Town of Smithers
...simply exceptional.

RESOLUTION

2023 STATEMENT OF FINANCIAL INFORMATION

R24.158
Buikema/Raven
THAT Council approve the 2023 Statement of Financial Information attached to FIN 24-13.

CARRIED.

Certified a true resolution of Council from the Regular Meeting of May 28, 2024, held in Council Chamber, 1027 Aldous Street, Smithers, B.C.

David Schroeter
Corporate Officer

The undersigned as authorized by the Financial Information Regulation, Schedule 1, subsection 9(2), approved all the statements and schedules included in the Town of Smithers 2023 Statement of Financial Information, produced under the *Financial Information Act*.

William Wallace, CPA, CA
Finance Officer

Print Form

Financial Information Act
Financial Information Regulation (FIR), Schedule 1

Statement of Financial Information (SOFI)
Index to FIR Schedule 1 and the Checklist

Page 1: Corporation Information

Ministry Information

General: Section One

1(1)(a)	Statement of assets and liabilities
1(1)(b)	Operational statement
1(1)(c)	Schedule of debts
1(1)(d)	Schedule of guarantee and indemnity agreements
1(1)(e)	Schedule of employee remuneration and expenses
1(1)(f)	Schedule of suppliers of goods and services
1(2)	[Explanatory information for reference]
1(3)	Statements prepared on a consolidated basis or for each fund
1(4) & (5)	Notes to the statements and schedules in section 1(1)

Page 2: Statement of Assets & Liabilities: Section Two

2	Balance sheet
	Changes in equity and surplus or deficit

Operational Statement: Section Three

3(1)	Statement of Income / Statement of Revenue and Expenditures
	Statement of Changes in Financial Position
3(2) & (3)	Omission of Statement of Changes in Financial Position, with explanation
3(4)	Requirement for community colleges, school districts and municipalities

Statement of Debts: Section Four

4(1)(a) & 4(2)	List and detail the schedule of long-term debts
4(1)(b)	Identify debts covered by sinking funds / reserves
4(3) & (4)	Omission of schedule, with explanation

Page 3: Schedule of Guarantee and Indemnity Agreements: Section Five

5(1)	List agreements under the Guarantees and Indemnities Regulation
5(2)	State the entities and amounts involved
5(3) & (4)	Omission of schedule, with explanation

Page 3 & 4: Schedule of Remuneration and Expenses: Section Six

6(1)	[Definitions for reference]
6(2)(a)	List remuneration / expenses for each elected official, member of board, Cabinet appointees
6(2)(b)	List each employee with remuneration exceeding $75,000, plus expenses
6(2)(c)	Consolidated total for all employees with remuneration of $75,000 or less
6(2)(d)	Reconcile difference in total remuneration above with operational statement
6(3)	Exclude personal information other than as required

Page 3 & 4: Schedule of Remuneration and Expenses: Section Six (continued)

6(4) & (5)	[Explanatory information for reference]
6(6)	Report employer portion of EI and CPP as a supplier payment
6(7)(a) & (b)	Statement of severance agreements
6(8)	Explain an omission of statement of severance agreements
6(9)	[Statement of severance agreements to minister – not required unless requested]

Page 4: Schedule of Suppliers of Goods or Services: Section Seven

7(1)(a)	List suppliers receiving payments exceeding $25,000
7(1)(b)	Consolidated total of all payments of $25,000 or less
7(1)(c)	Reconcile difference in total above with operational statement
7(2)(a)	[Explanatory information for reference]
7(2)(b)	Statement of payments of grants or contributions
7(2)(c)	[Explanatory information for reference]

Page 5: Inactive Corporations: Section Eight

8(1)	Ministry to report for inactive corporations
8(2)(a)	Contents of report – statements and schedules under section 1(1) to extent possible
8(2)(b)	Contents of report – operational status of corporation

Approval of Financial Information: Section Nine

9(1)	Approval of SOFI for corporations (other than municipalities)
9(2)	Approval of SOFI for municipalities
9(3)	Management report
9(4)	Management report must explain roles and responsibilities
9(5)	Signature approval is for all contents of the SOFI

Access to the Financial Information: Section Ten

10(1) to (3)	[Explanatory information for reference]

Financial Information Regulation, Schedule 1

Checklist – Statement of Financial Information (SOFI)

For the Corporation:

Corporate Name:	Town of Smithers	Contact Name:	William Wallace
Fiscal Year End:	December 31, 2023	Phone Number:	(250) 847-1600
Date Submitted:	Prior to June 30, 2023	E-mail:	wwallace@smithers.ca

For the Ministry:

Ministry Name:		Reviewer:				
Date Received:		Deficiencies:	Yes	☐	No	☐
Date Reviewed:		Deficiencies Addressed:	Yes	☐	No	☐
Approved (SFO):		Further Action Taken:				

Distribution: Legislative Library ☐ Ministry Retention ☐

FIR Schedule 1 Section	Item	Yes	No	N/A	Comments
	General				
1 (1) (a)	Statement of assets and liabilities	☒	☐	☐	FS, p.3 ["FS" = Financial Statements attached.]
1 (1) (b)	Operational statement	☒	☐	☐	FS, p.4
1 (1) (c)	Schedule of debts	☒	☐	☐	FS, p.13, note 10
1 (1) (d)	Schedule of guarantee and indemnity agreements	☐	☐	☒	None at 12/31/23
1 (1) (e)	Schedule of employee remuneration and expenses	☒	☐	☐	SOFI Schedule #3
1 (1) (f)	Schedule of suppliers of goods and services	☒	☐	☐	SOFI Schedule #5
1 (3)	Statements prepared on a consolidated basis or for each fund, as appropriate	☒	☐	☐	FS
1 (4) 1 (5)	Notes to the financial statements for the statements and schedules listed above	☒	☐	☐	FS, p.7

FIR Schedule 1 Section	Item	Yes	No	N/A	Comments
Statement of Assets & Liabilities					
2	• A balance sheet prepared in accordance with GAAP or stated accounting principles / policies, and • Show changes in equity and surplus or deficit due to operations	☒	☐	☐	FS, p.3 FS, p.21
Operational Statement					
3 (1)	Prepared in accordance with GAAP or stated accounting principles / policies and consists of: • a Statement of Income or Statement of Revenue and Expenditures, and • a Statement of Changes in Financial Position	☒	☐	☐	FS, p.4 FS, p.21
3 (2) 3 (3)	• The Statement of Changes in Financial Position may be omitted if it provides no additional information • The omission must be explained in the notes	☒	☐	☐	FS, p.5 FS, p.21
3 (4)	Community colleges, school districts, and municipalities must prepare a Statement of Changes in Financial Position for the Capital Fund	☒	☐	☐	FS, p.15, note 10 FS, p.21 FS, p.20
Schedule of Debts					
4 (1) (a) 4 (2)	List each long-term debt (secured by debentures, mortgages, bonds, etc.), stating the amount outstanding, the interest rate, and the maturity date	☒	☐	☐	FS, p.13, note 10
4 (1) (b)	Identify debts covered by sinking funds or reserves and amounts in these accounts	☒	☐	☐	FS, p.13, note 10 FS, p.12, note 6
4 (3) 4 (4)	• The schedule may be omitted if addressed under section 2 or 5 and it provides no additional information • The omission must be explained in a note to the schedule	☐	☐	☒	Included

FIR Schedule 1 Section	Item	Yes	No	N/A	Comments
Schedule of Guarantee and Indemnity Agreements					
5 (1)	List financial agreements that required government approval prior to being given (see Guarantees and Indemnities Regulation in FIA Guidance Package)	☐	☐	☒	None at 12/31/23
5 (2)	State the entities involved, and the specific amount involved if known	☐	☐	☒	None at 12/31/23
5 (3) 5 (4)	• The schedule may be omitted if addressed under section 2 or 4 and it provides no additional information • The omission must be explained in a note to the schedule	☐	☐	☒	None at 12/31/23
Schedule of Remuneration and Expenses (See Guidance Package for suggested format)					
6 (2) (a)	List separately, by name and position, the total remuneration and the total expenses for each elected official, member of the board of directors, and employee appointed by Cabinet	☒	☐	☐	SOFI Schedule #2
6 (2) (b)	List alphabetically each employee whose total remuneration exceeds $75,000 and the total expenses for each [excluding the persons listed under 6 (2) (a)]	☒	☐	☐	SOFI Schedule #3
6 (2) (c)	Include a consolidated total for employees whose remuneration is $75,000 or less [excluding the persons listed under 6 (2) (a)]	☒	☐	☐	SOFI Schedule #3
6 (2) (d)	Reconcile or explain any difference between total remuneration in this schedule and related information in the operational statement	☒	☐	☐	Differences primarily arise from payroll system module (timing), accounting system (cash basis), financial statements (accrual/ consolidated basis), and SOFI expense/ payment classification.
6 (3)	Exclude personal information other than name, position, function or remuneration and expenses of employees	☒	☐	☐	SOFI Schedule #3

FIR Schedule 1 Section	Item	Yes	No	N/A	Comments
Schedule of Remuneration and Expenses (See Guidance Package for suggested format)					
6 (6)	Report the employer portion of EI and CPP as a supplier payment to the Receiver General for Canada rather than as employee remuneration	☒	☐	☐	SOFI Schedule #5
6 (7) (a) 6 (7) (b)	Include a statement of severance agreements providing: • the number of severance agreements under which payment commenced in the fiscal year being reported on for non-union employees, and • the range of equivalent months' compensation for them (see Guidance Package for suggested format)	☒	☐	☐	SOFI Schedule #4
6 (8)	Provide the reason for omitting a statement of severance agreements in a note to the schedule of remuneration and expenses	☐	☐	☒	Included
Schedule of Suppliers of Goods or Services (See Guidance Package for suggested format)					
7 (1) (a)	List in alphabetical order all suppliers of goods and services who received aggregate payments exceeding $25,000	☒	☐	☐	SOFI Schedule #5
7 (1) (b)	Include a consolidated total of all payments to suppliers who received $25,000 or less	☒	☐	☐	SOFI Schedule #5
7 (1) (c)	Reconcile or explain any difference between the consolidated total and related figures in the operational statement	☒	☐	☐	Differences primarily arise from payables system module (timing), accounting system (cash basis), financial statements (accrual/ capitalization/ consolidated basis), and SOFI expense/ payment classification.
7 (2) (b)	Include a statement of payments for the purposes of grants or contributions	☒	☐	☐	SOFI Schedule #6

FIR Schedule 1 Section	Item	Yes	No	N/A	Comments
Inactive Corporations					
8 (1)	The ministry reports for the corporation if the corporation is not operating to the extent required to produce a SOFI	☐	☐	☒	Town of Smithers
8 (2) (a)	The ministry's report contains the statements and schedules required under section 1 (1), to the extent possible	☐	☐	☒	Town of Smithers
8 (2) (b)	The ministry's report contains a statement of the operational status of the corporation (see Guidance Package regarding what to include)	☐	☐	☒	Town of Smithers
Approval of Financial Information					
9 (1)	Corporations other than municipalities – the SOFI is signed as approved by the board of directors or the governing body (see Guidance Package for example)	☐	☐	☒	Town of Smithers
9 (2)	Municipalities – the SOFI is approved by its council and by the officer assigned responsibility for financial administration (see Guidance Package for example)	☒	☐	☐	Council approved at its meeting of 05-28-24. Director of Finance approved on 05-28-24. Resolution/ approval - see SOFI cover sheet.
9 (3)	A management report is included, signed by the head and chief financial officer, or by the municipal officer assigned responsibility for financial administration (see examples in annual report at http://www.gov.bc.ca/cas/popt/)	☒	☐	☐	FS, p.1
9 (4)	The management report explains the roles and responsibilities of the board of directors or governing body, audit committee, management, and the auditors	☒	☐	☐	FS, p.1 (management) FS, p.2 (auditor)
9 (5)	Signature approvals required in section 9 are for each of the statements and schedules of financial information, not just the financial statements	☒	☐	☐	Resolution/ approval - see SOFI cover sheet.

TOWN OF SMITHERS

Statement of Financial Information

Schedule 2 - Council Remuneration and Expenses (Unaudited)

Year Ended December 31, 2023

	Remuneration	Expenses	Total
Gladys Atrill, Mayor	35,964	19,943	55,907
John Buikema, Councillor	18,567	4,883	23,450
Calvin Elliot, Councillor	17,976	5,779	23,755
Laura Leonard, Councillor	17,976	891	18,867
Genevieve Paterson, Councillor	17,976	155	18,131
Samantha Raven, Councillor	17,976	9,281	27,257
Frank Wray, Councillor	20,943	5,834	26,778
Total	**$ 147,379**	**$ 46,766**	**$ 194,145**

TOWN OF SMITHERS

Statement of Financial Information

Schedule 3 - Employee Remuneration and Expenses (Unaudited)

Year Ended December 31, 2023

Employees With Remuneration Exceeding $75,000:

		Remuneration	Expenses	Total
Allen, Mark	Director of Development Services	154,628	1,529	156,157
Anderson, Dallas	Equipment Operator II	87,326	-	87,326
Blackburn, Robert	Airport Manager	121,139	3,003	124,141
Brakenbury, Dawn	Parks II	79,233	333	79,566
Bridgewood, William	Parks I / Arena I	83,340	110	83,450
Chandran, Deepa	Planner III	96,561	3,275	99,836
Coltura, Ryan	Director of Community Services	82,380	-	82,380
de Vries, Alle Jan	Deputy Fire Chief	97,513	13,822	111,335
Fuerst, Darren	Utility Supervisor	97,552	3,723	101,275
George, William	Director of Community Services	102,238	11,367	113,605
Herzog, Ariane	Senior Engineering Technologist	85,310	1,690	87,000
Herzog, Matthew	Fire Training Officer & ESS Coordinator	90,742	1,123	91,865
Higginson, Joe	Certified Mechanic	91,104	-	91,104
Lawrence, Chris	Director of Operations	124,033	8,453	132,485
Miles, Aaron	Utility Operator III	83,908	132	84,040
Muir, Brent	Airport Maintenance-Mechanic Supervisor	99,910	771	100,681
Oliarny, Corri	Parks I / Arena II	77,601	110	77,711
Percy, Dave	Garbage Truck Driver / Swamper II	75,650	-	75,650
Plouffe, Dianna	Chief Administrative Officer	182,650	22,555	205,206
Russell, Anthony	Airport Maintenance-Mechanic/Operator II	85,099	858	85,957
Schibli, Trent	Engineering Technologist III	81,736	1,362	83,097
Schroeter, David	Director of Corporate Services	124,196	10,694	134,890
Smith, Ian	Parks II / Arena II	76,966	587	77,553
Solomon, Don	Operations Supervisor	91,865	-	91,865
Turner, Lyle	Equipment Operator II	84,549	-	84,549
Walker, Nese	Senior Accounting Clerk	75,801	-	75,801
Wallace, William	Director of Finance	136,140	1,750	137,890
Widen, Morgan	Building Inspector III	86,147	4,685	90,833
Wilmotte, Arnuad	Equipment Operator I	75,314	-	75,314
Withers-Jessee, Edward	Arena Supervisor	85,771	186	85,957
Zacharias, Kelly	Fire Chief	79,940	1,355	81,295
Total: Employees With Remuneration Exceeding $75,000		**2,996,343**	**93,471**	**3,089,814**
Total: Employees With Remuneration Up To $75,000		**2,188,137**	**42,084**	**2,230,221**
Total		**$ 5,184,479**	**$ 135,556**	**$ 5,320,035**

TOWN OF SMITHERS

Statement of Financial Information
Schedule 4 - Severance Agreements (Unaudited)
Year Ended December 31, 2023

There were no reportable severance agreements in 2023.

TOWN OF SMITHERS

Statement of Financial Information

Schedule 5 - Suppliers of Goods and Services (Unaudited)

Year Ended December 31, 2023

Acera Insurance Services (Property)	297,846
Andesite Holdings (Road marking)	136,720
Aspen Traffic Control	25,289
Associated Fire Safety Equipment	113,972
Babine Truck & Equipment	29,050
Barbs Trucking	36,253
BC Hydro	462,710
BC Pension Corp (Municipal employer)	397,621
BC Transit	213,524
(BC) Minister of Finance (Payroll)	99,497
(BC) Minister of Finance (Transportation)	40,505
(BC) Worksafe BC	113,724
Bell Mobility	25,164
Bulkley Electric	65,973
Bulkley Valley Engineering Services	62,829
Calian (Environmental consulting)	55,114
(Canada) Receiver General (Payroll)	311,605
(Canada) Receiver General (RCMP)	1,918,864
CAS Ventures (Brushing)	116,658
Central Square Canada Software	45,459
Cims Limited Partnership (Roofing)	41,622
Citywest Cable & Telephone	36,501
Coast Mountain Chevrolet Buick GMC	81,769
Colliers Project Leaders (Arena refrigeration)	51,975
Commercial Emergency Equipment	120,509
Cutting Edge Projects (Sidewalks)	354,344
Dawson Road Maintenance	62,367
Double B Gravel & Excavating	37,346
Evergreen Industrial Supplies	45,841
Flicker Land Management (Firesmart consulting)	41,371
Fred Surridge (Utility supplies)	91,986
Glacier Electric	85,953
ICBC (Fleet insurance)	67,345
IGI Resources (Gas supply)	31,891
JS Refrigeration Engineering	45,062
Kal Tire	26,762
Kolbrile Enterprises (Airport security)	45,053
L. Holtzman Contracting	58,130
Lidstone & Company (Legal)	53,827
Manulife Financial (Employee benefits)	386,613
Matthews Cleaning Contracting	69,300
McElhanney Consulting (Engineering)	85,329
Morfco Supplies (Utilities)	54,118
Municipal Insurance Association (Liability)	54,151
Napp Enterprises (Demolition)	86,600
Nisbet, Michelle (Campground)	33,075
Northwest Fuels	77,760
Northwest Hydraulic Consultants (Engineering)	76,196
North Central Plumbing & Heating	50,298
Pacific Northern Gas	95,756
Plan 54 Consulting	56,511
Precision Service and Pumps	52,026
RC Strategies (Consulting)	50,568
Rocky Mountain Phoenix (Fire supplies)	84,741
Rollins Machinery	51,460
Safetek Emergency Vehicles	140,000
Sea to Sky Network Solutions (IT supplies/services)	209,958
Smithers District Chamber of Commerce	91,803
Smithers Feed Store	35,803
Smithers Volunteer Firefighters Association	49,401
Steti Transport (Trail construction)	1,277,558
Stewart Construction	36,652
Suncor Energy Product Partnership	202,694
Taylor Sound & Light Productions	26,884
Telus Communications	28,738
Terus Construction (Road paving)	1,318,213
Tiger Calcium Services	34,903
Tourism Smithers Society	370,127
Unified Systems (Airport equipment)	90,457
United Rotary Brush (Equipment supplies)	41,160
Vihar Construction (Road supplies/services)	259,904
Vimar Equipment	54,909
Vohora (Audit)	25,431
Western Industrial Contractors (Arena refrigeration)	1,307,707
WSP Canada (Engineering)	312,197
Yeti Refrigeration	30,640
2nd Effort Cleaning Service	65,258
Total: Suppliers Who Received Payments Exceeding $25,000	**13,322,930**
Total: Suppliers Who Received Payments of $25,000 or less	**1,794,639**
	$ 15,117,569

TOWN OF SMITHERS

Statement of Financial Information

Schedule 6 - Grants and Contributions (Unaudited)

Year Ended December 31, 2023

Bulkley Valley Community Arts Council	(GIA)	3,913
Bulkley Valley Historical and Museum Society	(GIA)	56,423
Smithers Art Gallery Association	(GIA)	25,025
Smithers Skate Park Society	(Contribution)	75,000
		$ 160,361

TOWN OF SMITHERS

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2023

TOWN OF SMITHERS

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2023

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TOWN OF SMITHERS

MANAGEMENT REPORT

YEAR ENDED DECEMBER 31, 2023

The Consolidated Financial Statements of the Town of Smithers have been prepared by management in accordance with Canadian public sector accounting standards, and the integrity and objectivity of these statements are management's responsibility. 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 external auditors, Vohora LLP, 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 the financial management of the Town of Smithers and meet when required.

On behalf of the Town of Smithers:

William D. Wallace, CPA, CA
Director of Finance
May 9, 2024

Vohora LLP
CPAs & Business Advisors

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INDEPENDENT AUDITOR'S REPORT

To the Mayor and Council of Town of Smithers

Report on the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Town of Smithers (the Town), which comprise the statement of financial position as at December 31, 2023, and the statements of operations, change in net assets and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Town as at December 31, 2023, and the results of its operations and cash flows for the year then ended in accordance with Canadian public sector accounting standards (PSAS).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Town in accordance with ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with PSAS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Town's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Town or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Town's financial reporting process.

INDEPENDENT AUDITOR'S REPORT (*continued*)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Town's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Town's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Town to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

INDEPENDENT AUDITOR'S REPORT (*continued*)

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Smithers, BC
May 9, 2024

Vohora LLP
Chartered Professional Accountants

TOWN OF SMITHERS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

YEAR ENDED DECEMBER 31

	2023	2022
	$	$
FINANCIAL ASSETS		
Cash and Investments (Note 3)	30,506,413	24,614,698
Grants and Accounts Receivable (Note 4)	1,578,487	1,334,327
Deposits - Municipal Finance Authority (Note 6)	64,926	72,324
Investment in Wetzin'kwa Management Services Ltd. (Note 7)	1	1
	32,149,827	26,021,350
LIABILITIES		
Accounts Payable and Accrued Liabilities (Note 8)	3,576,694	2,778,619
Restricted Revenue - Municipal Finance Authority (Note 6)	64,926	72,324
Deferred Revenues (Note 9)	4,237,527	2,323,086
Debt (Note 10)	3,021,905	3,372,691
Asset Retirement Obligations (Note 11)	2,035,791	-
	12,936,843	8,546,720
NET FINANCIAL ASSETS	19,212,984	17,474,630
Commitments and Contingencies (Note 15)		
NON FINANCIAL ASSETS		
Tangible Capital Assets (Schedule 1)	73,980,184	69,852,091
Prepaid Expenses and Supply Inventory (Note 5)	1,088,306	564,925
	75,068,490	70,417,016
TOWN POSITION (Note 13 and Schedule 2)	94,281,474	87,891,646

TOWN OF SMITHERS

CONSOLIDATED STATEMENT OF OPERATIONS

YEAR ENDED DECEMBER 31

	(Unaudited) Budget 2023	2023	2022
	$	$	$
REVENUE (Note 14)			
Property Taxes and Grants in Lieu (Schedule 3)	9,093,025	9,119,369	8,572,606
Municipal and Regional District Tax (Hotel Tax)	330,000	377,040	330,931
Interest and Penalties on Taxes	99,000	104,003	98,103
	9,522,025	9,600,412	9,001,640
Government Transfers and Grants (Schedule 4)	11,700,688	7,441,513	4,150,743
Service Charges and User Fees	5,587,426	6,187,214	5,088,283
Investment Income	102,360	1,285,456	501,564
Developer Contributed Tangible Capital Assets	-	134,932	813,266
Non-Government Contributions and Donations	476,050	109,823	259,166
Gain on Disposal of Tangible Capital Assets	-	822,973	-
	27,388,549	25,582,323	19,814,662
EXPENSES (Note 14 and Schedule 5)			
Council and Corporate Services	2,238,893	2,077,229	2,291,062
Planning and Development Services	896,013	877,272	1,094,495
Economic Development and Tourism	865,006	655,970	591,427
Smithers Regional Airport	3,458,291	3,416,962	3,131,560
Recreation and Cultural Services	2,291,267	2,372,952	1,922,550
Smithers Public Library	520,411	525,426	482,819
Protective Services	4,255,798	3,953,618	3,483,491
Transportation and Mobility Services	3,020,789	3,053,174	2,926,404
Utility Services	1,814,320	1,771,096	1,518,311
Solid Waste and Recycling Services	389,556	419,930	275,188
Public Health Services	72,158	68,866	75,141
Loss on Disposal of Tangible Assets	-	-	807
	19,822,502	19,192,495	17,793,255
EXCESS OF REVENUE OVER EXPENSES	7,566,047	6,389,828	2,021,407
TOWN POSITION, BEGINNING OF YEAR	87,891,646	87,891,646	85,870,239
TOWN POSITION, END OF YEAR	95,457,693	94,281,474	87,891,646

TOWN OF SMITHERS

CONSOLIDATED STATEMENT OF CHANGE IN NET ASSETS

YEAR ENDED DECEMBER 31

	(Unaudited) Budget 2023	2023	2022
	$	$	$
Excess of revenue over expenses	7,566,047	6,389,828	2,021,407
Acquisition of tangible capital assets	(9,595,883)	(5,961,050)	(5,780,523)
Contributed tangible capital assets	-	(109,379)	(813,266)
Recognition of asset retirement obligations	-	(1,951,487)	-
Proceeds on disposal of tangible capital assets	-	856,095	3,000
Gain on disposal of tangible capital assets	-	(822,973)	-
Loss on disposal of tangible capital assets	-	-	807
Amortization of tangible capital assets	3,642,329	3,860,701	3,642,329
	(5,953,554)	(4,128,093)	(2,947,653)
Use (acquisition) of prepaid expenses	-	(437,910)	(16,589)
Use (acquisition) of supply inventory	-	(85,471)	(71,762)
	-	(523,381)	(88,351)
Net change in net assets	1,612,493	1,738,354	(1,014,597)
Net assets, beginning of year	17,474,630	17,474,630	18,489,227
Net assets, end of year	19,087,123	19,212,984	17,474,630

TOWN OF SMITHERS

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31

	2023	2022
	$	$
OPERATING TRANSACTIONS		
Excess of revenue over expenses	6,389,828	2,021,407
Items not involving cash:		
Actuarial adjustment	(91,165)	(103,421)
Amortization	3,860,701	3,642,329
Accretion	84,304	-
Gain on disposal of tangible capital assets	(822,973)	-
Loss on disposal of tangible capital assets	-	807
Contributed capital assets	(109,379)	(813,266)
Changes in non-cash assets and liabilities:		
Receivables	(244,160)	684,022
Prepaids	(437,910)	(16,589)
Supply inventory	(85,471)	(71,762)
Accounts payable and accrued liabilities	798,075	(1,342,071)
Deferred revenues	1,914,441	211,341
	11,256,291	4,212,797
CAPITAL ACTIVITIES		
Acquisition of tangible capital assets	(5,961,050)	(5,780,523)
Proceeds on disposal of tangible capital assets	856,095	3,000
	(5,104,955)	(5,777,523)
FINANCING TRANSACTIONS		
Repayment of debt	(259,621)	(274,742)
NET CHANGE IN CASH AND INVESTMENTS	5,891,715	(1,839,468)
CASH AND INVESTMENTS, BEGINNING OF YEAR	24,614,698	26,454,166
CASH AND INVESTMENTS, END OF YEAR	30,506,413	24,614,698

1. SIGNIFICANT ACCOUNTING POLICIES

Management's Responsibility for the Consolidated Financial Statements

The consolidated financial statements are the representation of management. The financial statements have been prepared in accordance with generally accepted accounting principles for local governments established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. Significant aspects of the accounting policies adopted by the Town of Smithers are as follows:

(a) Reporting Entity

The Town of Smithers is a municipality that was incorporated in 1921 under the laws of the Province of British Columbia and operates under the provisions of the *Community Charter* and the *Local Government Act*.

The consolidated financial statements reflect the assets, liabilities, revenues and expenses, changes in fund balances, and change in financial position of the reporting entity. This entity is comprised of the municipal operations that are owned or controlled by the Town, which includes the Smithers Public Library. Interfund transactions have been eliminated on consolidation. The financial statements exclude trust assets that are administered by the Town for the benefit of external parties.

(b) Basis of Accounting

The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting records revenue as it is earned and measurable. Expenses are recognized as they are incurred and measurable based upon receipt of goods or services and/or the legal obligation to pay.

Funds from external parties that are restricted by agreement and/or legislation are accounted for as deferred revenue until used for the purpose specified.

(c) Revenue Recognition

The Town of Smithers follows the restricted contribution method for recording revenues. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred.

Unrestricted contributions are recognized as revenue 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 annual property tax notices for the year. Sale of services and user fee revenues are recognized when the Town renders the service or product.

(d) Government Transfers

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

(e) Financial Assets and Liabilities

The Town of Smithers is not subject to significant risk from market, foreign currency, or price changes. The financial risks to which the Town is exposed includes the following:

(i) Interest Rate Risk:

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

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(ii) Credit Risk:

Credit risk is the risk that one party to a financial instrument will fail to discharge their obligation and cause the other party to incur a financial loss. Financial instruments that potentially subject the Town to a concentration of credit risk consist primarily of cash, term deposits, pooled investment fund units, and accounts receivable. The Town limits its exposure to credit loss by placing its cash and deposits with Canadian financial institutions or in investment funds for local governments offered by the Municipal Finance Authority of BC. Credit risk to cash and deposits is concentrated as the Town's positions are held primarily by two regulated financial institutions. Management believes the risk from concentration loss is low. The Town limits credit risk associated with accounts receivable, by limiting credit to non-government parties where the account receivable is not ultimately secured through a connected property tax account, and by following timely collection procedures. Consequently, management believes the remaining credit risk on accounts receivable is not significant.

(iii) Liquidity Risk:

Liquidity risk is the risk the Town will not be able to meet its financial obligations as they fall due. The Town'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 will have access to an available credit facility to meet its liquidity requirements in the short and long term.

(f) Financial Instruments

(i) 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 investments in an active market, which are measured at fair value. Changes in fair value are recognized in revenue or expenses.

(ii) Impairment:

Financial assets measured at amortized cost are tested for impairment in value when there are indicators of impairment. The amount of a write-down is recognized as an expense. A previously recognized impairment may be reversed and the amount of a reversal is recognized in revenue.

(iii) Fair Value:

The Town estimates the fair value of its financial instruments that are not part of an active market based on current interest rates and/or the market pricing of comparable financial instruments.

(g) Cash and Investments

Cash and investments is comprised of cash, term deposits held with Canadian financial institutions, and investment fund units held with the Municipal Financial Authority of BC. Deposits are recorded at cost. MFA investment fund units are carried at market value.

(h) Inventory

Inventory is comprised of supplies 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.

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Tangible Capital Assets

Tangible capital assets are comprised of capital assets and capital projects work-in-progress. Tangible capital assets are recorded at cost, net of capital asset disposals, write-downs and accumulated amortization. Donated tangible capital assets are recorded at fair market value at the time of donation. 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. Estimated useful lives are as follows:

Capital Asset Categories:	Useful Life Range:
Land	Unlimited
Utility Systems (Water, Sanitary & Storm Sewers)	20 to 100 years
Engineered Structures (Roads, Sidewalks)	10 to 75 years
Buildings, Facilities, Parks	15 to 50 years
Machinery, Equipment, Vehicles	5 to 20 years
Office Equipment	5 to 10 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 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 impairment when events or changes in circumstances indicate their recorded value may not be recoverable.

Natural Assets Category:

The Town of Smithers is fortunate to have many natural assets that reduce the need for engineered infrastructure and costs that would otherwise be required. Natural assets form an integral part of the Town's service delivery infrastructure and the Town is dependent on them. They include two Ground Water Aquifers that filter, store and supply water to the Smithers Community Water System and the Smithers Regional Airport System. The Aquifers are both in part recharged by the Bulkley River. The Dahlie, Seymour and Lake Kathlyn Creeks, along with the Willowvale Wetlands and the Bulkley River supply drainage and storm water management, including flood, drought and climate resiliency. The Town's Urban Forests and Treescapes also support drainage and storm water management and contribute to carbon sequestration.

Canadian public sector accounting standards currently exclude the recognition of non-purchased natural assets in the Town's financial statements. Nevertheless, the Town acknowledges the importance of considering these assets in financial planning and management and the need to manage and invest in them in conjunction with engineered infrastructure.

(j) Debt

Debt is recorded at cost net of principal repayments and adjustments in accordance with the Municipal Finance Authority of BC.

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Asset Retirement Obligations

The Town of Smithers recognizes asset retirement obligations when there is a legal obligation to incur retirement costs in relation to a tangible capital asset, the past transaction or event giving rise to the liability has occurred, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount can be made.

Asset retirement obligations are initially measured at the best estimate of the amount required to retire a capital asset at the financial statement date. The estimate of a liability includes costs directly attributable to asset retirement activities.

Asset retirement obligations are recorded as liabilities with a corresponding increase to the carrying amount of the related tangible capital asset. Subsequently, the asset retirement costs are allocated to expenses over the useful life of the tangible capital asset. The obligation is adjusted to reflect period-to-period changes in the liability resulting from the passage of time and for revisions to either the timing or amount of the original estimate of the undiscounted cash flows or the discount rate.

(l) 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 for the reporting period. Significant areas requiring the use of estimates include employee benefit plans (E.g.: accrued pension obligations), provision for contingencies (E.g.: environmental, legal, regulatory compliance matters), and tangible capital asset valuations and asset life expectancies. Actual results will differ from management's estimates as additional information becomes available. Adjustments, if any, will be reflected in the financial statements in the period a change in estimate is made.

(m) Budget Presentation

Budget figures are from the Town of Smithers Bylaw No. 1956 - Five-Year Financial Plan (2023-2027) adopted by Council on May 9, 2023. The Smithers Public Library's 2023 budget, as approved by the Library's Board of Directors and by Town Council, is included in the Town's budget figures.

(n) Comparative Figures

Certain prior year comparative figures have been reclassified to conform to the current year's presentation.

2. CHANGE IN ACCOUNTING POLICY

On January 1, 2023, the Town of Smithers adopted Public Accounting Standard PS 3280 Asset Retirement Obligations, the standard is effective for fiscal periods beginning after March 31, 2022. This new standard establishes accounting practices for recognition, measurement, presentation and disclosure of legal obligations associated with the retirement of tangible capital assets. The Town has chosen prospective application of this standard.

3. CASH AND INVESTMENTS	2023	2022
Cash and Investments - Unrestricted	13,762,479	11,393,643
Cash and Investments - Restricted	16,321,854	12,999,087
Smithers Public Library - Cash	297,538	102,535
Smithers Public Library - Investments	124,542	119,433
	30,506,413	24,614,698

Cash and Investments include $24,139,875 (2022: $13,385,290) invested in Municipal Finance Authority of BC pooled funds - Money Market Fund.

Cash and Investments include $5,220,093 (2022: $10,193,018) placed in Term Deposits with Haventree Bank.

4. GRANTS AND ACCOUNTS RECEIVABLE	2023	2022
Due from Federal Government	144,440	143,698
Due from Provincial Government	21,306	31,875
Due From Other Gov. Bodies/ Orgs.	761,110	292,160
Taxes Receivable	336,382	509,085
Utility Billings Receivable	40,458	31,512
Trade and Accrued Receivables	250,835	317,131
Smithers Public Library - Accounts Receivable	23,956	8,866
	1,578,487	1,334,327

5. PREPAID EXPENSES AND SUPPLY INVENTORY	2023	2022
Prepaid Expenses	349,153	161,383
Deposits	248,879	-
Inventory of Supplies	487,491	402,020
Smithers Public Library - Prepaid Expenses	2,783	1,522
	1,088,306	564,925

6. MUNICIPAL FINANCE AUTHORITY DEPOSITS AND RESTRICTED REVENUE

	2023	2022
Cash Deposits	64,926	72,324
Demand Notes (not part of financial statements)	135,028	151,423

The Town of Smithers issues its debt instruments through the Municipal Finance Authority of BC. As a condition of these borrowings, a portion of long term debenture proceeds is withheld by the MFA as a debt reserve fund and demand notes are required from the Town. These deposits and notes are held by the MFA to act as security against the possibility of a debt repayment default. When the debt is repaid, the deposits are refunded to the Town with interest and the demand notes are cancelled. The MFA Deposits and Restricted Revenue are included as an offsetting financial asset and liability in the financial statements. The demand notes are not included in the financial statements.

7. INVESTMENT IN WETZIN'KWA MANAGEMENT SERVICES LTD.

Pursuant to Section 185 of the *Community Charter*, the Town of Smithers and the Village of Telkwa received approval from the BC Inspector of Municipalities in 2007 to form two corporations: Wetzin'kwa Management Services Ltd. ("WMSL") and Wetzin'kwa Community Forest Corporation ("WCFC"). The shareholders of WMSL are the Town of Smithers and the Village of Telkwa, each holding 100 shares valued at $1. By WMSL shareholders agreement a nominee from each of the Town, the Village, and the Wet'suwet'en Treaty Office Society form the Board of Directors of WMSL. WMSL is the sole shareholder of the WCFC. The Town does not control or operate either of the companies and has no direct right to their assets or retained earnings. Based on assessment of control factors, the Town's investment is accounted for by the cost method. Additional disclosure from WCFC's unaudited financial statements as at June 30th is provided below:

Wetzin'kwa Community Forest Corporation (Years ended June 30)	2023 (Unaudited)	2022 (Unaudited)
Total Assets	12,329,276	9,470,695
Total Liabilities	1,097,361	1,012,746
Total Equity (Retained Earnings)	11,231,915	8,457,949
Total Revenues	8,919,484	1,027,460
Total Expenses	5,616,753	1,287,682
Total Distributions - Community Organizations	378,765	390,796
Total Distributions - Stakeholders	150,000	150,000

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2023	2022
Payroll Payable and Accrued Payroll Benefits	610,908	601,936
Trade Payables and Accrued Liabilities	2,316,338	1,676,098
Contract Holdbacks and Refundable Securities Payable	565,086	458,031
Due to Provincial Government	12,037	10,659
Smithers Public Library - Accounts Payable	72,325	31,895
	3,576,694	2,778,619

9. DEFERRED REVENUES

	2023	2022
Deferred Tax Revenue	581,277	577,127
Operating Revenue Received in Advance	58,819	76,957
Operating Project Grants Received in Advance	324,260	96,076
Capital Project Grants Received in Advance	3,100,966	1,571,601
Smithers Public Library - Deferred Revenue	172,205	1,325
	4,237,527	2,323,086

10. DEBT

	Town Bylaw	Maturity Date	Interest Rate	2023	2022
Debenture Debt - Tax Supported					
General Capital					
Highway 16 (2nd instalment)	1407	June 2023	2.25%	-	38,211
Highway 16 (3rd instalment)	1328	April 2024	2.85%	38,211	74,602
4200 Block 2nd Avenue	1657	April 2033	3.15%	88,113	95,170
New Arena	1508	April 2034	3.30%	418,997	448,871
Debenture Debt - Fee Supported					
Utility Capital					
South Trunk Storm Sewer	1601	April 2026	4.20%	198,763	260,587
Airport Capital					
Terminal Modernization	1808	Oct 2037	3.15%	2,277,821	2,407,250
Other Debt - Fee Supported					
Airport Capital					
Airside Sweeper	1833	Dec 2023	variable	-	48,000
				3,021,905	3,372,691

Principal and interest payments due on debt over the next five years are as follows:

	Principal	Actuarial	Interest
2024	218,797	86,362	170,888
2025	207,810	69,639	171,693
2026	207,810	78,663	165,813
2027	164,865	59,982	159,933
2028	164,865	67,124	159,933
	964,146	361,769	828,263

11. ASSET RETIREMENT OBLIGATIONS

The Town of Smithers owns and operates assets that are known or likely to contain asbestos, lead, and other materials which represent a health hazard upon renovation or demolition of the assets. There is a legal obligation to remove and dispose of these hazardous materials. Following the adoption of Public Accounting Standard PS 3280 Asset Retirement Obligations, the Town has recognized this obligation as estimated on January 1, 2023. The transition and recognition of asset retirement obligations also involved an accompanying increase in the cost value of Town capital assets (primarily to buildings). The increase in capital costs is amortized on a straight-line basis over the remaining expected useful life of the related assets.

The town has adopted this standard prospectively. Under the prospective method, the discount rate and the assumptions used on initial recognition are those as of the date of adoption of the standard. Estimated costs of $4,002,389 have been discounted using a present value calculation with a discount rate of 4.32%. The timing of these expenditures is expected to occur between 2023 and 2053 with the regular replacement, renovation, or disposal of assets.

	2023
Initial Recognition of Expected Cash Flows (Discounted)	1,951,487
Increase for Accretion (Financial Cost Escalation)	84,304
	2,035,791

12. PENSION LIABILITY

The Town of Smithers and its employees contribute to the Municipal Pension Plan (a jointly trusteed pension plan). The board of trustees, representing plan members and employers, is responsible for administering the plan, including investment of 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, 2022, the plan has about 240,000 active members and approximately 124,000 retired members. Active members include approximately 43,000 contributors from local governments.

Every three years, an actuarial valuation is performed to assess the financial position of the plan and 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 member and employer contributions sufficient to provide benefits for average future entrants to the plan. This rate may be adjusted for the amortization of any actuarial funding surplus and will be adjusted for the amortization of any unfunded actuarial liability.

The most recent actuarial valuation for the Municipal Pension Plan as at December 31, 2021, indicated a $3,761 million funding surplus for basic pension benefits on a going concern basis.

The Town of Smithers paid $397,621 (2022: $371,484) for employer contributions to the plan in 2023.

The next plan actuarial valuation will be as at December 31, 2024.

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 individual employers participating in the plan.

13. TOWN POSITION

Town Position consists of reserves for future expenditures, equity in tangible capital assets, and unrestricted surpluses as follows:

	2023	2022
Operating Reserve Accounts		
Municipal Elections Account	12,783	2,783
New Councils Account	10,000	10,000
Labour Agreements Account	8,000	6,000
Official Community Plan Account	32,000	7,000
Skatepark Donations Account	20,020	10,000
Legal Expenses Reserve	14,549	14,549
Economic Development Reserve	29,973	29,973
Fire and Emergency Services Reserve	111,788	76,816
Snow Removal Reserve	15,000	15,000
Solid Waste and Recycling Reserve	184,796	146,929
Contaminated Sites Reserve	175,000	175,000
Wetzin'kwa Distributions Reserve	60,000	-
Capital Reserve Funds		
Canada Community-Building Fund Reserve (Community Works)	755,243	640,234
Facility Maintenance Capital Reserve	66,062	64,531
Library Art Gallery Donations Reserve	518,882	419,010
Debenture Surplus Fund	96,310	71,824
Wetzin'kwa Community Forest Fund	223,181	212,553
Cemetery Capital Development Fund	24,145	23,003
Statutory Reserve Funds		
BC Northern Capital and Planning Grant Reserve (Schedule 6)	8,359,978	8,270,622
Growing Communities Reserve Fund (Schedule 7)	1,079,364	-
Capital Works / Land Sales Reserve	1,479,167	636,731
GHG Emissions Reserve	110,986	107,967
Off-Site Works and Services Reserve	21,111	40,541
Parking in-Lieu Reserve	32,595	31,042
Park Land Reserve	94,487	89,987
Forestry Reserve Fund	156,446	148,996
Ambleside Reserve Fund	248,240	215,419
Local Area Service Fund	131	131
Roads Infrastructure Reserve	163,492	592,644
Facility Replacement Reserve	88,589	84,371
Recreational Facilities Reserve	59,131	21,315
Equipment Replacement Reserve (Muni. Ops., Utility, Waste)	1,249,116	787,653
Fire and Rescue Equipment Replacement Reserve	559,357	351,888
Utility - Infrastructure Reserve	1,906,034	1,259,254
Airport - Machinery and Equipment Reserve	157,050	104,571
Airport - Infrastructure Reserve	302,233	255,954
	18,425,240	14,924,291
Equity in Tangible Capital Assets		
Tangible Capital Assets	154,606,739	146,694,834
Amortization	(80,626,554)	(76,842,743)
Debt	(3,021,905)	(3,372,691)
Asset Retirement Obligations	(2,035,791)	-
	68,922,489	66,479,400
Restricted Surplus Accounts		
BC COVID Safe Restart Grant (Schedule 8)	149,435	171,997
Unrestricted Surplus Accounts		
General Municipal	3,036,524	2,436,246
RCMP Municipal Budget	268,247	210,635
Utility	2,481,908	2,488,680
Smithers Regional Airport	793,342	1,003,641
Smithers Public Library - Surplus	204,289	176,756
	6,933,745	6,487,955
	94,281,474	87,891,646

14. SEGMENTED INFORMATION

The Town of Smithers is a diversified municipal government institution that provides a wide range of services for its residents/ visitors, businesses, and regional communities. Functional segments of the Town's operations have been identified. A description of the segments and the service areas they cover are as follows:

Council and Corporate Services

This segment includes the revenue and expenses for Council, Town Hall Function, Local Government and Corporate Administration, Human Resources, Finance, Information Technology, and Municipal Buildings property management services.

Planning and Development Services

This segment includes the revenue and expenses for Planning, Building Permitting/ Inspection, Business Licencing, and Engineering services.

Economic Development and Tourism

This segment includes the revenue and expenses for Economic Development and Tourism. Service delivery partners include Tourism Smithers and the Smithers and District Chamber of Commerce.

Smithers Regional Airport

This segment includes the revenue and expenses for municipal operations at the Smithers Regional Airport.

Recreation and Cultural Services

This segment includes the revenue and expenses for operating the Town's Arenas, Parks and Playgrounds, and Recreational and Cultural Programs and Facilities.

Smithers Public Library

This segment includes the revenue and expenses for the Smithers Public Library.

Protective Services

This segment includes the revenue and expenses for the Smithers RCMP Detachment's municipal officers and staff, the Smithers Fire and Rescue Department, Bylaw Enforcement, and Animal Control services. Municipal taxation collected for RCMP services is allocated to Protective Services.

Transportation and Mobility

This segment includes the revenue and expenses for Municipal Operations (Public Works admin.), Equipment/ Fleet, Buildings/ Facilities, Roads/ Streets/ Hwy. 16 Blvd. (snow removal/ sanding, water drainage, sweeping/ dust control, line marking, sidewalks, street lighting, landscaping/ placemaking). Taxation collected for Roads Infrastructure (Capital) is allocated to the Roads/ Sidewalks program capital budget. Smithers and District Transit Service delivery partners include BC Transit and the Smithers Community Services Association.

Utility Services

This segment includes the revenue and expenses for Water, Sanitary Sewer, Storm Sewer/ Drainage services.

Solid Waste and Recycling Services

This segment includes the revenue and expenses for Solid Waste (Garbage) and Recycling collection and transfer to solid waste station and recycling depot facilities.

Public Health Services

This segment includes the revenue and expenses for Smithers Cemetery services.

14. SEGMENTED INFORMATION

	Council and Corporate Services	Planning and Development Services	Economic Development and Tourism	Smithers Regional Airport	Recreation and Cultural Services	Smithers Public Library	Protective Services	Transportation and Mobility	Utility Services	Solid Waste and Recycling Services	Public Health Services	2023 Total	2022 Total
												$	$
REVENUE													
Property Taxes and Grants in Lieu	6,267,839	-	-	-	-	-	2,101,689	749,841	-	-	-	9,119,369	8,572,606
Municipal and Regional District Tax	-	-	377,040	-	-	-	-	-	-	-	-	377,040	330,931
Interest and Penalties on Taxes	104,003	-	-	-	-	-	-	-	-	-	-	104,003	98,103
Government Transfers and Grants	919,772	1,285,611	64,000	290,410	3,155,980	201,490	827,229	321,345	296,395	79,281		7,441,513	4,150,743
Service Charges and User Fees	225,759	259,675	-	1,765,994	588,021	14,194	587,050	36,520	2,271,515	399,623	38,863	6,187,214	5,088,283
Investment Income	1,249,240	-	-	-	-	11,729	-	24,487	-	-	-	1,285,456	501,564
Developer Contributed Tangible Assets	-	-	-	-	-	-	-	134,932	-	-	-	134,932	813,266
Non-Gov. Contributions and Donations	-	-	-	-	104,592	4,858	-	373	-	-	-	109,823	259,166
Gain on Disposal of Tangible Assets	785,935	-	-	-	-	-	-	37,038	-	-	-	822,973	-
	9,552,548	1,545,286	441,040	2,056,404	3,848,593	232,271	3,515,968	1,304,536	2,567,910	478,904	38,863	25,582,323	19,814,662
EXPENSES													
Salaries, Wages and Benefits	1,271,158	669,767	128,857	842,696	932,422	374,291	776,590	897,180	528,944	279,379	54,629	6,755,913	6,354,833
Training, Travel, Memberships	101,575	14,459	12,023	13,272	6,505	3,898	44,560	4,094	11,752	2,300	-	214,438	155,596
Telephone and Internet	19,031	6,175	578	27,483	12,045	2,741	13,213	9,659	8,264	-	-	99,189	88,579
Advertising and Promotion	23,566	3,700	333	143	1,039	883	3,019	-	800	-	-	33,483	27,574
Materials and Supplies	71,586	8,930	3,766	223,131	91,991	72,270	157,516	325,321	137,924	48,954	6,054	1,147,443	1,224,324
Miscellaneous Expenses	33,835	-	-	9,147	5,469	965	-	-	4,055	-	3,715	57,186	62,032
Community Grants	-	-	-	-	86,930	-	-	-	94,275	-	-	181,205	170,287
Contracted Services	376,204	79,854	484,902	290,982	220,585	48,676	479,294	571,446	293,854	36,353	-	2,882,150	2,085,397
RCMP Contract	-	-	-	-	-	-	1,864,549	-	-	-	-	1,864,549	2,023,034
Special Projects	36,591	82,933	16,500	298,897	71,795	-	411,968	-	-	-	-	918,684	889,321
Utilities - Hydro	16,502	-	-	55,818	113,341	3,293	5,608	159,000	142,358	-	137	496,057	473,357
Utilities - Natural Gas	5,977	-	-	22,358	62,343	4,971	12,158	8,770	-	-	-	116,577	145,032
Utilities - Water, Sewers, Garbage	1,745	-	-	2,044	41,099	1,316	1,829	1,733	784	-	-	50,550	43,830
Insurance	24,372	2,418	705	72,251	59,324	3,286	32,736	59,024	20,270	2,418	214	277,018	245,448
Interest on Long-Term Debt	-	-	-	94,698	21,450	-	-	25,140	11,760	-	-	153,048	161,474
Amortization	95,087	9,036	6,596	1,445,260	599,864	5,894	143,512	985,950	514,859	50,526	4,117	3,860,701	3,642,330
Accretion	-	-	1,710	18,782	46,750	2,942	7,066	5,857	1,197	-	-	84,304	-
Loss on Disposal of Tangible Assets	-	-	-	-	-	-	-	-	-	-	-	-	807
	2,077,229	877,272	655,970	3,416,962	2,372,952	525,426	3,953,618	3,053,174	1,771,096	419,930	68,866	19,192,495	17,793,255
SURPLUS / (DEFICIT)	7,475,319	668,014	(214,930)	(1,360,558)	1,475,641	(293,155)	(437,650)	(1,748,638)	796,814	58,974	(30,003)	**6,389,828**	**2,021,407**

15. COMMITMENTS AND CONTINGENCIES

(a) Financial Contracts

The Town of Smithers estimated financial commitments under service contracts for the next five years are as follows:

	RCMP	Other
2024	2,396,935	694,322
2025	2,525,564	551,495
2026	2,613,270	575,709
2027	2,693,480	525,502
2028	2,776,094	402,996
	13,005,343	2,750,024

(b) RCMP Contract (BC Ministry of Public Safety and Solicitor General)

Under an agreement with the BC Ministry of Public Safety and Solicitor General, the Town of Smithers is obligated to pay or share the cost of municipal policing services comprised of eleven officers, two clerks, one court liaison officer, municipal prisoner costs, RCMP Smithers Detachment property, information technology and other shared RCMP services.

(c) Smithers Regional Airport (Transport Canada)

The Government of Canada transferred the Smithers Regional Airport to the Town of Smithers in 1999. Should the Town or its contractors cease to manage, operate and maintain the Airport, Canada has the option to purchase the Airport from the Town. The Town is reliant on grant funding from senior governments' airport capital assistance programs to maintain the Airport's lands, improvements, and equipment. Operationally, Transport Canada continues to perform or oversee its contractors performance of air navigation and air traffic control, civil aviation security, Canadian inspection services, and passenger check-in screening. The Airport does not pay for Transport Canada services.

(d) Legal Claims (Uninsured Risks)

The Town of Smithers has been named as a defendant in legal actions. No liability is recognized in the financial statements for claims or possible claims because the amount of loss, if any, is indeterminable. Settlements, if any, of claims or actions against the Town are charged to current expenditures when the outcome is known.

(e) Wastewater Treatment Facility (Environment Canada)

The Town of Smithers received notice from Environment Canada in 2020 that effluent being discharged by the Town into the Bulkley River periodically does not comply with regulations; Environment Canada has the authority to issue fines and orders for non-compliance. The Town is upgrading its Waste Water Treatment Facility at an estimated cost of $8 million. Funding includes an Investing in Canada Infrastructure Program ("ICIP") grant of $5.6 million and $2.4 million from the Town's BC Northern Capital and Planning Grant Reserve. To obtain the ICIP grant, the Town committed to funding project costs above $8 million. The project is in its detailed design phase and once tendered it's actual construction cost and the Town's project funding obligation will be known. Project construction is projected to commence in 2025.

(f) Water Treatment Plants (Northern Health Authority)

The Town of Smithers received notices (2022 / 2023) from the Northern Health Authority ("NHA") that manganese levels in its water systems exceed regulation. NHA requires the Town to bring the manganese levels into compliance.

The Town is upgrading the Smithers Regional Airport area water system at a cost of $7 million. Funding includes a Canada Community Building Fund ("CCBF") grant of $2.5 million and $4.5 million from the Town's BC Northern Capital and Planning Grant Reserve. To obtain the CCBF grant, the Town committed to funding project costs above $3 million. The project construction phase has begun with completion scheduled in 2025.

To bring the Smithers Community Water System into compliance will require the construction of a Water Treatment Plant at an estimated cost of $12 million. Senior government project grant funding at the 70% level is projected. The Town's 30% project share is currently projected to be funded by long term debt. Subject to project funding, construction is projected to commence in 2027.

16. CEMETERY TRUST FUNDS

The Town of Smithers operates and maintains the Smithers Cemetery. As required under Provincial legislation, a portion of plot sales and marker installation fees must be retained for the future maintenance of the cemetery. Further, funds received for cemetery services sold for delivery at a future date must also be retained until the services have been delivered.

The Town has excluded the Cemetery and Columbarium Care Trust Fund, the Cemetery Preneed Trust, and associated cash from the Statement of Financial Position and related interest earnings and transactions from the Statement of Operations.

Cemetery and Columbarium Care Trust Fund	**2023**	**2022**
Balance, beginning of year	120,182	109,394
Contributions and interest	3,617	10,788
Services charged	-	-
	123,799	120,182

Cemetery Preneed Trust	**2023**	**2022**
Balance, beginning of year	29,017	-
Contributions and interest	10	29,017
Services charged	(744)	-
	28,283	29,017

TOWN OF SMITHERS

SCHEDULE 1 - TANGIBLE CAPITAL ASSETS

2023

	Land	Utility Systems	Engineered Structures	Buildings	Machinery, Equipment, Vehicles	Office Equipment	Library Equipment	Work in Progress	Total $
Cost, beginning of year	8,125,237	35,212,602	57,137,501	32,909,830	11,781,553	725,176	147,971	654,964	146,694,834
Acquisitions	-	307,097	2,696,876	1,839,022	292,937	44,039	-	781,079	5,961,050
Contributed Assets	50,000	5,500	53,879	-	-	-	-	-	109,379
Transfer - Work In Progress	-	96,354	40,135	32,994	-	-	-	(169,483)	-
Addition - ARO Recognition (Note 11)	-	-	-	1,951,487	-	-	-	-	1,951,487
Disposals	(61,065)	-	-	-	(48,946)	-	-	-	(110,011)
Cost, end of year	8,114,172	35,621,553	59,928,391	36,733,333	12,025,544	769,215	147,971	1,266,560	154,606,739
Accumulated amortization, beginning of year	-	22,496,727	29,194,065	15,673,702	8,658,654	684,590	135,005	-	76,842,743
Amortization	-	561,181	1,660,935	1,132,151	490,029	14,768	1,637	-	3,860,701
Disposals	-	-	-	-	(76,890)	-	-	-	(76,890)
Accumulated amortization, end of year	-	23,057,908	30,855,000	16,805,853	9,071,792	699,359	136,642	-	80,626,554
Net carrying amount, end of year	8,114,172	12,563,645	29,073,391	19,927,480	2,953,752	69,856	11,329	1,266,560	**73,980,184**

2022

	Land	Utility Systems	Engineered Structures	Buildings	Machinery, Equipment, Vehicles	Office Equipment	Library Equipment	Work in Progress	Total $
Cost, beginning of year	8,125,237	34,807,447	47,278,827	31,706,261	11,636,122	725,176	144,242	5,715,887	140,139,199
Acquisitions	-	369,155	3,430,740	1,203,569	180,602	-	6,712	589,745	5,780,523
Contributed Assets	-	36,000	777,266	-	-	-	-	-	813,266
Transfer - Work In Progress	-	-	5,650,668	-	-	-	-	(5,650,668)	-
Disposals	-	-	-	-	(35,171)	-	(2,983)	-	(38,154)
Cost, end of year	8,125,237	35,212,602	57,137,501	32,909,830	11,781,553	725,176	147,971	654,964	146,694,834
Accumulated amortization, beginning of year	-	21,939,252	27,622,359	14,697,922	8,163,120	676,529	135,579	-	73,234,761
Amortization	-	557,475	1,571,706	975,780	527,188	8,061	2,119	-	3,642,329
Disposals	-	-	-	-	(31,654)	-	(2,693)	-	(34,347)
Accumulated amortization, end of year	-	22,496,727	29,194,065	15,673,702	8,658,654	684,590	135,005	-	76,842,743
Net carrying amount, end of year	8,125,237	12,715,875	27,943,436	17,236,128	3,122,899	40,586	12,966	654,964	**69,852,091**

TOWN OF SMITHERS

SCHEDULE 2 - CHANGES IN TOWN POSITION

YEAR ENDED DECEMBER 31

	Restricted & Unrestricted Surplus	Reserves	Equity in Capital Assets	2023 Total	2022 Total
				$	$
Balance, beginning of year	6,487,955	14,924,291	66,479,400	87,891,646	85,870,239
Excess of revenue over expenses	4,078,537	-	2,311,291	6,389,828	2,021,407
Amortization	3,860,701	-	(3,860,701)	-	-
Accretion	84,304	-	(84,304)	-	-
Net loss/gain on disposal of tangible capital assets	(822,973)	856,095	(33,122)	-	-
Actuarial adjustment	(91,165)	-	91,165	-	-
Unrestricted funds designated for future use	(6,458,561)	6,458,561	-	-	-
Unrestricted funds designated for tangible capital assets	(45,427)	-	45,427	-	-
Restricted funds used for operations	99,995	(99,995)	-	-	-
Restricted funds used for tangible capital assets	-	(3,713,712)	3,713,712	-	-
Long-term debt repayment	(259,621)	-	259,621	-	-
	445,790	3,500,949	2,443,089	6,389,828	2,021,407
Balance, end of year	6,933,745	18,425,240	68,922,489	94,281,474	87,891,646

TOWN OF SMITHERS

SCHEDULE 3 - PROPERTY TAXES AND GRANTS IN LIEU

YEAR ENDED DECEMBER 31

	(Unaudited) Budget 2023	2023	2022
	$	$	$
Taxes Collected			
Municipal Property Taxes	8,599,376	8,597,609	8,083,489
Grants in Lieu of Taxes	302,000	330,054	302,419
1% Utility Taxes	182,022	182,079	177,071
Local Service Area Taxes	9,627	9,627	9,627
	9,093,025	9,119,369	8,572,606
Taxes Collected for Other Taxing Authorities	5,549,673	5,613,247	5,189,217
	14,642,698	14,732,616	13,761,823
Less:			
Transfers to Other Taxing Authorities			
BC Ministry of Finance - School Taxes	2,755,406	2,767,029	2,577,533
Regional District of Bulkley Nechako	1,940,473	1,989,011	1,829,637
North West Regional Hospital District	791,850	794,982	723,517
BC Assessment Authority	61,628	61,907	58,247
Municipal Finance Authority of BC	316	318	283
	5,549,673	5,613,247	5,189,217
	9,093,025	9,119,369	8,572,606

TOWN OF SMITHERS

SCHEDULE 4 - GOVERNMENT TRANSFERS AND GRANTS

YEAR ENDED DECEMBER 31

	(Unaudited) Budget 2023	2023	2022
	$	$	$
Transfers for Operating			
Federal Government	16,535	330,709	310,983
Provincial Government	1,239,541	889,606	856,210
First Nation Government	9,000	10,826	9,296
Regional District	831,789	862,685	709,445
Municipal Government	32,000	33,194	32,036
School District	10,000	10,000	10,000
Other Government Organizations	938,711	730,292	546,112
Wetzin'kwa Community Forest	-	60,000	50,000
	3,077,576	2,927,312	2,524,082
Transfers for Capital			
Federal Government	2,618,731	386,069	1,537,048
Provincial Government	5,561,101	3,995,922	89,613
Other Government Organizations	443,280	132,210	-
	8,623,112	4,514,201	1,626,661
	11,700,688	7,441,513	4,150,743

TOWN OF SMITHERS

SCHEDULE 5 - EXPENSES BY OBJECT

YEAR ENDED DECEMBER 31

	(Unaudited) Budget 2023	2023	2022
	$	$	$
Consolidated Expenses by Object			
Salaries, Wages and Benefits	6,838,689	6,755,913	6,354,833
Training, Travel, Memberships	294,250	214,438	155,596
Telephone and Internet	100,000	99,189	88,579
Advertising and Promotion	44,000	33,483	27,574
Materials and Supplies	1,255,840	1,147,443	1,224,324
Miscellaneous Expenses	36,000	57,186	62,032
Community Grants	197,637	181,205	170,287
Contracted Services	2,518,352	2,882,150	2,085,397
RCMP Contract	2,228,629	1,864,549	2,023,034
Special Projects	1,558,912	918,684	889,321
Utilities - Hydro	472,550	496,057	473,357
Utilities - Natural Gas	147,400	116,577	145,032
Utilities - Water, Sewers, Garbage	50,865	50,550	43,830
Insurance	282,448	277,018	245,448
Interest on Long-term Debt	154,601	153,048	161,474
Amortization	3,642,329	3,860,701	3,642,330
Accretion	-	84,304	-
Net Loss on Disposal of Assets	-	-	807
	19,822,502	19,192,495	17,793,255

TOWN OF SMITHERS

SCHEDULE 6 - BC NORTHERN CAPITAL AND PLANNING GRANT RESERVE FUND

YEAR ENDED DECEMBER 31

	2023	2022
	$	$
Balance, beginning of year	8,270,622	9,831,530
Capital and planning project funding	(308,738)	(1,717,509)
Investment income	398,094	156,601
	8,359,978	8,270,622

TOWN OF SMITHERS

SCHEDULE 7 - BC GROWING COMMUNITIES RESERVE FUND

YEAR ENDED DECEMBER 31

	2023 $
Contribution from Province of BC	2,320,000
Capital project funding:	
- Civic Centre arena refrigeration plant replacement	(765,728)
- Perimeter trail completion	(526,306)
Investment income	51,398
Closing balance	1,079,364