

ANNUAL REPORT

2016



FAREWELL TO FORMER SMITHERS MAYOR AND FREEMAN GORDON WILLIAMS SR.

April 11 , 1920 - November 23, 2016

Gordon Williams Sr. served as Village Commissioner from 1951 to 1966, as Alderman in 1967, and as the Mayor from 1974 to 1975. Gordon was awarded the Freedom of the Municipality in recognition of his many contributions.

On July 23, 2016, the park land at the corner of Main Street and Highway 16 was renamed the “Gordon L. Williams Rotary Park” in honour of his many contributions to the community. He was a founding member of the Smithers Rotary Club and a member for over 60 years.



Photo Left: Mayor Williams 1974; Photo Top Right: Mayor Bachrach and Former Mayor Williams at the “Gordon L. Williams Rotary Park” dedication, July 23, 2016; Photo Bottom Right: Former Mayor Williams in the 2016 Smithers Fall Fair Parade.

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2016 Summary

Looking back on 2016, there are a few significant accomplishments that deserve mention.

We have long heard that the Town's parking regulations pose challenges for business development. Based on a recommendation from the Small Business Task Force, Town Council decided to remove most of the requirements for off-street parking in our downtown core. These significant policy changes will support small business, keep our Main Street vibrant and contribute to a dense, walkable downtown core.

In April, Smithers and Telkwa played host to the Minerals North conference – an annual event that draws companies, community leaders and First Nations from across the North to discuss the minerals industry. The event was a tremendous success and we heard many positive comments about our communities' hospitality.

The airport terminal modernization remains the largest capital project in our community's history, and will keep us busy for the next several years. We were pleased to secure the services of Moore Wilson Architects based in Victoria, who have worked closely with our project team to create an excellent building design. This includes substantial reductions in greenhouse gas emissions via a high performance building envelope and a geo-exchange field for heating and cooling. We are excited to break ground in 2017.

After many years of advocacy by community leaders, 2016 saw solid progress towards expanding public transit between Highway 16 communities. Municipalities, regional districts and First Nations have worked hard to create what is one of the more complex collaborative initiatives we have undertaken in our region. I'm hopeful it will create a lasting legacy of safe, affordable transportation for those in our communities who need it most.

Sadly, 2016 saw the passing of former Smithers mayor, entrepreneur and community champion Gordon Williams Sr. He served as Village Commissioner from 1951 to 1966, as Alderman in 1967, and as the Mayor from 1974 to 1975. Gordon was awarded the Freedom of the Municipality in recognition of his many contributions. I always appreciated his stories and generosity of spirit. He will be greatly missed.

Taylor Bachrach
Mayor

COUNCIL STRATEGIC PRIORITIES

	STRATEGIC PRIORITY	FUNDING	PROJECT STATUS & 2016 ACTIONS
	Capital Infrastructure		
1	Expand our airport terminal	\$6M total budget *\$4M Federal grant *\$2M long term loan	Floorplan selected Geotechnical assessment completed Hazard materials environmental study completed Building environmental study report completed New cost estimates completed Geo-exchange bore hole completed Geo-exchange conductivity testing completed Conceptual drawings completed Constructability assessment complete Concept and revised budget approved
2	Redevelop the Chandler Park fields	\$359K total budget	New aeration and top-dressing equipment purchased; new maintenance program established; Field 1 maintenance completed; irrigation system for Fields 2 & 3 installed; Field 2 rolled sports turf completed; and Field 3 completion to be considered in 2017.
3	Enhance public space at Bovill Square	\$5K from operational budget	Graded lot beside square for vendors Built pathway through landscaping Installed seasonal accessible portapoti Complete
	Plans and Task Forces		
4	Implement asset management planning	\$100K *\$100K Federal grant *\$10K Provincial grant	Federal grant application unsuccessful Provincial grant application successful
5	Create a Central Park/Arts & Culture Centre Plan	\$40K from taxation	RFP open
6	Create an affordable housing plan and implementation strategy		Land held for housing project Partnered with SCSA on funding application for affordable housing units
7	Develop an Active Transportation Plan	Unfunded	
8	Create a small business task force		Task force assembled and meetings held Recommendations developed and considered by COW
	Other projects and initiatives		
9	Complete a shared history research project in partnership with the Wet'suwet'en	\$7500 C2C * 50% grant plus Town in-kind \$24,804 Shared Histories * Plus Town in-kind	Research has been conducted Material to be compiled Summary document to be produced and presented to community
10	Participate in development & implementation of a Regional Transit System	\$36,000 from taxes	Worked with provincial, BC Transit & other community staff on design and funding of the service Assisted in creating a transit committee for the Highway 16 service
11	Facilitate mixed-use downtown development	Unfunded	
12	Reduce GHG emissions	LED lights - \$115K from taxes, with \$27K BC Hydro rebate Ice resurfacer - \$178K from taxes Solar project - \$50K *\$17K grant	Replaced 257 street lights with LED Purchased ice resurfacer emitting 7Tonnes less e-CO2 than previous machine Replaced library heat pump with more efficient model Performed two energy modelling studies on FD Storage Building Seeking further grants for Solar PV Project on Town Hall roof
13	Implement community well being indicators	Funded through Northern Health P4HC grant	Report card completed Public presentation completed
14	Pursue innovative joint governance/ financing partnership opportunities between the town of Smithers and rural residents	Unfunded	Victim Services RDBN, Telkwa and Town shared funding
15	Continually improve citizen engagement	\$4K annual budget	Ongoing



Photo Above: Council meeting with District of Houston Council in Houston, January 14th.

Photo Below: Council meeting with District of New Hazelton and Village of Hazelton Councils in Hazelton, February 17th.





Photo Above: Shogun Dojo certificate presentation by Council, February 23rd.

Photo Below: Council's mid-term "Town Hall Pop-up", November 4th.





Photo Above: Mayor Bachrach, CAO Yanciw, Councillor Browne, Councillor Brienesse



Photo Above: Councillor Atrill, Mayor Bachrach and Councillor Brienesse at NCLGA



Photo Above: CAO Yanciw, Mayor Bachrach, and Councillor Atrill at FCM in Winnipeg, June 6th



Photo Above: Councillor Briennesse, Councillor Atrill, and Mayor Bachrach at UBCM in Victoria, September 26th

Tues, June **21** Juin



National Aboriginal Day!

Journée nationale
des Autochtones

**Bovill Square,
Smithers**

12pm - 4pm

Come celebrate the unique heritage, diverse cultures and outstanding achievements of First Nations, Inuit and Métis peoples in Smithers and across Canada.

Venez célébrer le patrimoine unique, la diversité culturelle et les réalisations remarquables des Premières Nations, des Inuit et des Métis au Smithers et Canada.

Plus, at the Library:

Indigenous Reading Month throughout June. Wet'suwet'en Language Workshop. Visit smithers.bc.libraries.coop for all the details!



Opening with Elder Mabel Forsythe, Mayor Taylor Bachrach and MLA Doug Donaldson



**'Ewk Hiyah Hozdli
Dance Group**

Joanne Peters Memorial Soap
Berry Whipping Contest



**Bannock King and
Queen Contest**



**Fred George Memorial
Moose Calling Contest**

Children's activities stations including coloring, face painting, storytelling



Hotdogs and hamburgers

Live music!

Smithers | Mayor's Message





Photo Above: Kelsey Abraham dancing at the 22nd annual Ramona Wilson Walk, June 11th

Photo Below: 22nd annual Ramona Wilson Walk, June 11th





Photo Above: *Return of the Salmon* Moricetown Canyon Opening Ceremony, July 22nd

Photo Below: *Shared Histories Project* with the Moricetown Elders, May 18th





Photo Above: Grand Opening of the new Fairgrounds Washroom, August 24th
Mayor Bachrach and Councillor Atrill with members of Access Smithers, Staff, and the Contractor.

Photo Below: Telkwa Mayor Darcy Repen, Deb Chatfield's Retirement after 17 years at the Northern Society For Domestic Peace's Victims Services, and Smithers Mayor Bachrach, June 20th.





Photo Above: Smithers Transit 25th Anniversary, May 15th

Photo Below: Old Church 10th Restoration Anniversary, August 20th





Photo: Mayor Bachrach & Youth Now members, Feb 29 th



Photo: Mayor Bachrach & Smithers Secondary School Rugby Team, June 27th

Photo:
Mayor Bachrach &
Sea Cadets of 204
Babine, May 14th



Photo: Mayor
Bachrach & Bradley
Wickson, SSS Grad
bursary winner, at
the Council of Forest
Industries and now
UNBC student,
September 22nd.



Photo: Mayor Bachrach welcomes Saied, Eviet, Gessika, Jolie & Yousef to Smithers, Feb 8th



Photo: Mayor Bachrach & Opening the World Group from San Raphael, California, June 17th.



Photo: Smithers Legion Mural Dedication Ceremony, November 5th.



Photo: Highway 16 Action Plan meeting, October 26th.



Photo: Tri-River Metis Association commemoration of Louis Riel Day, November 16th.



Photo: Bulkley Valley Foundation 25 years Celebrations, October 22nd.



Photo: Jeannie Cramer - Sovereign's Medal for Volunteers presentation, November 4th.

Welcome Athletes!

BC Hockey Bantam Championships
March 12-16

National Ski Cross Championships
March 15-19



Photo Above: Mayor Bachrach with the Smithers Bantam Storm Hockey Team at the Tier 3 Hockey Provincials hosted in Smithers, March 13th



Photo Above: At the National Ski Cross Championships, Mayor Bachrach with Nor-Am skiers Tania Prymak from New York, Lauren Salko from Park City, Utah, and Canadian Olympic gold medalist Marielle Thompson from Whistler, March 17th.



Photo: Small Business Task Force meeting, March 7th



Photo: New Sign Bylaw discussions with Council and local business owners, March 15th

Photo: Presentation by Mike Brauer regarding Air Quality, November 21st



Photo: Age Friendly Smithers Assessment presented by Access Smithers, October 13th



Photo: Advisory Planning Commission meeting, presentation by Gwill Symons, Cornerstone Architect, proposed 19 unit housing project, October 27th



Photo: Proposed Skateboard Park Expansion at Heritage Park, October 14th



Photos: Alex Cuba; Terry O'Reilly, CBC; and Nathan Cullen, MP Skeena-Bulkley Valley, at the Smithers-Telkwa Minerals North Conference, May 21st



Photo Above: Mayor Bachrach meeting with the Agricultural Land Commission, Chair Frank Leonard and team, May 25th

Photo Below: Air Canada meeting with Telkwa Mayor Darcy Repen, Smithers Mayor Bachrach, Director Mark Fisher, Regional District of Bulkley Nechako, Rural Area A, and Rob Blackburn, Smithers Airport Manager, June 9th.





Photo Above: Northern Mayors Summit in Prince George, September 9th

Photo Below: Mayor Bachrach in the Smithers Fall Fair Parade on Main Street, August 24th





Photo: Councillor Goodacre, Councillor Briennesse, Councillor Browne, Councillor Wray, Mayor Bachrach, Councillor Brown and Deputy Mayor Atrill.

2016 Summary

There is a “pinch me” quality to living in Smithers. The mountains, the community, the diversity, the opportunity – I have felt lucky to be here since starting with the Town of Smithers in January 2016.

It was a busy first year! While the following Annual Report provides information on what that year included, I would like to highlight two accomplishments: building relationships within and outside of our organization, and finding low cost means to enhance the strength of our organization to deliver the highest quality of service to our citizens.

We began by holding quarterly staff meetings with the Office of the Wet’suwet’en. Council, meanwhile, met with the Houston, District of Hazelton, and New Hazelton Councils to learn more about our neighbours and to discuss mutual opportunities and concerns. Both series of meetings have highlighted how much more we have in common than not.

And on the theme of building relationships, we have established a respectful, constructive relationship with CUPE Local 1570 for a positive, productive workplace.

We were fortunate to be able to bring a leading municipal lawyer to town to deliver a legal seminar, a seminar to which other local governments in the area were invited. This also provided an opportunity to build relationships with those governments as well as deliver some economic benefit to Smithers.

If you haven’t yet had a chance to check out the Climate Change presentation by Dr. Mel Reasoner we were able to host in fall, it can be found on the Town’s website, the result of another opportunity to bring in expertise to inform plans for the future.

And finally, a presentation on best practices in procurement was delivered by the Northern Regional Construction Association to align Town practices with legislation and reduce risks in procurement.

These strength building strategies have positioned the Town to continue to deliver high quality services to citizens and be prepared for changes in an increasingly fast paced world, a pace you may see reflected in the accomplishments of 2016 summarized in this report.

But first, take a moment to smell that spring mountain air. It’s a part of why we all live here, and what inspires us to be our best.

Anne Yanciw
Chief Administrative Officer

Smithers Community Profile

Smithers has a population of 5,401, as per 2016 Statistics Canada, with another 6,722 people in the surrounding area. Smithers offers a greater variety of amenities and services than other towns similar to its size because of the central location and excellent transportation options. Highway 16, the Smithers Regional Airport, Canadian National Rail, VIA Rail, bus lines and close proximity to the Port of Prince Rupert keep Smithers globally connected.

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

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

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

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

Smithers 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.

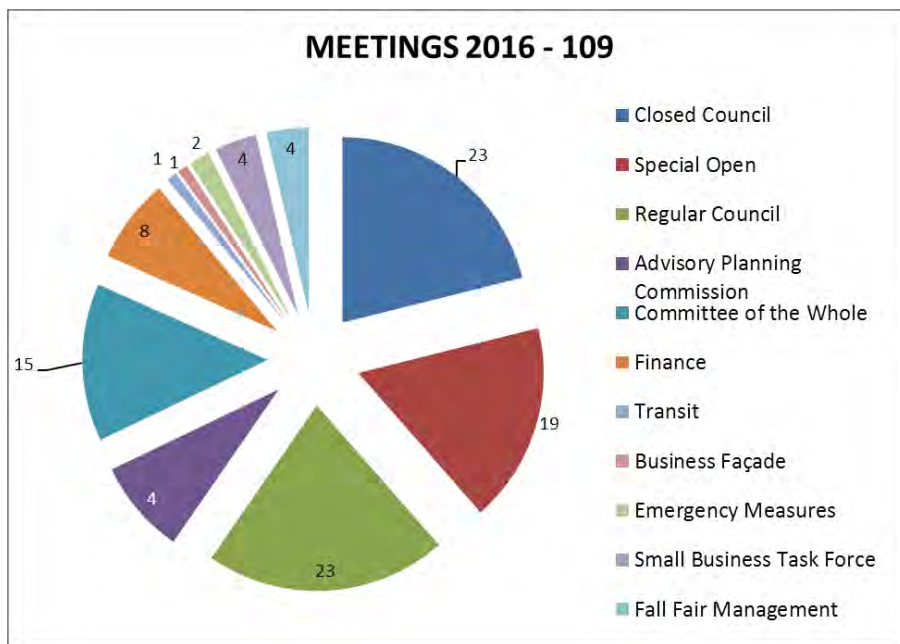
The information contained in this year's Annual Report depicts the comprehensive progress report for the year 2016 and includes objectives for 2017.

2016 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.

In 2016, Corporate Services continued to provide valuable support to other Town functions, as well as ensuring that all critical and permanent Town documents such as Bylaws, Council and Committee Agendas and Minutes are maintained according to legislation. A grant writer was hired for a three month period to take advantage of multiple grant opportunities resulting in successful funding applications to the Rural Dividend Fund, BC Air Access Fund, the Clean Water Waste Water Fund and more.

2016 was an active year for the Corporate Services Department as is evidenced in the 109 formal meetings held in the year.



Corporate Services also continued to manage and negotiate new and existing Leases, Contracts and Agreements.

In 2017, Corporate Services is committed to strengthening the workplace. Human Resources programs such as the Employee Performance Reviews, Service Recognition, New Employee Orientation, Occupational Health & Safety and Bullying and Harassment Awareness in the Workplace Training will continue to prove their value in achieving a culture of trust, transparency and consistency.

2016 Summary

Since the 2009 transfer from Transport Canada, the Smithers Regional Airport is a wholly owned entity of the Town of Smithers. 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.

2016 Summary of Major Objectives and Results

Strategic Growth

- Awarded the architectural and engineering design of the new Terminal Modernization Project to Moore Wilson Architect Inc.
- The airport received a \$4 million Federal Gas Tax Grant towards airport terminal improvements and expansion. The Town applied for further grant funding from the Regional District of Bulkley Nechako and the BC Air Access Program.
- A conceptual design was agreed upon with the total costs being \$8,170,000.
- The Airport entered into an agreement with Executive Flight Centre Developments to market airport properties.
- Worked towards improving landing limits.

Infrastructure Enhancements

- Tendered out the water study to determine best options for water upgrades.
- Paved and completed the service roads in and out of the new equipment storage building.
- New runway approaches were designed, tested and submitted to NAV Canada.
- Conducted a brushing program to improve and maintain clearways for approaching and departing aircraft.

Operations

- Trained new employees on the airport safety, security, legislation, regulation, policies and procedures.

Safety

- Ongoing Safety Management System/Quality Control Quality Assurance development
- Conducted internal audits and continued staff training and involvement
- Worked with the Airport Security Committee to conduct “Discussion Based Exercises” (formally known as a table top)

2017 Major Projects and Strategies

Strategic Growth

- Continue to work on the Terminal Modernization Project.

Infrastructure Enhancements

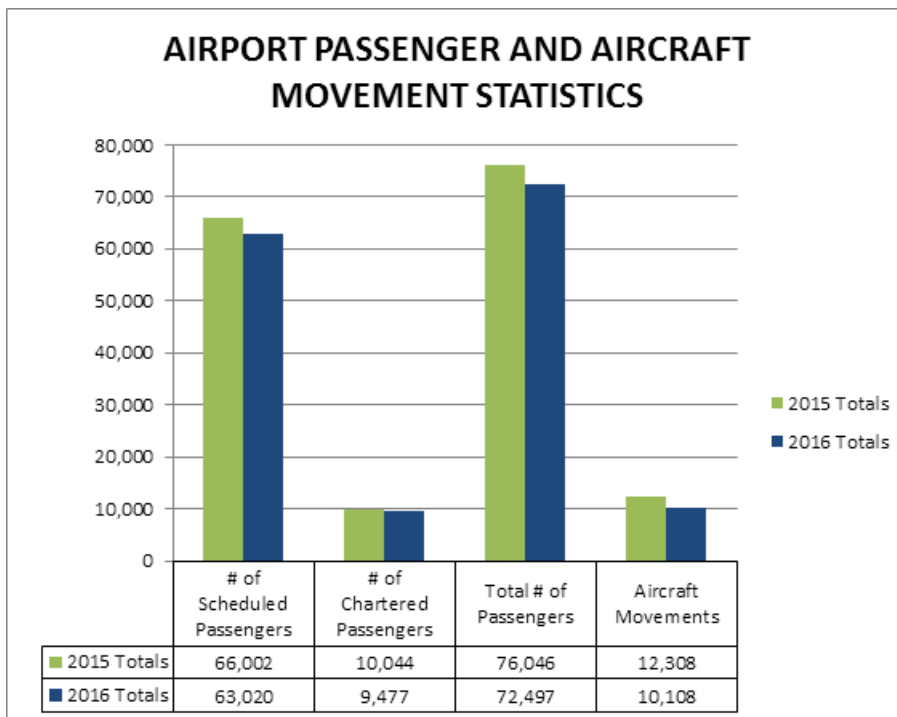
- Install new Airport signage with the Airport branding.
- Paving program
- Replacement of the Ventrac Tractor and the Gate Controller.

Operations

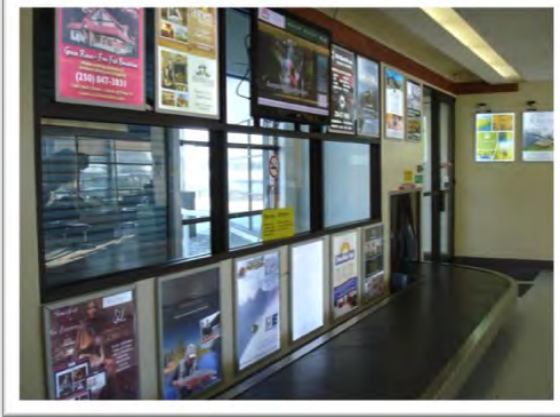
- Creation of new Project Manager position to help manage construction of the new terminal.

Safety

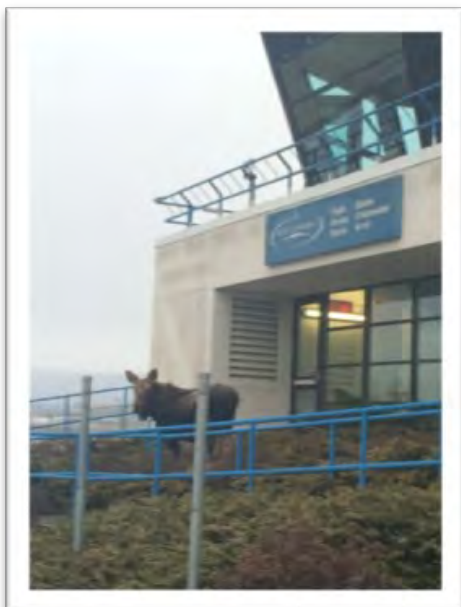
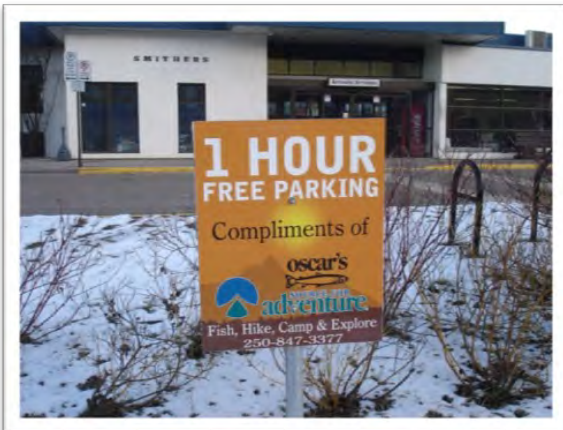
- 2017 All Agencies Emergency Live Exercise.
- Conduct a Safety Management System/Aerodrome Transport Canada inspection.
- Ongoing Safety Management System/Quality Control Quality Assurance development.
- Internal audits and continued Staff training and involvement.
- Working with the Airport Security Committee to conduct “Discussion Based Exercises”.



Smithers Smithers Regional Airport



Photos: Advertising Opportunities at YYD.



Photos: March 5th
– Special visitor at the NAV Canada Flight Services Tower at YYD (photo credit: NAV Canada).

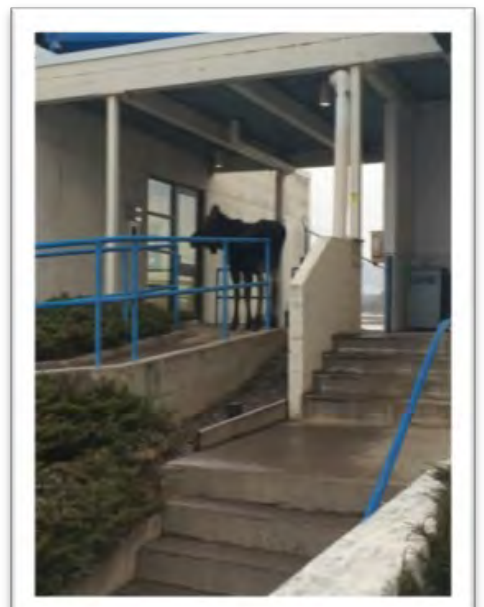




Photo Above: The Sicard snow blower sprays snow 100 feet from the edge of the Airport's apron to allow aircraft to safely manoeuvre to load/unload passengers and freight.

Photo Below: Runway clearing.



2016 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; cemetery; garbage/residential curbside recycling collection; public works yard; municipal vehicle fleet, municipal buildings, recreation, parks and trail systems, and the two arenas.

In addition to required communications around holiday garbage/residential curbside recycling pickup schedules, spring clean-up week, garbage cart sales/delivery, residential curbside recycling cart delivery, snow clearing, water main flushing etc., 2016 saw over 324 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 new Utilities Truck, and electric ice resurfacer.

2016 Summary of Major Objectives and Results

Fleet Replacement

- Replaced a 4x4 Pickup with Unit 80 for the Utilities Truck.
- Replaced the electric ice resurfacer.

Infrastructure Enhancements

- Heritage Park Rugby Field Completion
- Increased the number of camp sites at Municipal Campground
- Implemented MaxGalaxy Campground Reservation modules.
- 2016 was the largest year for revenue at Riverside Municipal Campground and RV Park, \$77,496

Recreation

- Transitioned from a Director of Recreation, Parks and Culture to Recreation Coordinator.
- Host community for the Provincial Bantam Hockey Championship, Minerals North and Canadian Ski Cross Championships.
- Organized the annual Spirit of the Mountains Festival.
- Created a "Recreation Smithers" Facebook page.
- As a Jumpstart Community Partner, the Town of Smithers administered 120 grants to kids of low-income families, so the children could participate in physical activity resulting in \$12,396 distributed to local sports organizations.
- Final Ranger Park Preschool program ended in June. Council decision was made not to continue with the program and to lease out portion of the building.
- Approved 35 Bovill Square events and 13 Routine Events.

2017 Projects and Strategies

Fleet Replacement

- Replacement of a loader mounted angle blade for snow clearing.

Infrastructure Enhancements

- Tree replacement on Main Street.

Recreation

- Review of the “Arena Ice Allocation Policy”.
- Begin work on updating the “Parks and Recreation Master Plan”.
- Establish new program partnerships.
- Provide support to existing users groups and encourage establishment of new service providers.
- Encourage the formation of new users groups.
- Promote concept of physical literacy and its incorporation into new and existing programs.

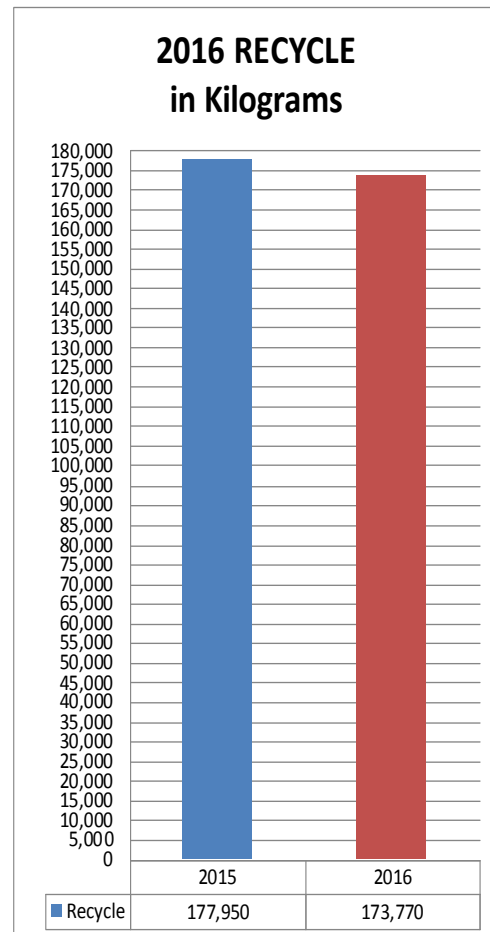
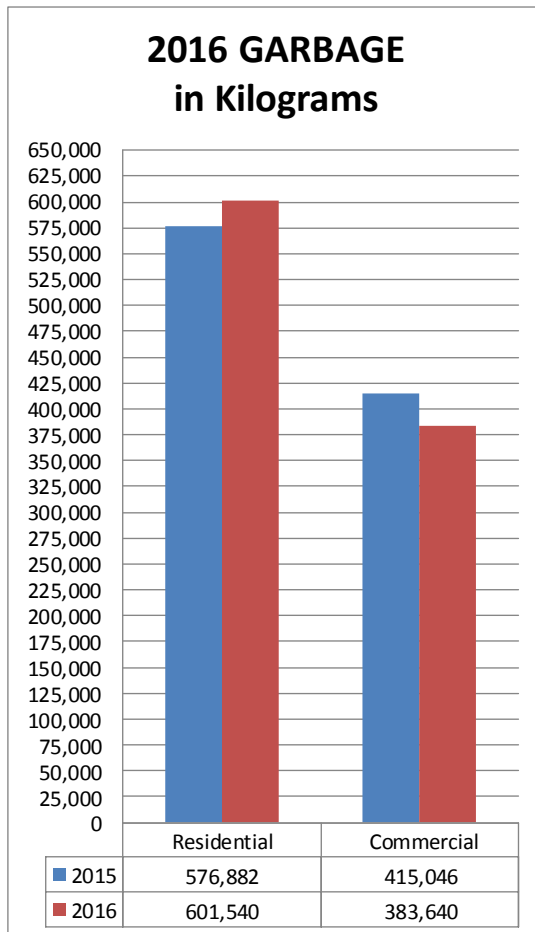




Photo: New Unit 80
Utilities Truck



Photo: New
Olympia Icebear
Ice Resurfacer

Photo: Snow clearing along Main Street, December 19th



Photo: Flower bed at Veteran's Peace Park



Photo: Canada Day Celebrations at Bovill Square, July 1st



Photo: Skyhi outdoor movie night at Bovill Square - *Princess Bride*, May 1st

Photo: Veteran's Peace Park on Remembrance Day, November 11th



Photo: Lawn Chair Lounge at Bovill Square, July 15th

2016 Summary

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

Several key infrastructure projects were completed in 2016, including the Fall Fair Washrooms, added a heat pump to the Smithers Public Library furnace, and Chandler Park Field Upgrades.

2016 Summary of Major Objectives and Results

Planning

- Completed the Community to Community Forum: Town of Smithers and the Office of the Wet'suwet'en "*Shared History Project*"
- Completed Age-Friendly Assessment and Action Plan in partnership with Access Smithers.
- Completed the Community Vitality Report Card and held a Public Community Forum.
- Presented the Small Business Task Force recommendations to Council.
- Amended downtown off-street parking requirements in the Zoning Bylaw.
- Completed the Sign Bylaw review process.
- Amended the Subdivision Servicing and Development Standards Bylaw.

Building Inspection

- 80 building permits issued with 12 new single family homes started and 1 multi-family development project started
- Total construction value of \$11,123,978, with the majority from commercial permits at \$6,638,790, single family residential permits at \$3,783,172, and industrial and institutional permits at \$700,000.
- Continued development and implementation of the Town's Buildings & Facilities Maintenance Plan
- Downtown Spruce-up Program: administered the \$20,000 program for four projects up to \$5,000 in façade improvements
- Assisted Access Smithers Working Group with the Downtown Accessibility Improvement Program
- Facilities Maintenance Plan: continued updating the plan and implemented ongoing improvements to various municipal buildings such as: Gymnastics Building furnace replacement, Library Ground Source Heat Pump.

Business Licensing

- 66 new business licenses issued
- 631 total businesses operating

2016 Summary of Major Objectives and Results

Engineering

- Created the RFP for the design of the Airport Terminal Building Expansion and Modernization and District Energy System.
- Applied for grants to develop an Asset Management Plan for Town water, sewer and roads infrastructure.
- Completed the Streetlights LED Conversion contract, only on Town streetlights (metal, ornamental poles)
- Installed new LED Lights along the walkway behind the Library to Railway Avenue at the Veterans' Park
- Completed the off-site works agreement by the Princess Crescent Senior's Housing Project "Ptarmigan Meadows".
- Completed Sidewalk Capital Upgrades, Road Paving and Accessible Curb letdowns
- Worked on the Fire Department Storage Building design and energy modeling
- Completed the Airport Water Master Plan to determine potable water source upgrades
- Completed Phase 1 of the Chandler Park Field Upgrades, including partial running track removal, grading and irrigation system for the whole park, and rolled turf for new fields.
- Completed the Fairgrounds Accessible Washroom building in time for the Fall Fair.
- Cemetery Block 10 Project: prepared for use, drainage and road access.
- Conducted a Wood Burning Appliance Survey for Town residential properties.
- Completed the Perimeter Trail improvements at Willowvale Wetlands, in partnership with Access Smithers and BV Naturalists.

Prevention and Community Safety

Bylaw Enforcement/Animal Control

- Reviewed and amended current wood burning appliance bylaw to include other factors contributing to air quality i.e. dust control
- Implemented changes from new sign bylaw to ensure all businesses are in compliance with current regulation.
- Developed and implemented a bylaw enforcement policy to ensure transparent, equitable enforcement within the community.

Prevention and Community Safety

Crime Prevention

- Researched and developed Bylaw/procedure for regulating Medical Marijuana Dispensaries.
- Assisted in organization and facilitation of "Healthy Choices Summit 2017" for youth in the Bulkley Valley.

2017 Major Projects and Strategies

Planning

- Complete a Pre-Feasibility Study, Concept Design and Business Case for the Bulkley Valley Arts and Cultural Centre in Central Park.
- In partnership with P4HC Committee - work on homelessness initiative.
- Implementation of the Small Business Task Force Recommendations as per Council direction.
- Completion of a Downtown Landscape Redesign Project.

Engineering & Building Inspection

- Incorporate the recommendations from the Age Friendly Assessment and Action Plan into the Facilities Maintenance Plan and in the Sidewalks Capital Upgrades program.
- Implementation of the 2017 Downtown Spruce Up Program Façade Improvements with the focus on signage.
- Development of a permanent, year-round, public washroom in the Downtown.
- Construct the watermain looping on Main Street from 16th Avenue to the dead-end on Victoria Drive.
- Replace problematic cast iron watermain section south of Main Street between 14th and 15th Avenues.
- Completion of the Chandler Park Field Upgrades Project-Phase 2.
- Replace corroded streetlight poles in Silverking Subdivision.
- Construction of a storage building at Elk's Park for the Smithers Softball Association.

Prevention and Community Safety

Bylaw Enforcement/Animal Control:

- Continue to provide opportunities for promotion of cycling education and awareness within the Town.
- Continue to implement the 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 lands and maintain an effective relationship with local service providers to assist in managing issues as they arise.
- Implement adjudication process for ticket disputes.

Crime Prevention:

- Continue to provide programming within School District 54 in accordance with the RCMP Crime Prevention Education Continuum (ie. DARE, BRAVE, Drug Awareness, etc.)
- Supervise and coordinate all volunteer activities through the Smithers Community Police Office, including training, volunteer engagement and retention initiatives and ensure all members are qualified to RCMP Volunteer management standards/guidelines.
- Provide educational/engagement opportunities for the community with a focus on Seniors Safety, Youth Engagement, and harm reduction for homeless and/or "at risk" populations.
- Work closely with ICBC, Senior Staff, Ministry of Transportation and Infrastructure, and School District 54 in developing cyclist/pedestrian safety initiatives.

2016 Award of Excellence Winners

RESIDENTIAL WINNER: 3684 Princess Crescent (Ptarmigan Meadows)



COMMERCIAL, INDUSTRIAL, AND INSTITUTIONAL WINNER:

3352 Highway 16 (North Central Plumbing & Heating)



MIXED USE WINNER: 1165/1167 Main Street (Mainerz Building)





Photo Above: Chandler Park Field Redevelopment Phase 1



Photo Above: Installation of a new sidewalk along King Street, October 28th

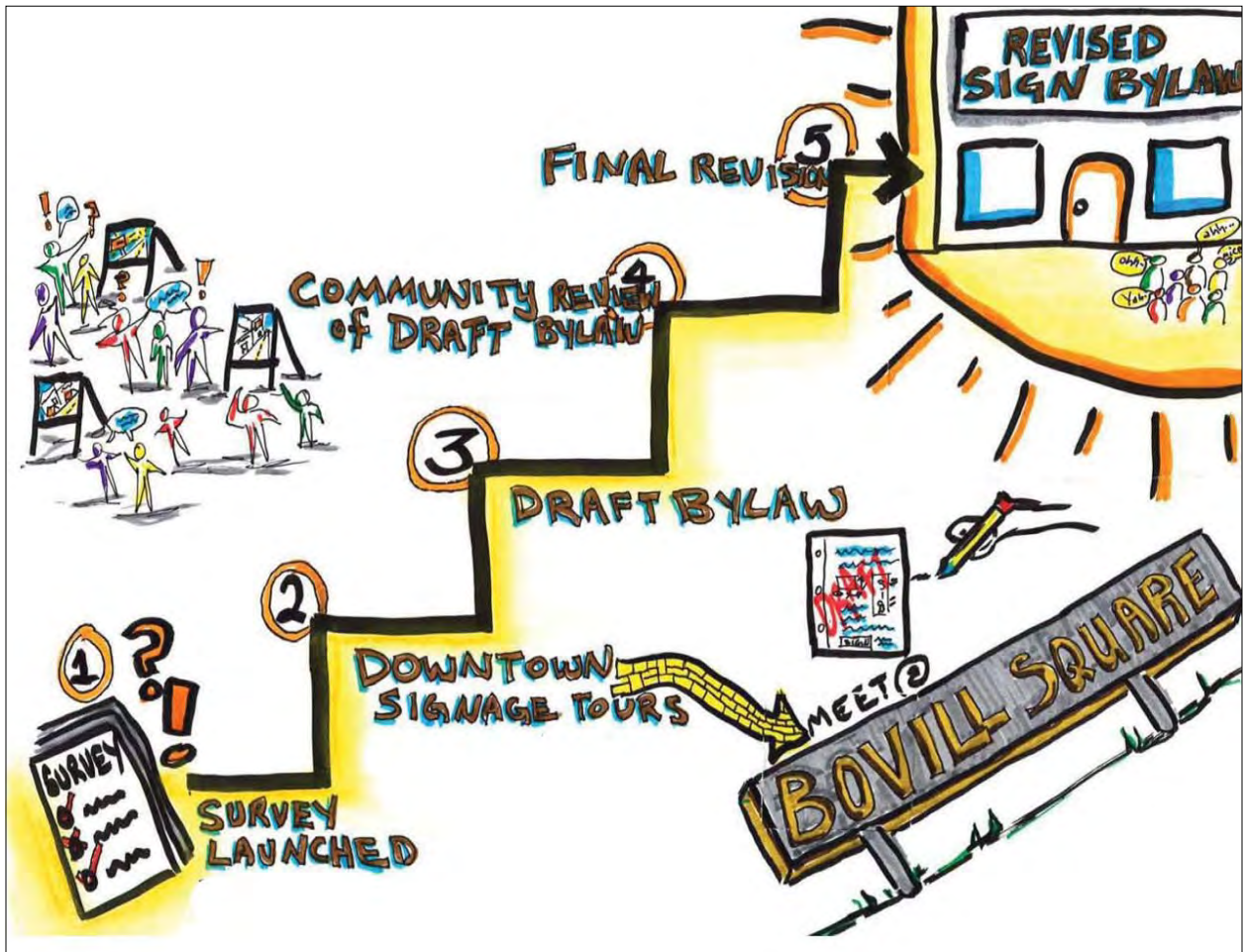




Photo Above: Toys for Tickets Program



Photo Above: Astlais Place - Hudson Bay
Mobile Home Park Drainage Channel Cleaning

2016 Fall Forum

SMITHERS
Community Vitality
REPORT CARD 2016


Invitation to Attend

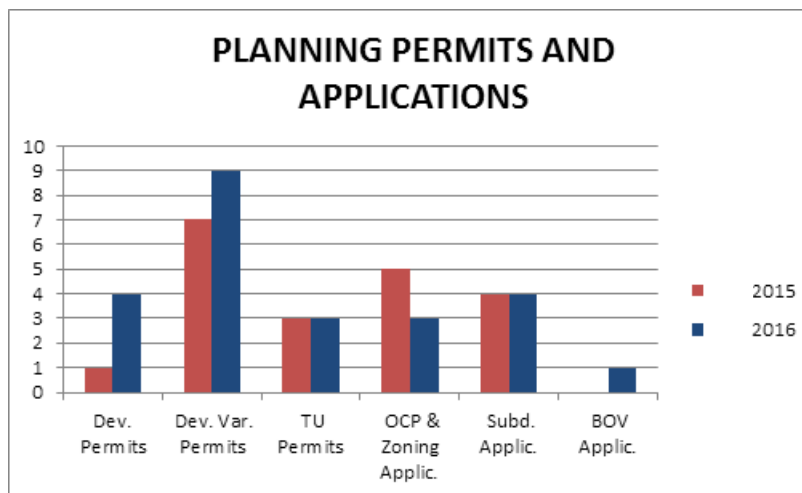
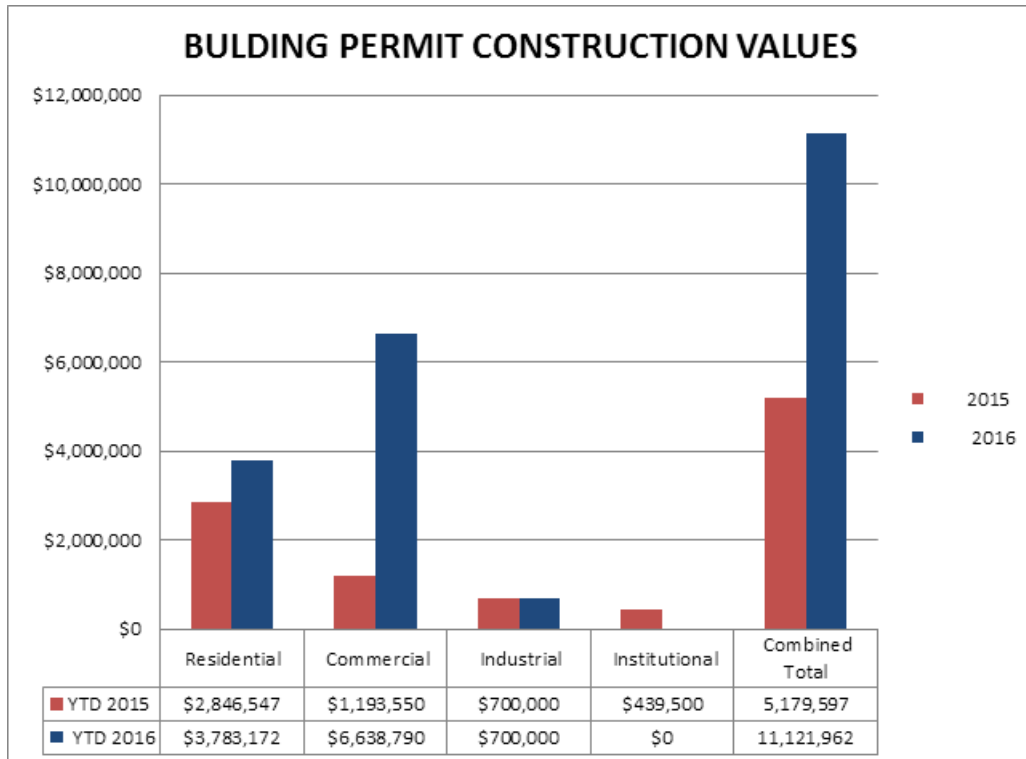
Learn about Smithers first locally produced report card & take part in a community conversation on the story it tells about where we are heading as a community. Everyone welcome!

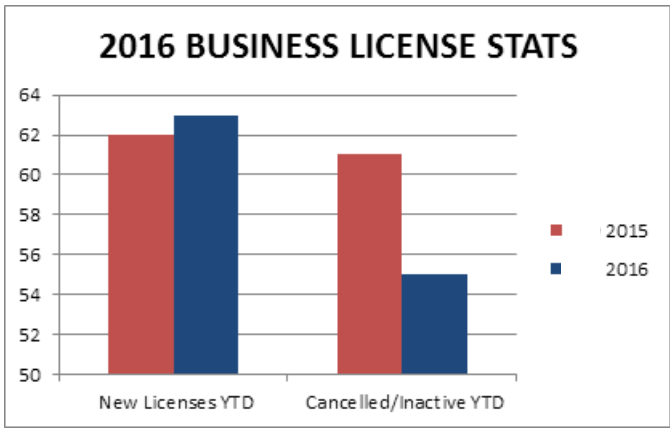
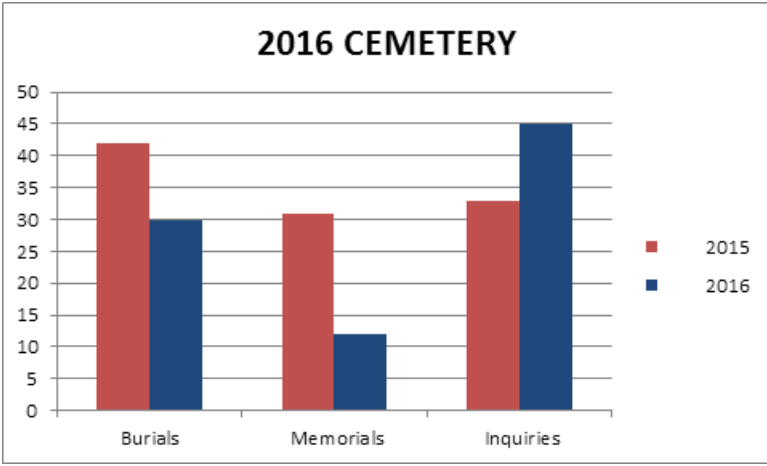
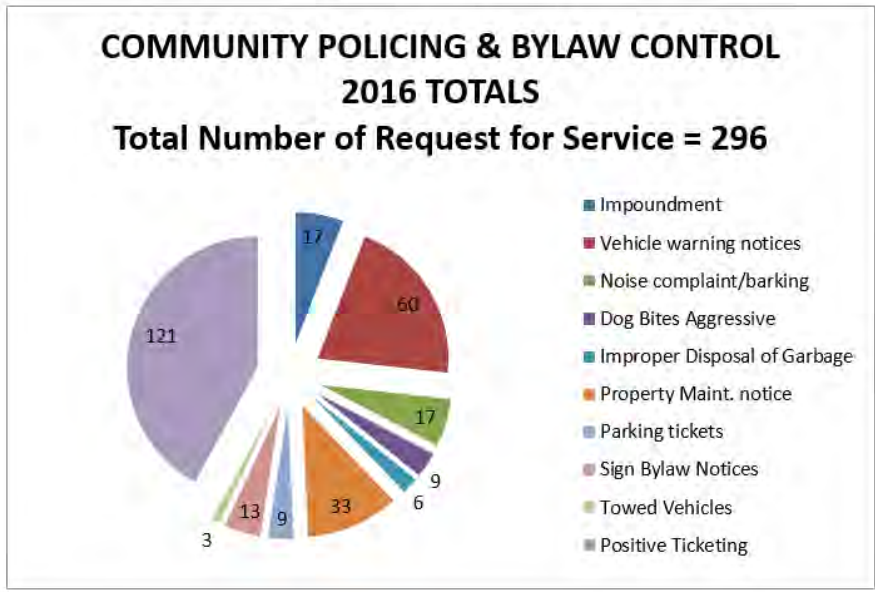
Tuesday, Nov. 29, 2016
The Old Church @ 3704 First Ave
6:30 pm Doors Open
7 pm Presentation & Panelist Discussion with Community Conversation to Follow

Refreshments & Snacks to be Served!

For more information (including a copy of the 2016 Report Card) & to provide your feedback via an on-line survey visit: www.smithers.ca/vitality







2016 Summary

Smithers Fire Rescue has consistently retained a volunteer force of 42 firefighters over the years. Organizationally, Smithers Fire Rescue fosters the Town's commitment to a positive, trusting and collaborative environment.

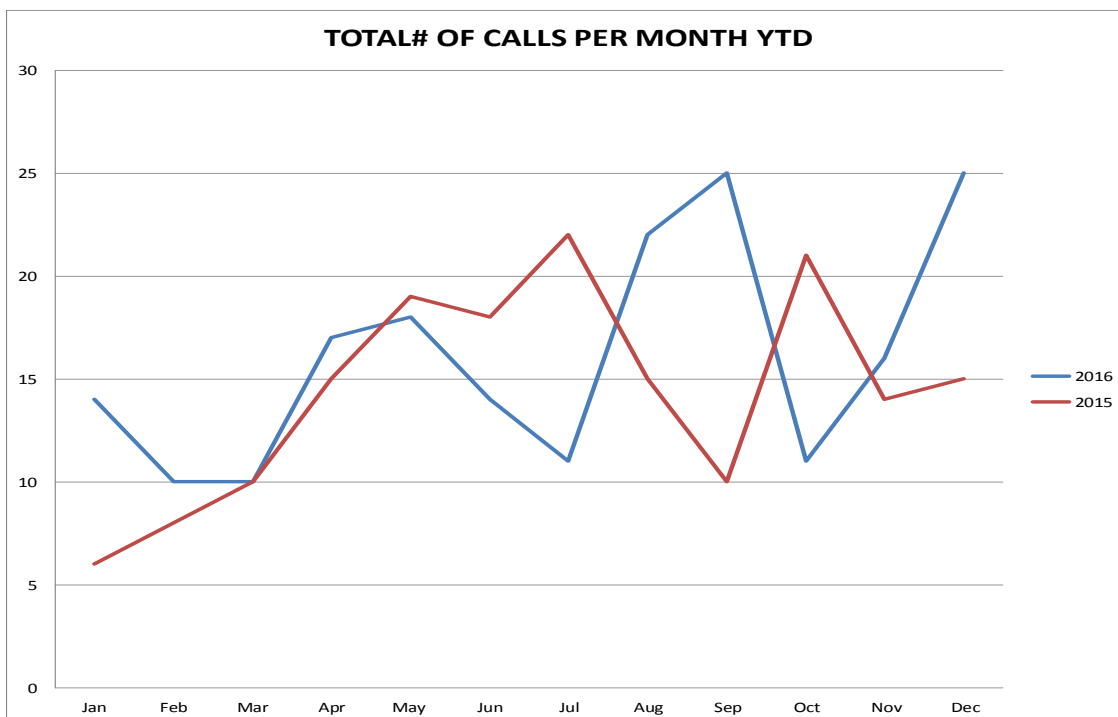
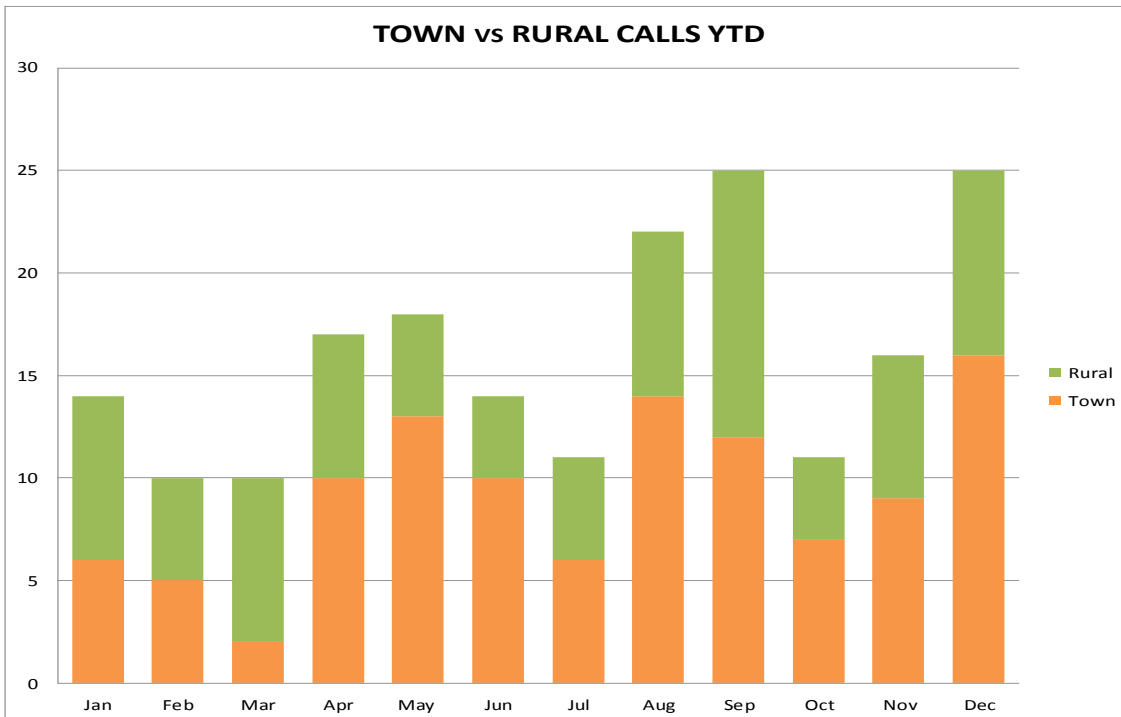
Firefighters provide services beyond structural firefighting such as: First Responder (pre-hospital care); Highway Rescue; Aircraft Firefighting; Fire Prevention; and Public Fire Safety Education. Fire prevention focuses on areas such as code enforcement and fire inspection services. Public fire safety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

2016 Summary of Major Objectives and Results

- Completed work on, and maintained ice surface for public skating rink.
- 2016 demonstrated that Smithers Fire Rescue experiences ongoing increases in both numbers of calls dispatched and the number of incidents responded to.
- 229 - 911 calls were responded to in 2016, with the top three incident categories continuing to be First Responder/Medical, Fire and Motor Vehicle.
- Volunteers put in over 7,200 volunteer firefighter hours.
- Planned and designed a Fire Department storage building.
- Met legislative compliance for the provincial firefighting standard.
- Increased stipend for the Smithers Volunteer Firefighter Association.
- Completed work on, and maintained ice surface for public skating rink.

2017 Projects and Strategies

- Replacement of the Smithers Regional Fire Training Centre's live fire training containers.



2016 Summary

The Finance Department is responsible for monitoring, controlling and allocating financial resources in order to achieve the Town's immediate and long term goals and objectives as well as maintaining the Information Technology services to all Town facilities.

In 2016, Finance continued to support all the Town Departments, prepare the five year budget while providing accounts receivable and payable functions and providing payroll support for all Town employees.

2016 Summary of Major Objectives and Results

Finance:

- Presented a new draft Grant in Aid Policy to Council in August 2016. The approved new Policy Fin-015 "Funding to External Organizations" in October 2016.
- A permissive taxation cycle occurred in 2016 for the 2017, 2018 and 2019 tax years. The application process was advertised in the summer of 2016 and Council reviewed the applications in August 2016. Permissive Taxation Bylaw 1799 for 2017, 2018 and 2019 tax years were presented to Council in September 2016 based on their decisions.
- Presented Loan Authorization Bylaw 1788 to Council in the spring of 2016 that was later repealed by Bylaw 1803 in late 2016.
- New Recreation Fees and Charges Bylaw 1785 for the 2016 field user season and 2016/2017 Ice user season was presented to Council in February 2016 for the 2016 year and 2016/17 ice season.
- Completed a comparative review of water meter rates and user fees with northern communities. Presented new Water and Sewer User Fees Bylaws 1804 and 1805 for the 2017, 2018 and 2019 years in December 2016.
- Implemented Phase 1 installation of new Vadim E3 software system in the spring of 2016.

IT Goals and Objectives:

- 2016 was the year of "Inventory and Investigation". A new Inventory System was created and as well as Investigation of further types of software.
- Developed and formalized IT processes by creating a Help desk system ready to implement in 2017.
- Purchased IT inventory software and maintained inventory of IT equipment (including communication equipment) at all sites which included adding bar codes to equipment. To be completed in 2017.
- Ongoing consultation with Works and Operations to restructure the computer room in a cost effective manner.
- Continued to research and evaluate the Town's communication systems which resulted in changing the cell phone, long distance and phone providers.

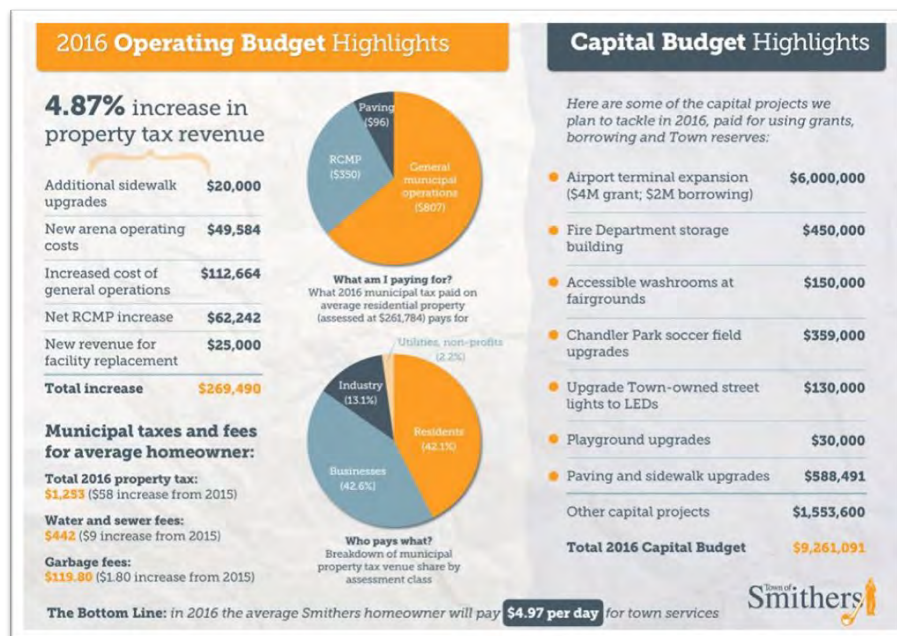
2016 Summary of Major Objectives and Results continued

IT Goals and Objectives:

- Continued to work on ensuring that cash accepting hardware (i.e. debit machines etc) are PCI compliant.
- Completed the migration of remaining communication systems to fibre.
- Began the process of creating a regular maintenance program for Town computers and servers.
- Investigated adding an additional mail server which resulted in the addition of another domain controller.
- Implemented Phase 1 installation of new Vadim E3 software system in the spring of 2016.

Other Accomplishments in 2016

- Presented a new 3% Hotel Tax Bylaw 1795 to Council in September 2016. Sent in documentation received from Tourism Smithers to Destination BC to apply for the additional 1% Hotel Tax.
- Hired a new Senior Accounting Clerk July 2016.
- Completed Grant claims for the Chandler Park Field Phase I project.
- Asset Management Planning grant application sent to the Province June 2016.
- Worked with Administration on the development of the new Highway 16 Transit service including the additional Smithers – Moricetown service.
- Continued to upgrade security cameras at the airport
- Software Upgrades to Abode Standard



2017 Projects and Strategies

Finance:

- Present a new Recreation Fees and Charges Bylaw for the 2017, 2018 and 2019 field user seasons, 2017/18, 2018/19, 2019/20 Ice user seasons and other recreation fees and charges for 2017, 2018 and 2019.
- Present a new Cemetery Fees and Charges Bylaw for the 2018, 2019 and 2020 years
- Present a new Garbage Collection Fees and Charges Bylaw for the 2018, 2019 and 2020 years
- Work with the Province to be involved in a pilot project to test out the new software that will be replacing SMARTTool, which is used to input fleet fuel, natural gas and hydro volumes used to calculate annual GHG emissions.
- Implement new School tax payment, Home Owner grant and Deferred Tax Program process changes as required by the Province
- Take the Permissive Taxation Policy to Council for their review.
- Tender out the Payroll Benefit package.
- Complete 2nd Loan Authorization process for the Airport Modernization project.
- Debt borrowing in the fall 2017 for the Airport Modernization project
- Ongoing Grant claims for all grants for the Airport Modernization project.
- Investigate a new HR module that Payroll and Administration can use.

IT Goals and Objectives:

- Install new hearing LOOP system in Council Chambers.
- Activate the HELPDESK system with Town employees.
- Continue the Inventory and Bar Coding process.
- Assist in onboarding process for Human Resources .
- Continue installing new MS Office Versions of software on computers.
- Cost evaluation for upgrading MS exchange and installing VOIP phone system at Town Office for the 2018 budget.
- Install new VOIP phone system at the Works Yard.
- Implementing an email faxing system.



Smithers 2016 Statement of Property Tax Exemptions

For the Year Ended December 31, 2016
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 2016

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

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	\$22,308
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	\$3,504
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	\$1,333
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	\$1,696
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	\$396

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	\$3,546
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	\$794
0477-004	Lot 1, Plan 9143, DL 865, Range 05	4054 Broadway Ave	Roman Catholic Episcopal Corp of Prince Rupert	Public Worship (not including the residence)- over and above statutory exemptions	\$1,027
0692-200	Lots 32-36, Block 135, Plan 1054, DL 865, Range 05	3919 Seventh Ave	Smithers Fellowship Baptist Church	Public Worship- over and above statutory exemptions	\$932
0747-010	Lots 33 - 36, Block 143, Plan 1054, DL 865, Range 05	3889 Eighth Ave	Trustees of the Smithers United Church	Public Worship- over and above statutory exemptions	\$1,105
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	\$4,437
0860-720	Lot 72, Plan PRP5258, DL 865, Range 05	4034 Walnut Dr	Christian Reformed Church of Smithers	Public Worship and Not-for-profit over and above statutory exemptions	\$18,365
1220-000	Lot 5, Plan 4075, DL 865, Range 05	4414 Highway 16	Trustees of Smithers Congregation of Jehovah Witnesses	Public Worship (Jehovah Witness Church)- over and above statutory exemptions	\$479
1225-690	Lot 1, Plan PRP 14290, DL 865, Range 05	3974 Tenth Ave	Church of Jesus Christ of Latter Day Saints	Public Worship (Church of Jesus Christ Latter Day Saints)- over and above statutory exemptions	\$2,570
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	\$6,032

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	\$9,864
1717-200	Lot B, Plan 11184, Section 30, Township 4, Range 05	3575 Fourteenth Ave	BV Christian School Society	Cover all BV Christian High School exemptions- over and above statutory exemptions	\$57,526

Smithers 2016 Statement of Property Tax Exemptions

For the Year Ended December 31, 2016
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 2016

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, Plan 1054, DL 865, Range 05	3950 Eighth Ave	Northern Health Authority	Non residential part of BV District Hospital- over and above statutory exemptions	\$46,389
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Non-Profit Organization Exemptions (Cultural and Charitable) (Section 224 (2)(a))

0110-000	Lot 17, Block 39, Plan PRP1054, DL 5289, Range 05	3768 2nd Ave	Grendel Group	25% of land and improvements allocated as an exemption	\$1,436
0133-000	Parcel A, Block 40, Plan PRP1054, DL 5289, Range 05	3840 1st Ave	Royal Canadian Legion	class 8 assessment given an exemption	\$667
0154-020	Lots 1 -2, Block 41, Plan 1054, DL 5289, Range 05	3704 First Ave	BV Museum	exempt all of old St James Church	\$2,820
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	\$3,296
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	\$2,563
0708-050	Lots 1-36, Block 140, Plan 1054, DL 865, Range 05	1621 Main St	BV Gymnastics, BV Search and Rescue and BV Museum	to give exemption to the areas leased at LB Warner site in total estimated at 10% land and approximate value of improvements to Gymnastics building	\$1,862
1223-870	Lot A, Plan 12656, Section 30, Range 05,	3736 16th Avenue	BV Search and Rescue	to give exemption to portion leased at the Ranger park Building - estimated at 2/3 of the basement being 1893 sq feet which is 22% of the total building and therefore 22% of the land	\$1,118
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	\$7,454
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	\$6,060

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	\$13,912
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	\$7,452

Partnering Agreements (Section 225)

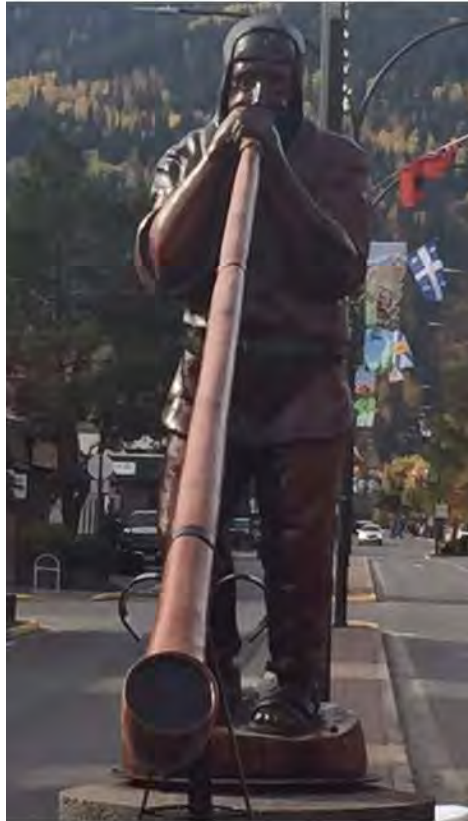
0655-000		Hwy 16/Main St	Husky Oil Ltd	partnering agreement to allow Town to use area for public park use from 2013 to 2022	\$4,218
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\$235,161

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 2016. The value of the annual tax exemption has been calculated using 2016 municipal property tax rates.

Leslie Ford
Director of Finance

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Audited Consolidated Financial Statements December 31, 2016

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

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Town of Smithers
Consolidated Financial Statements
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December 31, 2016

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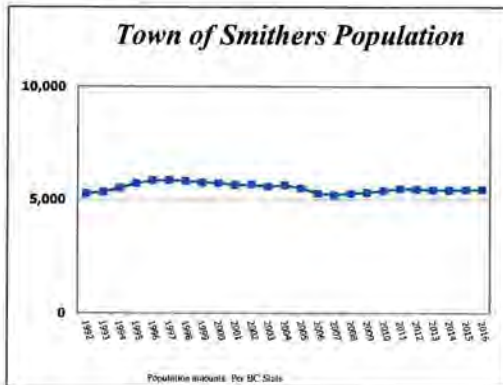
2016 Consolidated Financial Statements – Financial Highlights

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, 2016, 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, 2016 and the results of its operations and changes in its financial position for the year including the 2016 financial results of the Smithers Public Library.

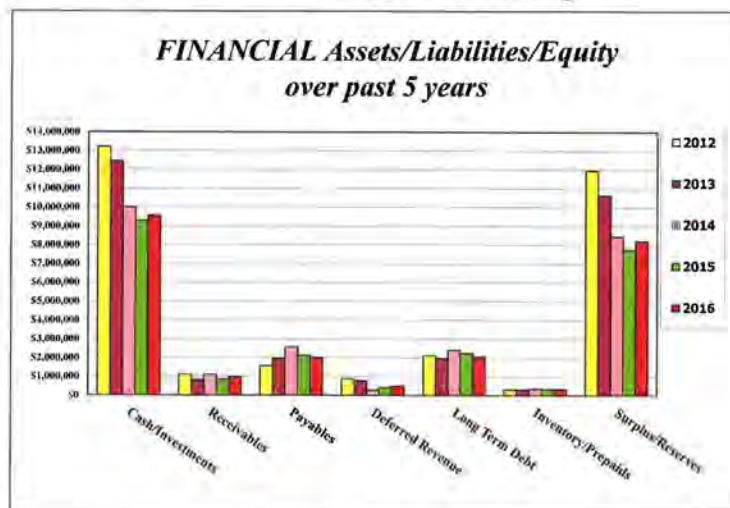
All governments in Canada are required to comply with Public Sector Accounting Board (PSAB) reporting. The net underlying goal of the Public Sector Financial Reporting models is to identify the net economic resources available to a government. Economic resources are the means to provide services or satisfy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



2016 Financial Highlights:

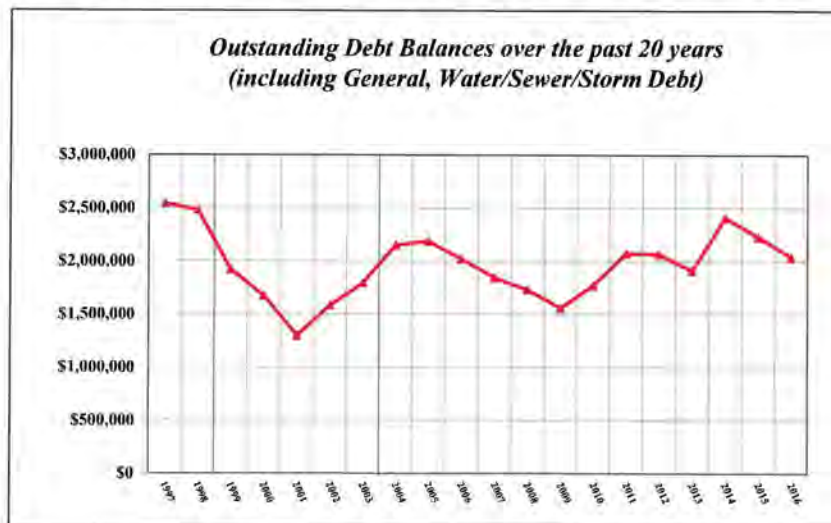
The Consolidated Statement of Financial Position (Assets, Liabilities and Accumulated Surplus) (page 9) is prepared in accordance with PSAB. This statement is designed to show the details of and changes in net economic resources of the Town.

- Net Financial Assets:** Net Financial assets are resources available to finance future operations. The Town continues to be in a Net Financial Asset position, meaning that it had more assets on hand at the end of the year than liabilities owing.



2016 Consolidated Financial Statements – Financial Highlights

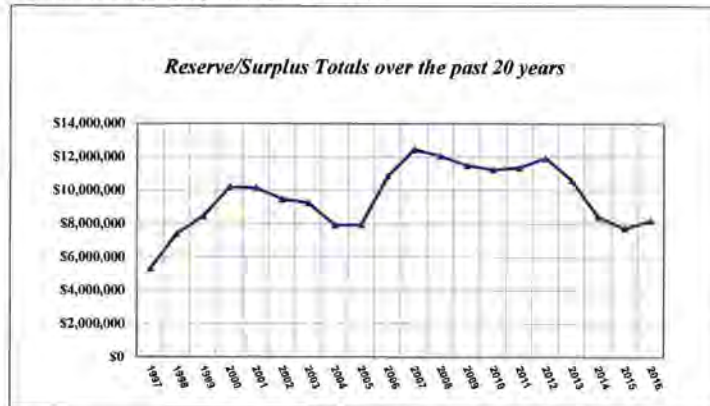
- **Cash and Investments** increased slightly from \$9.3M to \$9.6M. As mentioned in Note 1 c (page 14 of the financial statements) the Town continues to have enough unrestricted cash to cover off liabilities. However should reserves/surpluses ever decrease to less than \$6M or \$5M the Town may not have enough unrestricted cash to cover liabilities.
- **Accounts Receivables** increased from \$849,076 to \$969,261 due primarily to many grants owed to the Town at the end of 2016 (which have since been received).
 - Taxes receivable were much the same at the end of 2016 as they were in 2015. One large industrial tax customer continues to have taxes owing but they continue to pay monthly instalments so as to not get into a delinquent situation.
 - There was one property sold at the 2016 tax sale but the tax sale redemption amounts are being paid off in monthly instalments.
 - The Town billed out over \$13M to taxpayers and customers in 2016, 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 \$6,052 (airport fees) was considered uncollectible in 2016.
- **Loans receivable** was lower due to the \$5,000 loan payment made in 2016 by the Smithers Curling Club. The Curling Club loan was renegotiated in 2015 and the loan will be completely repaid by 2019.
- **Accounts Payables** decreased from \$2,124,364 to \$2,004,260 due to less holdbacks and refundable contract securities owed at the end of 2016.
- **Deferred Revenue** increased in 2016 due to the Town having received more prepaid tax revenue. More taxpayers sign up each year to participate in the Town's tax prepayment program.
- **Long Term Debt** decreased from \$2,230,364 to \$2,042,120 (as shown on the chart below).



2016 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 \$1.8M in new tangible capital assets in 2016 and \$3M in amortization.
 - Of the \$1.8M spent in 2016 for capital assets, \$1.5 related to upgrading and/or replacing current assets. The remainder was the creation of a new asset (Fall Fair Washroom) and Work-In-Progress on the new Airport Terminal Modernization project (Architect costs).
 - The Town also obtained \$262,060 in "donated (or contributed) tangible capital assets" from developers and other organizations. In 2016 this included new sidewalks, a fire hydrant, a bus stop pullout, new water and sewer connections and the Willowvale Marshland upgrades.
 - At the end of 2016 the Town had \$113.7M worth of Tangible Capital assets, with the largest category being that of Engineered Structures (Roads, Streets, Lanes, Runways, Paths, and Parks). After amortization the Town's assets have a net book value of \$56M, which means that the Town's assets, on average, are 49% amortized.
 - **Other Assets** are comprised of prepaid expenses and inventory. This amount was slightly higher at the end of 2016 due to more prepaid expenses (paid in 2016 relating to 2017).
 - **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*.

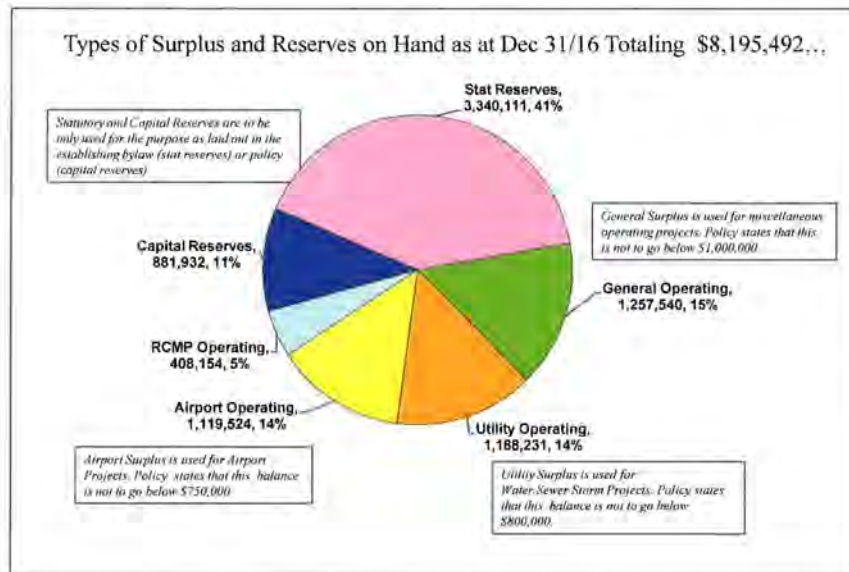
- The Town's Surplus and Reserve amounts increased from \$7.7M to \$8.2M as seen in the chart to the right.



- 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, 2016 the Town had a decrease in its net equity investment in its municipal capital assets, from \$54.9M in 2015 to \$54.1M in 2016 due to total capital additions being less than amortization.
- The Town's total Accumulated Surplus at the end of 2016 decreased from \$62.8M to \$62.5M.

2016 ending surplus and reserve balances were within the defined parameters of the Town's Operating Surplus and Capital Reserve Policy guidelines. The following graph shows different types of Surplus and Reserves that the Town had on hand as of December 31, 2016:

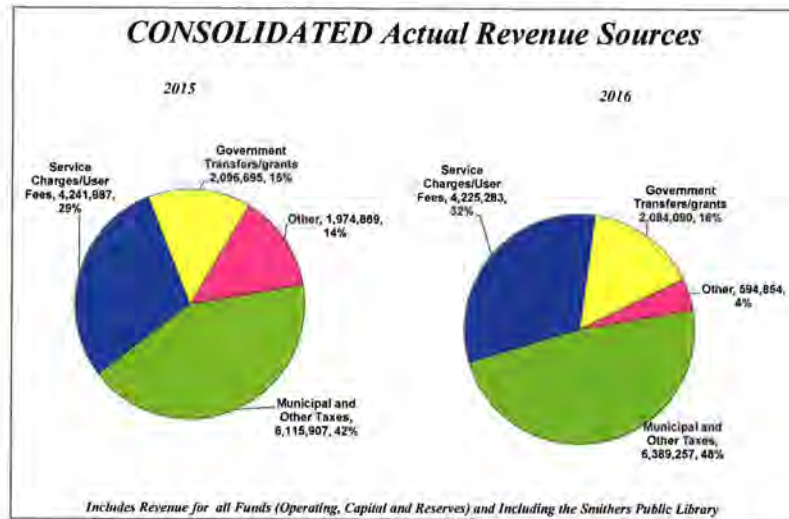
2016 Consolidated Financial Statements – Financial Highlights



The Consolidated Statement of Operation is prepared in accordance with the 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 and Other Tax revenue** represented 48% of the Town's total consolidated revenue in 2016 as compared to 2015 when it was 42%.
 - **Government Transfers/Grant revenue** was slightly less in 2016 due to less capital projects completed in 2016 using grant funds.
 - **Service Charges/User fees** were slightly lower in 2016 due to fewer fees received at the Airport and at the Arenas. Schedule L on page 41 shows the breakdown of the fees and charges received compared to 2015 and compared to budget.
 - **Investment Income** was lower in 2016 than in 2015 due to less investment income received from investments held through the Municipal Finance Authority.
 - **Other Revenue** includes "donated value" of capital assets. This includes infrastructure put in by developers and organizations that the Town did not pay for but takes over the responsibility for future maintenance.

2016 Consolidated Financial Statements – Financial Highlights



- **Consolidated Expenses** are economic resources that are consumed to provide municipal services. All consolidated expense costs shown on the Consolidated Statement of Operations includes operating costs, related interest on debt and amortization costs. The budget figures shown represent the 2016 budget approved in May 2016 plus the approved 2016 Smithers Public Library's budget.
 - o The following chart shows the actual main expense categories, with non- operating costs broken out.

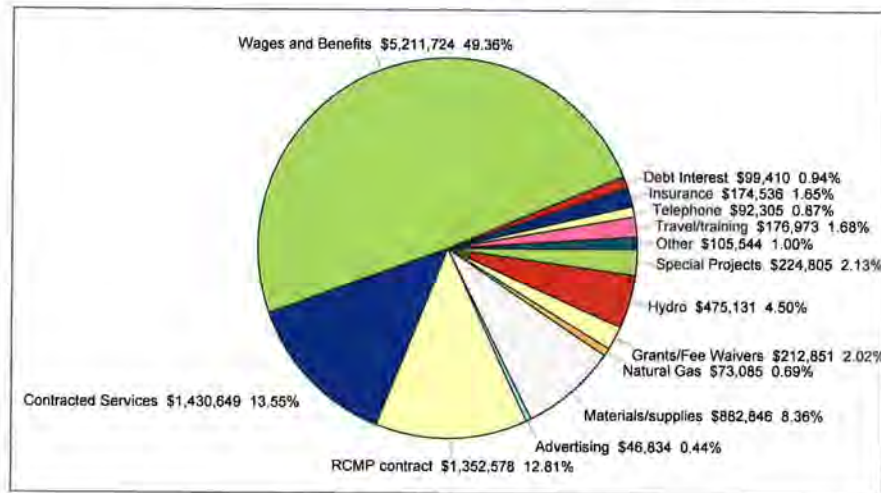
EXPENSES	2016 Original	2016 Actual	Budget Variance
Operations			
General Government Services	\$1,567,085	\$1,546,256	(\$20,829)
Protective Services (incl RCMP)	2,617,289	2,462,402	(154,887)
Transportation and Transit Services	1,517,680	1,438,373	(79,307)
Garbage Collection/Recycling Services	250,516	235,357	(15,159)
Public Health/Cemetery Services	61,773	56,569	(5,204)
Dev't Services/Tourism/Econ Dev't	889,535	822,130	(67,405)
Recreation and Culture Services	1,722,914	1,672,420	(50,494)
Utility (Water, Sewer, Storm) Services	1,140,315	1,069,650	(70,665)
Airport Services	1,333,085	1,287,717	(45,368)
Total operating expenses	11,100,192	10,590,874	(509,318)
Other			
Interest on Debt	105,133	99,411	(5,722)
Less Net Fleet costs deducted off expense categories (for PSAB purposes)	(288,377)	(299,783)	(11,406)
Net Loss Disposal of Assets		63,316	63,316
Amortization - Tangible Capital Assets	2,600,000	3,006,075	406,075
	2,416,756	2,869,019	452,263
Plus Net Library expenses (over and above the Town's grant)	187,395	168,769	(18,626)
Total Consolidated Expenses, for PSAB purposes	\$13,704,343	\$13,628,662	(\$75,681)

2016 Consolidated Financial Statements – Financial Highlights

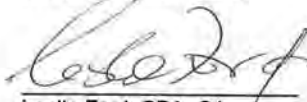
- All Operating Budget areas were under budget in 2016:
 - The Protective Services category was under budget due to the fact that the Town was not billed for 9 Municipal RCMP members throughout the year, due to vacancies and absences at the detachment.
 - The Transportation and Transit category was under budget due to less snow removal costs incurred in 2016 than in previous years.
 - Development Services category was under budget due to less spent in Planning and not all contingency grant special project budgets were utilized.
 - The Recreation and Culture category was under budget due to the closure of the Preschool program mid 2016.
 - The Utility category was under budget due to the Asset Management special project not starting in 2016 (will commence in 2017).
 - Airport expenses were under budget but Airport revenues were also under budget.

- The following chart shows the types of direct expenses that the Town has within its consolidated operations. Wages and benefits remain the largest type of cost at 49.36% of the Town's operating expenses. Hydro costs have increased as a percentage of the Town's total costs over the year. Five years ago hydro costs were 3.5% of the Town total expenses. Now they are at 4.5%.

Types of 2016 Consolidated Expenses. (not including Amortization)



Respectfully submitted,



Leslie Ford, CPA, CA
Director of Finance
May 9, 2017



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 Professional 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



Leslie Ford, CPA, CA
Director of Finance
May 9, 2017

EDMISON MEHR
CHARTERED PROFESSIONAL ACCOUNTANTS

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MICHAEL B. MEHR, B.Comm., CPA, CA
JEANNE M. MACNEIL, B.Comm., CPA, CA

INDEPENDENT AUDITOR'S REPORT

To the Council of
Town of Smithers
Smithers, BC

We have audited the accompanying financial statements of Town of Smithers, which comprise the Consolidated Statement of Financial Position as at December 31, 2016, 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 Public Sector Accounting Standards 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, 2016, and the results of its operations, cash flows and net financial assets for the year then ended in accordance with Canadian Public Sector Accounting Standards.

Smithers, BC
May 9, 2017


Edmison Mehr

Town of Smithers
Consolidated Statement of Financial Position
As at December 31, 2016

	2016	2015
FINANCIAL ASSETS		
Cash and Investments (Note 2)	\$9,566,393	\$9,280,520
Accounts Receivable (Note 3)	969,261	849,076
Deposits - Municipal Finance Authority (Note 4)	44,207	45,932
Loan Receivable (Note 5)	12,109	17,109
Investment in Wetzin'kwa Community Forest Corporation (Note 13)	1	1
	<u>10,591,971</u>	<u>10,192,638</u>
LIABILITIES		
Accounts Payable and Accrued Liabilities (Note 6)	2,004,360	2,124,365
Restricted Revenue - Municipal Finance Authority (Note 4)	44,207	45,932
Deferred Revenues (Note 7)	491,401	423,924
Long Term Debt (Schedule A)	2,042,120	2,230,364
	<u>4,582,088</u>	<u>4,824,585</u>
NET FINANCIAL ASSETS	<u>6,009,883</u>	<u>5,368,053</u>
Commitments and Contingencies (Note 12)		
NON FINANCIAL ASSETS		
Tangible Capital Assets (Notes 1 and 8, Schedule B)	56,186,390	57,168,895
Prepaid Expenses and Supply Inventory (Note 9)	333,966	325,469
	<u>56,520,356</u>	<u>57,494,364</u>
ACCUMULATED SURPLUS (Note 10, Schedule G)	<u>\$62,530,239</u>	<u>\$62,862,417</u>

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

Smithers 2016 Audited Financial Statements

Town of Smithers
Consolidated Statement of Operations
For the Year Ended December 31, 2016

	2016 Actual	2016 Budget (unaudited)	2015 Actual
REVENUE (Schedules F & H)			
Property Taxes and Grants in Lieu (Schedule C)	\$6,389,257	\$6,370,280	\$6,115,907
Government Transfers/Grants (Schedule D)	2,087,090	6,035,669	2,096,695
Service Charges/User Fees (Schedule L)	4,225,283	4,266,496	4,241,987
Investment Income	150,735	213,658	183,315
Net Gain on Disposal of Tangible Capital Assets	-	17,000	-
Other Revenue (Donations/Donated Assets)	444,119	640,669	1,791,574
Total Revenue	<u>13,296,484</u>	<u>17,543,772</u>	<u>14,429,478</u>
EXPENSES (Schedules E, F & H)			
General Government Services	1,633,845	1,672,085	1,441,958
Protective Services (incl RCMP)	2,509,063	2,685,289	2,480,572
Transportation and Transit Services	2,009,761	1,993,454	2,063,108
Solid Waste Management/Recycling Services	286,035	267,516	271,887
Public Health/Cemetery Services	58,482	63,273	66,738
Development/Economic Development/Tourism Services	837,732	901,035	934,308
Recreation and Cultural Services	2,335,618	2,161,759	2,225,261
Utility (Water, Sewer and Storm Sewer) Services	1,659,196	1,729,847	1,536,109
Airport Services	2,235,614	2,230,085	2,198,681
Net Loss on Disposal of Tangible Capital Assets	63,316	-	14,114
Total Expenses	<u>13,628,662</u>	<u>13,704,343</u>	<u>13,232,736</u>
Annual Surplus (Deficit) (Note 15)	(332,178)	-3,839,429	1,196,742
Accumulated Surplus, beginning of year	62,862,417	62,862,417	61,665,675
Accumulated Surplus, end of year	<u>\$62,530,239</u>	<u>\$66,701,846</u>	<u>\$62,862,417</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, 2016

	2016	2015
Cash provided by (used for):		
Operating Transactions		
Annual Surplus (Deficit)	(\$332,178)	\$1,196,742
Non Cash items included in Annual Deficit:		
Actuarial Adjustment	(53,664)	(45,649)
Amortization	3,006,075	2,935,811
Developer Contributions to Tangible Capital Assets	(262,060)	(1,661,051)
Net (Gain) Loss on Disposal of Tangible Capital Assets	63,316	14,114
Change in Other Non-Cash items:		
Change in Prepaid/Inventory Expenses	(8,497)	15,826
Change in Accounts Receivable	(120,185)	242,783
Change in Accounts Payables	(120,005)	(437,717)
Change in Deferred Revenue	67,477	159,565
Cash provided by Operating Transactions	<u>2,240,279</u>	<u>2,420,424</u>
Capital Transactions		
Proceeds on Disposal of Tangible Capital Assets	46,603	12,086
Cash used to Acquire Tangible Capital Assets	(1,871,429)	(2,997,850)
Cash applied to Capital Transactions	<u>(1,824,826)</u>	<u>(2,985,764)</u>
Investing Transactions:		
Loan Proceeds from Curling Club	5,000	5,000
Cash provided by Investing Transactions	<u>5,000</u>	<u>5,000</u>
Financing Transactions:		
Long Term Debt Principal Repayments	(134,580)	(134,580)
Capital Lease (Repayments)	-	(24,037)
Cash provided by Financing Transactions	<u>(134,580)</u>	<u>(158,617)</u>
Increase (decrease) in Cash and Investments	285,873	(718,957)
Cash and Investments, beginning of year	9,280,520	9,999,477
Cash and Investments, end of year	<u>\$9,566,393</u>	<u>\$9,280,520</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, 2016

	2016	2016 Budget (unaudited)	2015
Annual Income (Deficit)	(\$332,178)	\$3,839,429	\$1,196,742
Acquisition of Tangible Capital Assets	(2,133,489)	(9,261,091)	(4,658,901)
Amortization of Tangible Capital Assets	3,006,075	2,600,000	2,935,811
(Gain) Loss on Disposal of Tangible Capital Assets	63,316	-	14,114
Proceeds on Disposal of Tangible Capital Assets	46,603	17,000	12,086
	<u>650,327</u>	<u>(2,804,662)</u>	<u>(500,148)</u>
Net Change in Prepaid Expenses	(18,928)	-	(1,301)
Net Change in Inventory of Supplies	10,431	-	17,127
	<u>(8,497)</u>	<u>-</u>	<u>15,826</u>
Change in Net Financial Assets	641,830	(2,804,662)	(484,322)
Net Financial Assets, beginning of year	5,368,053	5,368,053	5,852,375
Net Financial Assets, end of year	<u>\$6,009,883</u>	<u>\$2,563,391</u>	<u>\$5,368,053</u>

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

Town of Smithers
Notes to Consolidated Financial Statements
December 31, 2016

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 Professional Accountants.

(a) Principles of consolidation:

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

(b) Fund accounting:

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

Operating Funds:

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

Capital Funds:

Capital Funds report the acquisition and disposal of property and equipment and their related financing. It also includes Capital Reserves that have been established for specific purposes, primarily for capital purposes.

Reserve Funds:

Under the *Community Charter*, Council may, by bylaw, establish reserve funds for particular purposes. Money in the reserve fund, and interest earned thereon, must be expended only for the purpose for which the fund was established.

(c) Financial Assets and Liabilities:

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

Credit Risk:

Credit Risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Financial instruments that potentially subject the Municipality to a concentration of credit risk consist primarily of cash, accounts receivable, and loans receivable from a related party. The Municipality limits its exposure to credit loss by placing its cash with Canadian financial institutions. Credit Risk for cash is concentrated as the Municipality's cash is held primarily at one financial institution. Management believes the risk from concentration loss to be remote. The Municipality's maximum exposure to credit risk from accounts receivable and loans to related parties are the amounts disclosed in the statement of financial position. The Municipality limits credit risk associated with accounts receivable and loans receivable from related parties by limiting credit to only credit worthy customers and formalizing timely collection procedures.

Town of Smithers
Notes to Consolidated Financial Statements
December 31, 2016

Consequently, management believes that the remaining credit risk vulnerability with respect to accounts receivable and loans to related parties is not significant.

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.

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, 2016 the Town of Smithers has unrestricted cash of \$6,226,282 (December 31, 2015: \$6,203,564) to settle its total liabilities of \$4,582,088 (December 31, 2015: \$4,824,585).

Interest Rate Risk:

The Town of Smithers is exposed to interest rate risk to the extent that the cash and term deposits maintained at the financial institutions are subject to a floating rate of interest. Fixed interest instruments subject the Town to a fair value risk, while the floating rate interest subject it to a cash flow risk.

(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.

Town of Smithers
Notes to Consolidated Financial Statements
December 31, 2016

(g) Cash and Investments:

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

(h) Inventory:

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

(i) Tangible Capital Assets:

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

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

An impairment loss is recognized when the carrying amount of a tangible capital asset is not fully recoverable. The loss is measured as the excess carrying amount over its fair value. The fair value is the market value or the sum of the undiscounted cash flows expected to result from its use or eventual disposition. Tangible capital assets are tested for recoverability when events or changes in circumstances indicate that its carrying amount may not be recoverable.

(j) Use of Estimates:

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

Town of Smithers
Notes to Consolidated Financial Statements
December 31, 2016

(k) Segmented Information:

The Town of Smithers is a diversified municipal government institution that provides a wide range of services to its citizens. Distinguishable functional segments have been separately disclosed. The nature of the segments and the activities they encompass are as follows, and quantitative data on these segments can be found in Schedule F.

General Government: This segment includes the revenue and expenses associated with Legislative (Council), Administration, Finance, Information Technology and the Municipal Building services. It also includes the Elections costs (in an election year).

Protective Services: This segment includes the revenue and expenses associated with Municipal RCMP, Fire Department, Bylaw Enforcement/Animal Control and Building Inspection services.

Transportation and Transit: This segment includes the revenue and expenses associated with Works Yard costs, vandalism, and all operating costs associated with all Roads and Streets (snow removal, sanding, street lighting, dust control, line marking, sidewalk maintenance, Highway 16 boulevard work, street sweeping and drainage ditches) and the Smithers and Area Transit service.

Solid Waste Management/Recycling: This segment includes the revenue and expenses associated with garbage (solid waste) and curbside recycling collection.

Public Health/Cemetery: This segment includes the revenue and expenses associated with Smithers Cemetery services.

Development Services, Economic Development and Tourism: This segment includes the revenue and expenses associated with Engineering, Planning, Economic Development and Tourism services.

Recreation and Culture: This segment includes the revenue and expenses associated with Arenas, Parks and Playgrounds, Recreation programs and cultural facilities services.

Airport: This segment includes the revenue and expenses associated with operating the Smithers Regional Airport.

Utilities: This segment includes the revenue and expenses associated with providing water, sewer and storm sewer services.

(l) Budget Presentation:

Budget amounts are from the Town's Five Year Financial Plan for the years 2016 – 2020, adopted by Council on May 12, 2016 with minor subsequent reallocations and reclassifications to conform to financial statement presentation (see Note 15). The Smithers Public Library's 2016 budget, as approved by Council, has been included with the Town's budget figures within the financial statements.

(m) Comparative Figures:

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

Town of Smithers
Notes to Consolidated Financial Statements
December 31, 2016

(n) Financial Instruments:

Measurement of Financial Instruments:

The Town of Smithers initially measures its financial assets and financial liabilities at fair value.

The Town subsequently measures all of its financial assets and financial liabilities at amortized cost, except for the investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in net income.

Financial Assets measured at amortized cost include accounts receivable, deposits – MFA, loans receivable and investment in Wetzin'kwa Community Forest Corporation.

Financial Liabilities measured at amortized cost include accounts payable and accrued liabilities, restricted revenue-MFA, deferred revenue and long-term debt.

Impairment:

Financial Assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in net income. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in net income.

Transaction Costs:

The Town recognizes its transaction costs in net income in the period incurred. However, the carrying amount of the financial instruments that will not be subsequently measured at fair value is reflected in the transaction costs that are directly attributable to their origination, issuance or assumption.

2. CASH AND INVESTMENTS

	2016	2015
Restricted Cash and Investments - Statutory Reserves	\$3,340,111	\$3,076,956
Unrestricted Cash and Investments	6,097,858	6,080,745
Smithers Public Library Cash/Investments	128,424	122,819
	\$9,566,393	\$9,280,520

Cash and Investments include \$6,034,697 (2015: \$4,990,267) invested in the Intermediate Fund and Bond Fund Investments within the Municipal Finance Authority Pooled Investment program; and \$2,527,750 (2015: \$3,000,000) in Term Deposits. Interest earned on investments throughout the year averaged 1.51% for term deposits, 1.13% for MFA Intermediate Fund investments and 1.43% for MFA Bond Fund investments.

Town of Smithers
Notes to Consolidated Financial Statements
December 31, 2016

3. ACCOUNTS RECEIVABLE

	2016	2015
Due from Provincial Government	\$10,185	\$2,770
Due from Federal Government	195,761	108,240
Trade and Accrued Receivables	225,398	204,034
Utilities Receivable	30,676	12,038
Taxes Receivable	399,318	398,084
Tax Sale Property Subject to Redemption	6,856	-
Due From Other Government Bodies/Organizations	95,926	119,254
Smithers Public Library Accounts Receivables	5,141	4,656
	<u>\$969,261</u>	<u>\$849,076</u>

Accounts Receivables are shown net of estimated uncollectible receivables.

4. MUNICIPAL FINANCE AUTHORITY DEPOSITS (RESTRICTED REVENUE)

	2016	2015
Cash Deposits*	\$44,207	\$45,932
Demand Notes	99,858	111,287
	<u>\$144,065</u>	<u>\$157,219</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. The Demand Notes are not included in the Consolidated Financial Statements.

5. LOANS RECEIVABLE

	2016	2015
Loan to Smithers Curling Club	\$12,109	\$17,109

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 2019.

Town of Smithers
Notes to Consolidated Financial Statements
December 31, 2016

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2016	2015
Trade Payables and Accrued Liabilities	\$833,328	\$887,553
Payroll Payable and Accrued Payroll Benefits	687,196	573,777
Due to Provincial Government	40,175	28,289
Due to Other Government Bodies	-	246
Holdbacks and Refundable Contracts Securities Payable	270,312	466,133
Accrued Contaminated Sites Liability	150,000	150,000
Smithers Public Library Accounts Payables	23,349	18,367
	\$2,004,360	\$2,124,365

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.

Effective April 1, 2015 Canadian municipalities were required under PSAB 3260 to account for contaminated site liabilities that exist on non-productive municipal owned lands. The Town has identified one site within the LB Warner property that has known remaining contaminated soil. The estimated cost of remediation, \$150,000, had been set up as a Contaminated Sites Liability accrual. There are other identified contaminated sites but they are within sites that are in productive use.

7. DEFERRED REVENUES

	2016	2015
Operating Revenue Received in Advance	\$103,160	\$117,471
Other Capital Funding/Grants Received in Advance	6,958	26,958
Deferred Tax Revenue	381,283	279,495
	\$491,401	\$423,924

Federal Gas Tax Funds are included within the Town's Capital Funds (see Note 10) and all gas tax related transactions, including the gas tax funds received, occur within the Town's Gas Tax Capital Reserve (see Schedule J).

Town of Smithers
Notes to Consolidated Financial Statements
December 31, 2016

8. TANGIBLE CAPITAL ASSETS (Schedule B)

	2016	2015
Land	\$7,957,407	\$7,957,407
Buildings	11,101,358	11,641,103
Machinery and Equipment, Vehicles	3,469,110	3,606,867
Office Equipment and Computers	51,282	70,946
Engineered Structures	19,493,713	19,698,217
Utilities	13,790,489	14,005,806
Work In Progress	323,031	188,549
	\$56,186,390	\$57,168,895

9. PREPAID EXPENSES AND SUPPLY INVENTORY

	2016	2015
Prepaid Expenses	\$108,853	\$92,185
Inventory of Supplies	221,518	231,949
Smithers Public Library Prepaid Expenses	3,595	1,335
	\$333,966	\$325,469

10. ACCUMULATED SURPLUS

	2016	2015
Operating Funds (Schedules G, H and I)	\$3,973,449	\$3,844,102
Capital Funds (Schedules G, H and J)		
Capital Reserves and Other	958,599	892,386
Equity in Tangible Capital Assets	54,144,269	54,938,530
Reserve Funds (Schedules G, H and K)	3,340,111	3,076,956
Library Accumulated Surplus	113,811	110,443
	\$62,530,239	\$62,862,417

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

Town of Smithers
Notes to Consolidated Financial Statements
December 31, 2016

11. PENSION INFORMATION

The municipality and its employees contribute to the Municipal Pension Plan (a jointly trustee pension plan). The board of trustees, representing plan members and employers, is responsible for administering the plan, including investment of the assets and administration of benefits. The plan is a multi-employer defined benefit pension plan. Basic pension benefits are based on a formula. As at December 31, 2015, the plan has about 189,000 active members and approximately 85,000 retired members. Active members include approximately 37,000 contributors from local governments.

Every three years, an actuarial valuation is performed to assess the financial position of the plan and the adequacy of plan funding. The actuary determines an appropriate combined employer and member contribution rate to fund the plan. The actuary's calculated contribution rate is based on the entry-age normal cost method, which produces the long-term rate of members and employer contributions sufficient to provide benefits for average future entrants to the plan. The rate is then adjusted to the extent there is amortization of any funding deficit.

The most recent actuarial valuation for the Municipal Pension Plan as of December 31, 2015 indicated a \$2,224 million funding surplus for basic pension benefits on a going concern basis.

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

The Town of Smithers paid \$353,279 (2015: \$352,168) for employer contributions while employees contributed \$289,524 (2015: \$290,879) to the plan in fiscal 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 resulting in no consistent and reliable basis for allocating the obligation, assets and cost to the individual employers participating in the plan.

12. 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 service operating future obligations:

	Total
2017	\$401,694
2018	175,751
2019	86,970

Town of Smithers
Notes to Consolidated Financial Statements
December 31, 2016

2020	84,230
2021	85,905
	\$834,550

(d) 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. In 2015 the second phase of the Ambleside Development (consisting of 12 lots) was purchased and paid for by Ambleside Projects Ltd. No lots were purchased by Ambleside Development in 2015 or 2016.

(e) Airport Modernization Project:

The Town of Smithers obtained approval of a \$4M Federal Gas Tax Strategic Priority grant in 2016; to be part funding towards the upcoming Smithers Airport Terminal Modernization project. Since 2016 the Town has also received grant approvals from the Bulkley Nechako Regional District (\$400,000), the Northern Development Initiative Trust (\$125,000) and the BC Air Access Program (\$750,000). The Town will be undertaking a \$3M Loan Authorization process in 2017, which will represent the Town's funding towards the project.

Council agreed upon a conceptual design in December 2016, with the total costs of the modernization project being \$8.17M.

(f) Legal Actions:

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

13. SHAREHOLDER INVESTMENT

Pursuant to Section 185 of the *Community Charter*, the Town of Smithers and the Village of Telkwa were given approval by the BC Inspector of Municipalities in 2007 to form two corporations: Wetzin'kwa Management Services Ltd (previously called 0765119 B.C. Ltd.) and Wetzin'kwa Community Forest Corporation. The sole shareholders of Wetzin'kwa Management Services Ltd are the Town of Smithers and the Village of Telkwa, at 100 shares valued at \$1. Wetzin'kwa Management Services Ltd is the sole shareholder of the Wetzin'kwa Community Forest Corporation.

Town of Smithers
Notes to Consolidated Financial Statements
December 31, 2016

14. TRUSTS

The following Trust Fund balance was on hand at the end of December 31, 2016:

	2016	2015
Cemetery and Columbarium Care Trust Fund (Schedule M)	\$84,543	\$80,647
	\$84,543	\$80,647

15. 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.

	2016	2016 Budget	2015
Accumulated Surplus (Deficit) - Statement of Operations	(\$332,178)	\$3,839,429	1,196,742
Adjustments to non-cash items:			
Amortization expense	3,006,075	2,600,000	2,935,811
Tangible Capital Assets (TCA) - contributed	(262,060)	-	(1,661,051)
(Gain) Loss on disposal of TCA	63,316	(17,000)	14,114
Actuarial Adjustment	(53,664)	(53,664)	(45,649)
Adjustments for cash items, not recognized as revenue or expenses in the Statement of Operations:			
Tangible Capital Asset costs	(1,871,429)	(9,261,091)	(2,997,850)
Proceeds from sale of Capital Assets	46,603	17,000	12,086
Debt principal repayment	(134,580)	(134,580)	(158,617)
Borrowing Proceeds	-	2,000,000	-
Net Transfers from (to) Statutory Reserves	(263,155)	435,390	(162,639)
Net Transfers from (to) Capital Reserves	(66,213)	129,520	12,311
Net Transfers from (to) Operating Surplus	(132,715)	444,996	854,742
Balanced Financial Plan/Operations	0	0	0

Smithers 2016 Audited Financial Statements

Town of Smithers
Schedule of Changes in Debt
For the Year Ended December 31, 2016

Schedule A

	Town Bylaw #	MFA Issue #	Interest Rate	Maturity Date	Balance December 31 2015	Annual Principal Payments	Actuarial Adjustments *	Balance December 31 2016
GENERAL CAPITAL								
<i>Debentures:</i>								
Highway 16- 1st Instalment	#1402	#77	1.75%	June 2022	\$232,158	(\$15,121)	(\$13,393)	\$203,644
Highway 16- 2nd Instalment	#1427	#79	2.10%	June 2023	259,313	(15,121)	(12,037)	232,165
Highway 16- 3rd Instalment	#1328	#81	2.40%	April 2024	285,175	(15,121)	(10,741)	259,313
2008 Downtown Main Street	#1457	#97	4.66%	April 2016	24,656	(17,325)	(7,331)	-
2008 LAS- 2nd Ave Sidewalk	#1548	#105	4.90%	June 2019	10,335	(1,924)	(510)	7,901
2009 LAS- 1st Ave Sidewalk	#1597	#110	4.50%	June 2020	9,426	(1,430)	(310)	7,686
2012 LAS- 4200 Block 2nd Ave	#1657	#124	3.15%	April 2033	137,525	(4,958)	(405)	132,162
New Arena	#1508	#127	3.30%	April 2034	528,172	(21,828)	(873)	605,471
					<u>1,586,780</u>	<u>(92,828)</u>	<u>(45,600)</u>	<u>1,448,332</u>
UTILITY CAPITAL								
2004 LIP- Railway Ave Sewer	#1443	#81	2.40%	April 2019	13,263	(1,799)	(1,275)	10,186
2011 South Trunk Storm Sewer	#1601	#116	4.20%	April 2026	630,341	(39,953)	(6,786)	583,602
					<u>643,604</u>	<u>(41,752)</u>	<u>(6,064)</u>	<u>593,788</u>
TOTAL					\$2,230,384	(\$134,580)	(\$53,664)	\$2,042,120

* 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.

	General	Sewer	Storm
2017	\$75,504	\$1,799	\$39,953
2018	75,504	1,799	39,953
2019	75,504	1,799	39,953
2020	73,580	-	39,953
2021	72,150	-	39,953
total	\$372,242	\$5,397	\$199,765

Smithers 2016 Audited Financial Statements

Town of Smithers
Schedule of Changes in Tangible Capital Assets and Accumulated Amortization
For the Year Ended December 31, 2016

Schedule B

	Land	Buildings	Machinery & Equipment	Engineered Structures	Utilities	Office Equip Computers	Work In Progress	2016 Total	2015 Total
TANGIBLE CAPITAL ASSETS - COST									
Opening Balance	\$7,957,407	\$20,993,040	\$9,967,614	\$40,136,498	\$32,406,259	\$624,945	\$188,549	\$112,294,312	\$107,801,103
Add: Additions		162,258	426,268	888,177	201,685	12,038	181,005	1,871,429	2,997,850
Add: Donated Assets	-	26,500	23,000	43,400	169,160	-	-	262,060	1,661,051
Less: Disposals	-	(26,500)	(721,067)	-	-	-	-	(747,567)	(165,692)
Work-in-Progress Adjustment	-	-	6,075	24,269	16,179	-	(46,523)	-	-
Closing Balance	<u>7,957,407</u>	<u>21,155,296</u>	<u>9,721,890</u>	<u>41,082,344</u>	<u>32,793,283</u>	<u>636,983</u>	<u>323,031</u>	<u>113,680,234</u>	<u>112,294,312</u>
ACCUMULATED AMORTIZATION									
Opening Balance	-	9,351,937	6,380,747	20,438,261	18,400,453	553,999	-	55,125,417	52,329,098
Add: Amortization	-	702,001	509,681	1,160,350	602,341	31,702	-	3,006,075	2,935,811
Less: Acc. Amortization on Disposals	-	-	(637,648)	-	-	-	-	(637,648)	(139,492)
Closing Balance	<u>-</u>	<u>10,053,938</u>	<u>6,252,780</u>	<u>21,598,611</u>	<u>19,002,794</u>	<u>585,701</u>	<u>-</u>	<u>57,493,844</u>	<u>55,125,417</u>
Net Book Value for year ended December 31, 2016	<u>\$7,957,407</u>	<u>\$11,101,358</u>	<u>\$3,469,110</u>	<u>\$19,493,713</u>	<u>\$13,790,489</u>	<u>\$51,282</u>	<u>\$323,031</u>	<u>\$56,186,390</u>	
Net Book Value, year ended December 31, 2015	<u>\$7,957,407</u>	<u>\$11,641,103</u>	<u>\$3,606,867</u>	<u>\$19,698,217</u>	<u>\$14,005,806</u>	<u>\$70,646</u>	<u>\$168,540</u>		<u>\$57,168,895</u>

Town of Smithers
Schedule of Net Taxation and Grants in Lieu
For the Year Ended December 31, 2016

Schedule C

	2016	2016 Budget	2015
TOTAL MUNICIPAL TAXATION			
Real Property Taxes - Municipal	\$5,804,839	\$5,806,041	\$5,533,526
Penalties and Interest on Taxes	79,027	57,000	73,770
Local Improvement (Local Area Service) Taxes	21,711	21,711	21,711
1% Utility Taxes	146,760	148,828	146,320
Grants in Lieu of Taxes	220,632	216,700	213,431
	<u>6,272,969</u>	<u>6,250,280</u>	<u>5,988,758</u>
Plus: TAXES COLLECTED ON BEHALF OF OTHER TAXING AUTHORITIES	<u>4,497,806</u>	<u>4,445,190</u>	<u>4,438,730</u>
OTHER TAXES: 2% Hotel Taxes	<u>116,288</u>	<u>120,000</u>	<u>127,149</u>
Total Taxes Collected	<u>10,887,063</u>	<u>10,815,470</u>	<u>10,554,637</u>
Less: TAXES PAID TO OTHER TAXING AUTHORITIES			
Ministry of Finance (School Taxes)	(2,505,083)	(2,570,000)	(2,550,868)
Bulkley Nechako Regional District	(1,512,770)	(1,385,000)	(1,400,611)
Regional Hospital District	(419,208)	(426,000)	(423,817)
BC Assessment	(60,554)	(64,000)	(63,248)
Municipal Finance Authority	(191)	(190)	(186)
	<u>(4,497,806)</u>	<u>(4,445,190)</u>	<u>(4,438,730)</u>
TOTAL	<u>\$6,389,257</u>	<u>\$6,370,280</u>	<u>\$6,115,907</u>

Town of Smithers
Schedule of Government Transfers/Grant Revenue
For the Year Ended December 31, 2016

Schedule D

	2016	2016 Budget	2015
<i>Provincial</i>			
Carbon Tax Rebate	\$19,957	\$17,500	\$17,806
Childcare Operating Funds	755	3,500	2,259
Highway 16 Improvement Funds	10,000	10,000	10,000
Library Operating	27,076	26,592	26,592
Other grants	5,000	5,000	-
Planning	10,000	10,000	-
Small Community Unconditional Grant	522,700	525,000	546,493
Traffic Fines Revenue Sharing	78,341	90,000	91,455
<i>Federal</i>			
Airport Capital Assistance Program	-	-	506,565
Canada Day Grant	1,300	6,000	-
Gas Tax from the Community Works Fund	280,466	280,466	271,329
Gas Tax from the Strategic Priorities Fund	181,005	4,100,000	-
<i>Regional District</i>			
Emergency Services Contribution	3,000	3,000	3,000
Rural Contribution to Capital Projects	209,552	268,000	40,447
Rural Fire Protection Cost Sharing	163,501	157,145	159,839
Rural Recreation and Culture Cost Sharing	258,684	280,331	233,380
Transit Service Contribution	5,000	5,000	5,000
<i>UBCM</i>			
Age Friendly Program	19,280	20,000	-
Community to Community Forum	3,796	5,000	3,215
<i>Other</i>			
Miscellaneous Other	105,056	120,135	101,815
Northern Trust Development Initiative	107,641	78,000	77,500
Wetzinkwa Community Forest Corporation	75,000	45,000	-
TOTAL	\$2,087,090	\$6,035,689	\$2,096,695

Town of Smithers
Schedule of Consolidated Expenditures by Object
For the Year Ended December 31, 2016

Schedule E

	2016	2016 Budget	2015
TYPES OF EXPENDITURES			
Advertising and Promotion	\$46,834	\$52,881	\$45,279
Amortization	3,006,075	2,600,000	2,935,811
Contracted Services	1,430,649	1,399,334	1,348,285
Grants to Organization/Fee Waivers	212,851	226,001	215,116
Hydro	475,131	426,606	426,005
Insurance	174,536	191,185	169,741
Interest on Debt	99,410	105,133	109,980
Materials and Supplies	882,846	943,398	880,728
Miscellaneous	105,544	107,914	240,151
Natural Gas	73,085	110,176	86,320
Net Loss on Disposal of Capital Assets	63,316	-	14,114
RCMP Contract	1,352,578	1,503,398	1,361,683
Special Operating Projects	224,805	418,830	140,489
Telephone	92,305	91,292	114,928
Travel, Training, Memberships	176,973	196,259	144,304
Wages and Employee Benefits/Council Stipends	5,211,724	5,331,936	4,999,802
TOTAL	\$13,628,662	\$13,704,343	\$13,232,736

Smithers 2016 Audited Financial Statements

Town of Smithers
Statement of Operations - by Segment
For the Year Ended December 31, 2016

Schedule F

	General Government	Protective Services incl RCMP	Transportation & Transit	Solid Waste Management/ Recycling	Public Health/ Cemetery
REVENUE					
Property Taxation	\$1,193,882	\$2,105,976	\$1,305,135	-	\$22,376
Government Transfers/Grants	168,295	305,663	177,186	-	2,769
Service Charges/User Fees	88,276	116,834	78,388	\$342,557	32,664
Investment Income	12,354	4,682	12,485	-	213
Other Revenue	-	-	-	-	-
Total	1,462,807	2,533,155	1,573,194	342,557	58,022
EXPENSES					
Amortization expense	87,589	102,943	746,775	50,678	1,913
Goods and Services	452,529	1,698,845	554,507	91,498	17,068
Interest on Debt	-	-	43,429	-	-
Net Loss on Disposal of Tangible Capital Assets	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Salaries, Wages and Benefits	1,093,727	707,275	665,050	143,859	39,501
Total	1,633,845	2,509,063	2,009,761	286,035	58,482
ANNUAL SURPLUS (DEFICIT)	(\$171,038)	\$24,092	(\$436,567)	\$66,522	(\$460)

Smithers 2016 Audited Financial Statements

Schedule F

Development Services/Econ Dev/Tourism	Recreation & Culture incl Library	Airport	Utilities (Water/Sewer/ Storm)	Capital and Reserve Funds	Total 2016	Total 2015
\$544,900	\$760,267	-	\$6,814	\$449,907	\$6,389,257	\$6,115,907
155,653	433,779	-	10,000	833,745	2,087,090	2,096,695
131,671	575,181	\$1,571,671	1,280,288	7,753	4,225,283	4,241,987
4,111	10,060	22	-	106,808	150,735	183,315
-	91,190	-	-	352,929	444,119	1,791,574
<u>836,335</u>	<u>1,870,477</u>	<u>1,571,693</u>	<u>1,297,102</u>	<u>1,751,142</u>	<u>13,296,484</u>	<u>14,429,478</u>
15,602	472,979	972,582	555,014	-	3,006,075	2,935,811
410,233	824,675	599,067	599,713	-	5,248,135	5,023,029
-	21,450	-	34,532	-	99,411	109,980
-	-	-	-	63,316	63,316	14,114
-	-	-	-	-	-	150,000
<u>411,897</u>	<u>1,016,514</u>	<u>663,965</u>	<u>469,937</u>	<u>-</u>	<u>5,211,725</u>	<u>4,999,802</u>
<u>837,732</u>	<u>2,335,618</u>	<u>2,235,614</u>	<u>1,659,196</u>	<u>63,316</u>	<u>13,628,662</u>	<u>13,232,736</u>
<u>(\$1,397)</u>	<u>(\$465,141)</u>	<u>(\$663,921)</u>	<u>(\$362,094)</u>	<u>\$1,687,826</u>	<u>(\$332,178)</u>	<u>\$1,196,742</u>

**Supplementary
Statements to the
Consolidated Financial
Statements**
(unaudited)

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INDEPENDENT AUDITOR'S COMMENTS ON SUPPLEMENTARY INFORMATION

To the Council of
Town of Smithers
Smithers, BC

We have audited the consolidated financial statements of the Town of Smithers, which comprise the Consolidated Statement of Financial Position as at December 31, 2016, 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, and have issued our report thereon dated May 9, 2017. The following supplementary financial information is presented for the purposes of additional analysis and is not a required part of the consolidated financial statements. Such supplementary information is the responsibility of management and was derived from the underlying accounting and other records used to prepare the consolidated financial statements.

The supplementary information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such supplementary information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves.

Smithers, BC
May 9, 2017


Edmison Mehr

Smithers 2016 Audited Financial Statements

Town of Smithers
Statement of Financial Position - by Fund
 December 31, 2016

Schedule G

	Operating Funds			
	General Operating	Utility Operating	Airport Operating	RCMP Operating
FINANCIAL ASSETS				
Cash and Investments	\$6,097,858	-	-	-
Accounts Receivable	969,248	-	(\$5,128)	-
Deposit - Municipal Finance Authority	33,977	\$10,230	-	-
Loan Receivable	-	-	-	-
Due from Own Funds	-	1,124,447	1,099,476	\$408,154
Investment in Wetzin'kwa Community Forest Corporation	†	-	-	-
	<u>7,101,084</u>	<u>1,134,677</u>	<u>1,094,348</u>	<u>408,154</u>
LIABILITIES				
Accounts Payable and Accrued Liabilities	1,974,155	-	6,856	-
Due to Own Funds	3,578,566	-	-	-
Restricted Revenue - Municipal Finance Authority	33,977	10,230	-	-
Deferred Revenues	470,726	-	20,675	-
Long Term Debt (Schedule A)	-	-	-	-
	<u>6,057,424</u>	<u>10,230</u>	<u>27,531</u>	<u>-</u>
NET FINANCIAL ASSETS	<u>1,043,660</u>	<u>1,124,447</u>	<u>1,066,817</u>	<u>408,154</u>
NON FINANCIAL ASSETS				
Tangible Capital Assets (Schedule B)	-	-	-	-
Prepaid Expenses and Supplies Inventory	213,880	63,784	52,707	-
	<u>213,880</u>	<u>63,784</u>	<u>52,707</u>	<u>-</u>
ACCUMULATED SURPLUS	<u>\$1,257,540</u>	<u>\$1,188,231</u>	<u>\$1,119,524</u>	<u>\$408,154</u>
ACCUMULATED SURPLUS IS COMPRISED OF:				
Operating Funds (Schedules H and I)	\$1,257,540	\$1,188,231	\$1,119,524	\$408,154
Capital Funds (Schedules H and J)	-	-	-	-
Reserve Funds (Schedules H and K)	-	-	-	-
	<u>\$1,257,540</u>	<u>\$1,188,231</u>	<u>\$1,119,524</u>	<u>\$408,154</u>

Smithers 2016 Audited Financial Statements

Schedule G

Capital Equity & Capital Funds	Statutory Reserve Funds	Library Operations Consolidated	Other Consolidated Adjustments	Consolidated 2016	Consolidated 2015
-	\$3,340,111	\$128,424	-	\$9,566,393	\$9,280,520
-	-	5,141	-	969,261	849,076
-	-	-	-	44,207	45,932
\$12,109	-	-	-	12,109	17,109
946,489	-	-	(3,578,566)	-	-
-	-	-	-	1	1
<u>958,598</u>	<u>3,340,111</u>	<u>133,565</u>	<u>(3,578,566)</u>	<u>10,591,971</u>	<u>10,192,638</u>
-	-	23,349	-	2,004,360	2,124,365
-	-	-	(3,578,566)	-	-
-	-	-	-	44,207	45,932
-	-	-	-	491,401	423,924
2,042,120	-	-	-	2,042,120	2,230,364
<u>2,042,120</u>	<u>-</u>	<u>23,349</u>	<u>(3,578,566)</u>	<u>4,582,088</u>	<u>4,824,585</u>
<u>(1,083,522)</u>	<u>3,340,111</u>	<u>110,216</u>	<u>-</u>	<u>6,009,883</u>	<u>5,388,053</u>
56,186,390	-	-	-	56,186,390	57,168,895
-	-	3,595	-	333,966	325,469
<u>56,186,390</u>	<u>-</u>	<u>3,595</u>	<u>-</u>	<u>56,520,356</u>	<u>57,494,364</u>
<u>\$55,102,868</u>	<u>\$3,340,111</u>	<u>\$113,811</u>	<u>-</u>	<u>\$62,530,239</u>	<u>\$62,862,417</u>
-	-	\$113,811	-	\$4,087,260	\$3,954,545
<u>\$55,102,868</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>55,102,868</u>	<u>55,830,916</u>
-	\$3,340,111	-	-	3,340,111	3,076,956
<u>\$55,102,868</u>	<u>\$3,340,111</u>	<u>\$113,811</u>	<u>-</u>	<u>\$62,530,239</u>	<u>\$62,862,417</u>

Smithers 2016 Audited Financial Statements

Town of Smithers
Statement of Operations - by Fund
For the Year Ended December 31, 2016

Schedule H

	General Operating Fund	Utility Operating Fund	Airport Operating Funds	RCMP Operating Funds
REVENUE (Schedule F)				
Property Taxation and Grants in Lieu (Schedule C)	\$4,313,700	\$6,814	-	\$1,618,836
Government Transfers/Grants (Schedule D)	1,014,847	10,000	-	78,341
Service Charges/User Fees (Schedule L)	1,327,640	1,280,288	\$1,571,670	20,430
Investments/Actuarial Adjustments	41,773	-	22	-
Other Revenue	88,844	-	-	-
	<u>6,786,804</u>	<u>1,297,102</u>	<u>1,571,692</u>	<u>1,717,607</u>
EXPENSES (Schedules E and F)				
General Government Services	1,546,256	-	-	-
Protective Services	797,948	-	-	1,664,454
Transportation and Transit Services	1,481,802	-	-	-
Solid Waste Management/Recycling Services	235,357	-	-	-
Public Health/Cemetery Services	56,569	-	-	-
Development Services/Economic Development/Tourism	822,130	-	-	-
Recreation and Cultural Services	1,693,870	-	-	-
Utility Services (Water, Sewer, Stormsewer)	-	1,104,182	-	-
Airport Services	-	-	1,287,717	-
Net Loss on Tangible Capital Assets disposals	-	-	-	-
	<u>6,633,932</u>	<u>1,104,182</u>	<u>1,287,717</u>	<u>1,664,454</u>
ANNUAL SURPLUS (DEFICIT)	<u>152,872</u>	<u>192,920</u>	<u>283,975</u>	<u>53,153</u>
OTHER EXPENSES				
Less: Annual Principal Payments	92,828	41,752	-	-
	<u>92,828</u>	<u>41,752</u>	<u>-</u>	<u>-</u>
INTERFUND TRANSFERS				
Transfer (to) From Capital Funds	(26,000)	(44,712)	-	-
Transfer (to) From Operating funds	1,059	-	(1,069)	-
Transfer (to) From Reserve Funds	(28,161)	-	(320,120)	-
	<u>(53,092)</u>	<u>(44,712)</u>	<u>(320,120)</u>	<u>(321,189)</u>
Change in Accumulated Surplus Balances	6,952	106,456	(37,214)	53,153
Accumulated Surplus Balances, beginning of year	1,250,588	1,081,775	1,156,738	355,001
Accumulated Surplus Balances, end of year	<u>\$1,257,540</u>	<u>\$1,188,231</u>	<u>\$1,119,524</u>	<u>\$408,154</u>

Smithers 2016 Audited Financial Statements

Schedule H

Library Operations	Total Operating Funds	Capital Funds	Statutory Reserve Funds	Consolidated Adjustments	Consolidated 2016	Consolidated 2015
Schedule I		Schedule J	Schedule K			
-	\$5,939,350	-	\$449,907	-	\$6,389,257	\$6,115,907
\$150,158	1,253,346	\$833,745	-	-	2,087,091	2,096,695
17,501	4,217,529	7,753	-	-	4,225,282	4,241,987
2,132	43,927	64,203	42,605	-	150,735	183,315
2,346	91,190	352,929	299,783	(\$299,783)	444,119	1,791,574
172,137	11,545,342	1,258,630	792,295	(299,783)	13,296,484	14,429,478
-	1,546,256	87,589	-	-	1,633,845	1,441,958
-	2,462,402	102,943	-	(56,282)	2,509,063	2,480,572
-	1,481,802	746,775	-	(218,816)	2,009,761	2,063,108
-	235,357	50,676	-	-	286,035	271,887
-	56,569	1,913	-	-	58,482	66,738
-	822,130	15,602	-	-	837,732	934,308
168,769	1,662,639	472,979	-	-	2,335,618	2,225,261
-	1,104,182	565,014	-	-	1,659,196	1,536,109
-	1,287,717	972,582	-	(24,685)	2,235,614	2,196,681
-	-	90,419	(27,103)	-	63,316	14,114
168,769	10,859,054	3,096,494	(27,103)	(299,783)	13,628,662	13,232,736
3,368	686,288	(1,837,864)	819,398	-	(332,178)	1,196,742
-	134,580	(134,580)	-	-	-	-
-	134,580	(134,580)	-	-	-	-
-	(70,712)	975,236	(904,524)	-	-	-
-	-	-	-	-	-	-
-	(348,281)	-	348,281	-	-	-
-	(418,993)	975,236	(556,243)	-	-	-
3,368	132,715	(728,048)	263,155	-	(332,178)	1,196,742
110,443	3,954,545	55,830,916	3,076,956	-	62,862,417	61,665,675
\$113,811	\$4,087,260	\$55,102,888	\$3,340,111	-	\$62,530,239	\$62,862,417

Smithers 2016 Audited Financial Statements

Town of Smithers
Statement of Changes in Operating Funds
For the Year Ended December 31, 2016

Schedule I

	General Operating Surplus	Appropriated General Operating Surplus					2nd Sheet Ice Future Operating Reserve
		Recycling Operating Reserve	Emergency Services Operating Reserve	Economic Development Operating Reserve	Legal Reserve	Donated Funds Reserve	
<i>Transfers</i>							
Transfer to own Funds	\$127,001	\$12,500	-	-	-	\$8,800	-
Transfer from own Funds	(100,000)	-	(\$10,000)	(\$5,000)	-	-	(\$25,349)
Use of Surplus to fund Tangible Capital Assets	-	-	-	-	-	(1,000)	-
Net Change in Operating Fund Balances	27,001	12,500	(10,000)	(5,000)	-	7,800	(25,349)
Operating Funds, beginning of year	1,067,724	23,429	35,985	45,608	26,493	26,000	25,349
Operating Funds, end of year	\$1,094,725	\$35,929	\$25,985	\$40,608	\$26,493	\$33,800	-

Smithers 2016 Audited Financial Statements

Schedule I

Total General Operating Surplus	Utility Operating Surplus	Airport Operating Surplus	RCMP Operating Surplus	Total Town Operating Funds	Library Operating Reserves	Total 2016	Total 2015
\$148,301	\$246,206	-	\$135,215	\$529,722	\$3,368	\$533,090	(\$263,345)
(140,349)	(95,037)	(\$37,214)	(82,062)	(354,662)	-	(354,662)	627,432
(1,000)	(44,713)	-	-	(45,713)	-	(45,713)	(1,218,829)
6,952	106,456	(37,214)	53,153	129,347	3,368	132,715	(854,742)
1,250,588	1,081,775	1,156,738	355,001	3,844,102	110,443	3,954,545	4,809,287
\$1,257,540	\$1,188,231	\$1,119,524	\$408,154	\$3,973,449	\$113,811	\$4,087,260	\$3,954,545

Smithers 2016 Audited Financial Statements

Town of Smithers

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

For the Year Ended December 31, 2016

Schedule J

	Capital Reserves and Other			
	Debenture Surplus Capital Funds	Cemetery Capital Funds	Second Sheet Ice Capital Reserve	Weizil'kwa Grant Capital Reserve
<i>Revenue</i>				
Government Transfers/Grants	-	-	-	\$75,000
Service Charges/User Fees	-	\$7,753	-	-
Investment Income	-	-	-	817
Other Revenue incl donated value Tangible Capital Assets	\$6,869	-	-	-
	6,869	7,753	-	75,817
<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 Tangible Capital Assets	-	-	-	-
	-	-	-	-
<i>Annual Surplus (Deficit)</i>	6,869	7,753	-	75,817
<i>Other Expenses</i>				
Debt Principal Payments	-	-	-	-
Tangible Capital Assets Acquired	-	-	-	-
	-	-	-	-
<i>Interfund Transfers</i>				
Transfer to (from) own Funds	(147,989)	(16,199)	-	(17,710)
Transfer (to) from Operating Funds	-	-	-	-
Transfer (to) from Statutory Reserve Funds	-	-	-	-
	(147,989)	(16,199)	-	(17,710)
Change in Capital Fund Balances	(141,120)	(8,446)	-	58,107
Capital Funds, beginning of year	155,277	28,453	13,890	6,536
Capital Funds, end of year	\$14,157	\$20,007	\$13,890	\$64,643

Smithers 2016 Audited Financial Statements

Schedule J

Gas Tax Capital Reserve	Facilities Maintenance Capital Reserve	Tangible Capital Assets	Total Capital Funds	Equity in Tangible Capital Assets	Total 2016	Total 2015
\$280,466	-	\$478,279	\$833,745	-	\$833,745	\$826,841
-	-	-	7,753	-	7,753	10,322
8,140	\$1,582	-	10,539	\$53,864	64,203	54,483
-	-	346,060	352,929	-	352,929	1,720,281
288,606	1,582	824,339	1,204,966	53,864	1,258,630	2,611,927
-	-	-	-	87,589	87,589	86,040
-	-	-	-	102,943	102,943	110,381
-	-	-	-	746,775	746,775	728,120
-	-	-	-	50,678	50,678	27,807
-	-	-	-	1,913	1,913	1,788
-	-	-	-	15,602	15,602	15,602
-	-	-	-	472,979	472,979	448,202
-	-	-	-	555,014	555,014	544,974
-	-	-	-	972,582	972,582	972,899
-	-	(19,500)	(19,500)	109,919	90,419	19,799
-	-	(19,500)	(19,500)	3,115,994	3,098,494	2,955,612
288,606	1,582	843,839	1,224,466	(3,062,330)	(1,837,864)	(343,685)
-	-	-	-	134,580	134,580	158,617
-	-	(2,133,489)	(2,133,489)	2,133,489	-	-
-	-	(2,133,489)	(2,133,489)	2,268,069	134,580	158,617
(157,516)	-	339,414	-	-	-	-
-	25,000	45,712	70,712	-	70,712	1,237,809
-	0	904,524	904,524	-	904,524	836,104
(157,516)	25,000	1,289,850	975,236	-	975,236	2,073,913
131,090	26,582	-	66,213	(794,261)	(728,048)	1,888,845
512,953	98,610	76,667	692,386	54,938,530	55,830,916	53,942,071
\$644,043	\$125,192	\$76,667	\$958,599	\$54,144,269	\$55,102,868	\$55,830,916

Smithers 2016 Audited Financial Statements

Town of Smithers
Statement of Changes in Reserve Funds
For the Year Ended December 31, 2016

Schedule K

	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	-	-	-	-	-	\$448,907
Investment Income	\$12,943	\$8,371	\$3,158	\$417	\$447	340
Disposal Proceeds on Tangible Capital Assets	1,000	-	-	-	-	-
Other Revenue	275,098	-	-	-	-	-
	<u>289,041</u>	<u>6,371</u>	<u>3,158</u>	<u>417</u>	<u>447</u>	<u>450,247</u>
<i>Annual Surplus (Deficit)</i>	289,041	6,371	3,158	417	447	450,247
<i>Interfund Transfers</i>						
Transfer (to) from Operating Funds	28,800	-	-	-	-	(11,509)
Transfer (to) from Capital Funds	(418,806)	-	-	-	-	(414,809)
	<u>(390,006)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(426,118)</u>
Change in Statutory Reserve Fund Balances	(100,965)	6,371	3,158	417	447	24,129
Statutory Reserve Funds, beginning of year	1,125,077	467,745	246,750	32,542	34,919	2,745
Statutory Reserve Funds, end of year	<u>\$1,024,112</u>	<u>\$474,116</u>	<u>\$249,908</u>	<u>\$32,959</u>	<u>\$35,366</u>	<u>\$26,874</u>

Smithers 2016 Audited Financial Statements

Schedule K

Airport Machinery and Equipment Replacement Reserve	Local Area Service Fund	Forestry Reserve	Airport Infrastructure Reserve	Ambleside Subdivision Reserve	Greenhouse Gas Emission Reduction Reserve	Total 2016	Total 2015
Bylaw #1368	Bylaw #1388	Bylaw #1554	Bylaw #1675	Bylaw #1701	Bylaw #1751		
-	-	-	-	-	-	\$449,907	\$429,765
\$1,599	-	\$2,138	\$13,829	\$988	\$475	42,605	\$43,934
25,002	-	-	1,101	-	-	27,103	5,665
24,685	-	-	0	-	-	299,783	294,603
51,386	-	2,138	14,730	988	475	819,398	773,967
51,386	-	2,138	14,730	988	475	819,398	773,967
-	-	(6,000)	320,120	-	16,870	348,281	224,756
-	-	-	(68,842)	-	(2,267)	(904,524)	(836,104)
-	-	(6,000)	251,278	-	14,603	(556,243)	(611,348)
51,386	-	(3,862)	266,008	988	15,078	263,155	162,639
83,021	\$131	173,061	811,250	77,224	22,491	3,076,956	2,914,317
\$134,407	\$131	\$169,199	\$1,077,258	\$78,212	\$37,569	\$3,340,111	\$3,076,956

Town of Smithers
Schedule of Service Charges/User Fees
For the Year Ended December 31, 2016

Schedule L

	2016	2016 Budget	2015
<i>General Fund</i>			
General Government Fees and Charges	\$168,917	\$166,271	\$167,210
Protective Services Fees and Charges	83,571	65,500	42,287
Transportation/Transit Fees and Charges	44,165	53,893	43,560
Solid Waste Management Fees and Charges	342,556	332,350	346,247
Cemetery/Public Health Fees and Charges	32,080	35,500	49,078
Development Services/Tourism/Econ Devt Fees	120,404	122,650	123,035
Recreation & Culture Fees and Charges	535,947	590,846	501,850
<i>Utility Fund</i>			
Water Services Fees and Charges	599,796	577,498	564,564
Sewer Services Fees and Charges	680,492	672,072	660,596
<i>RCMP Fund</i>			
RCMP Fees and Charges	20,430	19,000	22,405
<i>Airport Fund</i>			
Airport Fees and Charges	1,571,671	1,611,215	1,693,833
<i>Capital Fund</i>			
Cemetery Capital Development Reserve Fees	7,753	3,000	10,322
<i>Library</i>			
Library Fees and Charges	17,501	16,701	17,000
TOTAL	\$4,225,283	\$4,266,496	\$4,241,987

Town of Smithers

Schedule of Fund Position for the Cemetery and Columbarium Trust Fund

For the Year Ended December 31, 2016

Schedule M

	2016	2015
FINANCIAL ASSETS		
Cash and Investments	\$84,543	\$80,647
NET FINANCIAL ASSETS	\$84,543	\$80,647
FINANCIAL POSITION		
Fund Balance, beginning of year	\$80,647	\$74,802
Contributions	3,896	5,845
Fund Balance, end of year	\$84,543	\$80,647

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.



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