

# ANNUAL REPORT

2012





# Mayor's Report

## 2012 Summary

I'm pleased to present the Town of Smithers' 2012 Annual Report. This year has been a productive one and we have achieved significant progress of some major initiatives.

Council finalized a purchase and sale agreement with Ambleside Developments for the development of 40 hectares of Town-owned land between Pacific Avenue and Dahlie Creek. Over the coming years, this development will result in 106 new building lots and two strata developments.

Winter 2011-2012 saw more freeze-thaw cycles than usual, which resulted in some serious damage to our paved streets. In 2012, Council took steps to address our street maintenance backlog by bringing in a new Road Capital tax and investing an additional \$200,000 in paving and major patchwork.

For many years, Smithers' ice skaters and hockey families have dreamed of a second arena to complement our well-used and well-loved Civic Centre. In 2012, we were thrilled to receive a \$650,000 grant from the Province of BC, adding significantly to our fundraising balance. We also contracted a conceptual design study and geotechnical assessment, and are poised to issue a tender for construction early in 2013. Council and staff continue to work hard on this important project.

This past year, Smithers Council embraced some new approaches to public engagement. We held two well-attended public idea sessions at 1089 Main Street, the future home of the Town's Centennial Legacy Project. Council also empowered the seven-person Bike-Friendly Community Task Force to find ways to help promote and facilitate pedal-powered transportation throughout our Town. In November, over 100 residents attended our first-ever pre-budget Town Hall Forum at the Hudson Bay Lodge. These opportunities to help shape Smithers have been well received and we look forward to expanding on this theme in 2013.

As we enter our Centennial year, Smithers is more vibrant and resilient than ever. I would like to thank the members of Town Council and our Town of Smithers Staff for their tireless work in support of our wonderful community.



Taylor Bachrach  
Mayor



# Chief Administrative Officer's Report

## 2012 Summary

I am proud of the achievements of the Town of Smithers in 2012, maintaining a high level of service delivery, complemented by new initiatives to increasingly engage our residents and business owners, plan for business expansion, and celebrate the establishment of the Town. The 2012 Annual Report reflects the Town of Smithers' efforts in service delivery while introducing new projects and initiatives.

With a new Council elected in November 2011, the year involved a re-assessment and confirmation of the new Council's strategic priorities. Much of 2012 was focused on laying the foundation for achieving a number of Council's strategic priorities, including: a new arena geotechnical study: an airport strategic marketing plan, surveying the strategy of other airports: new airport lands development, with the base engineering infrastructure mapped and designed and ready to tender new water and sewer lines in 2013: a purchase sale agreement with Ambleside Projects Ltd. for the development of 40 hectares of Town-owned land.

2012 was also a year of preparing for the Town's 100 year centennial anniversary in 2013. The Town of Smithers worked with both the Centennial Legacy Square committee, the community and HB Lanarc Golder Landscape Architects to design a new public square at the corner of Main Street and Broadway Avenue, to celebrate the centennial.

Thanks to the generous donation of the Kassandra Trust, the Town of Smithers was also able to undertake and complete Landscape Design Guidelines for development in the downtown core, as well as designing a pilot project for the landscaping of the latest Town parking lot on Second Avenue, within a block of Main Street.





# Chief Administrative Officer's Report

## 2012 Summary continued

Completion of the Town of Smithers Corporate and Community Energy Plan was achieved in 2012. An Age-Friendly Community Projects & Planning Grant from the Province of BC provided funding for the Bulkley Valley Senior Co-housing Project, to build a 16-unit co-housing complex in the Bulkley Valley, including a 3,000 sq. ft. common house, to proceed, involving architect Charles Durrett who introduced senior co-housing to North America.

In conjunction with the Regional District of Bulkley Nechako and the Bulkley Valley Economic Development Association, the Town of Smithers hosted a Regional Business Forum in October which was an opportunity to showcase new businesses in the community, discuss new opportunities and connect with communities across the region.

The 2012 year reflects the importance of achieving business, community and environmental objectives to ensure the sustainability of the Town as we look forward to celebrating our 100 year centennial in 2013.



Deborah Sargent

Chief Administrative Officer

## Community Profile

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 2012 and includes objectives for 2013.

# Corporate Services

## 2012 Summary

The Corporate Services Department is responsible for Human Resources/Labour Relations, Corporate Administration, Freedom of Information and Protection of Privacy, and Occupational Health and Safety.

As in 2011, 2012 saw a very strong corporate focus on workplace safety following the Town achieving Certificate of Recognition (COR) in Safety in both the Occupational Health and Safety and Stay at Work/Return to Work Programs in November 2011. As required by the COR program, a comprehensive maintenance audit was performed in late 2012 with the Town achieving an average score of 96% and thus maintaining our COR Certification for a second year.

Corporate Services continued to work on the refinement of our Council, Committee and Administrative processes. Implementation of a paperless agenda was the most significant change in 2012 and was rolled out in the spring. There was unprecedented activity in the management of contracts, leases and agreements in 2012 with 42 new or renegotiated leases, contracts and agreements, doubling the activity in 2011.

In Human Resources, grievances were minimal, this again 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. 2012 saw the introduction of a new Employee Wellness Program which got off to a very good start and continues to gain momentum.

Looking forward to 2013, Corporate Services will take on several significant initiatives including the implementation of two new supplementary safety programs – Confined Space Entry and Respirator Programs; completion of the website reorganization project to better communicate with residents and visitors alike; preparation for Collective Bargaining; and the coordination of two Town Hall Forums to be held in the fall.

# Smithers Regional Airport

## 2012 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.

## 2012 Major Objectives and Results

### ■ Safety

In 2012, Transport Canada approved the Airport's final phase development and implementation of the mandatory Safety Management System. This milestone represents several years of work to develop and implement training programs, enhanced operating procedures and policies and refinement of related documentation. The first external Safety Management System Audit was completed and internal quality control/quality assurance audits will be ongoing into 2013.

### ■ Strategic Growth

To respond to the growing needs of our Regional Airport, a Request for Proposal was awarded to Kasian Architecture Interior Design and Planning Ltd. to undertake a study of the terminal building and make recommendations, including tender ready drawings for possible expansion in 2013. Also to respond to the growing demand, 2012 saw the creation of a leasehold subdivision of Airport surplus lands. A marketing strategy will be developed in 2013 for these lands.

### ■ Infrastructure Enhancements

Other upgrades to the Airport included new solid state electronic terminal departure doors and a new janitorial contractor who has made significant improvements to the esthetics of the terminal building. Ongoing measures to reduce bank erosion at the south end of the runway; which are impacting the Omni-Directional Approach Lights will be a continued focus into 2013. Installation was completed of the new fresh water cistern designed to support improved firefighting capability.

### ■ Operations

The Town negotiated several lease agreements and contracts for new tenants and contractors supporting aviation operations at the Airport, another indication of growth.

# Smithers Regional Airport

## 2013 Summary Major Projects and Strategies

### ■ Strategic Growth

- Retender the vacant rental car kiosk
- Completion of the architectural study and implementation of approved recommendations
- Marketing plan for the leasehold subdivision and ongoing initiatives to attract new aviation tenants and contractors to support aviation operations

### ■ Infrastructure Enhancements

- Continue with enhancements to protect infrastructure
- Installation of a sanitary sewer main on Harvard Way
- Improvements to other existing water lines
- Terminal boiler replacement
- Installation of welding ventilation system

### ■ Operations

- A comprehensive review of equipment replacement options
- Installation of new welding ventilation system

### ■ Safety

- Implementation of rescue devices for cistern
- Ongoing internal quality control/assurance audits of Safety Management System



# Works and Operations

## 2012 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 centre (arena); garbage collection; public works yard; municipal vehicle fleet and municipal buildings.

Communications to residents and businesses was a key focus in 2012, as Smithers experienced unusual weather events throughout the year, keeping the 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., 2012 saw over 403 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 and Operations Department added to their fleet by way of a dump/plow truck and sander, sidewalk plow/sander, 2000 gallon water tank and a turf aerator.

## 2012 Major Objectives and Results

### ■ Fleet Replacement:

- Tender processes for dump/plow truck and sander, and sidewalk plow/sanding machine as per the 5 Year Fleet/Equipment Replacement Program

### ■ Infrastructure Enhancements:

- Replacement of the third of three boilers at the Civic Centre with new high efficiency model
- Replacement of unit heater in Works Yard shop with new higher efficiency model (Gas Tax Funds)
- Installation of overhead door interlocks in Works Yard shop so that heaters do not run when doors are open (Gas Tax Funds)
- Replacement of vehicle block heater plug-ins with Intelligence Parking Lot Controllers to reduce energy consumption (Gas Tax Funds)
- Asphalt resurfacing of existing paved roads/streets funded from Capital Program (\$400k) and Operations (\$192k)
- Storm drainage improvements from Utilities Capital



# Works and Operations

## 2013 Summary Major Projects and Strategies

### ■ Fleet Replacement:

- Replacement of second sidewalk plow/sanding machine; four fleet vehicles, loader bucket broom, and small trailer used in Works/Ops; per the 5 Year Fleet/Equipment Replacement Program

### ■ Infrastructure Enhancements:

- Roof repair in the Works Yard building
- Installation of welding ventilation system in the Works Yard building
- Replacement of old arena heaters with radiant tube heaters along the concession side spectator area of the arena
- Asphalt resurfacing of existing paved roads/streets funded from Capital Program (\$400k) and Operations (\$175k)
- Purchase and installation of remote water meter reading hardware/software
- Replacement of Sewage Treatment Plant mechanical bar screen with 'Auger Monster" system or similar type



# Development Services

## 2012 Summary

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

Several key infrastructure projects were completed in 2012, including the 4200 Block of Second Avenue gravel road paving as a Local Area Service, proposed New Arena Schematic Design, Geotechnical investigation and foundation recommendations report, completion of the Corporate and Community Energy and Greenhouse Gas Emissions Plans and Community Sustainable Resiliency Plan, and remediation of a contaminated site on Main Street which will become a public square legacy project as part of the 2013 Town of Smithers townsite establishment centennial.

## 2012 Major Objectives and Results

### ■ Planning:

- Secondary Suites communication plan “roll-out” and implementation from 2011 work
- Airport Zoning completed
- Downtown Landscape Guidelines drafted with a landscape architect
- Public Square Development - 2013 Centennial Legacy Square: preliminary planning commenced and site remediation completed. Downtown Entrance Public Square: secured a 10-year agreement with Husky Energy to develop a public square on the former Mohawk service station site
- Cycling Task Force facilitation with final recommendations to Council
- Corporate and Community Energy and Greenhouse Gas Emissions Plans and Sustainable Resiliency Plan – completed final reports and initiated the OCP amendment for a Community GHG Reduction Target of 13%
- Awards of Excellence presented at the Chamber of Commerce Community and Business Awards ceremony (see photos on page 13)
- Processed 6 development permits, 5 development variance permits, 12 rezoning applications, 6 subdivision applications, 20 sign permits

### ■ Building Inspection:

- 89 building permits issued with 9 new single family homes started and 4 multi-family developments
- Total construction value of \$8,469,030 with the majority from residential permits at \$4,423,330
- Continued development of the Town Buildings & Facilities Maintenance Plan

### ■ Business Licensing:

- 71 new business licenses issued
- 627 total businesses operating



# Development Services

## 2012 Major Objectives and Results

### ■ Engineering:

- Second Arena – provided technical input for the Schematic Design phase and completed the Geotechnical investigation and foundations recommendation report to be used in the 2013 Design-Build Tender
- Paved Road Maintenance Plan – completed 2012 work and updated the plan for the 2013-17 budget
- Paving of Residential Gravel Roads - Completed a Local Area Service for the 4200 Block gravel road section of Second Avenue including curb-and-gutter, storm sewer and paving
- Facilities Maintenance & Capital Upgrade Plan – completed the draft plan for 2013-17 budget purposes and several initial projects
- GIS System – iVault Municipal GIS system completed for internal use (external release in 2013)
- Ambleside Subdivision – facilitated a phased subdivision development application for over 106 lots, reviewed design drawings, issued Preliminary Subdivision approval, and inspected initial site grading works for Phase 1
- Processed 19 Highway Use permits, 225 BC One Calls, 17 civic address confirmations
- Contracts - administered 26 construction contracts

### ■ Prevention and Community Safety Crime Prevention:

- Continued with professional development and maintained certification for both Prevention and Community Safety Officer and RCMP auxiliary status
- Youth Crime Prevention Initiatives – Provided cyber bullying presentation to students aged 13-18, and continued to provide both DARE and BRAVE programming to grade 5-6 students
- Continued to provide existing crime prevention programming within the community and developed new programming as warranted by the changing trends in community crime. Programs offered in 2012 included: Block Watch, 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)

### ■ Bylaw Enforcement/Animal Control:

- Enforced new Truck Route Bylaw, provided education and information to the public regarding the new regulations
- Researched the possibility of introducing both, a Municipal Ticketing Information (MTI) system, and a Parks and Public Places Bylaw – on hold

# Development Services

## 2013 Summary Major Projects and Strategies

### ■ Planning:

- Zoning Bylaw amendments to meet the OCP policies
- Development of a new Central Park Plan
- Cycling Friendly Community – implement approved Task Force recommendations
- Finalize the Downtown Landscape Design Guidelines

### ■ Engineering & Building Inspection:

- Second Arena design-build contract award and start construction
- Railway Avenue Watermain Looping design and construction
- Improvements to Town facilities per Facilities Maintenance Plan & Capital Upgrade Plan 2013-2017
- Airport Sewer Main construction for leasehold subdivision development
- Bar Screen Replacement at Sewage Treatment Plant
- Completion of Town Buildings and Facilities Maintenance Plan
- GIS (Geographic Information System) – complete the public use interface
- Centennial Legacy Public Square – complete construction for 2013 Centennial celebrations
- Watermain Replacement – leaking on Fulton Ave between 19<sup>th</sup> and Victoria

### ■ Prevention and Community Safety

#### Bylaw Enforcement/Animal Control:

- Complete signage on Truck Routes and continue with enforcement practices
- Review traffic flow issues in School Zones and assist in development of alternative traffic routes/traffic flow recommendations
- Review Traffic Bylaw and update as necessary to accommodate any changes in traffic flow / procedure
- Establish Secure File Transfer Protocol (SFTP) system for parking violations with ICBC. Once system is established address outstanding parking fines for Smithers Airport

#### Crime Prevention:

- Review all current volunteer positions related the Community Policing programming and ensure compliance with RCMP volunteer management requirements are current
- Research / develop social media opportunities for promotion of crime prevention programming and input / collaboration from public and community stakeholders
- Develop Tip Software for managing Crime Stoppers tips
- Work with School District to develop a presentation for educators re: Cyber Bullying, Creating Resilience in Student Body, and school policy regarding online activity
- Continue with existing programming and continue to develop new educational initiatives in accordance with the Crime Prevention Education Continuum (CPEC) guidelines

# Development Services

## 2012 Award of Excellence Winners



**RESIDENTIAL WINNER:**  
3936 Railway Avenue

**COMMERCIAL WINNER:**  
1206 Main Street  
(Bugwood Bean)



**INDUSTRIAL WINNER: 2715 Tatlow Road (Hy-Tech Drilling)**

# Recreation, Parks and Culture

## 2012 Summary

The Recreation, Parks and Culture Department implemented many new programs in 2012, such as a new girls only afterschool sport program, an afterschool art program, BC sailing week, adult photography classes, summer hockey camps, Monday night rugby and indoor rugby. Summer also introduced the new model for our seasonal Park Attendant at Riverside Municipal Campground and RV Park. Another successful Spirit of the Mountains Festival took place February 13-17, 2012.

## 2012 Major Objectives and Results

### ■ Programs

- Launched new programs and saw the return of existing programs including the very successful Tot Soccer, British Soccer Camp, Movie Magic Week and wakeboard and skateboard camps
- Ranger Park Preschool Program continued in 2012
- Brought back the BC Basketball Coaching Clinic for Steve Nash Basketball coaches and saw the return of the highly successful Steve Nash Basketball program
- Ongoing development of summer camp programs
- Received \$2,000 worth of soccer balls from the Canadian Tire Jumpstart Foundation towards new after school programs

### ■ Arena

- Worked in collaboration with Development Services Department on the New Arena project, including work towards grant funding opportunities
- Coordinated infrastructure improvements/repairs for outdoor arena and indoor arena skate patrol storage area
- Daily coordination of arena scheduling for community groups and School District

### ■ Events

- Hosted several events including: Spirit of the Mountains, Pacific Sport BC Pre-Winter Games sessions, and Canada Day community celebrations
- Received grant funding for Canada Day Celebrations (\$1500), Summer Student Employment (\$2257), and Pacific Sport (\$3,000) for new After School Sport Program in 2013
- Completed Jumpstart applications totalling \$7,400 and a new \$2,000 community equipment soccer kit

# Recreation, Parks and Culture

## 2012 Major Objectives and Results

### ■ Emergency Social Services (ESS)

- Hosted ESS reception centre preparation/inventory session with volunteers
- Attended ESS Directors course in New Westminster
- Volunteers attended various training sessions in the Northwest

### ■ Infrastructure Enhancements

- Prepared Gas Tax project request list related to Ranger Park 2<sup>nd</sup> Floor Renovations
- Coordinated infrastructure improvements for Ranger Park Preschool including window replacements, heating and electrical work
- Coordinated BV Amateur Radio group installation of two new antennae on top of Ranger Park building

## 2013 Summary Major Projects and Strategies

### ■ Infrastructure Enhancements

- Continued partnership with North West Community College to complete next phase of the Ranger Park Second Floor Renovation Project
- New Arena Project
- Improved pedestrian bridge over Dahlie Creek at Turner Way

### ■ New Program Development

- Implement funds received (\$3,000 grant from Pacific Sport) for new 2013 After School Sport Program
- Development of activities and partnerships with Smithers Mountain Bike Association and BV Soccer Society for 2013.





# Smithers Fire Department

## 2012 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.

## 2012 Major Objectives and Results

- 911 Service Implementation including a public education program
- Development of a Community Wildfire Protection Plan, Request for Proposal and public consultation process
- Regional Fire Training Centre – ongoing program development and revenue generation
- Purchased and installed new self-contained breathing apparatus Fill Station
- Completion of Fire Department Renovations
- Completion of new records management system – Fire Department Management Software

## 2013 Summary Major Projects and Strategies

- Purchase new self-contained breathing apparatus
- Purchase new firefighter turn out gear
- Replace gear mechanism on all bay doors of Fire Department
- Ongoing program development and revenue generation for Regional Fire Training Centre

# Finance Department

## 2012 Summary

### 2012 Major Objectives and Results

- 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.
  - Training occurred in 2012 on the CASEWARE software package. The plan is to create the Smithers Public Library's Financial Statements within CASEWARE for 2013.
- 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.
  - Will be bringing this forward to Council in a future budget year to incorporate this into a future budget plan.
- 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.
  - This was implemented in December 2012.
- 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.
  - Training on this module will take place in the spring of 2013 and will be implemented throughout 2013
- Report on the Town's annual GHG emissions, effective 2012, to the Province through the SMARTTool program.
  - The Town will report on its 2012 GHG emissions to the Province by the March 8, 2013 deadline. The Town will continue to input its fleet fuel, natural gas and hydro volumes annually through the SMARTTool program and report annually to the Province its annual GHG emissions.

# Finance Department

## 2013 Major Objectives:

- Make a software change in Vadim so as to be able to upload the electronic version of the Land Title and Survey Office Title Change Reports, thereby making the property tax name changes within Vadim easier and more accurately.
- Upgrade the Icitizen Vadim (EHOG) module to the new Vadim*OPEN* web based module that interfaces with Vadim data and allows the public to view their own accounts and transactions.
- Hire a new IT Support Technician, based on approval by Council to include this new part time position within the operating budget.
- Prepare grant applications through NDI for the Legacy Square, new Arena and the Airport Marketing Strategy.
- Amend the Airport Fees and Charges Bylaw to increase the Airport Improvement Fee.
- Work with Recreation and Culture Department to complete a Fairgrounds Business Plan.
- New “Let’s Talk about Budgeting” Forum in the fall of 2013 for the 2014 Budget.





## Finance Department

### 2012 Progress Report: Small Community Portion of the 3 year Strategic 2012-2014 Community Investment Fund Program

Intended Use	Performance Targets	Progress Made in First Reporting Period of the 3 year Program (2012)
Use funding to support local services and to avoid large tax rate increases.	100% of the funds to be used to pay for General Operating Municipal Services and to minimize General Municipal Tax Rate increases.	<p>71% of the total \$743,185 Small Community Funds received in 2012 were used to maintain municipal service levels to that of the previous year.</p> <p>\$217,090 of the Small Community Funds received in 2012 were put aside so they could be accessed for this purpose in 2013.</p> <p>As a result of the 2012 Small Community Funds utilized in 2012, the 2012 General Municipal Services and tax rates remained consistent with prior years.</p> <p>The 2012 actual General Municipal Tax Levy increase was 3.35%. Without the Small Community Grant allocation in 2012 the Town's 2012 General Municipal Tax Levy increase would have been 19.5%.</p>

### 2012 Progress Report: Traffic Fine Revenue Sharing Portion of the 3 Year 2012-2014 Strategic Community Investment Fund Program

Intended Use	Performance Targets	Progress Made in First Reporting Period (2012) of the 3 Year Program
Use funding to support police enforcement costs and to avoid large tax rate increases.	100% of the funds to pay for Municipal RCMP operating costs including contributions to RCMP Auxiliary, Victims Services and the Community Police Office; and to minimize RCMP Municipal Tax Rate increases.	<p>100% of the \$118,036 Traffic Fine Sharing Revenue received in 2012 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 2012, the 2012 RCMP Municipal Services and tax rates remained consistent with prior years.</p> <p>The 2012 RCMP Tax Levy increase was 5%. Without the Traffic Fine Sharing Revenue allocation for 2012 the Town's 2012 RCMP Tax Levy increase would have been 13.6%.</p>

# Town of Smithers

## 2012 Statement of Property Tax Exemptions

<b>Town of Smithers</b>					
<b>Statement of Property Tax Exemptions</b>					
<i>For the Year Ended December 31, 2012</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 2012					
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	\$23,469
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	\$2,532
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	\$1,418
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	\$1,662
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	\$356
<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	\$1,149
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	\$406
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	\$964
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	\$966
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	\$650
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	\$791
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	\$1,675
1220-000	Lot 5, Plan 4075, DL 865, Range 05	4414 Highway 16	Doug Hamblin, Doug Bibelow, Wolfgang Doehler	Public Worship (Jehovah Witness Church)- over and above statutory exemptions	\$343
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	\$1,436
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	\$4,400

# Town of Smithers

## 2012 Statement of Property Tax Exemptions

<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	\$9,276
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	\$59,886
<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	\$46,962
<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	\$2,908
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	\$3,321
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	\$2,875
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	\$1,888
0860-720	Lot 72, Plan 5258, DL 865, Range 05	4035 Walnut Dr	Christian School Society of Smithers and Telkwa	no longer used as a school - receiving the not-for-profit exemption	\$12,301
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)	\$1,065
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	\$7,830
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	\$6,457
<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	\$4,778
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	\$6,220
					\$207,984
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 2012. The value of the annual tax exemption has been calculated using 2012 municipal property tax rates.					
Leslie Ford					
Director of Finance					







# **Consolidated Financial Statements December 31, 2012**

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)

**Town of Smithers**  
**Consolidated Financial Statements**  
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*December 31, 2012*

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**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, 2012, pursuant to Section 167 of the *Community Charter*.

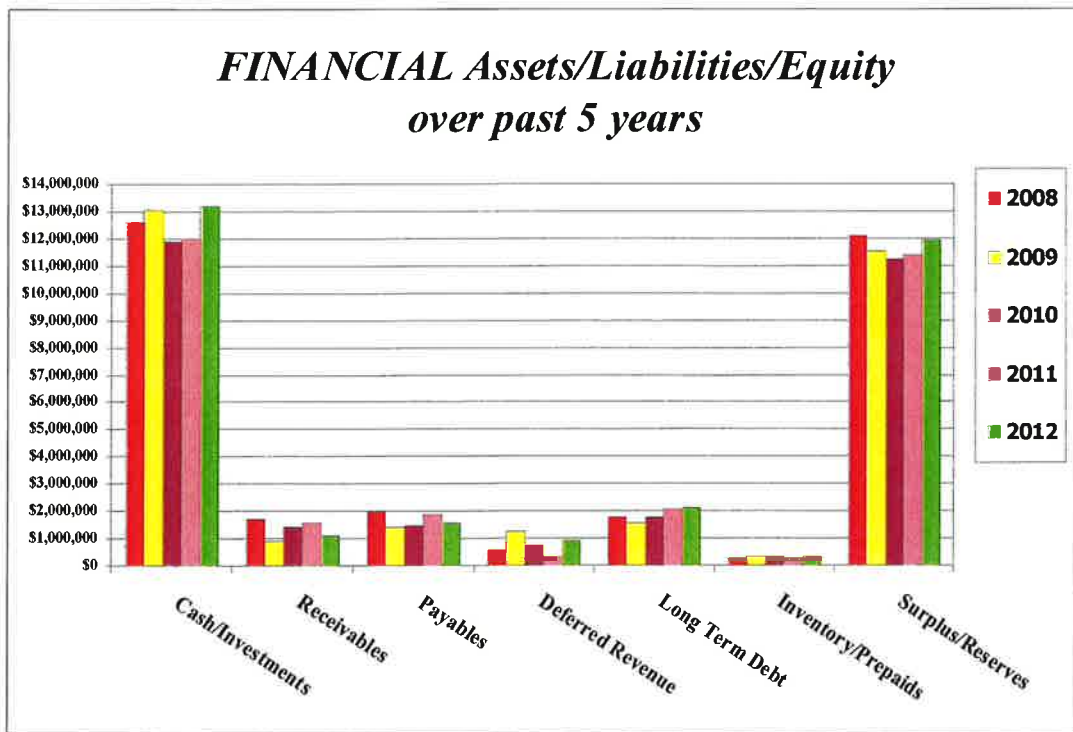
The consolidated financial statements include a Management Report, the Auditor’s Report, Consolidated Statements, Notes to the Financial Statements and Supplementary Schedules. The Consolidated Financial Statements reflect the Town’s overall financial position as at December 31, 2012 and the results of its operations and changes in its financial position for the year including the 2012 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 Public Sector 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.

**2012 Financial Highlights:**

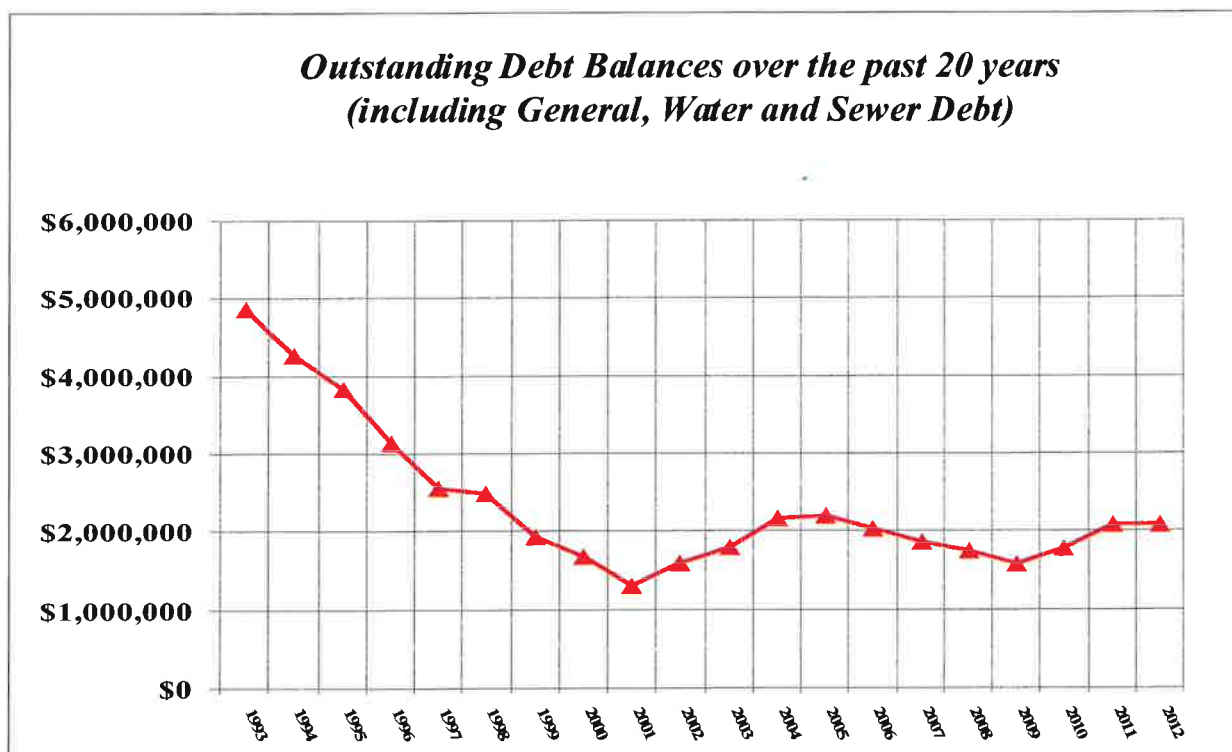
*The Consolidated Statement of Financial Position (Assets, Liabilities and Accumulated Surplus) (page 9) was prepared in accordance with PSAB. This statement is designed to show the details of, and changes in, net economic resources of the Town.*

- **Net Financial Assets:** Net Financial assets are resources available to finance future operations. The Town was in a net Financial Asset position for 2011 and 2012, meaning that it had more assets on hand at the end of each year than liabilities owing. As mentioned in Note 1c (page 14) the Town had unrestricted cash and investments in excess of its liabilities owing.



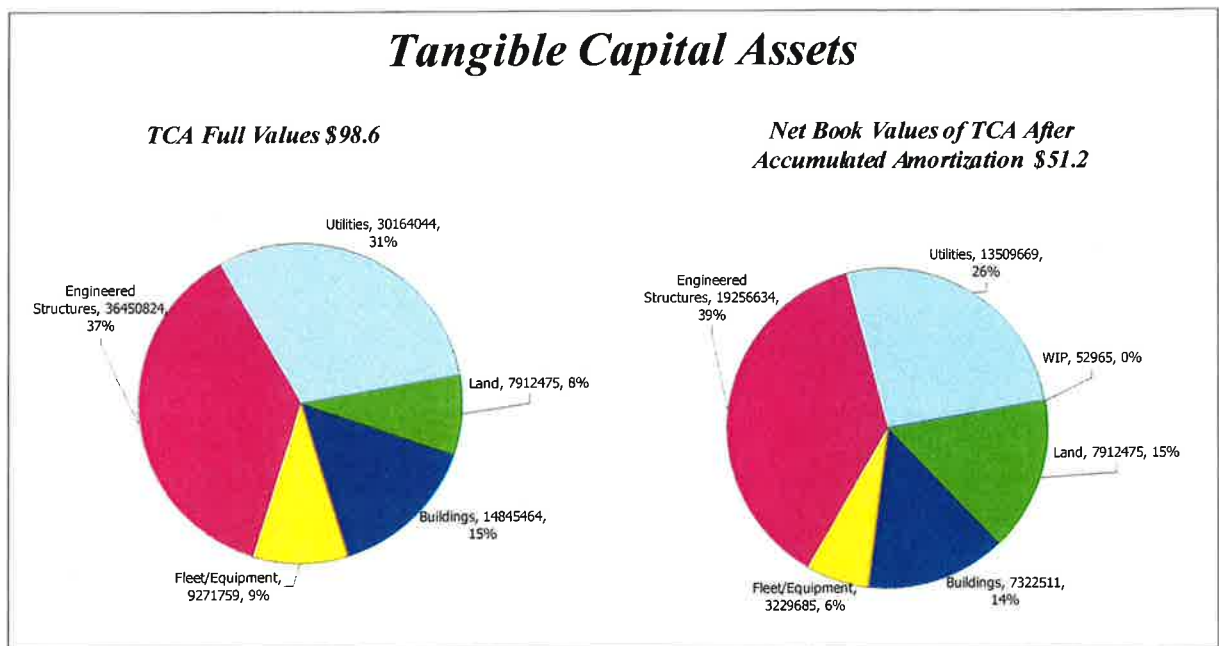
## 2012 Consolidated Financial Statements – Financial Highlights

- **Cash and Investments** of \$13.2M were higher than at the end of 2012 due to using fewer reserves for capital projects than budgeted and having less accounts receivables at the end of the year.
- **Accounts Receivables** were less at the end of 2012 due to the government grants owing on capital projects (such as the Build Canada Grants) from previous years being received in 2012. Trade accounts receivable balances were higher at the end of 2012 due to the temporary borrowing proceeds owing from MFA (received mid January 2013), relating to the property owners' 2012 funding source for the 4200 Block of 2<sup>nd</sup> Avenue LAS. Utilities owing at the end of 2012 were less than at the end of 2011. Taxes Receivable, in total, were higher at the end of December 2012 due to more arrears taxes owing. The Town annually bills out over \$12.5M annually which includes: taxes (for all taxing authorities), garbage fees, water/sewer fees, cemetery fees, arena fees, airport fees, etc; and out of everything billed, only \$73 was considered uncollectible in 2012.
- **Loans receivable** were lower at the end of 2012 due to the \$5,000 loan payment made by the Smithers Curling Club and the final payment on the loan owed by the Wetzin'kwa Community Forest Corporation in 2012.
- **Accounts Payables** of \$1.57M were less at the end of 2012 due to less large capital project invoices owed at the end of 2012.
- **Deferred Revenue** increased due to the \$650,000 Provincial Recreation grant that was received in 2012 for the new arena. This will become part of the consolidated revenue of the Town when the project gets underway.
- **Capital Lease** was entered into in 2012 for the installation of the TRACR system at the Airport. This will be paid by 2015.
- **Long Term Debt** (see Schedule H on page 36) was slightly less at the end of 2012. Of the outstanding debt: 36% pertains to the debt on the Storm Sewer project, 32% relates to debt remaining on the Highway 16 project and the 32% balance relates to Local Area Service projects. The graph below 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 \$2.1M worth of new tangible capital assets added in 2012 and recorded \$2.6M in amortization.
    - At the end of 2012 the Town had \$98.6M 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 2012 the Town’s net book value (total costs less accumulated amortization) of its tangible capital assets was recorded at close to \$51.2M, which means that overall the Town’s total assets are close to 50% amortized over their estimated life span (see Schedule G on page 35).



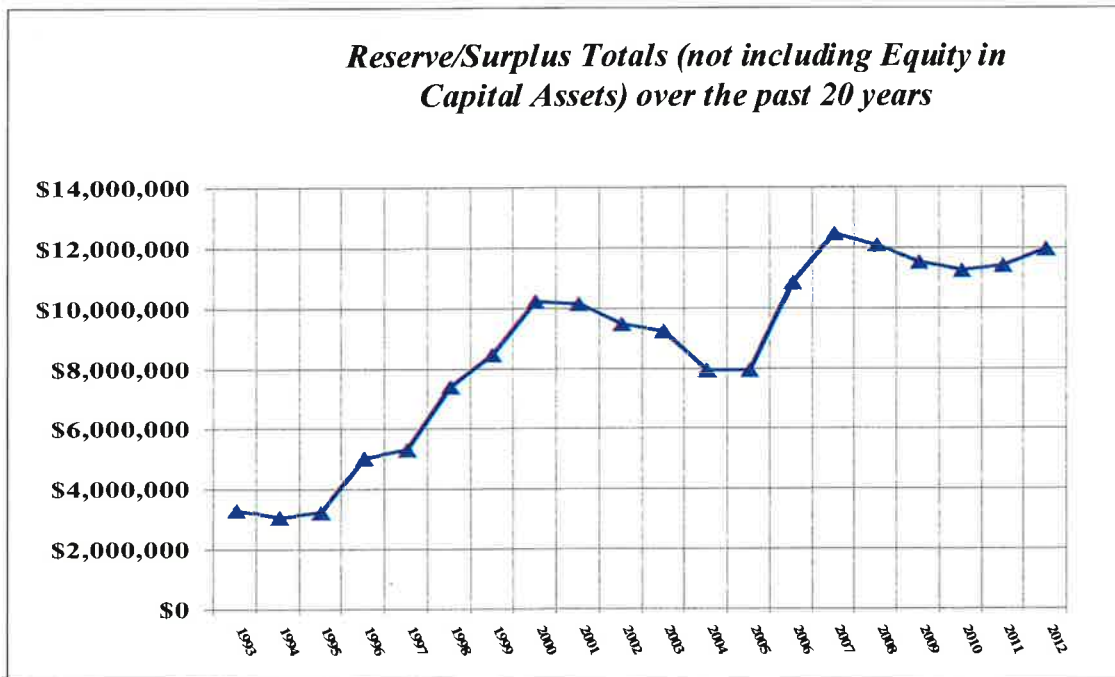
- **Other Assets** are comprised of prepaid expenses and inventory. This amount was higher at the end of 2012 due to having more supplies inventories on hand (salt, sand and gravel) than at the end of 2011.
- **Accumulated Surplus:** This figure is the sum of the net financial assets and the non-financial 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 pages 18 and 19 shows the breakdown of the accumulated surplus components and Schedules D, E and F on pages 29 to 34 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, 2012 of \$6.1M was higher than the 2011 balance due to an increase in the General, RCMP, Utility and Airport Operating Surplus balances.
  - The total Capital Reserve balance of \$3.1M was slightly lower than the December 31, 2011 balance due to the use of Facility Maintenance Capital Reserves in 2012 for facility capital upgrade projects.
  - Statutory Reserve balances of \$2.73M was slightly less than the 2011 ending balance due to the use of statutory reserves to fund 2012 capital projects (such as using Land Sales/Capital

## 2012 Consolidated Financial Statements – Financial Highlights

Works reserve funds for road capital works and for the soil rehabilitation project at 1089 Main Street).

- The Smithers Public Library's net operating surplus balance decreased slightly from \$131,322 to \$121,296.
- 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, 2012 the Town had a slight decrease in its net equity investment in its municipal capital assets, from \$49.8M in 2011 to \$49.1 in 2012, due to more amortization expense incurred in 2012 than capital projects paid for.
- The Town's total accumulated surplus at the end of 2012 of \$61.3M was slightly less than the balance at the end of 2011 of \$61.5M.

All 2012 ending surplus and reserve balances fell within the defined parameters of the Town's Operating Surplus and Capital Reserve Policy guidelines. The graph below shows the total balance of the Town's surpluses/reserves (not including Equity in Tangible capital Assets) over the past 20 years.

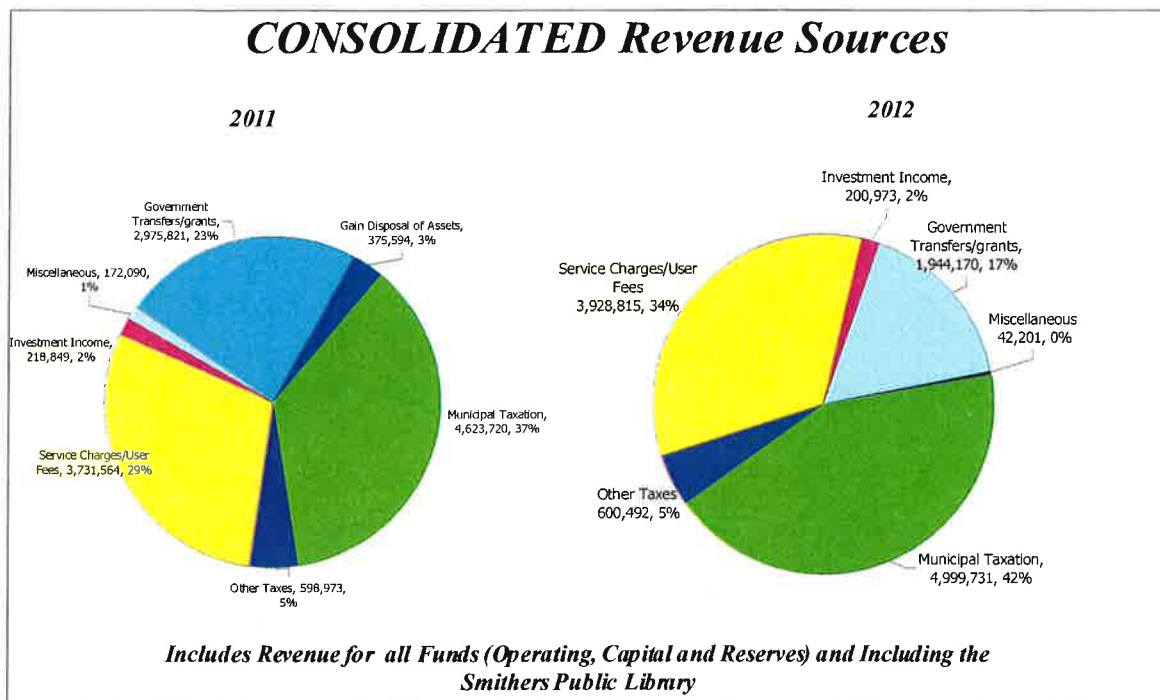


*The Consolidated Statement of Operation (page 10) was prepared in accordance with the new PSAB format. This statement shows the extent to which revenues recognized were sufficient to offset the cost of the services provided and also shows the changes in the accumulated surplus balance.*

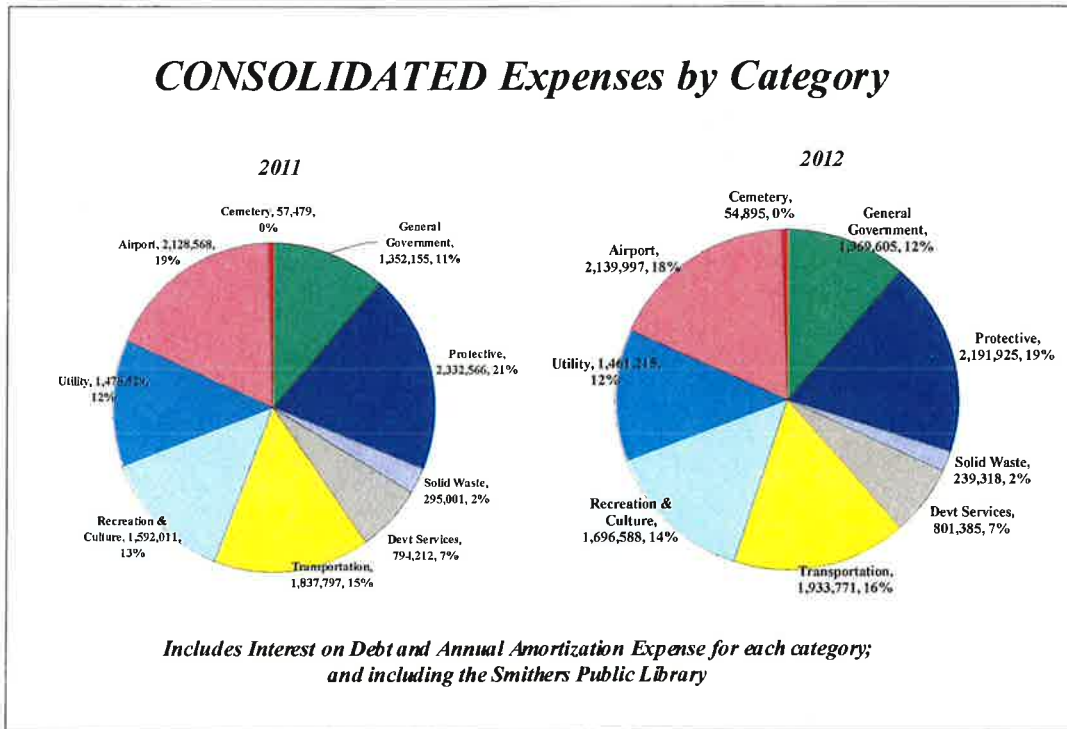
- **Consolidated Revenue** includes all revenue for operation, capital and reserves. Revenue categories are now consolidated to include Smithers Public Library revenue.
  - **Taxation revenue** was higher in 2012 due to increased tax levies (the Town implemented a new Road Capital property tax of \$200,000 in 2012). Schedule I on page 37 lists all components of taxation revenue. As shown on the graph on the following page, property taxation revenue represented 42% of the Town's total consolidated revenue in 2012.

## 2012 Consolidated Financial Statements – Financial Highlights

- **Government Transfers/Grant revenue** was less in 2012 due to less capital grants received. Schedule J on page 38 lists all government transfers/grants recorded as revenue in 2012 compared to budget and compared to 2011. Grant funding represented 17% of the Town's total consolidated revenue in 2012.
- **Service Charges/User fees** were higher in 2012 due to more fees and charges received at the airport and for recreation and cultural services. Schedule K on page 39 lists all service charges/users fees by category for 2012 compared to budget and compared to 2011. Service charges/user fees revenue represented 34% of the Town's total consolidated revenue in 2012.
- **Investment Income** was less in 2012 due to fluctuating interest rates within the investments (Term Deposits and through the Municipal Finance Authority).



- **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 2012 budget approved in May 2012 plus the approved 2012 Smithers Public Library's budget.
  - All 2012 consolidated expense areas, except for Transportation Services, were less than the consolidated 2012 expense budget. The reason it is over budget is not due to being over budget within operations but over the estimated amortization expense. The Town paid for considerable roadwork in 2012, which resulted in additional amortization expense.
  - The graph on the following page shows the consolidated expenses in 2012 compared to 2011. The largest of the expense areas in 2011 and 2012 was the Protective Services, which includes the RCMP contract costs.
- The Town had consolidated expenses in excess of revenue in 2012 of \$222,357. Under PSAB this is called the "Annual Deficit" for financial statement purposes. The 2012 financial statement "Annual Deficit" was higher than budgeted due to the Loss on Disposal of Capital assets (due to the disposition of fleet). This represents the fact that the Town had to use reserves to fund projects.



**Consolidated Statement of Cash Flows (page 11):** This Statement shows how cash requirements were met and how activities were financed. Cash and Investments were higher at the end of 2012 than at the end of 2011.

**Consolidated Statement of Net Financial Assets (page 12):** 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 13 – 22):** 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.

- Changes in notes compared to 2011:
  - The Town does not have the note on the guarantee of the Pool’s debt through the Regional District for the climbing wall project since the Pool retired that debt in 2012.
  - There is a new note concerning the Town’s Contract of Purchase and Sale with Ambleside Land Ltd.

**Schedules to the Consolidated Financial Statements (pages 23 – 41):** 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.

Respectfully submitted,

Leslie Ford, CA  
 Director of Finance  
 May 14, 2013

**Consolidated Financial  
Statements  
(audited)**



## 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", is written over a horizontal line.

Leslie Ford, CA  
Director of Finance  
May 14, 2013



# EDMISON MEHR CHARTERED ACCOUNTANTS

---

Box 969 3820 Alfred Avenue  
Smithers, B.C. V0J 2N0  
Telephone (250)847-4325  
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Partners:  
BRIAN R. EDMISON, B.A., CA  
MICHAEL B. MEHR, B.Comm, CA  
E-mail: info@edmisonmehr.ca

## 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, 2012, and the Consolidated Statements of Operations, Cash Flows, and Net Financial Assets 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, 2012, 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 14, 2013



Edmison Mehr

**Town of Smithers**  
**Consolidated Statement of Financial Position**  
*As at December 31, 2012*

	<b>2012</b>	<b>2011</b>
		Restated (Note 17)
<b>FINANCIAL ASSETS</b>		
Cash and Investments (Note 2)	\$13,221,668	\$11,998,268
Accounts Receivable (Note 3)	1,079,671	1,525,637
Deposits - Municipal Finance Authority (Note 4)	35,542	34,500
Loans Receivable (Note 5)	32,109	49,945
Investment in Wetzin'kwa Community Forest Corporation (Note 14)	1	1
	<u>14,368,991</u>	<u>13,608,351</u>
<b>LIABILITIES</b>		
Accounts Payable and Accrued Liabilities (Note 6)	1,574,620	1,863,379
Restricted Revenue - Municipal Finance Authority (Note 4)	35,542	34,500
Deferred Revenues (Note 7)	886,321	284,178
Capital Lease (Note 8)	47,037	-
Long Term Debt (Schedule H)	2,068,379	2,075,482
	<u>4,611,899</u>	<u>4,257,539</u>
<b>NET FINANCIAL ASSETS</b>	<u>9,757,092</u>	<u>9,350,812</u>
Commitments and Contingencies (Note 13)		
<b>NON FINANCIAL ASSETS</b>		
Tangible Capital Assets (Notes 1 and 9, Schedule G)	51,283,939	51,951,474
Prepaid Expenses and Supply Inventory (Note 10)	304,890	265,992
	<u>51,588,829</u>	<u>52,217,466</u>
<b>ACCUMULATED SURPLUS</b> (Notes 11 & 16, Schedule A)	<u>\$61,345,921</u>	<u>\$61,568,278</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, 2012*

	<b>2012</b> <b>Actual</b>	<b>2012</b> <b>Budget</b> (unaudited)	<b>2011</b> <b>Actual</b> Restated (Note 17)
<b>REVENUE</b> (Schedules B & C)			
Property Taxes and Grants in Lieu (Schedule I)	\$5,600,223	\$5,560,336	\$5,222,693
Government Transfers/Grants (Schedule J)	1,944,170	2,762,782	2,975,821
Service Charges/User Fees (Schedule K)	3,928,815	3,653,446	3,731,564
Investment Income	200,973	193,903	218,849
Net Gain on Disposal of Tangible Capital Assets	-	164,000	375,594
Other Revenue	42,201	305,500	172,090
Total Revenue	<u>11,716,382</u>	<u>12,639,967</u>	<u>12,696,611</u>
<b>EXPENSES</b> (Schedules B, C & L)			
General Government Services	1,369,605	1,446,368	1,352,155
Protective Services (incl RCMP)	2,191,925	2,475,982	2,332,566
Transportation and Transit Services	1,933,771	1,897,502	1,837,797
Solid Waste Management/Recycling Services	239,318	305,026	295,001
Public Health/Cemetery Services	54,895	55,219	57,479
Development/Economic Development/Tourism Services	801,385	954,514	794,212
Recreation and Cultural Services	1,696,588	1,750,069	1,592,011
Utility (Water, Sewer and Storm Sewer) Services	1,461,215	1,589,601	1,478,529
Airport Services	2,139,997	2,223,582	2,128,568
Net Loss on Disposal of Tangible Capital Assets	50,040	-	-
Total Expenses	<u>11,938,739</u>	<u>12,697,863</u>	<u>11,868,318</u>
<b>Annual Surplus (Deficit)</b> (Note 16)	(222,357)	(57,896)	828,293
<b>Accumulated Surplus, beginning of year</b>	61,568,278	61,568,278	60,739,985
<b>Accumulated Surplus, end of year</b>	<u>\$61,345,921</u>	<u>\$61,510,382</u>	<u>\$61,568,278</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, 2012

	2012	2011
		Restated (Note 17)
<b>Cash provided by (used for):</b>		
<b>Operating Transactions</b>		
Annual Surplus (Deficit)	(\$222,357)	\$828,293
Non Cash items included in Annual Deficit:		
Actuarial Adjustment	(30,702)	(25,799)
Amortization	2,617,335	2,663,825
Net (Gain) Loss on Disposal of Tangible Capital Assets	50,040	(375,594)
Change in Other Non Cash items:		
Change in Prepaid/Inventory Expenses	(38,899)	44,129
Change in Accounts Receivable	445,966	(190,303)
Change in Accounts Payables	(288,758)	402,462
Change in Deferred Revenue	602,143	(425,850)
Cash provided by Operating Transactions	<u>3,134,768</u>	<u>2,921,163</u>
<b>Capital Transactions</b>		
Proceeds on Disposal of Tangible Capital Assets	116,900	486,150
Donated Assets	-	(71,445)
Cash used to Acquire Tangible Capital Assets	<u>(2,116,739)</u>	<u>(3,610,374)</u>
Cash applied to Capital Transactions	<u>(1,999,839)</u>	<u>(3,195,669)</u>
<b>Investing Transactions:</b>		
Loan Proceeds from Curling Club	5,000	5,000
Loan Proceeds from Wetzin'kwa Community Forest	12,836	38,964
Cash provided by Investing Transactions	<u>17,836</u>	<u>43,964</u>
<b>Financing Transactions:</b>		
Temporary Borrowing Repayment	-	(375,915)
Principal Repayments	(124,041)	(96,680)
Capital Lease Repayments	47,037	-
Proceeds from Debt Issues	147,639	800,000
Cash provided by Financing Transactions	<u>70,635</u>	<u>327,405</u>
<b>Increase (decrease) in Cash and Investments</b>	1,223,400	96,863
<b>Cash and Investments, beginning of year</b>	11,998,268	11,901,405
<b>Cash and Investments, end of year</b>	<u>\$13,221,668</u>	<u>\$11,998,268</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, 2012*

	<b>2012</b>	<b>2012 Budget</b>	<b>2011 Restated (Note 17)</b>
<b>Annual Income (Deficit)</b>	(\$222,357)	(\$57,896)	\$828,293
Acquisition of Tangible Capital Assets	(2,116,739)	(7,793,247)	(3,681,819)
Amortization of Tangible Capital Assets	2,617,335	2,600,000	2,663,825
(Gain) Loss on Disposal of Tangible Capital Assets	50,040	(164,000)	(375,594)
Proceeds on Disposal of Tangible Capital Assets	116,900	-	486,150
	<u>445,179</u>	<u>(5,415,143)</u>	<u>(79,145)</u>
Net Change in Prepaid Expenses	(10,242)	-	34,818
Net Change in Inventory of Supplies	(28,657)	-	9,311
	<u>(38,899)</u>	<u>-</u>	<u>44,129</u>
<b>Change in Net Financial Assets</b>	406,280	(5,415,143)	(35,016)
<b>Net Financial Assets, beginning of year</b>	9,350,812	9,350,812	9,385,828
<b>Net Financial Assets, end of year</b>	<u>\$9,757,092</u>	<u>\$3,935,669</u>	<u>\$9,350,812</u>

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

# Town of Smithers

## Notes to Consolidated Financial Statements

December 31, 2012

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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 Assets and Liabilities:

The Municipality is not subject to significant risk from market, foreign currency, price or interest rate risk. The significant financial risk to which the Municipality is exposed include the following:

##### *Credit Risk:*

Credit Risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. Financial instruments that potentially subject the Municipality to a concentration of credit risk consist primarily of cash, investments and accounts receivable. The Municipality limits its exposure to credit loss by placing its cash with approved Canadian financial institutions and the Municipal Finance Authority. The Municipality's maximum exposure to credit risk for cash, investments and accounts receivables are the amounts disclosed in the Statement of Financial Position. Management believes that the credit risk concentration with respect to financial instruments included in cash, investments and receivables is minimal.

##### *Fair Value:*

The Municipality estimates the fair value of its financial instruments based on current interest rates, market value and pricing of financial instruments with comparable terms. Unless otherwise indicated, the carrying value of these financial instruments approximates their fair market value because of the near maturity of those instruments.

# **Town of Smithers**

## **Notes to Consolidated Financial Statements**

*December 31, 2012*

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### *Liquidity Risk:*

Liquidity risk is the risk that the Municipality will not be able to meet its financial obligations as they fall due. The Municipality's approach to managing liquidity is to evaluate current and expected liquidity requirements under both normal and stressed conditions to ensure that it maintains sufficient reserves of cash or have an available credit facility to meet its liquidity requirements in the short and long term.

As at December 31, 2012 the Town of Smithers has unrestricted cash of \$10,364,085 (December 31, 2011: \$9,075,371) to settle its total liabilities of \$4,611,889 (December 31, 2011: \$4,257,539).

### **(d) Revenue Recognition:**

The Town of Smithers follows the restricted contribution method for recording revenues. 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.

### **(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

**Town of Smithers**  
**Notes to Consolidated Financial Statements**  
*December 31, 2012*

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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.

**(k) Budget Presentation:**

Budget amounts are from the Town's Five Year Financial Plan for the years 2012 – 2016, adopted by Council on May 8, 2012 with minor subsequent reallocations and reclassifications to conform to financial statement presentation (see Note 16). The Smithers Public Library's 2012 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>2012</b>	<b>2011</b>
Restricted Cash and Investments- Statutory Reserves	\$2,730,438	\$2,781,438
Unrestricted Cash and Investments	10,364,085	9,075,371
Smithers Public Library Cash	127,145	141,459
	<b>\$13,221,668</b>	<b>\$11,998,268</b>



**Town of Smithers**  
**Notes to Consolidated Financial Statements**  
*December 31, 2012*

Cash and Investments include \$6,798,363 (2011: \$5,960,772) invested in the Money Market and Intermediate Fund Investments within the Municipal Finance Authority Pooled Investment program; and \$5,437,220 (2011: \$5,338,661) in term deposits. Interest earned on investments throughout the year averaged 1.66% for term deposits and 1.21% for MFA investments.

**3. ACCOUNTS RECEIVABLE**

	<b>2012</b>	<b>2011</b>
Due from Provincial Government	\$260,789	\$796,697
Due from Federal Government	53,210	181,047
Trade and Accrued Receivables	323,152	188,047
Utilities Receivable	14,990	17,267
Taxes Receivable	323,453	252,583
Due From Other Government Bodies	94,803	83,217
Smithers Public Library Accounts Receivables	9,274	6,779
	<b>\$1,079,671</b>	<b>\$1,525,637</b>

Accounts Receivables are shown net of estimated uncollectible receivables.

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

	<b>2012</b>	<b>2011</b>
Cash Deposits*	\$35,542	\$34,500
Demand Notes	99,405	99,405
	<b>\$134,947</b>	<b>\$133,905</b>

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.

**5. LOANS RECEIVABLE**

	<b>2012</b>	<b>2011</b>
Loan to Smithers Curling Club	\$32,109	\$37,109

**Town of Smithers**  
**Notes to Consolidated Financial Statements**  
*December 31, 2012*

Loan to Wetzin'kwa Community Forest Corporation	-	12,836
	<u>\$32,109</u>	<u>\$49,945</u>

The Town of Smithers 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.

**6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	<u>2012</u>	<u>2011</u>
Trade Payables and Accrued Liabilities	\$626,371	\$932,484
Payroll Payable and Accrued Payroll Benefits	434,207	411,379
Due to Provincial Government	35,416	31,285
Due to Other Government Bodies	652	602
Holdbacks and Deposits	462,851	470,713
Smithers Public Library Accounts Payables	15,123	16,916
	<u>\$1,574,620</u>	<u>\$1,863,379</u>

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.

**7. DEFERRED REVENUES**

	<u>2012</u>	<u>2011</u>
Operating Revenue Received in Advance	\$42,622	\$48,636
Community Recreation Grant Received in Advance	650,000	-
Other Capital Funding/Grants Received in Advance	6,957	34,958
Deferred Tax Revenue	164,388	140,657
Miscellaneous Operating Grants Received in Advance	22,354	59,927
	<u>\$886,321</u>	<u>\$284,178</u>

Federal Gas Tax Funds are included within the Town's Capital Funds (see Note 11) and all gas tax related transactions, including the gas tax funds received, occur within the Town's Gas Tax Capital Reserve (see Schedule E).

**Town of Smithers**  
**Notes to Consolidated Financial Statements**  
*December 31, 2012*

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**8. CAPITAL LEASE**

The Town of Smithers entered into a capital lease agreement with Tradewind Scientific Ltd. to finance the acquisition of a Touch Screen-Based Runway Condition Reporting System (TRACR). The minimum lease payments (including interest) over the next three years are as follows:

2013	\$11,500
2014	11,500
Due December 2015	24,037
	<u>\$47,037</u>

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

	<u>2012</u>	<u>2011</u>
Land	\$7,912,475	\$7,769,851
Buildings	7,322,510	7,664,947
Machinery and Equipment, Vehicles	3,055,382	3,194,949
Office Equipment and Computers	174,303	124,652
Engineered Structures	19,256,634	19,295,065
Utilities	13,509,670	13,902,010
Work In Progress	52,965	-
	<u>\$51,283,939</u>	<u>\$51,951,474</u>

**10. PREPAID EXPENSES AND SUPPLY INVENTORY**

	<u>2012</u>	<u>2011</u>
Prepaid Expenses	\$86,244	\$76,002
Inventory of Supplies	218,646	189,990
	<u>\$304,890</u>	<u>\$265,992</u>

**11. ACCUMULATED SURPLUS**

	<u>2012</u>	<u>2011</u>
Operating Funds (Schedules A, B and D)	\$6,183,764	\$5,581,822
Capital Funds (Schedules A, B and E)		
Capital Reserves and Other	3,141,901	3,184,868
Equity in Tangible Capital Assets	49,168,522	49,875,992

**Town of Smithers**  
**Notes to Consolidated Financial Statements**  
*December 31, 2012*

Reserve Funds (Schedules A, B and F)	2,730,438	2,794,274
Library Accumulated Surplus	121,296	131,322
	<u>\$61,345,921</u>	<u>\$61,568,278</u>

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

**12. PENSION INFORMATION**

The municipality and its employees contribute to the Municipal Pension Plan (the Plan), a jointly trustee pension plan. The board of trustees, representing plan members and employers, is responsible for overseeing the management of the Plan, including investment of the assets and administration of benefits. The Plan is a multi-employer contributory pension plan. Basic pension benefits provided are based on a formula. The Plan has about 176,000 active members and approximately 67,000 retired members. Active members include approximately 35,000 contributors from local governments.

The most recent actuarial valuation as at December 31, 2009 indicated a \$1,024 million funding deficit 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 \$315,137 (2011: \$271,230) for employer contributions to the Plan in fiscal year 2012, while employees contributed \$254,272 (2011: \$227,998) to the Plan in fiscal year 2012.

**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:

**Town of Smithers**  
**Notes to Consolidated Financial Statements**  
*December 31, 2012*

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	<b>MFA Operating Lease Obligations</b>	<b>Other Obligations</b>	<b>Total</b>
2013	\$10,544	\$263,440	\$273,984
2014	4,223	15,300	19,523
2015	3,656	15,606	19,262
2016	2,753	14,592	17,345
	<u>\$21,176</u>	<u>\$308,938</u>	<u>\$330,114</u>

**(d) 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.

**(e) Contract of Purchase and Sale with Ambleside Land Ltd.:**

In 2012 the Town of Smithers signed a 10 year purchase/sale agreement with Ambleside Projects Ltd. to allow the company to purchase and develop 18 hectares of Town owned Land adjacent to the Willowvale Neighbourhood. The agreement requires a minimum of 12 lots to be developed in each year of the agreement, beginning in 2013.

**(f) 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 (previously called 0765119 B.C. 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.

**Town of Smithers**  
**Notes to Consolidated Financial Statements**  
*December 31, 2012*

**15. TRUSTS**

The following were Trust Fund balances on hand at the end of December:

	<b>2012</b>	<b>2011</b>
Miscellaneous Trust Funds	\$918	\$918
Cemetery and Columbarium Care Trust Fund (Schedule M )	70,775	68,277
	<u>\$71,693</u>	<u>\$69,195</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>2012 Actual</b>	<b>2012 Budget</b>	<b>2011 Actual</b>
Accumulated Surplus (Deficit) - Statement of Operations	(\$222,357)	(\$57,896)	\$828,293
Adjustments to non-cash items:			
Amortization expense	2,617,335	2,600,000	2,663,825
Tangible Capital Assets (TCA) - contributed	-	-	(71,445)
(Gain) Loss on disposal of TCA	50,040	(164,000)	(375,594)
Actuarial Adjustment	(30,702)	(32,300)	(25,799)
Adjustments for cash items, not recognized as revenue or expenses in the Statement of Operations:			
Tangible Capital Asset costs	(2,116,739)	(7,793,247)	(3,610,374)
Proceeds from sale of Capital Assets	116,900	164,000	486,150
Debt principal repayment	(124,041)	(124,041)	(472,595)
Debenture Issuing Costs	-	-	12,800
Debt Proceeds	147,639	955,472	800,000
Capital Lease	47,037	-	-



**Town of Smithers**  
**Notes to Consolidated Financial Statements**  
*December 31, 2012*

Net Transfers from (to) Statutory Reserves	63,835	346,844	269,388
Net Transfers from (to) Capital Reserves	42,969	2,243,281	(201,677)
Net Transfers from (to) Operating Surplus	(591,916)	1,861,887	(302,972)
Balanced Financial Plan/Operations	0	0	0

**17. PRIOR PERIOD RESTATEMENT**

After the Town of Smithers' 2011 consolidated financial statements were prepared there was a slight change to the Smithers Public Library's 2011 audited financial statements. The changes were not material to require changing the Town's audited 2011 consolidated financial statements. However the Town of Smithers' 2011 comparative figures within the 2012 consolidated financial statements have been restated to reflect the change made last year to the Library's audited statements.

The change in reporting has resulted in the following changes to the 2011 comparative values:

Statement of Financial Position	Reported in 2012 for 2011	Reported in 2011 for 2011
Cash and Investments	11,998,268	11,997,530
Accounts Receivable	1,525,637	1,528,437
Deferred Revenue	284,178	301,067
Accumulated Surplus (see below)	61,568,278	61,553,451

<i>Adjustments to 2011 Accumulated Surplus:</i>		
2011 Accumulated Surplus, as previously reported		\$61,553,451
Addition to 2011 Smithers Public Library Accumulated Surplus		14,827
2011 Accumulated Surplus, as restated		\$61,568,278

Statement of Operations	Reported in 2012 for 2011	Reported in 2011 for 2011
Government Transfers/Grants	2,975,821	2,960,058
Service Charges/User fees	3,731,564	3,733,238
Investment Income	218,849	218,111
Annual Surplus (see below)	828,293	813,466

<i>Adjustments to 2011 Annual Surplus:</i>		
2011 Annual Surplus, as previously reported		813,466
Addition to Smithers Public Library 2011 Annual Surplus		14,827
2011 Annual Surplus, as restated		828,293

**Town of Smithers**  
**Statement of Financial Position - by Fund**  
 December 31, 2012

Schedule A

	Operating Funds			
	General Operating	Utility Operating	Airport Operating	RCMP Operating
<b>FINANCIAL ASSETS</b>				
Cash and Investments	\$10,365,003	-	-	-
Accounts Receivable	1,063,531	-	\$6,866	-
Deposit - Municipal Finance Authority	26,550	\$8,992	-	-
Loans Receivable	-	-	-	-
Due from Own Funds	-	2,035,280	1,845,088	\$401,842
Investment in Wetzin'kwa Community Forest Corporation	1	-	-	-
	<u>11,455,085</u>	<u>2,044,272</u>	<u>1,851,954</u>	<u>401,842</u>
<b>LIABILITIES</b>				
Accounts Payable and Accrued Liabilities	1,549,948	-	9,549	-
Due to Own Funds	7,392,001	-	-	-
Restricted Revenue - Municipal Finance Authority	26,550	8,992	-	-
Deferred Revenues	852,366	-	33,955	-
Trust Funds	918	-	-	-
Capital Lease	-	-	-	-
Long Term Debt (Schedule H)	-	-	-	-
	<u>9,821,783</u>	<u>8,992</u>	<u>43,504</u>	<u>-</u>
	<u>1,633,302</u>	<u>2,035,280</u>	<u>1,808,450</u>	<u>401,842</u>
<b>NET FINANCIAL ASSETS</b>				
<b>NON FINANCIAL ASSETS</b>				
Tangible Capital Assets (Schedule G)	-	-	-	-
Prepaid Expenses and Supplies Inventory	185,960	63,787	55,143	-
	<u>185,960</u>	<u>63,787</u>	<u>55,143</u>	<u>-</u>
	<u>\$1,819,262</u>	<u>\$2,099,067</u>	<u>\$1,863,593</u>	<u>\$401,842</u>
<b>ACCUMULATED SURPLUS IS COMPRISED OF:</b>				
Operating Funds (Schedules B and D)	\$1,819,262	\$2,099,067	\$1,863,593	\$401,842
Capital Funds (Schedules B and E)	-	-	-	-
Reserve Funds (Schedules B and F)	-	-	-	-
	<u>\$1,819,262</u>	<u>\$2,099,067</u>	<u>\$1,863,593</u>	<u>\$401,842</u>

Capital Funds	Reserve Funds	Library Operations Consolidated	Other Consolidated Adjustments	Consolidated 2012	Consolidated 2011 Restated (Note 17)
-	\$2,801,213	\$127,145	(\$71,693)	\$13,221,668	\$11,998,268
-	-	9,274	-	1,079,671	1,525,637
-	-	-	-	35,542	34,500
\$32,109	-	-	-	32,109	49,945
3,109,791	-	-	(7,392,001)	-	-
-	-	-	-	1	1
3,141,900	2,801,213	136,419	(7,463,694)	14,368,991	13,608,351
-	-	15,123	-	1,574,620	1,863,379
-	-	-	(7,392,001)	-	-
-	-	-	-	35,542	34,500
-	-	-	-	886,321	284,178
-	70,775	-	(71,693)	-	-
47,037	-	-	-	47,037	-
2,068,379	-	-	-	2,068,379	2,075,482
2,115,416	70,775	15,123	(7,463,694)	4,611,899	4,257,539
1,026,484	2,730,438	121,296	-	9,757,092	9,350,812
51,283,939	-	-	-	51,283,939	51,951,474
-	-	-	-	304,890	265,992
51,283,939	-	-	-	51,588,829	52,217,466
\$52,310,423	\$2,730,438	\$121,296	-	\$61,345,921	\$61,568,278
-	-	\$121,296	-	\$6,305,060	\$5,713,144
\$52,310,423	-	-	-	52,310,423	53,060,860
-	\$2,730,438	-	-	2,730,438	2,794,274
\$52,310,423	\$2,730,438	\$121,296	-	\$61,345,921	\$61,568,278

**Town of Smithers**  
**Statement of Operations - by Fund**  
For the Year Ended December 31, 2012

Schedule B

	General Operating Fund	Utility Operating Fund	Airport Operating Funds	RCMP Operating Funds
<b>REVENUE</b> (Schedule C)				
Property Taxation and Grants in Lieu (Schedule I)	\$3,957,998	\$6,814	-	\$1,435,423
Government Transfers/Grants (Schedule J)	1,314,438	-	-	118,101
Service Charges/User Fees (Schedule K)	1,157,154	1,190,032	\$1,399,446	19,465
Investments/Actuarial Adjustments	107,235	-	5,066	-
Net Gain on Disposal of Tangible Capital Assets	-	-	-	-
Other Revenue	-	-	-	1,000
	<u>6,536,825</u>	<u>1,196,846</u>	<u>1,404,512</u>	<u>1,573,989</u>
<b>EXPENSES</b> (Schedule C)				
General Government Services	1,285,165	-	-	-
Protective Services	720,956	-	-	1,390,835
Transportation and Transit Services	1,425,366	-	-	-
Solid Waste Management/Recycling Services	222,244	-	-	-
Public Health/Cemetery Services	53,269	-	-	-
Development Services/Economic Development/Tourism	789,821	-	-	-
Recreation and Cultural Services	1,324,902	-	-	-
Utility Services (Water, Sewer, Stormsewer)	-	904,777	-	-
Airport Services	-	-	1,260,568	-
Net Loss on Disposal of Tangible Capital Assets	-	-	-	-
	<u>5,821,723</u>	<u>904,777</u>	<u>1,260,568</u>	<u>1,390,835</u>
<b>ANNUAL SURPLUS (DEFICIT)</b>	<u>715,102</u>	<u>292,069</u>	<u>143,944</u>	<u>183,154</u>
<b>OTHER EXPENSES</b>				
Less: Annual Principal Payments	75,200	41,752	7,089	-
	<u>75,200</u>	<u>41,752</u>	<u>7,089</u>	<u>-</u>
<b>INTERFUND TRANSFERS</b>				
Transfer (to) From Capital Funds	(558,236)	(27,858)	(22,192)	-
Transfer (to) From Operating funds	-	-	-	-
Transfer (to) From Reserve Funds	-	-	-	-
	<u>(558,236)</u>	<u>(27,858)</u>	<u>(22,192)</u>	<u>-</u>
<b>Change in Accumulated Surplus Balances</b>	81,666	222,459	114,663	183,154
<b>Accumulated Surplus Balances, beginning of year</b>	1,737,596	1,876,608	1,748,930	218,688
<b>Accumulated Surplus Balances, end of year</b>	<u>\$1,819,262</u>	<u>\$2,099,067</u>	<u>\$1,863,593</u>	<u>\$401,842</u>

Total Operating Funds	Capital Funds	Statutory Reserve Funds	Library Operations	Consolidated Adjustments	Consolidated 2012	Consolidated 2011 <small>(Restated Note 17)</small>
Schedule D	Schedule E	Schedule F				
\$5,400,235	-	\$199,988	-	-	\$5,600,223	\$5,222,693
1,432,539	\$372,836	-	\$315,493	(\$176,698)	1,944,170	2,975,821
3,766,097	4,112	143,000	15,606	-	3,928,815	3,731,564
112,301	59,120	27,406	2,146	-	200,973	218,849
-	1,000	115,900	-	(116,900)	-	375,594
1,000	62,538	251,775	3,663	(276,775)	42,201	172,090
10,712,172	499,606	738,069	336,908	(570,373)	11,716,382	12,696,611
1,285,165	109,440	-	-	(25,000)	1,369,605	1,352,155
2,111,791	124,445	-	-	(44,311)	2,191,925	2,332,566
1,425,366	649,729	-	-	(141,324)	1,933,771	1,837,797
222,244	17,074	-	-	-	239,318	295,001
53,269	1,626	-	-	-	54,895	57,479
789,821	11,564	-	-	-	801,385	794,212
1,324,902	232,527	-	346,934	(207,775)	1,696,588	1,592,011
904,777	556,438	-	-	-	1,461,215	1,478,529
1,260,568	914,492	-	-	(35,063)	2,139,997	2,128,568
-	166,940	-	-	(116,900)	50,040	-
9,377,903	2,784,275	-	346,934	(570,373)	11,938,739	11,868,318
1,334,269	(2,284,669)	738,069	(10,026)	-	(222,357)	828,293
124,041	(124,041)	-	-	-	-	-
124,041	(124,041)	-	-	-	-	-
(608,286)	608,286	-	-	-	-	-
-	-	-	-	-	-	-
-	801,905	(801,905)	-	-	-	-
(608,286)	1,410,191	(801,905)	-	-	-	-
601,942	(750,437)	(63,836)	(10,026)	-	(222,357)	828,293
5,581,822	53,060,860	2,794,274	131,322	-	61,568,278	60,739,985
\$6,183,764	\$52,310,423	\$2,730,438	\$121,296	-	\$61,345,921	\$61,568,278

**Town of Smithers**  
**Statement of Operations - by Segment**  
*For the Year Ended December 31, 2012*

Schedule C

	<b>General Government</b>	<b>Protective Services incl RCMP</b>	<b>Transportation &amp; Transit</b>	<b>Solid Waste Management/ Recycling</b>	<b>Public Health/ Cemetery</b>
<b>REVENUE</b>					
Property Taxation	\$1,040,541	\$1,861,279	\$1,324,911	-	\$25,978
Service Charges/User Fees	88,701	97,582	98,637	\$280,929	19,925
Government Transfers/Grants	226,083	354,538	300,413	-	5,700
Investment Income	29,119	12,092	38,008	-	822
Net Gain Disposal of Capital Assets	-	-	-	-	-
Other Revenue	-	1,000	-	-	-
<b>Total</b>	<b>1,384,444</b>	<b>2,326,491</b>	<b>1,761,969</b>	<b>280,929</b>	<b>52,425</b>
<b>EXPENSES</b>					
Amortization expense	109,440	124,445	649,729	17,074	1,626
Goods and Services	465,993	1,433,378	557,408	98,274	20,799
Interest on Debt	-	-	84,834	-	-
Net Loss on Disposal of Capital Assets	-	-	-	-	-
Salaries, Wages and Benefits	794,172	634,102	641,800	123,970	32,470
<b>Total</b>	<b>1,369,605</b>	<b>2,191,925</b>	<b>1,933,771</b>	<b>239,318</b>	<b>54,895</b>
<b>ANNUAL SURPLUS (DEFICIT)</b>	<b>\$14,839</b>	<b>\$134,566</b>	<b>(\$171,802)</b>	<b>\$41,611</b>	<b>(\$2,470)</b>



Development Services/Econ Dev't/Tourism	Recreation & Culture incl Library	Airport	Utilities (Water/Sewer/ Storm)	Capital/ Reserve Funds	2012 total	2011 total <small>(Restated Note 17)</small>
\$503,662	\$637,050	-	\$6,814	\$199,988	\$5,600,223	\$5,222,693
141,584	464,867	\$1,399,446	1,190,032	147,112	3,928,815	3,731,564
245,966	438,634	-	-	372,836	1,944,170	2,975,821
10,062	19,278	5,066	-	86,526	200,973	218,849
-	-	-	-	-	-	375,594
-	3,663	-	-	37,538	42,201	172,090
901,274	1,563,492	1,404,512	1,196,846	844,000	11,716,382	12,696,611
11,564	232,527	914,492	556,438	-	2,617,335	2,663,825
407,358	610,643	671,431	454,846	-	4,720,130	4,796,545
-	-	-	35,487	-	120,321	119,440
-	-	-	-	50,040	50,040	-
382,463	853,418	554,074	414,444	-	4,430,913	4,288,508
801,385	1,696,588	2,139,997	1,461,215	50,040	11,938,739	11,868,318
\$99,889	(\$133,096)	(\$735,485)	(\$264,369)	\$793,960	(\$222,357)	\$828,293

**Town of Smithers**  
**Statement of Changes in Operating Funds**  
*For the Year Ended December 31, 2012*

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	\$171,823	-	-	\$80,089	\$217,090
Transfer from own Funds	(30,000)	-	-	(15,821)	-
Use of surplus to fund Tangible Capital Assets	(348,000)	(18,000)	-	-	-
Net Change in Operating Fund Balances	(206,177)	(18,000)	-	64,268	217,090
Operating Funds, beginning of year	1,378,257	18,338	35,985	30,873	201,096
Operating Funds, end of year	\$1,172,080	\$338	\$35,985	95,141	\$418,186

Greenhouse Gas Emission Reduction Reserve	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 2012	Total 2011
\$17,500	\$6,985	\$493,487	\$327,556	\$173,107	\$238,957	\$1,233,107	\$20,801	\$1,253,908	\$869,546
-	-	(45,821)	(77,239)	(36,252)	(55,803)	(215,115)	(30,827)	(245,942)	(67,472)
-	-	(366,000)	(27,858)	(22,192)	-	(416,050)	-	(416,050)	(499,103)
17,500	6,985	81,666	222,459	114,663	183,154	601,942	(10,026)	591,916	302,971
-	73,047	1,737,596	1,876,608	1,748,930	218,688	5,581,822	131,322	5,713,144	5,410,173
\$17,500	\$80,032	\$1,819,262	\$2,099,067	\$1,863,593	\$401,842	\$6,183,764	\$121,296	\$6,305,060	\$5,713,144

**Town of Smithers**

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

For the Year Ended December 31, 2012

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	-	\$4,112	-	-
Investment Income	-	-	\$20,235	6,995
Other Revenue	-	-	-	-
Disposal Proceeds on Tangible Capital Assets	-	-	-	-
	-	4,112	20,235	267,301
<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	-	-	-	-
Net Loss on Disposal of Capital Assets	-	-	-	-
	-	-	-	-
<i>Annual Surplus (Deficit)</i>	-	4,112	20,235	267,301
<i>Other Expenses</i>				
Debt Principal Payments	-	-	-	-
Tangible Capital Assets Acquired	-	-	-	-
Proceeds from Issuance of Debt	-	-	-	-
	-	-	-	-
<i>Interfund Transfers</i>				
Transfer to (from) own Funds	(\$3,286)	-	(47,107)	(195,864)
Transfer (to) from Operating Funds	-	-	-	-
Transfer (to) from Statutory Reserve Funds	-	-	-	-
	(3,286)	-	(47,107)	(195,864)
Change in Capital Fund Balances	(3,286)	4,112	(26,872)	71,437
Capital Funds, beginning of year	151,130	7,699	2,070,658	635,026
Capital Funds, end of year	\$147,844	\$11,811	\$2,043,786	\$706,463

Facilities Maintenance Capital Reserve	Tangible Capital Assets	Total Capital Funds	Equity in Tangible Capital Assets	Total 2012	Total 2011
-	\$112,530	\$372,836	-	\$372,836	\$1,495,142
-	-	4,112	-	4,112	4,727
\$1,189	-	28,419	\$30,701	59,120	54,094
25,000	37,538	62,538	-	62,538	190,632
-	1,000	1,000	-	1,000	(65,755)
26,189	151,068	468,905	30,701	499,606	1,678,840
-	-	-	109,440	109,440	126,260
-	-	-	124,445	124,445	135,587
-	-	-	649,729	649,729	625,095
-	-	-	17,074	17,074	17,074
-	-	-	1,626	1,626	3,838
-	-	-	11,564	11,564	1,705
-	-	-	232,527	232,527	239,729
-	-	-	556,438	556,438	565,890
-	-	-	914,492	914,492	961,447
-	-	-	166,940	166,940	-
-	-	-	2,784,275	2,784,275	2,676,625
26,189	151,068	468,905	(2,753,574)	(2,284,669)	(997,785)
-	-	-	124,041	124,041	96,680
-	(2,116,739)	(2,116,739)	2,116,739	-	-
-	194,676	194,676	(194,676)	-	-
-	(1,922,063)	(1,922,063)	2,046,104	124,041	96,680
(58,282)	304,539	-	-	-	-
-	608,286	608,286	-	608,286	670,451
-	801,905	801,905	-	801,905	1,025,363
(58,282)	1,714,730	1,410,191	-	1,410,191	1,695,814
(32,093)	(56,265)	(42,967)	(707,470)	(750,437)	794,709
152,091	168,264	3,184,868	49,875,992	53,060,860	52,266,151
\$119,998	\$111,999	\$3,141,901	\$49,168,522	\$52,310,423	\$53,060,860

**Town of Smithers**  
**Statement of Changes in Reserve Funds**  
For the Year Ended December 31, 2012

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>					
Property Taxation	-	-	-	-	-
Investment Income	\$10,812	\$8,174	\$1,885	\$396	\$333
Fees and Charges	-	-	143,000	-	-
Disposal Proceeds on Tangible Capital Assets	14,000	101,900	-	-	-
Other Revenue	185,635	-	-	31,077	-
	<u>210,447</u>	<u>110,074</u>	<u>144,885</u>	<u>31,473</u>	<u>333</u>
<i>Annual Surplus (Deficit)</i>	<u>210,447</u>	<u>110,074</u>	<u>144,885</u>	<u>31,473</u>	<u>333</u>
<i>Interfund Transfers</i>					
Transfer (to) from Capital Funds	(493,766)	(299,867)	(2,735)	(4,579)	-
	<u>(493,766)</u>	<u>(299,867)</u>	<u>(2,735)</u>	<u>(4,579)</u>	<u>-</u>
Change in Statutory Reserve Fund Balances	(283,319)	(189,793)	142,150	26,894	333
Statutory Reserve Funds, beginning of year	1,375,382	1,003,595	48,240	13,101	33,332
Statutory Reserve Funds, end of year	<u>\$1,092,063</u>	<u>\$813,802</u>	<u>\$190,390</u>	<u>\$39,995</u>	<u>\$33,665</u>



Infrastructure Reserve	Airport Machinery and Equipment Replacement Reserve	Local Area Service Fund	Forestry Reserve	Total 2012	Total 2011
Bylaw #1361	Bylaw #1368	Bylaw #1389	Bylaw #1554		
\$199,988	-	-	-	\$199,988	-
2,009	\$1,888	-	\$1,909	27,406	\$28,567
-	-	-	-	143,000	-
-	-	-	-	115,900	441,349
-	35,063	-	-	251,775	286,060
201,997	36,951	-	1,909	738,069	755,976
201,997	36,951	-	1,909	738,069	755,976
-	(958)	-	-	(801,905)	(1,025,363)
-	(958)	-	-	(801,905)	(1,025,363)
201,997	35,993	-	1,909	(63,836)	(269,387)
879	154,676	131	164,938	2,794,274	3,063,661
\$202,876	\$190,669	\$131	\$166,847	\$2,730,438	\$2,794,274

**Town of Smithers**

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

For the Year Ended December 31, 2012

Schedule G

	Land	Buildings	Machinery & Equipment	Engineered Structures	Utilities	Office Equip Computers	Work in Progress	2012 Total	2011 Total
<b>TANGIBLE CAPITAL ASSETS - COST</b>									
Opening Balance	\$7,769,851	\$14,649,174	\$8,695,159	\$35,479,187	\$29,941,560	\$524,898	-	\$97,059,829	\$93,545,433
Add: Additions	176,648	147,673	450,516	968,350	221,424	99,163	\$52,965	2,116,739	3,610,374
Add: Donated Assets	-	-	-	-	-	-	-	-	71,445
Less: Disposals	(34,024)	-	(497,978)	-	-	-	-	(532,002)	(167,423)
Add: Work-in-Progress	-	-	-	-	-	-	-	-	-
Closing Balance	7,912,475	14,796,847	8,647,697	36,447,537	30,162,984	624,061	52,965	98,644,566	97,059,829
<b>ACCUMULATED AMORTIZATION</b>									
Opening Balance	-	6,984,227	5,500,210	16,184,122	16,039,550	400,246	-	45,108,355	42,501,397
Add: Amortization	-	490,110	457,168	1,006,781	613,764	49,512	-	2,617,335	2,663,825
Less: Acc. Amortization on Disposals	-	-	(365,063)	-	-	-	-	(365,063)	(56,867)
Closing Balance	-	7,474,337	5,592,315	17,190,903	16,653,314	449,758	-	47,360,627	45,108,355
<b>Net Book Value for year ended</b>									
<b>December 31, 2012</b>	<b>\$7,912,475</b>	<b>\$7,322,510</b>	<b>\$3,055,382</b>	<b>\$19,256,634</b>	<b>\$13,509,670</b>	<b>\$174,303</b>	<b>\$52,965</b>	<b>\$51,283,939</b>	
<b>Net Book Value, year ended</b>									
<b>December 31, 2011</b>	<b>\$7,769,851</b>	<b>\$7,664,947</b>	<b>\$3,194,949</b>	<b>\$19,295,065</b>	<b>\$13,902,010</b>	<b>\$124,652</b>	<b>-</b>		<b>\$51,951,474</b>

**Town of Smithers**  
**Schedule of Changes in Debt**  
For the Year Ended December 31, 2012

Schedule H

	Town Bylaw #	MFA Issue #	Interest Rate	Maturity Date	Balance December 31 2011	New Debt Proceeds	Annual Principal Payments	Actuarial Adjustments *	Balance December 31 2012
<b>GENERAL CAPITAL</b>									
<i>Debentures:</i>									
Highway 16- 1st Instalment	#1402	#77	6.06%	June 2022	333,264	-	(15,121)	(8,337)	\$309,806
Highway 16- 2nd Instalment	#1427	#79	5.49%	June 2023	355,605	-	(15,121)	(7,220)	333,264
2002 LIP: 2nd Ave Sidewalk	#1428	#79	5.49%	June 2013	2,795	-	(923)	(441)	1,431
2002 LIP: 3rd Ave Sidewalk	#1429	#79	5.49%	June 2013	2,086	-	(689)	(329)	1,068
2002 LIP: 4th Ave Sidewalk	#1430	#79	5.49%	June 2013	2,323	-	(767)	(366)	1,190
2002 LIP: Main St Rear Lane	#1431	#79	5.49%	June 2013	1,820	-	(601)	(286)	933
2002 LIP: Frontage Roadwork	#1433	#79	5.49%	June 2013	15,151	-	(5,003)	(2,388)	7,760
2003 LIP: 3rd Ave Sidewalk	#1446	#81	4.86%	April 2014	5,217	-	(1,176)	(479)	3,562
Highway 16- 3rd Instalment	#1328	#81	4.86%	April 2024	376,882	-	(15,121)	(6,156)	355,605
2006 Downtown Main Street	#1467	#97	4.66%	April 2016	114,164	-	(17,325)	(3,753)	93,086
2008 LAS: 2nd Ave Sidewalk	#1548	#105	4.90%	June 2019	19,170	-	(1,923)	(157)	17,090
2009 LAS: 1st Ave Sidewalk	#1597	#110	4.50%	June 2020	15,742	-	(1,430)	(57)	14,255
<i>Short Term Borrowing:</i>									
Airport Runway Extension	**	**	0%	2012	7,089	-	(7,089)	-	-
<i>Temporary Borrowing pending Issuance of Debenture:</i>									
2012 LAS: 2nd Avenue	#1657				-	\$147,639	-	-	147,639
					1,251,308	147,639	(82,289)	(29,969)	1,286,689
<b>UTILITY CAPITAL</b>									
2004 LIP: Railway Ave Sewer	#1443	#81	4.86%	April 2019	24,175	-	(1,799)	(733)	21,643
2011 South Trunk Storm Sewer	#1601	#116	4.20%	April 2026	800,000	-	(39,953)	-	760,047
					824,175	-	(41,752)	(733)	781,690
<b>TOTAL</b>					<b>\$2,075,483</b>	<b>\$147,639</b>	<b>(\$124,041)</b>	<b>(\$30,702)</b>	<b>\$2,068,379</b>

\* Actuarial adjustments represent interest earned on sinking funds held by the Municipal Finance Authority  
Such Interest is used to reduce the principal amount of outstanding debt.

Principal Repayments, due within next five years:				
	General	Sewer	Storm	Total
2013	\$75,200	\$1,799	\$39,953	\$116,952
2014	67,218	1,799	39,953	108,970
2015	66,042	1,799	39,953	107,794
2016	62,688	1,799	39,953	104,440
2017	45,364	1,799	39,953	87,116
total	\$316,512	\$8,995	\$199,765	\$525,272

**Town of Smithers**  
**Schedule of Net Taxation and Grants in Lieu**  
*For the Year Ended December 31, 2012*

**Schedule I**

	<b>2012</b>	<b>2012 Budget</b>	<b>2011</b>
<b>TOTAL MUNICIPAL TAXATION</b>			
Real Property Taxes - Municipal	\$4,999,731	\$5,002,002	\$4,623,720
Penalties and Interest on Taxes	66,230	48,000	50,785
Local Improvement (Local Area Service) Taxes	15,142	15,142	15,142
1% Utility Taxes	150,736	150,692	151,000
Grants in Lieu of Taxes	246,226	224,500	241,012
	<u>5,478,065</u>	<u>5,440,336</u>	<u>5,081,659</u>
<b>Plus: TAXES COLLECTED ON BEHALF OF OTHER TAXING AUTHORITIES</b>	<u>4,318,586</u>	<u>4,385,165</u>	<u>4,297,983</u>
<b>OTHER TAXES: 2% Hotel Taxes</b>	<u>122,158</u>	<u>120,000</u>	<u>141,034</u>
Total Taxes Collected	<u>9,918,809</u>	<u>9,945,501</u>	<u>9,520,676</u>
<b>Less: TAXES PAID TO OTHER TAXING AUTHORITIES</b>			
Ministry of Finance (School Taxes)	(2,427,942)	(2,475,000)	(2,442,047)
Bulkley Nechako Regional District	(1,235,992)	(1,300,000)	(1,284,487)
Regional Hospital District	(594,433)	(550,000)	(511,531)
BC Assessment	(60,050)	(60,000)	(59,755)
Municipal Finance Authority	(169)	(165)	(163)
	<u>(4,318,586)</u>	<u>(4,385,165)</u>	<u>(4,297,983)</u>
<b>TOTAL</b>	<u>\$5,600,223</u>	<u>\$5,560,336</u>	<u>\$5,222,693</u>

**Town of Smithers**  
**Schedule of Government Transfers/Grant Revenue**  
For the Year Ended December 31, 2012

Schedule J

	2012	2012 Budget	2011
<i>Provincial</i>			
Building Canada Infrastructure Funds	\$112,530	\$156,945	\$690,505
Carbon Tax Rebate	15,623	10,000	9,956
Childcare Operating Funds	4,162	4,500	4,785
Community Recreation	-	650,000	-
Emergency Management BC	-	-	164,530
Highway 16 Improvement Funds	10,000	10,000	10,000
Library Operating	26,592	26,000	26,592
Miscellaneous	22,000	-	8,087
Planning Grants	10,000	10,000	10,614
Strategic Investment Funds	743,185	324,999	726,096
Towns for Tomorrow	-	-	342,540
Traffic Fines Revenue Sharing	118,101	118,036	115,842
<i>Federal</i>			
Airport Capital Assistance Program	-	478,963	-
Canada Day Grant	1,500	600	-
Student Employment Program	2,052	1,500	1,551
FCM Green Municipal	23,706	19,486	25,514
<i>Regional District</i>			
Rural Fire Protection Cost Sharing	149,634	148,000	148,569
Emergency Services Contribution	3,000	3,000	7,887
Transit Service Contribution	5,000	5,000	5,000
Rural Recreation and Culture Cost Sharing	227,188	223,921	216,600
<i>UBCM</i>			
Age Friendly Grant	14,095	14,095	-
Gas Tax Funds	260,306	260,306	260,306
Wildfire Emergency Plan	-	-	15,000
<i>Other</i>			
Affordable Recreation/Jump Start	8,658	10,000	5,035
MIA Risk Management Grant	5,196	6,750	1,398
Miscellaneous Other	125,037	238,181	53,360
Northern Trust Development Initiative Econ Devt Funding	41,605	42,500	36,054
Omineca Beetle Action Coalition	-	-	50,000
Wetzink'wa Community Forest Corporation	15,000	-	40,000
<b>TOTAL</b>	<b>\$1,944,170</b>	<b>\$2,762,782</b>	<b>\$2,975,821</b>

**Town of Smithers**  
**Schedule of Service Charges/User Fees**  
*For the Year Ended December 31, 2012*

**Schedule K**

	<b>2012</b>	<b>2012 Budget</b>	<b>2011</b>
<i>General Fund</i>			
General Government Fees and Charges	\$201,460	\$193,150	\$197,939
Protective Services Fees and Charges	60,662	74,250	75,660
Transportation/Transit Fees and Charges	43,773	44,330	44,130
Solid Waste Management Fees and Charges	280,929	302,754	308,444
Cemetery/Public Health Fees and Charges	18,738	21,000	21,924
Development Services/Tourism/Econ Devt Fees	127,060	116,800	150,521
Recreation & Culture Fees and Charges	424,532	405,840	407,334
<i>Utility Fund</i>			
Water Services Fees and Charges	557,818	559,690	549,877
Sewer Services Fees and Charges	632,214	634,940	621,957
<i>RCMP Fund</i>			
RCMP Fees and Charges	19,465	21,000	23,402
<i>Airport Fund</i>			
Airport Fees and Charges	1,399,446	1,263,092	1,312,774
<i>Capital Fund</i>			
Cemetery Capital Development Reserve Fees	4,112	3,200	4,727
<i>Statutory Reserve Fund</i>			
Parking In Lieu Fees	143,000	-	-
<i>Library</i>			
Library Fees and Charges	15,606	13,400	12,875
<b>TOTAL</b>	<b>\$3,928,815</b>	<b>\$3,653,446</b>	<b>\$3,731,564</b>

# Town of Smithers

## Schedule of Consolidated Expenditures by Object

For the Year Ended December 31, 2012

Schedule L

	2012	2012 Budget	2011
<b>TYPES OF EXPENDITURES</b>			
Advertising and Promotion	\$34,797	\$45,731	\$106,029
Amortization	2,617,335	2,600,000	2,663,825
Contracted Services	1,224,961	1,314,197	1,004,406
Council Remuneration and Travel Expenses	113,269	115,619	124,230
Fleet costs (net)	402,734	432,102	368,445
Grants to Organization/Fee Waivers	214,909	259,544	387,548
Insurance	111,956	125,180	114,027
Interest on Debt	120,321	120,321	119,440
Materials and Supplies	559,052	686,197	643,076
Miscellaneous	104,350	122,095	108,826
Net Loss on Disposal of Capital Assets	50,040	-	-
RCMP Contract	1,105,718	1,346,079	1,178,779
Special Projects/Grant Projects	214,136	415,845	160,373
Travel, Training, Memberships	122,035	132,809	104,261
Utilities (Telephone, Hydro and Natural Gas)	512,213	515,333	496,545
Wages and Employee Benefits	4,430,913	4,466,811	4,288,508
<b>TOTAL</b>	<b>\$11,938,739</b>	<b>\$12,697,863</b>	<b>\$11,868,318</b>



# Town of Smithers

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

For the Year Ended December 31, 2012

Schedule M

	2012	2011
<b>FINANCIAL ASSETS</b>		
Cash and Investments	\$70,775	\$68,277
<b>NET FINANCIAL ASSETS</b>	<u>\$70,775</u>	<u>\$68,277</u>
<b>FINANCIAL POSITION</b>		
Fund Balance, beginning of year	\$68,277	\$66,177
Contributions	2,498	2,100
Fund Balance, end of year	<u>\$70,775</u>	<u>\$68,277</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.

