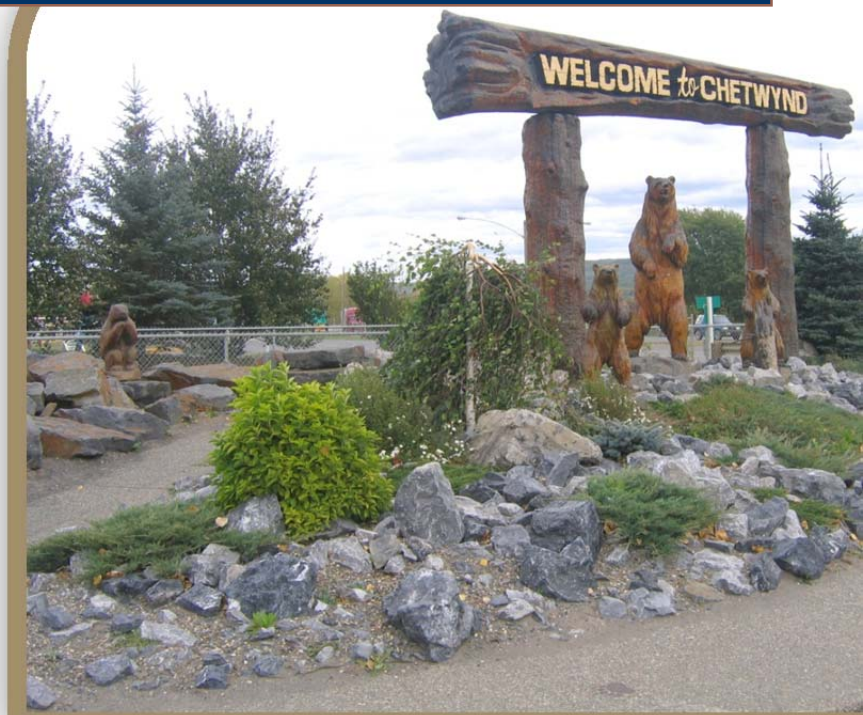


2012 ANNUAL REPORT & 2011 FINANCIAL REPORT



DISTRICT OF CHETWYND

"Community Carved by Success"

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Introduction

The Community Charter requires municipalities in British Columbia to prepare an “Annual Report” for its stakeholders. The Annual Report shall outline the following:

- ❖ A report respecting municipal services and operations for the previous year;
- ❖ A progress report respecting the previous year in relation to the objectives and measures established for that year;
- ❖ A statement of municipal objectives, and the measures that will be used to determine progress respecting those objectives, for the current and next year(s);
- ❖ Any declarations of disqualification made under the Community Charter in the previous year, including identification of a Council member or former Council member involved and the nature of the disqualification;
- ❖ For each permissive tax exemption provided by Council under the Community Charter, the amount of property taxes that would have been imposed on the property in the previous year if it were not exempt from taxes; and
- ❖ Any other information the Council considers advisable.



In addition, the Annual Report shall contain a copy of the Audited Annual Financial Statements for the municipality for the previous year.

A public consultation process has been incorporated into the preparation of this report. We hope that the report will provide a meaningful overview of the District’s operations for 2011 and projected operations for 2012 and beyond.



Message from the Mayor

Dear People of Chetwynd

It is Annual Report time again and it gives me a great deal of pleasure to present to you a glimpse into the services and operations that have preoccupied Mayor and Council and the District staff for the last twelve months.



You will be aware that each year Mayor and Council, in consultation with District staff through the CAO, set priorities for use of District resources to maintain and enhance, wherever possible, the services and infrastructure of the District. The past year was no different in this respect. However, because of the major flooding that we experienced last June, it was not possible to complete all our planned projects. Many of these will appear in the list of goals for 2012.

You are also aware of several issues occupying our attention: there is the housing shortage; the “visiting workers” using our resources while employed in area industries; and the concern over long waits in the doctor’s office. Be assured that these issues are front and centre on our list of important concerns.

While we are cognizant of the prosperity that industry brings to our community, we are also very much aware of its close connection to the world economy with its ups and downs. We continue to watch this closely.

For 2012, Mayor and Council has endeavoured to maintain the tax rates such that on average your net tax burden, when inflation is taken into account, will not exceed that of 2011.

We want you to know that the District Office and the Mayor’s office have open doors. You are more than welcome to contact us with your concerns and ideas.

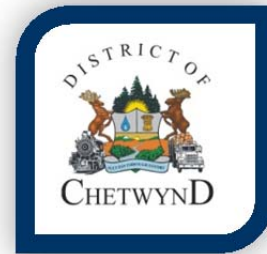
Sincerely,

Merlin Nichols, Mayor

Mayor and Council Roles

General Role of Council

It is the role of Council to act as the governing body of the municipal corporation; to make decisions necessary for the successful and continuing operation of the municipality; and to represent the best interests of the citizens of the municipality as a whole.



Council is a continuing body, notwithstanding changes in its membership by election or appointment, and exercises its powers through resolutions and bylaws passed in open meetings. Council acts as a collective body. It is important to note that the members of Council cannot make valid and binding decisions independently, unless express authority has been granted or legislated.

Council acts to foster economic and social opportunities for the community, and strives to advance the goals and objectives of the municipality.



Front Row: Mayor Merlin Nichols
Back Row (Left to Right): Councillor Laura Weisgerber, Councillor Ernest Pfanner,
Councillor Rochelle Galbraith, Councillor Don Harris, Councillor Alec Brownlee,
Councillor Bob Nicholson

Mayor's Role:

The Mayor is the Head and Chief Executive Officer of the Municipality. In addition to the Mayor's responsibilities as a member of Council, the Mayor is responsible to provide leadership to Council, including recommending bylaws, resolutions and other measures that, in the Mayor's opinion, may assist the peace, order and good government of the municipality. The Mayor's role is also to communicate information to Council, general direction to municipal officers respecting implementation of municipal policies, programs and other directions of the Council and to represent the best interests of the citizens of the Municipality.



Councillor's Role:

Every Council member is responsible to contribute to the development and evaluation of the policies and programs of the Municipality respecting its services and other activities; to participate in Council meetings, Committee meetings and meetings of other bodies to which a member is appointed; to carry out the duties assigned by Council; to consider the well-being and interests of the corporation; and to represent the best interests of the citizens of the Municipality.



Council Biographies & Portfolios – 2012



Mayor Merlin Nichols

Portfolio:

Economic Development Commission
Civic Properties Commission
Peace River Regional District
South Peace EDC
Finance Strategy Committee
BC Hydro Site C Project Liaison

Born in a snowstorm in Saskatchewan (1940), the coldest place in this great nation. Moved to Little Prairie in 1949 with parents and settled at Big Lake (under a tarp temporarily); during the first years a two-day horse and wagon trip from Campbell's store (now the museum).

Finished elementary school by correspondence and attended high school in California and Alberta.

Graduated from the University of British Columbia having attended universities in California, Washington and Michigan. During his academic education, Merlin found time to marry and have a family, haul logs (still has his Class 1), become a building contractor working mostly in Vancouver, and clean the Vancouver post office for about ten months – all for the sake of paying education expenses.

Moved back home to Chetwynd in 1970 to teach school. Employed by the BC Vocational School in 1974, Merlin transitioned to Northern Lights College at its beginning and stayed with the College, working to develop the Chetwynd Campus and several of the ongoing programs on other campuses, until retirement in 2001.

Elected first to Chetwynd Council in 2001

Elected to the office of Mayor in 2011.



Councillor Alec Brownlee

Portfolio:

Peace River Regional District (Alternate)
South Peace EDC (Alternate)
Public Works Committee (Chair)
Finance Strategy Committee Member
BC Hydro Site C Project Liaison (Alternate)
Fire Department Liaison

Born in Red Deer, Alberta, and as a teenager, moved to British Columbia, Alec graduated from GP Vanier Senior Secondary School in Courtenay, BC. He has worked throughout the Province from Vancouver Island to the Yukon Border as a Heavy Duty Mechanic.

His first move to the Peace River area was to Dawson Creek in 1990 with Finning. After numerous moves, finally settled in Chetwynd in 1997 and was employed by West Fraser. He was a Board Director and an active volunteer for the Pine Valley Exhibition Park for a number of years. He is currently employed by Caribou Road Services as Shop Foreman.



Councillor Rochelle Galbraith

Portfolio:

Economic Development Commission
Peace River Regional District (Alternate)
Northern Development Initiative Trust (Alternate)
Community Improvements Committee
Finance Strategy Committee
Health Services Committee
Water & Sewer Task Group
Enbridge Northern Gateway Pipeline Liaison
Chetwynd Public Library Liaison
Chetwynd Seniors' Housing Society Liaison

Born in Dayton, Ohio, Rochelle and her family of eight immigrated to Canada in 1967 and took up residence in Chetwynd.

Having attended school in Chetwynd, Rochelle continued her education after graduation receiving many certificates from Northern Lights College, the Justice Institute of BC and Royal Roads University.

Rochelle has worked, volunteered and been involved in a variety of clubs and organizations in Chetwynd, including eight years working with the District of Chetwynd as the Deputy Coordinator for their Municipal Emergency Plan.

Rochelle was elected to the District of Chetwynd Council in 2011 and sits on a variety of committees as a representative for Chetwynd. She and her husband, Gordie, have been married for 30 years and have two adult children. In her spare time, she enjoys golfing, camping and travelling.



Councillor Don Harris

Portfolio:

Civic Properties Commission
Community Improvements Committee (Chair)
Finance Strategy Committee
Public Works Committee
FCM/Partners in Climate Change Liaison
Pine Valley Seniors' Liaison
Pine Valley Exhibition Park Liaison
Regional Workforce Table Representative

This is Don's first term as Councillor for the District of Chetwynd. Don was born in Peace River, Alberta in 1953. His family moved to Chetwynd a short time after. He attended different schools and completed his education at the high school.

Don is married to Wendy and they have a grown daughter who resides in Chetwynd. Don has many interests: he is a musician with his own band, a big game guide, an avid horseman.

Don has travelled all over Canada, Alaska and the lower 48 and, in doing so, has gained a vast knowledge of different cultures. Don hopes to be able to represent Chetwynd and have a voice for the people.



Councillor Bob Nicholson

Portfolio:

Municipal Insurance Authority (Alternate)
Finance Strategy Committee (Chair)
Water & Sewer Task Group
Alaska Highway Community (Alternate)
Chetwynd Communications Society
Liaison
Heritage/Museum Liaison

Bob is 79 years old and is a retired farmer / rancher. Having lived all but one year of his life in Chetwynd, Bob has been married for 43 years and has two grown children (a son and a daughter).

Bob has been a Councillor for 25 years and has served on most, if not all, Council Committees. He was the District's representative for the Peace River Regional District for 7 years and the alternative representative for several years after that.

Before being elected to Council, Bob volunteered as president and other positions in Chetwynd Minor Hockey for several years. Bob is active in the Chetwynd Fellowship Baptist Church.



**Councillor Ernest
Pfanner**

Portfolio:

Economic Development Commission
Civic Properties Commission
Community Improvements Committee
Finance Strategy Committee
Health Services Committee (Chair)
Measuring Up the North Project Liaison
Sukunka Group Liaison
RCMP Liaison

Ernest is currently serving his first term as Councillor for the District of Chetwynd. He enjoys working with Council, representing the community and having a voice on local Council.

Ernest has been employed in the forest industry where he worked as a millwright, and, more recently, in the oil & gas industry. He is currently employed by Spectra Energy as an Electrician.

Ernest was born in Dawson Creek and has called Chetwynd home ever since. Ernest and his wife, Laurie, have raised three children in Chetwynd and appreciate all that Chetwynd and area has to offer. He enjoys hunting, fishing and camping as well as spending time horseback riding and hiking in our local mountains.



**Councillor Laura
Weisgerber**

Portfolio:

Economic Development Commission
Northern Development Initiative Trust
Municipal Insurance Authority
Finance Strategy Committee
Health Services Committee
Public Works Committee
Water & Sewer Task Group (Chair)
Alaska Highway Community Liasson
Chamber of Commerce/Tourism Liaison
Enbridge Northern Gateway Pipeline
(Alternate Liaison)

Born in Dawson Creek, Laura moved to Chetwynd a few years later with her parents and family. Starting Grade 1 at Windrem Elementary, she graduated from Chetwynd Secondary in 1979.

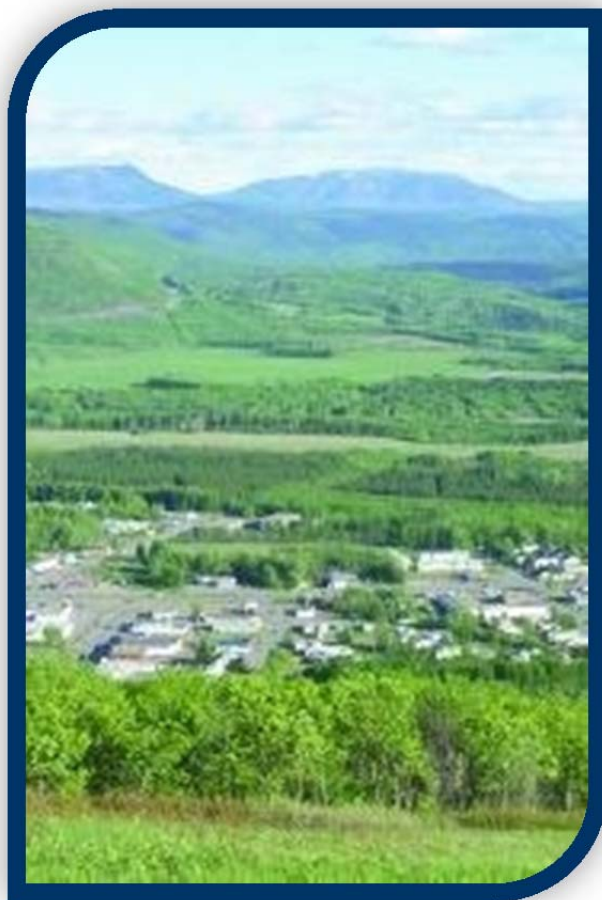
In 1980 she started at the TD Bank and worked there for over 23 years with a couple short breaks to have her two sons. In 2006, she retired from banking, but after a summer off, found herself a little bored and went to work at Aim Trucking where she is today.

Laura has volunteered for many years with the Moberly Lake and Natural Springs Golf Courses and has sat on the executive of the Curling Club for well over 15 years.

Being raised and later raising her own sons with her husband, Brent, in Chetwynd, she knows that Chetwynd has a lot to offer and believes that the best is yet to come.

Declarations of Disqualifications

There were no declarations of disqualifications made under Section III of the Community Charter in 2011.



Municipal Services

Taxpayers and residents often overlook the sheer volume and value of services provided by their local governments. While a great number of services are provided by local governments, often less than half of the property tax bill goes to the local government.



Some of the services provided by the District of Chetwynd include:

Road Maintenance

- ❖ Including paving, pot hole patching and crack repairs; maintenance of sidewalks and shoulders; maintenance and installation of signage; line painting; maintenance of public parking areas; snow removal; street sweeping; ditch and storm drainage maintenance.

Water Systems

- ❖ Provision of drinking water; provision of water and hydrants for fire protection purposes; water conservation initiatives.

Sewer Systems

- ❖ Collection, treatment and disposal of domestic sanitary sewage.

Solid Waste Collection

- ❖ Residential and commercial solid waste (garbage) collection and disposal through contract service.

Parks Facilities

- ❖ Maintenance of community owned parks and facilities; parks equipment maintenance and upgrading.



Cemetery Services	❖ Maintenance and operation of community cemetery.
Animal Control	❖ Provision of animal control services (primarily dog control and licensing).
Building Inspection	❖ Provision of building inspection services to provide compliance with Provincial building, plumbing and fire code regulations.
Subdivision Approvals	❖ Subdivision approvals to ensure compliance with local land development regulations to ensure a level of consistency in land servicing.
Zoning and Land Use	❖ Provision of regulations to ensure a level of consistency and advance indication of land uses.
Bylaw Enforcement	❖ Enforcement of local land use, noise, nuisance and related regulations. <i>Enforcement initiated upon complaint.</i>
Economic Development	❖ Attraction of economic development interests and new business opportunities as well as business retention promotion.
Tourism Development	❖ Operation of Tourist Information Centre and promotion of tourism development and tourism attraction opportunities.
Recreation Centre and Programs	❖ Provision of recreational facilities and programs, in partnership with the Peace River Regional District.



Departmental Services

Administration and Finance Departments:

- Principally supported by:
 - Chief Administrative Officer
 - Director and Deputy Director of Corporate Administration
 - Director and Deputy Director of Financial Administration
 - Clerical, Reception and Accounting Staff
- More specifically involving activities related to municipal administrative operations including business licensing, bylaw preparations and implementation, records management, elections, grants administration, financial record keeping and reporting, budgeting, planning (both fiscal and land use), land development and personnel management.



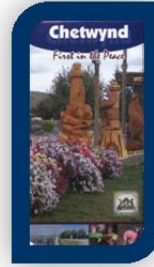
Engineering & Public Works:

- Principally supported by:
 - Director and Deputy Director of Engineering & Public Works
 - Building Inspector
 - Bylaw Enforcement Officer
 - Engineering Staff
 - Public Works Staff
- More specifically involving activities related to municipal works and services, engineering structures, planning and design, animal control, roads, water and sewer systems maintenance and improvements, building inspection services, airport maintenance, solid waste collection, cemetery services and bylaw enforcement.



Economic Development:

- Principally supported by:
 - Economic Development Officer
 - Clerical Staff



- More specifically involving activities related to economic development and promotion, tourism promotion, business retention, community improvement projects and community investment.

Parks & Recreation:

- Principally supported by:
 - Director and Deputy Director of Parks & Recreation
 - Maintenance Staff
 - Clerical and Recreation Staff
 - Seasonal Parks Staff (Students)



- More specifically involving activities related to management of the recreation complex, provision of recreation programs, maintenance of recreation facilities and parks & grounds maintenance.



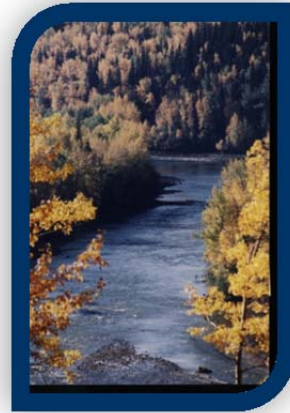
Progress Report – 2011 Goals and Objectives

COMPLETION OF VARIOUS STUDIES, PLANS AND BYLAWS

Studies and Plans:

- Community Sustainability Plan
- Water Conservation Plan
- Sewer Capacity Study
- Rodeo Subdivision Street/Drainage Study
- River Supply (Water) Study

Three of the five studies / plans above have been completed and work continues on the Community Sustainability Plan. The Water Conservation Plan was contingent on us receiving an Infrastructure Planning Grant from the Province.



Bylaws:

- Airport Regulations and Fees
- Soils Removal Regulations
- Municipal Ticket Information (MTI)

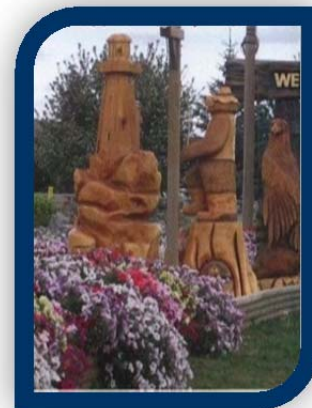
A Municipal Ticket Information bylaw and an Airport Fees and Regulations Bylaw have been adopted by Council. The Soils Removal bylaw was deferred to 2012.



HEALTHY COMMUNITIES COORDINATOR

Hiring of a new Healthy Communities Coordinator who would provide dual roles as Healthy Communities Coordinator and Youth Services Coordinator.

The hiring of a new Healthy Communities Coordinator was completed on May 30, 2011.



RIGHT-IN/RIGHT-OUT RECREATION CENTRE HIGHWAY ACCESS

Creation of a secondary vehicle access into and out of the Chetwynd and District Recreation Centre.

A grant in the amount of \$660,000.00 has been received from the Ministry of Community, Sport and Cultural Development under the Community Recreation Program. Detailed planning will be conducted in 2012 with construction planned for 2013.



NICHOLSON ROAD REALIGNMENT

Reconstruction of a secondary access road serving the Chetwynd Industrial Park, previously abandoned due to faulty alignment with Highway 29.

All land acquisitions for road realignment have been completed. The design will be finalized in 2012 with construction planned for 2013 and beyond.



CROWN LAND DEVELOPMENT

Completion of a Crown Land residential subdivision project started in the late 1970's and early 1980's. and re-introduction of several remaining lots onto the market from the original Phase I development.

To date a number of Crown lots have been listed through the local real estate companies. All lots in Phase I (2 residential lots plus 3 multi-family) have been sold. We expect work on Phase II to start in the next year.



CLIMATE ACTION INITIATIVE IMPLEMENTATION

Advancement of the District's Climate Action Initiative.

Efforts were made to look at some regional collaborative initiatives. Unfortunately these efforts were not supported at the regional board of directors. The municipality will continue with its own efforts to reduce our Green House Gas (GHG) emissions through a number of initiatives identified in our Corporate Energy Plan.



MUNICIPAL HALL PRE-PLANNING

The Municipality is planning to construct a new Municipal Hall. Final selection of a location for the new facility and development of a preliminary design for the project was to be undertaken in 2011.

Staff has narrowed down the search for a suitable building site to one and will work with Council on approval before moving forward with the development of a site plan and concept for the building. The building design is to be completed in 2012.



HOTEL DEMOLITION

District Council declared the High Country Inn (former Chetwynd Motor Inn) as a hazardous structure and a nuisance. The objective was to follow the legal process to demolish and remove the structure.

The hotel was successfully demolished and the project is now complete.

PINE VALLEY EXHIBITION PARK (EQUESTRIAN HALL) – ROOF REPLACEMENT

Replacement of the roof covering on the 28,672 sq. ft. Pine Valley Exhibition Park (Equestrian Hall).

A new membrane roof covering was installed and this project is now complete.



Additional Projects Completed in 2011

DEVELOPMENT PERMIT GUIDELINES

District Council adopted Development Permit Guidelines to address the form and character of development in commercial, industrial and multi-family districts. The guidelines address visual presentation of buildings, including landscaping, within the designated Development Permit Areas.



COMMUNITY FOREST COMPANY REGISTRATION

The District completed the process of establishing the Chetwynd Community Forest (Little Prairie Community Forest Ltd.). The Community Forest Board was created in partnership with West Moberly and Sauteau First Nations.

PAVING OF 53rd AVENUE

The District completed the second stage of the 53rd Avenue paving program.



2012 Goals and Objectives

TO DEVELOP AND IMPLEMENT PLANNED AND SUSTAINABLE PRACTICES

Municipal Census:

Hiring of contract workers to conduct a door-to-door census, including collection of data, drop-off of forms and follow-up measures to gather relevant local statistics and produce a final report.

- ❖ *Benefits of this project include gaining an understanding of the effects of increased industrial activity in the region on the community and to obtain a true count of the population we are servicing which will allow us to better meet the needs of the community. Success will be measured by the completion of the census and production of relevant statistics.*

Workforce and Development Survey

Conduct a survey of local industry to gain information on the current workforce as well as a prognosis on future development and the expected impacts on the community.

- ❖ *Benefits of this project include gaining an understanding of the current and future needs of local industry and the potential demands on the community (including accommodations, amenities and infrastructure) in order to conduct strategic planning. Success will be measured by completion of the survey and production of a detailed report.*

Use of Strategic Community Investment Funds:

Strategic Community Investment Funds received from the Province of BC will be used to:

1. Maintain stable taxation rates for all classes of taxpayers;
2. Maintain a stable workforce; and
3. Provide similar levels of service to taxpayers each year.

The progress made toward achieving these performance targets for the funds will be reported on in the Annual Report.

- ❖ *Using the Strategic Community Investment Funds for these purposes will benefit the community by maintaining a stable economy. Success will be measured by meeting the above noted targets.*

Planning Initiatives

To obtain accurate information on the following items in order to make informed decisions and plan new capital infrastructure improvements as required:

- Landscape plan for east Welcome Sign
- Raw water supply upgrade (detailed design)
- New subdivision servicing regulations
- Watershed Protection Plan stakeholder meetings
- East sanitary trunk main and sewer treatment review
- Design watermain extension to 45A Street SE
- Ortho photos and contour mapping
- Pine River Assessment
- Rodeo Grounds street improvements

❖ *These planning initiatives will allow informed decision making and the ability to plan future improvement projects as required to ensure that the community infrastructure is well-maintained and able to meet the needs of both current and future generation. Success will be measured by completion of the planning initiatives.*

Purchase of Land and Rights of Way (as required)

As required, purchase land for infrastructure improvements, utility rights of way and the trail system within town.

❖ *This will assist with new project development and utility capital improvements. Success will be measured by the registration and title transfer of any land purchased.*



TO MAINTAIN A LIVABLE, SAFE AND HEALTHY COMMUNITY

50th Anniversary Celebrations

To celebrate Chetwynd's 50th anniversary of incorporation as a village, various activities are planned and will occur in conjunction with the Annual Chainsaw Carving Competition and throughout the year. Included will be a re-sale of the Chetwynd History Book as well as the development of a new edition of the History Book

- ❖ *This community celebration will provide an enjoyable and educational experience thereby increasing the quality of life for the residents of Chetwynd. Success will be measured by the holding of different activities and events throughout the year and the numbers of people in attendance.*

Affordable & Multi-Family Housing Initiatives

Work with BC Housing to obtain Crown Land and to secure an area for mixed housing to address the need for low income housing.

- ❖ Socio-economic benefits include addressing low-income housing needs. Success will be measured by starting the development of low-income housing.

Community Consultation and Networking

To work with area First Nations and the Peace River Regional District to address common concerns and needs.

- ❖ *Benefits include greater communication and networking within the region and the ability to work together for the common good. Success will be measured by joint meetings and initiative with these groups.*

Workforce Training & Support Initiatives and Survey

Supporting and sponsoring various workforce training initiatives including the Northeast BC Coal Conference, JobFest, the EnCana sponsored UNBC Medical Roadshow, the South Peace EDC support training initiative and the Community to Community First Nations Forum training / education project. Conducting a survey to better understand the accumulated effects of increased industry on the community.

- ❖ *Benefits will include a local, trained workforce to meet the needs of the industries in the area. Success will be measured by the holding of events and activities and the completion of a study/survey of the needs of the community as well as area industry.*

TO EFFECTIVELY MANAGE ENVIRONMENTAL ISSUES

Ongoing Efforts to Mitigate Environmental Concerns

A number of actions and strategies have been developed to mitigate environmental concerns including a water conservation program, greening of our municipal fleet to assist in reducing our GHG's, the purchase of a fluorescent tube eater to collect and dispose of light bulbs in an environmentally friendly manner, and monitoring/improvements to the sewer treatment lagoons to improve effluent quality.

- ❖ *Benefits of these initiatives include improvements to the environment in the immediate and surrounding areas of Chetwynd. Success will be determined by a measurable reduction in GHG's and water consumption as well as improved effluent quality in the longer term.*

TO MAINTAIN & UPGRADE MUNICIPAL INFRASTRUCTURE, EQUIPMENT & FACILITIES

Reconstruct 40th Street NE (Rodeo Subdivision)

Understand the underlying issues as to why the road failed, work with an engineering consultant to provide a new design, tender and award the project and complete the reconstruction of this section of road.

- ❖ *The project will benefit the community by improving road 'ride-ability' and reducing maintenance costs. Success will be measured by completion of the reconstruction by the fall of 2012.*

Curb/Gutter & Landscaping for 52st Avenue SW

Complete road work around and in front of the new Tim Horton's / FasGas development including the placement of new curb & gutter, landscaping, tree planting and new street signs.

- ❖ *The benefits of this project include improved traffic movements to and around the newly developed site, improved road drainage and a visually attractive boulevard and street frontage. Success will be measured by completion of this work by late summer/early fall of 2012.*

Right-In /Right-Out Access at Recreation Complex

Develop a pre-design for improved access to the Recreation Complex, work with an engineering consultant to provide a construction design, tender and award the project and complete the project.

- ❖ *This project will have a number of benefits including greatly improved access and traffic flow to and from the recreation facility, a better defined pedestrian corridor and crossing in and around the immediate area, and improved access for emergency vehicles. Other benefits should include improved pedestrian safety and an increase in usership of the facility. Success will be measured by the completion of the project by the fall of 2012.*

Water & Sewer Extension on 53rd Street SW

Once the survey and design of this project is complete, engage a contractor to assist us with the extension of water and sewer down 53rd Street and then across municipal land to 50th Street, including services for existing housing and new development.

- ❖ *The benefits of this project include the provision of a gravity sewer service to existing townhomes, the provision of new services for pending development on 53rd Street and our municipal land across from the post office, as well as improved water quality from looping of the watermain. Success will be measured by completion of the water and sewer line installation by the fall of 2012.*

Watermain Extension on 46th Street NE

Engage an engineering consultant to survey and design the new watermain and then hire a contractor to assist the municipality with the extension of this main to Widmark Creek.

- ❖ *As part of our Water Capital Plan, this project will improve water quality and allow new development to be properly serviced and meet the requirements for fire hydrant location to primary entrances.*

Increase Capacity of Hypochlorite Generation Unit

In order to meet current peak water demands and future average day demands, the ability to produce liquid chlorine must be increased by twinning the electrolysis cell.

- ❖ *Benefits of this project are simply being able to produce enough hypochlorite to meet current and future water demands. Success will be measured by the installation of the new electrolysis cell and increased capacity for the generation of hypochlorite solution at the Water Treatment Plant.*

Fire Hydrant Improvements – Storz Fittings

Purchase and install Storz fitting adaptors on all remaining fire hydrants in Chetwynd that are currently not fitted with them.

- ❖ *This project will benefit the community by updating to an industry standard which will improve firefighting ability for our local fire department. Success will be measured by the completion of as many Storz fitting changeovers as financially possible in 2012, the completion of a total inventory of our hydrants and identifying any remaining hydrants to be retrofitted with a Storz fitting in 2013.*

Flood Recovery Work

Continue to work with the Province on our recovery plan, quantify work that still needs to be completed and hire contractors to complete this work.

- ❖ *The main benefit of this work is to restore infrastructure to pre-flood conditions. Success will be measured by restoration of infrastructure damage to pre-existing conditions, including trails, roads and ditches, bridges and culverts.*

Repair & Stabilize Area of Airport Runway Affected by 2011 Flood

Understand the underlying issues as to why the runway sank as a result of the 2011 Flood and develop a mitigation plan to eliminate the settlement.

- ❖ *The main benefit of this project is increased safety for planes using the airport runway. Success will be measured by stabilization of this section of the runway.*

Paint New Airport Runway Markings

Engage a road marking contractor with experience and knowledge of painting runway markings to repaint the markings on the municipal airport runway.

- ❖ *The benefit of this project is for the safety of planes using the airport. Success will be measured by having new runway markings by the summer of 2012.*

Design of New Municipal Office

Work with an architectural firm and engineering consultant to develop a site plan and preliminary building plan.

- ❖ *A new municipal office will provide much needed space for staff, storage, a computer room and a new Council Chambers. This building will reduce operational costs and provide a cleaner air environment for employees to work in. Success will be measured by the completion of a site plan and preliminary building plan by the end of 2012.*

Dog Pound

To lessen the chances of disease spread at the kennels where we currently take stray dogs, the municipality will pay for a pre-built building to be set up at the kennels to allow for separation of dogs being boarded from the dogs picked up by the municipality.

- ❖ *This building will reduce the risk of spreading diseases from stray dogs captured by the municipality to dogs being boarded at the kennel. Success will be measured by the installation of the new structure for municipal dogs.*

Rotary Building Renovations

To relocate user groups from the Forestry House to the Rotary Building

- ❖ *Benefits include use of the Rotary buildings as well as freeing up the Forestry House for housing new District of Chetwynd employees while they find permanent accommodations in town during a time when it is very difficult to find housing and very expensive to rent. This should increase the District's ability to attract and retain new employees. Success of the project will be measured by completing the renovations and relocating existing user groups.*

Forestry House Renovations

Renovation to bathroom and preparing house for use by new municipal employees while they find permanent accommodations in town.

- ❖ The benefit of this project is providing temporary housing for new employees. Success will be measured by completion of the renovations.

New Equipment

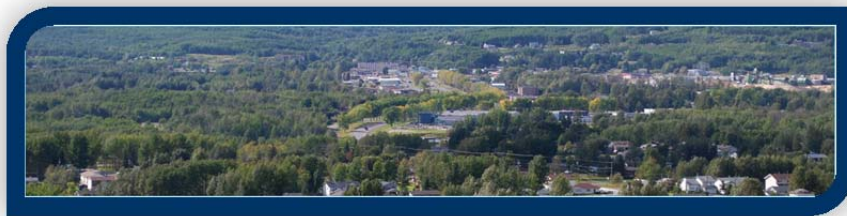
Based on the equipment replacement schedule, purchase new equipment for 2012 including new pick-up trucks, new parks mower, new line painter and a used shoulder mower.

- ❖ Benefits include improved reliability of equipment and a reduction in operational costs.



Major Capital & Planning Projects for 2013 and Beyond

- Construct a new intersection at Highway 29N and Nicholson Road North
- Various street paving projects including some sidewalk and curb/gutter work
- Construct a new creek crossing structure on Nicholson Road South at Windrem Creek
- Utility upgrades including a new river supply line (funding dependent)
- Purchase of Public Works equipment, including a new garbage truck
- Start construction of a new municipal office
- Start the pre-design of an expansion to the Water Treatment Plant
- Continue to work on plans and studies for future capital works



Permissive Tax Exemptions

In 2011, the District of Chetwynd adopted Tax Exemption Bylaw No. 955, 2011 for the purpose of granting permissive tax exemptions for 2012 for the following organizations:

Organization	Estimated Value of Exemption for 2012
Chetwynd Communication Society	\$ 4,739.84
Chetwynd Fellowship Baptist Church	\$ 3,131.68
Chetwynd Shared Ministry Society	\$ 702.45
Chetwynd Temple Society	\$ 414.55
Chetwynd Women's Resource Society	\$ 401.18
Church of the Nazarene	\$ 780.29
Peace River Presbyterian Church in Canada	\$ 490.52
Pentecostal Assemblies of Canada	\$ 1,168.47
President of the Lethbridge Stake	\$ 1,831.84
Roman Catholic Episcopal Corporation of Prince Rupert	\$ 9,475.60
Royal Canadian Legion, Chetwynd Pacific Branch No. 258	\$ 725.77
Tansi Friendship Centre Society	\$ 1,040.75
Tansi Friendship Centre Society	\$ 1,626.91
Trustees of the Chetwynd Congregation of Jehovah's Witness	\$ 3,582.76

Revitalization Tax Exemptions

The District of Chetwynd has a revitalization tax exemption program for the purpose of encouraging revitalization of an area(s) of the municipality. Following is a record of the properties for which revitalization tax exemptions have been granted and the amount of

Organization	Estimated Value of Exemption for 2012
Northern Oasis Car Wash Ltd.	\$ 1,775.85
Rhodem Enterprises Ltd. (Westwind Motel)	\$ 13,766.52
YoMo Management Ltd. (All-West Glass)	\$ 2,492.13

Development Statistics

Building Permits

Class	Building Permits Issued		\$ Value of Permit	
	2010	2011	2010	2011
Residential	14	8	\$1,765,000	\$614,840
Commercial/Industrial	3	9	\$2,800,074	\$6,433,800
Institutional	2	2	\$850,000	\$264,066

Development Permits

Class	Development Permits Issued		Development Variance Permits Issued	
	2010	2011	2010	2011
Residential	0	0	0	0
Commercial/Industrial	0	5	0	0
Other	0	0	0	0

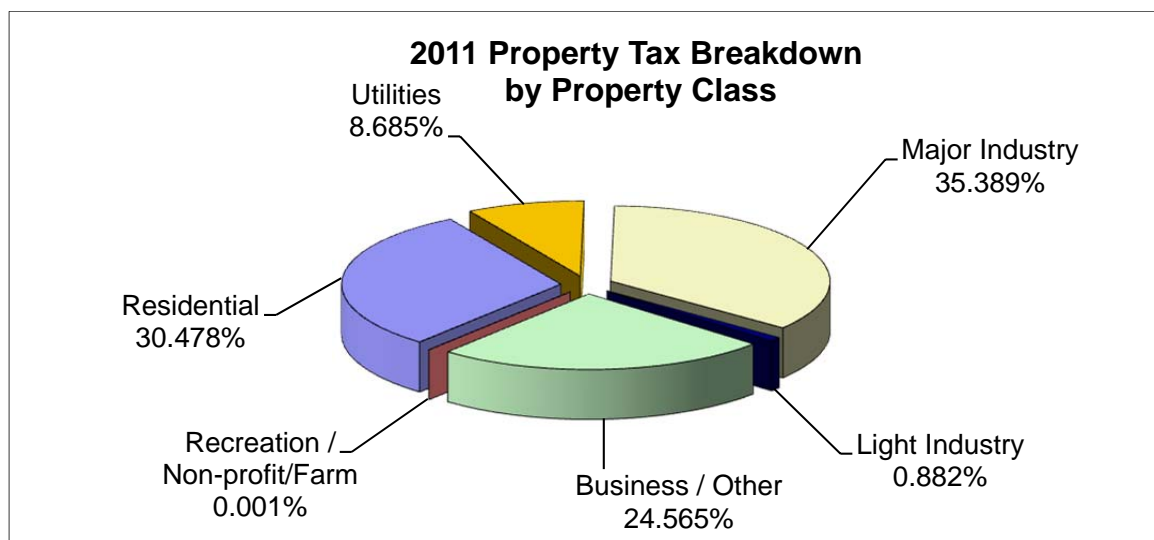
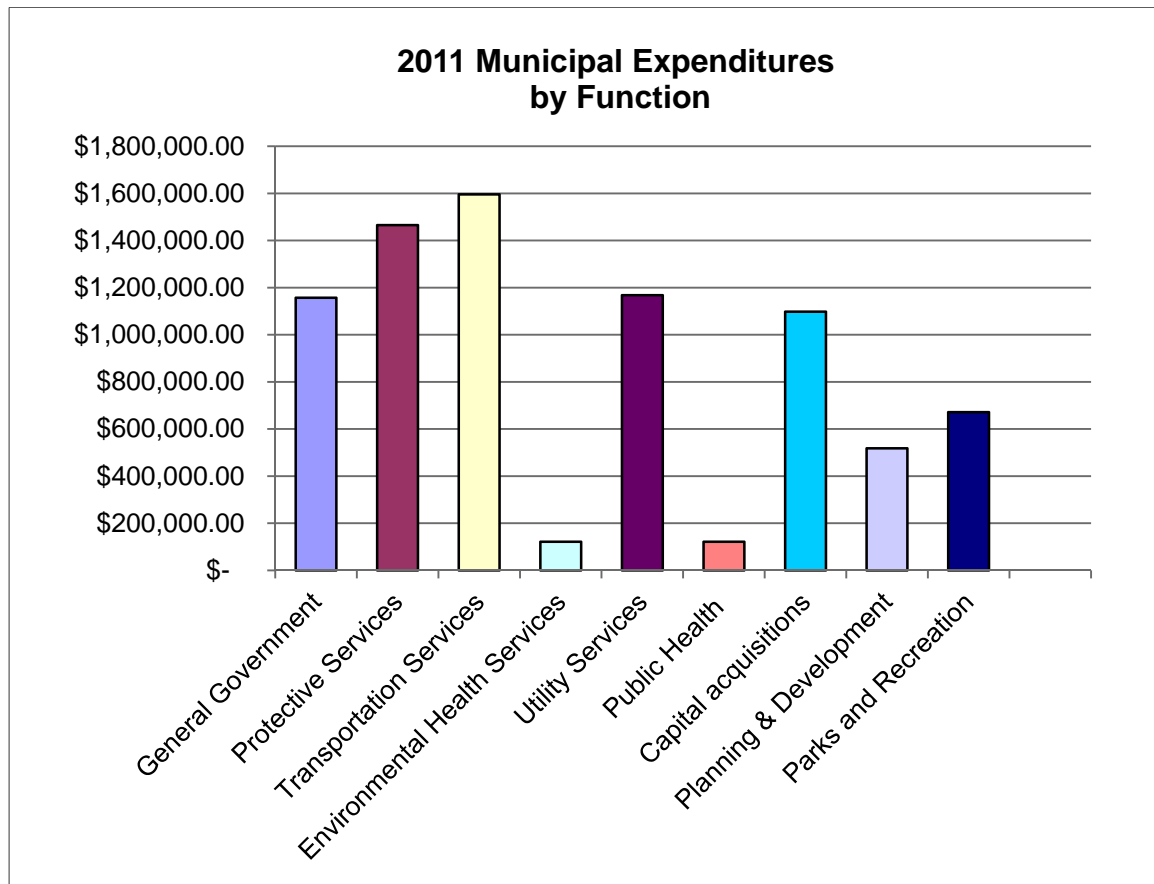
Temporary Commercial Permits and Board of Variance Applications

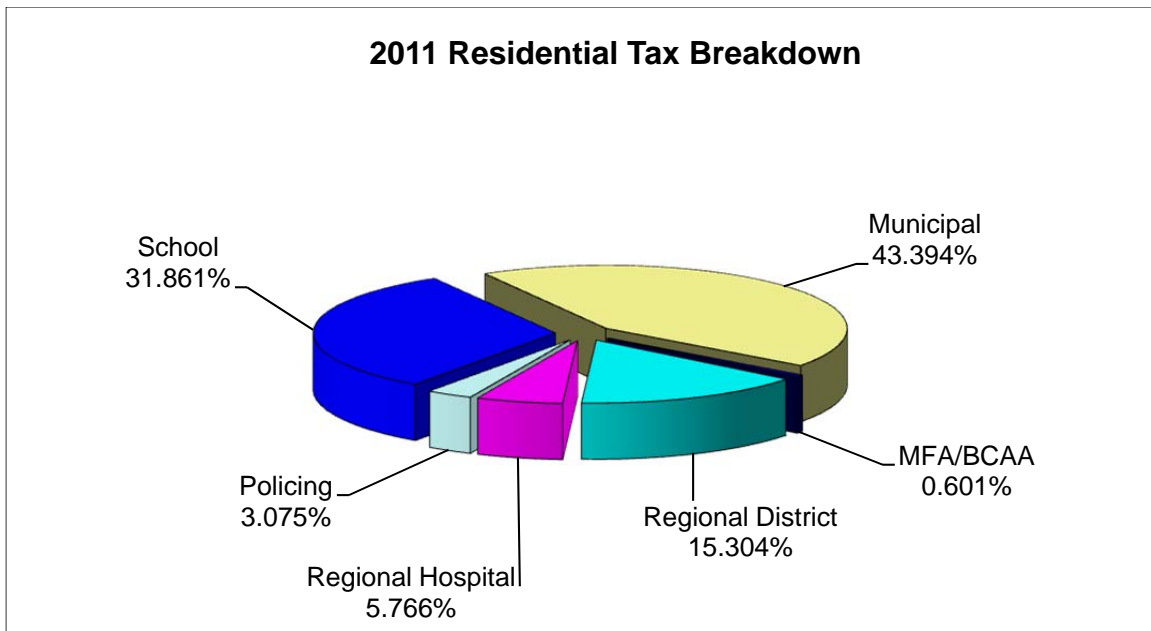
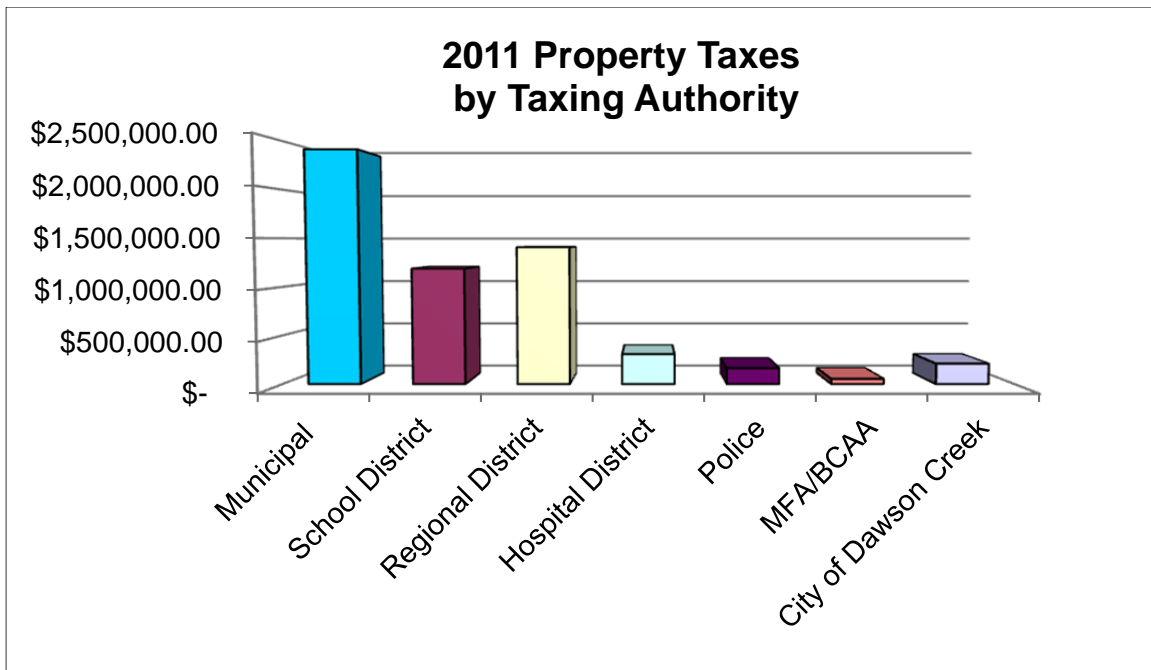
Class	Temporary Commercial Permits Issued		Board of Variance Applications	
	2010	2011	2010	2011
Residential	0	0	2	0
Commercial/Industrial	0	3	0	0
Other	2	0	0	0

Zoning and Official Community Plan Amendments

Class	Zoning Amendments		OCP Amendments	
	2010	2011	2010	2011
Residential	0	1	0	1
Commercial/Industrial	1	2	0	1
Institutional	1	1	1	2

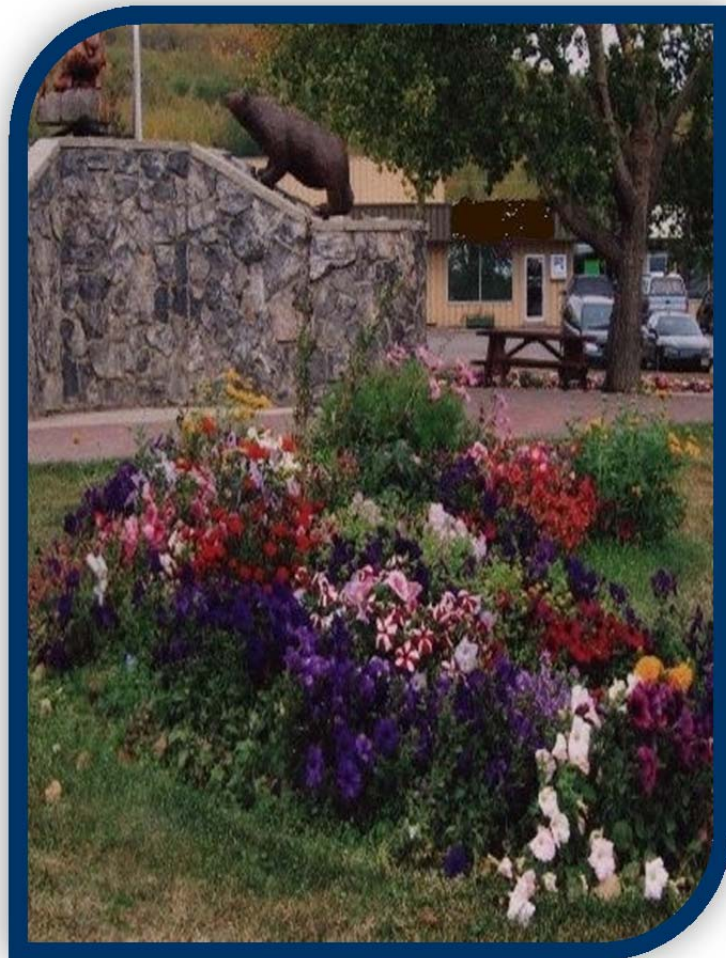
Financial Statistics





2011 Financial Statements & Auditor's Report

Attached are the audited Financial Statements and Auditor's Report for the District of Chetwynd for the year ended December 31, 2011.



Responsibility for Financial Reporting

The accompanying Consolidated Financial Statements and all other information contained in this Annual Report are the responsibility of the management of the District of Chetwynd. The preparation of the periodic financial statements involves the use of estimates and approximations because the precise determination of financial information frequently depends on future events. These Consolidated Financial Statements have been prepared by the management within reasonable limits of materiality and within the framework of Canadian public sector accounting standards for governments established by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants.

In carrying out its responsibilities, management maintains appropriate systems of internal accounting controls designed to provide reasonable assurance that transactions are executed in accordance with proper authorization that assets are properly accounted for and safeguarded, and that financial information produced is relevant and reliable.

Sander Rose Bone Grindle, LLP, as the Municipality's independent auditors, have audited the Consolidated Financial Statements. Their opinion is based upon an examination conducted in accordance with Canadian generally accepted auditing standards, performing such tests and other procedures as they consider necessary to obtain reasonable assurance that the Consolidated Financial Statements are free of material misstatement and present fairly the financial position and results of operations of the Municipality in accordance with Canadian public sector accounting standards.



W.J. Caldwell
Director of Financial Administration



Doug Fleming
Chief Administrative Officer

CHARTERED ACCOUNTANTS

Partners

- * Ben Sander, B. Comm., FCA
- * Dale J. Rose, C.A.
- * Alan Bone, B. Comm., C.A.
- * Jason Grindle, B. Comm., C.A.
- * Donald G. Smith, C.A.

INDEPENDENT AUDITOR'S REPORT

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To the Mayor and Council of the District of Chetwynd

Report on the Financial Statements

We have audited the accompanying consolidated statement of financial position of the District of Chetwynd as at December 31, 2011, and the consolidated statements of operations, cash flow and changes in 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 consolidated 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgement, including the assessment of risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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, these consolidated financial statements present fairly, in all material respects, the financial position of the District of Chetwynd as at December 31, 2011 and the results of its operations, its cash flow and changes in net financial assets for the year then ended in accordance with Canadian public sector accounting standards.

Fort St. John, BC
May 22, 2012


Chartered Accountants



Member, Chartered Accountants of British Columbia

* Denotes Professional Corporations

DISTRICT OF CHETWYND

Consolidated Statement of Financial Position December 31, 2011

		2011	2010 Restated
Financial Assets			
Cash and cash equivalents, note 2	\$	2,362,640	\$ 2,378,531
Accounts receivable, note 3		2,895,924	2,501,124
		5,258,564	4,879,655
Liabilities			
Accounts payable, note 4		926,240	1,383,810
Net Financial Assets		4,332,324	3,495,845
Non-financial Assets			
Tangible capital assets, note 7		29,966,779	30,058,439
Inventories		36,922	30,745
Prepaid expenses		88,192	68,743
Tax sale properties, note 5		-	12,024
		30,091,893	30,169,951
Accumulated Surplus, schedule 5	\$	34,424,217	\$ 33,665,796

See accompanying notes to the consolidated financial statements



W.J. Caldwell
Director of Financial Administration

DISTRICT OF CHETWYND

Consolidated Statement of Operations December 31, 2011

	2011 Budget	2011 Actual	2010 Actual Restated
Revenue			
Taxes, note 8	\$ 2,576,308	\$ 2,561,649	\$ 2,702,143
Services provided to other governments	158,054	159,032	158,528
Sale of services	1,292,319	1,242,095	1,176,890
Other revenue from own sources	237,237	498,882	340,286
Government transfers	2,724,360	4,114,811	3,380,482
Appropriation from surplus	819,253	-	-
Gain (Loss) on disposal of assets	-	15,000	(168,653)
	<u>7,807,531</u>	<u>8,591,469</u>	<u>7,589,676</u>
Expenses			
General government	1,401,277	1,156,755	1,140,721
Protective services	471,222	1,465,291	424,188
Transportation services	1,350,851	1,595,921	1,484,562
Utility services	1,484,488	1,167,880	1,310,043
Public health services	184,751	121,401	119,479
Planning and Development	782,292	518,070	571,607
Parks and recreation	432,694	617,741	380,481
Amortization	-	1,189,989	1,305,239
	<u>6,107,575</u>	<u>7,833,048</u>	<u>6,736,320</u>
Current year Surplus (Deficit)	<u>1,699,956</u>	<u>758,421</u>	<u>853,356</u>
Accumulated Surplus, opening, as previously stated	34,065,796	34,065,796	32,812,440
Prior Period adjustment, note 9	(400,000)	(400,000)	-
Accumulated Surplus, beginning of year, restated	33,665,796	33,665,796	32,812,440
Accumulated Surplus, end of year	<u>\$ 35,365,752</u>	<u>\$ 34,424,217</u>	<u>\$ 33,665,796</u>

See accompanying notes to the consolidated financial statements

DISTRICT OF CHETWYND

Consolidated Statement of Cash Flow December 31, 2011

	2011	2010 Restated
Cash provided (used) by:		
Operating transactions		
Current year Surplus	\$ 758,421	\$ 853,356
Non-cash charges to operations		
Net change in inventory	(6,177)	(653)
Net change in prepaid expenses	(19,449)	(14,649)
Net change in accounts receivable	(394,800)	(79,031)
Net change in accounts payable	(457,570)	490,139
Net change in tax sale properties	12,024	544
Loss on disposal of assets	-	168,653
Amortization	1,189,989	1,305,239
Cash provided from operations	1,082,438	2,723,598
Investing transactions		
Acquisition of tangible capital assets	(1,098,329)	(1,586,338)
Disposal of tangible capital assets	-	2,376
	(1,098,329)	(1,583,962)
Increase (decrease) in cash and cash equivalents	(15,891)	1,139,636
Cash and cash equivalents, beginning of year	2,378,531	1,238,895
Cash and cash equivalents, end of year	\$ 2,362,640	\$ 2,378,531

See accompanying notes to the consolidated financial statements

DISTRICT OF CHETWYND

Consolidated Statement of Net Financial Assets December 31, 2011

		2011		2010 Restated
Current year Surplus	\$	758,421	\$	853,356
Decrease (increase) in prepaid expenses		(19,449)		(14,649)
Decrease (increase) in inventory		(6,177)		(653)
Decrease (increase) in tax sale properties		12,024		544
Disposal of tangible capital assets		-		2,376
Acquisition of tangible capital assets		(1,098,329)		(1,586,338)
Loss on disposal of capital assets		-		168,653
Amortization of tangible capital assets		1,189,989		1,305,239
		78,058		(124,828)
Increase (decrease) in Net Financial Assets		836,479		728,528
Net Financial Assets, beginning of year		3,495,845		2,767,317
Net Financial Assets, end of year	\$	4,332,324	\$	3,495,845

See accompanying notes to the consolidated financial statements

Notes to the Consolidated Financial Statements

YEAR ENDED DECEMBER 31, 2011

The District of Chetwynd is incorporated under the *Local Government Act of British Columbia*. The District's principal activities include the provision of local government services to residents and businesses of the incorporated area.

1. SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The consolidated financial statements of the District of Chetwynd are the representations of management prepared in accordance with Canadian public sector accounting standards as prescribed by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants.

The consolidated financial statements reflect a combination of the Capital, Operating and Reserve Funds. Interfund transactions and balances have been eliminated.

Previous year's amounts have been restated to conform to the current year's presentation.

Operating Funds

Operating Funds are established for general, water and sewer operations of the District. Operating Funds are used to record the costs associated with providing District services.

Capital Funds

Capital Funds are established for general, water and sewer capital. Capital Funds are used to record the acquisition costs of capital assets.

Reserve Funds

These funds hold assets necessary to finance future capital expenditures and are subject to the statutory restrictions of the Community Charter of British Columbia. Restrictions include the requirement that funds and interest earned thereon may only be expended for specific purposes and these expenditures be approved by a Bylaw passed by the District Council.

Cemetery Care Trust Funds

This Fund is intended to provide earnings that can be used for the upkeep of the cemetery, and has been established pursuant to the Cemetery Care Act. The Cemetery Care Trust Fund is excluded from the District's Consolidated Financial Statements, per PSAB guidelines.

Budget Presentation

Budget amounts reflect the annual provision approved by Council on May 2, 2011 as part of the District's Financial Plan Bylaw and have not been audited. The budget has been adjusted to remove internal equipment charges. The effect of this adjustment is to reduce "Revenue from Own Sources" from \$827,237 to \$237,237 and to reduce Operation expenses from \$6,697,575 to \$6,107,575.

Revenue and Expenditure Recognition

Revenues are recognized in the period in which the transactions or events occurred that gave rise to the revenues and expenditures are recognized in the period the goods and services are acquired and a liability is incurred or transfers are due

Segment Disclosure

The District has reported revenues and expenditures for the main areas of activities reported in the Statement of Operations by Segment, Note 10. Revenue and expense related to activities of these segments is tracked to be consistent with commonly used financial reporting done by other municipalities.

Use of Estimates

These financial statements have been prepared in accordance with Canadian public sector accounting standards. In preparing these financial statements management has made estimates and assumptions that affect the amounts reported. Significant estimates include assumptions made to establish the historical cost and useful life of tangible capital assets in order to adopt Section PS 3150, Tangible Capital Assets, of the Public Sector Accounting Board handbook. Actual results could differ from those estimates.

Notes to the Consolidated Financial Statements

YEAR ENDED DECEMBER 31, 2011

Financial Instruments

The District's financial instruments consist of cash, receivables, short term deposits, Municipal Finance Authority (MFA) money market fund deposits, payables and accruals. Unless otherwise noted, it is management's opinion that the District is not exposed to significant interest, currency or credit risks arising from these financial instruments. MFA unit cost investments are reported at market value as at December 31.

Tangible Capital Assets

Capital assets are recorded at cost less accumulated amortization. Cost includes all costs directly attributable to the acquisition or construction of the tangible capital asset, including transportation, site preparation, design, engineering, and legal fees. Contributed capital assets are recorded at fair value at the time of donation, with a corresponding amount recorded as revenue. Amortization is recorded on a straight-line basis over the estimated life of the tangible capital asset commencing once the asset is available for productive use as follows:

Land	n/a
Buildings	60 years
Machinery and equipment	5 – 30 years
Infrastructure	15 – 75 years

Non-Financial Assets

Tangible capital assets and other non financial assets are accounted for as assets by the municipality because they can be used to provide government services in future periods. These assets do not normally provide resources to discharge the liabilities of the municipality unless they are sold.

Notes to the Consolidated Financial Statements

YEAR ENDED DECEMBER 31, 2011

		2011	2010 Restated
2.	CASH AND CASH EQUIVALENTS		
	Cash on hand	\$ 1,630	\$ 1,630
	Bank	226,211	522,538
	Short term and MFA money market deposits	2,134,799	1,854,363
		\$ 2,362,640	\$ 2,378,531
3.	ACCOUNTS RECEIVABLE		
	Taxes	\$ 228,966	\$ 326,192
	Due from other governments	1,624,259	1,750,459
	Trade receivables	1,042,699	424,473
		\$ 2,895,924	\$ 2,501,124
4.	ACCOUNTS PAYABLE & ACCRUED LIABILITIES		
	Due to other governments	\$ 38,358	\$ 58,429
	Trade accounts	534,857	1,036,888
	Payroll accruals	133,680	116,468
	Holdbacks and trust	219,345	172,025
		\$ 926,240	\$ 1,383,810
5.	TAX SALE PROPERTIES		
	Properties sold may be redeemed by the owner for one year following the sale at the amount outstanding at the tax sale date, plus interest on that balance up to the date of redemption.	\$ -	\$ 12,024
6.	PENSION LIABILITY		

The District and its employees contribute to the Municipal Pension Plan (the plan), a jointly trustee pension plan. The Board of Trustees, representing plan members and employers, is responsible for overseeing the management of the pension plan, including investment of the assets and administration of benefits. The plan is a multi-employer contributory pension plan. Basic pension benefits provided are defined. The plan has about 173,000 active members and approximately 63,000 retired members. Active members include approximately 35,000 contributors from local governments.

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

The District of Chetwynd paid \$229,004 for employer contributions to the plan in fiscal 2011.

Notes to the Consolidated Financial Statements

YEAR ENDED DECEMBER 31, 2011

7. TANGIBLE CAPITAL ASSETS

		Land	Buildings	Machinery, Equipment	General Infrastructure	Utilities Infrastructure	Work in Progress		2011 Actual		2010 Actual
Cost:											
Balance, beginning of year	\$	719,081	4,730,639	7,447,785	15,718,432	17,306,414	6,718	\$	45,929,069	\$	44,555,170
Additions		59,098	-	354,452	661,597	-	29,900		1,105,047		3,350,422
Disposals		-	-	(141,123)	-	-	(6,718)		(147,841)		(1,976,523)
Balance, end of year		778,179	4,730,639	7,661,114	16,380,029	17,306,414	29,900		46,886,275		45,929,069
Accumulated Amortization:											
Balance, beginning of year		-	1,646,122	4,496,743	5,250,773	4,476,992	-		15,870,630		14,606,801
Disposals		-	-	(141,123)	-	-	-		(141,123)		(41,410)
Amortization		-	95,590	339,011	425,867	329,521	-		1,189,989		1,305,239
Balance, end of year		-	1,741,712	4,694,631	5,676,640	4,806,513	-		16,919,496		15,870,630
Net book value, end of year	\$	778,179	2,988,927	2,966,483	10,703,389	12,499,901	29,900	\$	29,966,779	\$	30,058,439

Notes to the Consolidated Financial Statements

YEAR ENDED DECEMBER 31, 2011

8. MUNICIPAL TAXATION

	2011	2010
Municipal property taxes	\$ 2,618,742	\$ 2,675,900
Add: requisitions on behalf of other taxing authorities		
Provincial School/Policing Tax	1,353,851	1,325,202
Regional District	1,407,595	881,561
Regional Hospital District	309,256	293,451
B.C. Assessment Authority	53,699	53,209
Municipal Finance Authority	105	100
City of Dawson Creek	210,974	224,006
	5,954,222	5,453,429
Deduct: requisitions remitted to other taxing authorities	3,392,573	2,751,286
	<u>\$ 2,561,649</u>	<u>\$ 2,702,143</u>

9. PRIOR PERIOD ADJUSTMENT

In 2010 a grant was set up in the amount of \$400,000 as a receivable in error. The grant had actually been received prior to year end. The effect of this error is to overstate accounts receivable and general operating surplus by \$400,000. The 2010 balances have been restated to reflect the adjustments

Notes to the Consolidated Financial Statements
Consolidated Schedule of Segmented Disclosure
YEAR ENDED DECEMBER 31, 2011

NOTE 10

	2011 Budget	General Government	Protective Services	Transport. Services	Utilities Services	Public Health Services	Planning & Develop.	Parks & Recreation	2011 Actual	2010 Actual Restated
REVENUES										
Municipal Taxes	\$ 2,576,308	2,525,410	-	-	36,239	-	-	-	\$ 2,561,649	\$ 2,702,143
Services to other governments	158,054	159,032	-	-	-	-	-	-	159,032	158,528
Sale of services	1,292,319	2,320	2,890	2,813	1,216,262	10,415	6,695	700	1,242,095	1,176,890
Other revenue	237,237	269,882	79,567	44,959	-	-	6,962	97,512	498,882	340,286
Government transfers	2,724,360	2,829,124	1,053,358	112,310	20,000	30,000	70,019	-	4,114,811	3,380,482
Gain (Loss) from disposal of assets	-	-	-	15,000	-	-	-	-	15,000	(168,653)
Appropriation from surplus	819,253	-	-	-	-	-	-	-	-	-
	7,807,531	5,785,768	1,135,815	175,082	1,272,501	40,415	83,676	98,212	8,591,469	7,589,676
EXPENSES										
Salaries and benefits	2,844,275	585,576	385,139	918,383	464,298	104,817	160,966	235,656	2,854,835	2,696,876
Travel and training	203,121	74,993	36,572	10,055	6,432	-	16,464	-	144,516	129,287
Contracted services	1,540,780	215,841	737,407	213,569	428,229	3,707	253,484	263,734	2,115,971	1,404,323
Materials and supplies	903,758	53,751	266,992	305,025	134,441	10,788	13,075	107,475	891,547	522,948
Insurance, licenses & dues	177,050	83,939	18,936	39,710	14,466	315	4,276	509	162,151	185,719
Utilities and telephone	307,444	49,643	14,528	106,285	118,670	764	3,869	9,553	303,312	314,379
Other	131,147	93,012	5,717	2,894	1,344	1,010	65,936	814	170,727	177,549
Amortization	-	46,923	66,769	573,764	420,957	1,283	-	80,293	1,189,989	1,305,239
	6,107,575	1,203,678	1,532,060	2,169,685	1,588,837	122,684	518,070	698,034	7,833,048	6,736,320
	\$ 1,699,956	4,582,090	(396,245)	(1,994,603)	(316,336)	(82,269)	(434,394)	(599,822)	\$ 758,421	\$ 853,356



CHARTERED ACCOUNTANTS

Partners

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- * Dale J. Rose, C.A.
- * Alan Bone, B. Comm., C.A.
- * Jason Grindle, B. Comm., C.A.
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INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION

To the Mayor and Council of the District of Chetwynd

We have audited and reported separately herein on the consolidated financial statements of the District of Chetwynd for the year ended December 31, 2011.

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements of the District taken as a whole. The current year's supplementary information included in Schedules 1 through 5 is presented for the purposes of additional analysis. Such supplementary information has not been subjected to the auditing procedures applied in the examination of the consolidated financial statements and accordingly, we express no opinion on it.

Fort St. John, BC
May 22, 2012

Sander Rose Bone Grindle LLP
Chartered Accountants



Member, Chartered Accountants of British Columbia

* Denotes Professional Corporations

Schedule of Operations
YEAR ENDED DECEMBER 31, 2011
(Unaudited)

SCHEDULE 1

	General Fund	Water Fund	Sewer Fund	2011	2010 Restated
REVENUES					
Municipal Taxes	\$ 2,561,649	-	-	\$ 2,561,649	\$ 2,702,143
Services to other governments	159,032	-	-	159,032	158,528
Sale of services	262,217	647,680	332,198	1,242,095	1,176,890
Other revenue	428,827	-	-	428,827	315,279
Government grants	4,061,811	-	-	4,061,811	3,380,482
	<u>7,473,536</u>	<u>647,680</u>	<u>332,198</u>	<u>8,453,414</u>	<u>7,733,322</u>
EXPENSES					
General Government	1,156,755	-	-	1,156,755	1,140,721
Protective Services	1,465,291	-	-	1,465,291	424,188
Transportation Services	1,595,921	-	-	1,595,921	1,484,562
Utility Services – Administration	8,731	172,012	135,605	316,348	344,809
- Transmission, Collection, Disposal	348,329	162,185	113,397	623,911	668,444
- Purification and Treatment	-	188,532	23,282	211,814	272,798
- Bulk Station	-	13,597	2,210	15,807	23,992
Public Health	121,401	-	-	121,401	119,479
Planning and Development	518,070	-	-	518,070	571,607
Parks and Recreation	617,741	-	-	617,741	380,481
	<u>5,832,239</u>	<u>536,326</u>	<u>274,494</u>	<u>6,643,059</u>	<u>5,431,081</u>
Current year Surplus (Deficit)	1,641,297	111,354	57,704	1,810,355	2,302,241
Interfund Transfers					
Operating Funds	(204,974)	240,953	(35,979)	-	-
Capital Fund	15,619	(69,663)	-	54,044	-
Reserve Funds	(1,252,306)	-	-	(1,252,306)	(2,993,426)
	<u>199,636</u>	<u>282,644</u>	<u>21,725</u>	<u>504,005</u>	<u>(691,185)</u>
Balance, beginning of year, restated	<u>541,917</u>	<u>(315,869)</u>	<u>473,941</u>	<u>699,989</u>	<u>1,391,174</u>
Balance, end of year	<u><u>\$ 741,553</u></u>	<u><u>(33,225)</u></u>	<u><u>495,666</u></u>	<u><u>\$ 1,203,994</u></u>	<u><u>\$ 699,989</u></u>

Schedule of Reserve Funds

SCHEDULE 2

YEAR ENDED DECEMBER 31, 2011
(Unaudited)

	2011	2010
STATUTORY RESERVE FUNDS		
Capital Works	\$ 243,940	\$ 259,206
Airport Equipment	10,840	10,726
Fire Department Equipment	193,932	160,119
Land Sale	248,361	245,744
Tax Sale Land	60,463	59,826
Municipal Office Building	1,518,893	1,006,483
	<u>2,276,429</u>	<u>1,742,104</u>
NON-STATUTORY RESERVE FUNDS		
Sewer Capital	1,517	1,501
PVEP Roof	6,168	6,103
Wood Waste Dump	2,677	2,649
Administration Equipment	5,007	3,962
Finance Equipment	20,453	15,274
Federal Gas Tax	552,084	391,770
Sustainability Reserve	234,791	-
Fair Share	154,318	744,005
	<u>977,015</u>	<u>1,165,264</u>
	<u>\$ 3,253,444</u>	<u>\$ 2,907,368</u>

Schedule of Reserve Fund Activities

SCHEDULE 3

YEAR ENDED DECEMBER 31, 2011
(Unaudited)

	2011	2010
REVENUE		
Interest	\$ 32,768	\$ 12,536
INTERFUND TRANSFERS		
Transfer from operating funds	1,252,306	1,957,472
Transfer to capital funds	(938,998)	(535,537)
	313,308	1,421,935
Change in Reserve Funds	346,076	1,434,471
Reserve Funds, beginning of year	2,907,368	1,472,897
Reserve Funds, end of year	\$ 3,253,444	\$ 2,907,368

Schedule of Capital Fund Activities

SCHEDULE 4

YEAR ENDED DECEMBER 31, 2011

(Unaudited)

	<u>2011 Budget</u>	<u>2011</u>	<u>2010</u>
REVENUE			
Grants	\$ 787,000	\$ 53,000	\$ -
Other Revenue	-	37,287	-
Contributed Assets	-	-	12,471
Gain (Loss) on disposal of assets	-	15,000	(168,653)
	<u>787,000</u>	<u>105,287</u>	<u>(156,182)</u>
EXPENSES			
Amortization			
- General Government	-	46,923	56,611
- Protective Services	-	66,769	70,938
- Transportation Services	-	573,764	660,502
- Utilities	-	420,957	446,482
- Public Health	-	1,283	-
- Parks & Recreation	-	80,293	70,706
	<u>-</u>	<u>1,189,989</u>	<u>1,305,239</u>
Current year Surplus (Deficit)	<u>787,000</u>	<u>(1,084,702)</u>	<u>(1,461,421)</u>
INTERFUND TRANSFERS			
Capital from Operations	1,204,250	54,044	1,038,330
Capital from Reserve Funds	<u>245,900</u>	<u>938,998</u>	<u>535,537</u>
	<u>1,450,150</u>	<u>993,042</u>	<u>1,573,867</u>
	\$ <u>2,237,150</u>	\$ <u>(91,660)</u>	\$ <u>112,446</u>

Schedule of Accumulated Surplus

SCHEDULE 5

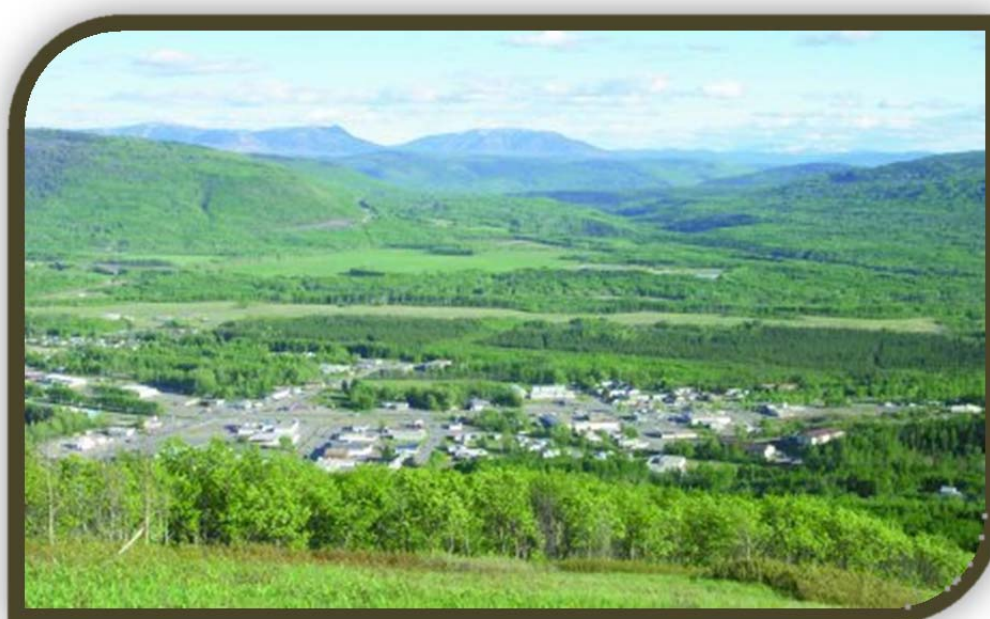
YEAR ENDED DECEMBER 31, 2011

(Unaudited)

	General Fund	Water Fund	Sewer Fund	Capital Assets	Reserve Accounts	2011	2010 Restated
Balance, January , as previously reported	\$ 941,917	(315,869)	473,941	30,058,439	2,907,368	\$ 34,065,796	\$ 32,812,440
Prior period adjustment	(400,000)	-	-	-	-	(400,000)	-
Balance, January 1, restated	541,917	(315,869)	473,941	30,058,439	2,907,368	33,665,796	32,812,440
Current year surplus (deficit)	1,641,297	111,354	57,704	(1,084,702)	32,768	758,421	853,356
Transfers	(1,441,661)	171,290	(35,979)	993,042	313,308	-	-
	199,636	282,644	21,725	(91,660)	346,076	758,421	1,253,356
	\$ 741,553	(33,225)	495,666	29,966,779	3,253,444	\$ 34,424,217	\$ 33,665,796



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