

# 2011 ANNUAL REPORT



# Mayor's Report

## 2011 SUMMARY

As the incoming Mayor of Smithers, it is my pleasure to present our 2011 Annual Report.

I congratulate the former Mayor and Council on carrying out a productive term during difficult economic times. Smithers saw significant capital projects in 2011, such as the South Trunk Storm Sewer and upgrades to the Riverside Municipal Campground. Development initiatives focused on our airport industrial lands and the next phase of the Willowvale subdivision.

Also in 2011, the Bulkley Valley Economic Development Association – a partnership between the Regional District of Bulkley Nechako (Rural A), the Town of Smithers, and the Wet'suwet'en Hereditary Chiefs – entered its first full year of operation. We further built our relationship with the Wet'suwet'en by signing a protocol agreement committing to ongoing dialogue.

As we look to 2012, our new Council's plans are equally ambitious. We are planning significant infrastructure investments, including upgrades to our road network and the construction of a long-awaited new arena. We are seeking new and innovative ways to engage Smithers citizens in our decision-making processes, toward the goal of being an even more open, accountable and transparent government. I look forward to reporting on these achievements in 2012.



Taylor Bachrach  
Mayor

# CAO Report

## 2011 SUMMARY

2011 was a year marking the community pride in our Town and the tenacity of the Town and its residents to maintain a high level of safety and respond to emergency situations. From attracting Hollywood North to the emergency management of the spring freshet on the Bulkley River, to the achievement of a Certificate of Recognition in Safety and the grand opening of the Turner Way neighbourhood Park and Playground, the Town and its employees lived up to our motto of ...simply exceptional.

The year began with the filming of “The Grey” Hollywood production, starring Liam Neeson. Set locations in the Town of Smithers included the Smithers Regional Airport, as well as the Prairie on Hudson Bay Mountain. A filming agreement was entered into for the filming at the Airport and the productions crews were very complimentary with respect to the level of service they received from Town staff.

Over the course of 2011, Administration focused on communication improvements, beginning with a review of Development Services application guides with a view to make these more user friendly.

With a new Airport Manager starting in January of 2011, a renewed focus on airport development occurred, beginning with a review of leasehold rates at the airport. Background work was completed on the development of an expanded leasehold subdivision at the airport to service the growing mining exploration sector and related airport businesses.

The Town of Smithers activated its Emergency Operations Centre in response to spring flooding on the Bulkley River, which resulted in a residence immediately adjacent to the River, at the base of Rosenthal Road hill being dismantled. The Town of Smithers worked closely with the property owner and Emergency Management BC to ensure a smooth transition.

As new economic initiatives in the region, including mining exploration, Port expansion and the Highway 37 Hydro upgrades begin to take shape, new demands for housing are being felt in Smithers. In March, staff prepared and released an expression of interest for 44 acres of Town-owned lands in the Willowvale area. The successful proponent is Jim Dobinson of Ambleside Developments. The final draft of a Purchase/Sale agreement is being negotiated, and new residential lots are anticipated to be on the market by mid 2012.

The Town of Smithers was active in land sales and purchases and development in 2011, developing a 6-lot residential subdivision in the vicinity of the LB Warner Centre and selling the lots in the spring of 2011. The Town also purchased a key Main Street property at the corner of Broadway Avenue for a future public square and began the development of a public parking lot in the downtown core, on 2<sup>nd</sup> Avenue, to be completed in 2012.

Partnering with Northwest Community College and its carpentry trades program, the Town of Smithers began phase one of the renovation of the top floor of the Ranger Park building in order to create a new public space for recreation programming and Emergency Management.

# CAO Report

## 2011 SUMMARY CON'T

Capital improvements that were completed over the course of 2011 include the Airport water cistern, designed to provide improved fire-fighting capability to the Airport, the Riverside Campground sanitary sewer and washroom facilities, and the majority of the South Trunk Storm Sewer, along Highway 16, between 19<sup>th</sup> Avenue and Fulton Avenue, designed to provide long-term storm sewer drainage to the hill section of Town.

As a local government organization, the Town of Smithers has continued to demonstrate leadership over the course of 2011, achieving a Certificate of Recognition (COR) in Safety from the BC Municipal Safety Association/WorkSafe BC for both its "Occupational Health and Safety Program" and its "Stay at Work/Return to Work" program. This certification was lead by the Director of Corporate Services, who achieved certification as an internal auditor with BCMSA in March of 2011. The external audit for COR Certification occurred in October to round out the year. Smithers is the 3<sup>rd</sup> BC Municipality to achieve this recognition.



Deborah Sargent  
Chief Administrative Officer

# Community Profile

## NEW 2011 STATISTICS

Smithers has a population of 5,404, as per 2011 Statistics Canada, with another 15,000 people in the surrounding area. Smithers had a population increase of 3.6% which is the first increase in over 10 years for the Town. 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](http://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 2011 and includes objectives for 2012.



# Corporate Services

## 2011 SUMMARY

2011 saw a primary focus on workplace safety in our drive to achieve a Certificate of Recognition (COR) in Safety. In January, the revised Occupational Health and Safety Program was rolled out to all staff. New supplementary programs to support achieving COR were also developed such as the Stay at Work/Return to Work, Contractor Coordination, Hazard ID and Analysis and Personal Protective Equipment Program. In the early spring, the Director completed the student internal audit and achieved certification as an Internal Auditor with the BC Municipal Safety Association. This internal audit also acted as our gap analysis as we moved towards our COR Audit in the Fall. A culture of safety was built and the municipality achieved a double COR Certification in October of 2011. Becoming the third municipality in BC to achieve this double certification.

Grievances were once again minimal demonstrating the Town's ongoing commitment to solid labour management relations. Human Resource programs such as the Employee Performance Evaluation, Service Recognition, New Employee Orientation, Occupational Health & Safety and standardized recruiting procedures continued to prove their value in achieving a culture of trust, transparency and consistency. Professional development of our employees continued to be an ongoing focus in order to achieve our desire to be a 'learning organization'.

Corporate Services continued to work on the refinement of our Council, Committee, and Administrative processes. New technology to support electronic records management and agenda/minute build continued through implementation. A target of go live with paperless agendas was set for March 2012 and a communications strategy for the public interface of this paperless technology was initiated.

Rounding out the year, the 2011 Municipal General Elections were efficiently run with consistent voter turnout. This election saw a shift in voter demographics as a result of new means of communication such as social media.

Looking forward to 2012, Corporate Services will be concentrating on achieving full implementation of paperless agendas for staff and Council and the related public interface communications. The Town will be due for our annual COR Maintenance Audit to maintain our COR Certification for its second of three year eligibility. Another key focus will be on the development of a communication strategy and ongoing policy refinement.

# Smithers Regional Airport

## 2011 SUMMARY

The Smithers Regional Airport is a wholly owned entity of the Town of Smithers with the final transfer from Transport Canada taking place in 2009. 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.

2011 saw a continuation from 2010 on further infrastructure enhancements, such as the investment in runway paving to preserve the longevity of the asphalt while improving drainage, and the installment of a new water cistern designed to support improved firefighting capability. Upgrades to the Airport Terminal included a renovated coffee shop and a new business model to better serve the travelling public.

In the area of strategic growth, an appraisal of airport lands was completed as a first step to the development of an expanded leasehold subdivision to serve the growing mining and exploration sector along with related aviation operations.

## 2011 MAJOR OBJECTIVES AND RESULTS

### ■ Strategic Growth:

- ✓ A detailed commercial appraisal of Airport properties was completed and formed the first step to conceptual designs and preliminary zoning changes for the planned Leasehold Subdivision.

### ■ Safety:

- ✓ The Airport had its Transport Canada Safety Management System phase II accepted.
- ✓ Identified safety issues such as airside wildlife fencing and retrofits/realignment of airside gates were addressed.
- ✓ Creation of a one hour parking zone to eliminate patrons parking along terminal curb along with increased parking lot monitoring for other violations.

### ■ Infrastructure Enhancements:

- ✓ Airside and groundside paving was completed to improve longevity of the asphalt and to improve drainage.
- ✓ Airport water cistern contract was completed.
- ✓ Terminal enhancements included a new coffee shop and business model.

### ■ Operations:

- ✓ New full time Airport Manager.
- ✓ Changes to maintenance staffing levels.
- ✓ Renewal and/or negotiation of leases and service contracts.



## 2012 MAJOR PROJECTS AND STRATEGIES

### ■ Safety:

- Full implementation of Phase III & IV Safety Management Systems (SMS) and ongoing integration of Town's Occupational Health & Safety Program.
- Review Wildlife Management Plan, Airport Operations Manual and Emergency Management Plan to ensure link to Federal SMS.
- Installation of rescue devices at water cistern.

### ■ Infrastructure Enhancements:

- Upgrade to terminal washrooms.
- Improvements to terminal departure doors.
- New sanitary sewer main on Harvard Way.
- Improvements to welding shop.
- ODAL light improvements.
- Upgrade of water chlorination system.
- Landscaping, fencing and drainage at water cistern.

### ■ Strategic Growth:

- Leasehold Subdivision development.
- Attract new aviation tenants for airport growth.
- Airport Terminal Expansion feasibility.
- Marketing Plan for Leasehold Subdivision development.

### ■ Operations:

- Acquire new airport equipment under Transport Canada's federally funded ACAP program.
- Research of possible initiatives to reduce Green House Gas Emissions.



# Works and Operations

## 2011 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 system and sewage treatment plant; storm water collection system; potable water supply and distribution system; parks and trail systems; cemetery; civic center (arena); garbage collection; public works yard; municipal vehicle fleet and municipal buildings.

Communication to residents and businesses was a key focus in 2011 as Smithers experienced severe and unusual weather events throughout the year keeping Works & Operations crews busy year round. In addition, to the requirement for the usual communications around holiday garbage pickup schedules, spring clean up week, garbage cart sales/delivery, snow clearing, water main flushing etc, 2011 saw over 370 Requests for Service from residents and businesses in the areas of responsibility of the department.

Through the 5 Year Municipal Vehicle Replacement Program, the Works & Operations department added to their fleet by way of a new dump truck, sander, excavator and riding lawn mower making the department more efficient.

## 2011 MAJOR OBJECTIVES AND RESULTS

### ■ Fleet Replacement:

- ✓ Tender processes for excavator, dump truck, sander and riding mower as per the 5 Year Fleet/Equipment Replacement Program.

### ■ Infrastructure Enhancements:

- ✓ Replacement of second boiler at Civic Centre with new high efficiency model during off season.
- ✓ Replacement of interior and exterior doors at Civic Centre.
- ✓ Asphalt resurfacing of existing paved roads/streets funded from Capital Program (\$100k) and Operations (\$165k).
- ✓ Replacement of furnace in Works Yard building with high efficiency model.

(Replacements of old gas heaters for the spectator area was not completed due to ineligibility for Gas Tax funding.)

## 2012 MAJOR PROJECTS AND STRATEGIES

### ■ Fleet Replacement:

- Tandem axle dump truck, sidewalk plow and sanding machine, turf aerator, per the 5 Year Fleet/Equipment Replacement Program.

### ■ Infrastructure Enhancements:

- Assess priority for resurfacing of Town roads and streets with funding to come from Capital & Operating programs.
- Replace unit heater in Works Yard shop.
- Replace one boiler in arena.
- Asphalt resurfacing of Town Roads



# Development Services

## 2011 SUMMARY

The Development Services Department is responsible for Planning, Engineering, Building Inspection, Business Licensing, Bylaw Enforcement, Animal Control and Community Policing.

Several key infrastructure projects were completed in 2011, including the pipe work for the \$2.4M South Trunk Storm Sewer, the Riverside Campground Sewer System, Washroom/Shower facility and new trail construction to Ranger Park, Airport Potable Water Cistern, Rotary Club Pedestrian Bridge, LB Warner Centre upper six-lot municipal servicing, 14<sup>th</sup> Avenue curb-and-gutter and sidewalk Local Area Service, 2<sup>nd</sup> Avenue/Main Street public parking lot, and various municipal facility upgrades.

Work continued on the Corporate Energy and GHG Emissions Reduction Plan with confirmation of building and fleet inventories, selection of base year, and establishing strategies for 2012-2016.

The Town acquired a commercial property in the downtown core and demolished the 10-year vacant building to ground level. This property will be the site for a public square legacy project as part of the 2013 Town of Smithers townsite establishment centennial.

Renewed public interest in paving gravel residential streets prompted the Town to apply for Towns for Tomorrow grant funding for 2 blocks of 2<sup>nd</sup> Avenue gravel road paving Local Area Service. The grant application was not successful so the project did not proceed. Late in the year however, the residents re-petitioned Council for one of the blocks and Council agreed to fund its portion of the Local Area Service in 2012.

## 2011 MAJOR OBJECTIVES AND RESULTS

### PLANNING

- ✓ Processed 4 development permits, 4 development variance permits, 8 rezoning applications and 6 subdivision applications.
- ✓ New Secondary Suites Policy adopted by Council. Zoning Bylaw amendments now allow a secondary suite within a single family home in all residential zones.
- ✓ First draft of the Corporate Energy and Emissions Plan complete.
- ✓ Review and revisions of the parking regulations contained in the Zoning Bylaw complete.
- ✓ Water Conservation Plan adopted by Council.
- ✓ The Town became a member of the Provincial BizPal program.
- ✓ New development applications and informational guides were developed.
- ✓ Awards of Excellence presented at the Chamber Community and Business Awards ceremony.
- ✓ Continued discussions with Husky Energy regarding the future use of the former Mohawk site located at 3813 Highway 16 and Main Street.

## ENGINEERING

- ✓ Completed the remaining half of the 1.5m diameter pipe works for the South Trunk Storm Sewer project; contractor installed a hammered steel pipe under Highway 16.
- ✓ Completed the Airport Potable Water Cistern; an underground concrete tank which adds 500,000 litres of fire fighting storage.
- ✓ Completed the Riverside Campground Sewage Lift Station, Washroom and Showers facility in the former pumphouse building, and constructed 800m of wheelchair accessible trails from the campground to Ranger Park.
- ✓ Completed the Leak Detection Survey of the remaining half of the Town's water system – repaired 2 leaks.
- ✓ Completed a Local Area Service for 14<sup>th</sup> Avenue pavement widening, concrete curb-and-gutter and sidewalk.
- ✓ Designed and completed the construction of 2<sup>nd</sup> Avenue Public Parking lot less than ½ a block from Main Street.
- ✓ Completed facility upgrades including Phase 1 renovations to 2<sup>nd</sup> Floor of the Ranger Park Building and perimeter drainage and storm sewer service for the Public Library Building.
- ✓ Bridge installation over Dahlie Creek in partnership with the Rotary Club.
- ✓ Building and business addressing system updates for 9-1-1 launch in October.
- ✓ Selected a developer for the next phase of Willowvale Subdivision (120 lots)
- ✓ Started review of engineering standards and MMCD documents for amending the Subdivision Servicing bylaw.

## BUILDING INSPECTION

- ✓ 92 building permits issued with 14 new single family homes and 2 duplexes started.
- ✓ There was a total construction value of \$9,047,846, with the majority from commercial alterations (\$4,248,706).
- ✓ Worked on the inventories for the Town's Building and Facilities Maintenance Plan.

## CRIME PREVENTION

Provide educational programs in accordance with the Crime Prevention Education Continuum (CPEC) that are aimed at working with youth at all stages of development throughout their school-aged years.

- ✓ Ages 4-6 : Stranger danger – personal safety – lost and alone – 911 – pedestrian safety – child find
- ✓ Ages 8-10: Bicycle rodeo, pedestrian safety, helmet safety, positive ticketing
- ✓ Ages 10-12: Bullying Resistance And Violence Education(BRAVE), Drug Abuse Resistance Education (DARE), positive ticketing, helmet safety
- ✓ Ages 14-17: Anti Graffiti, restorative justice projects, Drug Awareness and Identification, Anti-Gang information sessions and essay contest, RCMP teen mentoring program, positive ticketing.
- ✓ Provide Crime Prevention programming aimed at reduction of crime, education, and increased feelings of safety within the community.

## CRIME PREVENTION PROGRAMMING, EDUCATION SESSIONS AND CRIME PREVENTION STATISTICS FOR 2011

- ✓ Block watch ( new neighborhood established in 2011), Crime Stoppers, Speed Watch, Citizens on Patrol, Lock it or lose it, Court Watch, Restorative Justice, Lost/stolen bike program, Seniors wandering registry, Property Identification, Crime Prevention Through Environmental Design (CPTED).
- ✓ Drug Identification and Awareness, Crime Prevention Education Continuum, Block Watch – loss prevention, CPTED for local business owners, Seniors Safety / Abuse prevention, RCMP recruitment and promotional information.
- ✓ Completed 118 hours of volunteer service with the RCMP Auxiliary, 4 new Community Policing volunteers recruited during 2011 bringing total to 46.

## BYLAW ENFORCEMENT / ANIMAL CONTROL

- ✓ Amend Traffic Bylaw to allow for disposal of abandoned vehicles and update authorities as required: Completed February 2011.
- ✓ Enforce new two-hour parking restriction on downtown avenues within C-1 zone: Maintained patrols of downtown Avenues throughout 2011, erected signs on applicable portions of Railway Avenue fall 2011.
- ✓ Enforce Dog License and Control Bylaw and utilize new “standards of care” requirement introduced winter 2010: ongoing through 2011.
- ✓ Continue training and professional development: Attended License Inspector and Bylaw Officer Association training June 2011, received certification in “advanced prosecution options” August 2011, and received certification in RCMP Incident Management Intervention Model training April 2011.
- ✓ Created the Truck Route Bylaw to limit loaded trucks regular routes to Highway 16 and properly-built Town streets.

## 2012 MAJOR PROJECTS AND STRATEGIES

### PLANNING

- Complete the Corporate and Community Energy and Emissions Plans.
- Begin a comprehensive review of the Zoning Bylaw.
- Implement new downtown parking regulations and secondary suites policy.

### ENGINEERING & BUILDING INSPECTION

- Complete the South Trunk Storm Sewer contract (final grading and landscaping).
- Complete the Town Buildings and Facility Maintenance Plan.
- Improvements to Town facilities; re-roofing and flooring for the Chamber of Commerce building, continued renovations to the 2<sup>nd</sup> floor of Ranger Park Building, Fall Fairgrounds Public Washrooms.
- Second Arena design and tender.
- Airport Rezoning and Leasehold subdivision, including Harvard Way sanitary sewer construction.
- GIS (Geographic Information System) for internal and public use.

- Railway Avenue Watermain Looping design and contract documents.
- 4200 Block of 2<sup>nd</sup> Avenue Gravel Road Paving Local Area Service project.
- Comprehensive review of Subdivision Servicing bylaw.

## CRIME PREVENTION

- Continue with professional development and maintain certification for both Prevention and Community Safety Officer and RCMP auxiliary.
- Youth Crime prevention Initiatives – Provide cyber bullying presentation to students aged 13-18 February 2102, continue to provide both DARE and BRAVE programming to grade 5-6 students, develop and implement educational programming in accordance with the Crime Prevention Education Continuum (CPEC).
- Continue to provide existing crime prevention programming within the community and develop new programming as warranted by the changing trends in community crime.
- Enforce new Truck Route Bylaw and provide education and information to the public regarding the new regulations.
- Research, develop and the possibility of introducing both, a Municipal Ticketing Information (MTI) system and a Parks and Public Places Bylaw

2011 AWARD OF EXCELLENCE WINNERS



COMMERCIAL: 2ND AVENUE



NORTH WEST COMMUNITY COLLEGE EXPANSION: 2ND AVENUE



RESIDENTIAL NET ZERO HOME: 2ND AVENUE



# Smithers Fire Department

## 2011 SUMMARY

Smithers Fire Rescue has consistently retained a volunteer force of 42 firefighters over the years. 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 and in turn take it home to the dinner table and educate their families.

In 2010, the Fire Department increased Fire Prevention Inspections to meet legislative requirements through restructuring of the organization by expanding the Deputy Fire Chief's position from part time to full time.

## 2011 MAJOR OBJECTIVES AND RESULTS

- ✓ 911 Service Implementation including a public education program.
- ✓ Development of a Community Wild Fire Protection Plan, RFP and public consultation process.
- ✓ Regional Fire Training Centre – Ongoing Program Development & Revenue Generation.

## 2012 MAJOR PROJECTS AND STRATEGIES

- Purchase and install New Self Contained Breathing Apparatus Fill Station.
- Fire Department Renovations.
- New Records management system – Fire Department Management software.



# Finance Department

## 2011 MAJOR OBJECTIVES AND RESULTS

- Continue with grant claim processes for the Building Canada and Towns for Tomorrow grants.
  - The Towns for Tomorrow Grant process was completed in 2011. The Build Canada grant process continued through 2011 and will be completed in 2012 as a result of the South Trunk Storm Sewer Project being continued into 2012.

- Asset Management Plan/Review process to identify how best to manage the replacement and upgrading of the Town's infrastructure over time.
  - This is an ongoing process and will be enhanced over time.

Through the 2012 budget process a more detailed facility upgrade plan was presented to Council resulting in \$549,000 in facility capital maintenance/upgrades being placed into the 2012-2016 Capital Plan.

Council reviewed a Road Funding plan through the 2012 Budget process and approved a new Road Capital Property Tax Revenue to raise an additional \$200,000 per year to pay for required road paving upgrades.

- General Ledger Code Review.
  - This is an ongoing process. The General ledger coding will be actively reviewed through the 2012 implementation of CASEWARE, which will result in improved standardization of general ledger codes.
- Successfully launched the Pet Licence program in 2011. Client codes were set up in late December 2010. All Pet license transactions were processed through the Pet License module in 2011 and annual Renewal Notices were sent out in November 2011.
- Installed a barcode reader and software at the front Desk that will allow Property Tax, Business License, Utility, Accounts Receivable and Pet License invoices to be read through the barcode reader, eliminating entry error and speeding processing steps resulting in faster customer service.
- Implemented new Airport billing software "ALFA" at the Smithers Airport, resulting in significant improvements in airport receivable processing time by using updated database information of current aircraft and owner information interfaced with the Town's VADIM Financial Software.
- Implemented Utility e-billing process of emailing utility bills to customers, reducing postage and handling costs.
- Vendors continue to sign up for EFT accounts payable payment program, reducing postage and handling costs.

# Finance Department

## 2011 MAJOR OBJECTIVES AND RESULTS CON'T

- Interac machines at the Front Desk were transitioned to chip card readers.
- A wireless handheld VISA machine was set up at the Riverside Campground to make payment processing easier for the Riverside Campground Attendant.
- Updated the Accounts Receivable processes by logging annual cycle of billings and cross referencing with lease files to ensure revenue is billed and collected in a timely manner.
- RCMP and Fire Department False Alarm billings were streamlined saving time, reducing risk of error, and increasing transparency of bylaw requirements. Reports from the RCMP and Fire Departments are now submitted in a format that can be merged into an easy to read form letter.

## 2012 MAJOR PROJECTS AND STRATEGIES

- Implementation of CASEWARE Government Reporting software which process year end working papers and financial statements more efficiently and will allow an easier interface with financial statement preparation from the VADIM Financial software system.
- Implement a pre-approved payment process for Utility Customers, thereby ensuring that they make their payments on time and reducing their need to write cheques.
- Report on the Town's annual GHG emissions, effective 2012, to the Province through the SMARTTool program.

## 2013 MAJOR PROJECTS AND STRATEGIES

- Implement a Public Sector Budgeting system that eliminates full reliance on spreadsheets and that integrates with Vadim Financial Software. This will result in a more effective multi user budgeting process throughout the budget cycle.
- Update the Vadim Payroll module to reduce payroll data entry functions for leave requests and to reduce time consuming manual reconciliations between timesheets and the leave requests. This would also result in timelier reporting to department heads summarizing past and future leaves by employee on a current basis and would eliminate the time consuming reporting of future leave requests currently done through Excel.

# Finance Department

## 2011 PROGRESS REPORT: SMALL COMMUNITY PORTION OF THE STRATEGIC COMMUNITY INVESTMENT FUNDS

Intended Use	Performance Targets	Progress Made in 2009 and 2010	Progress Made in 2011
<p>Use funding to support local services and to avoid large tax rate increases.</p>	<p>100% of the funds to be used to pay for General Operating Municipal Services and to minimize General Municipal Tax Rate increases.</p>	<p>57% of the Small Community Funds received in 2009 were used to maintain municipal service levels to that of the previous year.</p> <p>As a result of the 2009 Small Community Funds utilized in 2009, the 2009 General Municipal Services and tax rates remained consistent with prior years.</p> <p>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%.</p> <p>The remaining 43% of the Small Community Funds received in 2009 and 100% of the Small Community Funds received in 2010 were used to maintain 2010 municipal service levels to that of the previous year.</p> <p>The 2010 actual General Municipal Tax Levy increase was 2.5%. Without the Small Community Grant allocation for 2010 the Town's 2010 General Municipal Tax Levy increase would have been 20%.</p>	<p>72% of the \$726,096 Small Community Funds received in 2011 was used to maintain 2011 municipal service levels comparable to that of the previous year.</p> <p>The 2011 actual General Municipal Tax Levy increase was 2.32%. Without the Small Community Grant allocation for 2011 the Town's 2011 General Municipal Tax Levy increase would have been 19%.</p> <p>The remaining 28% (\$201,096) 2011 Small Community Funds received were placed into a Strategic Investment Operating Reserve at December 31, 2011 to be accessed for this purpose in 2012 and 2013.</p>

# Finance Department

## 2011 PROGRESS REPORT: TRAFFIC FINE REVENUE SHARING PORTION OF THE STRATEGIC COMMUNITY INVESTMENT FUNDS

Intended Use	Performance Targets	Progress Made in 2009 and 2010	Progress Made in 2011
<p>Use funding to support police enforcement costs and to avoid large tax rate increases.</p>	<p>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.</p>	<p>66% of the Traffic Fine Sharing Revenue received in 2009 was used to maintain municipal RCMP service levels to that of the previous year.</p> <p>As a result of the Traffic Fine Sharing Revenue utilized in 2009, the 2009 RCMP Municipal Services and tax rates remained consistent with prior years.</p> <p>The 2009 RCMP Tax Levy increase was 8%. Without the Traffic Fines Sharing Revenue allocation for 2009, the Town's 2009 RCMP Tax Levy increase would have been 16%.</p> <p>The remaining 34% of the Traffic Fine Sharing Revenue received in 2009 and 100% of the Traffic Fine Sharing Revenue received in 2010 were used to maintain 2010 municipal RCMP service levels to that of the previous year.</p> <p>The 2010 RCMP Tax Levy increase was 8%. Without the Traffic Fine Sharing Revenue allocation for 2010, the Town's 2010 RCMP Tax Levy increase would have been 15%.</p>	<p>73% of the \$115,842 Traffic Fine Sharing Revenue received in 2011 was used to maintain municipal RCMP service levels to that of the previous year.</p> <p>The 2011 RCMP Tax Levy increase was 4.34%. Without the Traffic Fines Sharing Revenue allocation for 2011, the Town's 2011 RCMP Tax Levy increase would have been 11%.</p> <p>The remaining 27% of the 2011 Traffic Fine Sharing Revenue received (\$30,842) was put into a Traffic Fine Sharing Operating Reserve as of December 31, 2011 and budgeted to be accessed for this purpose in 2012 and 2013.</p>

# Recreation, Parks and Culture

## 2011 SUMMARY

2011 saw the department increase its arena schedule, its recreation program participation and also the provision of a summer preschool program. Winter recreation programs also saw an increase with new children's, youth, and girls only shinny hockey and a new indoor softball program. The spring offered the Steve Nash Youth Basketball program and new March Break programs such as the Movie Magic Camp and the Eye4Target Soccer Camps. Summer programs added two new soccer camps, Eye4Target and Challenger Sports British Soccer Camp. A grant was received in the Fall for a new girls only after school sport program through Pacific Sport Explore Sportz North Grant.

At the Arena, new skating times were made available for private rental groups and an ongoing working relationship with the Arena User Groups to improve the use of the arena and schedule the ice time to the satisfaction of all involved. Successful August hockey camps were booked through the summer and funds were applied for the construction of a new arena through the Provincial Community Recreation Program grant. Over the Christmas holiday season the holiday rental times were booked 100% for the first time ever.

2011 also saw the opening of a new playground, Turner Way with new equipment purchased through grant funds received from Smithers Lumber (TIMBRKids Fund) in partnership with the BV Kinsmen Club, Wetzin'kwa Community Forest and LB Paving, as well as other upgrades to facilities. Another exciting program was the renovation project for the second floor of Ranger Park through a newly established partnership with Northwest Community College.

## 2011 MAJOR OBJECTIVES AND RESULTS

### ■ Programs:

- ✓ Added new children, youth and girls only shinny hockey to arena schedule.
- ✓ Added new indoor softball program in partnership with Smithers Junior Softball.
- ✓ Managed delivery of recreation programs serving more than 300 participants per week.
- ✓ Partnered with Art Gallery to offer workshops and March Break camp.
- ✓ Hosted Steve Nash Youth Basketball program, coaching clinic and referee clinic.
- ✓ New March break programs (Movie Magic Camp, Eye4Target Soccer Camp).
- ✓ Added Eye4Target Soccer Camps and Challenger Sports-British Soccer Camps to summer programs.
- ✓ Received \$3000 through the Pacific Sport ExplorSportz North Grant to launch two girls after school sport programs in January 2012.
- ✓ Administered funds from the Canadian Tire Jumpstart Foundation and Smithers Affordable Recreation Fund.

### ■ Arena:

- ✓ Improved working relationship with Arena user groups.
- ✓ Coordinated weekly arena bookings.
- ✓ Managed Outdoor Arena maintenance and scheduling.
- ✓ Applied for \$3 million from the Enabling Accessibility Fund for the Second Sheet of Ice.
- ✓ Applied for funds (\$650,000) for construction of a new arena through the Provincial Community Recreation Program grant.
- ✓ Booked annual August hockey camps.
- ✓ Increased opportunities for local groups/residents to rent ice before regular season.

### ■ Events:

- ✓ Rebooked Sicamous Eagles Hockey Club for April training camp.
- ✓ Rebooked West Coast Amusements for April.
- ✓ Coordinated the promotion and delivery of the 2011 Spirit of the Mountains Festival (added four new group activity providers).
- ✓ Canada Day event at Heritage Park.

### ■ Emergency Social Services:

- ✓ Hosted Emergency Social Services training workshops.
- ✓ Attended EOC table top exercise.
- ✓ Managed ESS operations during flood event and follow up with displaced individual.
- ✓ Completed EOC Level 3 Operations training.

### ■ Infrastructure Enhancements:

- ✓ Renovations of the second floor of the Ranger Park building in partnership with the NWCC ACEit carpentry program Phase One.
- ✓ New construction of playground at Turner Way (received grant monies for Turner Way Playground from Smithers Lumber (TIMBRKids Fund) in partnership with the BV Kinsmen Club, Wetzin'kwa Community Forest and LB Paving.
- ✓ Repairs to Montreal Street Tennis Courts.

## 2012 MAJOR PROJECTS AND STRATEGIES

### ■ Infrastructure Enhancements:

- Playground development and upgrades to Heritage Park.
- Construction of new pedestrian bridge over Dahlie Creek as part of the Perimeter Trail.
- Ranger Park 2<sup>nd</sup> Floor plumbing and heating installation and new energy efficient window installation.
- Construction of new arena.

### ■ New Program Development:

- BC Sailing Program at Lake Kathlyn Beach.
- Girls Only Afterschool Sport and Art Programs.
- Fall/Winter Steve Nash Youth Basketball League.
- 3 vs. 3 Youth Recreation Hockey Program.
- Youth Rugby program.

# Town of Smithers

## 2011 STATEMENT OF PROPERTY TAX EXEMPTIONS

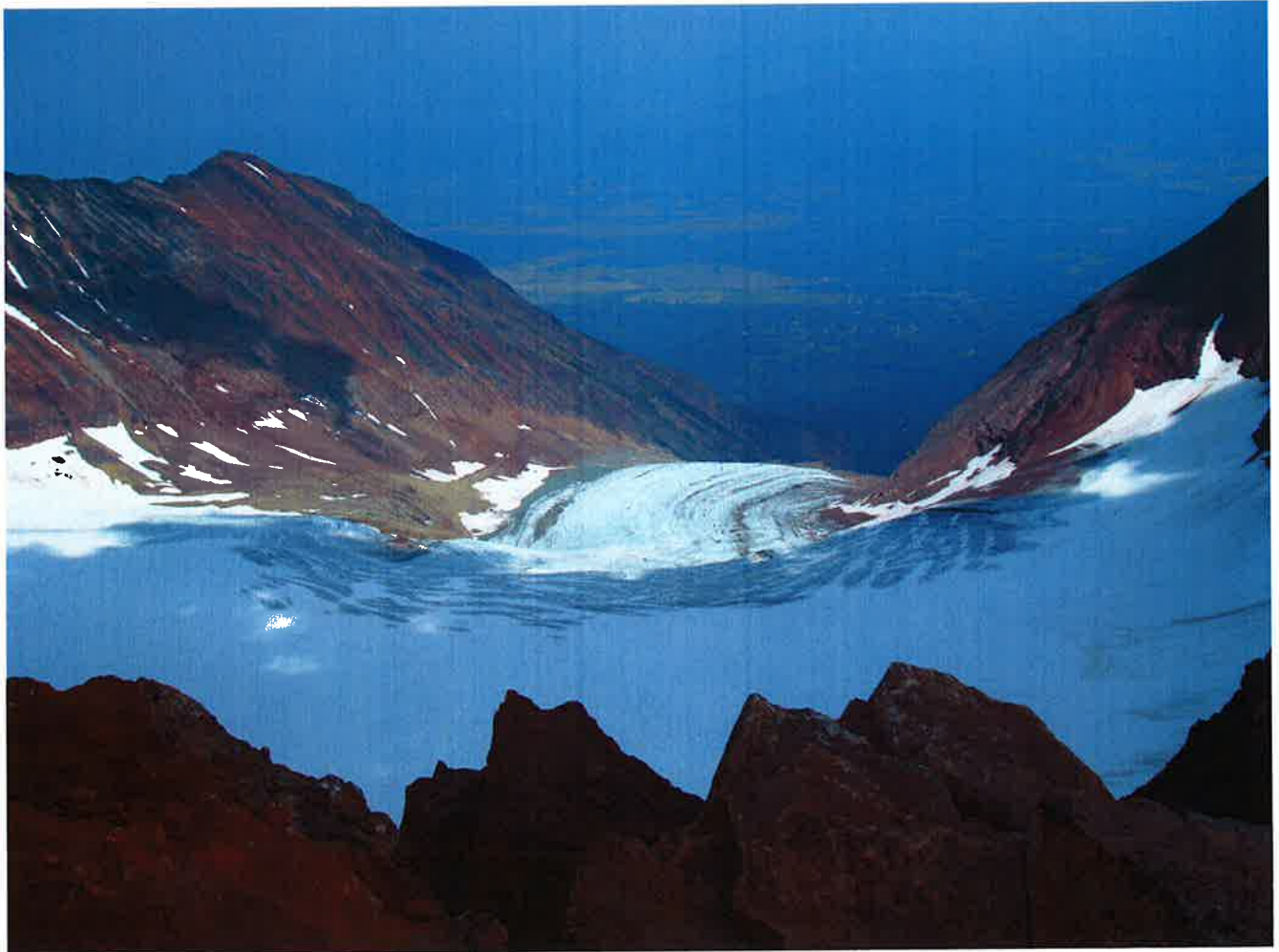
<i>For the Year Ended December 31, 2011</i>					
<i>Unaudited</i>					
In accordance with Section 98(2)(b) of the Community Charter, the following properties in the Town of Smithers were provided permissive property tax exemptions by Council in 2011					
Assessment Roll Number	Legal Description	Civic Address	Organization	Reason for Proposed Exemption	Value of Permissive Exemption
<b>Senior Housing Exemptions {Section 224 (2)(h)}</b>					
0003-010	Lot A, Plan PRP46504, Section 30, Township 4, Range 05	3668 Eleventh Ave	Northern Health Authority	Long Term Care and Housing of Senior Citizens (Bulkley Lodge) over and above statutory	\$23,077
0932-000	Lot 32, Plan 4928, DL 865, Range 5	3985 Pioneer Pl	Bulkley Senior Citizens Housing Society	Housing of Senior Citizens (Pioneer Place) over and above statutory exemption	\$1,870
1225-380	Lot 5, Plan PRP1346, Range 05, DL 5714	4210 Astlais Pl	BV Christian Seniors Care Society	Housing of Senior Citizens: Exempt portion only 6,000 sq ft building and 25% land- over and above statutory exemption	\$1,365
1300-500	Lot A, Plan 11458, DL 865, Range 05	Mountainview Dr	Bulkley Senior Citizens Housing Society	Housing of Senior Citizens (Pioneer Place Extension)- over and above statutory exemption	\$1,076
1300-600	Lot B, Plan 11458, DL 865, Range 05	Pioneer Pl	Bulkley Senior Citizens Housing Society	Housing of Senior Citizens (Pioneer Place Extension) over and above statutory exemption	\$352
<b>Public Worship Exemptions {Sections 224 (2)(f) and 24 (2)(g)}</b>					
0005-000	Lot 1, Plan 12203, DL 5289, Section 30, Township 4, Range 05	1636 Princess St	Anglican Synod Diocese of Caledonia	Public Worship- over and above statutory exemptions	\$1,274
0019-000	Parcel A, Block 28, Plan 1054, DL 5289, Range 05	3696 Fourth Ave	BC Corporation of the Seventh Day Adventists	Public Worship- over and above statutory exemptions	\$506
0477-004	Lot 1, Plan 9143, DL 865, Range 05	4054 Broadway Ave	Roman Catholic Episcopal Corp of Prince Rupert	Public Worship (not including the residence)- over and above statutory exemptions	\$1,063
0685-700	Lot 15-22, Block 125, Plan 1054, DL 865, Range 05	1471 Columbia Dr	Christian Reformed Church of Smithers	Public Worship- over and above statutory exemptions	\$1,025
0692-200	Lots 32-36, Block 135, Plan 1054, DL 865, Range 05	3919 Seventh Ave	Baptist Regular Convention of BC	Public Worship- over and above statutory exemptions	\$691
0747-010	Lots 33 - 36, Block 143, Plan 1054, DL 865, Range 05	3889 Eighth Ave	Trustees Smithers United Church	Public Worship- over and above statutory exemptions	\$838
0789-000	Parcel A, Block 159, Plan 1054, Section 31, Township 4, Range 05	1833 Main St	Evangelical Free Church of Smithers	Public Worship- over and above statutory exemptions	\$1,852
1220-000	Lot 5, Plan 4075, DL 865, Range 05	4414 Highway 16	Neil T Polding, Paul Sturzenegger, Wolfgang Doehler	Public Worship (Jehovah Witness Church)- over and above statutory exemptions	\$634
1225-690	Lot 1, Plan PRP 14290, DL 865, Range 05	3974 Tenth Ave	President of Lethbridge Stake	Public Worship (Church of Jesus Christ Latter Day Saints)- over and above statutory exemptions	\$1,550
1717-765	Lot A, Section 30, Township 4, Plan PRP 46819, Range 05	3115 Gould Place	Bethel Reformed Church of Smithers	Public Worship- over and above statutory exemptions	\$4,779



# Town of Smithers

## 2011 STATEMENT OF PROPERTY TAX EXEMPTIONS CON'T

<b>Private School Exemptions {Section 224 (2)(h)}</b>						
0477-004	Lot 1, Plan 9143, DL 865, Range 05	4054 Broadway Ave	Roman Catholic Episcopal Corp of Prince Rupert	All of St. Joseph's School excluding the residence- over and above statutory exemptions		\$9,387
0860-720	Lot 72, Plan 5258, DL 865, Range 05	4035 Walnut Dr	Christian School Society of Smithers and Telkwa	Cover all Smithers Christian School exemptions- over and above statutory exemptions		\$12,500
1717-200	Lot B, Plan 11184, Section 30, Township 4, Range 05	3575 Fourteenth Ave	Christian School Society of Smithers and Telkwa	Cover all BV Christian High School exemptions- over and above statutory exemptions		\$58,536
<b>Hospital Exemption {Section 224 (2)(h)}</b>						
0694-075	Parcel A, Plan 9565, Blocks 138 and 138, Plan 1054, DL 865, Range 05	3950 Eighth Ave	Northern Health Authority	Non residential part of BV District Hospital- over and above statutory exemptions		\$46,468
<b>Non-Profit Organization Exemptions (Cultural and Charitable) {Section 224 (2)(a)}</b>						
0154-020	Lots 1 -2, Block 41, Plan 1054, DL 5289, Range 05	3704 First Ave	BV Museum	exempt all of old St James Church		\$2,877
0238-200	Parcel D, Lot 44 and Lot 5289, Block 55, Plan 1054, DL 5289	3873 1st Avenue	Wet'suwet'en Treaty Office Society	property used for cultural and not-for-profit purposes, exemption given to entire property		\$3,267
0274-020	Lots 21-22, Block 57, Plan 1054, DL 5289, Range 05	1065 Main St	Governing Council of Salvation Army in Canada	exempt portion attributed to Food Bank		\$2,437
0708-050	Lots 1-36, Block 140, Plan 1054, DL 865, Range 05	1621 Main St	LB Warner Centre	to give exemption to the areas leased by the BV Gymnastics Association, BV Search and Rescue Society, and BV Museum Society est 10% land and approximate value of improvements to Gymnastics building		\$2,072
1223-870	Lot A, Plan 12656, Section 30, Range 05,	3736 16th Avenue	Ranger Park Building	to give exemption to portion leased by the BV Search and Rescue Society (estimated at 2/3 of the basement being 1893 sq feet which is 22% of the total building and therefore 22% of the land)		\$1,025
1223-900	Lot A, Plan 12707, DL 865, Land District 14, Range 05	1425 Main St.	Smithers Central Park Building Society	exempt all of Central Park Building		\$7,697
1501-010	Lot A, Plan PRP 42327, DL 5714, Range 05	3815 Railway Ave	Smithers Community Services Association	exempt Heritage portion of old CN Railway Station (approximately 65% of land and building), leased (business) portions remain taxable		\$6,347
<b>Recreational Exemptions {Section 224 (2)(l)}</b>						
0602-075	Plan 1054, DL 865	Third St	Smithers Curling Club	exempt all of the Curling Club building and footprint of land it sits on		\$5,264
1224-000	Lot A, Plan PRP 13685 except Plan PRP 13746, Section 2, Township 1A, Range 05	Scotia St	Smithers Golf and Country Club	exempt all land of the Smithers Golf Club		\$6,542
						\$206,371
The Value of the Permissive Tax Exemptions is the amount of municipal property taxes that would have been imposed on each property had it not been exempt in 2011. The value of the annual tax exemption has been calculated using 2011 municipal property tax rates.						
Leslie Ford						
Director of Finance						



# **2011 Consolidated Financial Statements (audited) December 31, 2011**

1027 Aldous Street, Box 879, Smithers,  
BC V0J 2N0  
Phone: 250-847-1600, Fax: 250-847-1601  
Website: [www.smithers.ca](http://www.smithers.ca)

**To Mayor Bachrach and Members of Council:**

I hereby submit the audited consolidated financial statements for the Town of Smithers for the fiscal year ended December 31, 2011, 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, 2011 and the results of its operations and changes in its financial position for the year including the 2011 financial results of the Smithers Public Library.

All governments in Canada are required to comply with Public Sector Accounting Board (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.

**2011 Financial Highlights:**

*The Consolidated Statement of Financial Position (Assets, Liabilities and Accumulated Surplus) (page 3) was prepared in accordance with PSAB. 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 2010 and 2011, meaning that it had more assets on hand at the end of each year than liabilities owing.
  - **Cash and Investments** of \$12M at the end of 2011 was slightly higher than at the end of 2010 due to using fewer reserves for capital projects than budgeted and having more accounts payables at the end of the year. Also the Town received the full \$800,000 South Trunk Storm Sewer debenture proceeds from MFA in advance of the project being completed.
  - **Accounts Receivables** were slightly higher at the end of end of 2011 due to the government grants owing on capital projects. Of the \$1.27M owing to the Town over 62% was owed from the Province for the South Trunk Storm Sewer project. Since year-end, over \$650,000 of the Provincial \$796,697 receivable balance has been received. Trade accounts receivable balances were less than at the end of 2010 but Utilities owing at the end of 2011 were higher. The majority of the utilities owing at the end of December were paid in January 2012.
  - **Taxes Receivable**, in total, was higher at the end of December 2011 than at the end of 2010 due to more arrears taxes owing.
  - **Loans receivable** are lower at the end of 2011 due to the 2011 loan payments made by the Wetzin'kwa Community Forest Corporation and the Smithers Curling Club.
  - **Accounts Payables** of \$1.8M were higher at the end of 2011 due to larger invoices being owed at the end of 2011. Also, the Town had more refundable contract security deposits and holdbacks owing at the end of December 2011 than it did at the end of December 2010.
  - **Deferred Revenue** decreased due to a large portion of the 2010 deferred revenue being used in 2011 (such as the Towns for Tomorrow grant for the 2011 Riverside Capital project and use in 2011 of the balance of the past 2% Hotel tax funds carried forward).
  - **Long Term Debt** balance was higher at the end of 2011 due to the South trunk Storm Sewer debenture borrowing (see Schedule H on page 29). Graph 3 on page 36 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):** The Town had \$3.6M worth of new tangible capital assets added in 2011 plus the reallocation of the \$1.2M of past year's work-in-progress net of the recorded \$2.66M in amortization. The Town also received an estimated value of \$71,445 in donated assets (a portion of the cost of the property purchased at 1089 Main Street, the bridge over Dahlie Creek and crushed rock for the Turner Way playground).
    - At the end of 2011 the Town had \$97M in tangible capital assets with the largest category being that of Engineered Structures (Roads, Streets, Lanes, Runways, Paths, Parks etc). Once the accumulated amortization was calculated to the end of 2011 the Town's net book value (total costs less accumulated amortization) of its tangible capital assets was recorded at close to \$52M (see Schedule G on page 28).
  - **Other Assets** are comprised of prepaid expenses and inventory. This amount was less at the end of 2011 due to using more supplies inventories on hand before the end of 2011 (salt, sand and gravel) and having less prepaid expenses in 2011.
- **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 22 to 27; 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, 2011 of \$5.5M was higher than the 2010 balance due to an increase in the General, RCMP and Utility Operating Surplus balances. The Airport Operating Surplus balance was less due to amounts used in 2011 to pay for 2011 airport capital projects.
  - The total Capital Reserve balance of \$3M was slightly higher than the December 31, 2010 balance of \$2.9M due to an increase in the Gas Tax Capital Reserve.
  - Statutory Reserve balances of \$2.8M were less at the end of 2011 due to the use of statutory reserves to fund 2011 capital projects (such as using Land Sales/Capital Works reserve funds for road capital works in 2011).
  - The Smithers Public Library's net operating surplus balance increased slightly from \$112,173 to \$116,495.
  - 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, 2011 the Town had a slight increase in its net equity investment in its municipal capital assets, from \$49.2M in 2010 to \$49.8M in 2011.

The Town adopted an Operating Surplus and Capital Reserve Policy in the fall of 2010. All year end balances of operating surpluses fall within the defined parameters of the policy guidelines. Capital reserves were used in accordance with the policy guidelines. The graph on page 36 shows the total balance of the Town's surpluses/reserves (not including Equity in Tangible capital Assets) over the past 20 years.

*The Consolidated Statement of Operation (page 4) 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** includes all revenue for operation, capital and reserves. Revenue categories are now consolidated to include Smithers Public Library revenue.
  - **Taxation revenue** was higher in 2011 due to increased tax levies, receipt of more grants in lieu and 1% utility taxes; and more 2% hotel taxes received in 2011. Schedule I on page 30 lists all components of taxation revenue. As shown on Graph 7 on page 38, taxation revenue represented 37% of the Town's total consolidated revenue in 2011, whereas in 2010 it represented 40%.
  - **Government Transfers/Grant revenue** was higher in 2011 due to more capital grants received than in 2010. Schedule J on page 31 lists all government transfers/grants recorded as revenue in 2011 compared to budget and compared to 2010. Grant funding represented 23% of the Town's total consolidated revenue in 2011, compared to 2010, when it was 20% of total consolidated revenue (as seen on Graph 7 on page 38).
  - **Service Charges/User fees** were slightly lower in 2011 due to slightly less fees received at the airport and under protective services (there were less building permits received in 2011 than in 2010). Some areas saw an increase in overall fees revenue including the cemetery, recreation programs and the arena. Schedule K on page 32 lists all service charges/users fees by category for 2011 compared to budget and compared to 2010. As shown on Graph 7 on page 38, service charges/user fees revenue represented 29% of the Town's total consolidated revenue in 2011.
  - **Investment Income** was higher in 2011 due to the slightly higher investment rates and more amounts within the investments (Term Deposits and through the Municipal Finance Authority).
  - **Other Revenue** is higher due to additional miscellaneous revenue received for capital projects in 2011 (for example the external contribution received towards the airport cistern).
- **Consolidated Expenses** are economic resources that are consumed to provide municipal services. All consolidated expense costs include operating costs, related interest on debt and amortization costs. The budget figures shown represent the 2011 budget approved in May 2011 plus the approved 2011 Smithers Public Library's budget.
  - All 2011 consolidated expense areas, except for cemetery services, were less than the consolidated 2011 expense budget.
  - Graph 8 on page 38 shows the consolidated expenses in 2011 compared to 2010. The largest of the expense areas in 2010 and 2011 was the Protective Services, which included the RCMP contract costs.
- The Town had an annual surplus, as calculated and defined under PSAB, of \$813,466, which is the 2011 consolidated revenue less 2011 consolidated operating expense. Had the consolidated expenses not included amortization costs of \$2.6M the Town would have reflected a larger net annual surplus of approximately \$3.4M. The 2011 annual surplus is higher than budgeted due to receiving less government grants than budgeted for.

*Consolidated Statement of Cash Flows (page 5):* This Statement shows how cash requirements were met and how activities were financed. Cash and Investments were higher at the end of 2011 than at the end of 2010.

*Consolidated Statement of Net Financial Assets (page 6):* This schedule 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.

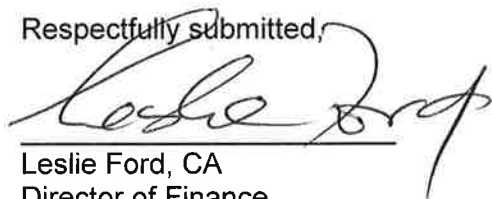
*Notes to the Consolidated Financial Statements (pages 7 – 15):* Notes to the Financial Statements provide further detail as to specific accounting policies and the composition of certain financial numbers, and should be read in conjunction with the Statements.

- There is a new note on page 14, Note 13 (f) that mentions the Town's commitment to the Bulkley Valley Economic Association.
- Note 16 is a note that 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.

*Schedules to the Consolidated Financial Statements (pages 16 – 34):* These Schedules provide additional financial detail within the various funds of the Town (Operating, Capital and Reserves) as well as required information on other asset, liability, revenue and expense items of the Town.

- Many of the Schedules are required information under PSAB, including the Schedule of Operations by Segment (Schedule C), Tangible Capital Assets and Accumulated Amortization (Schedule G), Long Term Debt (Schedule H), Taxation Revenue (Schedule I), Government Transfers/Grants (Schedule J) and Consolidated Expenditures by Object (Schedule L).

Respectfully submitted,



Leslie Ford, CA  
Director of Finance  
May 8, 2012

**Town of Smithers**  
**Statements of Financial Information**  
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*December 31, 2011*

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## TOWN OF SMITHERS

### MANAGEMENT REPORT

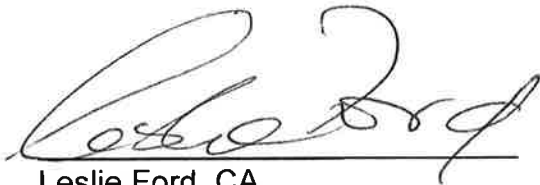
The Consolidated Financial Statements of the Town of Smithers have been prepared by management in accordance with generally accepted accounting principles or stated accounting principles, and the integrity and objectivity of these statements are management's responsibility. Management is also responsible 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 black ink, appearing to read 'Leslie Ford', written over a horizontal line.

Leslie Ford, CA  
Director of Finance  
May 8, 2012



EDMISON MEHR  
CHARTERED ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

To the Council of  
Town of Smithers  
Smithers, BC

We have audited the accompanying financial statements of Town of Smithers, which comprise the Consolidated Statement of Financial Position as at December 31, 2011, and the Consolidated Statements of Changes to Fund Balances, Operations and Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian Generally Accepted Accounting Principles for Public Sector Entities and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Town of Smithers as at December 31, 2011, and of its financial performance and its cash flows for the year then ended in accordance with Canadian Generally Accepted Accounting Principles for Public Sector Entities.

Smithers, BC  
May 8, 2012



Edmison Mehr

**Consolidated Financial  
Statements**  
(audited)

**Town of Smithers**  
**Consolidated Statement of Financial Position**  
*As at December 31, 2011*

	2011	2010
<b>FINANCIAL ASSETS</b>		
Cash and Investments (Note 2)	\$11,997,530	\$11,901,405
Taxes Receivable (Note 3)	252,583	221,629
Accounts Receivable (Note 4)	1,275,854	1,113,705
Deposits - Municipal Finance Authority (Note 5)	34,500	25,422
Loans Receivable (Note 6)	49,945	93,909
Investment in Wetzin'kwa Community Forest Corporation (Note 14)	1	1
	<u>13,610,413</u>	<u>13,356,071</u>
<b>LIABILITIES</b>		
Accounts Payable and Accrued Liabilities (Note 7)	1,863,379	1,460,917
Restricted Revenue - Municipal Finance Authority (Note 5)	34,500	25,422
Deferred Revenues (Note 8)	301,067	710,028
Long Term Debt (Schedule H)	2,075,482	1,773,876
	<u>4,274,428</u>	<u>3,970,243</u>
<b>NET FINANCIAL ASSETS</b>	<u>9,335,985</u>	<u>9,385,828</u>
Commitments and Contingencies (Note 13)		
<b>NON FINANCIAL ASSETS</b>		
Tangible Capital Assets (Notes 1 and 9, Schedule G)	51,951,474	51,044,036
Prepaid Expenses and Supply Inventory (Note 10)	265,992	310,121
	<u>52,217,466</u>	<u>51,354,157</u>
<b>ACCUMULATED SURPLUS</b> (Notes 11 & 16, Schedule A)	<u>\$61,553,451</u>	<u>\$60,739,985</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, 2011*

	<b>2011 Actual</b>	<b>2011 Budget (unaudited)</b>	<b>2010 Actual</b>
<b>REVENUE</b> (Schedules B & C)			
Taxation (Schedule I)	\$5,222,693	\$5,209,496	\$5,056,950
Government Transfers/Grants (Schedule J)	2,960,058	6,188,164	2,326,104
Service Charges/User Fees (Schedule K)	3,733,238	3,629,498	3,753,339
Investment Income	218,111	157,210	153,442
Net Gain on Disposal of Tangible Capital Assets	375,594	478,500	73,917
Other Revenue	172,090	72,900	31,756
Total Revenue	<u>12,681,784</u>	<u>15,735,768</u>	<u>11,395,508</u>
<b>EXPENSES</b> (Schedules B, C & L)			
General Government Services	1,352,155	1,418,655	1,380,205
Protective Services (incl RCMP)	2,332,566	2,400,220	2,255,474
Transportation and Transit Services	1,837,797	1,878,560	1,754,978
Solid Waste Management/Recycling Services	295,001	358,779	260,512
Public Health/Cemetery Services	57,479	54,687	51,673
Development/Economic Development/Tourism Services	794,212	1,041,323	793,838
Recreation and Cultural Services	1,592,011	1,695,438	1,644,689
Utility (Water, Sewer and Storm Sewer) Services	1,478,529	1,537,956	1,405,640
Airport Services	2,128,568	2,224,097	1,997,290
Total Expenses	<u>11,868,318</u>	<u>12,609,715</u>	<u>11,544,299</u>
<b>Annual Surplus (Deficit)</b> (Note 16)	813,466	3,126,053	(148,791)
<b>Accumulated Surplus, beginning of year</b>	60,739,985	60,739,985	60,888,776
<b>Accumulated Surplus, end of year</b>	<u>\$61,553,451</u>	<u>\$63,866,038</u>	<u>\$60,739,985</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, 2011

	2011	2010
<b>Cash provided by (used for):</b>		
<b>Operating Transactions</b>		
Annual Surplus (Deficit)	\$813,466	(\$148,791)
Non Cash items included in Annual Deficit:		
Actuarial Adjustment	(25,799)	(52,433)
Amortization	2,663,825	2,645,048
Net Gain on Disposal of Tangible Capital Assets	(375,594)	(73,917)
Change in Other Non Cash items:		
Change in Prepaid/Inventory Expenses	44,129	(24,878)
Change in Taxes Receivable	(30,954)	55,788
Change in Accounts Receivable	(162,149)	(604,390)
Change in Accounts Payables	402,462	67,272
Change in Deferred Revenue	(408,961)	(553,667)
Cash provided by Operating Transactions	<u>2,920,425</u>	<u>1,310,032</u>
<b>Capital Transactions</b>		
Proceeds on Disposal of Tangible Capital Assets	486,150	173,640
Donated Assets	(71,445)	-
Cash used to Acquire Tangible Capital Assets	(3,610,374)	(2,954,487)
Cash applied to Capital Transactions	<u>(3,195,669)</u>	<u>(2,780,847)</u>
<b>Investing Transactions:</b>		
Loan Proceeds from Curling Club	5,000	5,001
Loan Proceeds from Wetzin'kwa Community Forest	38,964	38,200
Cash provided by Investing Transactions	<u>43,964</u>	<u>43,201</u>
<b>Financing Transactions:</b>		
Temporary Borrowing Repayment	(375,915)	-
Principal Repayments	(96,680)	(110,663)
Proceeds from Debt Issues	800,000	375,915
Cash provided by Financing Transactions	<u>327,405</u>	<u>265,252</u>
<b>Increase (decrease) in Cash and Investments</b>	96,125	(1,162,362)
<b>Cash and Investments, beginning of year</b>	11,901,405	13,063,767
<b>Cash and Investments, end of year</b>	<u>\$11,997,530</u>	<u>\$11,901,405</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, 2011*

	2011	2011 Budget	2010
<b>Annual Income (Deficit)</b>	\$813,466	\$3,126,053	(\$148,791)
Acquisition of Tangible Capital Assets	(3,681,819)	(11,025,293)	(2,954,487)
Amortization of Tangible Capital Assets	2,663,825	2,600,000	2,645,048
Gain on Disposal of Tangible Capital Assets	(375,594)	(478,500)	(73,917)
Proceeds on Disposal of Tangible Capital Assets	486,150	-	173,640
	<u>(93,972)</u>	<u>(5,777,740)</u>	<u>(358,507)</u>
Net Change in Prepaid Expenses	34,818	-	(14,581)
Net Change in Inventory of Supplies	9,311	-	(10,297)
	<u>44,129</u>	<u>-</u>	<u>(24,878)</u>
<b>Change in Net Financial Assets</b>	<b>(49,843)</b>	<b>(5,777,740)</b>	<b>(383,385)</b>
<b>Net Financial Assets, beginning of year</b>	<b>9,385,828</b>	<b>9,385,828</b>	<b>9,769,213</b>
<b>Net Financial Assets, end of year</b>	<b>\$9,335,985</b>	<b>\$3,608,088</b>	<b>\$9,385,828</b>

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

# Town of Smithers

## Notes to Consolidated Financial Statements

December 31, 2011

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### 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. The Smithers Public Library financial activities have been consolidated with the Town's financial activities for financial statement purposes.

#### (b) Fund accounting:

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

Operating Funds: Operating Funds report the General, RCMP, Utility (Water, Sewer and Storm Sewer) and Airport operations.

Capital Funds: Capital Funds report the acquisition and disposal of property and equipment and their related financing.

Reserve Funds: Under the *Community Charter*, 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, credit, liquidity or price risk arising from these financial instruments.

#### (d) Revenue Recognition:

Restricted contributions related to general operations are recognized as revenue in the Operating Funds in the year in which the related expenses are incurred. All other restricted contributions are recognized as revenue of the appropriate restricted fund.

Unrestricted contributions are recognized as revenue of the Operating Funds in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Taxation revenue is recognized at the time of issuing the property tax notices for the fiscal year. Sale of services and user fee revenues are recognized when the service or product is rendered by the Town.

**Town of Smithers**  
**Notes to Consolidated Financial Statements**  
*December 31, 2011*

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**(e) Expense Recognition:**

Operating and Capital Expenses are recognized on the accrual basis in the period when goods and services have been received. Interest expense is accrued on long-term debt to year-end.

**(f) Government Transfers:**

Government transfers are recognized as revenues, or expenses, in the period that the events giving rise to the transfers occur.

Entitlement transfers are received from the provincial and federal governments according to prescribed legislation and/or regulations. These can include the Strategic Investment Funds and the Traffic Fine Sharing Revenue.

**(g) 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.

**(h) Inventory:**

Inventory is comprised of supply 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.

**(i) 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:

<b>Major Asset Category</b>	<b>Useful Life Range</b>
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

**(j) 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.



**Town of Smithers**  
**Notes to Consolidated Financial Statements**  
*December 31, 2011*

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**(k) Budget Presentation:**

Budget amounts are from the Town's Five Year Financial Plan for the years 2011 – 2015, adopted by Council on May 10, 2011 with minor subsequent reallocations and reclassifications to conform to financial statement presentation (see Note 16). The Smithers Public Library's 2011 budget, as approved by Council, has been included with the Town's budget figures within the financial statements.

**(l) Comparative Figures:**

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

**2. CASH AND INVESTMENTS**

	<b>2011</b>	<b>2010</b>
Restricted Cash and Investments- Statutory Reserves	\$2,781,438	\$3,011,861
Unrestricted Cash and Investments	9,075,371	8,759,948
Smithers Public Library Cash	140,721	129,596
	<u>\$11,997,530</u>	<u>\$11,901,405</u>

Cash and Investments include \$5,960,772 (2010: \$4,893,061) invested in the Money Market and Intermediate Fund Investments within the Municipal Finance Authority Pooled Investment program; and \$5,338,661 (2010: \$5,945,962) in term deposits. Interest earned on investments throughout the year averaged 1.6% for term deposits and 1.37% for MFA investments.

**3. TAXES RECEIVABLE**

	<b>2011</b>	<b>2010</b>
Taxes Receivable - Current	\$182,186	\$189,311
Taxes Receivable - Arrears	69,342	31,431
Taxes Receivable - Delinquent	1,055	887
	<u>\$252,583</u>	<u>\$221,629</u>

**Town of Smithers**  
**Notes to Consolidated Financial Statements**  
*December 31, 2011*

**4. ACCOUNTS RECEIVABLE**

	<b>2011</b>	<b>2010</b>
Due from Provincial Government	\$796,697	\$707,849
Due from Federal Government	181,047	39,783
Trade and Accrued Receivables	188,047	278,179
Utilities Receivable	17,267	9,735
Due From Other Government Bodies	83,217	74,039
Smithers Public Library Accounts Receivables	9,579	4,120
	<u>\$1,275,854</u>	<u>\$1,113,705</u>

Accounts Receivables are shown net of estimated uncollectible receivables.

**5. MUNICIPAL FINANCE AUTHORITY DEPOSITS (RESTRICTED REVENUE)**

	<b>2011</b>	<b>2010</b>
Cash Deposits*	\$34,500	\$25,422
Demand Notes	99,405	70,629
	<u>\$133,905</u>	<u>\$96,051</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 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**

	<b>2011</b>	<b>2010</b>
Loan to Smithers Curling Club	\$37,109	\$42,109
Loan to Wetzin'kwa Community Forest Corporation	12,836	51,800
	<u>\$49,945</u>	<u>\$93,909</u>

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 3%, by March 2015.

**Town of Smithers**  
**Notes to Consolidated Financial Statements**  
*December 31, 2011*

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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**

	<b>2011</b>	<b>2010</b>
Trade Payables and Accrued Liabilities	\$932,484	\$641,864
Payroll Payable and Accrued Payroll Benefits	411,379	388,460
Due to Provincial Government	31,285	51,555
Due to Other Government Bodies	602	14,402
Holdbacks and Deposits	470,713	357,181
Smithers Public Library Accounts Payables	16,916	7,455
	<b>\$1,863,379</b>	<b>\$1,460,917</b>

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.

**8. DEFERRED REVENUES**

	<b>2011</b>	<b>2010</b>
Operating Revenue Received in Advance	\$48,636	\$56,377
Deferred 2% Hotel Tax Funds	-	33,924
Capital Funding/Grants Received in Advance	34,958	392,498
Deferred Tax Revenue	140,657	125,616
Miscellaneous Operating Grants Received in Advance	59,927	87,525
Smithers Public Library Deferred Revenue	16,889	14,088
	<b>\$301,067</b>	<b>\$710,028</b>

**Town of Smithers**  
**Notes to Consolidated Financial Statements**  
*December 31, 2011*

**9. TANGIBLE CAPITAL ASSETS** (Schedule G)

	<b>2011</b>	<b>2010</b>
Land	\$7,769,851	\$7,494,105
Buildings	7,664,947	7,913,907
Machinery and Equipment, Vehicles	3,194,949	3,511,880
Office Equipment and Computers	124,652	163,033
Engineered Structures	19,295,065	19,311,521
Utilities	13,902,010	11,464,046
Work In Progress	-	1,185,544
	<b>\$51,951,474</b>	<b>\$51,044,036</b>

**10. PREPAID EXPENSES AND SUPPLY INVENTORY**

	<b>2011</b>	<b>2010</b>
Prepaid Expenses	\$76,002	\$110,820
Inventory of Supplies	189,990	199,301
	<b>\$265,992</b>	<b>\$310,121</b>

**11. ACCUMULATED SURPLUS**

	<b>2011</b>	<b>2010</b>
Operating Funds (Schedules A, B and D)	\$5,581,822	\$5,298,000
Capital Funds (Schedules A, B and E)		
Capital Reserves and Other	3,184,868	2,995,992
Equity in Tangible Capital Assets	49,875,992	49,270,159
Reserve Funds (Schedules A, B and F)	2,794,274	3,063,661
Library Accumulated Surplus	116,495	112,173
	<b>\$61,553,451</b>	<b>\$60,739,985</b>

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.

**Town of Smithers**  
**Notes to Consolidated Financial Statements**  
*December 31, 2011*

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**12. PENSION INFORMATION**

The municipality and its employees contribute to the Municipal Pension Plan (Plan), a jointly trusted 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 173,000 active members and approximately 63,000 retired members. Active members include approximately 35,000 contributors from local governments.

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

The Town of Smithers paid \$271,230 (2010: \$236,563) for employer contributions to the Plan in fiscal year 2011, while employees contributed \$227,998 (2010: \$212,561) to the Plan in fiscal year 2011.

**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:**

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:

	<b>MFA Operating Lease Obligations</b>	<b>Other Obligations</b>	<b>Total</b>
2012	\$13,237	\$312,087	\$325,324
2013	10,544	248,440	258,984
2014	4,223	-	4,223
2015	3,656	-	3,656
2016	2,753	-	2,753
	<u>\$34,413</u>	<u>\$560,527</u>	<u>\$594,940</u>

**Town of Smithers**  
**Notes to Consolidated Financial Statements**  
*December 31, 2011*

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**(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 2011 the Town of Smithers had contributed \$79,767 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. The final amount owing of \$3,233 is to be paid to UNBC in 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, 2011 there was \$18,500 owing, which will be fully paid out by December 31, 2012.

**(f) Bulkley Valley Economic Development Association:**  
 In 2011 the Town of Smithers signed a 3 year Economic Development Funding Agreement, along with the Regional District of Bulkley Nechako and the Office of the Wet'suwet'en, to provide funding to the Bulkley Valley Economic Development Association (BVEDA) for Economic Development and Tourism Services. The Town has committed to paying the BVEDA \$70,000 annually plus 100% of the Additional Hotel Room Tax received from 2011 to 2013.

**(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: Wetzin'kwa Management Services Ltd and Wetzin'kwa Community Forest Corporation. The sole shareholders of Wetzin'kwa Management Services Ltd are the Town of Smithers and the Village of Telkwa, at 100 shares valued at \$1. Wetzin'kwa Management Services 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:

	2011	2010
Miscellaneous Trust Funds	\$918	\$918

**Town of Smithers**  
**Notes to Consolidated Financial Statements**  
*December 31, 2011*

Cemetery and Columbarium Care Trust Fund (Schedule M)	68,277	66,177
	<u>\$69,195</u>	<u>\$67,095</u>

**16. 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.

	<b>2011 Actual</b>	<b>2011 Budget</b>	<b>2010 Actual</b>
Accumulated Surplus- Statement of Operations	\$813,466	\$3,126,053	(\$148,791)
Adjustments to non-cash items:			
Amortization expense	2,663,825	2,600,000	2,645,048
Tangible Capital Assets (TCA) - contributed	(71,445)	-	-
(Gain) Loss on disposal of TCA	(375,594)	(478,500)	(73,917)
Actuarial Adjustment	(25,799)	(25,799)	(52,433)
Adjustments for cash items, not recognized as revenue or expenses in the Statement of Operations:			
Tangible Capital Asset costs	(3,610,374)	(11,025,293)	(2,954,487)
Proceeds from sale of Capital Assets	486,150	478,500	173,640
Debt principal repayment	(472,595)	(116,680)	(110,663)
Debenture Issuing Costs	12,800	-	275
Debt Proceeds	800,000	1,456,179	375,915
Net Transfers from Statutory Reserves	269,388	701,983	837,399
Net Transfers from (to) Capital Reserves	(201,677)	2,106,265	(162,962)
Net Transfers from (to) Operating Surplus	(288,145)	1,177,292	(529,024)
<b>Balanced Financial Plan/Operations</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Town of Smithers**  
**Statement of Financial Position - by Fund**  
 December 31, 2011

Schedule A

	Operating Funds			
	General Operating	Utility Operating	Airport Operating	RCMP Operating
<b>FINANCIAL ASSETS</b>				
Cash and Investments	\$9,076,289	-	-	-
Taxes Receivable	252,583	-	-	-
Accounts Receivable	1,266,527	-	(\$252)	-
Deposit - Municipal Finance Authority	25,772	\$8,728	-	-
Loans Receivable	-	-	-	-
Due from Own Funds	-	1,816,108	1,760,905	\$218,688
Investment in Wetzin'kwa Community Forest Corporation	1	-	-	-
	<u>10,621,172</u>	<u>1,824,836</u>	<u>1,760,653</u>	<u>218,688</u>
<b>LIABILITIES</b>				
Accounts Payable and Accrued Liabilities	1,830,158	-	16,305	-
Due to Own Funds	6,943,460	-	-	-
Restricted Revenue - Municipal Finance Authority	25,772	8,728	-	-
Deferred Revenues	251,226	-	32,952	-
Trust Funds	918	-	-	-
Long Term Debt (Schedule H)	-	-	-	-
	<u>9,051,534</u>	<u>8,728</u>	<u>49,257</u>	<u>-</u>
<b>NET FINANCIAL ASSETS</b>	<u>1,569,638</u>	<u>1,816,108</u>	<u>1,711,396</u>	<u>218,688</u>
<b>NON FINANCIAL ASSETS</b>				
Tangible Capital Assets (Schedule G)	-	-	-	-
Prepaid Expenses and Supplies Inventory	167,958	60,500	37,534	-
	<u>167,958</u>	<u>60,500</u>	<u>37,534</u>	<u>-</u>
<b>ACCUMULATED SURPLUS</b>	<u>\$1,737,596</u>	<u>\$1,876,608</u>	<u>\$1,748,930</u>	<u>\$218,688</u>
<b>ACCUMULATED SURPLUS IS COMPRISED OF:</b>				
Operating Funds (Schedules B and D)	\$1,737,596	\$1,876,608	\$1,748,930	\$218,688
Capital Funds (Schedules B and E)	-	-	-	-
Reserve Funds (Schedules B and F)	-	-	-	-
	<u>\$1,737,596</u>	<u>\$1,876,608</u>	<u>\$1,748,930</u>	<u>\$218,688</u>



Capital Funds	Reserve Funds	Library Operations Consolidated	Other Consolidated Adjustments	Consolidated 2011	Consolidated 2010
-	\$2,849,715	\$140,721	(\$69,195)	\$11,997,530	\$11,901,405
-	-	-	-	252,583	221,629
-	-	9,579	-	1,275,854	1,113,705
-	-	-	-	34,500	25,422
\$37,109	12,836	-	-	49,945	93,909
3,147,759	-	-	(6,943,460)	-	-
-	-	-	-	1	1
3,184,868	2,862,551	150,300	(7,012,655)	13,610,413	13,356,071
-	-	16,916	-	1,863,379	1,460,917
-	-	-	(6,943,460)	-	-
-	-	-	-	34,500	25,422
-	-	16,889	-	301,067	710,028
-	68,277	-	(69,195)	-	-
2,075,482	-	-	-	2,075,482	1,773,876
2,075,482	68,277	33,805	(7,012,655)	4,274,428	3,970,243
1,109,386	2,794,274	116,495	-	9,335,985	9,385,828
51,951,474	-	-	-	51,951,474	51,044,036
-	-	-	-	265,992	310,121
51,951,474	-	-	-	52,217,466	51,354,157
\$53,060,860	\$2,794,274	\$116,495	-	\$61,553,451	\$60,739,985
-	-	\$116,495	-	\$5,698,317	\$5,410,173
\$53,060,860	-	-	-	53,060,860	52,266,151
-	\$2,794,274	-	-	2,794,274	3,063,661
\$53,060,860	\$2,794,274	\$116,495	-	\$61,553,451	\$60,739,985

**Town of Smithers**  
**Statement of Operations - by Fund**  
For the Year Ended December 31, 2011

Schedule B

	General Operating Fund	Utility Operating Fund	Airport Operating Funds	RCMP Operating Funds
<b>REVENUE</b> (Schedule C)				
Taxation (Schedule I)	\$3,848,368	\$6,814	-	\$1,367,511
Government Transfers/Grants (Schedule J)	1,222,754	614	-	115,842
Service Charges/User Fees (Schedule K)	1,205,952	1,171,834	\$1,312,774	23,402
Investments/Actuarial Adjustments	116,760	-	16,548	-
Gain (Loss) on Disposal of Tangible Capital Assets	-	-	-	-
Other Revenue	-	-	-	1,000
	<u>6,393,834</u>	<u>1,179,262</u>	<u>1,329,322</u>	<u>1,507,755</u>
<b>EXPENSES</b> (Schedule C)				
General Government Services	1,250,895	-	-	-
Protective Services	787,734	-	-	1,457,421
Transportation and Transit Services	1,386,401	-	-	-
Solid Waste Management/Recycling Services	277,927	-	-	-
Public Health/Cemetery Services	53,641	-	-	-
Development Services/Economic Development/Tourism	792,507	-	-	-
Recreation and Cultural Services	1,239,902	-	-	-
Utility Services (Water, Sewer, Stormsewer)	-	912,639	-	-
Airport Services	-	-	1,200,153	-
	<u>5,789,007</u>	<u>912,639</u>	<u>1,200,153</u>	<u>1,457,421</u>
<b>ANNUAL SURPLUS (DEFICIT)</b>	<u>604,827</u>	<u>266,623</u>	<u>129,169</u>	<u>50,334</u>
<b>OTHER EXPENSES</b>				
Less: Annual Debt Payments	75,200	1,799	19,681	-
	<u>75,200</u>	<u>1,799</u>	<u>19,681</u>	<u>-</u>
<b>INTERFUND TRANSFERS</b>				
Transfer (to) From Capital Funds	(171,348)	(208,337)	(290,766)	-
Transfer (to) From Operating funds	-	-	-	-
Transfer (to) From Reserve Funds	-	-	-	-
	<u>(171,348)</u>	<u>(208,337)</u>	<u>(290,766)</u>	<u>-</u>
<b>Change in Accumulated Surplus Balances</b>	358,279	56,487	(181,278)	50,334
<b>Accumulated Surplus Balances, beginning of year</b>	1,379,317	1,820,121	1,930,208	168,354
<b>Accumulated Surplus Balances, end of year</b>	<u>\$1,737,596</u>	<u>\$1,876,608</u>	<u>\$1,748,930</u>	<u>\$218,688</u>

Total Operating Funds	Capital Funds	Statutory Reserve Funds	Library Operations	Consolidated Adjustments	Consolidated 2011	Consolidated 2010
Schedule D	Schedule E	Schedule F				
\$5,222,693	-	-	-	-	\$5,222,693	\$5,056,950
1,339,210	\$1,495,142	-	\$287,713	(\$162,007)	2,960,058	2,326,104
3,713,962	4,727	-	14,549	-	3,733,238	3,753,339
133,308	54,094	\$28,567	2,142	-	218,111	153,442
-	(65,755)	441,349	-	-	375,594	73,917
1,000	190,632	286,060	5,458	(311,060)	172,090	31,756
10,410,173	1,678,840	755,976	309,862	(473,067)	12,681,784	11,395,508
1,250,895	126,260	-	-	(25,000)	1,352,155	1,380,205
2,245,155	135,587	-	-	(48,176)	2,332,566	2,255,474
1,386,401	625,095	-	-	(173,699)	1,837,797	1,754,978
277,927	17,074	-	-	-	295,001	260,512
53,641	3,838	-	-	-	57,479	51,673
792,507	1,705	-	-	-	794,212	793,838
1,239,902	239,729	-	305,540	(193,160)	1,592,011	1,644,689
912,639	565,890	-	-	-	1,478,529	1,405,640
1,200,153	961,447	-	-	(33,032)	2,128,568	1,997,290
9,359,220	2,676,625	-	305,540	(473,067)	11,868,318	11,544,299
1,050,953	(997,785)	755,976	4,322	-	813,466	(148,791)
96,680	(96,680)	-	-	-	-	-
96,680	(96,680)	-	-	-	-	-
(670,451)	670,451	-	-	-	-	-
-	-	-	-	-	-	-
-	1,025,363	(1,025,363)	-	-	-	-
(670,451)	1,695,814	(1,025,363)	-	-	-	-
283,822	794,709	(269,387)	4,322	-	813,466	(148,791)
5,298,000	52,266,151	3,063,661	112,173	-	60,739,985	60,888,776
\$5,581,822	\$53,060,860	\$2,794,274	\$116,495	-	\$61,553,451	\$60,739,985

**Town of Smithers**  
**Statement of Operations - by Segment**  
*For the Year Ended December 31, 2011*

Schedule C

	General Government	Protective Services incl RCMP	Transportation & Transit	Solid Waste Management/ Recycling	Public Health/ Cemetery
<b>REVENUE</b>					
Taxation	\$1,007,286	\$1,778,396	\$1,294,857	-	\$22,925
Service Charges/User Fees	89,053	115,806	97,860	\$308,444	27,740
Government Transfers/Grants	467,058	432,222	276,877	-	5,305
Investment Income	42,910	12,946	80,677	-	842
Gain (Loss) Disposal of Financial Assets	-	-	(33,613)	-	-
Other Revenue	-	1,000	60,470	-	-
<b>Total</b>	<b>1,606,307</b>	<b>2,340,370</b>	<b>1,777,128</b>	<b>308,444</b>	<b>56,812</b>
<b>EXPENSES</b>					
Advertising and Promotion	7,904	2,441	-	1,359	-
Amortization expense	126,260	135,587	625,095	17,074	3,838
Contracted Services	125,372	108,128	186,183	2,528	140
Council Remuneration/Travel Expenses	124,230	-	-	-	-
Fleet Costs (Net)	(16,500)	69,824	52,881	75,692	10,030
Grants to Organizations/Fee Waivers	-	34,898	-	1,760	-
Insurance	23,024	11,735	5,410	-	57
Interest on Debt	-	-	91,122	-	-
Materials and Supplies	58,040	44,216	147,542	60,638	8,577
Miscellaneous	19,986	15,130	673	12,327	-
RCMP Contract	-	1,178,779	-	-	-
Special Projects/Grant Related Projects	1,362	71,038	-	-	3,000
Travel, Training, Memberships	45,637	23,326	3,110	-	-
Utilities (Telephone, Hydro and Natural Gas)	45,705	26,894	140,455	-	68
Wages and Employee Benefits	791,135	610,570	585,326	123,623	31,769
Total before consolidated adjustments	1,352,155	2,332,566	1,837,797	295,001	57,479
<b>ANNUAL SURPLUS (DEFICIT)</b>	<b>\$254,152</b>	<b>\$7,804</b>	<b>(\$60,669)</b>	<b>\$13,443</b>	<b>(\$667)</b>

Development Services/Econ Devt/Tourism	Recreation & Culture incl Library	Airport	Utilities (Water/Sewer/ Storm)	2011 total	2011 Budget (unaudited)	2010 total
\$503,872	\$608,543	-	\$6,814	\$5,222,693	\$5,209,496	\$5,056,950
164,982	444,745	\$1,312,774	1,171,834	3,733,238	6,188,164	3,753,339
261,348	656,949	50,000	810,299	2,960,058	3,629,498	2,326,104
21,594	40,450	18,079	613	218,111	157,210	153,442
406,938	-	2,269	-	375,594	478,500	73,917
21,000	53,403	33,350	2,867	172,090	72,900	31,756
1,379,734	1,804,090	1,416,472	1,992,427	12,681,784	15,735,768	11,395,508
73,013	17,039	3,162	1,111	106,029	\$107,186	125,208
1,705	239,729	961,447	553,090	2,663,825	2,600,000	2,645,048
85,978	96,563	329,973	69,541	1,004,406	1,124,371	1,123,236
-	-	-	-	124,230	112,036	109,113
8,000	64,233	26,968	77,317	368,445	412,257	365,689
177,110	65,105	-	108,675	387,548	390,072	243,879
329	29,548	25,090	18,834	114,027	121,755	115,230
-	-	-	28,318	119,440	129,571	109,648
9,077	106,459	149,855	58,672	643,076	739,416	532,054
-	34,334	9,833	16,543	108,826	99,202	89,012
-	-	-	-	1,178,779	1,270,500	1,157,006
57,154	21,369	6,450	-	160,373	472,112	231,962
10,146	6,835	10,065	5,142	104,261	131,609	121,490
1,552	92,085	79,934	109,852	496,545	510,248	485,015
370,148	818,712	525,791	431,434	4,288,508	4,389,380	4,090,709
794,212	1,592,011	2,128,568	1,478,529	11,868,318	12,609,715	11,544,299
\$585,522	\$212,079	(\$712,096)	\$513,898	\$813,466	\$3,126,053	(\$148,791)

**Town of Smithers**  
**Statement of Changes in Operating Funds**  
*For the Year Ended December 31, 2011*

Schedule D

	General Operating Surplus	Appropriated General Operating Surplus			
		Gravel Pit Replacement Operating Reserve	Emergency Services Operating Reserve	Economic Development Operating Reserve	Strategic Investment Funds Reserve
<i>Transfers</i>					
Transfer to own Funds	\$144,450	-	-	-	\$201,096
Transfer from own Funds	-	-	-	(\$178)	
Use of surplus to fund Tangible Capital Assets	-	-	-	-	
Net Change in Operating Fund Balances	144,450	-	-	(178)	201,096
Operating Funds, beginning of year	1,233,807	18,338	35,985	31,051	-
Operating Funds, end of year	\$1,378,257	\$18,338	\$35,985	\$30,873	\$201,096

2nd Sheet Ice Future Operating Reserve	Total General Operating Surplus	Utility Operating Surplus	Airport Operating Surplus	RCMP Operating Surplus & Traffic Fine Sharing Reserve	Total Town Operating Funds	Library Operating Reserves	Total 2011	Total 2010
\$12,911	\$358,457	\$288,127	\$135,619	\$50,334	\$832,537	\$22,182	\$854,719	\$735,131
-	(178)	(23,303)	(26,131)	-	(49,612)	(17,860)	(67,472)	(109,022)
-	-	(208,337)	(290,766)	-	(499,103)	-	(499,103)	(97,085)
12,911	358,279	56,487	(181,278)	50,334	283,822	4,322	288,144	529,024
60,136	1,379,317	1,820,121	1,930,208	168,354	5,298,000	112,173	5,410,173	4,881,149
\$73,047	\$1,737,596	\$1,876,608	\$1,748,930	\$218,688	\$5,581,822	\$116,495	\$5,698,317	\$5,410,173

**Town of Smithers**  
**Statement of Changes in Capital Funds/Equity in Tangible Capital Assets**  
For the Year Ended December 31, 2011

Schedule E

	Capital Reserves and Other			
	Debtenture Surplus Capital Funds	Cemetery Capital Funds	Second Sheet Ice Capital Reserve	Gas Tax Capital Reserve
<i>Revenue</i>				
Government Transfers	-	-	-	\$260,306
Service Charges/User Fees	-	\$4,727	-	-
Investment Income	-	-	\$20,502	6,287
Other Revenue	\$2,867	-	-	-
Gain (Loss) Disposal of Tangible Capital Assets	-	-	-	-
	<u>2,867</u>	<u>4,727</u>	<u>20,502</u>	<u>266,593</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/Tourism	-	-	-	-
Recreation and Cultural Services	-	-	-	-
Utility Services (Water, Sewer, Stormsewer)	-	-	-	-
Airport Services	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Annual Surplus (Deficit)</i>	<u>2,867</u>	<u>4,727</u>	<u>20,502</u>	<u>266,593</u>
<i>Other Expenses</i>				
Debt Principal Payments	-	-	-	-
Tangible Capital Assets Acquired	-	-	-	-
Proceeds from Issuance of Debt	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Interfund Transfers</i>				
Transfer to (from) own Funds	(116,680)	-	-	(46,817)
Transfer (to) from Operating Funds	-	-	-	-
Transfer (to) from Statutory Reserve Funds	-	-	-	-
	<u>(116,680)</u>	<u>-</u>	<u>-</u>	<u>(46,817)</u>
Change in Capital Fund Balances	(113,813)	4,727	20,502	219,776
Capital Funds, beginning of year	264,943	2,972	2,050,156	415,250
Capital Funds, end of year	<u>\$151,130</u>	<u>\$7,699</u>	<u>\$2,070,658</u>	<u>\$635,026</u>



Facilities Maintenance Capital Reserve	Tangible Capital Assets	Total Capital Funds	Equity in Tangible Capital Assets	Total 2011	Total 2010
-	\$1,234,836	\$1,495,142	-	\$1,495,142	\$1,085,533
-	-	4,727	-	4,727	4,428
\$1,506	-	28,295	\$25,799	54,094	63,518
25,000	162,765	190,632	-	190,632	71,557
-	44,800	44,800	(110,555)	(65,755)	(52,723)
26,506	1,442,401	1,763,596	(84,756)	1,678,840	1,172,313
-	-	-	126,260	126,260	126,260
-	-	-	135,587	135,587	157,700
-	-	-	625,095	625,095	632,040
-	-	-	17,074	17,074	26,068
-	-	-	3,838	3,838	3,838
-	-	-	1,705	1,705	3,607
-	-	-	239,729	239,729	254,103
-	12,800	12,800	553,090	565,890	496,350
-	-	-	961,447	961,447	945,357
-	12,800	12,800	2,663,825	2,676,625	2,645,323
26,506	1,429,601	1,750,796	(2,748,581)	(997,785)	(1,473,010)
-	(375,915)	(375,915)	472,595	96,680	110,663
-	(3,681,819)	(3,681,819)	3,681,819	-	-
-	800,000	800,000	(800,000)	-	-
-	(3,257,734)	(3,257,734)	3,354,414	96,680	110,663
(34,854)	385,049	186,698	(186,698)	-	-
-	483,753	483,753	186,698	670,451	277,996
-	1,025,363	1,025,363	-	1,025,363	1,243,935
(34,854)	1,894,165	1,695,814	-	1,695,814	1,521,931
(8,348)	66,032	188,876	605,833	794,709	159,584
160,440	102,231	2,995,992	49,270,159	52,266,151	52,106,567
\$152,092	\$168,263	\$3,184,868	\$49,875,992	\$53,060,860	\$52,266,151

**Town of Smithers**  
**Statement of Changes in Reserve Funds**  
For the Year Ended December 31, 2011

Schedule F

	<b>Machinery and Equipment Replacement Reserve</b>	<b>Capital Works Land Sales Reserve</b>	<b>Parking Space Reserve</b>	<b>Recreation Facilities Reserve</b>	<b>Parkland Reserve</b>
	<b>Bylaw #898</b>	<b>Bylaw #899</b>	<b>Bylaw #1292</b>	<b>Bylaw #1314</b>	<b>Bylaw #1330</b>
<i>Revenue</i>					
Investment Income	\$13,618	\$9,937	\$478	\$131	\$330
Gain Disposal of Tangible Capital Assets	2,905	433,675	-	-	-
Other Revenue	221,875	-	-	31,153	-
	<u>238,398</u>	<u>443,612</u>	<u>478</u>	<u>31,284</u>	<u>330</u>
<i>Annual Surplus (Deficit)</i>	<u>238,398</u>	<u>443,612</u>	<u>478</u>	<u>31,284</u>	<u>330</u>
<i>Interfund Transfers</i>					
Transfer (to) from Capital Funds	(190,883)	(684,175)	(75,292)	(75,013)	-
	<u>(190,883)</u>	<u>(684,175)</u>	<u>(75,292)</u>	<u>(75,013)</u>	<u>-</u>
Change in Statutory Reserve Fund Balances	47,515	(240,563)	(74,814)	(43,729)	330
Statutory Reserve Funds, beginning of year	1,327,867	1,244,158	123,054	56,830	33,002
Statutory Reserve Funds, end of year	<u>\$1,375,382</u>	<u>\$1,003,595</u>	<u>\$48,240</u>	<u>\$13,101</u>	<u>\$33,332</u>

Infrastructure Reserve	Airport Machinery and Equipment Replacement Reserve	Local Area Service Fund	Forestry Reserve	Total 2011	Total 2010
Bylaw #1361	Bylaw #1368	Bylaw #1389	Bylaw #1554		
	\$1,531	-	\$2,542	\$28,567	\$13,795
-	4,769	-	-	441,349	126,640
-	33,032	-	-	286,060	266,101
-	39,332	-	2,542	755,976	406,536
-	39,332	-	2,542	755,976	406,536
-	-	-	-	(1,025,363)	(1,243,935)
-	-	-	-	(1,025,363)	(1,243,935)
-	39,332	-	2,542	(269,387)	(837,399)
879	115,344	131	162,396	3,063,661	3,901,060
\$879	\$154,676	\$131	\$164,938	\$2,794,274	\$3,063,661

**Town of Smithers**

**Schedule of Changes in Tangible Capital Assets and Accumulated Amortization**

For the Year Ended December 31, 2011

Schedule G

	Land	Buildings	Machinery & Equipment	Engineered Structures	Utilities	Office Equip Computers	Work in Progress	2011 Total	2010 Total
<b>TANGIBLE CAPITAL ASSETS - COST</b>									
Opening Balance	\$7,494,105	\$14,413,692	\$8,528,294	\$34,519,991	\$26,894,259	\$509,548	\$1,185,544	\$93,545,433	\$90,811,159
Add: Additions	281,483	235,482	292,106	924,196	1,861,757	15,350	-	3,610,374	2,954,487
Add: Donated Assets	21,000	-	15,445	35,000	-	-	-	71,445	-
Less: Disposals	(26,737)	-	(140,886)	-	-	-	-	(167,423)	(220,213)
Add: Work-in-Progress	-	-	-	-	1,185,544	-	(1,185,544)	-	-
Closing Balance	<u>7,769,851</u>	<u>14,649,174</u>	<u>8,695,159</u>	<u>35,479,187</u>	<u>29,941,560</u>	<u>524,898</u>	<u>-</u>	<u>97,059,829</u>	<u>93,545,433</u>
<b>ACCUMULATED AMORTIZATION</b>									
Opening Balance	-	6,499,785	5,016,414	15,208,470	15,430,213	346,515	-	42,501,397	39,976,839
Add: Amortization	-	484,442	540,663	975,652	609,337	53,731	-	2,663,825	2,645,048
Less: Acc. Amortization on Disposals	-	-	(56,867)	-	-	-	-	(56,867)	(120,490)
Closing Balance	<u>-</u>	<u>6,984,227</u>	<u>5,500,210</u>	<u>16,184,122</u>	<u>16,039,550</u>	<u>400,246</u>	<u>-</u>	<u>45,108,355</u>	<u>42,501,397</u>
<b>Net Book Value for year ended December 31, 2011</b>	<u><b>\$7,769,851</b></u>	<u><b>\$7,664,947</b></u>	<u><b>\$3,194,949</b></u>	<u><b>\$19,295,065</b></u>	<u><b>\$13,902,010</b></u>	<u><b>\$124,652</b></u>	<u><b>-</b></u>	<u><b>\$51,951,474</b></u>	
 Net Book Value, year ended December 31, 2010	<u><b>\$7,494,105</b></u>	<u><b>\$7,913,907</b></u>	<u><b>\$3,511,880</b></u>	<u><b>\$19,311,521</b></u>	<u><b>\$11,464,046</b></u>	<u><b>\$163,033</b></u>	<u><b>\$1,185,544</b></u>		<u><b>\$51,044,036</b></u>

**Town of Smithers**  
**Schedule of Changes in Debt**  
For the Year Ended December 31, 2011

Schedule H

	Town Bylaw #	MFA Issue #	Interest Rate	Maturity Date	Balance December 31 2010	New Debt Proceeds	Temporary Borrowing Repayment	Annual Principal Payments	Actuarial Adjustments	Balance December 31 2011
<b>GENERAL CAPITAL</b>										
<i>Debentures:</i>										
Highway 16- 1st Instalment	#1402	#77	6.06%	June 2022	355,605	-	-	(15,121)	(7,220)	\$333,264
Highway 16- 2nd Instalment	#1427	#79	5.49%	June 2023	376,882	-	-	(15,121)	(6,156)	355,605
2002 LIP: 2nd Ave Sidewalk	#1428	#79	5.49%	June 2013	4,092	-	-	(923)	(375)	2,794
2002 LIP: 3rd Ave Sidewalk	#1429	#79	5.49%	June 2013	3,055	-	-	(689)	(280)	2,086
2002 LIP: 4th Ave Sidewalk	#1430	#79	5.49%	June 2013	3,402	-	-	(767)	(312)	2,323
2002 LIP: Main St Rear Lane	#1431	#79	5.49%	June 2013	2,666	-	-	(601)	(245)	1,820
2002 LIP: Frontage Roadwork	#1433	#79	5.49%	June 2013	22,190	-	-	(5,003)	(2,036)	15,151
2003 LIP: 3rd Ave Sidewalk	#1446	#81	4.86%	April 2014	6,794	-	-	(1,176)	(400)	5,218
Highway 16- 3rd Instalment	#1328	#81	4.86%	April 2024	397,146	-	-	(15,121)	(5,143)	376,882
2006 Downtown Main Street	#1467	#97	4.66%	April 2016	134,431	-	-	(17,325)	(2,943)	114,163
2008 LAS: 2nd Ave Sidewalk	#1548	#105	4.90%	June 2019	21,170	-	-	(1,923)	(77)	19,170
2009 LAS: 1st Ave Sidewalk	#1597	#110	4.50%	June 2020	17,172	-	-	(1,430)	-	15,742
<i>Short Term Borrowing:</i>										
Airport Runway Extension	**	**	0%	2012	26,770	-	-	(19,681)	-	7,089
					<b>1,371,375</b>	<b>-</b>	<b>-</b>	<b>(94,881)</b>	<b>(25,187)</b>	<b>1,251,307</b>
<b>UTILITY CAPITAL</b>										
2004 LIP: Railway Ave Sewer	#1443	#81	4.86%	April 2019	26,586	-	-	(1,799)	(612)	24,175
2011 South Trunk Storm Sewer	#1601	#116	4.20%	April 2026	-	800,000	-	-	-	800,000
<i>Temporary Borrowing pending Issuance of Debenture:</i>										
South Trunk Storm Sewer	#1601				375,915	-	(375,915)	-	-	-
					<b>402,501</b>	<b>800,000</b>	<b>(375,915)</b>	<b>(1,799)</b>	<b>(612)</b>	<b>824,175</b>
<b>TOTAL</b>					<b>\$1,773,876</b>	<b>\$800,000</b>	<b>(\$375,915)</b>	<b>(\$96,680)</b>	<b>(\$25,799)</b>	<b>\$2,075,482</b>

\*\*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 next five years:				
	General	Sewer	Storm	Total
2012	\$82,289	\$1,799	\$39,953	\$86,100
2013	75,200	1,799	39,953	79,012
2014	67,218	1,799	39,953	71,031
2015	66,042	1,799	39,953	69,856
2016	62,688	1,799	39,953	66,503
total	\$353,437	\$8,995	\$199,765	\$372,502

**Town of Smithers**  
**Schedule of Taxation**

For the Year Ended December 31, 2011

Schedule I

	2011	2011 Budget	2010
<b>TOTAL MUNICIPAL TAXATION</b>			
Real Property Taxes - Municipal	\$4,623,720	\$4,624,381	\$4,486,684
Penalties and Interest on Taxes	50,785	48,000	57,532
Local Improvement (Local Area Service) Taxes	15,142	15,142	15,142
1% Utility Taxes	151,000	146,349	145,757
Grants in Lieu of Taxes	241,012	221,700	239,557
	<u>5,081,659</u>	<u>5,055,572</u>	<u>4,944,672</u>
<b>Plus: TAXES COLLECTED ON BEHALF OF OTHER TAXING AUTHORITIES</b>	<u>4,297,983</u>	<u>4,237,160</u>	<u>4,141,207</u>
<b>OTHER TAXES: 2% Hotel Taxes</b>	<u>141,034</u>	<u>153,924</u>	<u>112,278</u>
Total Taxes Collected	<u>9,520,676</u>	<u>9,446,656</u>	<u>9,198,157</u>
<b>Less: TAXES PAID TO OTHER TAXING AUTHORITIES</b>			
Ministry of Finance (School Taxes)	(2,442,047)	(2,500,000)	(2,452,691)
Bulkley Nechako Regional District	(1,284,487)	(1,325,000)	(1,319,364)
Regional Hospital District	(511,531)	(350,000)	(307,791)
BC Assessment	(59,755)	(62,000)	(61,203)
Municipal Finance Authority	(163)	(160)	(158)
	<u>(4,297,983)</u>	<u>(4,237,160)</u>	<u>(4,141,207)</u>
<b>TOTAL</b>	<u>\$5,222,693</u>	<u>\$5,209,496</u>	<u>\$5,056,950</u>

**Town of Smithers**  
**Schedule of Government Transfers/Grant Revenue**  
For the Year Ended December 31, 2011

Schedule J

	2011	2011 Budget	2010
<i>Provincial</i>			
Building Canada Infrastructure Funds	\$690,505	\$850,355	\$752,551
Carbon Tax rebate	9,956	8,500	8,506
Childcare Operating Funds	4,785	4,500	4,429
Community Tourism Foundations	-	-	17,800
Emergency Management BC	164,530	-	-
Highway 16 Improvement Funds	10,000	10,000	10,000
Library Operating	26,592	26,000	26,592
LocalMotion	-	-	1,056
Miscellaneous	8,087	8,086	11,454
Olympic Torch Relay project	-	-	19,746
Planning Grants	10,614	21,100	9,386
Strategic Investment Funds	726,096	525,000	555,019
Rural Secretariat	-	-	2,911
Towns for Tomorrow	342,540	717,540	22,000
Traffic Fines Revenue Sharing	115,842	85,000	80,706
<i>Federal</i>			
Canada Day Grant	-	600	540
Student Employment Program	1,551	1,500	1,400
FCM Green Municipal	25,514	45,000	-
Enabling Accessibility Grant	-	2,950,000	-
<i>Regional District</i>			
Rural Fire Protection Cost Sharing	148,569	144,000	144,002
Emergency Services Contribution	7,887	3,000	3,000
Transit Service Contribution	5,000	5,000	5,000
Rural Recreation and Culture Cost Sharing	216,600	201,517	198,032
<i>UBCM</i>			
Building Governance Funds	-	-	7,335
Gas Tax Funds	260,306	260,306	260,330
Transit Gas Tax Funds	-	-	8,852
Wildfire Emergency Plan	15,000	15,000	-
<i>Other</i>			
Affordable Recreation/Jump Start	5,035	10,000	11,350
BC Hydro Powersmart	-	-	41,800
BCRPA Active Communities Grant	-	2,000	5,000
MIA Risk Management Grant	1,398	4,596	3,202
Miscellaneous Other	37,597	232,064	72,638
Northern Trust Development Initiative Econ Devt Funding	36,054	42,500	41,467
Omineca Beetle Action Coalition	50,000	-	-
Wetzink'wa Community Forest Corporation	40,000	15,000	-
<b>TOTAL</b>	<b>\$2,960,058</b>	<b>\$6,188,164</b>	<b>\$2,326,104</b>

**Town of Smithers**  
**Schedule of Service Charges/User Fees**  
For the Year Ended December 31, 2011

**Schedule K**

	2011	2011 Budget	2010
<i>General Fund</i>			
General Government Fees and Charges	\$197,939	\$192,398	\$210,019
Protective Services Fees and Charges	75,660	73,450	132,848
Transportation/Transit Fees and Charges	44,130	43,500	41,423
Solid Waste Management Fees and Charges	308,444	355,119	286,267
Cemetery/Public Health Fees and Charges	21,924	23,500	17,363
Development Services/Tourism/Econ Devt Fees	150,521	146,031	163,784
Recreation & Culture Fees and Charges	407,334	391,575	375,138
<i>Utility Fund</i>			
Water Services Fees and Charges	549,877	541,632	544,686
Sewer Services Fees and Charges	621,957	605,682	611,303
<i>RCMP Fund</i>			
RCMP Fees and Charges	23,402	17,500	23,669
<i>Airport Fund</i>			
Airport Fees and Charges	1,312,774	1,222,711	1,326,785
<i>Capital Fund</i>			
Cemetery Capital Development Reserve Fees	4,727	3,200	4,428
<i>Library</i>			
Library Fees and Charges	14,549	13,200	15,626
<b>TOTAL</b>	<b>\$3,733,238</b>	<b>\$3,629,498</b>	<b>\$3,753,339</b>



# Town of Smithers

## Schedule of Consolidated Expenditures by Object

For the Year Ended December 31, 2011

Schedule L

	2011	2011 Budget	2010
<b>TYPES OF EXPENDITURES</b>			
Advertising and Promotion	\$106,029	\$107,186	\$125,208
Amortization	2,663,825	2,600,000	2,645,048
Contracted Services	1,004,406	1,124,371	1,123,236
Council Remuneration and Travel Expenses	124,230	112,036	109,113
Fleet costs (net)	368,445	412,257	365,689
Grants to Organization/Fee Waivers	387,548	390,072	243,879
Insurance	114,027	121,755	115,230
Interest on Debt	119,440	129,571	109,648
Materials and Supplies	643,076	739,416	532,054
Miscellaneous	108,826	99,202	89,012
RCMP Contract	1,178,779	1,270,500	1,157,006
Special Projects/Grant Projects	160,373	472,112	231,962
Travel, Training, Memberships	104,261	131,609	121,490
Utilities (Telephone, Hydro and Natural Gas)	496,545	510,248	485,015
Wages and Employee Benefits	4,288,508	4,389,380	4,090,709
<b>TOTAL</b>	<b>\$11,868,318</b>	<b>\$12,609,715</b>	<b>\$11,544,299</b>

# Town of Smithers

## Schedule of Fund Position for the Cemetery and Columbarium Trust Fund

For the Year Ended December 31, 2011

Schedule M

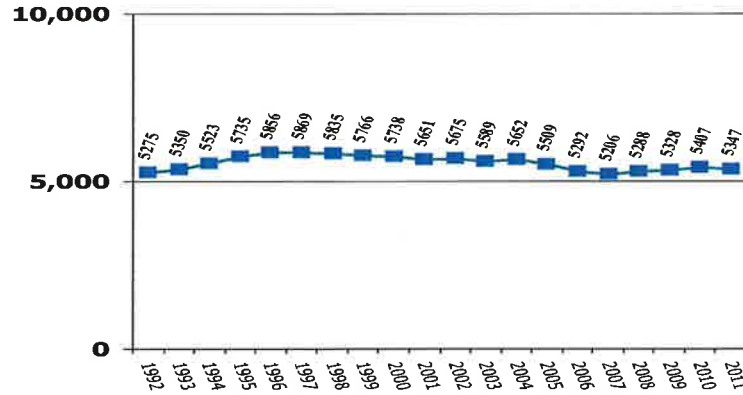
	2011	2010
<b>FINANCIAL ASSETS</b>		
Cash and Investments	\$68,277	\$66,177
<b>NET FINANCIAL ASSETS</b>	<u>\$68,277</u>	<u>\$66,177</u>
<b>FINANCIAL POSITION</b>		
Fund Balance, beginning of year	\$66,177	\$63,625
Contributions	2,100	2,552
Fund Balance, end of year	<u>\$68,277</u>	<u>\$66,177</u>

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)

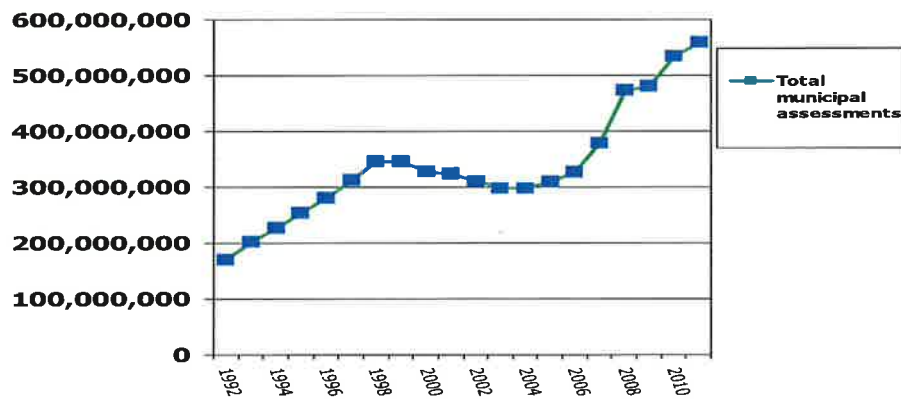
Graph 1

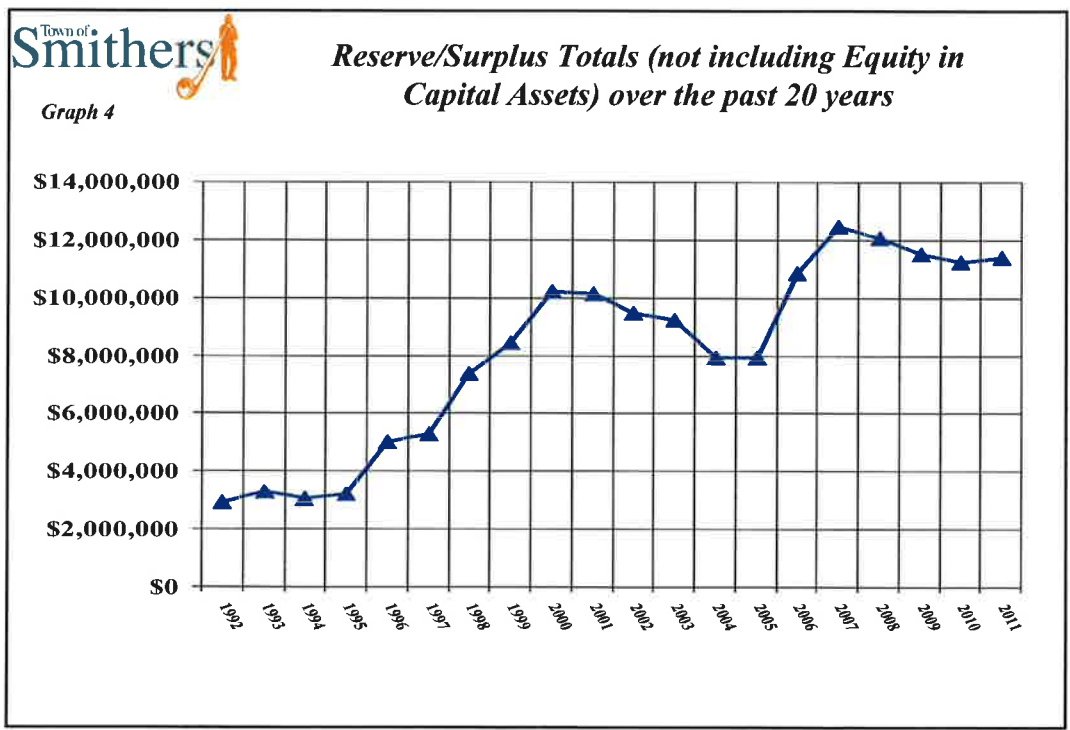
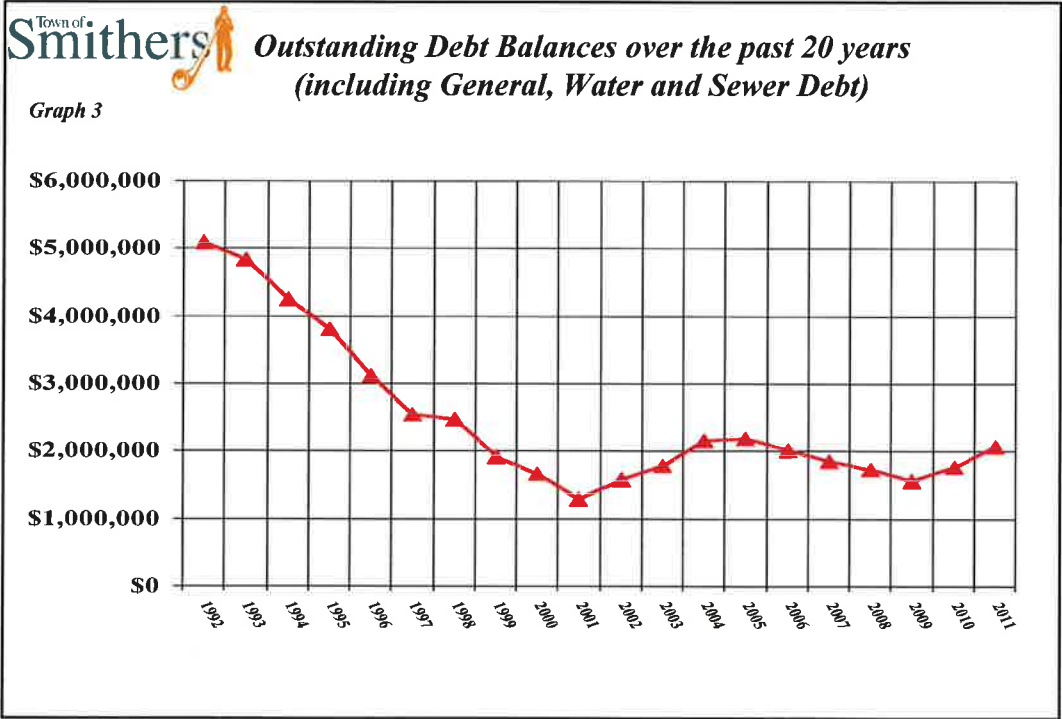
**Town of Smithers Population**

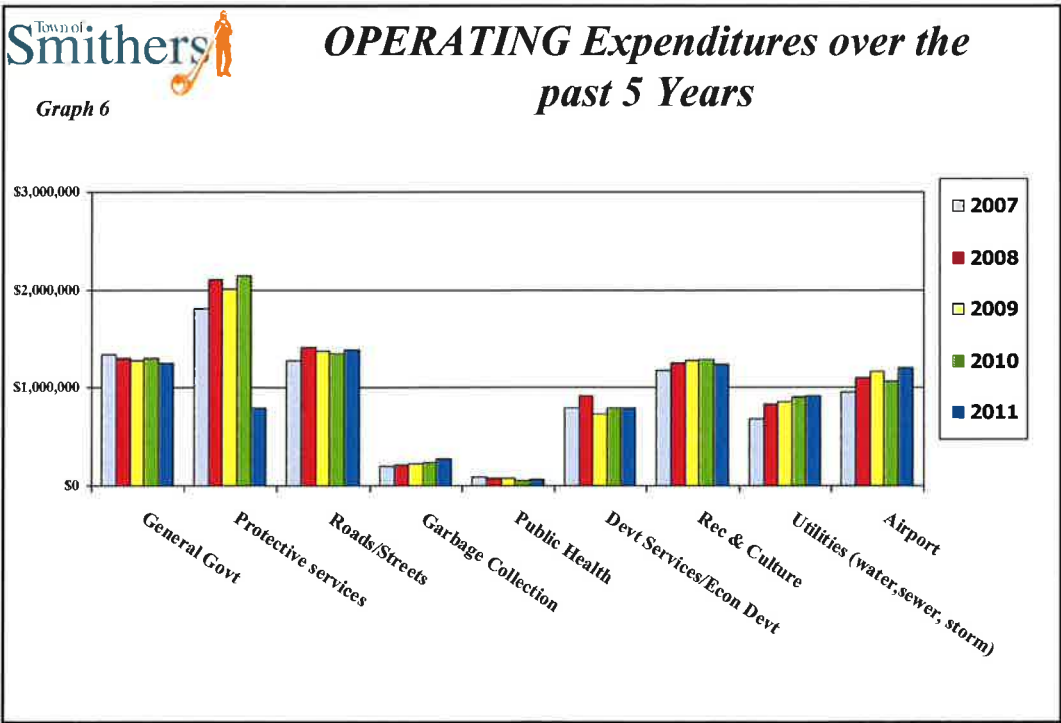
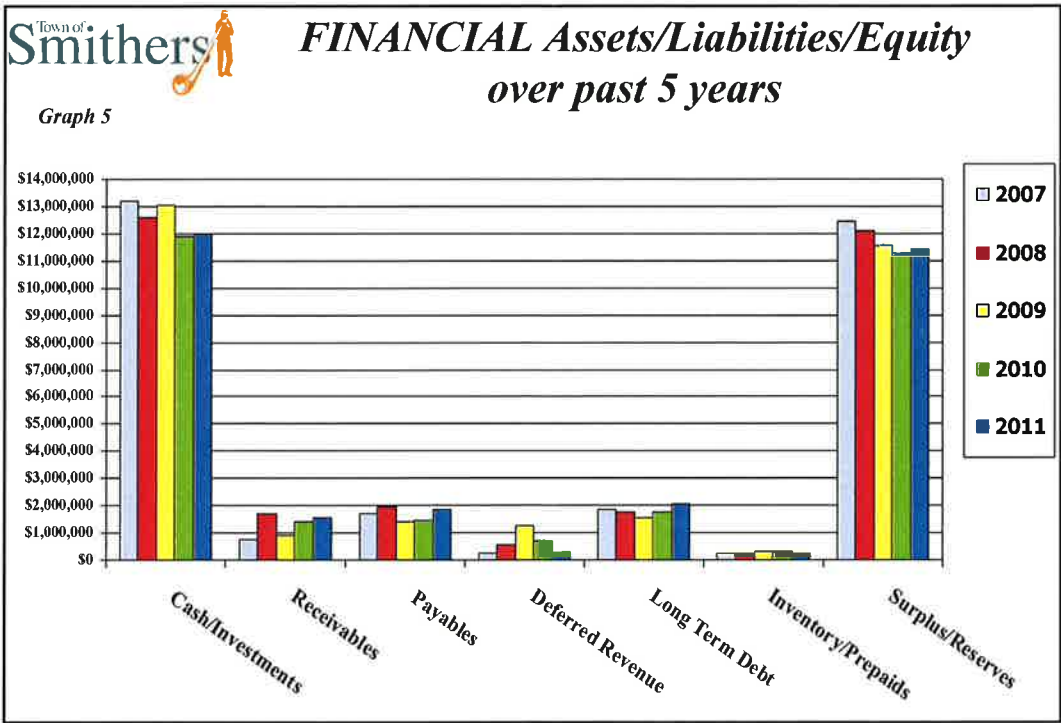


Graph 2

**Smithers Municipal Assessments  
(Total Net Taxable Values)**



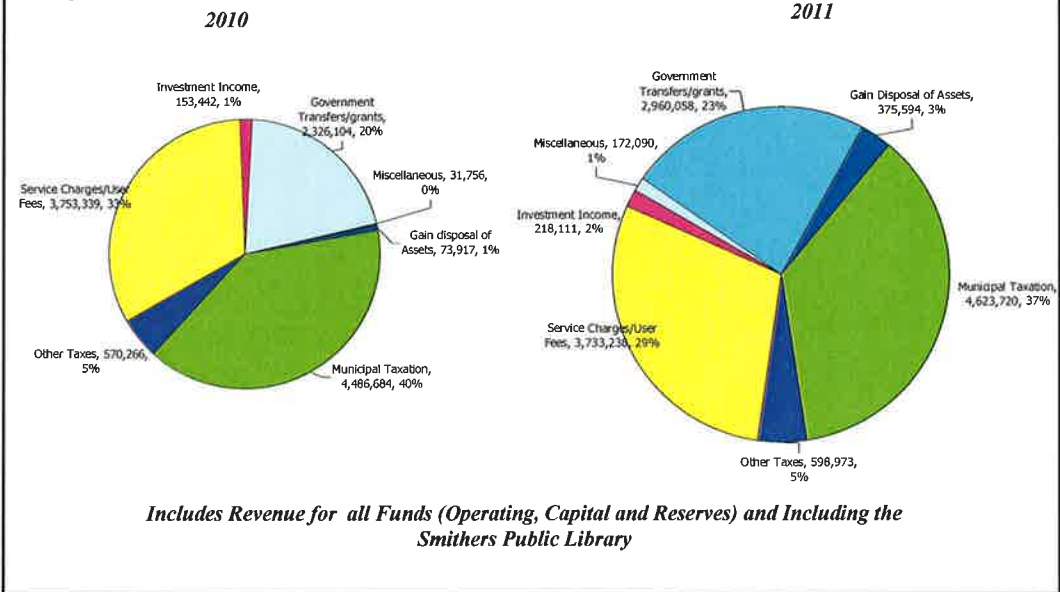






## CONSOLIDATED Revenue Sources

Graph 7



## CONSOLIDATED Expenses by Category

Graph 8

