

# 2023 ANNUAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2023



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**Village of Hazelton**

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## OVERVIEW

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

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

The Village underwent some staffing changes in 2023. Public Works Foreman Martin (Marty) Smith retired after 16 years with the Village and Deputy Corporate Officer Brian Doddridge took the Chief Administrative Officer with the Village of Clinton. Bryan Hilbach was promoted internally to the Foreman position and Krista Smith was hired as the Deputy Corporate Officer. The priority projects in 2023 were the 4.5 million River Road Active Transportation Upgrades and Road Works project and get the accounting and financial reporting up to date.

## MAYOR & COUNCIL

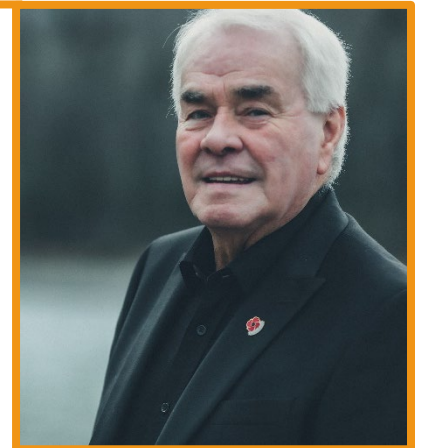


### Mayor Julie Maitland

- 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 Development Centre
- Upper Skeena Recreation Centre Advisory Committee
- Hazelton Recycling Action Committee

### Councillor Charles (Buddy) Smith

- Regional District of Kitimat-Stikine Plan Monitoring Advisory Committee



### Councillor Wendy Blackstock

- Regional District of Kitimat-Stikine Board of Directors/Regional Hospital District Alternate
- Hazelton District Public Library
- Skeena TV Association
- Community Forest

### Councillor Jody Tetreau

- Skeena Valley Education Society
- Hazelton Community Accessibility Committee



### Councillor Christine Añonuevo

- Northern Medical Programs Trust
- Wrinch Memorial Foundation

## STRATEGIC PRIORITIES

Council has been working to advance priorities that matter to the people of Hazelton. They do this by passing bylaws, setting the budget, and by encouraging other levels of government to expand programming and put resources into the Upper Skeena. In 2023, Council's primary areas of focus were as follows:

### Community and Economic Development

Council considers economic stability to be extremely important for our community's health and vitality. To this end, Hazelton is a member of the Resource Benefits Alliance (RBA). In September 2022, the Province and the RBA signed a memorandum of understanding (MOU) and established a joint staff-level working group.

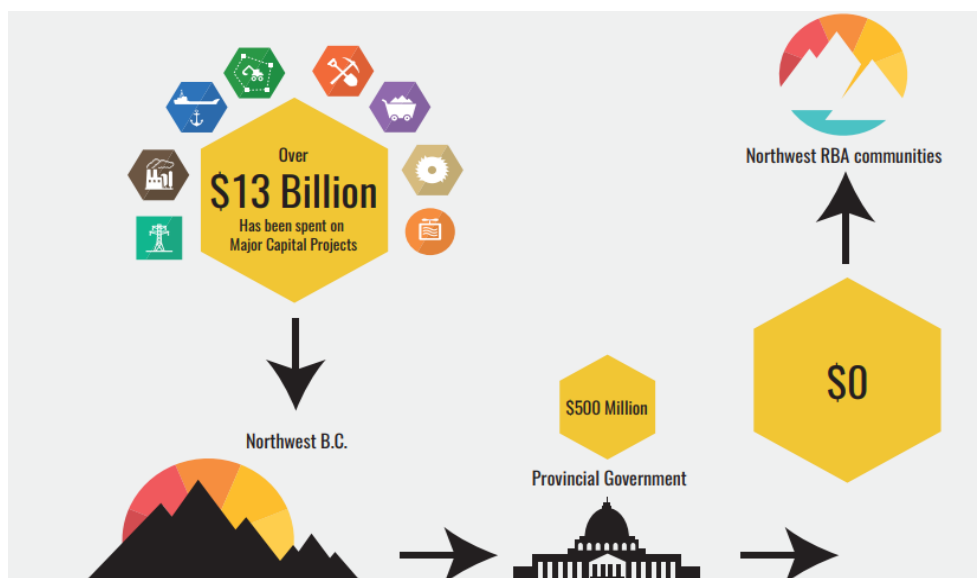
The goal of the Northwest BC Resource Benefits Alliance is to seek a new funding agreement with the Province of BC that ensures more of the revenue generated from the northwest, remains in the region. It is estimated that 74% of all major projects related to mining, oil and gas, wood manufacturing and petrochemical manufacturing recently completed or under construction in BC are within the RBA region.



NORTHWEST BRITISH COLUMBIA  
RESOURCE BENEFITS ALLIANCE

A funding agreement will allow local governments to better encourage economic development in the northwest and ensure that development creates good local jobs and sustainable, livable communities.

An infographic from the RBA denoting the current lack of financial returns from Northwest BC



### Housing Opportunities

In 2023, Council made pursuing housing projects a priority. The Village of Hazelton worked with developers, local housing groups and the provincial government to advocate for affordable and alternate housing options for residents.

The Wrinch Memorial Foundation, in partnership with BC Housing, were issued a building permit for a 31-unit apartment building that includes subsidized and market units. The Village passed a zoning amendment bylaw to create a new zoned Residential Community (RC) Zone. Three Rivers Cohousing strata property was rezoned from Rural Residential to Residential Community. The change in zoning addressed unreasonable restrictions on lot coverage and lot size that were restricting the development of the lots and secondary suites.

### Infrastructure Planning

Like many other small municipalities, Hazelton struggles to maintain its aging infrastructure. The Village is able to carry out the majority of infrastructure upgrades through grant funding. However, Council is pursuing options such as the RBA to provide a more sustainable source of funding for infrastructure replacement projects.

### Tourism

The natural beauty and rich history of Hazelton make it one of Northern BC's greatest "hidden gems", and one that is largely undiscovered by travellers. Council aims to promote tourism by building on our historical and cultural amenities to attract visitors. The Village wishes to find creative ways to draw visitors to Hazelton and provide them with unique experiences and lifelong memories.

### Environment

The Village recognizes the major challenges that climate change will bring to our area and wishes to improve sustainable practices in the community. Council considers finding a new approach to recycling, reducing administrative paper use and pre-emptive maintenance to the wastewater system to be priorities to reduce the Village's environmental impact.

### Parks and Recreation

Bastion Park and the Upper Skeena Recreation Centre (USRC) are significant priorities for Council. Council continues to support the Regional District of Kitimat Stikine by providing some of the operational costs for the USRC. Bastion Park is a major asset to the community and Council continues to seek opportunities to develop the park further.

## ADMINISTRATION

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

The Village of Hazelton has two full-time and one part-time administrative positions: The Chief Administrative Officer, the Deputy Corporate Officer and the Finance Clerk

### What does a CAO do?

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

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

### Why are some meetings closed to the public?

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

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

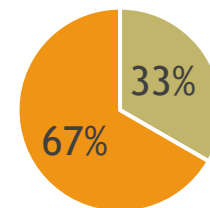
### Council Meetings

The Village of Hazelton holds monthly Council Meetings, where Council has the opportunity to pass bylaws, review and respond to important local issues, and carry out the executive function of local government. In 2023, there were 11 Regular Meetings, 4 Closed Meetings, and 2 Special Meetings.

### Business Licenses

The Village received 18 applications for business licenses in 2023. All businesses operating within the Village boundaries must apply for a business license. This includes businesses that do not have their premises in the Village but are providing any work or service within the Village's boundaries.

### 18 Business Licenses Issued



■ Out of Town (6) ■ Local (12)



### Dog Licenses

In 2023, 10 dogs were licensed. It is important to have your dog licensed to comply with Village bylaws. Dogs should not be in public places without being leashed, but licensing your dog ensures it can be identified if it accidentally gets loose.

### Special Events

Pioneer Day festivities included the addition of a pancake breakfast, but the parade was cancelled due to the River Road project. The Village continued assist with the Remembrance Day by selling wreaths on behalf of the Legion and helping with the setup for the ceremony. Christmas in Hazelton was a success and included bonfire, movie night, crafts, vendors, wagon rides, Santa and fireworks.

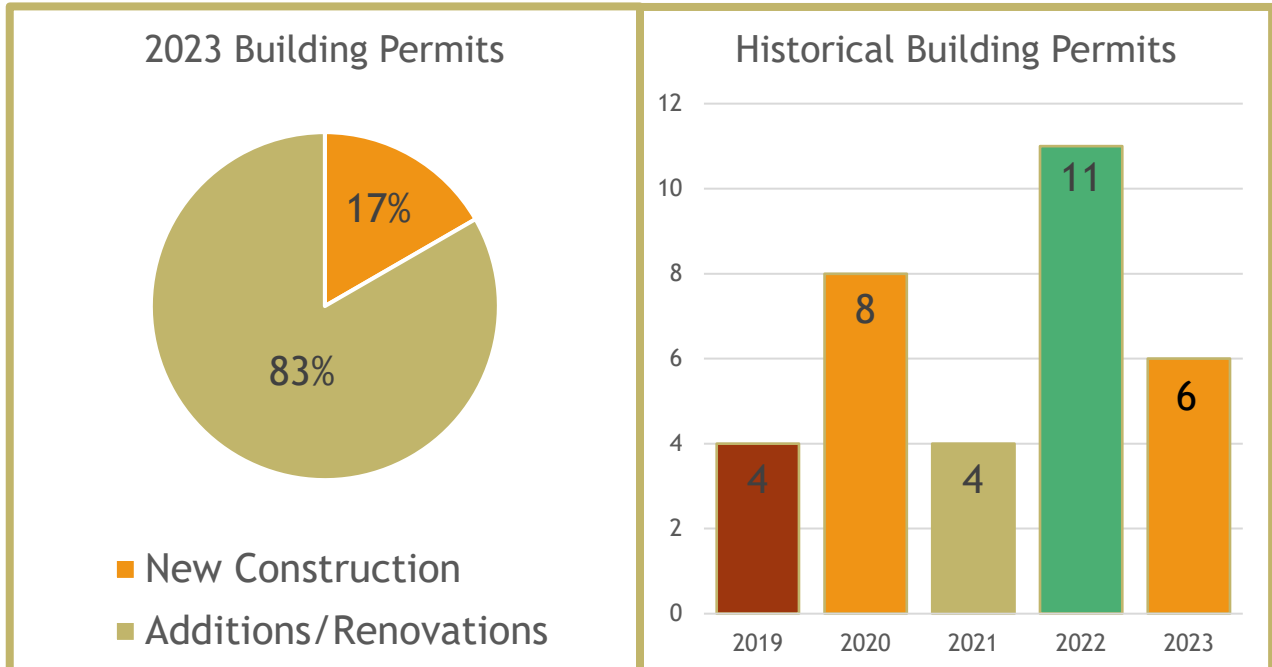


## PLANNING & DEVELOPMENT

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

The Village of Hazelton has a relatively simple zoning bylaw compared to larger communities with only eight zones and two development permit areas.

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



## PARKS

11% of Hazelton's downtown area is park land. Public Works Staff work every day to make sure that it remains clean and in good condition for the use of all residents and visitors. The Village maintains Sargent/Bastion Park, Hankin Basketball Court, and the Eagle Down Trail as well as all of the public boulevards in the Village.

## ECONOMIC DEVELOPMENT

Each Year, the Village of Hazelton is granted funding from Northern Development Initiative Trust to fund economic initiatives and to cover part of the wage for an Economic Development Officer, who works in partnership with other Upper Skeena Communities as well as the Regional District of Kitimat-Stikine.

### 2023 Economic Development Projects

#### *Economic Development Plan*

A successful Hazelton's business gathering was hosted to gather outstanding feedback from business owners and community organizations in the development of an economic development strategic plan. Data has been summarized into a mini-report that will be included in the strategic plan released in early 2024.

#### *Tourism Marketing and Business Support*

Updated community guides were printed, mountain bike trails were advertised through the Ride North partnership, continued to promote the Hazelton Insider app and a Tourism Coordinator was hired, through the Hazelton Visitor Centre, to help promote tourism and business retention and expansion in the Upper Skeena.

#### *Workforce and Resident Attraction*

Additional work was completed on the Live Northwest BC website and newsletter content. A photographer was hired to take a collection of photos to use to advertise the livability of the Village.

**Northwest** <sup>B</sup>

*The Region + Work + Invest + Live*

GET STARTED





## COMMUNITY

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

### *Community Enhancement Grants*

Each year in January, the Village accepts applications for Community Enhancement Grants, a program that aims to encourage local events and initiatives through discretionary funding. Council makes the decision to whom the funding should go, based on the applications and the needs of the community. In 2023, there were two grant recipients Learners Opportunity Group Society (LOGS) for their Christmas Gift of Literacy program and the Bulkley Valley Lakes District Airshed Management Society's Air Quality Portal Project.

In addition, the Village provided the Hazelton Trail Society with a one-time matching grant of \$3,000 for the Glen Mountain Trails Enhancement Project.

### *Upper Skeena Recreation Centre - The Heart of the Hazeltons*



The Village of Hazelton supports the Upper Skeena Recreation Centre (USRC) and the excellent community initiatives it provides. The facility requires significant year-over-year financial input from many of the governments that make up the Upper Skeena, including Hazelton. Funding continues to be a challenge for the facility. The Village continues to support the Regional District of Kitimat-Stikine in their efforts to find alternate sources of funding.

## FIRE DEPARTMENT

The Village of Hazelton Fire department is 100% Volunteer-operated and had 10 volunteers including the Fire Chief in 2023. The Village continues to provide coverage for Gitanmaax as they work to re-establish their own department. Retention and attraction of volunteers continues to be a challenge for the department.

## INFRASTRUCTURE

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

### 2023 Infrastructure Projects

#### *Hazelton Flood Mitigation*

Hazelton and Gitanmaax have had significant flooding events in the past. A Floodplain Inundation Mapping Report and Floodplain Mitigation Plan Report were completed a demonstrated the need for upgrades and expansion to the existing dike. A Flood Mitigation Detailed Design was completed and the Village has been looking for funding to complete the upgrade and expansion. The Village received a grant of 6.4 million from the Ministry of Forests. The project will take multiple years to complete due to the complexity.



*River Road Active Transportation Upgrades and Road Works*

The contractor began work on the project in May. The majority of the work on the water, wastewater and road were completed in 2023, but due to the weather the project was unable to be finished. The remainder of the work will be completed in 2024.

## FINANCE

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

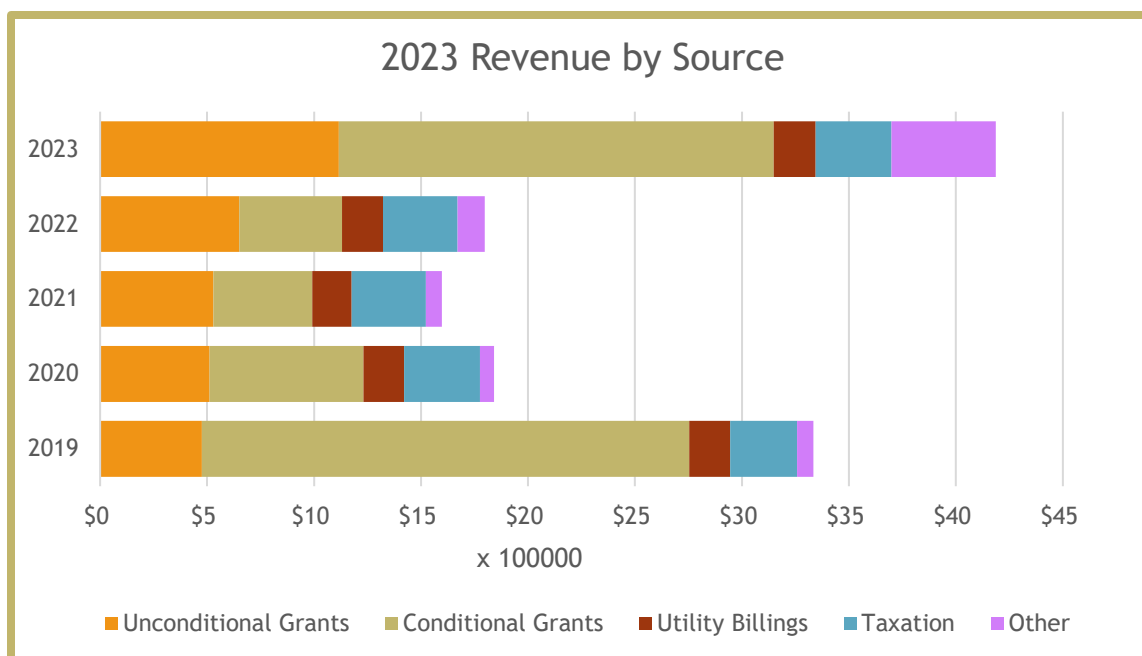
### Your Tax Dollars

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

### What are Conditional and Unconditional Grants?

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

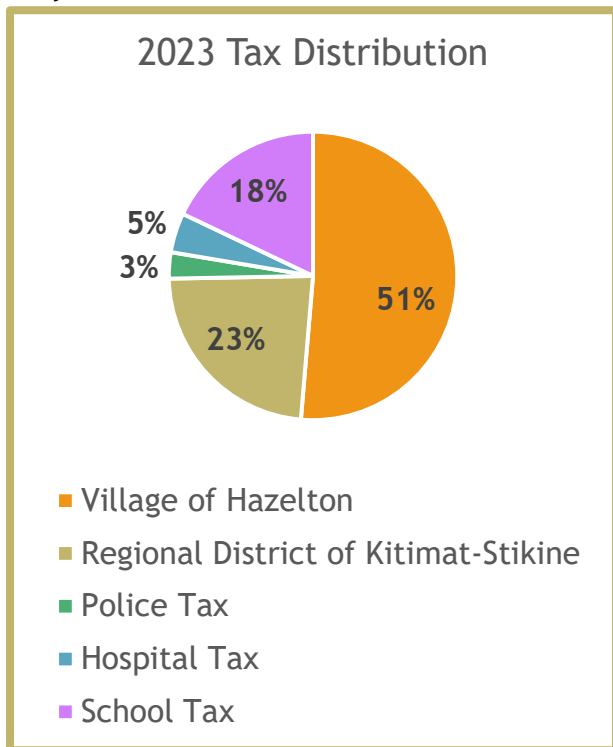
**Unconditional Grants** can be used for nearly anything in the budget, including regular operations or maintenance.



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

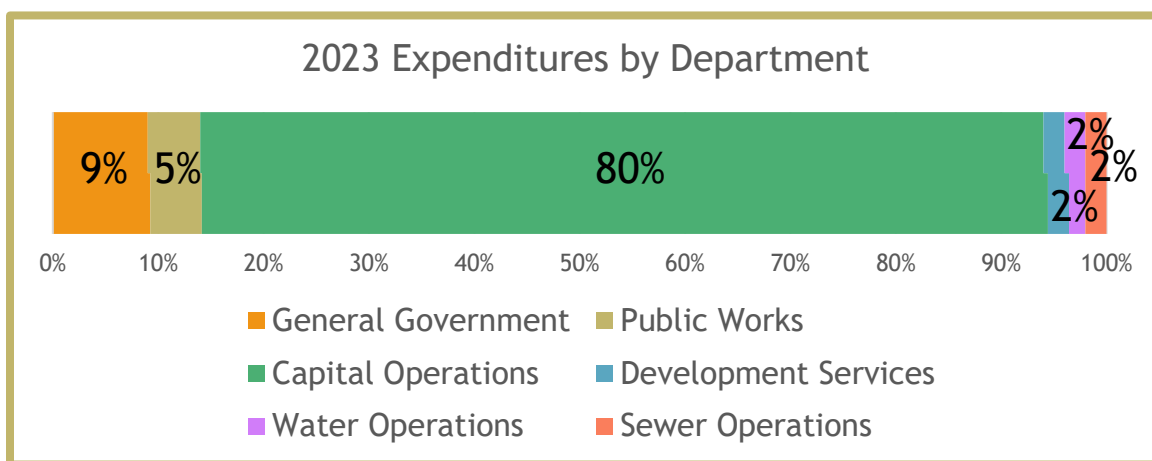
## Where Do Your Tax Dollars Go?

How your tax dollars were distributed in 2023.

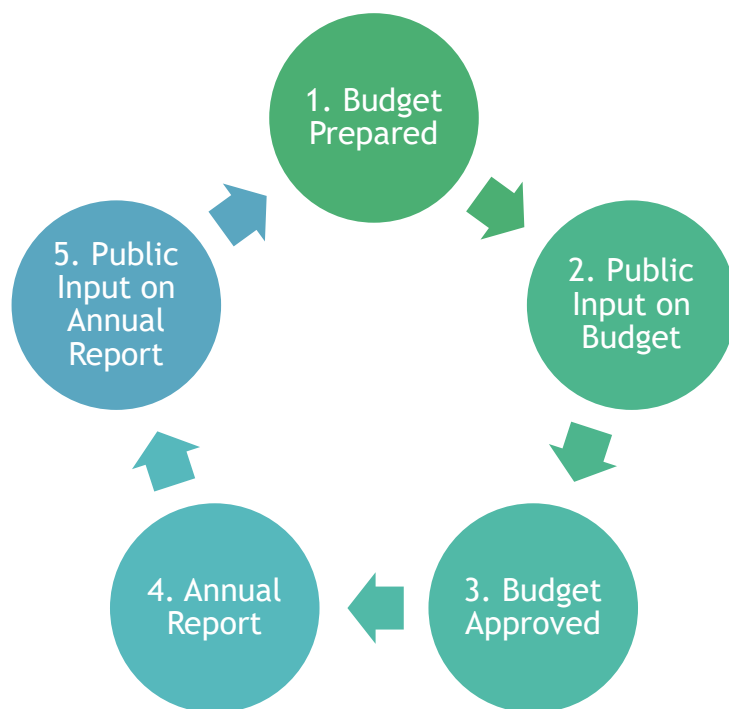


A large portion of the taxes you pay to the Village of Hazelton are redirected to other governments. In 2023, Hazelton added just over half of received taxes to revenue.

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



## The Yearly Cycle



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

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

## The Future

Each year during the budget process, the Village of Hazelton must prepare a five-year financial plan. The figures for the final four years included in the plan are estimates based on suspected tax revenue, anticipated grant funding, and foreseeable projects. These are not confirmed until the financial plan is adopted for that year, so residents will have further opportunity to provide input on the budget for future years. The plan encompasses 5 years to ensure that the Village is planning for future expenses and keeping a long-term view of financial stewardship.

## Annual Report Progress

The Community Charter and the Local Government Act are the pieces of legislation by which local governments obtain their authority to create bylaws, collect taxes, conduct elections and perform services for their citizens. This legislation also requires that 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 2023 and includes objectives for 2024.

## 2023 PRIORITIES AND OBJECTIVES

In 2019, Village Council and staff worked with community stakeholders to develop a list of strategic priorities. In 2021, these strategic priorities were updated. Council and staff work towards the implementation of these goals. The following represent the goals for 2023.

TOURISM		
Promotion	Increase advertising and promotion of Community Guide.	Medium Cost
	Advertise locally, regionally, nationally and internationally.	
Wayfinding Signage	Redevelop and revamp highway signage.	Medium Cost
Sculptures and Artwork	Create opportunity and spaces for artwork in the downtown. Brand community with regards to artwork.	Medium Cost
	Brand community, with regards to artwork.	
	Target artists in tourism marketing.	
Bilingual Street Signs	Partner with Gitanmaax to develop bilingual signage in the community.	Medium Cost

Housing and Infrastructure		
Housing Development	Encourage subdivision development, implementation of clear, updated subdivision policy and bylaws.	Low Cost
Asset Management	Asset Management Plan including upgrades to drainage system, water line, sewer line, fire hydrants, and roads.	High Cost, Grants Available

Environment		
Infrastructure	Ensure the safety and integrity of infrastructure to reduce the risk of environmental damage.	Medium Cost, Grants Available
Recycling	Work with the community to find effective, cost-efficient ways to provide residents with recycling options.	Low Cost
	Provide recycling to Village residents.	High Cost
Tree Planting	Add trees for shade, ornamentation, and ecological benefit.	Low Cost, Grants Available

## Community and Economic Development

Recreation Centre	Continued support for the Upper Skeena Rec Centre	High Cost
Commercial Core Safety	Improved relation with downtown businesses to increase safety.	Low Cost
	Increased RCMP patrols in downtown core.	
Partnership	Improve Council to Council Relationships.	Low Cost
	Partner with Gitanmaax on Economic Development Priorities that benefit both Communities.	
Community Masterplan	Develop a community master plan to promote potential opportunities for accommodation and commercial space. Pull together ideas from OCP, zoning, and other plans.	Medium Cost
Community Branding	The Village will complete a community branding exercise to ensure correspondence, documentation is engaging and uniform.	Low Cost
Improve Business Retention and Attraction	Work with the RDKS to improve business retention and attraction in the Village of Hazelton.	Low Cost

## Parks and Recreation

Boardwalk	Extend and make improvements to the river boardwalk to increase accessibility and enjoyment.	High Cost, Grants Available
Bastion Park	Install artwork or sculptures to increase traffic.	High Cost
	Work towards the construction of an amphitheater to create a public space for community concerts and events.	
	Bell tower.	Medium Cost
Recreation Masterplan	Create a community recreation masterplan.	Low Cost
Mountain Biking	Partner with community groups and other local governments to promote Mountain Bike Trails.	Low Cost

## APPENDIX A: DECLARATION OF DISQUALIFICATIONS

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

-Robyn Carlé, Chief Administrative Officer



## APPENDIX B: PERMISSIVE TAX EXEMPTIONS

In accordance with section 98(2)(b) of the Community Charter, the following property in the Village of Hazelton was provided a 50% permissive property tax exemption by Council for 2023, as passed in 2022-2025 Permissive Tax Exemption Bylaw No. 519, 2021.

1. Oldtown Storytellers' Society  
Lot A, Plan PRP11213, Cassiar Land District \$1,109.76

# CORPORATION OF THE VILLAGE OF HAZELTON

## BYLAW NO. 530, 2023

A bylaw to adopt a financial plan for the years 2023 to 2027

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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, 2027.
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 "2023 – 2027 Five Year Financial Plan Bylaw No. 530, 2023".

READ A FIRST TIME THIS 18<sup>th</sup> DAY OF APRIL, 2023.

READ A SECOND TIME THIS 18<sup>th</sup> DAY OF APRIL, 2023.

READ A THIRD TIME THIS 18<sup>th</sup> DAY OF APRIL, 2023.

ADOPTED THIS 9<sup>th</sup> DAY OF MAY, 2023.

  
MAYOR

  
CHIEF ADMINISTRATIVE OFFICER

**VILLAGE OF HAZELTON**  
**FINANCIAL PLAN (CONSOLIDATED)**  
**FOR THE FIVE YEARS ENDED DECEMBER 31, 2027**  
**SCHEDULE "A"**

	<b>BUDGET 2023</b>	<b>BUDGET 2024</b>	<b>BUDGET 2025</b>	<b>BUDGET 2026</b>	<b>BUDGET 2027</b>
<b>REVENUE:</b>					
Residential, Class1	\$ 191,954	\$ 195,793	\$ 199,709	\$ 203,703	\$ 207,777
Utilities, Class 2	\$ 1,170	\$ 1,194	\$ 1,218	\$ 1,242	\$ 1,267
Business, Class 6	\$ 39,795	\$ 40,591	\$ 41,403	\$ 42,231	\$ 43,076
Rec/Non-Profit, Class 8	\$ 1,170	\$ 1,194	\$ 1,218	\$ 1,242	\$ 1,267
Payments in Lieu of Taxes	\$ 55,500	\$ 55,500	\$ 55,500	\$ 55,500	\$ 55,500
<b>TAXATION REVENUE</b>	<b>\$ 289,590</b>	<b>\$ 294,272</b>	<b>\$ 299,047</b>	<b>\$ 303,918</b>	<b>\$ 308,887</b>
Frontage Taxes	\$ 60,900	\$ 60,900	\$ 60,900	\$ 60,900	\$ 60,900
Utility Fees	\$ 196,100	\$ 196,100	\$ 196,100	\$ 196,100	\$ 196,100
Other Revenue	\$ 169,450	\$ 61,450	\$ 61,450	\$ 61,450	\$ 61,450
Capital Grants	\$ 9,134,811	\$ 139,000	\$ 139,000	\$ 139,000	\$ 139,000
Non-Capital Grants	\$ 78,000	\$ 78,000	\$ 78,000	\$ 78,000	\$ 78,000
Unconditional Grants	\$ 650,000	\$ 650,000	\$ 650,000	\$ 650,000	\$ 650,000
Other Jurisdiction Taxes	\$ 215,260	\$ 215,260	\$ 215,260	\$ 215,260	\$ 215,260
<b>Total Revenue</b>	<b>\$ 10,794,111</b>	<b>\$ 1,694,982</b>	<b>\$ 1,699,757</b>	<b>\$ 1,704,628</b>	<b>\$ 1,709,597</b>
<b>EXPENDITURES</b>					
General Municipal	\$ 935,050	\$ 970,275	\$ 988,886	\$ 1,008,428	\$ 1,028,947
Solid Waste	\$ 28,000	\$ 29,100	\$ 30,255	\$ 31,468	\$ 32,741
Water	\$ 81,750	\$ 74,463	\$ 77,311	\$ 80,301	\$ 83,441
Sewer	\$ 105,750	\$ 99,463	\$ 102,311	\$ 105,301	\$ 108,441
Other Jurisdiction Taxes	\$ 215,260	\$ 215,260	\$ 215,260	\$ 215,260	\$ 215,260
Amortization of Assets	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000
<b>Total Expenditures</b>	<b>\$ 1,615,810</b>	<b>\$ 1,638,560</b>	<b>\$ 1,664,023</b>	<b>\$ 1,690,758</b>	<b>\$ 1,718,831</b>
Surplus (deficit)	\$ 9,178,301	\$ 56,422	\$ 35,735	\$ 13,870	\$ (9,234)
<b>Adjust for non-cash items</b>					
Amortization	\$ (250,000)	\$ (250,000)	\$ (250,000)	\$ (250,000)	\$ (250,000)
<b>Adjust for cash items non-PSAB</b>					
TCA Expenditures	\$ 4,221,500	\$ 6,340,000	\$ 40,000	\$ 40,000	\$ 40,000
Transfer to (from) Reserve	\$ 4,865,811	\$ (6,300,000)	\$ -	\$ -	\$ -
Transfer to (from) Operating surplus	\$ 340,990	\$ 266,422	\$ 245,735	\$ 223,870	\$ 200,766
	<b>\$ 9,178,301</b>	<b>\$ 56,422</b>	<b>\$ 35,735</b>	<b>\$ 13,870</b>	<b>\$ (9,234)</b>
Financial Plan Balance	\$ -	\$ 0	\$ (0)	\$ (0)	\$ 0
Cumulative Operating Surplus (deficit)	\$ 1,190,990	\$ 1,457,412	\$ 1,703,147	\$ 1,927,017	\$ 2,127,783

## **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 2023 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  
2023 REVENUES**

REVENUE SOURCE	DOLLAR VALUE	% OF TOTAL REVENUE
*Rounded to zero dollar value & does not include in-house transfers		
Grants	\$9,862,811	93%
Property Taxes	\$289,590	3%
User Fees & Charges	\$257,000	2%
Other Sources	\$169,450	2%
<b>Total</b>	<b>\$10,578,851</b>	<b>100%</b>

**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
*Municipal Tax only		
Class 1 – Residential	\$191,854	66%
Class 2 – Utilities	\$1,170	0.5%
Class 6 – Business/Other	\$39,795	14%
Class 8 - Recreation/Non-profit	\$1,170	0.5%
Payments in Lieu of Taxes	\$55,500	19%
<b>Total</b>	<b>\$289,590</b>	<b>100%</b>

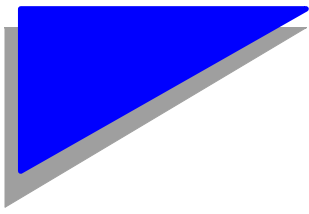
## PERMISSIVE TAX EXEMPTIONS

### **Objective:**

Council's primary 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 in the Village of Hazelton's Tax Exemption Bylaw.
- Exemptions for 2023 were granted to Oldtown Storytellers' Society.



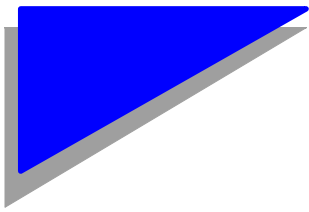
**Vohora** LLP

*CPAs & Business Advisors*

**THE CORPORATION OF THE VILLAGE OF HAZELTON**

**Financial Statements**

**Year Ended December 31, 2023**



**Vohora** LLP  
*CPAs & Business Advisors*

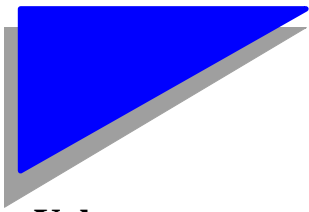
**THE CORPORATION OF THE VILLAGE OF HAZELTON**

**Index to Financial Statements**  
**Year Ended December 31, 2023**

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## INDEPENDENT AUDITOR'S REPORT

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To the Mayor and Council of The Corporation of the Village of Hazelton

*Report on the Financial Statements*

*Opinion*

We have audited the financial statements of The Corporation of the Village of Hazelton (the "Village"), which comprise the statement of financial position as at December 31, 2023, and the statements of operations, changes in village position, changes in net financial assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Village as at December 31, 2023, and the results of its operations and cash flows for the year then ended in accordance with Canadian public sector accounting standards (PSAS).

*Basis for Opinion*

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Village in accordance with ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

*Responsibilities of Management and Those Charged with Governance for the Financial Statements*

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

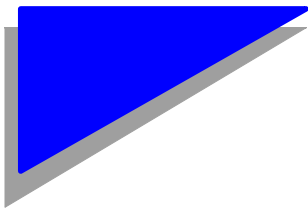
In preparing the financial statements, management is responsible for assessing the Village's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Village or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Village's financial reporting process.

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**Vohora** LLP

*CPAs & Business Advisors*

Independent Auditor's Report to the Mayor and Council of The Corporation of the Village of Hazelton (*continued*)

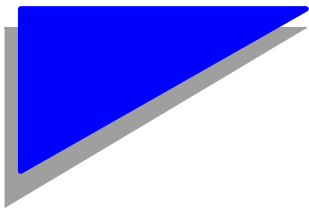
*Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- 1 Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- 1 Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control.
- 1 Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 1 Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Village's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Village to cease to continue as a going concern.

(*continues*)



**Vohora** LLP

*CPAs & Business Advisors*

Independent Auditor's Report to the Mayor and Council of The Corporation of the Village of Hazelton (*continued*)

- 1 Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Terrace, BC  
January 14, 2025

*Vohora LLP*

Chartered Professional Accountants

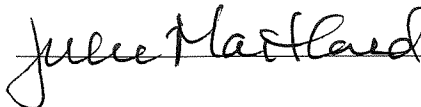
**THE CORPORATION OF THE VILLAGE OF HAZELTON**

**Statement of Financial Position**

**December 31, 2023**

	2023	2022 <i>(Restated)</i>
<b>FINANCIAL ASSETS</b>		
Cash <i>(Note 4)</i>	\$ 9,024,534	\$ 4,313,792
Taxes receivable <i>(Note 5)</i>	21,460	23,514
Accounts receivable <i>(Note 6)</i>	1,989,176	266,034
	11,035,170	4,603,340
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities <i>(Note 7)</i>	879,189	225,828
Deferred revenue <i>(Note 8)</i>	6,981,228	428,707
Asset retirement obligation <i>(Note 9)</i>	40,153	38,150
	7,900,570	692,685
NET FINANCIAL ASSETS	3,134,600	3,910,655
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Schedule 2)	8,119,763	4,394,486
Prepaid expenses	10,351	9,435
	8,130,114	4,403,921
	<b>\$ 11,264,714</b>	<b>\$ 8,314,576</b>
<b>VILLAGE POSITION</b>		
Operating fund surplus	\$ 2,020,400	\$ 1,580,002
Reserve funds (Schedule 3)	1,124,551	2,340,087
Equity in tangible capital assets <i>(Note 10)</i>	8,119,763	4,394,486
	<b>\$ 11,264,714</b>	<b>\$ 8,314,575</b>

**APPROVED BY THE DIRECTOR**

 *Julie Mastland* Director

**THE CORPORATION OF THE VILLAGE OF HAZELTON**

**Statement of Operations**

**Year Ended December 31, 2023**

	Budget	2023	2022 <i>(Restated)</i>
<b>REVENUE</b>			
Government grants and transfers <i>(Note 11)</i>	\$ 9,873,811	\$ <b>3,148,831</b>	\$ 1,130,652
Taxes for municipal purposes <i>(Note 12)</i>	453,850	<b>354,635</b>	348,424
Investment	15,000	<b>290,812</b>	81,616
Other	194,450	<b>197,505</b>	45,788
User fees and sale of goods and services	257,000	<b>195,291</b>	191,562
	<u>10,794,111</u>	<u><b>4,187,074</b></u>	<u>1,798,042</u>
<b>EXPENSES</b>			
General government services	486,710	<b>379,065</b>	431,503
Public works and transportation	257,500	<b>264,266</b>	210,680
Capital operations	4,221,500	<b>5,187</b>	26,157
Protective services	27,000	<b>41,899</b>	45,436
Waste management	28,000	<b>20,054</b>	19,011
Development services	105,600	<b>77,768</b>	104,049
Recreation and cultural services	23,500	<b>26,717</b>	47,711
Water operations	81,750	<b>65,829</b>	58,275
Sewer operations	105,750	<b>118,348</b>	99,486
Amortization	250,000	<b>237,803</b>	248,074
	<u>5,587,310</u>	<u><b>1,236,936</b></u>	<u>1,290,382</u>
<b>REVENUE OVER EXPENSES</b>	<u>\$ 5,206,801</u>	<u>\$ <b>2,950,138</b></u>	<u>\$ 507,660</u>

**THE CORPORATION OF THE VILLAGE OF HAZELTON**  
**Statement of Changes in Village Position**  
**Year Ended December 31, 2023**

	<b>2023</b>	2022 <i>(Restated)</i>
<b>VILLAGE POSITION - BEGINNING OF YEAR</b>		
As previously reported	\$ 8,347,308	\$ 7,837,888
Prior period adjustments <i>(Note 9)</i>	<u>(32,732)</u>	<u>(30,972)</u>
As restated	<b>8,314,576</b>	7,806,916
REVENUE OVER EXPENSES	<u>2,950,138</u>	507,660
<b>VILLAGE POSITION - END OF YEAR</b>	<b><u>\$ 11,264,714</u></b>	<b>\$ 8,314,576</b>

**THE CORPORATION OF THE VILLAGE OF HAZELTON**  
**Statement of Changes in Net Financial Assets**  
**Year Ended December 31, 2023**

	Budget	2023	2022 <i>(Restated)</i>
<b>REVENUE OVER EXPENSES</b>	\$ 5,206,801	\$ 2,950,138	\$ 507,660
Amortization of tangible capital assets	250,000	<b>237,803</b>	248,074
Purchase of tangible capital assets	(4,221,500)	<b>(3,963,080)</b>	(227,943)
Adjustment in prepaid expenses	-	<b>(916)</b>	(3,037)
	<u>(3,971,500)</u>	<u><b>(3,726,193)</b></u>	17,094
<b>INCREASE (DECREASE) IN NET FINANCIAL ASSETS</b>	1,235,301	<b>(776,055)</b>	524,754
<b>NET FINANCIAL ASSETS - BEGINNING OF YEAR</b>	<u>3,948,804</u>	<u><b>3,910,655</b></u>	3,385,901
<b>NET FINANCIAL ASSETS - END OF YEAR</b>	<u>\$ 5,184,105</u>	<u>\$ <b>3,134,600</b></u>	\$ 3,910,655

**THE CORPORATION OF THE VILLAGE OF HAZELTON**

**Statement of Cash Flows**

**Year Ended December 31, 2023**

	2023	2022 <i>(Restated)</i>
<b>OPERATING ACTIVITIES</b>		
Revenue over expenses	\$ 2,950,138	\$ 507,660
Item not affecting cash:		
Amortization of tangible assets	<u>237,803</u>	248,074
	<u>3,187,941</u>	<u>755,734</u>
Changes in non-cash working capital:		
Accounts receivable	(1,723,142)	127,982
Accounts payable and accrued liabilities	653,361	16,897
Deferred revenue	6,552,521	(166,487)
Prepaid expenses	(916)	(3,039)
Taxes receivable	2,054	18,561
Asset retirement obligation	<u>2,003</u>	<u>6,175</u>
	<u>5,485,881</u>	<u>89</u>
Cash flow from operating activities	<u>8,673,822</u>	<u>755,823</u>
<b>INVESTING ACTIVITY</b>		
Purchase of tangible capital assets	<u>(3,963,080)</u>	(227,943)
Cash flow used by investing activity	<u>(3,963,080)</u>	(227,943)
<b>INCREASE IN CASH FLOW</b>	<b>4,710,742</b>	527,880
Cash - beginning of year	<u>4,313,792</u>	<u>3,785,912</u>
<b>CASH - END OF YEAR</b>	<u><b>\$ 9,024,534</b></u>	<u><b>\$ 4,313,792</b></u>

See notes to financial statements



## THE CORPORATION OF THE VILLAGE OF HAZELTON

### Notes to Financial Statements

Year Ended December 31, 2023

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#### 1. DESCRIPTION AND CONTINUANCE OF ORGANIZATION

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.

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#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### Basis of presentation

The financial statements were prepared in accordance with Canadian public sector accounting standards (PSAS). All figures are presented in Canadian dollars.

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.

##### Fund accounting

For financial reporting purposes, the accounts of the Village have been classified into the following funds:

- 1 Operating Fund, consisting of the general, water and sewer operating funds, comprises the operating costs of the services provided by the Village.
- 1 The reserve funds are 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.
- 1 The capital fund comprises the assets, liabilities, revenue and expenses in relation to the tangible capital assets owned by the Village.

*(continues)*

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**THE CORPORATION OF THE VILLAGE OF HAZELTON**  
**Notes to Financial Statements**  
**Year Ended December 31, 2023**

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Revenue recognition

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.

*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.

*(continues)*

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**THE CORPORATION OF THE VILLAGE OF HAZELTON**  
**Notes to Financial Statements**  
**Year Ended December 31, 2023**

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

Segment 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.

*General Government Services*

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

*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.

*Capital Operations*

The Capital services includes capital projects, feasibility studies and project management.

*Protective Services*

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

*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.

*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.

*Recreation and Cultural Services*

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

*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.

*(continues)*

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**THE CORPORATION OF THE VILLAGE OF HAZELTON**  
**Notes to Financial Statements**  
**Year Ended December 31, 2023**

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

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.

Tangible capital assets

Tangible capital assets are stated at cost or deemed cost less accumulated amortization and are amortized over their estimated useful lives on a straight-line basis at the following rates and methods:

Buildings	40 years
Furniture, equipment and automotive	5 - 40 years
Roads and engineered structures	10-50 years
Water and sewer infrastructure	35 years

Tangible capital assets acquired during the year but not placed into use are not amortized until they are placed into use. Donated tangible capital assets are reported at fair value at the time of donation.

Asset retirement obligations

A liability will be recognized when, as at the financial reporting date:

1. there is a legal obligation to incur retirement costs in relation to a tangible capital asset;
2. the past transaction or event giving rise to the liability has occurred;
3. it is expected that future economic benefits will be given up; and
4. a reasonable estimate of the amount can be made.

Liabilities are recognized for statutory, contractual or legal obligations associated with the retirement of tangible capital assets when those obligations result from the acquisition, construction, development or normal operation of the assets. The obligations are measured initially at fair value, determined using present value methodology, and the resulting costs capitalized into the carrying amount of the related tangible capital asset. In subsequent periods, the liability is adjusted for accretion and any changes in the amount or timing of the underlying future cash flows. The capitalized asset retirement cost is amortized on the same basis as the related asset and accretion expense is included in the Statement of Operations.

*(continues)*

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**THE CORPORATION OF THE VILLAGE OF HAZELTON**  
**Notes to Financial Statements**  
**Year Ended December 31, 2023**

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

Financial instruments

*Measurement of financial instruments*

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized costs.

Financial assets measured at fair value include cash.

Financial assets measured at amortized cost include accounts receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

*Impairment*

Financial assets measured at amortized cost are measured for impairment when there are indicators of impairment. The amount of the write-down is recognized in the statement of operations. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in the statement of operations.

*Transaction costs*

The Village recognizes its transaction costs in the statement of operations in the period incurred. However, financial instruments that will not be subsequently measured at fair value are adjusted by the transaction costs that are directly attributable to their origination, issuance or assumption.

Measurement uncertainty

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

Certain amounts in the financial statements are subject to measurement uncertainty and are based on the Village's best information and judgment, including:

- 1 the estimated useful lives of tangible capital assets;
  - 1 the amount of accrued liabilities.
-

**THE CORPORATION OF THE VILLAGE OF HAZELTON**  
**Notes to Financial Statements**  
**Year Ended December 31, 2023**

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3. FINANCIAL INSTRUMENTS

The Village is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Village's risk exposure and concentration as of December 31, 2023.

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Village is exposed to credit risk consist primarily of cash and cash equivalents and accounts receivable. The Village's cash and cash equivalents are maintained with a large federally regulated financial institution in Canada. Majority of the accounts receivable are from government grants which the risk of default is low.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities as they come due. The Village's exposure to this risk is mainly dependent on the receipt of funds from its customers and other related sources, whether in the form of revenue or advances.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency rate risk, interest rate risk and other price risk. The Village is not exposed to any of these risks.

Unless otherwise noted, it is management's opinion that the Village is not exposed to significant other price risks arising from these financial instruments.

---

4. CASH AND SHORT-TERM INVESTMENTS

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

	2023	2022
Cash	\$ 8,384,776	\$ 3,704,824
Short-term investments	639,758	608,968
	\$ 9,024,534	\$ 4,313,792

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5. TAXES RECEIVABLE

	2023	2022
Current	\$ 14,430	\$ 14,390
Arrears	7,030	9,124
	\$ 21,460	\$ 23,514

---

**THE CORPORATION OF THE VILLAGE OF HAZELTON**  
**Notes to Financial Statements**  
**Year Ended December 31, 2023**

6. ACCOUNTS RECEIVABLE

	2023	2022
Government grants	\$ 1,874,496	\$ 219,280
Other receivables	114,680	46,754
	<b>\$ 1,989,176</b>	<b>\$ 266,034</b>

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2023	2022
Lien and holdback payable	\$ 674,060	\$ -
Trade accounts payable and accruals	138,184	152,933
Other government agencies	54,564	54,564
Accrued salary, wages and employee benefits	12,381	18,331
	<b>\$ 879,189</b>	<b>\$ 225,828</b>

8. DEFERRED REVENUE

	2023	2022
Province of BC - Flood Mitigation Infrastructure	\$ 6,400,000	\$ -
Federal Gas Tax - Community Works Fund	502,602	427,360
Other	78,626	1,348
	<b>\$ 6,981,228</b>	<b>\$ 428,708</b>

**THE CORPORATION OF THE VILLAGE OF HAZELTON**  
**Notes to Financial Statements**  
**Year Ended December 31, 2023**

9. ASSET RETIREMENT OBLIGATION

The Village's asset retirement obligation represents management's best estimate of the present value of costs expected for the remediation of asbestos in the Village's buildings and removal of improvements. Management has used the Bank of Canada lending rate of 5.25% as the discount rate.

The asset retirement costs are included in the cost of the building and amortized over its useful life.

	<b>2023</b>	2022 <i>(Restated)</i>
Asset retirement obligation, beginning of year	\$ 38,150	\$ 31,975
Asset retirement obligation additions	-	4,496
Accretion expense	<b>2,003</b>	1,679
Asset retirement obligation, end of year	<b>\$ 40,153</b>	\$ 38,150

The Village has elected to use the modified retroactive application method to account for the transitional provisions for the asset retirement obligation and the associated amortization for the previous years.

10. 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:

	<b>2023</b>	2022 <i>(Restated)</i>
Opening balance	\$ 4,394,486	\$ 4,414,617
Purchase of tangible capital assets	<b>3,963,080</b>	227,943
Amortization	<b>(237,803)</b>	(248,074)
Closing balance	<b>\$ 8,119,763</b>	\$ 4,394,486

11. GOVERNMENT GRANTS AND TRANSFERS

	<b>2023</b>	2022
Federal / provincial capital grants	\$ 1,966,155	\$ 210,570
Unconditional provincial grants	<b>1,116,000</b>	650,000
Northern Development Initiative Trust	<b>43,315</b>	56,667
Regional District of Kitimat-Stikine	<b>11,521</b>	10,947
Other	<b>11,840</b>	12,622
Union of BC Municipalities	-	189,846
	<b>\$ 3,148,831</b>	\$ 1,130,652



**THE CORPORATION OF THE VILLAGE OF HAZELTON**  
**Notes to Financial Statements**  
**Year Ended December 31, 2023**

12. TAXES FOR MUNICIPAL PURPOSES

	2023	2022
<u>Taxes Collected</u>		
Property taxes	\$ 236,185	\$ 231,585
Frontage assessments	61,200	61,200
Grants in lieu of taxes	50,223	49,300
Penalties and interest on taxes	7,027	6,339
	\$ 354,635	\$ 348,424

13. PENSION LIABILITY

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

Every three years, an actuarial valuation is performed to assess the financial position of the plan and adequacy of plan funding. The actuary determines an appropriate combined employer and member contribution rate to fund the plan. The actuary's calculated contribution rate is based on the entry age normal cost method, which produces the long-term rate of member and employer contributions sufficient to provide benefits for average future entrants to the plan. This rate may be adjusted for the amortization of any actuarial funding surplus and will be adjusted for the amortization of any unfunded actuarial liability.

The most recent valuation of the Municipal Pension Plan as at December 31, 2021 indicated a \$3,761 million funding surplus for basic pension benefits on a going concern basis. The next valuation will be as at December 31, 2024 with the results available in 2025.

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

14. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation.

**THE CORPORATION OF THE VILLAGE OF HAZELTON**  
**Schedule of Segmented Revenues and Expenses**  
**For the Year Ended December 31, 2023**

Schedule 1

	General Government Services	Public Works and Transportation	Capital Operations	Protective Services	Waste Management	Development Services	Recreation and Cultural Services	Water Operations	Sewer Operations	Unallocated	2023	Budget	2022
<b>Revenues</b>													
Net taxes available for municipal purposes	-	-	-	-	-	-	-	-	-	354,635	354,635	453,850	348,424
Government grants and transfers	548,676	-	2,600,155	-	-	-	-	-	-	-	3,148,831	9,873,811	1,130,652
User fees and sale of goods and services	-	-	-	-	64,132	-	-	58,704	72,455	-	195,291	257,000	191,562
Investment	290,812	-	-	-	-	-	-	-	-	-	290,812	15,000	81,616
Other	197,505	-	-	-	-	-	-	-	-	-	197,505	194,450	45,788
	1,036,993	-	2,600,155	-	64,132	-	-	58,704	72,455	354,635	4,187,074	10,794,111	1,798,042
<b>Expenses</b>													
Grants in aid	10,105	-	-	-	-	12,500	2,500	-	-	-	25,105	3,855,000	26,024
Materials, services and supplies	119,035	85,938	5,187	41,899	6,365	65,268	19,217	8,434	65,397	-	416,740	824,060	451,960
Professional services	21,323	-	-	-	-	-	-	-	-	-	21,323	26,750	48,892
Salaries, wages and benefits	200,096	178,328	-	-	13,689	-	5,000	57,395	52,951	-	507,459	565,500	497,130
Travel and training	28,506	-	-	-	-	-	-	-	-	-	28,506	66,000	18,302
Amortization	-	-	-	-	-	-	-	-	-	237,803	237,803	250,000	248,074
	379,065	264,266	5,187	41,899	20,054	77,768	26,717	65,829	118,348	237,803	1,236,936	5,587,310	1,290,382
<b>Excess (deficiency) of revenues over expenses</b>	<b>657,928</b>	<b>(264,266)</b>	<b>2,594,968</b>	<b>(41,899)</b>	<b>44,078</b>	<b>(77,768)</b>	<b>(26,717)</b>	<b>(7,125)</b>	<b>(45,893)</b>	<b>116,832</b>	<b>2,950,138</b>	<b>5,206,801</b>	<b>507,660</b>

**THE CORPORATION OF THE VILLAGE OF HAZELTON**  
**Schedule of Tangible Capital Assets**  
**For the Year Ended December 31, 2023**

Schedule 2

	Land and Parks	Buildings	Furniture, Equipment and Automotive	Roads and Engineered Structures	Land Improvements	Flood Protection Infrastructure	Water Infrastructure	Sewer Infrastructure	Total
<b>Cost</b>									
Balance at January 01, 2022	\$ 541,488	\$ 1,109,983	\$ 1,030,870	\$ 2,404,186	\$ 319,936	\$ 620,971	\$ 2,265,379	\$ 1,929,542	\$ 10,222,356
Additions	-	4,496	82,902	140,545	-	-	-	-	227,943
Disposals	-	-	-	-	-	-	-	-	-
Balance at December 31, 2022	\$ 541,488	\$ 1,114,479	\$ 1,113,772	\$ 2,544,731	\$ 319,936	\$ 620,971	\$ 2,265,379	\$ 1,929,542	\$ 10,450,298
Additions	-	-	-	3,939,345	-	-	20,000	3,735	3,963,080
Disposals	-	-	-	-	-	-	-	-	-
Balance at December 31, 2023	\$ 541,488	\$ 1,114,479	\$ 1,113,772	\$ 6,484,076	\$ 319,936	\$ 620,971	\$ 2,285,379	\$ 1,933,277	\$ 14,413,378
<b>Accumulated amortization</b>									
Balance at January 01, 2022	\$ -	\$ 805,986	\$ 652,029	\$ 963,637	\$ 301,122	\$ 204,226	\$ 1,533,575	\$ 1,345,163	\$ 5,805,739
Amortization	-	25,650	63,794	55,377	1,763	12,137	45,819	45,533	250,074
Disposals	-	-	-	-	-	-	-	-	-
Balance at December 31, 2022	\$ -	\$ 831,636	\$ 715,824	\$ 1,019,014	\$ 302,885	\$ 216,363	\$ 1,579,394	\$ 1,390,696	\$ 6,055,812
Amortization	-	25,721	55,725	54,218	1,706	11,831	45,560	43,041	237,803
Disposals	-	-	-	-	-	-	-	-	-
Balance at December 31, 2023	\$ -	\$ 857,357	\$ 771,548	\$ 1,073,232	\$ 304,592	\$ 228,194	\$ 1,624,955	\$ 1,433,738	\$ 6,293,615
<b>Carrying value</b>									
At December 31, 2022	\$ 541,488	\$ 282,843	\$ 397,949	\$ 1,525,717	\$ 17,051	\$ 404,607	\$ 685,984	\$ 538,846	\$ 4,394,486
At December 31, 2023	\$ 541,488	\$ 257,122	\$ 342,224	\$ 5,410,844	\$ 15,345	\$ 392,776	\$ 660,424	\$ 499,540	\$ 8,119,763

**THE CORPORATION OF THE VILLAGE OF HAZELTON**  
**SCHEDULE OF RESERVE FUNDS**  
**Year Ended December 31, 2023**

**Schedule 3**

					<b>2023</b>					<b>2022</b>	
		<b>Land</b>		<b>Growing Communities</b>	<b>Capital Works</b>		<b>Northern Capital &amp; Planning</b>		<b>Total</b>		<b>Total</b>
<b>Opening balance</b>	\$	-	\$	-	\$ 253,577	\$	2,086,510	\$	2,340,087	\$	2,324,555
Addition		-		634,000	-		-		634,000		-
Interest earned		-		-	13,518		111,228		124,746		15,532
Capital additions		-		-	-		(1,974,282)		(1,974,282)		-
Interfund transfer		201,219		-	(201,219)		-		-		-
<b>Closing balance</b>	\$	201,219	\$	634,000	\$ 65,876	\$	223,456	\$	1,124,551	\$	2,340,087

**Village of Hazelton**

**PO Box 40, 4310 Field Street**

**Hazelton, BC**

**VOJ 1Y0**

