

# Village of Hazelton

## 2016 Annual Report



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Corporation of the  
**VILLAGE OF HAZELTON**  
*Office of the Mayor*

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June 2017

To the Residents of the Village of Hazelton:

I am pleased to present the Village of Hazelton Annual Report for 2016. This report provides an update on Village services and operations for the year.

2016 was an active year as we continued to work on our strategic priorities to identify the Village's projects for the upcoming years ahead.

Council continues to focus on building a sustainable community with realistic service levels and to look for opportunities to encourage growth in the economy.

Thank-you for taking the time to read this report, your comments and suggestions are appreciated.

Yours truly,

A handwritten signature in blue ink that reads "Alice Maitland". The signature is written in a cursive style with a large initial 'A'.

Alice Maitland,  
Mayor

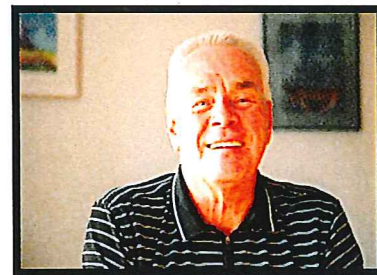
**Mayor Alice Maitland**

Regional District of Kitimat-Stikine – Board of Directors and Regional Hospital District  
Tourism, Transit and Jaws of Life Committee  
Northern Development Initiatives Trust Regional Advisory Committee/Mayor’s Group  
Emergency Executive Committee  
Hazelton/Gitanmaax Water and Sanitary Sewer Committee  
Municipal Insurance Association  
Municipal Finance Authority  
RCMP Liaison  
External Communications Liaison



**Councillor Charles (Buddy) Smith**

Skeena Ice Arena Association – Board of Directors  
Hazelton/Gitanmaax Water and Sanitary Sewer Committee  
External Communications Liaison  
Old Hazelton Image Committee



**Councillor Shirley Muldon**

Upper Skeena Development Centre  
RCMP Liaison



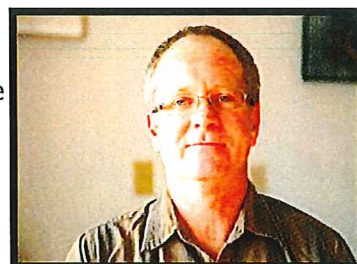
**Councillor Wendy Blackstock**

Hazelton District Public Library  
Regional District of Kitimat-Stikine – Board of Directors and Regional Hospital District



**Councillor Nick Marshall**

Hazelton/Gitanmaax Fire Protection Services Committee  
Emergency Executive Committee





## 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 2016 and includes objectives for 2017.

### DECLARATIONS OF DISQUALIFICATIONS FOR 2016

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 293 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 2 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

Administration for the Village is led by the Chief Administrative Officer and supported by the Deputy Finance Officer and the Deputy Corporate Officer. The Administration team is responsible for putting into action the decisions of Council and managing the day-to-day operations of the Village.

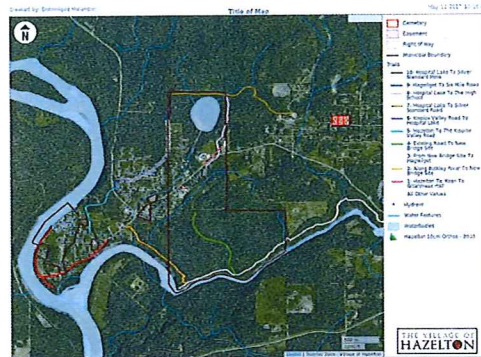
The operational areas of responsibility include support of Council, financial management, personnel management, corporate administration, management of public works and directing capital projects. In addition, the Administration team provides recommendations to Council and completes all reporting to outside agencies and the public. Some of accomplishments in 2016 include:

- **Records Management** – building on work started in 2013, the entire administrative filing system was revised based on the Local Government Management Association's (LGMA) *Records Management for Local Government Organizations*". New space was designated to accommodate records storage. The space now provides a clean, dry, organized environment for archived files. Systems for off-site storage and security of Village records were implemented.
- **Asset Management Plan** –An Asset Management Assessment was prepared for the Village to identify the Village's capital assets and provide a plan for replacement that ties into the long term financial plan.



## PLANNING & DEVELOPMENT

- **GIS Mapping** – Cadastral base mapping was developed for the Village. Information includes boundaries, parcels, rights-of-way and easements. A fly-over was also completed that gave the Village up to date aerial mapping imagery.



- **Retaining Wall** – The Village took remedial action to replace the failing retaining wall adjacent to the Public Works works yard.
- **Zoning and Development Procedures Bylaw** – The Village adopted the Official Community Plan (OCP) in 2015. Updated Zoning and Development Procedures bylaws were adopted in 2016.

## COMMUNITY ENGAGEMENT

- **Upper Skeena Recreation Centre** – the Village played an active role in the Owner’s Committee working to bring a new community centre and ice arena to the Upper Skeena. With funding from the partner local governments, the First Nations Communities and the Provincial and Federal Governments, the project will break ground



- **Community Enhancement Grants** – The Village provided a grant to LOGS the Literacy Group for their Gift of Literacy Event.

## 2017-2018 OBJECTIVES

### Council

Council continues to move forward on its established objectives which focus on:

- **CONNECTIVITY** – look at options for communicating with the local community and beyond to enhance Hazelton’s place and profile
- **REGIONAL POSITION** – continue to build on Hazelton’s relationships with first nations and other municipal jurisdictions and to jointly address issues such as transit, joint-use recreation and other shared services
- **TOURISM AND ECONOMIC DEVELOPMENT** – develop planning and initiatives to enhance the unique placement and character of the Village of Hazelton
- **LOCAL SERVICES AND CAPITAL PROJECTS** – develop comprehensive plans for capital works projects that are “shovel ready” when applying for grants

### ADMINISTRATION

- **BYLAWS & POLICIES** – update regulatory bylaws and policies to ensure compliance with current legislation
- **STAFF DEVELOPMENT & RETENTION** – staff development, training and succession planning for long term administrative stability
- **INFRASTRUCTURE PLANNING** – develop planning process for scheduled maintenance and replacement of municipal infrastructure by initiating asset management planning

### Strategic Goals and Objectives completed in 2016 included:

- Works Yard Retaining Wall
- Village Office Roof Replacement and upgrades
- GIS Mapping

### 2017 Goals and Objectives include:

- Municipal Building Strategy
- Budget Process
- Council Communications
- Building Permit Fees Amendment



## 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.

Staff monitored water levels during the spring freshet and participated in regional emergency planning.

## PUBLIC WORKS/OPERATIONS

Public Works has responsibility for monitoring and maintaining the Village water, sewer and solid waste systems. In addition, seasonal tasks such as grass cutting, park maintenance and snow removal services are carried out.

## ECONOMIC DEVELOPMENT & TOURISM

- **Tourism** – The Village continues to work in cooperation with New Hazelton and the Regional District of Kitimat-Stikine to work on local and regional tourism initiatives.
- **Love the Hazeltons** – The Village provided leadership and worked collaboratively with the District of New Hazelton and surrounding area in promoting the “**lovethehazeltons**”. Love Northern BC is an initiative by Northern Development that assists communities to showcase and promote local businesses.



# CORPORATION OF THE VILLAGE OF HAZELTON

## BYLAW NO. 479, 2016

A bylaw to adopt a financial plan for the years 2016 to 2020

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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, 2020.
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 "2016 – 2020 Five Year Financial Plan Bylaw No. 479, 2016".

READ A FIRST TIME THIS 12<sup>th</sup> DAY OF APRIL, 2016.

READ A SECOND TIME THIS 12<sup>th</sup> DAY OF APRIL, 2016.

READ A THIRD TIME THIS 12<sup>th</sup> DAY OF APRIL, 2016.

FINALLY CONSIDERED AND ADOPTED THIS 14<sup>TH</sup> DAY OF APRIL, 2016.

  
MAYOR

  
CHIEF ADMINISTRATIVE OFFICER

**2016 – 2020 Five Year Financial Plan Bylaw No. 479, 2016**

**SCHEDULE "A"**

	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
<b>REVENUE</b>					
Property Taxes	\$154,000	\$156,000	\$157,500	\$158,000	\$160,000
Parcel Taxes	57,000	58,500	58,500	58,500	58,500
Payments in Lieu of Taxes	38,000	38,000	38,000	38,000	38,000
Licenses, Permits, Rentals and Sundry Returns on Investments	20,000	20,000	20,000	20,000	20,000
Provincial Grants – Unconditional	13,000	13,000	13,000	13,000	13,000
Project Grants – Conditional	400,000	400,000	400,000	400,000	400,000
Solid Waste Revenue	212,000	100,000	100,000	100,000	100,000
Sewer Revenue	55,000	56,000	57,000	58,000	59,000
Water Revenue	57,000	57,000	57,500	57,500	57,500
<b>REVENUE TOTAL</b>	<b>\$1,076,000</b>	<b>\$969,000</b>	<b>\$971,500</b>	<b>\$973,000</b>	<b>\$976,000</b>
<b>EXPENDITURE</b>					
General Government Services	\$292,000	\$292,000	\$300,000	\$300,000	\$300,000
Protective Services	28,000	28,000	28,000	28,000	28,000
Development Services	162,000	100,000	100,000	100,000	100,000
Public Works & Transportation	190,000	192,000	193,000	194,000	195,000
Parks, Recreation & Culture	22,000	22,000	22,000	22,000	22,000
Municipal Buildings	55,000	55,000	55,000	55,000	55,000
Solid Waste Expenditures	85,000	85,000	70,000	70,000	70,000
Water Expenditures	75,000	80,000	80,000	80,000	80,000
Sewer Expenditures	95,000	90,000	80,000	80,000	80,000
Capital Expenditures	184,000	150,000	150,000	150,000	150,000
<b>EXPENDITURE TOTAL</b>	<b>\$1,188,000</b>	<b>\$1,094,000</b>	<b>\$1,078,000</b>	<b>\$1,079,000</b>	<b>\$1,080,000</b>
<b>SURPLUS/(DEFICIT)</b>	<b>(\$112,000)</b>	<b>(\$125,000)</b>	<b>(\$106,500)</b>	<b>(\$106,000)</b>	<b>(\$104,000)</b>
<b>TRANSFER (TO)/FROM RESERVE FUNDS</b>	7,200	-	-	-	-
<b>TRANSFER (TO)/FROM SURPLUS</b>	104,800	125,000	106,500	106,000	104,000
<b>TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>



**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 2016 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 securing opportunities for additional revenues.
- To update development bylaws to respond to potential growth that may come with the increase in resource extraction activities.

**Policies:**

- The proportions of revenue proposed to come from various funding sources shall be re-considered 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**  
**2016 REVENUES**

REVENUE SOURCE	DOLLAR VALUE	% OF TOTAL REVENUE
Small Community Grant – Province	\$400,000	37%
Project Grants – Transfer from Others	212,000	20%
User Fees and Charges	182,000	17%
Property Taxes	154,000	14%
Parcel Taxes	57,000	5%
Payments in Lieu of Taxes	38,000	4%
Other sources	33,000	3%
<b>Total</b>	<b>\$1,076,000</b>	<b>100%</b>

**DISTRIBUTION OF PROPERTY TAX RATES**

Table 2 below shows the distribution of 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 property tax revenue among the property classes.

**TABLE 2**

PROPERTY CLASS	DOLLAR VALUE	% TAXATION
Class 1 – Residential	\$107,000	69%
Class 2 – Utilities	300	1%
Class 6 – Business/Other	46,000	29%
Class 8 - Recreation/Non-profit	700	1%
Total	<b>\$154,000</b>	<b>100%</b>

### **PERMISSIVE TAX EXEMPTIONS**

#### **Objective:**

Council's principle objective in considering permissive tax exemptions under section 224 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 revenue to be foregone by permissive tax exemptions will be approved by Council annually in the year previous in the Village of Hazelton's Tax Exemption Bylaw.
- In September/October of the prior year, Council will review its objectives and policies prior to determining the next year's permissive tax exemptions.
- Exemptions for 2016 were granted to Skeena Ice Arena Association, and Salvation Army in the *2016 to 2020 Permissive Tax Exemption Bylaw No. 477, 2015*.



# CORPORATION OF THE VILLAGE OF HAZELTON

## BYLAW NO. 477, 2015

A bylaw to exempt from taxation certain lands and improvements within the municipality

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WHEREAS the *Community Charter* provides for the exemption from taxation of certain properties for the ensuing years;

AND WHEREAS it has been deemed necessary and expedient to exempt from the municipal portion of taxation, certain properties for the years 2016 to 2020;

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

1. The properties or portions of properties described in Schedule "A" of this bylaw shall be exempt from taxation for the years 2016 to 2020.
2. This bylaw may be cited for all purposes as the "2016 to 2020 Permissive Tax Exemption Bylaw No. 477, 2015".

READ A FIRST TIME THIS 20<sup>th</sup> DAY OF OCTOBER, 2015.

READ A SECOND TIME THIS 20<sup>th</sup> DAY OF OCTOBER, 2015.

READ A THIRD TIME THIS 20<sup>th</sup> DAY OF OCTOBER, 2015.

RECONSIDERED AND FINALLY ADOPTED THIS 29<sup>th</sup> DAY OF OCTOBER, 2015

  
MAYOR

  
CHIEF ADMINISTRATIVE OFFICER

# **CORPORATION OF THE VILLAGE OF HAZELTON**

## **BYLAW NO. 477, 2015**

### **SCHEDULE "A"**

- 1.** All land and improvements on Block 54, Plan 543, Cassiar Land District, ASSIGNED LOT 8 TOWNSITE OF HAZELTON IR #1 (PID 014-896-885) located at 1680 Omineca Street and owned by the Governing Council Salvation Army in Canada (Folio 59.000).
- 2.** All land and improvements on Block 3, Plan 6613, District Lot 105, Cassiar Land District, Except Plan 12542 (PID 009-877-690) located at 2755 Highway 62 and owned by the Skeena Ice Arena Association (Folio 302.000).

## Village of Hazelton

### Permissive Tax Exemption Information

*\*All exemption figures are based on "2016 Tax Rates Bylaw No. 480, 2016" and "2016 to 2020 Permissive Tax Exemption Bylaw No. 477, 2015"*

**Property & Description**

Folio: 00059.000

Owner: Governing Council of the Salvation Army (Food Bank)

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)

Yr	Class	Description	Assessed Value	Total Taxable Value	VOH Rate	Municipal Tax
2016	6	Business	23,600.00	23,600.00	20.7033	488.60
				<b>Total Exemption:</b>		<b>\$ 488.60</b>

**Property & Description**

Folio: 00302.000

Owner: 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)

yr	Class	Description	Assessed Value	Total Taxable Value	VOH Rate	Municipal Tax
2016	6	Business	439,800.00	439,800.00	20.7033	9,105.31
				<b>Total Exemption:</b>		<b>\$ 9,105.31</b>

**TOTAL PERMISSIVE EXEMPTIONS FOR 2015: \$ 9,593.91**



**THE CORPORATION OF  
THE VILLAGE OF HAZELTON  
FINANCIAL STATEMENTS  
DECEMBER 31, 2016**



**ARVIND PATEL**  
*CHARTERED PROFESSIONAL ACCOUNTANT*

P.O. Box 3607  
1114 Main Street  
Smithers, B.C.  
V0J 2N0  
Tel: (250) 847-2281  
Fax: (250) 847-4421  
E-mail: mycpa@patelcpa.ca

**INDEPENDENT AUDITOR'S REPORT**

**TO THE MAYOR AND COUNCIL OF THE VILLAGE OF HAZELTON:**

I have audited the accompanying financial statements of The Corporation of the Village of Hazelton which comprise the statement of financial position as at December 31, 2016, and the statements of operations, changes in net financial asset, cash flow and tangible capital assets for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles for local governments, 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.

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

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

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Village of Hazelton as at December 31, 2016, and the results of its' operations for the year then ended in accordance with Canadian generally accepted accounting principles for local governments.

**CHARTERED PROFESSIONAL ACCOUNTANT**

Smithers, B.C.  
May 10, 2017

**THE CORPORATION OF THE VILLAGE OF HAZELTON  
INDEX TO FINANCIAL STATEMENTS  
DECEMBER 31, 2016**

	<b>MANAGEMENT REPORT</b>
	<b>INDEPENDENT AUDITORS' REPORT</b>
<b>EXHIBIT "A"</b>	<b>STATEMENT OF FINANCIAL POSITION</b>
<b>EXHIBIT "B"</b>	<b>STATEMENT OF CHANGES IN NET FINANCIAL ASSET</b>
<b>EXHIBIT "C"</b>	<b>STATEMENT OF OPERATIONS</b>
<b>EXHIBIT "D"</b>	<b>STATEMENT OF CASH FLOWS</b>
<b>EXHIBIT "E"</b>	<b>SCHEDULE OF TANGIBLE CAPITAL ASSETS</b>
	<b>NOTES TO FINANCIAL STATEMENTS</b>



*Corporation of the*  
**Village of Hazelton**

P.O. Box 40, 4310 Field St., Hazelton, B.C. V0J 1Y0 tel (250) 842-5991 fax (250) 842-5152 www.village.hazelton.bc.ca

May 2017

## MANAGEMENT REPORT

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

Management directs and maintains a system of internal controls to provide reasonable assurance that reliable financial information is produced. Management is responsible for assessing the financial systems and practices of the Village of Hazelton.

Council is responsible for ensuring that management fulfils its responsibilities for financial reporting and internal control and exercises this responsibility through regular meetings with management. Council and management meet with the external auditor once a year or more as necessary.

Arvind Patel, Chartered Professional Accountant (Arvind Patel, CPA) conducts an independent examination, in accordance with generally accepted auditing standards, and expresses his opinion on the Financial Statements. The examination includes a review and evaluation of the Village's systems of internal control and appropriate tests and procedures to provide reasonable assurance that the Financial Statements are presented fairly. The external auditor has full and free access to the Council of the Village of Hazelton and the ability to meet with the Council as required.

On behalf of Village of Hazelton,

Tanalee Hesse, Chief Administrative Officer  
(Officer Assigned Responsibility  
for Financial Administration)



**THE CORPORATION OF THE VILLAGE OF HAZELTON**  
**STATEMENT OF FINANCIAL POSITION [Note 1]**  
**DECEMBER 31, 2016**

	<u>2016</u>	<u>2015</u>
<u>Assets</u>		
<b>FINANCIAL ASSETS</b>		
Cash [Notes 3 & 4]	\$ 1,011,557	\$ 1,015,164
Taxes and utilities receivable	47,938	55,284
Receivables from other governments	53,180	32,956
Sundry receivables	<u>3,817</u>	<u>3,925</u>
Total Financial Assets	<u>1,116,492</u>	<u>1,107,329</u>
<b>LIABILITIES [Note 2]</b>		
Accounts payable	12,812	21,265
Payables to other governments	10,055	14,137
Accrued payroll liabilities	7,265	13,356
Deferred revenue	3,580	50
Externally restricted revenue [Note 3]	<u>299,800</u>	<u>297,259</u>
Total Liabilities	<u>333,512</u>	<u>346,067</u>
<b>Net Financial Asset [Exhibit "B"]</b>	<u>782,980</u>	<u>761,262</u>
<b>Non-financial Assets</b>		
Tangible Capital Assets, at net book value [Exhibit "E"]	4,799,354	4,930,227
Prepaid expenses	2,721	9,020
Property acquired for taxes	<u>1,663</u>	<u>1,663</u>
Total Non-financial Assets	<u>4,803,738</u>	<u>4,940,910</u>
<b>Accumulated Surplus [Exhibit "C"]</b>	<u>\$ 5,586,718</u>	<u>\$ 5,702,172</u>

Approved:

 , Mayor

 , Administrator

## EXHIBIT "B"

**THE CORPORATION OF THE VILLAGE OF HAZELTON**  
**STATEMENT OF CHANGES IN NET FINANCIAL ASSET [Note 1]**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

	<u>Actual</u>	<u>2016</u> <u>Budget</u>	<u>2015</u> <u>Actual</u>
<b>Annual Surplus (Deficit)</b>	\$ (115,454)	\$ 79,784	\$ (221,408)
Acquisition of tangible capital assets	(107,230)	(183,200)	(85,912)
Amortization of tangible capital assets	238,044	-	243,202
Net change in prepaid expenses	6,358	-	(7,997)
<b>Net Change in Financial Asset for the year</b>	<u>21,718</u>	<u>(103,416)</u>	<u>(72,115)</u>
Reassessment of prior years' HST/GST	-		8,762
Net Financial Asset at beginning of the year	<u>761,262</u>	<u>761,262</u>	<u>824,615</u>
<b>Net Financial Asset at end of the year</b>	<u>\$ 782,980</u>	<u>\$ 657,846</u>	<u>\$ 761,262</u>

**THE CORPORATION OF THE VILLAGE OF HAZELTON**  
**STATEMENT OF OPERATIONS [Notes 1 & 6]**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

	<u>2016</u>		<u>2015</u>
	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>
<b>REVENUE</b>			
<b>Taxation - Property value taxes</b>	\$ 154,310	\$ 154,594	\$ 144,712
Parcel taxes	61,500	57,000	55,800
Payments in place of taxes	50,963	38,800	42,258
Penalties and interest on taxes	3,646	5,000	7,408
<b>Services - Solid waste disposal &amp; recycling</b>	53,602	54,300	57,983
Water	59,195	57,500	121,888
Sewer	73,919	70,500	73,553
Licensing, rentals & sundry	23,264	20,800	34,432
<b>Transfers from Other Governments</b>			
Federal Government	3,264	-	1,432
Provincial Government - unconditional	412,474	400,000	439,962
- other	-	212,900	-
Regional District	-	-	-
Community Works Fund	63,890	-	-
Other Organizations	9,317	-	46,442
Net gain (loss) on sale of tangible capital assets	6,302	-	-
Return on investments	<u>3,952</u>	<u>8,000</u>	<u>6,046</u>
<b>TOTAL REVENUE</b>	<b>\$ <u>979,598</u></b>	<b>\$ <u>1,079,394</u></b>	<b>\$ <u>1,031,916</u></b>

The Corporation of the Village of Hazelton  
Statement of Operations  
(Page 2 of 2)

EXHIBIT "C"

	<u>2016</u>		<u>2015</u>
	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>
<b>EXPENSES</b>			
General Government			
Legislative	\$ 65,885	\$ 57,500	\$ 52,849
General administration	241,040	251,100	199,558
Amortization of tangible capital assets	11,355	-	10,473
Protective Services			
Fire protection	21,202	24,100	13,457
Flood protection	-	1,500	-
Other protective services	4,961	3,150	1,699
Amortization of tangible capital assets	27,432	-	26,988
Solid waste disposal & recycling			
Operations	74,614	84,700	52,279
Amortization of tangible capital assets	2,354	-	4,708
Public Health Services			
Cemetery maintenance	(2,740)	1,500	-
Development Services			
Planning and economic development	44,779	40,000	226,130
Development projects	19,017	97,000	19,017
Visitor Centre and promotion	13,600	25,000	15,736
Transportation Services			
Operations	173,365	193,574	181,485
Amortization of tangible capital assets	70,541	-	69,339
Recreation and Cultural Services			
Operations	53,157	43,600	50,635
Amortization of tangible capital assets	32,931	-	35,844
Water Services			
Operations	58,656	75,318	111,306
Interest & debt reserve expense	-	-	-
Amortization of tangible capital assets	48,319	-	50,509
Sewer Services			
Operations	86,179	94,568	79,417
Amortization of tangible capital assets	44,860	-	45,030
Other Services			
Operations	3,234	7,000	6,554
Amortization of tangible capital assets	<u>311</u>	<u>-</u>	<u>311</u>
Total Operating Expenditure	1,095,052	999,610	1,253,324
<b>Annual Surplus (Deficit)</b>	<b>(115,454)</b>	<b>79,784</b>	<b>(221,408)</b>
Accumulated Surplus at beginning of the year	5,702,172		5,914,818
Add(deduct), reassessment of prior years' HST/GST	<u>-</u>		<u>8,762</u>
<b>Accumulated Surplus at end of the year</b>	<b><u>\$ 5,586,718</u></b>		<b><u>\$ 5,702,172</u></b>



## EXHIBIT "D"

**THE CORPORATION OF THE VILLAGE OF HAZELTON**  
**STATEMENT OF CASH FLOWS [Note 1]**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

	<u>2016</u>	<u>2015</u>
<b>CASH FROM OPERATIONS</b>		
Annual Surplus (Deficit) [Exhibit C]	\$ (115,454)	\$ (221,408)
Reassessment of prior years' HST/GST	-	8,762
Non-cash items:		
Amortization of tangible capital assets	238,044	243,202
Net Change in:		
Accounts Receivable	(11,115)	(7,155)
Accounts payable and accrued liabilities	(18,881)	(6,699)
Community Works Funds	1,200	66,159
Other deferred revenue & prepaid expense	<u>9,829</u>	<u>(9,278)</u>
Net Cash from (applied to) operations	<u>103,623</u>	<u>73,583</u>
<b>CAPITAL TRANSACTIONS</b>		
Acquisition of tangible capital assets	(107,230)	(85,912)
Proceeds from sale of tangible capital assets	<u>-</u>	<u>-</u>
Net Cash (applied to) tangible capital	<u>(107,230)</u>	<u>(85,912)</u>
Net Increase (Decrease) in Cash	(3,607)	(12,329)
Opening Cash	<u>1,015,164</u>	<u>1,027,493</u>
<b>Closing Cash</b>	<b><u>\$ 1,011,557</u></b>	<b><u>\$ 1,015,164</u></b>

**THE CORPORATION OF THE VILLAGE OF HAZELTON**  
**Schedule of Tangible Capital Assets**  
**For the Year Ended December 31, 2016**

EXHIBIT "E"

Historical Cost:	Lands & Parks	Buildings	Equipment Furniture Vehicles	Engineering Structures			2016 Total	2015 Total
				Water	Sewer	Roads		
Opening Balance	536,171	1,091,048	889,925	2,265,379	1,927,926	1,997,149	790,043	9,414,790
Additions	17,844	23,585	2,340		1,616	73,282	2,426	85,910
Disposals								
Adjustments			(13,864)					(3,059)
Closing Balance, Dec 31	554,015	1,114,633	878,401	2,265,379	1,929,542	2,070,431	792,469	9,497,641
<b>Accumulated Amortization:</b>								
Opening Balance	-	650,848	510,050	1,252,944	1,082,272	641,100	430,200	4,327,271
Amortization Expense	1,597	25,523	55,041	48,319	44,232	49,135	15,854	243,202
Effects of Disposals and write down adjustments								(3,059)
Closing Balance, Dec 31		676,371	565,091	1,301,263	1,126,504	690,235	446,054	4,805,517
<b>Net book value, December 31</b>	<b>554,015</b>	<b>438,263</b>	<b>313,311</b>	<b>964,116</b>	<b>803,038</b>	<b>1,380,197</b>	<b>346,416</b>	<b>4,799,354</b>
								<b>4,930,227</b>

The accompanying notes form an integral part of these financial statements

**THE CORPORATION OF THE VILLAGE OF HAZELTON**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2016**

**1. SIGNIFICANT ACCOUNTING POLICIES**

These financial statements are prepared in accordance with Canadian generally accepted accounting principles as published in the Public Sector Accounting Handbook by CPA Canada.

**Tangible Capital Assets** are recorded at cost. Amortization is recorded on a straight-line basis, with no residual value, over the estimated useful lives as follows:

Buildings	40 years
Furniture, Equipment & Vehicles	5 to 20 years
Engineering Structures	10 to 50 years

**Trust Funds** administered by the Village are not included in these financial statements.

On December 31, 2016, these funds consisted of: \$11,439 for the Highway 16 Trail Committee and \$7,497 for a tennis court.

**2. PENSION LIABILITY**

The employer and its employees contribute to the Municipal Pension Plan (a jointly trustee pension plan). The board of trustees, representing plan members and employers, is responsible for administering the plan, including investment of the assets and administration of benefits. The plan is a multi-employer defined benefit pension plan. Basic pension benefits are based on a formula. As at December 31, 2016, the plan had about 189,000 active members and approximately 85,000 retired members. Active members include approximately 37,000 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, based on the entry-age normal cost method, which indicates the long-term rate of 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 for the plan as at December 31, 2015 indicated a \$2,224 million funding surplus for basic pension benefits on a going concern basis.

The next valuation will be as at December 31, 2018, with results available in 2019.

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

The Village of Hazelton paid \$ 25,069 for employer contributions to the plan in 2016 and \$25,328 in 2015.

**3. EXTERNALLY RESTRICTED FUNDS**

The following externally restricted funds are included in Cash:

	<u>2016</u>	<u>2015</u>
Community Works Funds	\$ 295,882	\$ 294,541
Other externally restricted	<u>3,918</u>	<u>2,718</u>
Total Externally Restricted Funds	<u>\$ 299,800</u>	<u>\$ 297,259</u>

**Community Works Fund**

Federal Gas Tax Agreement funding is established by a Community Works Fund Agreement between the Village and the Union of BC Municipalities. These funds may only be used for specific municipal works that are described in that agreement and have been designated for Agreement funding by local government.

**Other externally restricted** are funds which may only be used in accordance with various funding agreements or statutory authorities other than the Village.

**4. INTERNALLY RESTRICTED FUNDS**

Capital Reserve funds may be expended for any capital purpose that has been authorized by Village Bylaw #45. Reserved funds of \$ 52,358 at December 31, 2016 are included in cash.