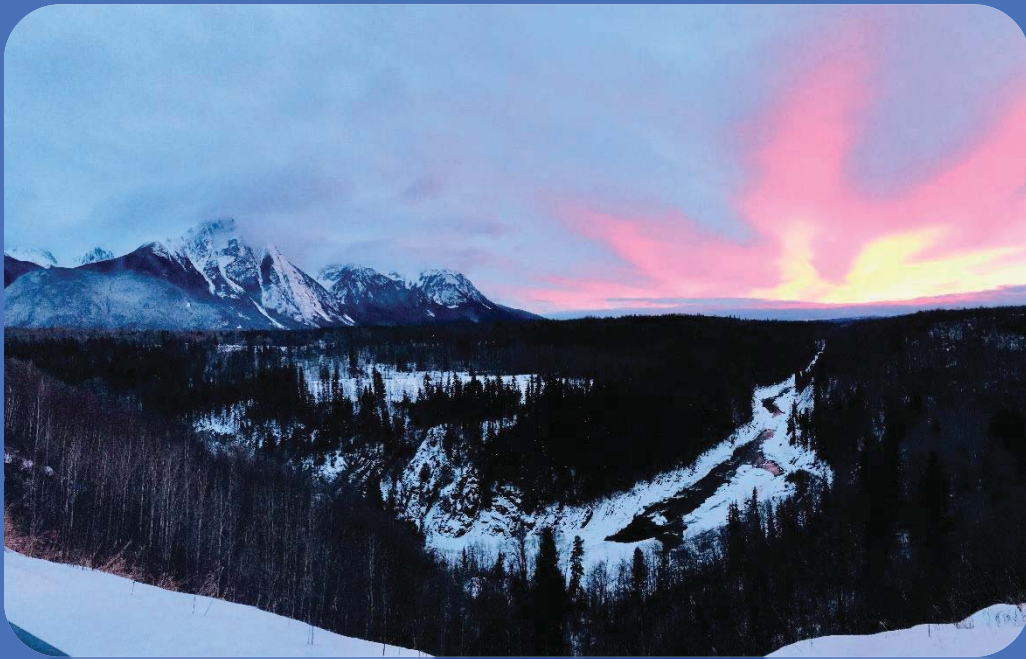




VILLAGE OF HAZELTON 2019 ANNUAL REPORT



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MAYOR AND COUNCIL



Mayor Dennis Sterritt

Regional District of Kitimat Stikine – Board of Directors/Regional Hospital District

Northern Development Initiative Trust Regional Advisory Committee

Municipal Insurance Association

Municipal Finance Authority

Upper Skeena Recreation Centre – Owners Partnership Committee

Skeena TV Association

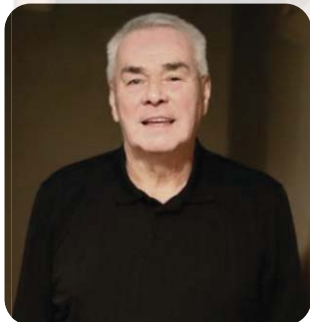
Councillor Buddy Smith

Wrinch Memorial Foundation

Skeena Coalition Housing Society

Community Health Improvement Committee

Emergency Planning and Operations Committee



Councillor Jody Tetreau

Hazelton District Public Library Board

Councillor Julie Maitland

Regional District of Kitimat-Stikine – Board of Directors/Regional Hospital District

Upper Skeena Development Centre

Public and Technical Advisory Committee

Community Forest



Councillor Wendy Blackstock



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 municipalities develop annual reports as a means of informing the public on the activities and functions that are achieved throughout the year. Municipalities 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 municipal 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 2019 and includes objectives for 2020.

DECLARATIONS OF DISQUALIFICATIONS FOR 2019

The Village of Hazelton has had no disqualifications of a Council member or former Council member under s.111 of the *Community Charter*.

COMMUNITY PROFILE

Dating back to 1866, Hazelton remains one of the oldest settlements in British Columbia. Hazelton's rich and vibrant history goes back thousands of years, and is expressed through the 'Ksan Historical Village and Museum. Hazelton was also the gateway to the Omineca Gold Rush and many remnants of that history remain.

The modern Village of Hazelton has a population of 270 residents and is located at the fork of the Skeena and Bulkley Rivers on the most northern point of Highway 16. The Village is part of the collective area of the "the Hazeltons", encompassing two municipalities, several first nation communities and rural areas with an estimated population of over 6000 people.

Tourism and the service sector have replaced forestry and other resource industries as the main economic drivers within the Village. Yet, many people choose to live in the Village while working elsewhere in the region. This speaks to the uniqueness and vibrancy of this long-established community.

The Village remains a unique and beautiful place to live and to visit and continues to explore ways to attract visitors and new residents to the area.

ADMINISTRATION

The Chief Administrative Officer for the Village of Hazelton is appointed by and reports to Mayor and Council. The Chief Administrative Officer oversees the overall administration of the Municipality and employees. In addition, the Chief Administrative Officer is charged with keeping Council up to date on corporate matters and ensuring that Council policy is implemented and bylaws are enforced. The Chief Administrative Officer also oversees Land Use Planning within Village boundaries, this includes zoning, subdividing and development permits.

The Deputy Corporate Officer manages and preserves all Council and Corporate records through a records management and archives program. The Deputy Corporate Officer's functions also includes agenda preparation, the recording of official minutes, the administration and certification of Municipal Bylaws. The Deputy Corporate Officer along with the Village's Building Inspector also reviews and approves any Building Permits received within municipal boundaries.

The Village also oversees and maintains the Two Mile Cemetery located within the Regional District of Kitimat-Stikine.

FINANCE

The Village's finance department controls the municipal budget, accounts payable, billing and property tax, and a variety of other functions. The Deputy Finance Officer is responsible to keep council informed about municipal financial needs and changes, as well as to oversee the budgeting process and the five-year financial plan. Utility billing and property taxes, as well as statutory filing and reporting are all a part of the Deputy Finance Officer's job.

PLANNING AND DEVELOPMENT

Long-term Plan for Infrastructure Funding and Asset Management

The Village of Hazelton has taken steps to develop an asset management program to ensure that the community's infrastructure can support a sustainable community. That program focuses on:

- Ensuring residents have the services they need and want;
- Making investments to provide those services;
- Managing asset while minimizing risk.



A sustainable community is one that can manage changes, undesired events and financial shocks while continuing to deliver important services over the long term without introducing significant changes to revenues or spending.

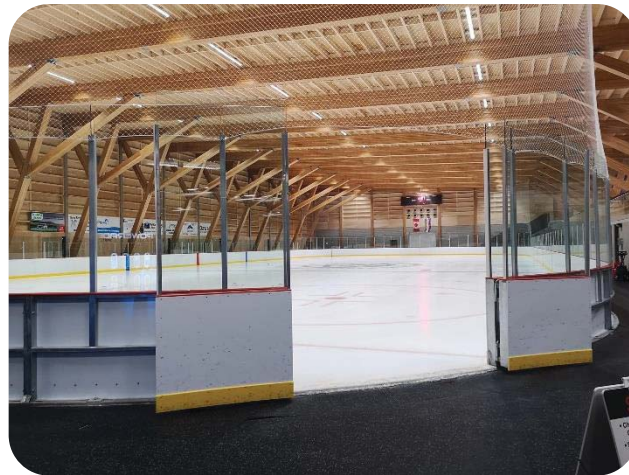
COMMUNITY ENGAGEMENT

Upper Skeena Recreation Centre – Heart of the Hazeltons



The Upper Skeena Recreation Centre project received \$16 million worth of funding from the federal and provincial governments in the winter of 2016. In the spring of 2017, construction of the Centre began. The Owners' Committee worked very hard by collaborating with the surrounding communities to make our dream a reality. The Upper Skeena Recreation Centre will serve as the region's centre for activity. The new recreation centre will provide many years of sports and recreation, social activities, healthy living programming, and economic stimulation for the communities of the Upper Skeena region.

The grand opening of the Recreation Centre was in September 2019 and recognized all the hard work and commemorate the dedication of the community to this project.



PROTECTIVE SERVICES

The Village of Hazelton Volunteer Fire Department under the direction of the Fire Chief strives to increase the efficiency and effectiveness of firefighting resources. In addition, the Fire Department is responsible for annual commercial fire inspections. The Village Fire Department works cooperatively with the Gitanmaax Band to respond as an inter-jurisdictional fire service.

EMERGENCY PREPAREDNESS

The Chief Administrative Officer serves as the Emergency Coordinator under the Village's Emergency Plan. Staff is required to participate in training and to be aware of the Emergency Plan.

The purpose of the Village's Emergency Plan (the "Plan") is to save lives, reduce risk to people, property, environment and economy with the top priorities being the preservation of life and building community resilience.

The Plan acknowledges that all citizens are involved in emergency management. Solid partnerships based on effective collaboration, coordination and communication are key components to sustainable Emergency Plan.

The Plan is designed to support the objectives of reducing risk and provides elected officials, municipal administration and other partner agencies a framework to prepare for likely events based on a current hazards, risk and vulnerability assessment and corresponding risk register. The Plan is to be used as a tool to support emergency services and municipal responders and recovery activities.

It is important to note that the success of any Emergency Plan and corresponding programs is contingent on an understanding that risks, hazards and subsequent community vulnerability are real and are a part of day to day living. Our ability to respond and recover is dependent on the planning that goes into prevention, preparedness, mitigation/response and recovery between incidents of scale.

PUBLIC WORKS/OPERATIONS

The Public Works Department is responsible for the maintenance and upgrading of all of the Village's infrastructure. Among other things, the Department maintains water and sewer lines, roads, parks and buildings. The Department is also responsible for the removal of ice, snow and solid waste and the maintenance of equipment.

The Public Works Crew maintains the water and sewer systems that serve residents of the municipality. Special training and certification are required to manage the complex water and sewer systems and samples are sent to specialized labs to ensure that Village systems meet all requirements.



ECONOMIC DEVELOPMENT & TOURISM

- **Tourism** – The Village continues to work in cooperation with the District of New Hazelton and the Regional District of Kitimat-Stikine to work on local and regional tourism initiatives.
- **LovetheHazeltons** – Village staff have been working collaboratively with the District of New Hazelton and the surrounding areas in promoting “lovethehazeltons”, a website sponsored by Northern Development Initiative Trust to showcase and promote local businesses. The website currently has 40 businesses that surround the Upper Skeena region.



2020 PRIORITIES AND OBJECTIVES

Goal	Description
Promotion	<ul style="list-style-type: none"> • Advertise locally, regionally, nationally and internationally.
Wayfinding Signage	<ul style="list-style-type: none"> • Redevelop and revamp highway signage.
Historic Building Walking Tour	<ul style="list-style-type: none"> • Electronic map of walking tour of old buildings.
Bilingual Street Signs	<ul style="list-style-type: none"> • Partner with Gitanmaax to develop bilingual signage in the community.
Housing Development	<ul style="list-style-type: none"> • Encourage subdivision development, implementation of clear, updated subdivision policy and bylaws.
Lagoon	<ul style="list-style-type: none"> • De-sludge cell one of lagoon to increase efficiency and to extend life of sewer system.
Asset Replacement	<ul style="list-style-type: none"> • IT equipment, garbage truck, tractor.
Recycling	<ul style="list-style-type: none"> • Partner with other communities to implement a regional recycling strategy.
Sports Field	<ul style="list-style-type: none"> • Explore opportunities for an additional sports field.
Bastion Park	<ul style="list-style-type: none"> • Masterplan for park.

PERMISSIVE TAX EXEMPTION INFORMATION

All exemption figures are based on “2019 Tax Rates Bylaw No. 497, 2019” and “2016 to 2020 Permissive Tax Exemption Bylaw No. 477, 2015” in accordance with Section 224 of the Community Charter.

Property & Description

Folio: 00059.000

Owner: Governing Council of the Salvation Army

Civic: 1680 Omineca Street

Legal address: Block 54, Plan PRP543, Cassiar Land District, Assigned Lot 8, Townsite of Hazelton IR#1 (PID: 014-896-885)

Use of Property: Food Bank

Yr	Class	Description	Assessed Value	Total Taxable Value	VOH Rate	Municipal Tax
2019	6	Business	28,100.00	18,100.00	21.9461	397.22
				Total Exemption:		\$ 397.22

Property & Description

Folio: 00302.000

Owner: Regional District Kitimat-Stikine (Skeena Ice Arena Association)

Civic: 2755 Highway 62

Legal Address: Block 3, Plan PRP6613, District Lot 105, Cassiar Land District, Except Plan 12542 (PID:009-877-690)

Use of Property: Recreation Centre

yr	Class	Description	Assessed Value	Total Taxable Value	VOH Rate	Municipal Tax
2019	6	Business	8,291,300.00	8,281,300.00	21.9461	181,742.24
				Total Exemption:		\$ 181,742.24

TOTAL MUNICIPAL PORTION FOR PERMISSIVE EXEMPTIONS FOR 2019: \$182,139.46

CORPORATION OF THE VILLAGE OF HAZELTON

BYLAW NO. 496, 2019

A bylaw to adopt a financial plan for the years 2019 to 2023

WHEREAS the Council of the Village of Hazelton is required to adopt a five year financial plan;

NOW THEREFORE the Council of the Village of Hazelton in open meeting assembled, enacts as follows:


1. Schedule "A" attached hereto and made part of this bylaw is hereby declared to be the Financial Plan of the Village of Hazelton for the 5-year period ending December 31, 2023.
2. Schedule "B" attached hereto and made part of this bylaw is hereby declared to be the Statement of Objectives and Policies.
3. This bylaw may be cited for all purposes as the "2019 - 2023 Five Year Financial Plan Bylaw No. 496, 2019".

READ A FIRST TIME THIS 16TH DAY OF APRIL, 2019.

READ A SECOND TIME THIS 16TH DAY OF APRIL, 2019.

READ A THIRD TIME THIS 16TH DAY OF APRIL, 2019.

ADOPTED THIS 30TH DAY OF APRIL, 2019.


MAYOR


CHIEF ADMINISTRATIVE OFFICER

2019 - 2023 Five Year Financial Plan Bylaw No. 496, 2019

SCHEDULE "A"

	2019	2020	2021	2022	2023
REVENUE					
Taxation	\$ 191,000	\$ 192,000	\$ 194,000	\$ 196,000	\$ 197,000
Frontage Taxes	53,000	54,000	55,000	56,000	56,000
Payments in Lieu of Taxes	37,000	38,000	39,000	40,000	41,000
Licenses, Permits, Rentals and Sundry Returns on Investments	42,000	43,000	44,000	45,000	45,000
Unconditional Grants	5,000	5,000	5,000	5,000	5,000
Conditional Grants	450,000	450,000	450,000	450,000	450,000
Solid Waste Revenue	200,000	200,000	200,000	200,000	200,000
Water Revenue	56,500	56,000	56,000	56,000	56,000
Sewer Revenue	59,500	59,000	59,000	59,000	59,000
	71,500	71,000	71,000	71,000	71,000
REVENUE TOTAL	\$ 1,165,500	\$ 1,168,000	\$ 1,173,000	\$ 1,178,000	\$ 1,180,000
EXPENDITURE					
General Government Services	\$ 362,000	\$ 363,000	\$ 364,000	\$ 365,000	\$ 366,000
Protective Services	33,000	33,000	33,000	33,000	33,000
Development Services	90,000	90,000	90,000	90,000	90,000
Public Works & Transportation	223,000	224,000	225,000	226,000	227,000
Parks, Recreation & Culture	46,000	46,000	46,000	46,000	46,000
Municipal Buildings	76,500	77,000	77,000	77,000	77,000
Solid Waste Expenditures	73,500	74,000	74,000	74,000	74,000
Water Expenditures	73,500	74,000	74,000	74,000	74,000
Sewer Expenditures	87,000	87,000	87,000	87,000	87,000
Capital Expenditures	303,000	303,000	303,000	253,000	133,000
EXPENDITURE TOTAL	\$ 1,367,500	\$ 1,371,000	\$ 1,373,000	\$ 1,325,000	\$ 1,207,000
SURPLUS/(DEFICIT)	(\$202,000)	(\$203,000)	(\$200,000)	(\$147,000)	(\$27,000)
TRANSFER (TO)/FROM RESERVE FUNDS	-	-	-	-	-
TRANSFER (TO)/FROM SURPLUS	\$202,000	\$203,000	\$200,000	\$147,000	(\$27,000)
TOTAL	\$0	\$0	\$0	\$0	\$0

2019 - 2023 Five Year Financial Plan Bylaw No. 496, 2019

SCHEDULE "B"

Statement of Objectives and Policies

In accordance with Section 165 of the *Community Charter*, the Village of Hazelton is required to include in the Five-Year Financial Plan, objectives and policies regarding each of the following:

1. Distribution of property taxes among the property classes;
2. Use of permissive tax exemptions; and
3. Proportion of total revenue that comes from each of the funding sources described in Section 165 (7) of the *Community Charter*.

FUNDING SOURCES

The proportion of total revenue to be raised from each funding source for 2019 is shown on Table 1.

Without grant revenues from other non-taxation sources, the Village's municipal functions simply could not be maintained at existing service levels. This year, as in previous years, the Village will be taking advantage of all possible grant opportunities, and will continue to meet its current and future goals.

Objectives:

- To Endeavour to supplement revenues from user fees and charges to lessen the burden on its limited property tax base.
- To investigate other potential funding sources and secure opportunities for additional revenues.
- To update development bylaws to respond to potential growth that may come with the increase in resource extraction and development activities.

Policies:

- The proportions of revenue proposed to come from various funding sources shall be reviewed from year to year as differing funding sources become available.
- The Village will consider the amount of revenue required to provide and maintain current service levels for all municipal services to our taxpayers. Any new or one-time expenses must be approved each year.
- Aggressively seek available grants for projects to mitigate the potential impact on property taxation rates.

**TABLE 1
2019 REVENUES**

REVENUE SOURCE	DOLLAR VALUE	% OF TOTAL REVENUE
Unconditional Grants (Province)	\$450,000	39%
Conditional Grants (Project)	200,000	17%
Property Taxes	191,000	16%
Sewer Revenue	71,500	6%
Water Revenue	59,500	5%
Solid Waste Revenue	56,500	5%
Frontage Taxes	53,000	5%
Licenses, Permits and Rentals	42,000	4%
Payments in Lieu of Taxes	37,000	2%
Return on Investments	5,000	1%
Total	\$1,165,500	100%

DISTRIBUTION OF PROPERTY TAX RATES

Table 2 below shows the distribution of municipal property tax revenue among the property classes. The residential property class provides the largest proportion of property tax revenue. This is appropriate as this class forms the largest portion of the assessment base and consumes the majority of Village services.

Objective:

- To set tax rates at levels comparable to other neighbouring municipalities as to be competitive for both residential and commercial property owner to purchase property in the Village as opposed to outlying areas or other communities.

Policies:

- The amount of taxes proposed to be collected from the classes will be adjusted for taxation increases as approved by Council annually. Class multiples and tax rates will be reviewed annually to ensure that they are relative to those set by the Provincial Government and comparable municipalities.

The table below shows the proposed distribution of municipal property tax revenue among the property classes.

TABLE 2

PROPERTY CLASS	DOLLAR VALUE	% TAXATION
Class 1 – Residential	\$141,600	73%
Class 2 – Utilities	350	1%
Class 6 – Business/Other	48,200	25%
Class 8 - Recreation/Non-profit	850	1%
Total	\$191,000	100%

PERMISSIVE TAX EXEMPTIONS

Objective:

Council’s principle objective in considering permissive tax exemptions under section 224 of the *Community Charter* is to provide financial assistance to organizations that provide a valuable service to the broader community. These services may include cultural and recreational opportunities for adults and youth, promotion of the local economy and local charitable services.

Policies:

- The total amount of municipal revenue to be foregone by permissive tax exemptions will be approved by Council on a five year period in the Village of Hazelton’s Tax Exemption Bylaw.
- In September/October of the fourth year, Council will review its objectives and policies prior to determining the permissive tax exemptions.
- Exemptions for 2019 were granted to Upper Skeena Recreation Centre and Governing Council Salvation Army in the “2016 to 2020 Permissive Tax Exemption Bylaw No. 477, 2015”.

CORPORATION OF THE VILLAGE OF HAZELTON

BYLAW NO. 500, 2019

A bylaw to amend the 2019 to 2023 Five Year Financial Plan Bylaw No. 496, 2019

WHEREAS the Village of Hazelton deems it desirable to amend the *2019 – 2023 Five Year Financial Plan Bylaw No. 496, 2019*;

NOW THEREFORE the Council of the Village of Hazelton in open meeting assembled, enacts as follows:


1. Schedule "A" of *2019 – 2023 Five Year Financial Plan Bylaw No. 496, 2019* is hereby deleted in its entirety.
2. Schedule "A" attached hereto and made part of this bylaw is hereby declared to be the Amended Financial Plan of the Village of Hazelton for the 5-year period ending December 31, 2023.
3. This bylaw may be cited for all purposes as the "2019 - 2023 Five Year Financial Plan Amendment Bylaw No. 500, 2019".

READ A FIRST TIME THIS 11TH DAY OF JUNE, 2019.

READ A SECOND TIME THIS 11TH DAY OF JUNE, 2019.

READ A THIRD TIME THIS 11TH DAY OF JUNE, 2019.

ADOPTED THIS 23RD DAY OF JULY, 2019.


MAYOR


CHIEF ADMINISTRATIVE OFFICER

2019 - 2023 Five Year Financial Plan Amendment Bylaw No. 500, 2019

SCHEDULE "A"

	2019	2020	2021	2022	2023
REVENUE					
Taxation	\$ 191,000	\$ 192,000	\$ 194,000	\$ 196,000	\$ 197,000
Frontage Taxes	53,000	54,000	55,000	56,000	56,000
Payments in Lieu of Taxes	37,000	38,000	39,000	40,000	41,000
Licenses, Permits, Rentals and Sundry	42,000	43,000	44,000	45,000	45,000
Returns on Investments	5,000	5,000	5,000	5,000	5,000
Unconditional Grants	450,000	450,000	450,000	450,000	450,000
Conditional Grants	287,000	200,000	200,000	200,000	200,000
Solid Waste Revenue	56,500	56,000	56,000	56,000	56,000
Water Revenue	59,500	59,000	59,000	59,000	59,000
Sewer Revenue	71,500	71,000	71,000	71,000	71,000
REVENUE TOTAL	\$ 1,252,500	\$ 1,168,000	\$ 1,173,000	\$ 1,178,000	\$ 1,180,000
EXPENDITURE					
General Government Services	\$ 368,000	\$ 368,000	\$ 368,000	\$ 368,000	\$ 368,000
Protective Services	33,000	33,000	33,000	33,000	33,000
Development Services	148,000	148,000	148,000	148,000	148,000
Public Works & Transportation	223,000	224,000	225,000	226,000	227,000
Parks, Recreation & Culture	49,500	49,500	49,500	49,500	49,500
Municipal Buildings	121,500	77,000	77,000	77,000	77,000
Solid Waste Expenditures	73,500	74,000	74,000	74,000	74,000
Water Expenditures	73,500	74,000	74,000	74,000	74,000
Sewer Expenditures	87,000	87,000	87,000	87,000	87,000
Capital Expenditures	697,000	303,000	303,000	253,000	133,000
EXPENDITURE TOTAL	\$ 1,874,000	\$ 1,437,500	\$ 1,438,500	\$ 1,389,500	\$ 1,207,500
SURPLUS/(DEFICIT) TRANSFER (TO)/FROM RESERVE FUNDS	(\$621,500)	(\$269,500)	(\$265,500)	(\$211,500)	(\$90,500)
TRANSFER (TO)/FROM RESERVE FUNDS	\$517,000	\$117,750	\$117,750	\$117,750	\$90,500
TRANSFER (TO)/FROM SURPLUS	\$104,500	\$151,750	\$147,750	\$93,750	-
TOTAL	\$0	\$0	\$0	\$0	\$0

THE CORPORATION OF THE VILLAGE OF HAZELTON
Financial Statements
December 31, 2019

**THE CORPORATION OF THE VILLAGE OF HAZELTON
COUNCIL - 2019**

MAYOR
Dennis Sterritt

COUNCILLORS

Buddy Smith
Jody Tetreau
Julie Maitland
Wendy Blackstock

APPOINTED OFFICIALS - 2019

Chief Administrative Officer

Lina Gasser

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Notes to Financial Statements	27-33
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Management's Responsibility for the Financial Statements

The financial statements have been prepared by management in accordance with Canadian public sector accounting standards and the integrity and objectivity of these statements are management's responsibility. Management is also responsible for all of the notes to the financial statements and schedules, and for ensuring that this information is consistent, where appropriate, with the information contained in the consolidated 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 Councillors are responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and exercises these responsibilities through the Council. The Councillors review internal financial statements on a regular basis and external audited financial statements yearly.

The external auditors, Carlyle Sheperd & Co., conduct an independent examination, in accordance with Canadian auditing standards, and express their opinion on the financial statements. The external auditors have full and free access to management and Council of The Corporation of the Village of Hazelton and meet when required.

Lina Gasser
Chief Administrative Officer

Date of Council approval

INDEPENDENT AUDITOR'S REPORT

To the Mayor and Council
Corporation of the Village of Hazelton

DRAFT
FOR DISCUSSION PURPOSES ONLY

Report on the Financial Statements

We have audited the accompanying statement of financial position of the Corporation of the Village of Hazelton as at December 31, 2019 and the statements of operations, changes in net financial assets and cash flows for the year then ended and a summary of significant accounting policies.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures depend on the auditor's judgment, including the assessment of the risks of material misstatement, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate for 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 obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Village as at December 31, 2020 and the results of its operations, changes in net financial assets and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Terrace, BC
November 17, 2020

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THE CORPORATION OF THE VILLAGE OF HAZELTON
STATEMENT OF FINANCIAL POSITION
As at December 31, 2019

	2019	2018
Financial Assets		
Cash and short-term investments (note 2)	\$ 3,168,590	\$ 1,121,853
Taxes receivable (note 3)	60,614	59,203
Accounts receivable (note 4)	78,833	168,753
	3,308,037	1,349,814
Liabilities		
Accounts payable and accruals (note 5)	168,054	137,049
Deferred revenue (note 6)	442,941	363,639
	610,995	500,688
Net financial assets	2,697,042	849,126
Non-financial assets		
Tangible capital assets (note 1 and Schedule 2)	4,358,427	4,542,656
Prepaid expenses	3,839	4,246
	4,362,266	4,546,902
Village Position	7,059,308	5,396,023
Village position consists of:		
Operating fund surplus	946,998	801,014
Reserve funds (Schedule 3)	1,753,883	52,353
Equity in tangible capital assets (note 7)	4,358,427	4,542,656
	\$ 7,059,308	\$ 5,396,023

Commitments and contingent liabilities (note 10)

Approved by:

Lina Gasser
Administrator

Dennis Sterritt
Mayor

THE CORPORATION OF THE VILLAGE OF HAZELTON
STATEMENT OF OPERATIONS
For the Year Ended December 31, 2019

	2019	Budget	2018
Revenues			
Taxes for municipal purposes (note 8)	\$ 312,058	\$ 281,000	\$ 286,781
Government Grants and transfers (note 9)	2,753,353	1,254,000	632,716
User fees and sale of goods and services	200,337	187,000	196,390
Investment	39,378	5,000	15,190
Other	29,204	42,000	24,511
	3,334,330	1,769,000	1,155,588
Expenses			
General government services	359,324	368,000	413,488
Public works and transportation	212,948	439,500	214,964
Protective services	27,551	43,000	22,203
Waste management	54,677	73,500	57,595
Development services	53,689	148,000	193,728
Recreation and cultural services	592,494	566,500	44,775
Water operations	57,360	73,500	67,030
Sewer operations	84,245	87,000	100,188
Amorization of tangible capital assets	228,762	230,000	229,937
	1,671,050	2,029,000	1,343,908
Revenues over expenses	1,663,280	(260,000)	(188,320)
Opening Position	5,396,028	5,396,028	5,584,348
Closing Position	\$ 7,059,308	\$ 5,136,028	\$ 5,396,028

THE CORPORATION OF THE VILLAGE OF HAZELTON
STATEMENT OF CHANGES IN NET FINANCIAL ASSETS
For the Year Ended December 31, 2019

	2019	Budget	2018
Revenues over expenses	\$ 1,663,280	\$ (260,000)	\$ (188,320)
Acquisition of tangible capital assets	(44,533)	(180,000)	(59,657)
Amortization of tangible capital assets	228,762	230,000	229,937
Prepaid expenses	407	-	2,795
Increase (decrease) in net financial assets	1,847,916	(210,000)	(15,245)
Net financial assets - beginning of year	849,126	849,126	864,371
Net financial assets - end of year	\$ 2,697,042	\$ 639,126	\$ 849,126

THE CORPORATION OF THE VILLAGE OF HAZELTON
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2019

	2019	2018
Operating transactions		
Revenue over expenses	\$ 1,663,280	\$ (188,320)
Amortization	228,762	229,937
Accounts payable and accruals	31,005	60,093
Deferred revenue	79,302	(15,364)
Accounts receivable	88,509	(50,524)
Prepaid expenses	407	2,795
	2,091,265	38,617
Capital transactions		
Acquisition of tangible capital assets	(44,533)	(59,657)
Increase (decrease) in cash position	2,046,732	(21,040)
Cash and short term investments - beginning of year	1,121,858	1,142,898
Cash and short term investments - end of year	\$ 3,168,590	\$ 1,121,858

THE CORPORATION OF THE VILLAGE OF HAZELTON
Notes to the Financial Statements
For the Year Ended December 31, 2019

The THE CORPORATION OF THE VILLAGE OF HAZELTON (the "Village") is a municipality in the Province of British Columbia and operates under the provisions of the Local Government Act and the Community Charter of British Columbia. The Village provides municipal services such as public works, protective services, planning, parks, recreation and other general government services to the residents of the Village.

1. Significant Accounting Policies:

a) Basis of presentation:

The financial statements of the Village are prepared by management in accordance with Canadian generally accepted accounting principals for local governments as prescribed by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants of Canada.

The financial statements reflect the assets, liabilities, revenues and expenses of the Village's activities and funds. The Village does not control any external entities and accordingly no entities have been consolidated into the financial statements.

b) Revenue recognition

The Village follows the accrual method of accounting for revenues and expenses. Revenues are recognized in the period in which the transactions or events occurred that gave rise to the revenues. Expenses are accounted for in the period the goods and services are acquired and a liability is incurred or transfers are due.

Taxation

Annual levies for non-optional municipal services and general administrative services are recorded 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 Assessment appeal process, taxes may be adjusted by way of supplementary roll adjustments. The affects of these adjustments on taxes levied are recognized at the time they are awarded.

Government Grants and Transfers

Government grants and transfers without stipulations restricting their use are recognized in the financial statements as revenue in the period in which the events giving rise to the transfer occur, providing the transfers are authorized, eligibility criteria have been met and the reasonable estimates of the amounts can be made. Government transfers with stipulations restricting their use and that give rise to an obligation that meets the definition of a liability are recorded as deferred revenue until settlement of the liability has occurred.

THE CORPORATION OF THE VILLAGE OF HAZELTON
Notes to the Financial Statements
For the Year Ended December 31, 2019

1. Significant Accounting Policies (continued):

b) Revenue recognition (continued)

Investment and Other

Revenue from the sale of services or user fees is recognized when the service or product is rendered by the Village. Revenue from property rentals is recognized as revenue in the period in which the property is occupied by the tenant or in accordance with the lease agreement. Investment income is recognized when earned.

c) Investments

Investments are recorded at cost, except for investments in the Municipal Finance Authority of British Columbia pooled investments, which are carried at market value. When, in the opinion of management, there is a permanent decline in value, investments are written down to their net realizable value.

d) 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 into service. Donated tangible capital assets are reported at fair value at the time of donation. Estimated useful lives are as follows:

Buildings	40 years
Furniture, equipment and automotive	5-20 years
Roads and Engineered structures	50 years

e) Deferred revenue:

Deferred revenue includes grants, contributions and other amounts received from third parties pursuant to legislation, regulation and agreement which may only be used in certain programs, in the completion of specific work, or for the purchase of tangible capital assets. Revenue is recognized in the period when the related expenses are incurred, services performed, or the tangible capital assets are acquired, thereby extinguishing the related liability.

f) Fund accounting

The operating fund, consisting of the general, water, and sewer operating funds comprises the operating costs of the services provided by the Village.

The Reserve Funds are established to hold assets for specific future purposes as approved by Council. Allowable transfers to and from the Fund is defined in the reserve fund establishment bylaw.

THE CORPORATION OF THE VILLAGE OF HAZELTON
Notes to the Financial Statements
For the Year Ended December 31, 2019

1. Significant Accounting Policies (continued):
g) Segmented information

The Village is a municipal government that provides a wide range of services to its residents and taxpayers. The Village's operations and activities are organized and reported by segments in Schedule 1. Property taxation revenue which funds many of the operations is not allocated to a specific segment and is reported as unallocated.

Protective Services

Protective services includes fire protection, first responders and emergency planning and management.

Recreation and Cultural Services

The Village operates and maintains the library, parks, trails, open spaces and leisure services.

Public Works and Transportation Services

The Public Works department provides transportation services including street maintenance, snow removal, building maintenance, street lighting, fleet maintenance, and storm sewers.

Development Services

Economic development activities including planning and land management, as well as revenues and related expenditures from commercial services are reported in this segment.

General Government Services

General government operations include legislative services, general administration, finance and information technology functions.

Waste Management

Waste management services are provided by the Public Works department and include the collection and treatment/disposal of solid waste, yard waste and recyclables.

Water Operations

This segment includes all operating activities related to pumping, testing and distributing water throughout the Village and operates under the Public Works Department.

Sewer Operations

This segment includes all operating activities related to collection and treatment of wastewater throughout the Village and operates under the Public Works Department.

h) Non-financial assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They are not intended for sale in the ordinary course of operations.

THE CORPORATION OF THE VILLAGE OF HAZELTON
Notes to the Financial Statements
For the Year Ended December 31, 2019

1. Significant Accounting Policies (continued):

i) Use of estimates

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. It is reasonably possible that circumstances may arise that cause actual results to differ from management estimates, however, management does not believe it is likely that such differences will materially affect the Village's financial position. Adjustments, if any, will be reflected in operations in the period of settlement.

j) Financial instruments

The Village's financial instruments consist of cash and short-term investments, accounts receivable, accounts payable and accruals. Unless otherwise indicated, it is management's opinion that the Village is not exposed to any significant interest, credit, or currency risks arising from these financial instruments.

k) Employee future benefits

The Village and its employees make contributions to the Municipal Pension Plan, and the employees accrue benefits under this plan based on service. The Village's contributions are expensed as incurred.

l) Contaminated sites

Contaminated sites are a result of contamination being introduced into air, soil, water, or sediment of a chemical, organic, or radioactive material or live organism that exceeds an environmental standard. The liability is recorded net of any expected recoveries. A liability for remediation of contaminated sites is recognized when all of the following criteria are met:

- an environmental standard exists;
- contamination exceeds the environmental standard;
- the Village is directly responsible or accepts responsibility.
- a reasonable estimate of the amount can be made

Management has not identified any contaminated sites at this time and therefore no liability is recognized in these financial statements.

THE CORPORATION OF THE VILLAGE OF HAZELTON
Notes to the Financial Statements
For the Year Ended December 31, 2019

2. Cash and short-term investments

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

	2019	2018
Cash	\$ 2,577,108	\$ 541,183
Short-term investments	591,482	580,675
	\$ 3,168,590	\$ 1,121,858

3. Taxes Receivable

	2019	2018
Current	\$ 40,872	\$ 29,048
Arrears	19,742	17,875
Tax sales receivable	-	12,280
	\$ 60,614	\$ 59,203

4. Accounts receivable

	2019	2018
Government grants	\$ 16,328	\$ 94,645
Other receivables	62,505	74,108
	\$ 78,833	\$ 168,753

5. Accounts payable and accruals

	2019	2018
Trade accounts payable and accruals	\$ 112,990	\$ 65,489
Other government agencies	13,291	18,418
Accrued salary, wages and employee benefits	41,773	53,142
	\$ 168,054	\$ 137,049

6. Deferred revenue

	2019	2018
Federal Gas Tax - Community Works Fund	\$ 439,555	\$ 359,930
Loving the Hazeltons	3,356	3,694
Other	30	15
	\$ 442,941	\$ 363,639

THE CORPORATION OF THE VILLAGE OF HAZELTON
Notes to the Financial Statements
For the Year Ended December 31, 2019

7 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:

	2019	2018
Opening balance	\$ 4,542,656	\$ 4,712,935
Tangible capital assets purchased through operations	44,533	59,657
Amorization	(228,762)	(229,937)
Closing balance	\$ 4,358,427	\$ 4,542,656

8 Taxes for municipal purposes

	2019	2018
Taxes collected:		
Property taxes	\$ 191,579	\$ 170,110
Frontage assessments	60,900	64,350
Grants in lieu of taxes	45,656	44,124
Penalties and interest on taxes	13,923	8,197
	\$ 312,058	\$ 286,781

9 Government grants and transfers

	2019	2018
Unconditional grant	\$ 475,488	\$ 434,265
BC Museums Association	-	14,298
NDIT	1,838	25,324
UBCM	-	97,928
Federal / Provincial capital grants	2,244,944	49,516
Regional District of Kitimat-Stikine	12,000	7,000
Other	19,083	4,385
	\$ 2,753,353	\$ 632,716

10 Commitments and Contingent Liabilities

Third party claims

There are no known claims against the Village at the year-end.

Pension Plan

The Village and its employees contribute to the Municipal Pension Plan (the "Plan"), a jointly trustee pension plan. The board of trustees, representing plan members and employers, are 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, 2018, the Plan has about 205,000 active members and approximately 101,000 retired members. Active members include approximately 40,000 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 is then adjusted to the extent there is amortization of any funding deficit.

The most recent valuation of the Municipal Pension Plan as at December 31, 2018 indicated a \$2,866 million funding surplus for basic pension benefits on a going concern basis. The next valuation will be as at December 31, 2021 with the results available in 2022.

Employers participating in the Plan record their pension expense as the amount of employer contributions made during the fiscal year (defined contribution pension plan accounting). This is because the Plan records accrued liabilities and accrued assets for the plan in aggregate, resulting in no consistent and reliable basis for allocating the obligation, assets, and cost to the individual employers participating in the Plan.

THE CORPORATION OF THE VILLAGE OF HAZELTON
Schedule of Segmented Revenues and Expenses
For the Year Ended December 31, 2019

Schedule 1

	General Government Services	Public Works and Transportation	Protective Services	Waste Management	Development Services	Recreation and Cultural Services	Water Operations	Sewer Operations	Unallocated	2019	Budget	2018
Revenues												
Net taxes available for municipal purposes	312,058	-	-	-	-	-	-	-	-	312,058	281,000	286,781
Government grants and transfers	494,571	-	12,000	-	1,838	516,851	-	-	1,728,093	2,753,353	1,254,000	632,716
User fees and sale of goods and services	6,414	-	-	54,342	1,950	-	61,675	75,956	-	200,337	187,000	196,390
Investment income	29,002	-	-	-	-	-	-	-	10,376	39,378	5,000	15,190
Other revenue	7,604	21,600	-	-	-	-	-	-	-	29,204	42,000	24,511
	849,649	21,600	12,000	54,342	3,788	516,851	61,675	75,956	1,738,469	3,334,330	1,769,000	1,155,588
Expenses												
Grants in aid	-	-	-	-	3,338	516,851	-	-	-	520,189	531,000	120,645
Materials, services and supplies	113,004	85,057	26,101	4,108	50,351	62,701	6,802	33,687	-	381,811	693,700	378,295
Professional services	16,867	-	-	-	-	-	-	-	-	16,867	22,500	20,694
Salaries, wages and benefits	195,045	127,891	1,450	50,569	-	12,942	50,558	50,558	-	489,013	496,800	542,757
Travel and training	34,408	-	-	-	-	-	-	-	-	34,408	55,000	51,580
Amortization	-	-	-	-	-	-	-	-	228,762	228,762	230,000	229,937
	359,324	212,948	27,551	54,677	53,689	592,494	57,360	84,245	228,762	1,671,050	2,029,000	1,343,908
Excess (deficiency) of revenues over expenses	490,325	(191,348)	(15,551)	(335)	(49,901)	(75,643)	4,315	(8,289)	1,509,707	1,663,280	(260,000)	(188,320)

THE CORPORATION OF THE VILLAGE OF HAZELTON

Schedule 2

Schedule of Tangible Capital Assets

For the Year Ended December 31, 2019

	Land and Parks	Buildings	Furniture, equipment and automotive	Roads and Engineered structures	Water Infrastructure	Sewer Infrastructure	2019 Total	2018 Total
Cost								
Opening Balance	536,183	1,106,657	796,260	3,080,513	2,265,379	1,929,542	9,714,534	9,654,877
Additions	-	-	-	44,533	-	-	44,533	59,657
Disposals	-	-	-	-	-	-	-	-
Closing balance	536,183	1,106,657	796,260	3,125,046	2,265,379	1,929,542	9,759,067	9,714,534
Accumulated Amortization								
Opening Balance	-	726,611	571,533	1,264,564	1,394,356	1,214,814	5,171,878	4,941,941
Amortization	-	25,680	45,710	66,768	46,449	44,155	228,762	229,937
Disposals	-	-	-	-	-	-	-	-
Closing balance	-	752,291	617,243	1,331,332	1,440,805	1,258,969	5,400,640	5,171,878
Net book value, December 31, 2019	536,183	354,366	179,017	1,793,714	824,574	670,573	4,358,427	
Net book value, December 31, 2018	536,183	380,046	224,727	1,815,949	871,023	714,728		4,542,656

THE CORPORATION OF THE VILLAGE OF HAZELTON
 SCHEDULE OF RESERVE FUNDS
 Year Ended December 31, 2019

Schedule 3

			2019	2018
	Capital Works	Northern Capital & Planning	Total	Total
Opening balance	\$ 52,358	\$ -	\$ 52,358	\$ 52,358
Grant received in the year	-	2,148,000	2,148,000	-
Interest	-	10,376	10,376	-
Allocation to operations for USRC grant	-	(456,851)	(456,851)	
Closing balance	\$ 52,358	\$ 1,701,525	\$ 1,753,883	\$ 52,358