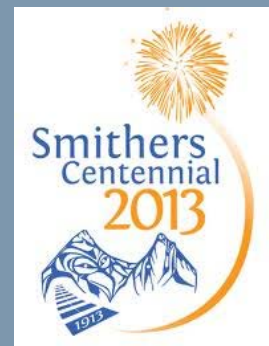


ANNUAL REPORT



2013



Mayor's Report

2013 Summary

The past year has proved to be another productive one for Council, Staff and our community as a whole.

Looking back, the Centennial Celebrations and Homecoming stand out as the highlight of the year. In August, our hardworking volunteers welcomed hundreds of former Smithereens back home and put on a week-long party that our Town won't soon forget. I want to personally thank everyone who made the 2013 Centennial such a stunning success.

Of course, the past year wasn't all parties! On the infrastructure front, we saw progress on a number of significant projects around our community.

In the fall we broke ground for the new arena; one of the largest municipal construction projects in recent decades; and crews were able to work on the foundation through the winter months. We look forward to the grand opening later this year.

Additional revenue from the new Road Capital Tax allowed us to complete a significant amount of street paving in 2013. While considerable work still remains, the past two years' efforts have made a big difference.

Another significant initiative is curbside recycling. In November, Council voted to enter a contract with MultiMaterial BC to bring curbside recycling collection to Smithers for the first time ever. This program is not only more convenient for residents, it allows for the recycling of a greater variety of products.

It is good to see that our community continues to attract private investment. In 2013, Ambleside Developments made good headway on the first phase of its Ambleside Park subdivision, with house construction expected in spring 2014. The redevelopment of the Smithers Mall is now underway, bringing a new look and a new group of commercial tenants to a landmark property. And we are excited to see a number of multi-family residential developments moving forward as well.

The full list of projects and initiatives would take many more pages, but suffice to say Smithers remains as dynamic and vibrant as ever. I look forward to working with you in 2014 to make our community even better.



Taylor Bachrach
Mayor





← Jack McDonell Memorial
Smithers, Canada
May 16, 2013

Jack McDonell Memorial
Ben Nevis, Scotland
near the plane crash site
May 16, 2013 →



Chief Administrative Officer's Report

2013 Summary

2013 was truly a banner year for the Town of Smithers, celebrating its 100th year anniversary, converting two brownfield sites on Main Street to new public squares, and launching a design-build tender for a new arena.

Community engagement was a focus, with several "Let's Talk" session hosted by the Town of Smithers with topics ranging from business in Smithers, to funding the new arena and the 2013 budget process. I would like to thank the hundreds of people who so energetically embraced the "Let's Talk" forums and for their ideas, insights, and collaboration in making the Town of Smithers a great place to live, work, and play.

Over the course of 2013, the Town completed a total of 26 capital improvement projects worth \$2.47 million, with the largest dollar value being a water looping project in the Dahlie Road area to provide more capacity for fire protection in the Town. Other 2013 capital projects included a new sanitary sewer line at the airport, upgrades to the airport water system, and improvements to the library flooring and heating, as well as implementation of many of the recommendations of the Bicycle Task Force, including installation of bike racks throughout the downtown core, and bike route line painting on Third Avenue, to name a few.

In August of 2013, thanks to the tremendous effort of the Smithers Volunteer Fire Department, a major fire on the 1000 Block of Main Street was contained to the loss of two buildings, highlighting the resilience of our community. Thank you to all of the dedicated Fire Department volunteers for protecting our community and to the residents of the Town of Smithers for making the Centennial Celebrations a huge success! The Town of Smithers had much to celebrate in 2013 and is well positioned to continue to be a community of choice for residents and businesses in North Western BC as we enter the next century.



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 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 2013 and includes objectives for 2014.

Corporate Services

2013 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 2012, 2013 saw the continuation of 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 2013 with the Town achieving an average score of 98% and thus maintaining our COR Certification for a third year. In 2014, the Town will be required to undergo an external audit and pass such audit in order to be eligible for Certification for the next three years.

Corporate Services continued to work on the refinement of our Council, Committee and Administrative processes. As in 2012, the management and negotiation of new and existing Leases, Contracts and Agreements was significant.

In Human Resources, there were no grievances in 2013 and saw the commencement of Collective Agreement Bargaining. This lack of grievances demonstrates 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.

Looking forward to 2014, Corporate Services will focus heavily on the External COR Audit and Municipal General Election.

Smithers Regional Airport

2013 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.

2013 Major Objectives and Results

■ Strategic Growth

- Completed 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

- Continued with enhancements to protect infrastructure
- Installed a sanitary sewer main on Harvard Way, and improvements to other existing water lines
- Terminal boiler replacement
- Installation of welding ventilation system

■ Operations

- A comprehensive review of equipment replacement options

■ Safety

- Implementation of rescue devices for cistern
- Ongoing internal quality control/assurance audits of Safety Management System, including a “Live Exercise” in October

Snow clearing operations at
Smithers Regional Airport
Winter 2013



Smithers Regional Airport

2014 Summary Major Projects and Strategies



■ Strategic Growth

- Continue to market land for lease and for sale.
- Advertise on Invest Northwest website and on Opportunities BC website
- Work with Development Services to improve in-ground services and upgrades to road network

■ Infrastructure Enhancements

- Upgrades to water chlorination system and deep well water pump
- Upgrades to Airport signage to reflect new branding

■ Operations

- Additional staff brought on late 2013 will be an asset in the summer of 2014 allowing for more airside maintenance
- Replacement of airside line painting machine will improve efficiencies in painting and should give a better product
- ACAP replacement of wheel loader and ramp plow will make snow removal more efficient. Machine will be helpful in summer for other airside duties.

■ Safety

- Ongoing SMS Quality Control Quality Assurance
- Implementation of the new Airport Security Program
- Ongoing commitment to training of Staff.



Live Exercise at Smithers Regional Airport – October 2013

Works and Operations

2013 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 2013, 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., 2013 saw over 354 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 sidewalk plow/sanding machine; four fleet vehicles, loader bucket broom, and a small trailer.

2013 Major Objectives and Results

■ Fleet Replacement:

- Tender processes for replacement of one sidewalk plow/sanding machine, four fleet vehicles (three pickups, one van), a loader bucket broom, and a small trailer used in Works/Operations; per the 5 Year Fleet/Equipment Replacement Program
- Engine replacement in Works/Operations JD624 Loader

■ Infrastructure Enhancements:

- Roof repair in the Works Yard and Sewage Treatment Plant buildings
- Installation of welding ventilation system in the Works Yard building
- Installation of Town's Second Avenue parking lot landscaping
- 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)

Works and Operations

2014 Summary Major Projects and Strategies

■ Fleet Replacement:

- Replacement of 1990 Caterpillar 140G Grader
- Replacement of one Yorx compressor for the arena refrigeration plant

■ Infrastructure Enhancements:

- Asphalt resurfacing of existing paved roads/streets funded from the Capital Program (\$250k), and Operations (\$180k)
- Installation of new Sewage Treatment Plant Bar Screen
- Storm drainage improvements from Utilities Capital
- Implementation of residential curbside recycling program



Spring Ice Removal from Catch Basins



New "Bike Smithers" bike racks

Development Services

2013 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 2013, including the Dahlie Road Watermain Looping, Fulton Avenue Watermain Replacement, Harvard Way Sanitary Sewer Main Installation.

2013 Major Objectives and Results

■ Planning:

- Zoning Bylaw amendments; new Airport land use zones
- Cycling Friendly Community – implement approved Task Force recommendations, including bike racks, sharrows, and educational material
- Finalize the Downtown Landscape Design Guidelines
- Redevelopment of 1089 Main Street (Bovill Square) completed in time for the Centennial Celebrations
- Former Service Station site redevelopment
- New R-2A zone created to allow for multiple detached dwellings on one parcel
- Processed 2 development permits and 2 development permit amendments, 13 development variance permits, 7 rezoning applications, 5 temporary use permits, 4 subdivision applications, 22 sign permits

■ Building Inspection:

- 94 building permits issued with 9 new single family homes started and 1 multi-family development
- Total construction value of \$5,634, 461 with the majority from residential permits at \$3,078,395
- Continued development of the Town Buildings & Facilities Maintenance Plan

■ Business Licensing:

- 56 new business licenses issued
- 645 total businesses operating



Railway Avenue to
Dahlie Road
Watermain
Looping Redesign
Project

Development Services

2013 Major Objectives and Results

■ Engineering:

- New Arena design-build contract awarded and construction started
- Railway Avenue to Dahlie Road Watermain Looping redesign, contract awarded and construction 95% completed
- Improvements to Town building and facilities per Facilities Maintenance Plan & Capital Upgrade Plan 2013-2017
- Airport Sewer Main construction for subdivision development
- Bar Screen Replacement at Sewage Treatment Plant, design completed
- Completion of Town Buildings and Facilities Maintenance Plan
- GIS (Geographic Information System) determined hardware upgrades were needed for the public use interface; to be completed in 2014
- Bovill Square – completed construction for 2013 Centennial celebrations
- Watermain Replacement – leaking on Fulton Ave between 19th and Victoria, completed
- Processed 50 Highway Use permits, 262 BC One Calls, 11 civic address confirmations
- Contracts - administered 27 construction contracts

■ Prevention and Community Safety/Crime Prevention:

- RCMP volunteer guidelines met for all volunteers at the Smithers Community Police Office
- Community Policing programs utilized a variety of media to promote programming and initiatives in 2013, including the addition of a Crime Stoppers Facebook page
- The Smithers CPO Staff are now trained and regularly utilize the TIPSOFIT program for tracking and filing Crime Stoppers tips
- Presentations ranging from “Stranger Danger” to “online conduct and internet safety” offered to students aged 5-17 during 2013. The programming offered was aligned with current RCMP initiatives developing and maintaining a Crime Prevention Education Continuum

■ Bylaw Enforcement/Animal Control:

- Truck Route signage/enforcement: Traffic order completed, awaiting placement of signs for 2014.
- Traffic flow issues were reviewed and addressed with school board and Traffic safety committee. Changes were made to areas where applicable and follow up has found significant improvement in reducing congestion
- Speed reduction to 30 km/hour on Third Avenue

Development Services

2014 Summary Major Projects and Strategies

■ Planning:

- Implementation of Cycling Task Force recommendation for a Pilot Project on Third Avenue (install route signage, 30km/hour maximum speed signs, and repaint sharrows)
- Review of the draft Pedestrian Plan
- Review of the Subdivision Servicing Bylaw No. 747
- Provide information to Council regarding Carriage Houses
- Zoning Bylaw review and update to meet OCP policies

■ Engineering & Building Inspection:

- New Arena Project: achieve Substantial Completion (operational ice surface) by September 30, 2014
- Complete the remaining 2014 Capital Budget projects, including Fair Grounds Washrooms, Fulton Avenue multi-use walkway, and the Bar Screen Replacement at the Sewage Treatment Plant
- Establish off-site works for the Smithers Mall redevelopment and the Princess Crescent Senior's housing project "Ptarmigan Meadows"
- Airport legal subdivision
- Publically launch the iVault GIS system
- Downtown Spruce-up Program: apply for and administer the 2014 program to provide four projects up to \$5,000 in façade improvements
- Facilities Maintenance Plan: implement the ongoing improvements to various municipal buildings

■ Prevention and Community Safety

Bylaw Enforcement/Animal Control:

- Increase fine amounts for traffic ticketing
- Facilitate/attend HUB standardized training for cycling programs/education
- Provide opportunities for promotion of cycling education and awareness within the Town of Smithers
- Institute a ticketing book/procedure for dogs at large and failure to pick up after pets. Increase enforcement in this area particularly on public trails, walkways, and parks
- Monitor homeless issues on Town or Crown land and maintain an effective relationship with local service providers to assist in managing issues as they arise

Crime Prevention:

- Continue with existing programming and continue to develop new educational initiatives in accordance with the Crime Prevention Education Continuum (CPEC) guidelines
- Maintain existing programs and develop new education and awareness programs as dictated by the community's needs
- Transfer supervision / coordination of the Citizens On Patrol network to the Smithers Community Police Office. Institute new training, volunteer engagement and retention initiatives and ensure all members are qualified to RCMP Volunteer management standards/ guidelines.
- Continue to provide programming within School District 54 in accordance with the RCMP Crime Prevention Education Continuum. (ie. DARE, BRAVE, Drug awareness etc.)

Development Services

2013 Award of Excellence Winners



RESIDENTIAL WINNER:
3231 Turner Way

The Town's first SAFER Home.

COMMERCIAL, INDUSTRIAL, AND INSTITUTIONAL WINNER:
3731 First Avenue
Wedzinkwah Family
Medicine Centre



Recreation, Parks and Culture

2013 Summary

The Recreation, Parks and Culture Department implemented many new programs in 2013. Another successful Spirit of the Mountains Festival took place February 11-15.

2013 Major Objectives and Results

■ Programs

- Ongoing development and expansion to summer camps programs
- Continuation of Ranger Park Preschool Program in 2013
- 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.
- Return of the BC Basketball Coaching Clinic for Steve Nash Basketball coaches and Steve Nash Basketball program

■ Arena

- Worked in collaboration with Development Services Department on the New Arena project, including work towards grant funding opportunities
- Daily coordination of arena scheduling for community groups, School District No. 54 and three independent school boards
- Received \$500 from MOST to implement free Parent/Tot Skating time for local daycares

■ Events

- Hosted several events including: Spirit of the Mountains, Smithers 100th Anniversary Centennial, and Canada Day community celebrations
- Received grant funding for Canada Day Celebrations (\$1,800)
- Administered Canadian Tire Jumpstart Fund applications totaling \$7,800



New Arena - Ground breaking July 16



New Arena – with Contractors December 4

Recreation, Parks and Culture

2013 Major Objectives and Results

■ Emergency Social Services (ESS)

- Hosted ESS reception centre preparation/inventory session with volunteers
- Attended Emergency Measures Committee meetings
- Volunteers attended various training sessions in the Northwest

■ Infrastructure Enhancements

- Continued partnership with North West Community College to complete Phase 5 of the Ranger Park Second Floor Renovation Project – insulation replacement and upgrades
- New infrastructure including new playground equipment at Riverside Park Campground, development of a Rugby Pitch at Heritage Park, T-Ball Softball Field at Elks Park, and new concrete skate box added to skate park at Heritage Park
- Indoor arena skate rental storage area upgraded
- Expanded weekly usage of arena by new and existing groups
- Completed Smithers Fairgrounds Land Use and Business Plan
- Improved pedestrian bridge over Dahlie Creek at Turner Way

2014 Summary Major Projects and Strategies

■ Infrastructure Enhancements

- Complete new Rugby Pitch and new T-Ball Softball Field
- Build one more concrete ramp at the skate park
- Host 2014 Northern Emergency Social Services Training Conference in September

■ New Program Development

- Continue partnership with North West Community College to complete Phase 6 of the Ranger Park Second Floor Renovation Project – electrical work
- Implement new British Multi-Sport Summer Camp
- Partnering with Aboriginal Sport, Recreation, and Physical Activity Partners Council under the Union of British Columbia Municipalities Age Friendly Grant
- Undertake Seniors Accessibility Assessment
- Assessment of Recreation/Sport with Smithers Community Services Association, for new corridors and new residents



Third Avenue Bike
Route "Sharrow"
Painted on the Road
Surface



New Playground
Equipment at Riverside
Municipal RV Park &
Campground July 2013

Smithers Fire Department

2013 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.

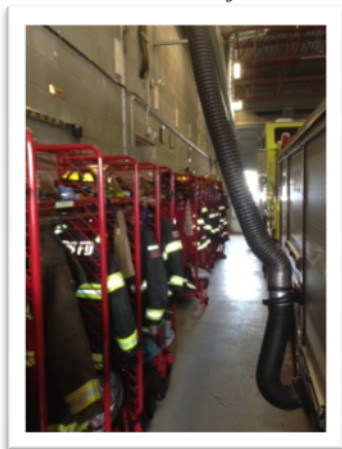
Firefighters provide services beyond structural firefighting such as: First Responder (pre-hospital care); Highway Rescue; Aircraft Firefighting; Fire Prevention; and Public Fire Safety Education. Fire prevention focuses on areas such as code enforcement and fire inspection services. Public fire safety 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.

2013 Major Objectives and Results

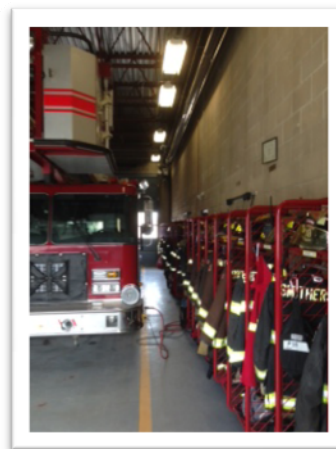
- Purchase new self-contained breathing apparatus
- Purchase new firefighter turn out gear
- Replace gear mechanism on all bay doors of Fire Department

2014 Summary Major Projects and Strategies

- Convert all preplans to electronic platform
- Upgrade to a digital messaging system that delivers alarms, maps, and other critical information instantly monitored in real time
- Create a community disaster recovery plan



New Firefighter
Turn Out Gear



Finance/IT Department

2013 Summary

2013 Major Objectives and Results

- Researched a software change in Vadim that would allow the Town 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. Upon reviewing all aspects of this change it was decided not to proceed due to the cost of implementation.
- Upgraded 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. Training on the Vadim*OPEN* module took place in the fall of 2013. Implementation will occur in the spring of 2014.
- Hired a new IT Support Technician in April 2013, based on approval by Council to include this new part time position within the operating budget.
- Prepared grant applications through NDI for the Legacy Square, new Arena and the Airport Marketing Strategy. The Town was successful in receiving a \$13,366 NDI Marketing grant towards the Airport Marketing Strategy, a \$30,000 NDI Community Halls grant towards development of Bovill Square, and a \$250,000 Economic Development grant towards construction of the new Arena.
- The Airport Fees and Charges Bylaw was amended in June 2013, which included an increase of \$10 to the Airport Improvement Fee (AIF). The increased revenue from the additional AIF fee (net of taxes) is to go into the Airport Infrastructure Statutory Reserve. In 2013 \$134,813 was transferred into the Reserve.
- Worked with Recreation and Culture Department to complete a Fairgrounds Business Plan. A consultant was hired in 2013 to complete a Fairgrounds Business and Land Use Plan. The plan was completed by the end of 2013.
- The Town held a new “Let’s Talk – Budgeting for Smithers Future” Forum on November 5, 2013 at the Hudson Bay Lodge. Over 40 members of the public attended to discuss the following topics: Roads and Sidewalks, How to pay for the Operating Costs of the New Arena and Bylaw Enforcement. The Town also had a Twitter feed going so that people who did not attend were able to communicate their responses and those who attended could also tweet during the round table discussions.



Finance/IT Department

Other Accomplishments in 2013

- Completed GHG Emission reporting to the Province in the spring of 2013 including SmarttTOOL reporting on all GHG consumption. The *Greenhouse Gas Emission Reduction Statutory Reserve* bylaw was approved.
- Implemented new Permissive Taxation Exemption Policy processes including permissive taxation exemption application and approval processes.
- Implemented a Vadim module that allowed sick and vacation leave sheets to be entered once (when received by payroll) instead of being handled several times. A calendar of future employee leaves can be printed off at any time instead of being tracked manually through Excel.
- The IT Support Technician improved server capabilities, did a complete inventory of all IT systems, revamped the audio-visual equipment within the Council Chambers to allow for better viewing of presentations for Council and the public; and installed digital displays at the Town Office and the Airport.

2014 Major Objectives:

- Prepare new bylaws for the following: a) Water and Sewer User Fee bylaws with changed fees for 2014, 2015 and 2016; b) Recreation Fees and Charges bylaw with changed fees for 2014 and 2015; and c) Garbage Fees and Charges bylaw with adjusted fees for 2015, taking into account the mandatory residential cart usage effective January 1, 2015.
- Implement Vadim Explorer Module to take the place of VadimView. This will allow for enhanced extraction of data from the Vadim software system into Word and Excel for reporting purposes.
- Be involved with the curbside recycling system implementation in terms of preparing the monthly claims to Multi Materials BC and use the property tax module as a means of keeping track of the residential properties involved in the curbside recycling.
- Work with the Recreation department to implement a more effective arena booking and billing process through CLASS facility management module.
- IT goals and objectives:
 - Install security cameras at the Airport
 - Replace Choice Mail anti-spam software with an improved and more public friendly anti-spam system.
 - Make IVault and VadimOPEN accessible to the public.
 - Improve Internet Bandwidth at Town facilities including the Town Office, Riverside Campground, Arena, Works Yard, and Fire Hall.
 - Investigate improved telecommunication systems.
 - Implement offsite backup systems for the Town Office.

Finance/IT Department

2013 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)	Progress Made in Second Reporting Period of the 3 year Program (2013)
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. The remaining Small Community Funds were put aside so they could be accessed for this purpose next year.</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>	<p>100% of the total \$347,347 Small Community Funds received in 2013 were used to maintain municipal service levels to that of the previous year.</p> <p>\$177,653 of the Small Community Funds received in 2012 were used were used in 2013 to maintain municipal service levels to that of the previous year.</p> <p>The 2013 actual General Municipal Tax Levy increase was 2%. Without the Small Community Grants in 2013 the Town's 2013 General Municipal Tax Levy increase would have been 17.6%.</p>

2013 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 of the 3 Year Program (2012)	Progress Made in Second Reporting Period of the 3 year Program (2013)
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>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>	<p>100% of the \$57,683 Traffic Fine Sharing Revenue received in 2013 was used to maintain municipal RCMP service levels to that of the previous year.</p> <p>The 2013 actual RCMP Municipal Tax Levy increase was 2%. Without the Traffic Fine Sharing Revenue in 2013 the Town's 2013 RCMP Municipal Tax Levy increase would have been 6%.</p>

Town of Smithers

2013 Statement of Property Tax Exemptions

Town of Smithers Statement of Property Tax Exemptions For the Year Ended December 31, 2013 Unaudited

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 2013

Assessment Roll Number	Legal Description	Civic Address	Organization	Reason for Proposed Exemption	Value of Permissive Exemption
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Senior Housing Exemptions (Section 224 (2)(h))

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 exemption	\$22,688
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	\$2,993
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	\$1,421
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	\$1,613
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	\$357

Public Worship Exemptions (Sections 224 (2)(f) and 24 (2)(g))

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	\$1,089
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	\$390
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	\$967
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	\$962
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	\$645
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	\$786
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	\$1,598
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	\$329
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	\$1,541
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	\$4,317

Private School Exemptions (Section 224 (2)(h))

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	\$9,545
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	\$60,311

Town of Smithers

2013 Statement of Property Tax Exemptions

Town of Smithers Statement of Property Tax Exemptions For the Year Ended December 31, 2013 Unaudited

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 2013

Assessment Roll Number	Legal Description	Civic Address	Organization	Reason for Proposed Exemption	Value of Permissive Exemption
------------------------	-------------------	---------------	--------------	-------------------------------	-------------------------------

Hospital Exemption {Section 224 (2)(h)}

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	\$47,101
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Non-Profit Organization Exemptions (Cultural and Charitable) (Section 224 (2)(a))

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	\$3,112
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 assessment	\$3,146
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	\$2,816
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	\$1,863
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	\$12,039
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)	\$1,071
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	\$7,869
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	\$6,481

Recreational Exemptions {Section 224 (2)(l)}

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	\$4,453
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	\$6,074

\$207,577

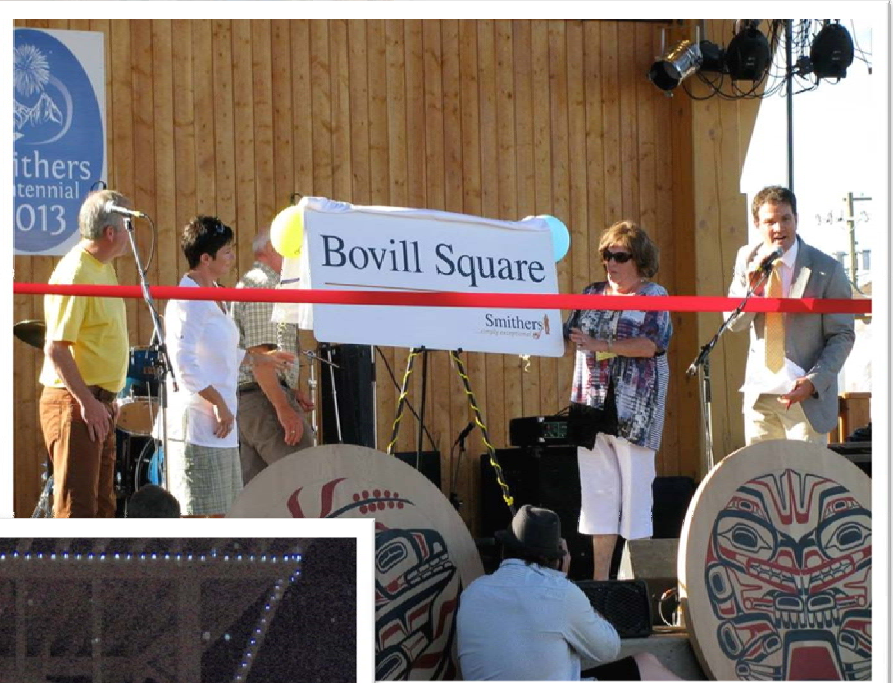
The Value of the Permissive Tax Exemptions is the amount of municipal property taxes that would have been imposed on each property had it not been exempt in 2013. The value of the annual tax exemption has been calculated using 2013 municipal property tax rates.

Leslie Ford
Director of Finance

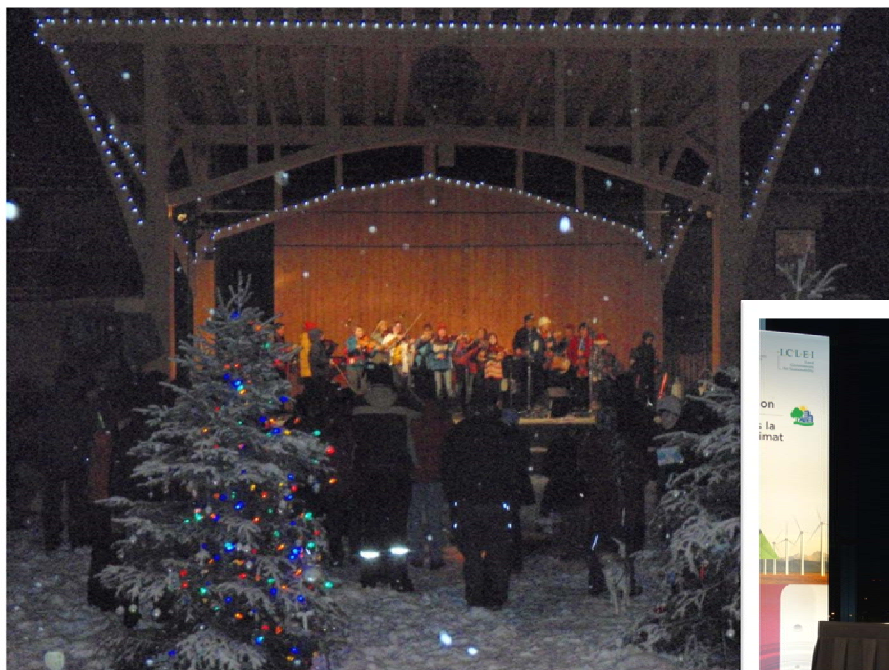


Construction of the Centennial Square Spring 2013

Grand Opening of the Centennial Square & Official naming "Bovill Square" August 2013



Centennial Finale Celebration "Bovill Square" December 31, 2013



FCM Sustainable Community Award - Brownfields Bovill Square" February 12, 2014





Consolidated Financial Statements December 31, 2013

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

Town of Smithers
Consolidated Financial Statements
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December 31, 2013

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2013 Consolidated Financial Statements – Financial Highlights

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, 2013, pursuant to Section 167 of the *Community Charter*.

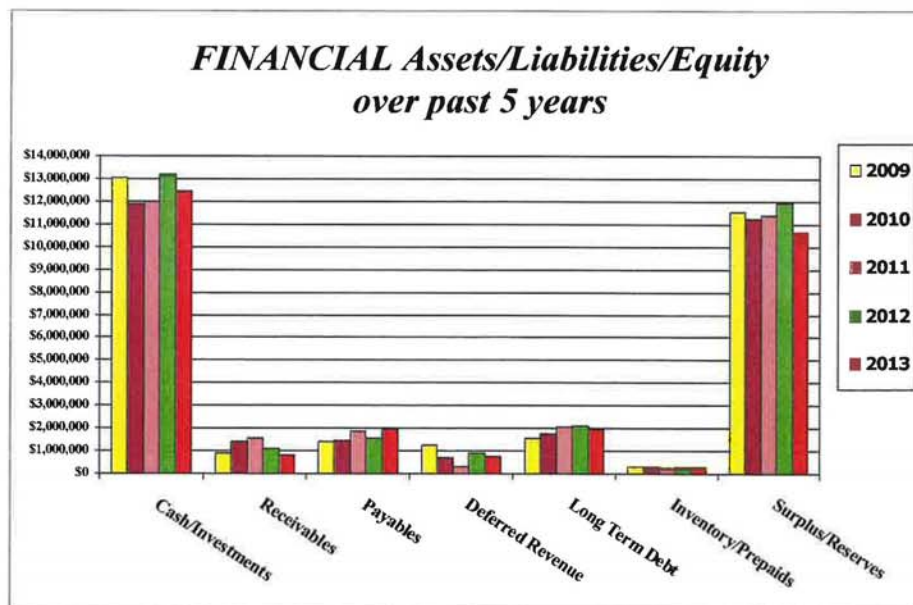
The consolidated financial statements include a Management Report, the Auditor's Report, Consolidated Statements, Notes to the Financial Statements and Supplementary Schedules. The Consolidated Financial Statements reflect the Town's overall financial position as at December 31, 2013 and the results of its operations and changes in its financial position for the year including the 2013 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.

2013 Financial Highlights:

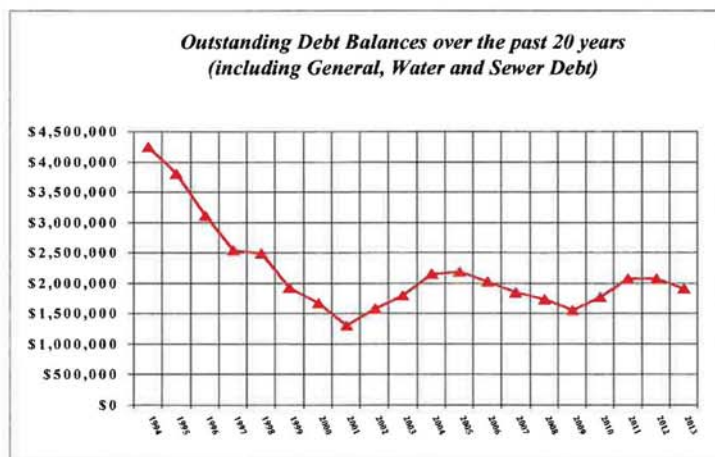
The Consolidated Statement of Financial Position (Assets, Liabilities and Accumulated Surplus) (page 9) was prepared in accordance with PSAB. This statement is designed to show the details of, and changes in, net economic resources of the Town.

- **Net Financial Assets:** Net Financial assets are resources available to finance future operations. The Town was in a net Financial Asset position for 2012 and 2013, 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.



2013 Consolidated Financial Statements – Financial Highlights

- **Cash and Investments** of \$12.4M were lower at the end of 2013 due to using surplus and reserves for capital projects. 22% of the Town's Cash and Investments is considered "Restricted" in that it represents the amount of Statutory Reserves on hand, which can only be used for purposes as stated in the originating reserve bylaws.
- **Accounts Receivables** were less at the end of 2013 due to less grants on capital projects being owed to the Town at year end than in past years. Trade accounts receivable balances were also less than at the end of 2012. Utilities owing were higher at the end of 2013 and a portion of these were transferred to taxes in January 2014. Taxes Receivable were higher at the end of December 2013 due to more current taxes owing. The tax sale property sold for taxes at the September 2013 tax sale had not been redeemed by the end of December and property owner(s) have until September 30, 2014 to redeem it.
 - The Town billed out over \$14M in revenue in 2013, which included property taxes (for all taxing authorities), garbage fees, water/sewer fees, cemetery fees, arena fees, recreation fees, airport fees, etc. Out of all revenue billed only \$2,458 was considered uncollectible in 2013.
- **Loans receivable** was lower at the end of 2013 due to the \$5,000 loan payment made in 2013 by the Smithers Curling Club. The Curling Club owed \$27,108 at the end of December 2013 and since March 2014 they have paid another \$5,000 bringing that balance down to \$22,108.
- **Accounts Payables** of \$1.97M were higher at the end of 2013 due to larger invoices (i.e. the last quarterly RCMP expense invoices, new arena project invoices etc) owed at the end of 2013. Accrued Payroll benefits were higher at the end of 2013 due to an increasing sick pay accrual. The Town had more Refundable Contract Securities owing at the end of 2013 due to securities being held for offsite works for construction/development projects that are occurring within the Town.
- **Deferred Revenue** decreased in 2013 due to use of a portion of the Provincial Community Recreation grant, which had been received in 2012 for the new arena.
- **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 less at the end of 2013 due to many past Local Improvement project debt amounts finishing in 2013. Of the outstanding debt: 37.5% pertains to the debt on the South Trunk Storm Sewer project, 48.5% relates to debt remaining on the Highway 16 project and the 14% balance relates to several Local Area Service projects. The graph below depicts the changes in the outstanding debt balances over the past 20 years:



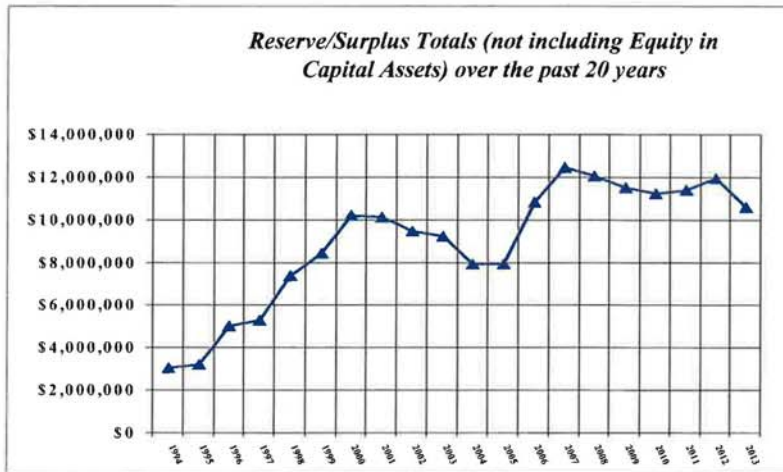
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2013 Consolidated Financial Statements – Financial Highlights

- **Non-Financial Assets:** These are resources that are meant to be consumed in the provision of municipal services.
 - **Tangible Capital Assets (TCA):** The Town recorded \$3.6M in new tangible capital assets added in 2013 and \$2.6M in amortization. Of the new capital assets, close to \$160,000 was received as “donated assets” (such as the new Bovill Square Stage and improvements at the Downtown Entrance square and in front of the Central Park Building).
 - At the end of 2013 the Town had \$101.8M worth of Tangible Capital assets, with the largest category being that of Engineered Structures (Roads, Streets, Lanes, Runways, Paths, Parks). Once the accumulated amortization was calculated to the end of 2013 the Town’s net book value (total costs less accumulated amortization) of its tangible capital assets was recorded at close to \$52.2M, which means that overall the Town’s total assets are more than 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 2013 due to having more supplies inventories on hand (salt, sand, gravel, fuel etc) than at the end of 2012. Although a considerable amount of inventory was used in December as a result of snow removal, inventory was ordered and received in late December to be available for use in January 2014.
- **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, 2013 of \$5.1M was lower than the 2012 balance primarily due to use of surplus (i.e. Utility surplus) for capital purposes.
 - The total Capital Reserve balance of \$2.8M was slightly lower at the end of 2013 due to the use of Second Sheet of Ice, Facility and Gas Tax Capital Reserves for capital purposes.
 - The total Statutory Reserve balance of \$2.76M was slightly higher at the end of 2013 due to the addition of new Statutory Reserve funds, being the Airport Infrastructure Statutory Reserve, the Ambleside Subdivision Statutory Reserve and the Greenhouse Gas Emission Reduction Statutory Reserve.
 - The Smithers Public Library’s net operating surplus balance increased very slightly from \$121,296 to \$122,159.
 - 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, 2013 the Town had a slight increase in its net equity investment in its municipal capital assets, from \$49.1M in 2012 to \$50.2M in 2013. .
 - The Town’s total Accumulated Surplus at the end of 2013 of \$61M was slightly less than the balance at the end of 2012 of \$61.3M.

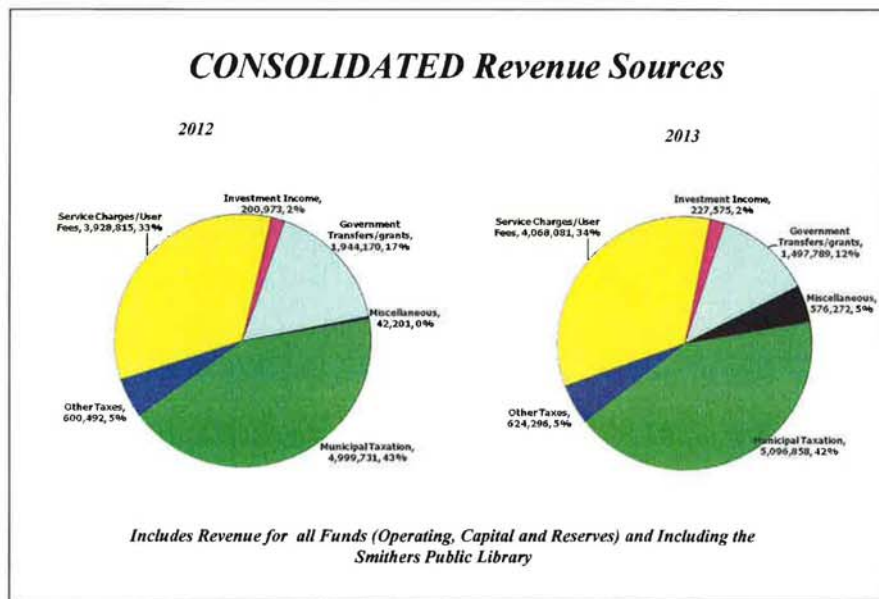
2013 ending surplus and reserve balances were within the defined parameters of the Town’s Operating Surplus and Capital Reserve Policy guidelines. The graph on the following page shows the total balance of the Town’s surpluses/reserves (not including Equity in Tangible capital Assets) over the past 20 years.

2013 Consolidated Financial Statements – Financial Highlights



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.

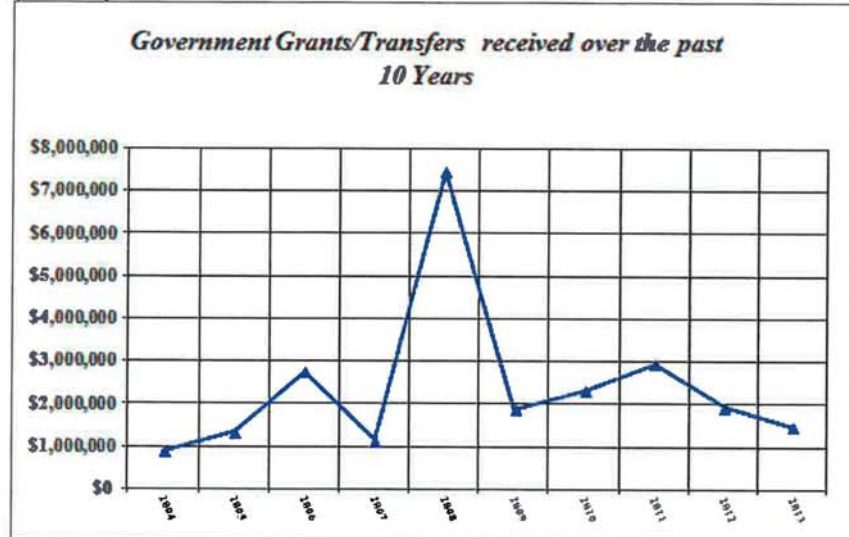
- **Consolidated Revenue** includes all revenue for operations, capital projects and reserve funding. Revenue categories also include Smithers Public Library revenue.



- **Taxation revenue** was higher in 2013 due to increased tax levies. Schedule I on page 37 lists all components of taxation revenue. As shown on the graph above property taxation revenue represented 42% of the Town's total consolidated revenue in 2013 as compared to 2012 when it was 43%.

2013 Consolidated Financial Statements – Financial Highlights

- **Government Transfers/Grant revenue** was less in 2013 due to less capital grants received. Schedule J on page 38 lists all government transfers/grants recorded as revenue in 2013 compared to budget and compared to 2012. Grant funding represented 12% of the Town's total consolidated revenue in 2013 compared to 17% in 2012. This is an area that fluctuates every year, depending on the type and level of grant funding received, and the type of capital projects being undertaken. Below is a chart of the changes in the Government Transfer/Grant Revenues over the past 10 years.



- **Service Charges/User fees** were higher in 2013 due to more fees and charges received at the airport, for utilities and for recreation and cultural services. Schedule K on page 39 lists all service charges/users fees by category for 2013 compared to budget and compared to 2012. Service charges/user fees revenue represented 34% of the Town's total consolidated revenue in 2013 compared to 33% in 2012.
- **Investment Income** was slightly higher in 2013 due to slightly better investment rates through the Municipal Finance Authority.
- **Other Revenue** includes fundraising and donations received for the new arena in 2013, the "donated value" of tangible capital assets and contributions made by other organizations to capital projects, such as by the BV Arts Council towards the Bovill Square development.
- **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 2013 budget approved in May 2013 plus the approved 2013 Smithers Public Library's budget.
 - The largest of the expense areas in 2013 continues to be Protective Services, which includes the RCMP contract costs.
 - If an expense category is showing as over budget it was not due to operations but due to the amortization expenses included within the consolidated amounts shown. For example, within the Recreation and Culture category there was considerably more amortization of new Recreation and Cultural capital assets than originally budgeted for.

2013 Consolidated Financial Statements – Financial Highlights

- The Town had consolidated expenses in excess of revenue in 2013 of \$263,452. Under PSAB this is called the "Annual Deficit" for financial statement purposes. This "deficit" represents the fact that the Town used reserves/surpluses to fund projects.

Consolidated Statement of Cash Flows (page 11): This Statement shows how cash requirements were met and how activities were financed.

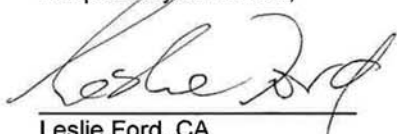
Consolidated Statement of Net Financial Assets (page 12): This schedule shows the extent to which revenues were sufficient to offset the cost of goods and services acquired and also explains the change in the Net Financial Assets.

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 2012:
 - The Town's commitment to C & M Developments in the amount of \$4,695,000 to construct the new arena was added to as Note 13(f).
 - A new note from the Municipal Pension Plan was received. A pension actuarial valuation as of December 31, 2012 found that the municipal pension fund was underfunded by approximately \$1,370million. Pension rates will be increasing for both employer and employee contributions as of July 2014.
 - A new note (Note 17) has been put in concerning the upcoming requirements to account for contaminated sites that exist on municipal owned lands under PSAB 3260. It may be required in the future that if a contaminated site has been identified and can be estimated as to what the remediation costs might be the Town may have to include this cost within its budget setting up an offsetting liability. If that happens the Town may have to amend a future budget to fund a future estimated remediation liability.

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 13, 2014

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 reports 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 blue ink, appearing to read "Leslie Ford", is written over a horizontal line.

Leslie Ford, CA
Director of Finance
May 13, 2014

EDMISON MEHR
CHARTERED ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

To the Council of
 Town of Smithers
 Smithers, BC

We have audited the accompanying financial statements of Town of Smithers, which comprise the Consolidated Statement of Financial Position as at December 31, 2013, 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, 2013, 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 13, 2014



Edmison Mehr

Town of Smithers
Consolidated Statement of Financial Position
As at December 31, 2013

	2013	2012
FINANCIAL ASSETS		
Cash and Investments (Note 2)	\$12,460,440	\$13,221,668
Accounts Receivable (Note 3)	791,529	1,079,671
Deposits - Municipal Finance Authority (Note 4)	37,281	35,542
Loans Receivable (Note 5)	27,108	32,109
Investment in Wetzin'kwa Community Forest Corporation (Note 14)	1	1
	<u>13,316,359</u>	<u>14,368,991</u>
LIABILITIES		
Accounts Payable and Accrued Liabilities (Note 6)	1,974,769	1,574,620
Restricted Revenue - Municipal Finance Authority (Note 4)	37,281	35,542
Deferred Revenues (Note 7)	777,346	886,321
Capital Lease (Note 8)	35,537	47,037
Long Term Debt (Schedule H)	1,913,988	2,068,379
	<u>4,738,921</u>	<u>4,611,899</u>
NET FINANCIAL ASSETS	<u>8,577,438</u>	<u>9,757,092</u>
Commitments and Contingencies (Note 13)		
NON FINANCIAL ASSETS		
Tangible Capital Assets (Notes 1 and 9, Schedule G)	52,194,864	51,283,939
Prepaid Expenses and Supply Inventory (Note 10)	310,167	304,890
	<u>52,505,031</u>	<u>51,588,829</u>
ACCUMULATED SURPLUS (Notes 11 & 16, Schedule A)	<u>\$61,082,469</u>	<u>\$61,345,921</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, 2013

	2013 Actual	2013 Budget <small>(unaudited)</small>	2012 Actual
REVENUE (Schedules B & C)			
Property Taxes and Grants in Lieu (Schedule I)	\$5,721,154	\$5,678,338	\$5,600,223
Government Transfers/Grants (Schedule J)	1,497,789	3,627,886	1,944,170
Service Charges/User Fees (Schedule K)	4,068,081	3,762,685	3,928,815
Investment Income	227,575	198,723	200,973
Net Gain on Disposal of Tangible Capital Assets	51,241	353,450	-
Other Revenue (Fundraising/Donations)	525,031	409,500	42,201
Total Revenue	<u>12,090,871</u>	<u>14,030,582</u>	<u>11,716,382</u>
EXPENSES (Schedules B, C & L)			
General Government Services	1,455,812	1,453,553	1,369,605
Protective Services (incl RCMP)	2,471,141	2,504,863	2,191,925
Transportation and Transit Services	1,858,216	2,020,323	1,933,771
Solid Waste Management/Recycling Services	228,791	270,789	239,318
Public Health/Cemetery Services	57,266	50,550	54,895
Development/Economic Development/Tourism Services	859,168	892,567	801,385
Recreation and Cultural Services	1,802,236	1,722,280	1,696,588
Utility (Water, Sewer and Storm Sewer) Services	1,450,736	1,641,554	1,461,215
Airport Services	2,170,957	2,153,698	2,139,997
Net Loss on Disposal of Tangible Capital Assets	-	-	50,040
Total Expenses	<u>12,354,323</u>	<u>12,710,177</u>	<u>11,938,739</u>
Annual Surplus (Deficit) (Note 16)	(263,452)	1,320,405	(222,357)
Accumulated Surplus, beginning of year	61,345,921	61,345,921	61,568,278
Accumulated Surplus, end of year	<u>\$61,082,469</u>	<u>\$62,666,326</u>	<u>\$61,345,921</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, 2013

	2013	2012
Cash provided by (used for):		
Operating Transactions		
Annual Surplus (Deficit)	(\$263,452)	(\$222,357)
Non Cash items included in Annual Deficit:		
Actuarial Adjustment	(37,439)	(30,702)
Amortization	2,636,177	2,617,335
Net (Gain) Loss on Disposal of Tangible Capital Assets	(51,241)	50,040
Change in Other Non Cash items:		
Change in Prepaid/Inventory Expenses	(5,277)	(38,899)
Change in Accounts Receivable	288,142	445,966
Change in Accounts Payables	400,149	(288,758)
Change in Deferred Revenue	(108,975)	602,143
Cash provided by Operating Transactions	<u>2,858,084</u>	<u>3,134,768</u>
Capital Transactions		
Proceeds on Disposal of Tangible Capital Assets	324,472	116,900
Donated Assets	(159,984)	-
Cash used to Acquire Tangible Capital Assets	(3,660,349)	(2,116,739)
Cash applied to Capital Transactions	<u>(3,495,861)</u>	<u>(1,999,839)</u>
Investing Transactions:		
Loan Proceeds from Curling Club	5,001	5,000
Loan Proceeds from Wetzin'kwa Community Forest	-	12,836
Cash provided by Investing Transactions	<u>5,001</u>	<u>17,836</u>
Financing Transactions:		
Long Term Debt Principal Repayments	(116,952)	(124,041)
Capital Lease (Repayments)	(11,500)	47,037
Proceeds from Debt Issues	-	147,639
Cash provided by Financing Transactions	<u>(128,452)</u>	<u>70,635</u>
Increase (decrease) in Cash and Investments	(761,228)	1,223,400
Cash and Investments, beginning of year	13,221,668	11,998,268
Cash and Investments, end of year	<u>\$12,460,440</u>	<u>\$13,221,668</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, 2013

	2013	2013 Budget	2012
Annual Income (Deficit)	(\$263,452)	\$1,320,405	(\$222,357)
Acquisition of Tangible Capital Assets	(3,820,333)	(8,920,056)	(2,116,739)
Amortization of Tangible Capital Assets	2,636,177	2,600,000	2,617,335
(Gain) Loss on Disposal of Tangible Capital Assets	(51,241)	-	50,040
Proceeds on Disposal of Tangible Capital Assets	324,472	353,450	116,900
	<u>(1,174,377)</u>	<u>(4,646,201)</u>	<u>445,179</u>
Net Change in Prepaid Expenses	5,072	-	(10,242)
Net Change in Inventory of Supplies	(10,349)	-	(28,657)
	<u>(5,277)</u>	<u>-</u>	<u>(38,899)</u>
Change in Net Financial Assets	(1,179,654)	(4,646,201)	406,280
Net Financial Assets, beginning of year	9,757,092	9,757,092	9,350,812
Net Financial Assets, end of year	<u>\$8,577,438</u>	<u>\$5,110,891</u>	<u>\$9,757,092</u>

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

Town of Smithers

Notes to Consolidated Financial Statements

December 31, 2013

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:

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

(c) Financial 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, 2013

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, 2013 the Town of Smithers has unrestricted cash of \$9,556,998 (December 31, 2012: \$10,364,085) to settle its total liabilities of \$4,738,921 (December 31, 2012: \$4,611,889).

(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 Town renders the service or product.

(e) Expense Recognition:

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

(f) Government Transfers

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

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

(g) Cash and Investments:

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

(h) Inventory:

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

(i) Tangible Capital Assets:

Tangible Capital Assets, comprised of capital assets and capital work-in-progress, are recorded at cost, net of capital asset disposals, write-downs and accumulated amortization. Tangible capital assets are classified according to their functional use. Amortization is recorded on a straight-line

Town of Smithers
Notes to Consolidated Financial Statements
December 31, 2013

basis over the estimated useful life of the asset commencing the year the asset is put into service. Donated tangible capital assets are reported at fair market value at the time of donation. Estimated useful lives are as follows:

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

(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 2013 – 2017, adopted by Council on May 14, 2013 with minor subsequent reallocations and reclassifications to conform to financial statement presentation (see Note 16). The Smithers Public Library's 2013 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

	2013	2012
Restricted Cash and Investments - Statutory Reserves	\$2,765,809	\$2,730,438
Unrestricted Cash and Investments	9,556,998	10,364,085
Smithers Public Library Cash/Investments	137,633	127,145
	<u>\$12,460,440</u>	<u>\$13,221,668</u>

Town of Smithers
Notes to Consolidated Financial Statements
December 31, 2013

Cash and Investments include \$6,266,971 (2012: \$6,798,363) invested in the Money Market, Intermediate Fund and Bond Fund Investments within the Municipal Finance Authority Pooled Investment program; and \$5,622,290 (2012: \$5,437,220) in termdeposits. Interest earned on investments throughout the year averaged 1.60% for term deposits, 1.11% for MFA Money Market investments, 1.42% for MFA Intermediate Fund investments and 1.84% for MFA Bond Fund investments.

3. ACCOUNTS RECEIVABLE

	2013	2012
Due from Provincial Government	\$7,682	\$260,789
Due from Federal Government	48,823	53,210
Trade and Accrued Receivables	259,985	323,152
Utilities Receivable	16,808	14,990
Taxes Receivable	335,901	323,453
Tax Sale Property- Subject to Redemption	7,027	-
Due From Other Government Bodies	109,723	94,803
Smithers Public Library Accounts Receivables	5,580	9,274
	<u>\$791,529</u>	<u>\$1,079,671</u>

Accounts Receivables are shown net of estimated uncollectible receivables.

4. MUNICIPAL FINANCE AUTHORITY DEPOSITS (RESTRICTED REVENUE)

	2013	2012
Cash Deposits*	\$37,281	\$35,542
Demand Notes	96,947	99,405
	<u>\$134,228</u>	<u>\$134,947</u>

The Town of Smithers issues its debt instruments through the Municipal Finance Authority of BC (MFA). As a condition of these borrowings, a portion of the debenture proceeds is withheld by the MFA as a debt reserve fund. These deposits are held by the MFA to act as security against the possibility of debt repayment default. If the debt is repaid without default, the deposits are refunded to the Town with interest and the demand notes are cancelled.

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

Town of Smithers
Notes to Consolidated Financial Statements
December 31, 2013

5. LOANS RECEIVABLE

	2013	2012
Loan to Smithers Curling Club	\$27,108	\$32,109

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

	2013	2012
Trade Payables and Accrued Liabilities	\$763,356	\$626,371
Payroll Payable and Accrued Payroll Benefits	532,208	434,207
Due to Provincial Government	9,818	35,416
Due to Other Government Bodies	654	652
Holdbacks and Refundable Contracts Securities Payable	647,679	462,851
Smithers Public Library Accounts Payables	21,054	15,123
	\$1,974,769	\$1,574,620

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

	2013	2012
Operating Revenue Received in Advance	\$59,218	\$64,976
Community Recreation Grant Received in Advance	546,000	650,000
Other Capital Funding/Grants Received in Advance	6,957	6,957
Deferred Tax Revenue	165,170	164,388
	\$777,346	\$886,321

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, 2013

8. CAPITAL LEASE

The Town of Smithers entered into a capital lease agreement in 2012 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 two years are as follows:

2014	11,500
Due December 2015	24,037
	<u>\$35,537</u>

9. TANGIBLE CAPITAL ASSETS (Schedule G)

	<u>2013</u>	<u>2012</u>
Land	\$7,735,704	\$7,912,475
Buildings	7,191,335	7,322,510
Machinery and Equipment, Vehicles	3,037,452	3,055,382
Office Equipment and Computers	127,232	174,303
Engineered Structures	19,080,700	19,256,634
Utilities	14,045,944	13,509,670
Work In Progress	976,497	52,965
	<u>\$52,194,864</u>	<u>\$51,283,939</u>

10. PREPAID EXPENSES AND SUPPLY INVENTORY

	<u>2013</u>	<u>2012</u>
Prepaid Expenses	\$81,172	\$86,244
Inventory of Supplies	228,995	218,646
	<u>\$310,167</u>	<u>\$304,890</u>

11. ACCUMULATED SURPLUS

	<u>2013</u>	<u>2012</u>
Operating Funds (Schedules A, B and D)	\$5,145,848	\$6,183,764
Capital Funds (Schedules A, B and E)		
Capital Reserves and Other	2,803,315	3,141,901
Equity in Tangible Capital Assets	\$50,245,338	49,168,522
Reserve Funds (Schedules A, B and F)	2,765,809	2,730,438

Town of Smithers
Notes to Consolidated Financial Statements
December 31, 2013

	2013	2012
Library Accumulated Surplus	122,159	121,296
	<u>\$61,082,469</u>	<u>\$61,345,921</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 trusted 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 179,000 active members and approximately 71,000 retired members. Active members include approximately 59 contributors from the Town of Smithers.

The most recent actuarial valuation as at December 31, 2012 indicated a \$1,370 million funding deficit for basic pension benefits. The next valuation will be as at December 31, 2015 with results available in 2016. Employers participating in the Plan record their pension expense as the amount of employer contributions made during the fiscal year (defined contribution pension plan accounting). This is because the Plan records accrued liabilities and accrued assets for the Plan in aggregate with the result that there is no consistent and reliable basis for allocating the obligation, assets and cost to the individual employers participating in the Plan.

The Town of Smithers paid \$302,250 (2012: \$302,851) for employer contributions to the Plan in fiscal year 2013, while employees contributed \$253,595 (2012: \$254,272) to the Plan in fiscal year 2013.

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, 2013

	MFA Operating Lease Obligations @ 2% interest rate	Other Obligations	Total
2014	\$4,090	\$265,208	\$269,208
2015	3,655	15,606	\$19,261
2016	2,457	15,918	\$18,375
2017	-	12,133	\$12,133
	<u>\$10,202</u>	<u>\$308,865</u>	<u>\$319,067</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 2% Hotel Room Tax received. In 2013 the funding partners approved the extension of the funding agreement to 2014. Subsequent to the 2013 year end Council has approved funding for BVEDA for 2015, 2016 and 2017.

(e) Contract of Purchase and Sale with Ambleside Projects 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. The contract was revised in 2013 adjusting the commencement of the purchase/sale agreement to 2013. In 2013 the first phase of the Ambleside Development (consisting of 13 lots and 2.2 acres of property) was purchased and paid for by Ambleside Projects Ltd.

(f) New Arena Construction Contract with C & M Development Inc:

In June 2013 the Town of Smithers signed a construction contract with C & M Development Inc. to construct a new arena in the amount of \$4,695,000, to be completed in 2014. The project commenced July 2013. As of December 31, 2013 \$712,528 had been paid to C & M Development Inc.

(g) Legal Actions:

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

Town of Smithers
Notes to Consolidated Financial Statements
December 31, 2013

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.

15. TRUSTS

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

	<u>2013</u>	<u>2012</u>
Miscellaneous Trust Funds	\$918	\$918
Cemetery and Columbarium Care Trust Fund (Schedule M)	72,653	70,775
	<u>\$73,571</u>	<u>\$71,693</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.

	<u>2013</u> <u>Actual</u>	<u>2013</u> <u>Budget</u>	<u>2012</u> <u>Actual</u>
Accumulated Surplus (Deficit) - Statement of Operations	(\$263,452)	\$1,320,405	(\$222,357)
Adjustments to non-cash items:			
Amortization expense	2,636,177	2,600,000	2,617,335
Tangible Capital Assets (TCA) - contributed	(159,984)	-	-
(Gain) Loss on disposal of TCA	(51,241)	(353,450)	50,040

Town of Smithers
Notes to Consolidated Financial Statements
December 31, 2013

	2013 Actual	2013 Budget	2012 Actual
Actuarial Adjustment	(37,439)	(39,101)	(30,702)
Adjustments for cash items, not recognized as revenue or expenses in the Statement of Operations:			
Tangible Capital Asset costs	(3,660,349)	(8,920,056)	(2,116,739)
Proceeds from sale of Capital Assets	324,472	353,450	116,900
Debt principal repayment	(128,452)	(121,997)	(124,041)
Debenture Issuing Costs	2,362	-	-
Debt Proceeds	-	672,208	147,639
Capital Lease	-	-	47,037
Net Transfers from (to) Statutory Reserves	(35,370)	173,687	63,835
Net Transfers from (to) Capital Reserves	336,223	2,106,079	42,969
Net Transfers from (to) Operating Surplus	1,037,053	2,208,775	(591,916)
Balanced Financial Plan/Operations	0	0	0

17. CONTAMINATED SITE ACCOUNTING

Effective January 1, 2014 Canadian municipalities are required under PSAB 3260 to account for contaminated site liabilities that exist on municipal owned lands. The Town is in the process of identifying significant contaminated site liability on its lands

Town of Smithers
Statement of Financial Position - by Fund
 December 31, 2013

Schedule A

	Operating Funds			
	General Operating	Utility Operating	Airport Operating	RCMP Operating
FINANCIAL ASSETS				
Cash and Investments	\$9,557,916	-	-	-
Accounts Receivable	782,843	-	\$3,106	-
Deposit - Municipal Finance Authority	27,851	\$9,430	-	-
Loans Receivable	-	-	-	-
Due from Own Funds	-	1,344,928	1,731,482	\$314,377
Investment in Wetzin'kwa Community Forest Corporation	1	-	-	-
	<u>10,368,611</u>	<u>1,354,358</u>	<u>1,734,588</u>	<u>314,377</u>
LIABILITIES				
Accounts Payable and Accrued Liabilities	1,944,070	-	9,645	-
Due to Own Funds	6,166,993	-	-	-
Restricted Revenue - Municipal Finance Authority	27,851	9,430	-	-
Deferred Revenues	739,085	-	38,261	-
Trust Funds	918	-	-	-
Capital Lease	-	-	-	-
Long Term Debt (Schedule H)	-	-	-	-
	<u>8,878,917</u>	<u>9,430</u>	<u>47,906</u>	<u>-</u>
NET FINANCIAL ASSETS	<u>1,489,694</u>	<u>1,344,928</u>	<u>1,686,682</u>	<u>314,377</u>
NON FINANCIAL ASSETS				
Tangible Capital Assets (Schedule G)	-	-	-	-
Prepaid Expenses and Supplies Inventory	192,822	64,993	52,352	-
	<u>192,822</u>	<u>64,993</u>	<u>52,352</u>	<u>-</u>
ACCUMULATED SURPLUS	<u>\$1,682,516</u>	<u>\$1,409,921</u>	<u>\$1,739,034</u>	<u>\$314,377</u>
ACCUMULATED SURPLUS IS COMPRISED OF:				
Operating Funds (Schedules B and D)	\$1,682,516	\$1,409,921	\$1,739,034	\$314,377
Capital Funds (Schedules B and E)	-	-	-	-
Reserve Funds (Schedules B and F)	-	-	-	-
	<u>\$1,682,516</u>	<u>\$1,409,921</u>	<u>\$1,739,034</u>	<u>\$314,377</u>

Schedule A

Capital Funds	Reserve Funds	Library Operations Consolidated	Other Consolidated Adjustments	Consolidated 2013	Consolidated 2012
-	\$2,838,462	\$137,633	(\$73,571)	\$12,460,440	\$13,221,668
-	-	5,580	-	791,529	1,079,671
-	-	-	-	37,281	35,542
\$27,108	-	-	-	27,108	32,109
2,776,206	-	-	(6,166,993)	-	-
-	-	-	-	1	1
2,803,314	2,838,462	143,213	(6,240,564)	13,316,359	14,368,991
-	-	21,054	-	1,974,769	1,574,620
-	-	-	(6,166,993)	-	-
-	-	-	-	37,281	35,542
-	-	-	-	777,346	886,321
-	72,653	-	(73,571)	-	-
35,537	-	-	-	35,537	47,037
1,913,988	-	-	-	1,913,988	2,068,379
1,949,525	72,653	21,054	(6,240,564)	4,738,921	4,611,899
853,789	2,765,809	122,159	-	8,577,438	9,757,092
52,194,864	-	-	-	52,194,864	51,283,939
-	-	-	-	310,167	304,890
52,194,864	-	-	-	52,505,031	51,588,829
\$53,048,653	\$2,765,809	\$122,159	-	\$61,082,469	\$61,345,921
-	-	\$122,159	-	\$5,268,007	\$6,305,060
\$53,048,653	-	-	-	53,048,653	52,310,423
-	\$2,765,809	-	-	2,765,809	2,730,438
\$53,048,653	\$2,765,809	\$122,159	-	\$61,082,469	\$61,345,921

Town of Smithers
Statement of Operations - by Fund
For the Year Ended December 31, 2013

Schedule B

	General Operating Fund	Utility Operating Fund	Airport Operating Funds	RCMP Operating Funds
REVENUE (Schedule C)				
Property Taxation and Grants in Lieu (Schedule I)	\$4,049,912	\$6,814	-	\$1,464,474
Government Transfers/Grants (Schedule J)	824,697	-	13,366	57,683
Service Charges/User Fees (Schedule K)	1,162,913	1,212,529	\$1,615,362	18,385
Investments/Actuarial Adjustments	130,702	-	5,000	-
Net Gain on Disposal of Tangible Capital Assets	-	-	-	-
Other Revenue	-	-	-	-
	<u>6,168,224</u>	<u>1,219,343</u>	<u>1,633,728</u>	<u>1,540,542</u>
EXPENSES (Schedule C)				
General Government Services	1,370,648	-	-	-
Protective Services	744,919	-	-	1,628,007
Transportation and Transit Services	1,374,146	-	-	-
Solid Waste Management/Recycling Services	217,620	-	-	-
Public Health/Cemetery Services	55,478	-	-	-
Development Services/Economic Development/Tourism	844,424	-	-	-
Recreation and Cultural Services	1,408,314	-	-	-
Utility Services (Water, Sewer, Stormsewer)	-	938,304	-	-
Airport Services	-	-	1,258,633	-
Net Loss on Disposal of Tangible Capital Assets	-	-	-	-
	<u>6,015,549</u>	<u>938,304</u>	<u>1,258,633</u>	<u>1,628,007</u>
ANNUAL SURPLUS (DEFICIT)	<u>152,675</u>	<u>281,039</u>	<u>375,095</u>	<u>(87,465)</u>
OTHER EXPENSES				
Less: Annual Principal Payments (Debt and Capital Lease)	75,200	41,752	11,500	-
	<u>75,200</u>	<u>41,752</u>	<u>11,500</u>	<u>-</u>
INTERFUND TRANSFERS				
Transfer (to) From Capital Funds	(180,221)	(928,433)	(353,341)	-
Transfer (to) From Operating funds	-	-	-	-
Transfer (to) From Reserve Funds	(34,000)	-	(134,813)	-
	<u>(214,221)</u>	<u>(928,433)</u>	<u>(488,154)</u>	<u>-</u>
Change in Accumulated Surplus Balances	<u>(136,746)</u>	<u>(689,146)</u>	<u>(124,559)</u>	<u>(87,465)</u>
Accumulated Surplus Balances, beginning of year	<u>1,819,262</u>	<u>2,099,067</u>	<u>1,863,593</u>	<u>401,842</u>
Accumulated Surplus Balances, end of year	<u>\$1,682,516</u>	<u>\$1,409,921</u>	<u>\$1,739,034</u>	<u>\$314,377</u>

Schedule B

Total Operating Funds	Capital Funds	Statutory Reserve Funds	Library Operations	Consolidated Adjustments	Consolidated 2013	Consolidated 2012
Schedule D	Schedule E	Schedule F				
\$5,521,200	-	\$199,954	-	-	\$5,721,154	\$5,600,223
895,746	\$461,746	-	\$321,763	(\$181,466)	1,497,789	1,944,170
4,009,189	5,018	47,500	15,792	(9,418)	4,068,081	3,928,815
135,702	62,798	26,522	2,553	-	227,575	200,973
-	20,850	303,622	-	(273,231)	51,241	-
-	502,240	295,861	8,791	(281,861)	525,031	42,201
10,561,837	1,052,652	873,459	348,899	(745,976)	12,090,871	11,716,382
1,370,648	110,164	-	-	(25,000)	1,455,812	1,369,605
2,372,926	141,798	-	-	(43,583)	2,471,141	2,191,925
1,374,146	659,750	-	-	(175,680)	1,858,216	1,933,771
217,620	11,171	-	-	-	228,791	239,318
55,478	1,788	-	-	-	57,266	54,895
844,424	14,744	-	-	-	859,168	801,385
1,408,314	268,363	-	348,036	(222,477)	1,802,236	1,696,588
938,304	512,432	-	-	-	1,450,736	1,461,215
1,258,633	918,329	-	-	(6,005)	2,170,957	2,139,997
-	273,231	-	-	(273,231)	-	50,040
9,840,493	2,911,770	-	348,036	(745,976)	12,354,323	11,938,739
721,344	(1,859,118)	873,459	863	-	(263,452)	(222,357)
128,452	(128,452)	-	-	-	-	-
128,452	(128,452)	-	-	-	-	-
(1,461,995)	1,461,995	-	-	-	-	-
-	-	-	-	-	-	-
(168,813)	1,006,901	(838,088)	-	-	-	-
(1,630,808)	2,468,896	(838,088)	-	-	-	-
(1,037,916)	738,230	35,371	863	-	(263,452)	(222,357)
6,183,764	52,310,423	2,730,438	121,296	-	61,345,921	61,568,278
\$5,145,848	\$53,048,653	\$2,765,809	\$122,159	-	\$61,082,469	\$61,345,921

Town of Smithers
Statement of Operations - by Segment
For the Year Ended December 31, 2013

Schedule C

	General Government	Protective Services incl RCMP	Transportation & Transit	Solid Waste Management/ Recycling	Public Health/ Cemetery
REVENUE					
Property Taxation	\$1,063,874	\$1,892,993	\$1,384,149	-	\$23,103
Service Charges/User Fees	85,789	79,597	91,110	\$281,253	27,677
Government Transfers/Grants	116,903	256,706	136,502	-	2,239
Investment Income	36,950	15,172	43,418	-	800
Net Gain Disposal of Capital Assets	-	-	-	-	-
Other Revenue	-	-	-	-	-
Total	1,303,516	2,244,468	1,655,179	281,253	53,819
EXPENSES					
Amortization expense	110,164	141,798	657,388	11,171	1,788
Goods and Services	425,779	1,678,542	488,422	97,101	17,803
Interest on Debt	-	-	75,897	-	-
Net Loss on Disposal of Capital Assets	-	-	-	-	-
Salaries, Wages and Benefits	919,869	650,801	636,509	120,519	37,675
Total	1,455,812	2,471,141	1,858,216	228,791	57,266
ANNUAL SURPLUS (DEFICIT)	(\$152,296)	(\$226,673)	(\$203,037)	\$52,462	(\$3,447)

Schedule C

Development Services/Econ Dev't/Tourism	Recreation & Culture incl Library	Airport	Utilities (Water/Sewer/ Storm)	Capital/ Reserve Funds	Total 2013	Total 2012
\$521,550	\$628,717	-	\$6,814	\$199,954	\$5,721,154	\$5,600,223
144,601	477,645	\$1,615,362	1,212,529	52,518	4,068,081	3,928,815
123,510	386,817	13,366	-	461,746	1,497,789	1,944,170
12,746	24,169	5,000	-	89,320	227,575	200,973
-	-	-	-	51,241	51,241	-
-	8,791	-	-	516,240	525,031	42,201
802,407	1,526,139	1,633,728	1,219,343	1,371,019	12,090,871	11,716,382
14,744	268,363	918,329	512,432	-	2,636,177	2,617,335
475,181	617,118	662,326	459,382	-	4,921,654	4,720,130
-	-	-	35,487	-	111,384	120,321
-	-	-	-	-	-	50,040
369,243	916,755	590,302	443,435	-	4,685,108	4,430,913
859,168	1,802,236	2,170,957	1,450,736	-	12,354,323	11,938,739
(\$56,761)	(\$276,097)	(\$537,229)	(\$231,393)	\$1,371,019	(\$263,452)	(\$222,357)

Town of Smithers
Statement of Changes in Operating Funds
For the Year Ended December 31, 2013

Schedule D

	General Operating Surplus	Appropriated General Operating Surplus				
		Recycling Operating Reserve	Emergency Services Operating Reserve	Economic Development Operating Reserve	Strategic Investment Funds Reserve	Greenhouse Gas Emission Reduction Reserve
<i>Transfers</i>						
Transfer to own Funds	(\$55,279)	-	-	(\$44,178)	(\$177,653)	(\$17,500)
Transfer from own Funds	142,819	-	-	-	-	-
Use of surplus to fund Tangible Capital Assets	-	-	-	-	-	-
Net Change in Operating Fund Balances	87,540	-	-	(44,178)	(177,653)	(17,500)
Operating Funds, beginning of year	1,172,080	338	35,985	95,141	418,186	17,500
Operating Funds, end of year	\$1,259,620	\$338	\$35,985	50,963	\$240,533	-

Schedule D

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 2013	Total 2012
	(\$294,610)	(\$70,425)	(\$69,715)	(\$144,172)	(\$578,922)	-	(\$578,922)	\$1,253,908
15,045	157,864	309,712	309,997	56,707	834,280	\$863	835,143	(245,942)
-	-	(928,433)	(364,841)	-	(1,293,274)	-	(1,293,274)	(416,050)
15,045	(136,746)	(689,146)	(124,559)	(87,465)	(1,037,916)	863	(1,037,053)	591,916
80,032	1,819,262	2,099,067	1,863,593	401,842	6,183,764	121,296	6,305,060	5,713,144
\$95,077	\$1,682,516	\$1,409,921	\$1,739,034	\$314,377	\$5,145,848	\$122,159	\$5,268,007	\$6,305,060

Town of Smithers
Statement of Changes in Capital Funds/Equity in Tangible Capital Assets
For the Year Ended December 31, 2013

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	-	-	-	\$260,208
Service Charges/User Fees	-	\$5,018	-	-
Investment Income	-	136	\$16,064	8,209
Other Revenue	2,458	-	-	-
Donated Value TCA	-	-	-	-
Disposal Proceeds on Tangible Capital Assets	-	-	-	-
	<u>2,458</u>	<u>5,154</u>	<u>16,064</u>	<u>268,417</u>
<i>Expenses</i>				
General Government Services	-	-	-	-
Protective Services	-	-	-	-
Transportation and Transit Services	-	-	-	-
Solid Waste Management/Recycling Services	-	-	-	-
Public Health/Cemetery Services	-	-	-	-
Development Services/Economic Development/Tourism	-	-	-	-
Recreation and Cultural Services	-	-	-	-
Utility Services (Water, Sewer, Stormsewer)	-	-	-	-
Airport Services	-	-	-	-
Net Loss on Disposal of Capital Assets	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Annual Surplus (Deficit)</i>	<u>2,458</u>	<u>5,154</u>	<u>16,064</u>	<u>268,417</u>
<i>Other Expenses</i>				
Debt Principal Payments	-	-	-	-
Tangible Capital Assets Acquired	-	-	-	-
Unused Debtenture Debt on South Trunk Stormsewer project	-	-	-	-
Proceeds from Issuance of Debt	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Interfund Transfers</i>				
Transfer to (from) own Funds	(\$14,873)	(3,233)	(437,382)	(145,811)
Transfer to (from) Equity	\$19,585	-	-	-
Transfer (to) from Operating Funds	-	-	-	-
Transfer (to) from Statutory Reserve Funds	-	-	-	-
	<u>4,712</u>	<u>(3,233)</u>	<u>(437,382)</u>	<u>(145,811)</u>
Change in Capital Fund Balances	7,170	1,921	(421,318)	122,606
Capital Funds, beginning of year	147,844	11,811	2,043,786	706,463
Capital Funds, end of year	<u>\$155,014</u>	<u>\$13,732</u>	<u>\$1,622,468</u>	<u>\$829,069</u>

Schedule E

Facilities Maintenance Capital Reserve	Tangible Capital Assets	Total Capital Funds	Equity in Tangible Capital Assets	Total 2013	Total 2012
-	\$201,538	\$461,746	-	\$461,746	\$372,836
-	-	5,018	-	5,018	4,112
\$950	-	25,359	\$37,439	62,798	59,120
25,000	314,798	342,256	-	342,256	62,538
-	159,984	159,984	-	159,984	-
-	20,850	20,850	-	20,850	1,000
25,950	697,170	1,015,213	37,439	1,052,652	499,606
-	-	-	110,164	110,164	109,440
-	-	-	141,798	141,798	124,445
-	2,362	2,362	657,388	659,750	649,729
-	-	-	11,171	11,171	17,074
-	-	-	1,788	1,788	1,626
-	-	-	14,744	14,744	11,564
-	-	-	268,363	268,363	232,527
-	-	-	512,432	512,432	556,438
-	-	-	918,329	918,329	914,492
-	-	-	273,231	273,231	166,940
-	2,362	2,362	2,909,408	2,911,770	2,784,275
25,950	694,808	1,012,851	(2,871,969)	(1,859,118)	(2,284,669)
-	-	-	128,452	128,452	124,041
-	(3,820,333)	(3,820,333)	3,820,333	-	-
-	-	-	(19,585)	(19,585)	-
-	-	-	-	-	-
-	(3,820,333)	(3,820,333)	3,929,200	108,867	124,041
(49,983)	651,282	-	-	-	-
-	(19,585)	-	19,585	19,585	-
-	1,461,995	1,461,995	-	1,461,995	608,286
-	1,006,901	1,006,901	-	1,006,901	801,905
(49,983)	3,100,593	2,468,896	19,585	2,488,481	1,410,191
(24,033)	(24,932)	(338,586)	1,076,816	738,230	(750,437)
119,998	111,999	3,141,901	49,168,522	52,310,423	53,060,860
\$95,965	\$87,067	\$2,803,315	\$50,245,338	\$53,048,653	\$52,310,423

Town of Smithers
Statement of Changes in Reserve Funds
For the Year Ended December 31, 2013

Schedule F

	Machinery and Equipment Replacement Reserve	Capital Works Land Sales Reserve	Parking Space Reserve	Recreation Facilities Reserve	Parkland Reserve	Infrastructure Reserve
	Bylaw #898	Bylaw #899	Bylaw #1292	Bylaw #1314	Bylaw #1330	Bylaw #1361
<i>Revenue</i>						
Property Taxation	-	-	-	-	-	\$199,954
Investment Income	\$9,599	\$9,703	\$2,379	\$106	\$337	28
Fees and Charges	-	-	47,500	-	-	-
Disposal Proceeds on Tangible Capital Assets	36,622	267,000	-	-	-	-
Other Revenue	219,263	-	-	31,593	-	-
	<u>265,484</u>	<u>276,703</u>	<u>49,879</u>	<u>31,699</u>	<u>337</u>	<u>199,982</u>
<i>Annual Surplus (Deficit)</i>	<u>265,484</u>	<u>276,703</u>	<u>49,879</u>	<u>31,699</u>	<u>337</u>	<u>199,982</u>
<i>Interfund Transfers</i>						
Transfer (to) from Operating Funds	-	-	-	-	-	-
Transfer (to) from Capital Funds	(388,068)	(110,548)	-	(60,959)	-	(400,000)
	<u>(388,068)</u>	<u>(110,548)</u>	<u>-</u>	<u>(60,959)</u>	<u>-</u>	<u>(400,000)</u>
Change in Statutory Reserve Fund Balances	(122,584)	166,155	49,879	(29,260)	337	(200,018)
Statutory Reserve Funds, beginning of year	1,092,063	813,802	190,390	39,995	33,665	202,876
Statutory Reserve Funds, end of year	<u>\$969,479</u>	<u>\$979,957</u>	<u>\$240,269</u>	<u>\$10,735</u>	<u>\$34,002</u>	<u>\$2,858</u>

Schedule F

Airport Machinery and Equipment Replacement Reserve	Local Area Service Fund	Forestry Reserve	Airport Infrastructure Reserve	Ambleside Subdivision Reserve	Greenhouse Gas Emission Reduction Reserve	Total 2013	Total 2012
Bylaw #1368	Bylaw #1389	Bylaw #1554	Bylaw #1672	Bylaw #1701	Bylaw #1751		
-	-	-	-	-	-	\$199,954	199,988
\$1,493	-	\$1,668	\$674	\$195	\$340	26,522	\$27,406
-	-	-	-	-	-	47,500	143,000
-	-	-	-	-	-	303,622	115,900
6,005	-	-	-	39,000	-	295,861	251,775
7,498	-	1,668	674	39,195	340	873,459	738,069
7,498	-	1,668	674	39,195	340	873,459	738,069
-	-	-	134,813	-	34,000	168,813	-
(47,326)	-	-	-	-	-	(1,006,901)	(801,905)
(47,326)	-	-	134,813	-	34,000	(838,088)	(801,905)
(39,828)	-	1,668	135,487	39,195	34,340	35,371	(63,836)
190,669	131	166,847	-	-	-	2,730,438	2,794,274
\$150,841	\$131	\$168,515	\$135,487	\$39,195	\$34,340	\$2,765,809	\$2,730,438

Town of Smithers
Schedule of Changes in Tangible Capital Assets and Accumulated Amortization
For the Year Ended December 31, 2013

Schedule G

	Land	Buildings	Machinery & Equipment	Engineered Structures	Utilities	Office Equip Computers	Work in Progress	2013 Total	2012 Total
TANGIBLE CAPITAL ASSETS - COST									
Opening 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
Add: Additions	13,483	284,699	509,901	813,691	1,106,123	3,052	929,390	3,660,349	2,116,739
Add: Donated Assets	6,700	92,812	12,000	48,472	-	-	-	159,984	-
Less: Disposals	(196,964)	-	(380,196)	-	-	-	-	(577,160)	(532,002)
Work-in-Progress Adjustments	-	1,511	-	3,287	1,060	-	(5,858)	-	-
Closing Balance	7,735,704	15,175,869	8,769,402	37,312,987	31,270,167	627,113	976,497	101,887,739	98,644,566
ACCUMULATED AMORTIZATION									
Opening Balance	-	7,474,337	5,592,315	17,190,903	16,653,314	449,758	-	47,360,627	45,108,355
Add: Amortization	-	510,197	463,564	1,041,384	570,909	50,123	-	2,636,177	2,617,335
Less: Acc. Amortization on Disposals	-	-	(303,929)	-	-	-	-	(303,929)	(365,063)
Closing Balance	-	7,984,534	5,751,950	18,232,287	17,224,223	499,881	-	49,692,875	47,360,627
Net Book Value for year ended December 31, 2013	\$7,735,704	\$7,191,335	\$3,037,452	\$19,080,700	\$14,045,944	\$127,232	\$976,497	\$52,194,864	
Net Book Value, year ended December 31, 2012	\$7,912,475	\$7,322,510	\$3,055,382	\$19,256,634	\$13,509,670	\$174,303	\$52,965		\$51,263,939

Town of Smithers
Schedule of Changes in Debt
 For the Year Ended December 31, 2013

Schedule H

	Town Bylaw #	MFA Issue #	Interest Rate	Maturity Date	Balance December 31 2012	Annual Principal Payments	Actuarial Adjustments *	Balance December 31 2013
GENERAL CAPITAL								
<i>Debentures:</i>								
Highway 16- 1st Instalment	#1402	#77	6.06%	June 2022	\$309,806	(\$15,121)	(\$9,510)	\$285,175
Highway 16- 2nd Instalment	#1427	#79	5.49%	June 2023	333,264	(15,121)	(8,337)	309,806
2002 LIP: 2nd Ave Sidewalk	#1428	#79	5.49%	June 2013	1,431	(923)	(508)	-
2002 LIP: 3rd Ave Sidewalk	#1429	#79	5.49%	June 2013	1,068	(689)	(379)	-
2002 LIP: 4th Ave Sidewalk	#1430	#79	5.49%	June 2013	1,190	(767)	(423)	-
2002 LIP: Main St Rear Lane	#1431	#79	5.49%	June 2013	933	(601)	(332)	-
2002 LIP: Frontage Roadwork	#1433	#79	5.49%	June 2013	7,760	(5,003)	(2,757)	-
2003 LIP: 3rd Ave Sidewalk	#1446	#81	4.86%	April 2014	3,562	(1,176)	(562)	1,824
Highway 16- 3rd Instalment	#1328	#81	4.86%	April 2024	355,605	(15,121)	(7,220)	333,264
2006 Downtown Main Street	#1467	#97	4.66%	April 2016	93,086	(17,325)	(4,597)	71,164
2008 LAS: 2nd Ave Sidewalk	#1548	#105	4.90%	June 2019	17,090	(1,923)	(240)	14,927
2009 LAS: 1st Ave Sidewalk	#1597	#110	4.50%	June 2020	14,255	(1,430)	(117)	12,708
2012 LAS: 4200 Block 2nd Ave	#1657	#124	3.15%	April 2033	147,639	-	-	147,639
					1,286,689	(75,200)	(34,982)	1,176,507
UTILITY CAPITAL								
2004 LIP: Railway Ave Sewer	#1443	#81	4.86%	April 2019	21,643	(1,799)	(859)	18,985
2011 South Trunk Storm Sewer	#1601	#116	4.20%	April 2026	760,047	(39,953)	(1,598)	718,496
					781,690	(41,752)	(2,457)	737,481
TOTAL					\$2,068,379	(\$116,952)	(\$37,439)	\$1,913,988

* 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.

Note: \$650,000 approved borrowing through the Second Sheet of Ice Loan Authorization Bylaw #1506,2006
 (through the Temporary Borrowing (Second Sheet of Ice Project) Bylaw #1630)
 will occur in 2014. The debenture proceeds of \$650,000 will be paid for over 20 years.

	General	Sewer	Storm	Total
2014	\$72,176	\$1,799	\$39,953	\$113,928
2015	71,000	1,799	39,953	112,752
2016	71,000	1,799	39,953	112,752
2017	53,675	1,799	39,953	95,427
2018	53,675	1,799	39,953	95,427
total	\$321,526	\$8,995	\$199,765	\$530,286

Town of Smithers
Schedule of Net Taxation and Grants in Lieu
For the Year Ended December 31, 2013

Schedule I

	2013	2013 Budget	2012
TOTAL MUNICIPAL TAXATION			
Real Property Taxes - Municipal	\$5,096,858	\$5,098,042	\$4,999,731
Penalties and Interest on Taxes	64,404	50,000	66,230
Local Improvement (Local Area Service) Taxes	21,711	24,769	15,142
1% Utility Taxes	155,628	156,027	150,736
Grants in Lieu of Taxes	243,428	229,500	246,226
	<u>5,582,029</u>	<u>5,558,338</u>	<u>5,478,065</u>
Plus: TAXES COLLECTED ON BEHALF OF OTHER TAXING AUTHORITIES	<u>4,255,503</u>	<u>4,422,490</u>	<u>4,318,586</u>
OTHER TAXES: 2% Hotel Taxes	<u>139,125</u>	<u>120,000</u>	<u>122,158</u>
Total Taxes Collected	<u>9,976,657</u>	<u>10,100,828</u>	<u>9,918,809</u>
Less: TAXES PAID TO OTHER TAXING AUTHORITIES			
Ministry of Finance (School Taxes)	(2,442,786)	(2,505,000)	(2,427,942)
Bulkley Nechako Regional District	(1,186,502)	(1,250,000)	(1,235,992)
Regional Hospital District	(565,029)	(606,320)	(594,433)
BC Assessment	(61,014)	(61,000)	(60,050)
Municipal Finance Authority	(172)	(170)	(169)
	<u>(4,255,503)</u>	<u>(4,422,490)</u>	<u>(4,318,586)</u>
TOTAL	<u>\$5,721,154</u>	<u>\$5,678,338</u>	<u>\$5,600,223</u>

Town of Smithers
Schedule of Government Transfers/Grant Revenue
For the Year Ended December 31, 2013

Schedule J

	2013	2013 Budget	2012
<i>Provincial</i>			
Building Canada Infrastructure Funds	\$5,967	\$44,414	\$112,530
Carbon Tax Rebate	18,416	15,000	15,623
Childcare Operating Funds	3,341	4,500	4,162
Community Recreation	104,000	650,000	-
Family Day Grant	2,166	-	-
Highway 16 Improvement Funds	10,000	10,000	10,000
Library Operating	26,592	26,500	26,592
Miscellaneous	-	-	22,000
Planning Grants	-	-	10,000
Strategic Investment Funds/Small Community	347,347	347,347	743,185
Traffic Fines Revenue Sharing	57,683	57,950	118,101
<i>Federal</i>			
Airport Capital Assistance Program	-	734,239	-
Canada Day Grant	900	600	1,500
CIIF	-	225,000	-
Student Employment Program	-	1,500	2,052
FCM Green Municipal	-	-	23,706
<i>Regional District</i>			
Rural Fire Protection Cost Sharing	153,565	149,000	149,634
Emergency Services Contribution	3,000	3,000	3,000
Transit Service Contribution	5,000	5,000	5,000
Rural Recreation and Culture Cost Sharing	230,540	230,236	227,188
Regional District Contribution to Pool Heat Recovery Project	-	350,000	-
<i>UBCM</i>			
Age Friendly Grant	-	-	14,095
Community to Community Forum	853	1,300	-
Gas Tax Funds	260,208	260,306	260,306
<i>Other</i>			
Affordable Recreation/Jump Start	12,394	10,000	8,658
Bulkley Valley Credit Union	15,800	10,000	-
CN EcoConexions	11,571	10,000	-
MIA Risk Management Grant	5,537	4,250	5,196
Miscellaneous Other	57,909	80,244	125,037
Northern Trust Development Initiative Econ Devt Funding	104,616	332,500	41,605
Northern Health	15,384	20,000	-
Wetzink'wa Community Forest Corporation	45,000	45,000	15,000
TOTAL	\$1,497,789	\$3,627,886	\$1,944,170

Town of Smithers
Schedule of Service Charges/User Fees
For the Year Ended December 31, 2013

Schedule K

	2013	2013 Budget	2012
<i>General Fund</i>			
General Government Fees and Charges	\$183,318	\$192,350	\$201,460
Protective Services Fees and Charges	45,428	74,250	60,662
Transportation/Transit Fees and Charges	45,942	48,886	43,773
Solid Waste Management Fees and Charges	281,254	294,472	280,929
Cemetery/Public Health Fees and Charges	26,845	21,000	18,738
Development Services/Tourism/Econ Devt Fees	131,341	121,800	127,060
Recreation & Culture Fees and Charges	439,368	433,730	424,532
<i>Utility Fund</i>			
Water Services Fees and Charges	564,654	563,679	557,818
Sewer Services Fees and Charges	647,874	638,655	632,214
<i>RCMP Fund</i>			
RCMP Fees and Charges	18,385	19,000	19,465
<i>Airport Fund</i>			
Airport Fees and Charges	1,615,362	1,336,163	1,399,446
<i>Capital Fund</i>			
Cemetery Capital Development Reserve Fees	5,018	4,000	4,112
<i>Statutory Reserve Fund</i>			
Parking In Lieu Fees	47,500	-	143,000
<i>Library</i>			
Library Fees and Charges	15,792	14,700	15,606
TOTAL	\$4,068,081	\$3,762,685	\$3,928,815

Town of Smithers
Schedule of Consolidated Expenditures by Object
For the Year Ended December 31, 2013

Schedule L

	2013	2013 Budget	2012
TYPES OF EXPENDITURES			
Advertising and Promotion	\$40,023	\$44,381	\$34,795
Amortization	2,636,177	2,600,000	2,617,335
Contracted Services	1,302,184	1,263,395	1,267,523
Grants to Organization/Fee Waivers	209,744	213,419	214,908
Hydro	342,952	345,186	328,721
Insurance	165,443	177,180	164,004
Interest on Debt	111,384	122,146	120,321
Materials and Supplies	803,288	917,832	799,066
Miscellaneous	109,299	104,039	102,332
Natural Gas	74,951	95,000	95,565
Net Loss on Disposal of Capital Assets	-	-	50,040
RCMP Contract	1,344,540	1,396,403	1,105,718
Special Operating Projects	265,884	312,859	214,138
Telephone	101,716	98,275	87,927
Travel, Training, Memberships	161,630	187,409	163,927
Wages and Employee Benefits/Council stipends	4,685,108	4,832,653	4,572,419
TOTAL	\$12,354,323	\$12,710,177	\$11,938,739

Town of Smithers**Schedule of Fund Position for the Cemetery and Columbarium Trust Fund***For the Year Ended December 31, 2013***Schedule M**

	2013	2012
FINANCIAL ASSETS		
Cash and Investments	\$72,653	\$70,775
NET FINANCIAL ASSETS	<u>\$72,653</u>	<u>\$70,775</u>
FINANCIAL POSITION		
Fund Balance, beginning of year	\$70,775	\$68,277
Contributions	1,878	2,498
Fund Balance, end of year	<u>\$72,653</u>	<u>\$70,775</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.



Mayor Bachrach and
Smithers Volunteer
Firefighter Dale Chartrand
Smithers Fall Fair Parade,
August 2013

2013 Smithers Town Council

Back row:
Councillor Phil Brienesse,
Councillor Frank Wray, and
Councillor Mark Bandstra

Front row:
Mayor Taylor Bachrach,
Councillor Bill Goodacre,
Councillor Norm Adomeit, and
Councillor Charlie Northrup

December 2013

