

2009 Annual Report





MESSAGE FROM THE MAYOR

A Look Back at 2009

Following the general election in 2008, which realized many new members on Council, the focus of the Smithers Council in 2009 was on our Strategic Priorities. In order to facilitate moving these priorities forward, we streamlined many of our procedures for efficiencies while maintaining our paramount customer focus. We used Committee of the Whole in a more effective manner and fully engaged the community, business and industry for input in decision making. Our budget process placed a focus on minimal impact to the taxpayer, while maintaining our high standard of service delivery, delivering a responsible budget. Council publicly declared a commitment to customer excellence and will look at everything we do through this lens.

Recognizing the economic viability of our community and surrounding service area, the Town will be implementing a regional economic development initiative with our partners the Regional District and local First Nation Government. The Bulkley Valley Economic Development Office is well on target for implementation in late 2010 and Council is very positive about the economic benefits of this initiative to our region.

Along this economic development theme, the Town continues to focus on the business strategy development of our regional airport as one of our strategic priorities. Our airport is integral to our region's economic success and specifically the success of the mining and exploration industry of the north. Our expanded runway has Smithers poised, ready and open for business.

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MESSAGE FROM THE MAYOR CONTINUED

A Look Back at 2009

Many new projects were initiated and completed in 2009 due primarily to our success once again in acquiring grant funding opportunities. Members of Council have made a significant effort in acquiring best practices from outside of Smithers for new ideas, technologies and products that we may apply in our community, again demonstrating the constant search for efficiencies.

Into 2010, Council will continue to focus on customer excellence, fiscal responsibility and diversity and economic development.

I am very proud of the significant achievements of this Council in 2009 and look forward to an equally productive 2010.

A handwritten signature in dark ink, appearing to read "Cress Farrow".

Cress Farrow
Mayor



MESSAGE FROM THE CHIEF ADMINISTRATIVE OFFICER

A Look Back at 2009

Over the course of 2009, Smithers Council established a number of key strategic priorities:

- Finalizing a new Official Community Plan (OCP)
- The Bulkley Valley Economic Development Initiative
- Infrastructure Priorities
- Multiplex Feasibility

Council, in the first year of its three year term, engaged in a thorough review of the draft OCP and finished the year with a finalized Draft to bring to the public. Council encouraged administration to view all projects through the lens of excellence in customer service and organizational efficiency and cost-saving. New efficiencies were realized in labour/management through the amalgamation of two CUPE Collective agreements into one, and budget cost savings were realized by careful evaluation of organizational needs.

The Town of Smithers focused additional efforts on its communication with the public with news releases to the media on special projects. New Gateway signs were also developed as a legacy project for the 2010 Olympic Games, as another communication tool to market the Town and ongoing community events. New websites were launched for both the Town of Smithers and Tourism Smithers.

In May of 2009 the Town conceptualized, coordinated and hosted “**The Northern Sustainability Summit**”, a 2 day event attended by approximately 100 delegates, focusing on northern solutions to making our communities more sustainable.

Infrastructure priority projects completed in 2009 included the signalization of Highway 16 and Tatlow Road, the final details of the Airport runway extension, First Avenue red brick pavement, the completion of the perimeter trail section from Queen Street to Toronto Street, and the Main to Fulton Street walkway.

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MESSAGE FROM THE CHIEF ADMINISTRATIVE OFFICER CONTINUED

A Look Back at 2009

In the fall of 2009, the Town began working with Bruce Carscaden Architects on a multiplex feasibility study to establish a business case for additional recreational facilities in the Town including a second sheet of ice as the first phase of the multiplex.

The year 2009 laid much of the foundation work for the establishment of a standalone Economic Development office for the Bulkley Valley. In April of 2009, the Town coordinated the startup workshop of the Bulkley Valley Economic Development Initiative, with the initial signatories being the Office of the Wet'suwet'en, the Village of Telkwa, Electoral Area "A" of the Regional District of Bulkley-Nechako, and the Town. The initial signatories worked closely with Lions Gate Economic Development consultants to develop an interim report in November providing background information, an overview of socio-economic conditions and the planning context.

Deborah Sargent
Chief Administrative Officer



COMMUNITY PROFILE

Smithers has a population of approximately 5,200 with another 15,000 people in the surrounding area. Smithers offers a greater variety of amenities and services than other towns similar to its size because of the central location and excellent transportation options. Highway 16, the Smithers Regional Airport, Canadian National Rail, VIA Rail, Bus-lines and close proximity to the Port of Prince Rupert keep Smithers globally connected.

The Bulkley Valley is well known for its diverse economy. Agriculture, forestry, mining, guide/outfitting, recreation, tourism, Local, Provincial and Federal Government offices, transportation, health care, education, service and small business ventures all provide many employment options. With the recent port expansion in this region, Smithers is well situated to tap into international trade opportunities.

The Town of Smithers is nestled in the Bulkley Valley between Hudson Bay Mountain, Babine Mountains, the Telkwa Range and the Hazelton Range. Proximity to these mountains offers outstanding outdoor recreational pursuits for both residents and visitors. Popular activities include downhill and cross country skiing, golfing, mountain biking, kayaking and canoeing, camping, world-class fishing, hiking, and snowmobiling, along with a wide range of indoor recreation opportunities. Smithers also boasts a rich culture in music and the arts.

The aboriginal people of this area are the Wet'suwet'en, a Carrier people of the Athapaskan language group, whose oral history recounts a story of their origins in the Village Dizlegh, on the Bulkley River just east of Hazelton.

The combination of services, recreation and cultural experiences creates an influx of people to the Valley. This phenomenon is termed 'amenity migration.' Smithers will continue to be a place to live by choice, in a beautiful mountain valley inhabited by friendly, vibrant people. For more information on Smithers, please refer to www.smithers.ca for an expanded community profile.



OVERVIEW OF THE ANNUAL REPORT PROCESS

The *Community Charter* and the *Local Government Act* are the pieces of provincial 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 each 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 the information. The information contained in this year's Annual Report depicts the comprehensive progress report for the year 2009 and includes our objectives, for 2010.



CORPORATE SERVICES

2009 Summary

Building on the Human Resource Management framework developed in 2007/08, the year 2009 saw significant activity in the Human Resources department. Programs such as the Employee Performance Evaluation, Service Recognition, New Employee Orientation and standardized recruiting procedures continued to prove their value in achieving a culture of trust, transparency and consistency. With only one grievance (withdrawn) in the year, the Town demonstrated the ongoing commitment to solid labour management relations. The amalgamation of two collective agreements and subsequent housekeeping amendments brought the organization closer together. Sixteen competitions were completed and only one of the new hires came from outside of Smithers. Professional development of our employees continued to be an ongoing focus in order to achieve our desire to be a 'learning organization'. Three local workshops were held in Smithers with 72 Town employees attending.

The Town has a strong commitment to organizational safety as is demonstrated by the successful implementation of the Safety Management System (SMS) developed in 2008. Achieving a Certificate of Recognition (COR) in Safety is a very realistic goal for 2010 and already we are seeing the benefits of the new SMS. Working closely with the BC Municipal Safety Association to achieve this goal, the Town has been recognized as a leader in northern municipalities in terms of our commitment to safety.

Corporate Services continued to work on the refinement of our Council, Committee, and Administrative processes. Significant operational efficiencies were realized in 2009 through this consistent review of what we do. Our 2008 Annual Report was recognized with Honorable Mention in the UBCM Award of Excellence for Best Practices in Annual Reporting.

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CORPORATE SERVICES CONTINUED

2009 Summary

Corporate Services took the lead in the coordination of the 2010 Olympic Torch Relay Celebration Event taking place January 30, 2010. Planning began in May 2008, but activity significantly ramped up in the latter half of 2009. Logistics planning for this event was a partnership between the Town of Smithers, the RCMP and the Ministry of Transportation and Infrastructure. A Community Task Force was engaged to plan the entertainment and worked closely with members of Council and staff. New Gateway signs for Smithers were designed, produced and installed through 100% grant funding from the Federal Government as a legacy project to the Olympic Torch Relay.

Coming up in 2010 for Corporate Services is the Olympic Torch Relay Celebration Event, North Central Local Government Association AGM & Convention, Job Description Review, iCompass (paperless technology) implementation, COR Certification and Collective Bargaining.

Susan Bassett
Director of Corporate Services



SMITHERS REGIONAL AIRPORT

2009 Summary

In April 2009, the Smithers Regional Airport became a wholly owned entity of the Town of Smithers with the final transfer from Transport Canada now complete. This significant milestone was complemented by the strong focus on improving and upgrading facilities and infrastructure positioning our regional airport as a viable economic development entity into the future.

The 2009 projects included final details to complete the runway expansion, café renovations, landscaping and beautification, installation of a more reliable and customer friendly parking meter, assistance in the installation of Nav Canada's Automated Weather Observation System (AWOS), and various other moderate capital expenditures.

The projects accomplished and improvements made to infrastructure will not only make flying to and from our airport a more positive experience for passengers, but will ready the airport for future development and expanded aviation activity.

Patricia Berg
Airport Manager



SMITHERS REGIONAL AIRPORT

2009 Major Objectives and Results

- ✓ Runway Extension—completed July 2009
 - ✎ Runway now capable of handling jet/turbo-prop aircraft
- ✓ Terminal Concession Upgrades—completed February 2009
 - ✎ Modernized, expanded and improved the visual aesthetics of the concession area
- ✓ Business/Land Use Plan—completed October 2009
 - ✎ Worked with consultant to complete a Business Plan to present to Council
- ✓ Air Navigational Aid Improvements—Ongoing into 2010
 - ✎ Work with Nav Canada for improvements
- ✓ Town Ownership of Airport —Completed April 2009
 - ✎ Successfully concluded the Airport Transfer Agreement

SMITHERS REGIONAL AIRPORT

2010 Major Projects and Strategies

- ⇒ Business/Land Use Plan—Ongoing work towards future development
- ⇒ Air Navigational Aid Improvements—ongoing work with Nav Canada for Flight Service Station and automated Weather Observation System
- ⇒ Equipment Storage Building—Construction to commence in Summer 2010 for new storage building to house airport heavy equipment



WORKS AND OPERATIONS

2009 Summary

The Works and Operations Department is responsible for the operation and maintenance of the Town's infrastructure as well as construction of specific capital works projects. The areas of responsibility include: streets and sidewalks; snow removal and sanding; sanitary sewer collection and treatment; storm water collection; potable water supply and distribution; parks and trails; cemetery; arena; garbage collection; composting; municipal fleet vehicles and buildings.

In addition to regular operation and maintenance, in 2009 the department responded quickly and efficiently to well over 300 requests for service from Smithers residents. In order to keep residents informed of the timing of works or special events (ie. holiday garbage pick-up schedules, spring cleanup week, garbage cart and composter sales, snow clearing operations, water and sewer main flushing), information ads were placed on the local radio, website and in the newspaper at the appropriate times.

2009 proved to be challenging for the Works and Operations crews in terms of snow removal and sanding. The winter snowfalls continued well into the spring, using up almost all the years budget in the first half of the year. From spring through fall, our parks crews and summer students did an amazing job keeping the downtown area, highway boulevards, and parks and trails looking beautiful. This was attested by the many positive comments received from residents and visitors alike.

Wilf Taekema
Director of Works and Operations



WORKS AND OPERATIONS

2009 Major Objectives and Results

- ✓ Replacement of four fleet vehicles per Five Year Fleet/Equipment Replacements—completed 2009
 - ⇒ New vehicles purchased and old vehicles sent to auction
- ✓ Civic Centre (Arena) Light Upgrade—Completed July 2009
 - ⇒ Tendered replacement of existing lights with energy efficient and higher level light fixtures
- ✓ Sewage Treatment Plant Lagoon Aerator Maintenance System Installation—Completed 2009
 - ⇒ Installed system for retrieving aerators from lagoon middle to shoreline for regular maintenance
- ✓ Fall Fair Grounds Improvements—Completed in 2009
 - ⇒ Building roof repair, improved roadways

WORKS AND OPERATIONS

2010 Major Projects and Strategies

- ⇒ Replacement of Town Garbage Truck and Ice Resurfer per the Five Year Fleet/Equipment Replacement Program—Tender and delivery of new equipment by September 30, 2010
- ⇒ Replace Civic Center Boiler with new high efficiency mode—Replacement boiler installed by July 31, 2010
- ⇒ Asphalt Resurfacing of Town Roads and Streets—Funding to come from Capital and Operating Budgets—Complete by July 15, 2010



DEVELOPMENT SERVICES DEPARTMENT

2009 Major Summary

The Development Services Department includes these municipal services: Planning, Engineering, Building Inspection, Bylaw Enforcement, Animal Control and Community Policing.

While there were fewer major construction projects in 2009 than in 2008, preparations were made for the major 2010 projects, such as the \$2.4M South Trunk Storm Sewer. A downtown red brick paving stone sidewalk was constructed under a Local Area Service (LAS) project and a new concrete walkway built in a green space buffer to continue enhancing the Town's pedestrian routes and promote healthy living.

Much work was completed on the Official Community Plan update, with an expected early 2010 Public Hearing and subsequent bylaw adoption.

Building Inspections:

- ✓ 8 new homes started
- ✓ 103 building permits issued for a total construction value of \$9,223,785

Development Projects:

- ✓ 3 development permits
- ✓ 5 development variance permits
- ✓ 7 rezoning applications
- ✓ 5 subdivision applications

Mark Allen
Director of Development Services



DEVELOPMENT SERVICES

- ✓ Update of Official Community Plan (OCP) - Formal adoption process to begin in early 2010
 - ✎ Town Council and Steering Committee reviewed OCP at multiple 2009 Committee of the Whole Meetings. Public Open House held December 2009
- ✓ Willowvale Subdivision Phase 2 Development—On hold
 - ✎ RFP for developers to purchase, construct and market the next phase issued in May 2009 with no responses
- ✓ Building Canada Fund—South Trunk Storm Sewer—Preliminary design completed. Geotechnical investigation, final design and contract documents and tendering to be completed in March with construction to begin in summer 2010
 - ✎ Design base information obtained from Ministry of Transportation and Consulting Engineering firm selected
- ✓ Towns for Tomorrow—Riverside Campground Sewage Lift Station and Washroom Facility—Final design and construction delayed to 2010 due to difficult soil conditions and budgetary issues
 - ✎ Acquired the grant and initiated design
- ✓ Perimeter Trail Expansion on Railway Avenue: Queen to Toronto Street—Completed in August 2009
 - ✎ LocalMotion grant funding received and completed the trail design and construction with Town resources and local contractors
- ✓ Strata Conversion Policy Development—For Council approval in early 2010
 - ✎ Input received from apartment managers and local realtors; benchmarked against other similar sized communities. Public meeting held November 12, 2009
- ✓ Planning for a Healthy and Sustainable Community—Ongoing into 2010
 - ✎ Awarded \$20,000 funding from Ministry of Community and Rural Development to create a Corporate and Community Sustainability Plan. FCM grant application submitted in February 2010 for remainder of funding

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DEVELOPMENT SERVICES CONTINUED

2009 Major Objectives and Results

- ✓ **Fulton Avenue to Main Street Walkway—Completed October 2009**
 - Local contractors constructed a 2.5m concrete walkway and cleaned up green space park using gas tax funds
- ✓ **1st Avenue Sidewalk Downtown Local Area Service Project—Completed August 2009**
 - Successful LAS petition and construction by local contractors of entire side of the 3700 Block
- ✓ **Public Library Expansion Concept Development—Design concept completed, project cost estimate to be completed in 2010**
 - Library Building Committee and Architect/Consultant developed a LEED-qualified design concept, held public and stakeholder meetings and presented concept plans to Council

DEVELOPMENT SERVICES

2010 Major Projects and Strategies

- ⇒ **Official Community Plan—Adoption in Spring 2010**
- ⇒ **Strata Conversion Policy—Draft policy to Council by May 2010**
- ⇒ **Corporate and Community Sustainability Plan—upon successful FCM grant award, GHG reduction inventory, reduction targets, and strategies—Complete by November 2010**
- ⇒ **South Trunk Storm Sewer—Tendering of design and contract documents in March with construction commencing in the summer—Complete by 2010 year end**
- ⇒ **Riverside Campground Sewage Lift Station and Washroom Facility—tendering of design and contract documents in Spring with Construction commencing in the summer—Complete by 2010 year end**

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PREVENTION AND COMMUNITY SAFETY

2009 Major Objectives and Results

- ✓ DARE Officer Training—Completed in October 2009
 - ✎ Graduated from Fall 2009 training
- ✓ Bylaw Officer Level II Training—Course is under redesign
 - ✎ Justice Institute will advise next course offering
- ✓ BRAVE Training for Elementary Schools—Completed 2009
 - ✎ Provided training in spring and fall semesters for grades 4-6 students. RCMP and Victims Assistance incorporated into program delivery
- ✓ Asset Model Strategies for Crime Prevention—Deliver training to new RCMP recruits in Summer 2010 upon request
 - ✎ Asset model training not delivered due to staffing changes at RCMP. Positive ticketing program now in its second year and new sponsors acquired
- ✓ Bylaw Enforcement and Monitoring—Attended LIBOA training in June 2009
 - ✎ Bylaws being revisited to address enforcement issues. Not pursuing MTI process for ticketing.

PREVENTION AND COMMUNITY SAFETY

2010 Major Projects and Strategies

- ⇒ Complete DARE training for all Grade 5 students in School District 54—Complete by June 2011 teaching 4-6 classes per year sharing the training with other Officers
- ⇒ 2 Hour Parking Requirement for Downtown Avenues—amend the current bylaw to allow 2 hour parking on Avenues in C1A zone—Bylaws ready and signs erected by May 2010
- ⇒ Animal Control Bylaw—Updated existing regulations and introduced 'standards of care' and procedures for dealing with dangerous dogs—Bylaw adopted March 2010

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PREVENTION AND COMMUNITY SAFETY CONTINUED

2010 Major Projects and Strategies

- ⇒ Youth Crime Prevention Initiatives Development—attend Crime Prevention Through Environmental Design training and establish Block Watch programs within the community. Have at minimum 1 active Block Watch neighbourhood by January 2010 and complete training by summer 2010
- ⇒ Crime Prevention and Community Safety Programming—maintain existing programs and enhance effectiveness through research of community crime trends and develop preventative programming accordingly. Seek out opportunities to market programming and educate public. Evaluate new programming and public use by winter 2010



SMITHERS FIRE DEPARTMENT

2009 Summary

Smithers Fire Rescue has been able to retain a volunteer force of 42 firefighters consistently over the years without needing to recruit continually. The commitment of these firefighters, many with tenures over 15 years, speaks to the dedication to the protection of their community and its citizens. Organizationally, Smithers Fire Rescue fosters the Town's commitment to a positive, trusting and collaborative environment.

Firefighters provide services beyond structural firefighting such as: First Responder (pre-hospital care); Highway Rescue; Aircraft Firefighting; Fire Prevention; and, Public Fire Safety Education.

Fire prevention focuses on areas such as code enforcement and fire inspection services. Public fire safety education provides general information on preventing accidents in the home and workplace through lectures, tours, printed materials and fire extinguisher demonstrations. We have seen significant success in our education of children in the elementary school setting. They absorb our information like sponges and in turn take it home to the dinner table and educate their families.

2009 saw the completion of the comprehensive Fire Services Review to evaluate the appropriate level of fire and emergency services for the present and future. This evaluation was aimed at identifying the organizational strengths, as well as service gaps and critical issues in the current delivery system. Further, the study assessed the current duties, responsibilities and performance of the Fire Chief and (part-time) Deputy Fire Chief. As a result, at the end of 2009, the Town restructured the Department and moved the Deputy Fire Chief's position to full-time to ensure the mandate of the Town's Inspection Bylaw was being met.

Keith Stecko
Fire Chief



SMITHERS FIRE DEPARTMENT

2010 Major Projects and Strategies

- ⇒ Establish a Fire Department False Alarm Bylaw—adoption by Council in 2010
 - To reduce the number of false alarms to which fire crews respond. Call reporting system will determine if there are actual increases or decreases in false alarm callouts.
- ⇒ Vehicle Bay Exhaust System – Complete March 2010
 - Capital project to install a vehicle exhaust system to protect firefighters from carbon monoxide and other hazardous materials in fumes from the vehicles. Project tendered and complete – vehicle bay now compliant with regulations.
- ⇒ Regional Fire Training Centre – Ongoing Program Development & Revenue Generation
 - Inception in 2007 to provide live fire training to northwest fire departments. Justice Institute accredited site for Live Fire 1 & 2. Expanding course offerings in 2010 to include Firefighter Skill Maintenance (BC Firefighter 1&2) as well as confined space training (awareness/operations and technician levels).



FINANCE DEPARTMENT

2009 Summary

One of the key activities in the Finance Department was the completion of the PSAB 3150 requirements for the fiscal year ending December 31, 2009, involving accounting and reporting on Tangible Capital Assets and related amortization within consolidated financial statements.

Project Strategies Were:

- a. Have Council adopt a Tangible Capital Asset Policy
- b. Complete the Asset Inventory by including (for each asset): asset description, asset location, dates of purchases (when historical information available)
- c. Put all asset inventory information into an asset database
- d. Determine valuation of each asset using historical records and when historical information is not available, use current reproduction costs
- e. Determine type of amortization for each asset
- f. Determine useful life of each asset
- g. Calculate the total accumulated amortization until end of December 31, 2008 for each asset
- h. Enter all asset information into an asset register
- i. Add new additions for 2009 into the asset register
- j. Remove accumulated amortization and cost for assets disposed of in 2009
- k. Calculate 2009 amortization
- l. Restate 2008 financial statements in accordance with PSAB 3150 regulations
- m. Review 2008 asset valuation and accumulated amortization with auditors in advance of the 2009 audit
- n. Prepare 2009 financial statements in accordance with PSAB consolidated statement requirements

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FINANCE DEPARTMENT CONTINUED

2009 Results

All 2009 strategies were completed in regards to fulfilling the requirements under PSAB 3150.

- a. Council approved the Town of Smithers Tangible Capital Asset Policy in September 2009
- b. All inventory of assets: machinery and equipment, land, buildings, engineered structures, utilities, office/computer equipment was completed by November 2009
- c. All assets were entered in to the A2B2 purchase database program by asset category
- d. When historical records were not available costing using insurance documents and engineering estimates were used for valuations
- e. The straight line amortization approach was used for all assets
- f. Useful life of each asset was used based on the 2008 Ministry of Community Services guidelines handout
- g. Accumulated amortization to the end of 2008 was calculated using the A2B2 worksheet database program
- h. All asset information was entered into the Vadim Fixed Asset module creating an asset register
- i. New capital additions were entered into the asset register
- j. Assets disposed on in 2009 were removed from the asset register as was their accumulated amortization
- k. Accumulated amortization and 2009 amortization expense was calculated using the Vadim fixed asset module
- l. 2008 financial statements were restated in accordance with PSAB regulations
- m. All 2008 tangible capital asset information (inventory, valuation etc.) was reviewed by the auditors in advance of the 2009 audit

Tangible Capital Assets were shown on the Consolidated Statement of Financial Position net of accumulated amortization. Amortization expense was added to departmental expenses within the Consolidated Statement of Financial Activities. A Consolidated Statement of changes in the Financial Assets was added to the consolidated financial statements.

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2009 Progress

The 2009 consolidated financial statements were prepared in accordance with PSAB requirements including information about tangible capital assets and accumulated amortization. The 2008 comparative balances were restated and 2008 changes were detailed within a prior period adjustment note. The financial equity and equity tangible capital assets were shown as accumulated surplus within the Statement of Financial Position.

Leslie Ford
Director of Finance

FINANCE DEPARTMENT

2010 Major Projects and Strategies

- ✓ Tender Physical Contents Insurance Coverage—complete by September 2010
 - ✎ Tender current physical contents insurance information to insurance agencies for approval by Council in fall of 2010
- ✓ Review Fees and Charges Bylaws—New bylaws to be adopted by December 2010
 - ✎ Present the following fees and charges to Council with comparisons to other communities:
 - Cemetery Fees and Charges Bylaw
 - Airport Fees and Charges Bylaw
 - Development Procedures (Fees) Bylaw
 - Subdivision Servicing (Fees) Bylaw
 - Recreation Fees and Charges Bylaw
 - Garbage Fees and Charges Bylaw
 - Water and Sewer User Fees Bylaws
 - Water and Sewer Regulations (Connection Fees) Bylaws



FINANCE DEPARTMENT

2009 Progress Report: Small Community Portion of the Strategic Community Investment Funds

Intended Use	Performance Targets	Progress Made in First Reporting Period (2009)
Use funding to support local services and to avoid large tax rate increases.	100% of the funds to be used to pay for General Operating Municipal Services and to minimize General Municipal Tax Rate increases.	2009 General Municipal Services and tax rates remained consistent with prior years. The 2009 actual General Municipal Tax Levy increase was 2.66%. Without the Small Community Grant allocation for 2009, the Town's 2009 General Municipal Tax Levy increase would have been 20%.

FINANCE DEPARTMENT

2009 Progress Report: Traffic Fine Revenue Sharing Portion of the Strategic Community Investment Funds

Intended Use	Performance Targets	Progress Made in First Reporting Period (2009)
Use funding to support police enforcement costs and to avoid large tax rate increases.	100% of the funds to pay for Municipal RCMP operating costs including contributions to RCMP Auxiliary, Victims Services and the Community Police Office; and to minimize RCMP Municipal Tax Rate increases.	2009 RCMP Municipal Services and tax rates remained consistent with prior years. The 2009 RCMP Tax Levy increase was 8%. Without the Traffic Fine Sharing Revenue allocation for 2009 the Town's 2009 RCMP Tax Levy increase would have been 16%.



RECREATION, PARKS AND CULTURE

2009 Summary

During the early months of 2009, many programs experienced growth in their participation rates, with more than 300 participants taking part in programs every week. Increased partnering with local groups saw the creation of weekend and March Break art camps in conjunction with the Smithers Art Gallery. The indoor and outdoor arena increased in popularity and diversity of age groups using the facilities. Two more elementary schools received regular ice times per week and a new morning hockey group was established for retired adults. The arena also saw the year long scheduling of a new Friday morning hockey group for retired men and new Friday evening time being provided for the new girls hockey program.

The spring months saw a continued growth in recreation programs with the delivery of the Steve Nash Youth Basketball program with 140 new participants. Community capacity development was a top priority with the department hosting several workshops for aspiring leaders in Basketball coaching clinics and one referee clinic, a BCRPA High Five Workshop, a BCRPA Bike to Work Workshop and a BCRPA Everybody Gets to Play Workshop. The Riverside Municipal Campground and RV Park opened in May and had higher than expected attendance in the first two months.

The summer months saw a leveling off of activity. Successful Canada Day activities at Heritage Park led right into new summer programs for children and teens. The new program design and content for the Summer Daycamp was enthusiastically endorsed by the community with all but one week having full registrations. New sport camps for children and youth were delivered including softball, archery, soccer and basketball. The Request for Proposal (RFP) for the Multiplex Feasibility Study started in August.

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RECREATION, PARKS AND CULTURE

2009 Summary

With the assistance of a Localmotion grant, the department was able to produce new signage for the Perimeter Trail system and local hotels.

The new Town website was used to distribute weekly and monthly information regarding the arena and a fall recreation program. Community facility development continued to be a priority with a community consultation as part of the Multiplex Feasibility Study taking place in late November.

Andrew Hillaby
Director of Recreation, Parks and Culture



RECREATION, PARKS AND CULTURE

2009 Major Objectives and Results

- ✓ Perimeter Trail Signage – Complete installation in 2010
 - ✎ Grant Funding from LocalMotion secured for the production of new signage for the trail system and hotels.

- ✓ Steve Nash Basketball League Implementation – Completed in May 2009
 - ✎ Partnered with local schools, coaches and parent groups. Grant funding from UBCM and 2010 Legacies Now.

- ✓ Upgrades to Riverside Municipal Campground – Complete in 2010
 - ✎ Successful in acquiring Towns for Tomorrow Grant Funding for installation of showers and washroom facilities. Worked with Development Services Department for design, tender and construction in 2010.

- ✓ Phase One of Multiplex – RFP for Feasibility Study to commence in August 2009
 - ✎ Federal RinC grant funding applied for. Bruce Carscaden Architects awarded contract for Feasibility Study. Community consultation process completed in Fall. Final report for Feasibility Study in Spring 2010.

- ✓ Perimeter Trail Expansion on Railway Avenue: Queen to Toronto Street – completed in August 2009
 - ✎ Successfully awarded LocalMotion grant funding and completed trail design and construction with town resources and local contractors.

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RECREATION, PARKS AND CULTURE

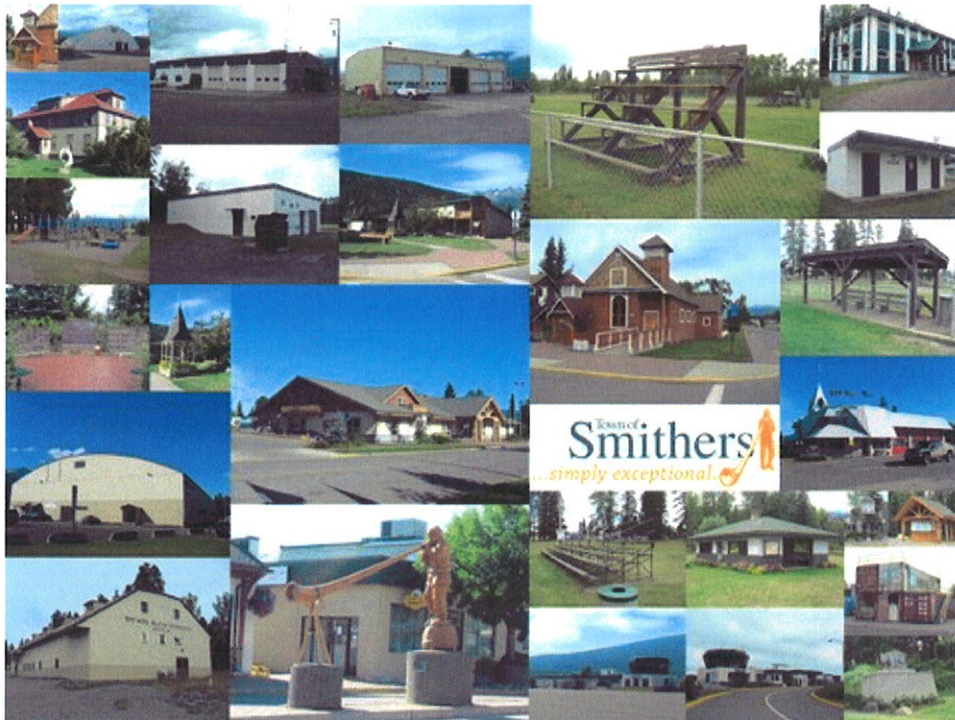
2010 Major Projects and Strategies

- ⇒ Multiplex Feasibility Study – Final Report to Council June 2010
 - Feedback received from community consultation and meetings with Council
- ⇒ Installation of Perimeter Trail Signage – Complete by August 2010
 - Coordinate installation of signage with Works & Operations
- ⇒ Riverside Campground Municipal Upgrades (showers & washrooms) – Complete May 2011
 - Tender process in June 2010, construction to commence in August 2010
- ⇒ Ranger Park Playground – Complete by August 2010
 - Quotes received April 2010 with construction commencing in July 2010
- ⇒ Heritage Park Playground – Complete October 2010
 - Partner with Kinsmen Association. Tender by June 2010 with construction commencing August 2010
- ⇒ Indoor Turf: Arena – Complete by March 2011
 - Application for grant funding with additional funds coming from capital budget. Tender by November 2010
- ⇒ Second Arena – Complete by October 2011
 - Secure \$1.5 m grant funding from Provincial sources. Tender by January 2011 and complete by October 2011

Town of Smithers



Consolidated Financial Statements (audited) December 31, 2009



Town of Smithers' Buildings and Structures

Box 879
1027 Aldous Street
Smithers B.C. V0J 2N0
Phone: 250- 847-1600
Website: www.smithers.ca

To Mayor Farrow and Members of Council:

I hereby submit the audited consolidated financial statements for the Town of Smithers for the fiscal year ended December 31, 2009, pursuant to Section 167 of the *Community Charter*.

The consolidated financial statements include a Management Report, the Auditor's Report, Consolidated Statements, Notes to the Financial Statements and Supplementary Schedules. The Consolidated Financial Statements reflect the Town's overall financial position as at December 31, 2009 and the results of its operations and changes in its financial position for the year, with comparative amounts for 2008. 2008 figures have been restated in accordance with new Public Sector and Accounting Board (PSAB) requirements concerning Tangible Capital Asset, Amortization and Accumulated Surplus. Note 16 on pages 14 and 15 lists the 2008 Financial Statements items that were restated.

Notes to the Financial Statements provide further detail as to specific accounting policies and the composition of certain financial numbers, and should be read in conjunction with the Statements. The Schedules provide additional financial detail within the various funds of the Town (Operating, Capital and Reserves) as well as specific information on Property Tax Revenue, Government Transfers (Grants), Long Term Debt, Tangible Capital Assets and the 2% Hotel Tax Funds.

All governments in Canada are required to comply with PSAB reporting. The net underlying goal of the new Financial Reporting models are to identify the net economic resources available to a government. Economic resources are the means to provide services or satisfy liabilities.

2009 Financial Highlights:

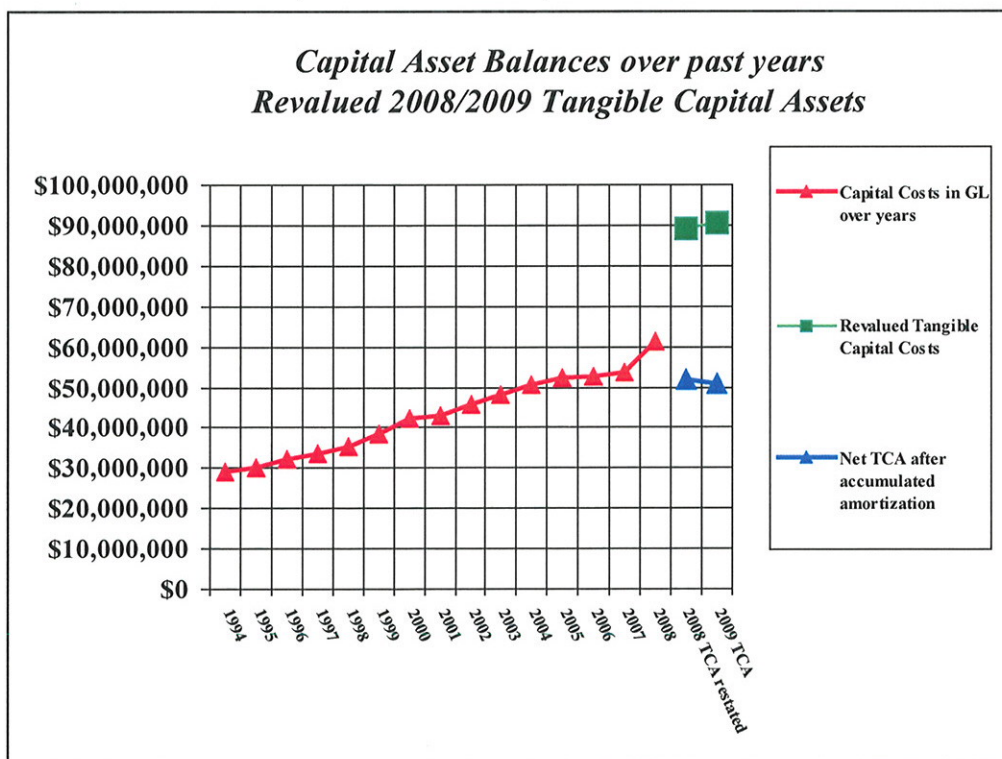
The Consolidated Statement of Financial Position (Assets, Liabilities and Accumulated Surplus) was prepared in accordance with the new PSAB format. This statement is designed to show the details of, and changes in, net economic resources of the Town.

- **Net Financial Assets:** Net Financial assets are resources available to finance future operations. The Town was in a net Financial Asset position for 2008 and 2009, meaning that it had more assets on hand at the end of each year than liabilities owing.
 - **Cash and Investments** of \$12.9M at the end of 2009 are higher than at the end of 2008 due to using less surplus/reserves for capital projects than originally budgeted, having less accounts receivables at the end of 2009 and due to the receipt of grant funds received in 2009 for use in 2010 (see deferred revenue).
 - **Accounts Receivables** are less at the end of 2009 primarily due to less grant funds owing to the Town by other government bodies at the end of the year for capital projects.
 - **Taxes Receivable** are slightly higher at the end of December 2009, however all delinquent taxes in 2009 were cleared up. There were no properties sold at the 2009 tax sale. The one property that was sold in the 2008 tax sale was not redeemed by the end of September 2009 and therefore transferred to the name of the purchaser in October 2009.
 - **Loans receivable** are lower at the end of 2009 due to the 2009 loan payments made by the Wetzin'kwa Community Forest Corporation and the Smithers Curling Club.
 - **Accounts Payables** of \$1.3M are lower at the end of 2009 due to less capital project invoices being owed at the end of 2009 compared to the end of 2008. Also, the Town had less

refundable contract security deposits on hand and holdbacks owing at the end of December 2009 than it did at the end of December 2008.

- **Deferred Revenue** increased due to the receipt of grants in 2009, such as the Provincial Small Communities grant, which will be used in 2010 as revenue for budgeted 2010 operations and 2010 capital projects.
- **Long Term Debt** balance is less at the end of 2009 due to paying down current debt (see Schedule H on page 30). There was one new borrowing amount in 2009 under Local Area Service Bylaw 1597, in the amount of \$17,172. Graph 3 on page 37 depicts the changes in the outstanding debt balances over the past 20 years.
- **Non Financial Assets:** These are resources that are meant to be consumed in the provision of municipal services.
 - **Tangible Capital Assets (TCA):** 2009 was the first year that tangible capital assets were to be recorded under the new PSAB 3150 local government accounting requirement. This also meant restating the 2008 comparative balances. The TCA process started several years ago when the Town began to inventory all of its capital assets. It also then valued its tangible capital assets based on current reproduction costs or on historical costs, when available. In accordance with PSAB 3150 the Town then adopted a Tangible Capital Asset Policy in September 2009, which laid the framework for the types of asset categories that would be used in grouping the TCA records and in reporting at the end of the year. The useful life of all asset categories were determined, primarily based on the guidelines provided by the Ministry of Community and Rural Development.

As seen on the graph below the Town had over \$61M in recorded capital asset costs within its capital general ledgers by 2008. After the valuations were completed the Town had over \$89.3M in tangible capital assets, primarily due to the addition of the airport assets, which had been received in 1999 for \$1 from the Federal Government. Once the accumulated amortization was calculated to the end of 2008 the Town’s net tangible capital assets (total costs less accumulated amortization) were recorded at just over \$54M.



The 2008 Tangible Capital Asset amount on the Statement of Financial Position was restated based on revised Tangible Capital asset valuations and by including 2008 accumulated amortization; thereby also restating the Town's 2008 Equity in Tangible Capital Asset balance.

In 2009 Tangible Capital Asset additions were added to applicable asset categories. 2009 annual amortization was expensed and also added to the accumulated amortization amounts. Below is a chart of the overall 2009 Tangible Capital Asset results (which are also highlighted in summary on Schedule G, page 29):

	TCA cost Dec 31/09	Accumulated Amortization	% amortized	Net Book Value Dec 31/09
Tangible Capital Asset Summary				
Engineered Structures	34,076,443	14,202,562	41.68%	19,873,881
Buildings	14,198,467	5,997,097	42.24%	8,201,370
Machinery and Equipment/Vehicles	8,298,725	4,599,805	55.43%	3,698,920
Office Equipment and Computers	481,038	293,953	61.11%	187,085
Utility Systems (Water/sewer/storm)	26,800,019	14,883,392	55.54%	11,916,627
Work In Progress	47,325			47,325
Municipal Land	6,909,142			6,909,142
	90,811,159	39,976,809	44.02%	50,834,350

- **Other Assets** are comprised of prepaid expenses and inventory. This amount was higher at the end of 2009 due to having more inventories on hand at the end of 2009 (such as salt, sand and gravel) and having paid more prepaid expenses in 2009.
- **Accumulated Surplus:** This figure is the sum of the net financial assets and the non financial assets. It includes all of the operating surpluses, capital reserves and statutory reserves and the Town's net investment in capital assets, *Equity in Capital Assets*. Note 11 on page 12 shows the breakdown of the accumulated surplus components and Schedules D, E and F on pages 23 to 28, show the detailed transactions and changes within each of the surplus, reserve and equity funds.
 - The total Operating Surplus balance (for General, Utility, RCMP and Airport Operating Funds) at the end of December 31, 2009 of \$4.78M was less than the 2008 balance due to use of Utility Operating Surplus and Airport Operating Surplus to fund capital projects. The RCMP Operating surplus balance was less due to amounts used in 2009 to cover RCMP municipal operating costs.
 - The total Capital Reserve balance of \$2.8M was less at the end of 2009 due to funding several capital projects in 2009 using capital reserve funds (debenture surplus capital reserves, gas tax capital reserves). Council approved the establishment of a new capital reserve, the Facilities Maintenance Capital Reserve, to pay for ongoing facilities upgrades/capital maintenance. \$60,000 was approved by Council as a 2009 year end transfer from the General Operating Fund to the new Facilities Maintenance Capital Reserve.
 - Statutory Reserve fund balances of \$3.9M were less at the end of 2009 due to less investment income revenue received in 2009 and due to use of statutory reserve to fund 2009 capital projects.
 - Equity in Capital Assets is calculated by taking the Tangible Capital Asset costs (net of accumulated amortization) less the Town's outstanding Long Term Debt. At the end of December 31, 2009 the Town had a net equity investment in its municipal capital assets of \$49.3M, which is less than the net investment balance at the end of 2008 due to 2009 amortization expense.

The Consolidated Statement of Operation was prepared in accordance with the new PSAB format. This statement shows the extent to which revenues recognized were sufficient to offset the cost of the services provided and also shows the changes in the accumulated surplus balance.

- **Consolidated Revenue:**

- **Taxation revenue** was higher in 2009 due to increased tax levies. Schedule I on page 31 lists all components of taxation revenue. As shown on Graph 7 on page 39, taxation revenue represented 41% of the Town's total consolidated revenue in 2009.
- **Service Charges/User fees** were less in 2009 partly due to fewer fees received at the airport in 2009 than in 2008. As shown on Graph 7 on page 39, service charges/user fees revenue represented 33% of the Town's total consolidated revenue in 2009.
- **Government Transfers/Grant revenue** was less in 2009 due to less capital and operating grants received. Schedule J on page 32 lists all government transfers/grants recorded as revenue in 2009 compared to budget and compared to 2008. This list does not include all grants applied for or approved grants that the Town will receive in 2010. It also does not include the grants received in 2009 that were placed into deferred revenue and that will be reflected as 2010 grant revenue. Grant funding represented 18% of the Town's total consolidated revenue in 2009, compared to 2008, when it was 45% of total consolidated revenue (as seen on Graph 7 on page 39).
- **Investment Income** was much lower in 2009 due to the low investment rates. Investment income was 2% of consolidated revenue in 2009, while in 2008 it was 4% of consolidated revenue.
- **Other Revenue** is less in 2009 due to less debenture surplus funds received in 2009 than in 2008. Debenture surplus funds are cash reserves that the Town had originally placed with the Municipal Finance Authority when Town debt was originally incurred. Once debt has been paid up the Municipal Finance Authority has paid back the original debt cash reserves and the Town has placed the funds received into the Debenture Surplus Capital Reserves.

- **Consolidated Expenses** are economic resources that are consumed to provide municipal services. Expenses for 2008 have been restated to follow to new PSAB requirements. Operating expenses now include applicable interest on debt and accumulated amortization. In past years the expenses shown on the Statement of Financial Activities included operating and capital costs. The budget figures shown represent the 2009 budget approved in May 2009, which did not include 2009 budgeted amortization amounts, while the actual 2009 amounts do include amortization. This is the main reason for 2009 actual expenses that are higher than budget. Graph 8 on page 39 shows the percentage breakdown of all consolidated expenses for the Town in 2009 compared to 2008.

- **General Government Services** expenses are less in 2009 due to less spent on contracted services and materials in 2009 for the Town Office and for general Town administration. The miscellaneous 2008 reserve expenses of \$68,011 were also added to the restated 2008 General Government services expense balance.
- **Protective Services** expenses were less in 2009 due to less contracted services costs in 2009 (for example RCMP prisoner expense costs were less in 2009). Effective 2009 there is no more debt interest since the Fire Hall building debt was paid up in 2008.
- **Transportation and Transit Services** expenses were higher than in 2008 due to special projects that were completed within the 2009 capital plan that were not considered tangible capital assets (such as the Town's \$250,000 contribution to the Province towards the Ministry of Highway's Highway 16/Tatlow Road signalization project) and therefore were added to 2009 transportation operating costs for consolidated financial statement purposes.

- **Development Services/Economic Development and Tourism** expenses were less than budget and less than 2008 expenses due to less operating grant projects in 2009 than in 2008.
- **Recreation and Culture Services** expenses were higher in 2009 due to special projects within the 2009 capital plan that were not considered tangible capital assets (i.e. the Library feasibility/concept design study) and were therefore added to recreation and cultural operating expenses for consolidated financial statement purposes.
- **Utility Services** expenses were slightly higher in 2009 due to special projects that were within the 2009 capital plan (such as water meter replacements and manhole rehabilitation costs) that were not considered tangible capital assets and therefore were added to utility operating costs for consolidated financial statement purposes.
- **Airport Services** expenses were higher in 2009 due to special operating projects such as the Airport Business Plan that were expensed through operations in 2009.
- The Consolidated Statement of Operations now has to show an **Annual Surplus (Deficit)**, which is consolidated revenue less consolidated operating expense. The reason for the 2009 budget not reflecting a deficit is that it did not include 2009 budgeted amortization amounts. The reason for the 2009 actual Annual Deficit of \$1,052,006 is that amortization expense of \$2,688,919 was required to be included with the actual 2009 operating expense amounts. Had the amortization not been included with 2009 actual expenses, the Town would be showing a 2009 annual surplus of \$1.4M.

Consolidated Statement of Cash Flows (page 5): This Statement shows how cash requirements were met and how activities were financed.

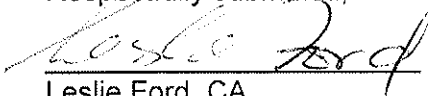
Consolidated Statement of Net Financial Assets (page 6) This is a new schedule required to be prepared in accordance with PSAB. It shows the extent to which revenues were sufficient to offset the cost of goods and services acquired and also explains the change in the Net Financial Assets.

Notes to the Consolidated Financial Statements:

There are several new Notes to Financial Statements in 2009:

- Note 1 (g) Tangible Capital Assets: This highlights the main Tangible Capital Asset policy requirements and lists the range of useful lives for each asset category.
- Note 9: This note lists the net tangible capital asset costs (after accumulated amortization) for each main asset category.
- Note 16: Prior Period Adjustment: This notes the fact that 2008 financial statements amounts were restated to conform with the 2009 format and PSAB requirements, concerning Tangible Capital Assets, Amortization and Accumulated Surplus.
- Note 17: This note shows that the Town continues to work with balanced budgets and balanced operations regardless as to whether it shows an annual surplus or deficit in its actual results or in its annual budget. Budgets are often prepared on a "cash basis" however financial statements are prepared on an "accrual" basis so this note aligns the actual results with budget. This note also shows that there are financial items within the financial plan and actual year-end results that have not been funded from a revenue source (i.e. amortization) and are included for PSAB consolidated financial statement purposes.

Respectfully submitted,



Leslie Ford, CA
Director of Finance
April 1, 2010

Town of Smithers
Consolidated Financial Statements
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TOWN OF SMITHERS

MANAGEMENT REPORT

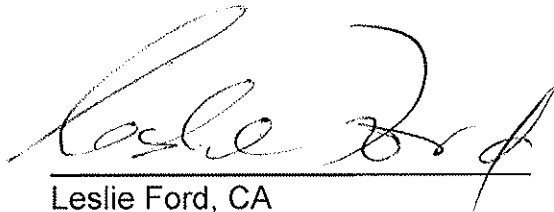
The Consolidated Financial Statements of the Town of Smithers have been prepared by management in accordance with generally accepted accounting principles or stated accounting principles, and the integrity and objectivity of these statements are management's responsibility. Management is also responsible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

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

The Mayor and Council of the Town of Smithers is responsible for ensuring that management fulfils its responsibilities for financial reporting and maintaining internal controls and exercises this responsibility through Council. The Council reviews internal financial statements on a monthly basis and external Audited Financial Statements yearly.

The external auditors, Edmison Mehr, Chartered Accountants, conduct an independent examination, in accordance with generally accepted auditing standards, and express their opinion on the financial statements. Their examination includes a review and evaluation of the Town's system of internal control and appropriate tests and procedures to provide reasonable assurance that the financial statements are presented fairly. The external auditors have full and free access to financial management of the Town of Smithers and meet when required.

On behalf of the Town of Smithers

A handwritten signature in cursive script, appearing to read "Leslie Ford", written over a horizontal line.

Leslie Ford, CA
Director of Finance
April 1, 2010

EDMISON MEHR
CHARTERED ACCOUNTANTS

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Smithers, B.C. V0J 2N0
Telephone (250)847-4325
Fax (250)847-3074

Partners:
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AUDITOR'S REPORT

To the Council Members
TOWN OF SMITHERS
Smithers, B.C

We have audited the consolidated statement of financial position of the TOWN OF SMITHERS as at December 31, 2009 and the consolidated statements of operations, cash flows and net financial assets for the year ended December 31, 2009. These financial statements are the responsibility of the Town's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Town as at December 31, 2009 and the results of its operations, cash flows and net financial assets for the year then ended in accordance with the Canadian generally accepted accounting principles.

Edmison Mehr

Edmison Mehr

Smithers, B.C.
April 1, 2010



Town of Smithers
Consolidated Statement of Financial Position

As at December 31, 2009

	2009	2008
		(restated Note 16)
FINANCIAL ASSETS		
Cash and Investments (Note 2)	\$12,926,616	\$12,593,818
Taxes Receivable (Note 3)	277,417	212,318
Accounts Receivable (Note 4)	504,610	1,298,025
Deposits - Municipal Finance Authority (Note 5)	29,559	28,510
Loans Receivable (Note 6)	137,110	202,110
Investment in Wetzin'kwa Community Forest Corporation (Note 14)	1	1
	<u>13,875,313</u>	<u>14,334,782</u>
LIABILITIES		
Accounts Payable and Accrued Liabilities (Note 7)	1,371,024	1,952,961
Restricted Revenue - Municipal Finance Authority (Note 5)	29,559	28,510
Deferred Revenues (Note 8)	1,240,931	555,091
Long Term Debt (Schedule H)	1,561,057	1,731,686
	<u>4,202,571</u>	<u>4,268,248</u>
NET FINANCIAL ASSETS	<u>9,672,742</u>	<u>10,066,534</u>
Commitments and Contingencies (Note 13)		
NON FINANCIAL ASSETS		
Tangible Capital Assets (Notes 1, 9 & 16, Schedule G)	50,834,320	51,750,064
Prepaid Expenses and Supply Inventory (Note 10)	285,243	227,713
	<u>51,119,563</u>	<u>51,977,777</u>
ACCUMULATED SURPLUS (Notes 11 & 16, Schedule A)	<u>\$60,792,305</u>	<u>\$62,044,311</u>

The accompanying notes and schedules are an integral part of these financial statements

Town of Smithers
Consolidated Statement of Operations

For the Year Ended December 31, 2009

	2009	2009	2008
	Actual	Budget	Actual
		(unaudited)	(restated Note 16)
REVENUE (Schedules B & C)			
Taxation (Schedule I)	\$4,852,919	\$4,860,980	\$4,673,960
Service Charges/User Fees	3,515,604	3,506,799	3,687,404
Government Transfers/Grants (Schedule J)	1,884,659	4,347,037	7,481,274
Investment Income	215,331	413,735	613,756
Net Gain on Disposal of Financial Assets	-	-	12,000
Net Gain on Disposal of Tangible Capital Assets	20,796	-	-
Other Revenue	79,554	98,400	158,423
Total Revenue	<u>10,568,863</u>	<u>13,226,951</u>	<u>16,626,817</u>
EXPENSES (Schedules B, C & K)			
General Government Services	1,398,333	1,371,080	1,483,629
Protective Services (incl RCMP)	2,073,384	2,125,766	2,166,247
Transportation and Transit Services	2,082,991	1,490,890	1,931,713
Solid Waste Management/Recycling Services	260,002	313,412	242,136
Public Health/Cemetery Services	77,201	72,836	77,625
Development/Economic Development/Tourism Services	738,675	1,289,027	922,260
Recreation and Cultural Services	1,629,399	1,605,002	1,447,816
Utility (Water, Sewer and Storm Sewer) Services	1,387,680	1,023,033	1,332,156
Airport Services	2,173,204	1,289,606	2,089,524
Loss on Disposal of Tangible Capital Assets	-	190,646	148,904
Total Expenses	<u>11,820,869</u>	<u>10,771,298</u>	<u>11,842,010</u>
Annual Surplus (Deficit) (Note 16)	(1,252,006)	2,455,653	4,784,807
Accumulated Surplus, beginning of year	62,044,311	62,044,311	57,259,504
Accumulated Surplus, end of year	<u>\$60,792,305</u>	<u>\$64,499,964</u>	<u>\$62,044,311</u>

The accompanying notes and schedules are an integral part of these financial statements

Town of Smithers
Consolidated Statement of Cash Flows
For the Year Ended December 31, 2009

	2009	2008 (restated Note 16)
Cash provided by (used for):		
Operating Transactions		
Annual Surplus (Deficit)	(\$1,252,006)	\$4,784,807
Non Cash items included in Annual Deficit:		
Actuarial Adjustment	(25,708)	(130,736)
Amortization	2,688,919	2,566,776
Net Gain on Disposal of Financial Assets	-	(12,000)
Net Gain on Disposal of Tangible Capital Assets	(20,796)	-
Loss on Disposal of Tangible Capital Assets	-	148,904
Change in Other Non Cash items:		
Change in Prepaid/Inventory Expenses	(57,530)	15,668
Change in Taxes Receivable	(65,099)	(11,807)
Change in Accounts Receivable	793,415	(763,754)
Change in Accounts Payables	(581,937)	271,096
Change in Deferred revenue	685,840	324,531
Cash provided by operating transactions	<u>2,165,098</u>	<u>7,193,485</u>
Capital Transactions		
Proceeds on Disposal of tangible capital assets	54,663	50,000
Donated assets	(8,000)	-
Cash used to acquire tangible capital assets	(1,799,042)	(7,816,031)
Cash applied to capital transactions	<u>(1,752,379)</u>	<u>(7,766,031)</u>
Investing Transactions:		
Proceeds on disposal of land held for resale	-	115,000
Loan proceeds from Curling Club	5,000	4,999
Loan Proceeds from Wetzln'kwa Community Forest	60,000	-
Loan proceeds to Wetzln'kwa Community Forest	-	(150,000)
Cash provided by investing transactions	<u>65,000</u>	<u>(30,001)</u>
Financing Transactions:		
Debt repayment	(162,093)	(126,912)
Proceeds from debt issues	17,172	143,224
Debenture Issuing costs	-	-
Cash applied to financing transactions	<u>(144,921)</u>	<u>16,312</u>
Increase (decrease) in Cash and Investments	332,798	(586,235)
Cash and Investments, beginning of year	12,593,818	13,180,053
Cash and Investments, end of year	<u>\$12,926,616</u>	<u>\$12,593,818</u>

The accompanying notes and schedules are an integral part of these financial statements

Town of Smithers
Consolidated Statement of Net Financial Assets
For the Year Ended December 31, 2009

	2009	2009 Budget	2008 (restated Note 16)
Annual Income (Deficit)	(\$1,252,006)	\$2,455,653	\$4,784,807
Acquisition of Tangible Capital Assets	(1,807,042)	(7,070,817)	(7,816,031)
Amortization of Tangible Capital Assets	2,688,919	-	2,566,776
(Gain) Loss on Disposal of Tangible Capital Assets	(20,796)	290,646	148,904
Proceeds on Sale of Tangible Capital Assets	54,663	31,500	50,000
	<u>(336,262)</u>	<u>(4,293,018)</u>	<u>(265,544)</u>
Net Change in Prepaid Expenses	(29,952)	-	(4,260)
Net Change in Inventory of Supplies	(27,578)	-	19,928
	<u>(57,530)</u>	<u>-</u>	<u>15,668</u>
Change in Net Financial Assets	(393,792)	(4,293,018)	(249,876)
Net Financial Assets, beginning of year	10,066,534	10,066,534	10,316,410
Net Financial Assets, end of year	<u>\$9,672,742</u>	<u>\$5,773,516</u>	<u>\$10,066,534</u>

The accompanying notes and schedules are an integral part of these financial statements

Town of Smithers

Notes to Consolidated Financial Statements

December 31, 2009

GENERAL

The Town of Smithers was incorporated as a municipality in 1921. The principal activities of the Town include the provision of local government services to the residents of the incorporated area. These services include administrative, protective, transportation, solid waste management, cemetery, planning, economic development, tourism, recreation, culture, water, sewer and airport.

1. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the Town of Smithers are prepared in accordance with the Canadian generally accepted accounting principles as prescribed by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants.

(a) Principles of consolidation:

The consolidated financial statements reflect the combined results and activities of the Town of Smithers. The statements exclude trust assets that are administered by the Town for the benefit of external parties. Interfund transactions have been eliminated on consolidation.

(b) Fund accounting:

The resources and operations of the Town have been segregated for accounting and financial reporting purposes into the following funds:

<u>Operating Funds:</u>	Operating Funds report the General, RCMP, Utility (Water, Sewer and Storm Sewer) and Airport operations.
<u>Capital Funds:</u>	Capital Funds report the acquisition and disposal of property and equipment and their related financing.
<u>Reserve Funds:</u>	Under the <i>Community Charter</i> , Council may, by bylaw, establish reserve funds for particular purposes. Money in the reserve fund, and interest earned thereon, must be expended only for the purpose for which the fund was established.

(c) Financial Instruments:

The financial instruments of the Town consist of cash, investments, taxes and accounts receivable, deposits, loans receivable, accounts payable and accrued liabilities, restricted revenue and deferred revenue. The cost basis approximates the fair market value of the financial instruments. Unless otherwise noted, it is management's opinion that the Town is not exposed to significant interest, currency or credit risk arising from these financial instruments.

(d) Revenue Recognition:

Revenue and expenditures are recorded on the accrual basis.

(e) Cash and Investments:

Investments are recorded at cost, except for Investment in the Municipal Financial Authority (MFA) of British Columbia pooled investments, which are carried at market value. Cash and investments include cash held on deposit, investment held with the MFA and term deposits held with the Bulkley Valley Credit Union.

(f) Inventory

Inventory is valued at the lower of cost or net realizable value and is recorded at weighted average. No items were written down to net realizable value.

Town of Smithers
Notes to Consolidated Financial Statements
December 31, 2009

(g) Tangible Capital Assets:

Tangible Capital Assets, comprised of capital assets and capital work-in-progress, are recorded at cost, net of capital asset disposals, write-downs and accumulated amortization. Tangible capital assets are classified according to their functional use. Amortization is recorded on a straight-line basis over the estimated useful life of the asset commencing the year the asset is put into service. Donated tangible capital assets are reported at fair market value at the time of donation. Estimated useful lives are as follows:

Major Asset Category	Useful Life Range
Land	Unlimited
Buildings	15 to 50 Years
Machinery & Equipment, Vehicles	5 to 20 Years
Office Equipment and Computers	5 to 10 Years
Engineering Structures (Roads, Streets, Parks)	10 to 75 Years
Utility Systems (Water, Sewer, Storm)	20 to 100 Years

(h) Use of Estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported revenue and expenditures during the reporting period. Significant areas requiring the use of management estimates relate to the determination of employee benefit plans, allowance for doubtful accounts receivable, provision for contingencies and prior years tangible capital asset historical costs and related amortization. Actual results could differ from management's best estimates as additional information becomes available. Adjustments, if any, will be reflected in the financial statements in the period that the change in estimate is made, as well as in the period of settlement if the amount is different.

(i) Budget Presentation:

Budget amounts are from the Town's Five Year Financial Plan for the years 2009 – 2013, adopted by Council on May 12, 2009 with minor subsequent reallocations and reclassifications to conform to financial statement presentation (see Note 17).

(j) Comparative Figures:

Certain comparative figures have been reclassified to conform to the presentation adopted for the current year.

2. CASH AND INVESTMENTS

	2009	2008
Restricted Cash and Investments- Statutory Reserves	\$3,901,060	\$4,166,280
Unrestricted Cash and Investments	9,025,556	8,427,538
	<u>\$12,926,616</u>	<u>\$12,593,818</u>

Town of Smithers
Notes to Consolidated Financial Statements
December 31, 2009

Cash and Investments include \$9,563,732 (2008: \$8,150,070) invested in the Money Market and Intermediate Fund Investments within the Municipal Finance Authority Pooled Investment program; and \$3,149,571 (2008: \$3,056,399) in term deposits. Interest earned on investments throughout the year averaged 2.16% for term deposits and 1.3% for MFA investments.

3. TAXES RECEIVABLE

	2009	2008
Property Taxes Receivable - Current	\$247,382	\$154,160
Property Taxes Receivable - Arrears	30,035	43,271
Property Sold for Taxes- Subject to Redemption	-	14,887
	<u>\$277,417</u>	<u>\$212,318</u>

4. ACCOUNTS RECEIVABLE

	2009	2008
Due from Provincial Government	\$204,333	\$777,960
Due from Federal Government	35,308	238,266
Trade and Accrued Receivables	159,222	238,840
Utilities Receivable	20,192	20,571
Due From Other Government Bodies	85,556	22,388
	<u>\$504,611</u>	<u>\$1,298,025</u>

Accounts receivable are reported net of allowance for doubtful accounts in the amount of \$1,184.

5. MUNICIPAL FINANCE AUTHORITY DEPOSITS (RESTRICTED REVENUE)

	2009	2008
Cash Deposits*	\$29,559	\$28,510
Demand Notes	83,549	82,246
	<u>\$113,108</u>	<u>\$110,756</u>

The Town of Smithers issues its debt instruments through the Municipal Finance Authority of BC (MFA). As a condition of these borrowings, a portion of the debenture proceeds is withheld by

Town of Smithers
Notes to Consolidated Financial Statements

December 31, 2009

the MFA as a debt reserve fund. These deposits are held by the MFA to act as security against the possibility of debt repayment default. If the debt is repaid without default, the deposits are refunded to the Town with interest and the demand notes are cancelled.

*Only the cash deposits portion of the MFA Deposits is included as a Financial Asset.

6. LOANS RECEIVABLE

	2009	2008
Loan to Smithers Curling Club	\$47,110	\$52,110
Loan to Wetzin'kwa Community Forest Corporation	90,000	150,000
	\$137,110	\$202,110

The Smithers Town Council approved a loan to the Smithers Curling Club, under the authority of Section 24 of the *Community Charter*, to provide assistance to the club to pay for their ice plant. The loan is to be repaid, plus interest at 1.5%, by March 2011.

The Town of Smithers and the Wetzin'kwa Community Forest Corporation, entered into a partnership agreement which allowed the Town of Smithers to loan the Wetzin'kwa Community Forest Corporation \$150,000. The loan to the Wetzin'kwa Community Forest Corporation is to be repaid, plus interest at 2%, by June 2013. The Corporation is to provide the services as outlined in the Town of Smithers Wetzin'kwa Community Forest Municipal Service Establishment Bylaw #1577.

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2009	2008
Trade Payables and Accrued Liabilities	\$520,817	\$809,353
Payroll Payable and Accrued Payroll Benefits	412,720	489,257
Due to Provincial Government	79,660	16,883
Due to Other Government Bodies	14,488	7,631
Holdbacks and Deposits	343,339	629,837
	\$1,371,024	\$1,952,961

Accrued Payroll benefits include an estimated value for accrued sick pay that could be paid out over the next few years to employees, in accordance with the provisions of the CUPE Union agreement.

Town of Smithers
Notes to Consolidated Financial Statements
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8. DEFERRED REVENUES

	2009	2008
Operating Revenue Received in Advance	\$63,804	\$47,020
2% Hotel Tax Funds (Schedule L)	47,851	61,444
Capital Funding Received in Advance	43,809	266,000
Deferred Tax Revenue	124,912	96,549
Miscellaneous Operating Grants Received in Advance	960,555	84,078
	\$1,240,931	\$555,091

9. TANGIBLE CAPITAL ASSETS (Schedule G)

	2009	2008 (restated Note 16)
Land	\$6,909,142	\$6,909,142
Buildings	8,201,370	8,571,117
Machinery and Equipment, Vehicles	3,698,920	3,774,187
Office Equipment and Computers	187,085	193,029
Engineered Structures	19,873,851	20,193,625
Utilities	11,916,627	12,108,964
Work In Progress	47,325	-
	\$50,834,320	\$51,750,064

10. PREPAID EXPENSES AND SUPPLY INVENTORY

	2009	2008
Prepaid Expenses	\$96,239	\$66,287
Inventory of Supplies	189,004	161,426
	\$285,243	\$227,713

Town of Smithers
Notes to Consolidated Financial Statements
December 31, 2009

11. ACCUMULATED SURPLUS

	2009	2008 (restated Note 16)
Operating Funds (Schedules A, B and D)	\$4,784,678	\$4,983,104
Capital Funds (Schedules A, B and E)		
Capital Reserves and Other	2,833,305	2,876,550
Equity in Tangible Capital Assets	49,273,262	50,018,377
Reserve Funds (Schedules A, B and F)	3,901,060	4,166,280
	<u>\$60,792,305</u>	<u>\$62,044,311</u>

Equity in Tangible Capital Assets represents the net book value of total Tangible Capital Assets less Long-term Debt obligations required to obtain those assets.

12. PENSION INFORMATION

The municipality and its employees contribute to the Municipal Pension Plan (the plan), a jointly trusteesd pension plan. The Board of Trustees, representing plan members and employers, is responsible for overseeing the management of the pension plan, including investment of the assets and administration of the plan. The pension plan is a multi-employer contributory pension plan. Basic pension benefits provided are defined. The plan has about 150,000 active members and approximately 54,000 retired members. Active members include approximately 33,000 contributors from local governments.

Every three years an actuarial valuation is performed to assess the financial position of the plan and the adequacy of plan funding. The most recent valuation as at December 31, 2006 indicated a surplus of \$438 million for basic pension benefits. The next valuation will be as at December 31, 2009 with results available in 2010. The actuary does not attribute portions of the unfunded surplus to individual employers. The Town of Smithers paid \$236,384 for employer contributions to the plan in fiscal year 2009.

13. COMMITMENTS AND CONTINGENCIES

(a) Provincial Ministry of the Attorney General:

Under an agreement with the Ministry of the Attorney General, the Town is obligated to pay for municipal policing services comprised of nine officers, two clerks, one court liaison officer and a proportionate share of accommodation costs.

(b) Federal Department of Transportation:

On April 1, 1999 the Town of Smithers entered into a ten-year operating agreement with Transport Canada to continuously own, manage, operate and maintain the Smithers Airport. The operating agreement expired as of March 31, 2009 and the Town of Smithers became the official owner and operator of the Smithers Airport.

Town of Smithers
Notes to Consolidated Financial Statements
December 31, 2009

The Federal Government continues to carry on all functions relating to air navigation and air traffic control, civil aviation security and Canadian inspection services.

(c) Financial Contracts:

The Town has the following equipment and service operating future obligations:

	MFA Operating Lease Obligations	Other Obligations	Total
2010	\$16,784	117,775	\$134,559
2011	14,668	96,354	111,022
2012	10,609	65,087	75,696
2013	6,888	-	6,888
2014	567	-	567
	\$49,516	\$279,216	\$328,732

(d) University of Northern BC Northern Medical Program Trust Fund:

The Town of Smithers pledged to raise \$83,000 for the UNBC Northern Medical Program Trust Fund over five years, commencing 2003. By the end of 2009 the Town of Smithers had received \$73,267 in pledged donations. All donated funds have been, and will continue to be, handed over to UNBC, who will administer the funds on behalf of all contributing members of the Northern Medical Program Trust Fund Foundation. Council made the commitment at their February 17, 2010 Finance Committee meeting to pay the remaining balance of the Town's commitment to UNBC over 3 years (2010 to 2012).

(e) Loan Guarantee:

The Town of Smithers entered into a five-year agreement commencing 2004 with the Regional District of Bulkley Nechako to guarantee the Racquet Courts Regional Debt, incurred under Regional District Borrowing Bylaw No. 1111. This guarantee would only be enacted should the Bulkley Valley Aquatic Centre Management Society default on any future annual debt payments. As of December 31, 2009 there was \$52,901 outstanding on the debt. Annual debt payments include \$11,926 in principal and \$8,055 in interest, totaling \$19,981 per year. As of December 31, 2009 the loan guarantee was renewed by the Town of Smithers and the Regional District for an additional 3 years (the remaining life of the outstanding debt).

(f) Commitment to Purchase Property:

In December 2009 the Town of Smithers announced an agreement to purchase the property adjacent to Central Park on the corner of Highway 16 and Queen Street. Also the Town entered into an agreement to purchase four lots on Sixth Street in exchange for four lots owned by the Town on Seventh Avenue. The commitment to purchase the land and complete the land exchange is pending rezoning and official community plan amendments.

Town of Smithers
Notes to Consolidated Financial Statements
December 31, 2009

(g) Legal Actions:

The Town of Smithers has been named defendant in various legal actions. No reserve or liability has been recorded regarding any of the legal actions or possible claims because the amount of loss, if any, is indeterminable. Settlement, if any, made with respect to these actions would be accounted for as a charge to expenditures in the period in which the outcomes are known.

14. SHAREHOLDER INVESTMENT

Pursuant to Section 185 of *the Community Charter*, the Town of Smithers and the Village of Telkwa were given approval by the BC Inspector of Municipalities in 2007 to form two corporations: 765119 B.C. Ltd and Wetzin'kwa Community Forest Corporation. The sole shareholders of 765119 B.C. Ltd are the Town of Smithers and the Village of Telkwa, at 100 shares valued at \$1. 765119 B.C. Ltd. is the sole shareholder of the Wetzin'kwa Community Forest Corporation.

15. TRUSTS

The Town administers trusts on behalf of various organizations. The following were Trust Fund balances on hand at the end of December:

	2009	2008
Miscellaneous Trust Funds	\$918	\$918
Cemetery and Columbarium Care Trust Fund (Schedule M)	63,625	61,642
	\$64,543	\$62,560

16. PRIOR PERIOD RESTATEMENT

Effective January 1, 2009, the local government changed its method of recording tangible capital assets to comply with the provisions of Section 3150 of the CICA Public Sector Accounting Board Handbook. The handbook requires local governments to record and amortize their tangible capital assets on their financial statements. The change has been applied retroactively to 2008.

The change in reporting has resulted in the following changes to the 2008 comparative values:

Statement of Operations	Reported in 2009 for 2008	Reported in 2008 for 2008
General Government*	1,483,629	1,306,223
Protective Services*	2,166,247	2,025,308
Transportation and Transit*	1,931,713	4,076,435
Solid Waste Management/Recycling*	242,136	209,664
Public Health/Cemetery Services*	77,625	76,494

Town of Smithers
Notes to Consolidated Financial Statements

December 31, 2009

Development Services*	922,260	996,169
Recreation and Cultural Services*	1,447,816	1,255,023
Utilities*	1,332,156	935,220
Airport*	2,089,524	5,993,814
Annual Surplus (deficit) (see below)	4,784,807	(379,968)

*The capital asset expenses reported in 2008 were removed from the operating expense categories and 2008 amortization amounts were added to the restated operating expense categories.

Statement of Financial Position	Reported in 2009 for 2008	Reported in 2008 for 2008
Land Held for Resale	-	50,000
Tangible Capital Assets (see below)	51,750,064	61,095,104
Accumulated Surplus (see below)	62,044,311	71,439,351

Adjustments to 2008 Annual Surplus:

Change in Financial Equity, as previously reported	(\$379,968)
Less: 2008 Amortization expense	(2,566,776)
Add: 2008 Capital Asset costs	7,816,031
Less: Cost of Assets Disposed of	(198,904)
Add: Actuarial Adjustments and Principal Repayments	257,648
Less: Debt proceeds	(143,224)
2008 Annual Surplus, as restated	\$4,784,807

Adjustments to 2008 Tangible Capital Assets:

Capital Assets, as previously Reported	\$61,095,104
Less: Accumulated Amortization to December 31, 2008	(37,592,721)
Add: Land Held for Resale, previously reported	\$50,000
Add: Increased Value of restated Capital Assets	28,197,681
2008 Tangible Capital Assets, as restated	\$51,750,064

Adjustments to 2008 Accumulated Surplus:

Total Financial Equity and Equity in Physical Assets, as previously Reported	\$71,439,351
Change in Accounting for Tangible Capital Assets:	
Less: Accumulated Amortization to December 31, 2008	(37,592,721)
Add: Increased Value of restated Tangible Capital Assets	28,197,681
2008 Accumulated Surplus, as restated	\$62,044,311

Town of Smithers
Notes to Consolidated Financial Statements

December 31, 2009

17. COMPLIANCE WITH LEGISLATIVE FINANCIAL PLAN REQUIREMENTS

The legislative requirements for the Financial Plan are that cash inflows for the period must equal cash outflows.

Cash inflows and outflows include such items as: debt proceeds, transfers to and from reserves and surplus, debt principal repayment and asset sale proceeds. These items are not recognized as revenues and expenses in the Consolidated Statement of Operations as they do not meet the public sector accounting standard requirements. The legislation does not require (but does not preclude) the funding of non-cash items such as amortization or liability accruals to provide for future cash requirements, thus, there is no legislative requirement to include these items in the Financial Plan. However, these items are recognized as expenses in the Statement of Operations.

Thus, the financial items included in the legislative Financial Plan and the Public Sector Accounting Statement of Operations are different. The purpose of this note is to explain the difference between these two requirements and demonstrate how the legislative requirement for a balanced budget, or Financial Plan net balance of "0", has been met.

	2009 actual	2009 budget	2008 actual (restated)
Accumulated Surplus- Statement of Operations	(\$1,252,006)	\$2,455,653	\$4,784,807
Adjustments to non-cash items:			
Amortization expense	2,688,919		2,566,776
Tangible Capital Assets (TCA) - contributed	(8,000)		
(Gain) Loss on disposal of TCA	(20,796)	290,646	148,904
Actuarial Adjustment	(25,708)	(25,708)	(130,736)
Adjustments for cash items, not recognized as revenues Or expenses in the Statement of Operations:			
Tangible Capital Asset costs	(1,799,042)	(7,224,737)	(7,816,031)
Proceeds from sale of Capital Assets	54,663	31,500	50,000
Debt principal repayment	(162,092)	(210,167)	(126,912)
Debenture Issuing Costs	403		
Debt Proceeds	17,172	1,686,956	143,224
Net Transfers from Statutory Reserves	265,220	1,503,854	156,554
Net Transfers from Capital Reserves	42,841	198,769	97,996
Net Transfers from Operating Surplus	198,426	1,293,234	125,418
Balanced Financial Plan/Operations	0	0	0

Town of Smithers
Statement of Financial Position - by Fund
December 31, 2009

Schedule A

	Operating Funds			
	General Operating	Utility Operating	Airport Operating	RCMP Operating
FINANCIAL ASSETS				
Cash and Investments	\$9,116,474	-	-	-
Taxes Receivable	277,417	-	-	-
Accounts Receivable	505,779	-	(\$1,169)	-
Deposit - Municipal Finance Authority	26,288	\$3,271	-	-
Loans Receivable	-	-	-	-
Due from Own Funds	-	1,573,949	1,731,201	\$191,965
Investment in Wetzin'kwa Community Forest Corporation	1	-	-	-
	<u>9,925,959</u>	<u>1,577,220</u>	<u>1,730,032</u>	<u>191,965</u>
LIABILITIES				
Accounts Payable and Accrued Liabilities	1,352,801	-	18,223	-
Due to Own Funds	6,283,309	-	-	-
Restricted Revenue - Municipal Finance Authority	26,288	3,271	-	-
Deferred Revenues	1,205,952	-	34,979	-
Trust Funds	918	-	-	-
Long Term Debt (Schedule H)	-	-	-	-
	<u>8,869,268</u>	<u>3,271</u>	<u>53,202</u>	<u>-</u>
NET FINANCIAL ASSETS	<u>1,056,691</u>	<u>1,573,949</u>	<u>1,676,830</u>	<u>191,965</u>
NON FINANCIAL ASSETS				
Tangible Capital Assets (Schedule G)	-	-	-	-
Prepaid Expenses and Supplies Inventory	191,578	52,582	41,083	-
	<u>191,578</u>	<u>52,582</u>	<u>41,083</u>	<u>-</u>
ACCUMULATED SURPLUS	<u>\$1,248,269</u>	<u>\$1,626,531</u>	<u>\$1,717,913</u>	<u>\$191,965</u>
ACCUMULATED SURPLUS IS COMPRISED OF:				
Operating Funds (Schedules B and D)	\$1,248,269	\$1,626,531	\$1,717,913	\$191,965
Capital Funds (Schedules B and C)	-	-	-	-
Reserve Funds (Schedules B and F)	-	-	-	-
	<u>\$1,248,269</u>	<u>\$1,626,531</u>	<u>\$1,717,913</u>	<u>\$191,965</u>

Capital Funds	Reserve Funds	Consolidated Adjustments	Consolidated 2009	Consolidated 2008
				(restated Note 16)
-	\$3,874,685	(\$64,543)	\$12,926,616	\$12,593,818
-	-	-	277,417	212,318
-	-	-	504,610	1,298,025
-	-	-	29,559	28,510
\$47,110	90,000	-	137,110	202,110
\$2,786,194	-	(6,283,309)	-	-
-	-	-	1	1
2,833,304	3,964,685	(6,347,852)	13,875,313	14,334,782
-	-	-	1,371,024	1,952,961
-	-	(6,283,309)	-	-
-	-	-	29,559	28,510
-	-	-	1,240,931	555,091
-	63,625	(64,543)	-	-
1,561,057	-	-	1,561,057	1,731,686
1,561,057	63,625	(6,347,852)	4,202,571	4,268,248
1,272,247	3,901,060	-	9,672,742	10,066,534
50,834,320	-	-	50,834,320	51,750,064
-	-	-	285,243	227,713
50,834,320	-	-	51,119,563	51,977,777
\$52,106,567	\$3,901,060	-	\$60,792,305	\$62,044,311
-	-	-	\$4,784,678	\$4,983,104
\$52,106,567	-	-	52,106,567	52,894,927
-	\$3,901,060	-	3,901,060	4,166,280
\$52,106,567	\$3,901,060	-	\$60,792,305	\$62,044,311

Town of Smithers
Statement of Operations - by Fund
For the Year Ended December 31, 2009

Schedule B

	General Operating Fund	Utility Operating Fund	Airport Operating Funds	RCMP Operating Funds
REVENUE (Schedule C)				
Taxation (Schedule I)	\$3,640,606	-		\$1,212,313
Service Charges/User Fees	1,106,197	\$1,119,921	\$1,270,836	15,220
Government Transfers/Grants (Schedule J)	986,250	-	60,806	90,000
Investments/Actuarial Adjustments	155,176	-	6,897	-
Net Gain in Disposal of Financial Assets	-	-	-	-
Net Gain on Disposal of Tangible Capital Assets	-	-	-	-
Other Revenue	46,311	-	-	-
	<u>5,934,540</u>	<u>1,119,921</u>	<u>1,338,539</u>	<u>1,317,533</u>
EXPENSES (Schedule C)				
General Government Services	1,275,625	-	-	-
Protective Services	671,272	-	-	1,338,143
Transportation and Transit Services	1,398,188	-	-	-
Solid Waste Management/Recycling Services	227,529	-	-	-
Public Health/Cemetery Services	73,858	-	-	-
Development Services/Economic Development/Tourism	730,526	-	-	-
Recreation and Cultural Services	1,275,663	-	-	-
Utility Services (Water, Sewer, Stormsewer)	-	863,226	-	-
Airport Services	-	-	1,167,770	-
Loss on Disposal of Tangible Capital Assets	-	-	-	-
	<u>5,652,661</u>	<u>863,226</u>	<u>1,167,770</u>	<u>1,338,143</u>
ANNUAL SURPLUS (DEFICIT)	<u>281,879</u>	<u>256,695</u>	<u>170,769</u>	<u>(20,610)</u>
OTHER EXPENSES				
Less: Annual Debt Payments	83,588	4,823	73,681	-
	<u>83,588</u>	<u>4,823</u>	<u>73,681</u>	<u>-</u>
INTERFUND TRANSFERS				
Transfer (to) From Capital Funds	(142,119)	(382,728)	(200,220)	-
Transfer (to) From Operating funds	(6,814)	6,814	-	-
Transfer (to) From Reserve Funds	-	-	-	-
	<u>(148,933)</u>	<u>(375,914)</u>	<u>(200,220)</u>	<u>-</u>
Change in Accumulated Surplus Balances	49,358	(124,042)	(103,132)	(20,610)
Accumulated Surplus Balances, beginning of year	1,198,911	1,750,573	1,821,045	212,575
Accumulated Surplus Balances, end of year	<u>\$1,248,269</u>	<u>\$1,626,531</u>	<u>\$1,717,913</u>	<u>\$191,965</u>

Total Operating Funds	Capital Funds	Statutory Reserve Funds	Consolidated Adjustments	Consolidated 2009	Consolidated 2008
Schedule D	Schedule E	Schedule F			(restated Note 16)
\$4,852,919	-	-	-	\$4,852,919	\$4,673,960
3,512,174	\$3,430	-	-	3,515,604	3,687,404
1,137,056	747,603	-	-	1,884,659	7,481,274
162,073	35,076	\$18,182	-	215,331	613,756
-	-	-	-	-	12,000
-	(1,097)	21,893	-	20,796	-
46,311	33,243	320,171	(320,171)	79,554	158,423
9,710,533	818,255	360,246	(320,171)	10,568,863	16,626,817
1,275,625	122,290	418		1,398,333	1,483,629
2,009,415	153,002	-	(89,033)	2,073,384	2,166,247
1,398,188	870,705	-	(185,902)	2,082,991	1,931,713
227,529	32,473	-	-	260,002	242,136
73,858	3,343	-	-	77,201	77,625
730,526	8,149	-	-	738,675	922,260
1,275,663	386,857	-	(33,121)	1,629,399	1,447,816
863,226	524,454	-	-	1,387,680	1,332,156
1,167,770	1,017,549	-	(12,115)	2,173,204	2,089,524
-	-	-	-	0	148,904
9,021,800	3,118,822	418	(320,171)	11,820,869	11,842,010
688,733	(2,300,567)	359,828	-	(1,252,006)	4,784,807
162,092	(162,092)	-	-	-	-
162,092	(162,092)	-	-	-	-
(725,067)	725,067	-	-	-	-
-	-	-	-	-	-
-	625,048	(625,048)	-	-	-
(725,067)	1,350,115	(625,048)	-	-	-
(198,426)	(788,360)	(265,220)	-	(1,252,006)	4,784,807
4,983,104	52,894,927	4,166,280	-	62,044,311	57,259,504
\$4,784,678	\$52,106,567	\$3,901,060	-	\$60,792,305	\$62,044,311

Town of Smithers
Statement of Operations - by Segment
For the Year Ended December 31, 2009

Schedule C

	General Government	Protective Services incl RCMP	Transportation & Transit	Solid Waste Management/ Recycling	Public Health/ Cemetery
REVENUE					
Taxation	\$987,344	\$1,579,794	\$1,224,754	-	\$18,747
Service Charges/User Fees	85,756	119,305	96,863	\$277,774	23,102
Government Transfers/Grants	425,400	299,482	540,058	-	27,111
Investment Income	48,072	15,765	85,412	-	1,153
Net Gain on Disposal of Financial Assets	-	-	20,796	-	-
Other Revenue	26,145	-	24,813	-	-
Total	1,572,717	2,014,346	1,992,696	277,774	70,113
EXPENSES					
Advertising and Promotion	7,263	728	243	1,063	-
Amortization expense	122,290	153,002	620,301	32,473	3,343
Contracted Services	102,180	94,050	229,715	2,588	1,147
Council Remuneration/Travel Expenses	103,198	-	-	-	-
Fleet charges (net)	8,568	58,170	40,678	75,692	10,030
Grant Related Projects/Special Projects	29,909	-	252,553	-	24,011
Grants to Organizations/Fee Waivers	-	40,012	-	4,568	-
Insurance	25,178	11,806	3,662	-	-
Interest on Debt	-	-	105,542	-	-
Loss on Disposal of Tangible Capital Assets	-	-	-	-	-
Materials and Supplies	75,665	43,851	117,883	15,100	5,921
Miscellaneous	36,123	12,694	1,209	11,331	-
RCMP Contract	-	1,068,078	-	-	-
Travel, Training, Memberships	41,716	26,951	3,885	-	-
Utilities (Telephone, Hydro and Natural Gas)	48,309	35,047	126,070	-	61
Wages and Employee Benefits	797,934	528,995	581,250	117,187	32,688
Total before consolidated adjustments	\$1,398,333	\$2,073,384	\$2,082,991	\$260,002	\$77,201
ANNUAL SURPLUS (DEFICIT)	\$174,384	(\$59,038)	(\$90,295)	\$17,772	(\$7,088)

Development Services/Econ Devt/Tourism	Recreation & Culture	Airport	Utilities (Water/Sewer/ Storm)	2009 total	2009 Budget (unaudited)	2008 total
\$434,244	\$608,036	-	-	\$4,852,919	\$4,860,980	\$4,673,960
128,293	393,754	1,270,836	1,119,921	3,515,604	3,506,799	3,687,404
134,468	397,334	60,806	-	1,884,659	4,347,037	7,481,274
21,800	35,846	7,283	-	215,331	413,735	613,756
-	-	-	-	20,796	-	12,000
20,166	8,000	-	430	79,554	98,400	158,423
738,971	1,442,970	1,338,925	1,120,351	10,568,863	13,226,951	16,626,817
111,920	12,796	7,814	670	142,497	151,451	156,742
2,680	246,778	1,011,522	496,530	2,688,919		2,566,776
129,287	121,537	338,934	56,502	1,075,940	1,131,566	1,217,813
-	-	-	-	103,198	99,240	105,639
8,000	62,647	48,685	75,516	387,986	398,442	427,189
88,358	163,292	44,041	29,350	631,514	1,587,601	359,415
	215,695		128,134	388,409	390,457	367,271
322	22,813	25,693	29,676	119,150	119,234	105,747
-	-	-	7,387	112,929	131,528	136,763
-	-	-	-	-	190,646	148,904
9,329	87,846	164,274	57,829	577,698	631,192	641,586
-	28,999	5,478	437	96,271	97,634	150,883
-	-	-	-	1,068,078	1,148,525	1,115,680
19,306	2,961	11,674	9,583	116,076	158,610	142,130
2,112	81,423	80,494	110,317	483,833	480,981	482,333
367,361	582,612	434,595	385,749	3,828,371	4,054,191	3,717,139
\$738,675	\$1,629,399	\$2,173,204	\$1,387,680	11,820,869	10,771,298	11,842,010
\$296	(\$186,429)	(\$834,279)	(\$267,329)	(\$1,252,006)	\$2,455,653	\$4,784,807

Town of Smithers
Statement of Changes in Operating Funds
For the Year Ended December 31, 2009

Schedule D

	General Operating Unappropriated Surplus	General Operating Appropriated Surplus			
		Snow Removal Operating Reserve	Airport Misc Studies Reserve	Gravel Pit Replacement Operating Reserve	Solid Waste Operating Reserve
<i>Transfers</i>					
Transfer to own Funds	\$40,188	-	-	-	-
Transfer from own Funds	-	-	(\$4,142)	-	-
Use of surplus to fund Tangible Capital Assets	-	-	-	-	-
Net Change in Operating Fund Balances	40,188	-	(4,142)	-	-
Operating Funds, beginning of year	1,077,245	5,000	22,686	18,338	6,000
Operating Funds, end of year	\$1,117,433	\$5,000	\$18,544	\$18,338	\$6,000

Emergency Services Operating Reserve	2nd Sheet Ice Future Operating Reserve	Total General Operating Surplus	Utility Operating Surplus	Airport Operating Reserve	RCMP Operating Reserve	Total 2009	Total 2008
-	\$13,310	\$53,499	\$258,686	\$109,963	\$88,847	\$510,995	\$856,369
-	-	(4,141)	-	(12,875)	(109,457)	(126,473)	(592,136)
-	-		(382,728)	(200,220)	-	(582,948)	(389,651)
-	13,310	49,358	(124,042)	(103,132)	(20,610)	(198,426)	(125,418)
35,984	33,658	1,198,911	1,750,573	1,821,045	212,575	4,983,104	5,108,522
\$35,984	\$46,968	\$1,248,269	\$1,626,531	\$1,717,913	\$191,965	\$4,784,678	\$4,983,104

Town of Smithers

Statement of Changes in Capital Funds/Equity in Tangible Capital Assets

For the Year Ended December 31, 2009

Schedule E

	Capital Reserves and Other		
	Debenture Surplus Capital Funds	Cemetery Capital Funds	Second Sheet Ice Capital Reserve
<i>Revenue</i>			
Service Charges/User Fees	-	\$3,430	-
Government Transfers	-	-	-
Investment Income	-	-	\$8,292
Other Revenue	\$1,700	-	-
Value of Financial Assets Sold/Disposed of	-	-	-
	<u>1,700</u>	<u>3,430</u>	<u>8,292</u>
<i>Expenses</i>			
General Government Services	-	-	-
Protective Services	-	-	-
Transportation and Transit Services	-	-	-
Solid Waste Management/Recycling Services	-	-	-
Public Health/Cemetery Services	-	-	-
Development Services/Economic Development/	-	-	-
Recreation and Cultural Services	-	-	-
Utility Services (Water, Sewer, Stormsewer)	-	-	-
Airport Services	-	-	-
Disposal of Tangible Capital Assets	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
<i>Annual Surplus (Deficit)</i>	<u>1,700</u>	<u>3,430</u>	<u>8,292</u>
<i>Other Expenses</i>			
Annual Debt Principal Payments	-	-	-
Tangible Capital Assets Acquired	-	-	-
Proceeds from Issuance of Debt	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
<i>Interfund Transfers</i>			
Transfer to own Funds	(37,817)	-	(7,341)
Transfer (to) from Operating Funds	-	-	-
Transfer (to) from Statutory Reserve Funds	-	-	-
	<u>(37,817)</u>	<u>-</u>	<u>(7,341)</u>
Change in Capital Fund Balances	(36,117)	3,430	951
Capital Funds, beginning of year	349,223	6,114	2,077,092
Capital Funds, end of year	<u>\$313,106</u>	<u>\$9,544</u>	<u>\$2,078,043</u>

Gas Tax Capital Reserve	Facilities Maintenance Capital Reserve	Tangible Capital Assets	Total Capital Funds	Equity in Tangible Capital Assets	Total 2009	Total 2008
-	-	-	\$3,430	-	\$3,430	2,720
\$263,605	-	\$483,998	747,603	-	747,603	6,405,712
1,076	-	-	9,368	\$25,708	35,076	190,787
-	-	31,543	33,243	-	33,243	109,122
-	-	-	-	-	-	(103,000)
264,681	-	515,541	793,644	25,708	819,352	6,605,341
-	-	-	-	122,290	122,290	109,395
-	-	-	-	153,002	153,002	140,939
-	-	250,404	250,404	620,301	870,705	572,507
-	-	-	-	32,473	32,473	32,472
-	-	-	-	3,343	3,343	1,131
-	-	5,469	5,469	2,680	8,149	2,680
-	-	140,079	140,079	246,778	386,857	225,355
-	-	27,924	27,924	496,530	524,454	488,360
-	-	6,027	6,027	1,011,522	1,017,549	993,937
-	-	(32,770)	(32,770)	33,867	1,097	148,904
-	-	397,133	397,133	2,722,786	3,119,919	2,715,680
264,681	0	118,408	396,511	(2,697,078)	(2,300,567)	3,889,661
-	-	-	-	162,092	162,092	126,912
-	-	(1,807,042)	(1,807,042)	1,807,042	-	-
-	-	17,172	17,172	(17,172)	-	-
-	-	(1,789,870)	(1,789,870)	1,951,962	162,092	126,912
(335,786)	-	380,944	-	-	-	-
-	60,000	665,067	725,067	-	725,067	389,651
-	-	625,048	625,048	-	625,048	660,555
(335,786)	60,000	1,671,059	1,350,115	-	1,350,115	1,050,206
(71,105)	60,000	(403)	(43,244)	(745,116)	(788,360)	5,066,779
341,211	0	102,909	2,876,549	50,018,378	52,894,927	47,828,148
\$270,106	\$60,000	\$102,506	\$2,833,305	\$49,273,262	\$52,106,567	\$52,891,927

Town of Smithers
Statement of Changes in Reserve Funds
For the Year Ended December 31, 2009

Schedule F

	Machinery and Equipment Replacement Reserve	Capital Works Land Sales Reserve	Parking Space Reserve	Recreation Facilities Reserve	Parkland Reserve
	Bylaw #898	Bylaw #899	Bylaw #1292	Bylaw #1314	Bylaw #1330
<i>Revenue</i>					
Fees and Charges	-	-	-	-	-
Investment Income	\$5,809	\$7,652	\$466	\$327	\$131
Proceeds on Disposal of Capital Assets	21,893	-	-	-	-
Other Revenue	274,935	-	-	33,121	-
	<u>302,637</u>	<u>7,652</u>	<u>466</u>	<u>33,448</u>	<u>131</u>
<i>Expenses</i>					
Miscellaneous	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Annual Surplus (Deficit)</i>	<u>302,637</u>	<u>7,652</u>	<u>466</u>	<u>33,448</u>	<u>131</u>
<i>Interfund Transfers</i>					
Net Transfer (to) from Operating Funds	-	-	-	-	-
Transfer (to) from Capital Funds	(464,431)	(54,635)	-	(69,121)	-
	<u>(464,431)</u>	<u>(54,635)</u>	<u>-</u>	<u>(69,121)</u>	<u>-</u>
Change in Statutory Reserve Fund Balances	(161,794)	(46,983)	466	(35,673)	131
Statutory Reserve Funds, beginning of year	1,619,943	1,967,837	116,598	117,780	32,740
Statutory Reserve Funds, end of year	<u>\$1,458,149</u>	<u>\$1,920,854</u>	<u>\$117,064</u>	<u>\$82,107</u>	<u>\$32,871</u>

Infrastructure Reserve	Airport Machinery and Equipment Replacement Reserve	Local Area Service Fund	Forestry Reserve	Tax Sale Reserve	Total 2009	Total 2008
Bylaw #1361	Bylaw #1368	Bylaw #1389	Bylaw #1554			
-	-	-	-	-	-	\$60,500
\$131	\$386	-	\$3,280	-	\$18,182	95,033
-	-	-	-	-	21,893	115,000
-	12,115	-	-	-	320,171	301,479
131	12,501	-	3,280	-	360,246	572,012
-	-	-	-	418	418	68,011
-	-	-	-	418	418	68,011
131	12,501	-	3,280	(418)	359,828	504,001
-	-	-	-	-	-	-
-	(36,861)	-	-	-	(625,048)	(660,555)
-	(36,861)	-	-	-	(625,048)	(660,555)
131	(24,360)	-	3,280	(418)	(265,220)	(156,554)
32,748	121,210	131	156,875	418	4,166,280	4,322,834
\$32,879	\$96,850	\$131	\$160,155	-	\$3,901,060	\$4,166,280

Town of Smithers
Schedule of Changes in Tangible Capital Assets and Accumulated Amortization
For the Year Ended December 31, 2009

Schedule G

	Land	Buildings	Machinery & Equipment	Engineered Structures	Utilities	Office Equip Computers	Work in Progress	2009 Total	2008 Total
TANGIBLE CAPITAL ASSETS - COST									
Opening Balance (restated)	\$ 6,909,142	\$ 14,074,259	\$ 8,079,098	\$ 33,395,375	\$ 26,445,660	\$ 439,251	\$ -	89,342,785	\$ 81,725,658
Add: Additions	-	116,208	558,295	681,068	354,359	41,787	-	1,751,717	7,816,031
Less: Disposals	-	8,000	(338,668)	-	-	-	-	8,000	-
Add: Work-in-Progress	-	-	-	-	-	-	47,325	(338,668)	(198,904)
Closing Balance	6,909,142	14,198,467	8,298,725	34,076,443	26,800,019	481,038	47,325	90,811,159	89,342,785
ACCUMULATED AMORTIZATION									
Opening Balance	-	5,503,142	4,304,911	13,201,750	14,336,696	246,222	-	37,592,721	35,025,945
Add: Amortization	-	493,955	599,695	1,000,842	546,696	47,731	-	2,688,919	2,566,776
Less: Acc. Amortization on Disposals	-	-	(304,801)	-	-	-	-	(304,801)	-
Closing Balance	-	5,997,097	4,599,805	14,202,592	14,883,392	293,953	-	39,976,839	37,592,721
Net Book Value for year ended December 31, 2009	\$ 6,909,142	\$ 8,201,370	\$ 3,698,920	\$ 19,873,851	\$ 11,916,627	\$ 187,085	\$ 47,325	\$ 50,834,320	
Net Book Value, year ended December 31, 2008	\$ 6,909,142	\$ 8,571,117	\$ 3,774,187	\$ 20,193,625	\$ 12,108,964	\$ 193,029			\$ 51,750,064

Town of Smithers
Schedule of Changes in Debt
For the Year Ended December 31, 2009

Schedule H

	Town Bylaw #	MFA Issue #	Interest Rate	Maturity Date	Balance December 31 2008	New Debt	Principal Payments	Actuarial Adjustments	Balance December 31 2009
GENERAL CAPITAL									
<i>Debentures:</i>									
Road	#1333	#72	6.45%	June 2010	29,067		(9,597)	(4,582)	14,888
Sidewalks	#1334	#72	6.45%	June 2010	6,497		(2,145)	(1,024)	3,328
Highway 16- 1st Instalment	#1402	#77	6.06%	June 2022	397,146		(15,121)	(5,143)	376,882
Highway 16- 2nd Instalment	#1427	#79	5.49%	June 2023	416,445		(15,121)	(4,178)	397,146
2002 LIP: 2nd Ave Sidewalk	#1428	#79	5.49%	June 2013	6,507		(923)	(255)	5,329
2002 LIP: 3rd Ave Sidewalk	#1429	#79	5.49%	June 2013	4,857		(689)	(190)	3,978
2002 LIP: 4th Ave Sidewalk	#1430	#79	5.49%	June 2013	5,409		(767)	(212)	4,430
2002 LIP: Main St Rear Lane	#1431	#79	5.49%	June 2013	4,238		(601)	(166)	3,471
2002 LIP: Frontage Roadwork	#1433	#79	5.49%	June 2013	35,278		(5,002)	(1,382)	28,894
2003 LIP: 3rd Ave Sidewalk	#1446	#81	4.86%	April 2014	9,723		(1,176)	(253)	8,294
Highway 16- 3rd Instalment	#1328	#81	4.86%	April 2024	434,825		(15,121)	(3,259)	416,445
Downtown Main Street Project	#1467	#97	4.66%	April 2016	172,658		(17,325)	(1,414)	153,919
2008 LAS: 2nd Ave Sidewalk	#1548	#105	4.90%	June 2019	23,093		-	-	23,093
<i>Temporary Borrowing pending Issuance of Debenture:</i>									
2009 LAS: 1st Ave Sidewalk	#1597				-	17,172	-	-	17,172
<i>Short Term Borrowing:</i>									
Airport Runway Extension	**	**	0%	2012	120,132		(73,681)	-	46,451
					1,665,875	17,172	(157,269)	(22,058)	1,503,720
UTILITY CAPITAL									
<i>Sewer</i>									
Sewer Extension	#1076	#56	8.75%	Nov 2010	34,741		(3,025)	(3,262)	28,454
Sewer	#1443	#81	4.86%	April 2019	31,070		(1,799)	(388)	28,883
					65,811		(4,824)	(3,650)	57,337
TOTAL					\$1,731,686	\$17,172	(\$162,093)	(\$25,708)	\$1,561,057

**The Town borrowed funds from Norther Development Initiative Trust to assist in the funding of the airport runway extension. Repayment provisions are 0% interest to a maximum of 5 years.

Principal Repayments, due within each of the next five years:			
	General	Sewer	Total
2010	107,270	4,823	114,103
2011	94,881	1,799	98,691
2012	82,289	1,799	86,100
2013	75,200	1,799	79,012
2014	67,217	1,799	71,030
total	\$426,857	\$12,019	\$448,936

Town of Smithers
Schedule of Taxation

For the Year Ended December 31, 2009

Schedule I

	2009	2009 Budget	2008
TOTAL MUNICIPAL TAXATION			
Real Property Taxes - Municipal	\$4,313,804	\$4,318,776	\$4,153,862
Penalties and Interest on Taxes	60,277	48,000	45,241
Local Improvement (Local Area Service) Taxes	15,865	15,865	12,846
1% Utility Taxes	135,565	136,349	143,512
Grants in Lieu of Taxes	216,085	21,500	216,169
	<u>4,741,596</u>	<u>4,540,490</u>	<u>4,571,630</u>
Plus: TAXES COLLECTED ON BEHALF OF OTHER TAXING AUTHORITIES	<u>3,847,330</u>	<u>3,877,100</u>	<u>3,838,002</u>
OTHER TAXES: 2% Hotel Taxes	<u>111,323</u>	<u>125,490</u>	<u>102,330</u>
Total Taxes Collected	<u>8,700,249</u>	<u>8,543,080</u>	<u>8,511,962</u>
Less: TAXES PAID TO OTHER TAXING AUTHORITIES			
Ministry of Finance (School Taxes)	(2,299,822)	(2,240,000)	(2,232,845)
Bulkley Nechako Regional District	(1,204,566)	(1,300,000)	(1,271,607)
Regional Hospital District	(287,865)	(285,000)	(281,803)
BC Assessment	(54,935)	(52,000)	(51,657)
Municipal Finance Authority	(142)	(100)	(90)
	<u>(3,847,330)</u>	<u>(3,877,100)</u>	<u>(3,838,002)</u>
TOTAL	<u>\$4,852,919</u>	<u>\$4,665,980</u>	<u>\$4,673,960</u>

Town of Smithers
Schedule of Government Transfer/Grant Revenue
For the Year Ended December 31, 2009

Schedule J

	2009	2009 Budget	2008
<i>Provincial</i>			
BC150 Anniversary Grant	-	-	\$7,500
Beetlewood Funds- Pacific Ave/Tatlow Road	\$238,000	\$250,000	1,750,000
British Columbia/Canada Infrastructure Program- Downtown Main St	-	-	7,129
Build Canada Infrastructure Funds	-	-	-
Carbon Tax rebate	3,158	3,100	-
Childcare Operating Funds	4,699	5,000	3,211
Community Tourism Foundations	21,758	18,000	17,000
Highway 16 Improvement Funds	10,000	10,000	26,796
JEPP grant funds	12,385	20,000	-
LocalMotion	39,468	4,590	-
Municipal Rural Infrastructure Program- Airport Runway Extension	-	-	-
Ministry of Transportation - Bus shelter funds	19,960	-	-
Olympic Torch Relay project	22,052	27,388	-
Small Communities Protection	537,334	537,334	483,653
Rural Secretariat	7,089	10,000	-
Towns for Tomorrow	10,460	375,000	-
Traffic Fines Revenue Sharing	90,000	90,000	90,082
Transit Service Contribution	-	-	11,000
Transportation Partnership- Airport Runway Extension	-	-	1,400,000
<i>Federal</i>			
Canada Day Grant	-	1,000	-
Student Employment Program	-	3,500	3,200
Foreign Affairs and International Trade Canada	-	-	10,913
FCM Green Municipal	-	45,000	-
Western Diversification- Library Expansion Project	127,808	116,160	7,224
<i>Regional District</i>			
Rural Fire Protection Cost Sharing	139,508	137,000	138,703
Emergency Services Contribution	3,000	3,000	3,000
Transit Service Contribution	5,000	5,000	5,001
Rural Recreation and Culture Cost Sharing	141,481	135,000	139,495
Contribution towards Airport Runway Extension	60,806	60,806	-
Recycling Funds	-	91,000	-
<i>UBCM</i>			
Building Governance funds	17,115	25,000	-
Community Health Promotion Funds	-	-	25,000
Community to Community Forum Grant	2,918	4,100	-
Community Tourism Funding	23,879	28,892	20,014
Gas Tax Funds	263,606	276,805	140,847
Seniors in Community	-	-	6,914
Transit Gas Tax Funds- Bus Shelters	12,974	30,000	20,000
<i>Other</i>			
Affordable Recreation/Jump Start	11,266	5,000	9,528
BCRPA Active Communities Grant	-	7,000	-
CMHC- Community Engagement Support	-	-	25,000
CN Celebration Fund	-	-	3,000
Fraser Basin Council- Community Action on Energy Efficiency	-	-	2,400
ICBC re Highway 16 Improvements	12,000	-	-
Measuring Up	4,000	10,000	11,000
Miscellaneous Other Capital Grants	-	-	644
Northern Development Initiative Trust- Airport Runway Extension	-	161,000	1,079,868
Northern Trust Development Initiative Econ Devt funding	12,802	72,500	5,000
Other Funding	20,783	170,362	12,645
Real Estate Foundation	7,500	6,500	13,821
Spirit 2010 Grants	1,850	2,000	1,686
TOTAL	\$1,884,659	\$2,747,037	\$5,481,274

Town of Smithers

Schedule of Consolidated Expenditures by Object

For the Year Ended December 31, 2009

Schedule K

	2009	2009 Budget	2008
TYPES OF EXPENDITURES			
Advertising and Promotion	\$142,497	\$151,451	\$156,742
Amortization	2,688,919	-	2,566,776
Contracted Services	1,075,940	1,131,566	1,217,813
Council Remuneration and Travel Expenses	103,198	99,240	105,639
Fleet costs (net)	387,986	398,442	427,189
Grants to Organization/Fee Waivers	388,409	390,457	367,271
Insurance	119,150	119,234	105,747
Interest on Debt	112,929	131,528	136,763
Loss on Disposal of Tangible Capital Assets	-	190,646	148,904
Materials and Supplies	577,698	631,192	641,586
Miscellaneous	96,271	97,634	150,883
RCMP Contract	1,068,078	1,148,525	1,115,680
Special Projects/Grant Projects	631,514	1,587,601	359,415
Travel, Training, Memberships	116,076	158,610	142,130
Utilities (Telephone, Hydro and Natural Gas)	483,833	480,981	482,333
Wages and Employee Benefits	3,828,371	4,054,191	3,717,139
TOTAL	\$11,820,869	\$10,771,298	\$11,842,010

Town of Smithers
Schedule of 2% Hotel Tax Fund Transactions
For the Year Ended December 31, 2009

Schedule L

	2009	2009 Budget	2008
REVENUE			
2% Hotel Tax Funds	\$97,730	\$101,000	\$105,621
Co-operative Advertising	20,166	40,000	35,771
Government Transfers/Grants	45,637	46,892	37,014
Contribution from the Town	14,000	14,000	14,000
	<u>177,533</u>	<u>201,892</u>	<u>192,406</u>
EXPENDITURES			
Tourism Co-ordination/Contracted Services	33,692	34,990	33,555
Regional Marketing/Advertising	17,291	29,000	19,995
General Marketing/Advertising	39,247	37,500	91,067
Special Tourism Projects	71,852	89,892	31,224
Winter Brochure/Travel Guide	17,160	18,000	2,101
Tourism Monitoring/Evaluation	1,315	4,000	1,868
Travel/Memberships/Meetings/Conferences	5,147	7,000	4,813
Shared Tourism Projects with Chamber of Commerce	5,422	6,000	4,492
	<u>191,126</u>	<u>226,382</u>	<u>189,115</u>
Change in 2% Hotel Tax Fund Balance	(13,593)	(24,490)	3,291
2% Hotel Tax Fund Balance, beginning of year	61,444	61,444	58,153
2% Hotel Tax Fund Balance, end of year	<u>\$47,851</u>	<u>\$36,954</u>	<u>\$61,444</u>

The Town of Smithers administers the 2% Hotel Tax Funds through the Tourism Advisory Committee.

Town of Smithers

Schedule of Fund Position for the Cemetery and Columbarium Trust Fund

For the Year Ended December 31, 2009

Schedule M

	2009	2008
FINANCIAL ASSETS		
Cash and Investments	\$63,625	\$61,642
NET FINANCIAL ASSETS	\$63,625	\$61,642
FINANCIAL POSITION		
Fund Balance, beginning of year	\$61,642	\$60,249
Contributions	1,983	1,393
Fund Balance, end of year	\$63,625	\$61,642

The Cemetery Care and Columbarium Care Trust Fund is excluded from the Consolidated Financial Statements. The Town administers the Trust Fund for the perpetual care and maintenance of the Town owned cemetery and columbarium. As per the Cemetery Act, only the interest on the Trust Funds are used for cemetery operational purposes.

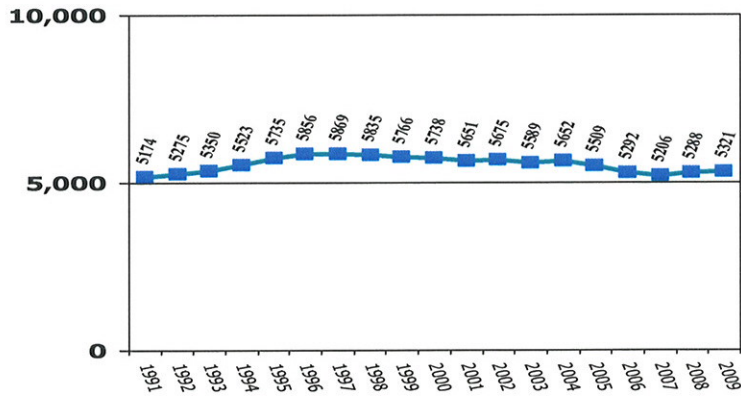
Statistical Information (Graphs and Charts)

(unaudited)



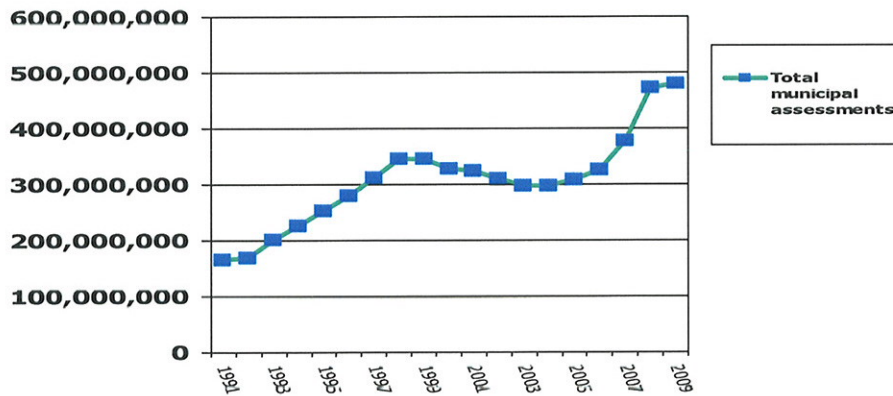
Graph 1

Town of Smithers Population



Graph 2

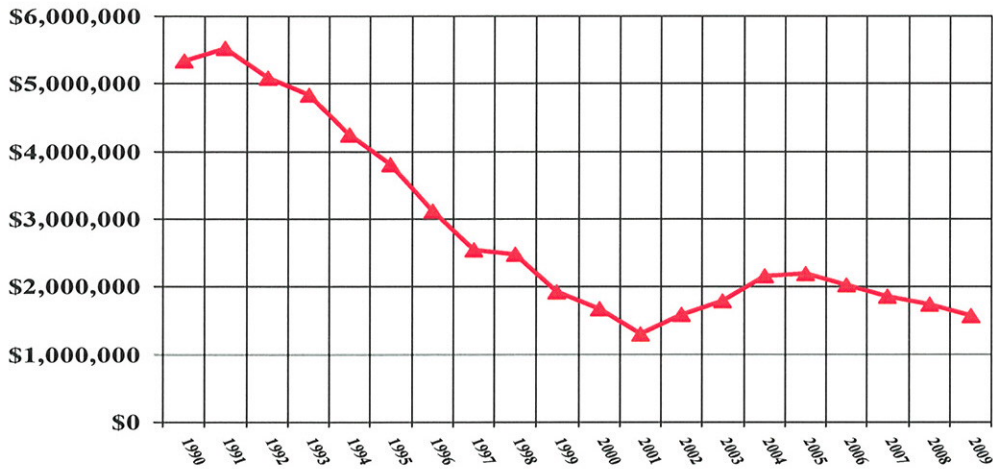
Smithers Municipal Assessments (Total Net Taxable Values)





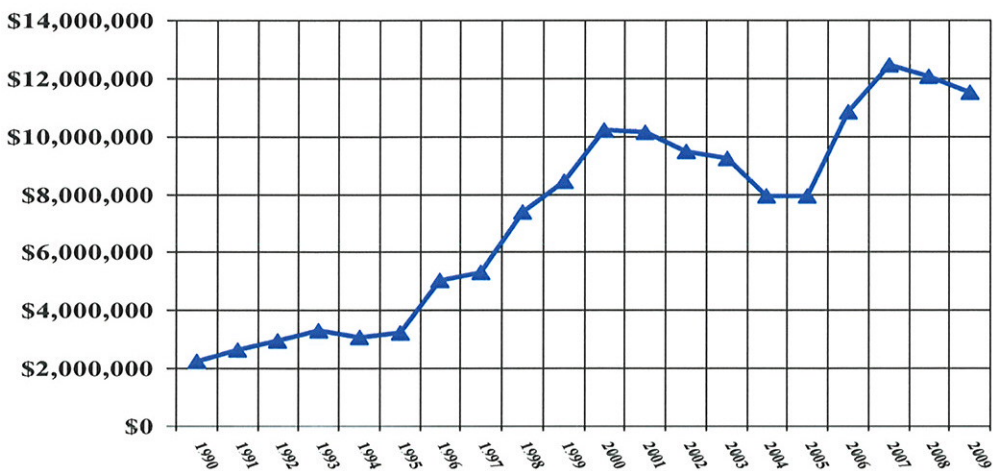
Outstanding Debt Balances over the past 20 years (including General, Water and Sewer Debt)

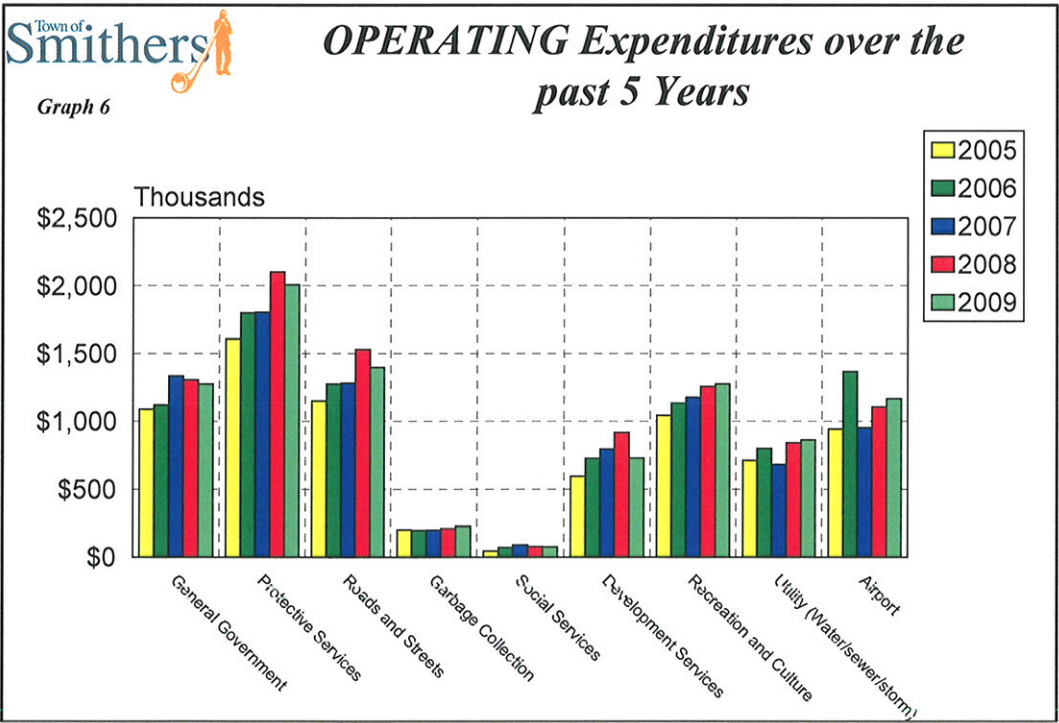
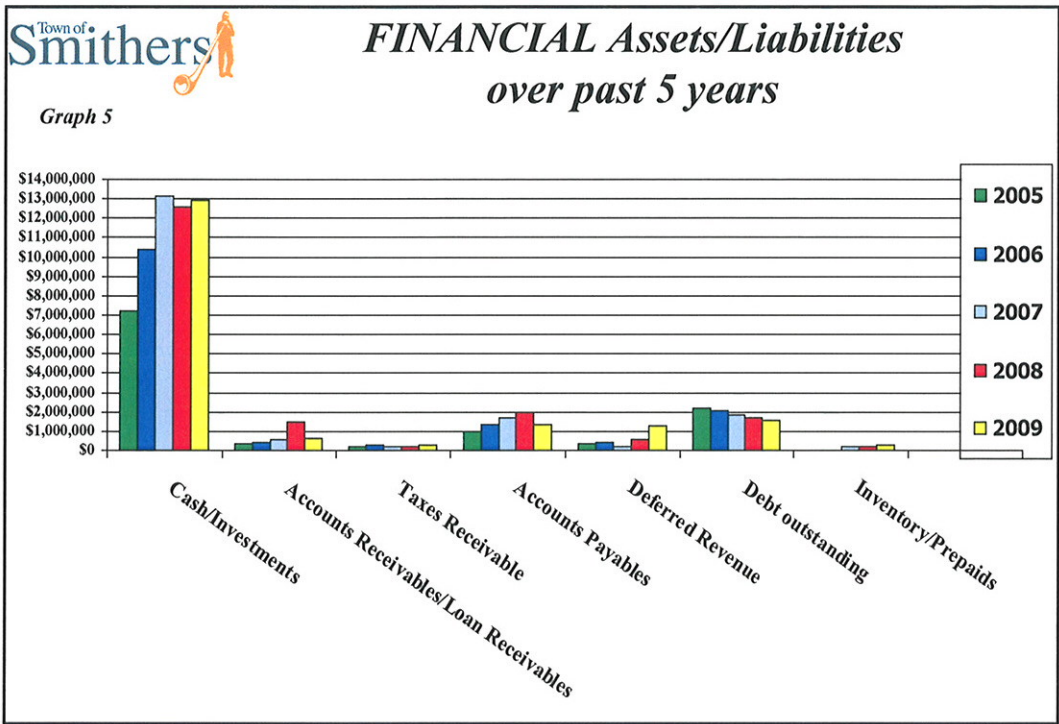
Graph 3



Reserve/Surplus Totals (not including Equity in Capital Assets) over the past 20 years

Graph 4

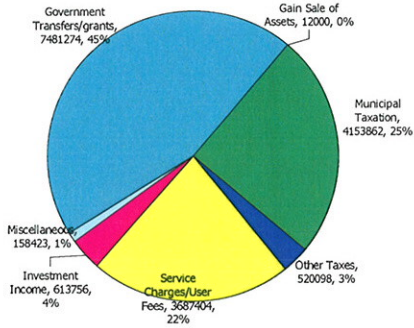




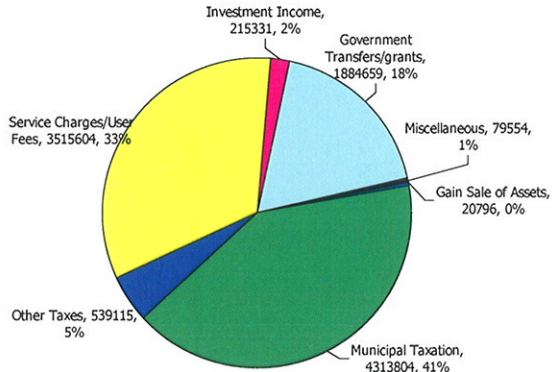
CONSOLIDATED Revenue Sources

Graph 7

2008 (restated)



2009

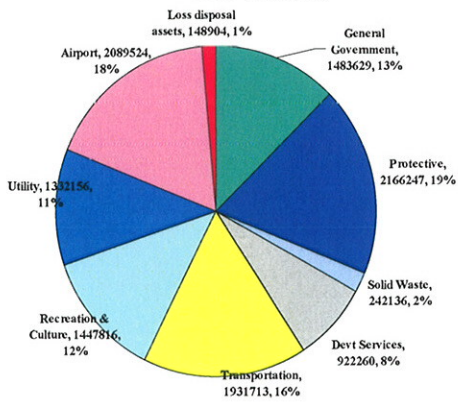


Includes Revenue for all Funds (Operating, Capital and Reserves)

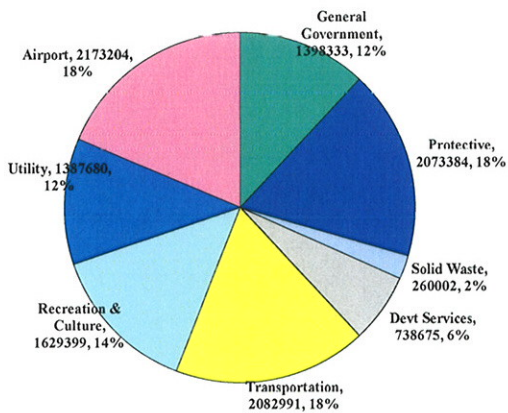
CONSOLIDATED Expenses by Category

Graph 8

2008 (restated)



2009



Includes Interest on Debt and Annual Amortization Expense for each category