DECEMBER 31, 2012

	2012	Budget	2011
Revenues			
Net taxes available for municipal purposes - *(Note 7)*	$ **598,631**	$ 609,100	$ 588,523
Utility usage fees	**162,598**	105,500	157,196
Other fees and sale of goods and services	**89,525**	131,100	93,163
Government grants and transfers - *(Note 8)*	**660,031**	667,500	409,416
ICBC commissions	**285,664**	250,000	286,445
Investment income	**24,247**		58,306
	1,820,696	1,763,200	1,593,049
Expenses			
General government	**560,000**	542,615	527,788
Protective services	**46,177**	106,600	63,697
Transportation and transit	**204,908**	531,500	462,940
Recreation and youth services	**38,416**	91,500	42,200
Water operations	**112,190**	121,100	87,195
Sewer operations	**75,440**	93,300	63,646
Tourism and community development	**10,097**	10,000	10,000
Other			
Amortization	**324,169**		317,835
	1,371,397	1,496,615	1,575,301
Operating surplus	**449,299**	266,585	17,748
Other items			
Proceeds on disposal of land inventory	**13,600**		83,437
Cost of land inventory sold	**(24,720)**		(162,063)
Land inventory write down	**(38,858)**		
	(49,978)		(78,626)
Annual surplus	**399,321**	266,585	(60,878)
Accumulated surplus - beginning of year	**10,059,172**	10,059,172	10,120,050
Accumulated surplus - end of year	**$ 10,458,493**	$ 10,325,757	$ 10,059,172

DISTRICT OF NEW HAZELTON

CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS
AS AT DECEMBER 31, 2012

	2012	Budget	2011
Annual surplus	$ **399,321**	$ 266,585	$ (60,878)
Acquisition of tangible capital assets	**(582,661)**	(843,500)	(78,454)
Amortization of tangible capital assets	**324,169**		317,835
(Gain) loss on disposal of land inventory	**11,120**		78,626
Changes in other non-financial assets	**235,438**		79,991
Increase (decrease) in net financial assets	**387,387**	(576,915)	337,120
Net financial assets - beginning of year	**1,898,047**	1,898,047	1,560,927
Net financial assets - end of year	$ **2,285,434**	$ 1,321,132	$ 1,898,047

DISTRICT OF NEW HAZELTON

CONSOLIDATED STATEMENT OF CASH FLOW
AS AT DECEMBER 31, 2012

	2012	2011
Operating transactions		
Annual surplus	$ 399,321	$ (60,878)
Non-cash items:		
Amortization	324,169	317,835
(Increase) decrease in inventory and other	246,558	158,617
Changes to financial assets/liabilities:		
(Increase) decrease in taxes receivable	(5,145)	46,157
Decrease (increase) in accounts receivable	(215,942)	186,480
Increase (decrease) in accounts payable	22,804	(9,784)
Increase (decrease) in government payables	(19,256)	(12,442)
Increase (decrease) in deferred revenue	250,178	207,873
Cash provided (used) by operating transactions	1,002,687	833,858
Capital transactions		
Acquisition of tangible capital assets	(582,661)	(78,454)
Increase (decrease) in cash position	420,026	755,404
Cash and equivalents - beginning of year	2,238,983	1,483,579
Cash and equivalents - end of year	$ 2,659,009	$ 2,238,983

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

Revenues are accounted for in the period in which the transactions or events occurred that gave rise to the revenues. Funds from external parties and earnings thereon restricted by agreement or legislation are accounted for as deferred revenue until used for the purpose specified. Expenditures are accounted for in the period the goods and services are acquired and a liability is incurred or transfers are due.

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) 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.

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

e) 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.

f) 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.

g) 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.

h) 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:

	2012	2011
Municipal Finance Authority of B.C. investments:		
- Money market fund	**$ 204,788**	$ 202,640
Cash	**2,454,221**	2,036,343
	$ 2,659,009	$ 2,238,983

3. Accounts receivable

	2012	2011
Government grants receivable:		
Provincial		
Northern Development Initiative Trust - Economic Capacity Fund	**42,500**	
Towns for Tomorrow - Trails Project	**165,899**	
ICBC Commissions	**14,442**	14,718
Utilities - sewer and water	**10,175**	13,808
HST/GST rebate	**68,654**	63,146
School tax overpayment	**7,612**	
Other	**27,964**	29,632
	$ **337,246**	$ 121,304

4. Deferred revenue

Included in deferred revenue is the following:

	2012	2011
UBCM Federal Gas Tax Community Works Fund reserve - balance at beginning of year	$ 285,119	$ 209,844
Amount received during the year	75,275	75,275
Interest revenue	3,228	
Balance - end of year	363,622	285,119
Province of BC Small Communities Grant	325,026	153,351
	$ 688,648	$ 438,470

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

	2012	2011
Land	$ 559,207	$ 373,342
Buildings	2,927,540	3,021,306
Machinery and equipment	798,696	851,398
Transportation infrastructure	1,205,650	1,160,363
Water infrastructure	1,932,960	1,970,884
Sanitary sewer infrastructure	395,536	407,863
Assets under construction	224,059	
	$ 8,043,648	$ 7,785,156

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:

	2012	2011
Increases:		
Capital acquisitions	$ 582,661	$ 78,454
Decreases:		
Amortization	(324,169)	(317,835)
Change in equity in tangible capital assets	258,492	(239,381)
Equity in tangible capital assets - beginning of year	7,785,156	8,024,537
Equity in tangible capital assets - end of year	$ 8,043,648	$ 7,785,156

7. Net taxes available for municipal purposes

	2012	2011
Taxes:		
Property	$ 778,011	$ 746,662
Frontage	60,307	61,819
Revenue in lieu of taxes	67,796	81,823
Penalties and interest on taxes	9,889	10,262
	916,003	900,566
Less taxes on behalf of:		
School	217,796	212,720
North West Regional Hospital District	30,968	25,152
Regional District of Kitimat-Stikine	63,977	70,865
B.C. Assessment Authority	4,622	3,291
Other	9	15
	317,372	312,043
Net taxes available for municipal purposes	$ 598,631	$ 588,523

8. Government grants and transfers

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

	2012	2011
Unconditional grants and transfers		
Provincial	$ 412,706	$ 407,666
Regional District / Other	81,426	1,750
	494,132	409,416
Conditional grants and transfers		
Provincial	165,899	
	165,899	
	$ 660,031	$ 409,416

9. Commitments and contingencies

a) Capital requirements

District Council has approved a 2013 - 2017 tangible capital expenditure financial plan of $5,604,000. The 2013 requirement of $1,003,000 is to be funded as follows:

Operating funds	$ 198,000
Allocation of surplus funds	645,000
Grants	160,000
	$ 1,003,000

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 pension plan is a multi-employer contributory pension plan. Basic pension benefits provided are based on a forumula. The plan has about 176,000 active members and approximately 67,000 retired members. Active members include approximately 35,000 contributors from local governments.

The most recent valuation as at December 31, 2009 indicated a $1,024 million fundinf deficit for basic pension benefits. The next valuation will be as at December 31, 2012 with results available in 2013. Defined contribution plan accounting is applied to the Plan as the Plan exposes the participating entities to actuarial risks associated with the Current and former employees of other entities, with the result that there is no consistent and reliable basis for allocating the obligation, Plan assets and cost to individual entities participating in the plan.

The District of New Hazelton paid $43,536 for employer contributions to the plan in fiscal 2012 ($37,555 in 2011).

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, 2012

Schedule 1

	General government services	Protective services	Transportation and transit services	Recreation and youth services	Water operations	Sewer operations	Tourism and community development	Other	2012	2011	2012 Budget
Revenues											
Net taxes available for district purposes	$	$	$	$	$	$	$	$ 598,631	$ 598,631	$ 588,523	$ 617,175
User fees and sale of goods and services	45,871	15,100	425	7,222	120,153	42,446		13,600	244,817	258,974	227,260
Government grants and transfers	660,031								660,031	409,416	414,000
ICBC Commissions								285,664	285,664	286,445	200,000
Investment income								24,247	24,247	58,306	
Building rentals and other revenue								20,907	20,907	74,821	
	705,902	15,100	425	7,222	120,153	42,446		943,049	1,834,297	1,676,485	1,458,435
Expenses											
Salaries, wages and benefits	405,282	18,465	65,396		59,450	45,897			594,490	640,907	710,550
Goods and services	152,295	27,711	139,512	38,416	52,740	29,543		63,577	503,793	766,493	707,600
Interest and bank charges	2,427								2,427	2,128	
Other							10,097		10,097	10,000	
Amortization								324,169	324,169	317,835	
	560,004	46,176	204,908	38,416	112,190	75,440	10,097	387,746	1,434,976	1,737,363	1,418,150
	$ 145,898	$ (31,076)	$ (204,483)	$ (31,194)	$ 7,963	$ (32,994)	$ (10,097)	$ 555,303	$ 399,321	$ (60,878)	$ 40,285

DISTRICT OF NEW HAZELTON
Consolidated Schedule of Tangible Capital Assets
Year Ended December 31, 2012

Schedule 2

	Land	Buildings	Equipment, furniture and motor vehicles	Water infrastructure	Sewer infrastructure	Transportation infrastructure	Other	2012	2011
Cost									
Opening balance	$ 373,342	$ 3,914,667	$ 1,907,114	$ 2,947,572	$ 793,435	$ 2,229,577	$	$ 12,165,707	$ 12,087,253
Additions - purchased	185,865		54,167	12,615		330,014		582,661	78,454
Additions - donated									
Disposals									
Writedowns									
Ending balance	559,207	3,914,667	1,961,281	2,960,187	793,435	2,559,591		12,748,368	12,165,707
Accumulated amortization									
Opening balance		893,361	1,055,716	976,688	385,572	1,069,214		4,380,551	4,062,716
Amortization		93,766	106,869	50,539	12,327	60,668		324,169	317,835
Acc. amortization on disposals									
Ending balance		987,127	1,162,585	1,027,227	397,899	1,129,882		4,704,720	4,380,551
Net book value December 31, 2012	$ 559,207	$ 2,927,540	$ 798,696	$ 1,932,960	$ 395,536	$ 1,429,709	$	$ 8,043,648	$ 7,785,156

DISTRICT OF NEW HAZELTON
Consolidated Schedule of Reserve Fund Activities
Year Ended December 31, 2012

Schedule 3

	Machinery and equipment	Water capital	Sewer capital	Cemetery fund	Tax sale reserve	Sewer operations	Community Works fund	2012	2011
Balance - beginning of year	$ 83,757	$ 32,260	$ 186,109	$ 3,598	$ 84,732	$	$	$ 390,456	$ 388,382
Transfers in									
Investment income	838	323	1,861	36	847			3,905	2,074
Balance - end of year	$ 84,595	$ 32,583	$ 187,970	$ 3,634	$ 85,579	$	$	$ 394,361	$ 390,456