

# City of Campbell River British Columbia

## 2006 Annual Report & Financial Statements



From left to right: Councillors Stewart, Ruehlen, Storry,  
Mayor McDonell, Councillors Ostler, Grant, Adams.

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City of  
Campbell  
River



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City of  
Campbell  
River



# INTRODUCTION



*Campbell River City Hall*

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## Coat of Arms – reserved for protocol, historical and legal purposes

Campbell River's Coat of Arms is a mark of honour and a symbol of Campbell River's status as a community. Each element of the Coat of Arms is an expression of Campbell River's history, geography and economy, using symbols from the rich tradition of heraldry described below.

### The Shield and the Coronet

The shield is the central and most important element. The lower portion symbolizes the meeting of the waters of Campbell River and Discovery Passage and the vital industries of fishing and forestry. In the upper portion or 'chief' of the shield, the Lord Lyon has honoured the town's namesake Dr. Samuel Campbell by featuring the ancient arms of the

Chief of the Clan Campbell; replacing the black sections in this case with Ermines, a heraldic fur which recalls the early importance of the fur trade.

Above the shield is a mural coronet in Canada's national colors, the special sign granted to all District Municipalities. Above the coronet in the place of honour is the traditional symbol of high status among the First Peoples of the region, the cedar heading for the Kwagiutl ornamented with abalone.

### The Supporters

In the Coat of Arms are a pair of majestic bald eagles which are termed 'the supporters' and flank the shield. They represent the rich natural environment that supports the community and provides such a splendid setting for settlement and recreation. Each eagle is 'charged' on its breast with a gold circle bearing a black diamond, the heraldic symbol of mineral wealth which produced another significant economic activity.

### The Compartment & Motto

At the base of the Coat of Arms is the 'compartment' which consists of a grassy meadow embellished with two well-known local plants; salal and Nootka roses. The rose is also the insignia of Campbell River's twin city Ishikari, Japan. Above the whole design is the motto, "Enriched by Land and Sea", describing Campbell River's situation and fortune.

The Coat of Arms is reserved for protocol, historical and legal purposes.

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## Corporate Logo – A new visual identity

The City's corporate logo, adopted March 7, 2005, serves to capture the confluence of the Campbell River adjacent to Discovery Passage with a backdrop looking across the Coast Mountain range.

The new visual identity for Campbell River was developed to:

- Significantly strengthen Campbell River's corporate image and influence perceptions of the "City" through consistent presentation in print, visual and internet communications.
- Achieve local recognition for a symbol and name in connection with services, facilities and programs available to our citizens and visitors.
- Achieve national and international recognition for a symbol and name that reduces confusion for people receiving communications from the "City".

The mark has been registered under the *Trade-marks Act* of Canada as an official mark for wares and services for the City of Campbell River.



## **VISION**

Campbell River, the gateway and maritime centre for North Vancouver Island continues to grow as a diverse community with all of its elements working together to create a healthy environment and vigorous economy sustaining our unique cultural fabric and ensuring our social well being.

## **MISSION**

Serving Campbell River through open, effective and efficient local government; making decisions reflecting a long-term vision for the 'good of the whole'.

## **PRINCIPLES AND OBJECTIVES**

### ***Economic Diversity***

- Enhance the climate that supports business and industry
- Improve community infrastructure
- Support economic opportunities that create meaningful jobs
- Strengthen our role as the economic hub for the North Island
- Build working partnerships to promote sustainable growth

### ***Cultural Fabric***

- Honour and support our unique history
- Celebrate the diversity of our community
- Promote a dynamic art and cultural community

### ***Quality of Life***

- Nurture a safe community
- Promote a positive community spirit
- Continue building a livable, healthy, diverse community
- Provide opportunities for positive lifestyles [all ages, stages and abilities]

### ***Environmental Sustainability***

- Protect and enhance our physical environment
- Ensure effective land use
- Promote residential diversity and strong neighbourhoods
- Enhance greenways and parks network





# CITY OF CAMPBELL RIVER

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June 8, 2007

Mayor and Council  
City of Campbell River  
301 St. Ann's Road  
Campbell River, BC V9W 4C7

Your Worship and Members of Council,

I am pleased to present you with our 2006 Annual Report and Financial Statements. The Annual Report is a requirement of section 98 of the *Community Charter*. The Financial Statements, audited by Meyers Norris Penny LLP, are for the fiscal year ended December 31<sup>st</sup>, 2006 and are presented pursuant to section 167 of the *Community Charter*. The audit firm of Meyers Norris Penny LLP is appointed by City Council.

The preparation of the Annual Report and Financial Statements and the related information is the responsibility of the management of the City of Campbell River. The Financial Statements have been prepared in accordance with generally accepted accounting principles for local governments. The preparation of the financial information contained herein necessarily involves the use of estimates and judgments, which have been based on careful assessment of the data, made available through the City's information systems. The City maintains a system of internal accounting controls designed to provide reasonable assurances for the safeguarding of assets and the reliability of the financial records. Management recognizes the limits that are inherent in all systems of internal accounting control; however, management believes that the City has an effective and responsive system of internal accounting controls, which is subjected to routine review and revision.

### Financial Overview:

The financial results of the City of Campbell River for 2006 were in line with our expectations for the year.

For the year 2006 a 4.77% tax increase on the average value single family house was required due mainly to wage and benefit costs, fire and police protection cost increases, and reduction in taxes collected from major industry.

One of the most significant costs of running a municipality is the function of protective services. In 2006 thirty-six cents of every tax dollar collected via the general levy went towards police protection services and seventeen cents was spent on fire protection services.

Council manages general operating fund debt in accordance with the City's debt management policy, which states that general operating fund debt charges are not to exceed 20% of the fund's revenue. In 2006 the City's debt charges were 14.8% of revenues. For the water and sewer utility funds, debt charges are not to exceed 50% of revenues. On a consolidated basis the water and sewer utility funds debt charges were 32% of revenues.

### Financial Position:

Consolidated revenue in 2006 was 9% more than anticipated in the 2006 – 2010 Financial Plan, while consolidated expenditure was 11% less, mainly due to unfinished capital works projects. As a result the net effect of consolidated operations summarized in Statement C on Page 41 was a surplus of \$1,356,451, as follows:

Operating funds net revenue	<i>Schedule 1 Page 53</i>	\$ 7,644,257
Capital funds net expenditure	<i>Schedule 2 Page 54</i>	(7,099,693)
Reserve funds net revenue	<i>Schedule 3 Page 55</i>	811,887
		<u>\$ 1,356,451</u>

This surplus helped finance debt costs of \$2,600,298, leaving a net decrease in consolidated financial equity of \$1,243,847. The City maintained a strong financial position at the end of 2006, with over \$30 million in accumulated surpluses and reserves, and close to \$260 million equity in physical assets. Much of the accumulated surpluses and reserves are restricted for specific purposes, such as spending on capital infrastructure. The Notes to the Consolidated Financial Statements provide additional information about these surpluses and reserves.

**Outlook:**

Major industry taxation levels are something Council has been concerned about and dealing with for the last 17 years. Since 1988 council has reduced major industry's share of the total tax levy from 58% to 28% and we are striving to continue to see less of our taxation revenues come from major industry in the future. In order to show commitment to reduced municipal taxation from major industry, Council adopted the following major industry tax reduction action plan:

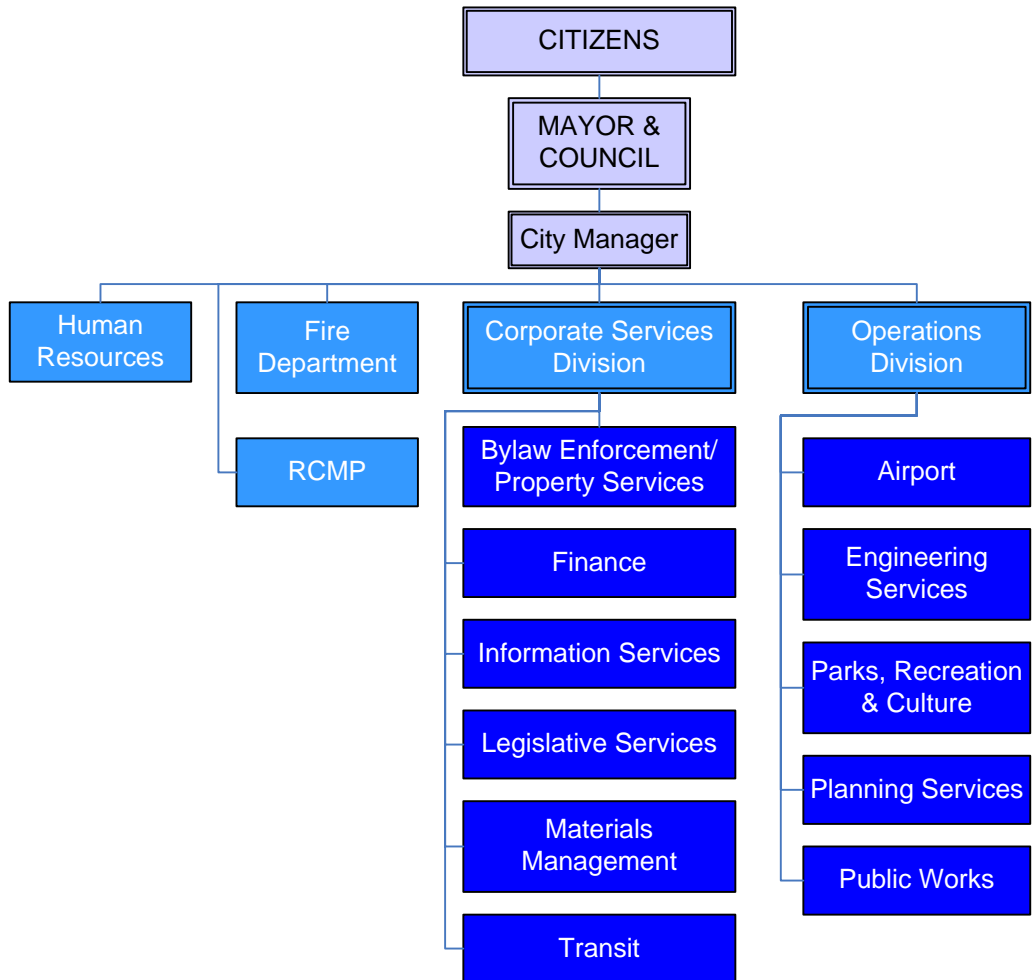
- No additional taxation on new capital investment in the major industry classification unless the major industry tax rate multiple is less than four times the residential rate.
- Target percentage of taxes from major industry is to be less than 25% of the total levy with the goal to attain this target by or before 2010.
- Where production capacity is removed from major industry (Class 4) recognition will be given to lowering the amount of the property taxation levy from the major industry class based on the taxable assessment reduction provided by the British Columbia Assessment Authority.
- Any additional taxes received from new investment in class 2 (Utilities) will be used to reduce major industry share of tax levy until the share of the major industry tax levy is less than 25% of the total tax levy or the major industry tax multiple is less than four times the residential rate, whichever comes first.
- Council will work with other local governments and major industry partners to engage in discussions with the provincial government on providing local governments with other sources of revenue in order to lower local government dependence on property taxation.

One of the most visible ways to measure the economic health of a community is through activity in local construction. The year 2006 was a solid period of construction growth for our community. This improving trend was clearly evident in the 18% increase in the number of building permits issued for new construction and the 45% increase in construction values. For the year 2007, this trend is expected to continue.

Another measure of a community's economic health is the amount of change in total assessed values in the community. Figures to date show our assessed values increasing from \$2.80 billion in 2006 to \$3.35 billion in 2007. This represents a growth in assessed values of nearly 20%. Values have increased at almost the same rate on the residential assessment where the average home increased 18%. Even with the dramatic increase in residential housing values, our community compared to neighbouring communities to the south still represents good value in the cost of housing and this will continue to attract people to Campbell River as the preferred community of choice when considering relocating. Campbell River residents continue to enjoy one of the lowest levels of property taxation in British Columbia.



Thomas R. Stevens, B.Sc. B.Comm. (Hon), CMA  
Corporate Services Director and Chief Financial Officer



### ELECTED OFFICIALS

**Mayor Roger McDonell**

**Councillor Andy Adams**  
**Councillor Roy Grant**  
**Councillor Morgan Ostler**

**Councillor Ziggy Stewart**  
**Councillor Mary Storry**  
**Councillor Laird Ruehlen**

### CITY OFFICIALS

Doug Raines, City Manager

Tom Stevens, Corporate Services Director/Chief Financial Officer  
Larry Samson, Fire Chief  
Rob Harley, Bylaw Enforcement/Property Services Manager  
Mary Ellen Callaghan, Information Services Manager  
Nancy Frank, Financial Planning Manager  
Tyler Masee, Airport Manager  
Parks, Recreation and Culture Manager  
Gordon Brown, Public Works Manager

John MacKay, Operations Services Director  
Bill Halstead, City Clerk  
Larry Stright, RCMP Inspector  
Dawn Christenson, Finance Manager  
Dave Morris, Materials Manager  
Ron Neufeld, City Engineer  
Paul Stanton, Planning Services Manager

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City of  
Campbell  
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## DEPARTMENTAL HIGHLIGHTS, OBJECTIVES & MEASURES



Frank James Park



Maritime Heritage  
Centre



Escape to the Seawalk

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HMCS Ottawa Port Visit, Campbell River, March 16, 2007 – first visit at new dock facility

**CITY MANAGER** is responsible for the overall operations and strategic direction of the City. Staff liaises with the Mayor and Council to develop long-term plans and implement Council directives. The Corporate and Operations Services Directors and the Human Resources Manager report directly to the City Manager. Through consultation with a Public Safety Committee, the City Manager oversees the operations of the Fire Department and the City's police service, provided by the RCMP. The City Manager is responsible for development and implementation of Council's Strategic Plan.

**2006 Highlights**

- ✓ Established a Public Safety Committee to drive policy decisions for fire, police, and bylaw services in the community
- ✓ Created the Mayor's Spirit of BC Committee to promote Campbell River's unique attributes, creating a positive image for the city and enhancing community spirit
- ✓ Implemented the Living Downtown Strategy Plan to encourage residential growth in the City's downtown core

**2006 Progress Report**

Objective	Strategy	Measure
Continue to implement the communications plan to keep the general public informed on City issues	Purchase and install a system in Council Chambers to facilitate televising Council meetings in a professional manner	Televised Council meetings began on March 28, 2006. A statistically significant Customer Satisfaction Survey indicated a greater level of satisfaction with City's communications with the public

**2007 and 2008 Objectives and Measures**

Objective	Strategy	Measure
Improve Campbell River's attractiveness as a place to live, work and play	Review results of the Customer Satisfaction Survey and prepare strategy for improving overall satisfaction	Improved score for overall satisfaction with Campbell River as a place to live, work and play, as measured by the next Customer Satisfaction Survey
Improve First Nations relations	Begin an informal process of contact between the Chiefs and the Mayor leading to a series of formal and informal sessions between local First Nations and City Council	Increased appreciation and understanding of First Nations issues in the community
Make the downtown core a more livable space by increasing residential development	Implement a downtown transportation study and new DCC bylaws which encourage focus in the City's downtown	Increased housing starts in the downtown core

**Economic Development, Tourism and Film Development**

**Economic Development**

The Campbell River Economic Development Corporation, Rivercorp, is a wholly owned subsidiary of the City of Campbell River. The corporation was established in 2001 to provide "one-stop" progressive economic development services to the community. Rivercorp is the City's primary service delivery agent for launching and growing business in and around Campbell River.



*A Channel Vancouver Island Report live broadcast with Hudson Mack facilitated and hosted by Rivercorp in the lobby of the Museum at Campbell River*

**2006 Highlights**

Rivercorp's focus shifted in 2006 from business retention and expansion to business recruitment and attraction. Daily operations focused on sending messages out through media and meeting people to orient them to the community and marketplace, ensuring that they consider Campbell River first and have the best available information to make informed decisions. Rivercorp's objective is to use a "best practices" approach to sales, service and contact development, and to facilitate job creation through the retention and expansion of existing business and the attraction of new business to Campbell River.



- ✓ Restructured staff assignments and hired new Reception, Systems and Premise Coordinator and Business Developer
- ✓ Assisted in the City's value-for-money audit of Rivercorp, which concluded that the City is in fact receiving value for the funds expended
- ✓ Increased the number of enquiries through partnered and targeted television and information station campaigns for the retiree group in western snowbound small markets
- ✓ Hosted the Norwegian Trade and Investment delegation resulting in the acquisition of additional Federal and Provincial dollars that enabled more than 13 coastal communities to seek new business in Norway
- ✓ Completed a business media contact strategy with a Vancouver-based representative to ensure that Campbell River achieves the television, radio and print coverage targeted for Provincial and western Canada
- ✓ Completed the business event strategy involving targets for event bid packages for the 2009 season and beyond
- ✓ Hosted the British Columbia Mine Rescue Competition
- ✓ Hosted the Western Aerospace Alliance meeting, resulting in more than 140 executives visiting Campbell River
- ✓ Hosted the Pacific Aquaculture Exchange Exposition
- ✓ Hosted and contributed to the live broadcast of A Channel from Campbell River, resulting in a two-hour video covering features of Campbell River

### 2006 Progress Report

Objective	Strategy	Measure
Increase the number of expressions of interest in investing in Campbell River	Use the Enterprise Centre as a focal point for people seeking information on investment, upgrade the presentation center and small business suite, host major events	Use of the Centre for industry, business and community planning and meeting efforts increased by 25% over the previous year
Increase the number of events and media coverage	Hire a business developer, inventory all events, host a number of professional events, facilitate partnerships	Hosted live television broadcast, doubled the number of media reports
Diversify the local economy offsetting the reduction in traditional job opportunities associated with a retiring and changing workforce	Target recruitment strategies to aerospace and transportation industries, professionals and retirees; attract conference and recreational events	8 new businesses recruited, launching within 3 to 5 years; successful in 2 recruiting attempts for medical practitioners; host city designation for five major industry events
Increase awareness of the Campbell River brand in new ways	Designed and constructed new exhibit, ad templates, recruitment packages, relocation packages and design strategy	Increased website use; responses to inquiries processed by Rivercorp tripled over 2005

### Tourism

The City contracts with Tourism Campbell River and Region (TCRR) for tourism promotion services.

### 2006 Highlights

The Tourism Campbell River and Region Visitor Guides are one of the most popular and highly requested on the island. These guides are distributed annually through trade and industry shows, BC Visitor Information Centres, insertion in local and *Victoria Times Colonist* newspapers and BC Ferry racking, as well as through telephone and email inquiries.

TCRR promoted the region and its interests at consumer and industry shows, concentrating on BC, Alberta and the Pacific North West, as well as participating in the Campbell River Port of Call Committee and the Cruise BC

Initiative. TCRR, in partnership with the Ports of Vancouver, Victoria and Prince Rupert and Cruise BC is working toward greater BC visitation and the building of BC as a cruise destination. Campbell River is an integral part of this program as the region has the greatest shore excursion capacity and range of tourism products available.

Campbell River's Visitor Information Centre (VIC) continues to be an integral part of tourism promotion, providing direct mail and visitor information. In 2006, the Campbell River VIC experienced a slight decrease in number of visitors (0.7%). By comparison, the Comox Valley had a decrease of 7.7%, while Vancouver Island as a whole experienced a decrease of 3.2%.

In addition to Visitor Guide circulation and highly effective direct marketing, tourism in Campbell River is promoted using a variety of means:

- ✓ Internet at [www.campbellriver.travel](http://www.campbellriver.travel)
- ✓ Advertising in strategic publications
- ✓ Attracting media and writers to produce and publish articles and film highlighting the area
- ✓ Attracting inbound group and individual tour operators

### **2007 and 2008 Objectives and Measures**

- ✓ The further launch of tourism re-branding 'Your True Nature' for the community
- ✓ Continue preparations for the 2007 cruise season, ensuring new and existing operators are "export ready" and meet the rigorous requirements of the cruise industry in cooperation with the Campbell River Indian Band and finalizing the Operator Accreditation program
- ✓ Pursue alternate funding to increase the economic viability and impact of the tourism industry through expanded destination marketing as well as much needed infrastructure and product development.

### **Film Development**

The City contracts with Island North Film Commission (INfilm) based in Campbell River to provide service for the North Island region. Its mandate is to promote and facilitate the film and television industry. As a not-for-profit it operates in accordance to the *Societies Act*. The Board of Directors is made up of representatives from around the region with funding from all levels of government. 2006 was the first year of a three-year contract with the City of Campbell River. INfilm's staff members are certified by the Association of Film Commissioners International (AFCI).

### **2006 Highlights**

- ✓ In 2006 the direct economic impact was \$2,548,000 – a total of \$64,610,200 to date
- ✓ Facilitated 34 productions varying from commercials, documentaries, music video, still shots, TV series and feature films (8 based out of Campbell River)
- ✓ Created a 60-page regional photo-based brochure
- ✓ Assisted in the relocation of the TV Series "Wings Over Canada" to the North Island
- ✓ Received more than 2,000 unique visitors per month to our website
- ✓ Expanded the locations library to more than 20,000 digital images online, accessible through a website search function
- ✓ Spearheaded the development of Film Induced Tourism as new sector and organized a Provincial Film Tourism forum in November 2006
- ✓ INfilm Commissioner chaired the 2006 Cineposium Conference in Pasadena California in October
- ✓ Participated in film and television trade shows and events both nationally and internationally



*Filming at Elk Falls Provincial Park*

**2007 and 2008 Objectives and Measures**

Objective	Strategy	Measure
Create a stable funding base	Develop a rationalized fair funding model	Increased funding from regional communities
Encourage clients to film green	Adopt Reel Green BC guidelines	Develop partnerships with green initiatives already being implemented in the community
Create a catalogue of regional stories to attract productions pre and post 2010	Work with TAVI Task force on regional catalogue	Increased number of market-ready stories

**Fire Protection Services** provides emergency response services out of two fire stations – No. 1 Hall on 13th Avenue and No. 2 Hall on Larwood Road. Fire suppression and prevention is supplied through 20 suppression firefighter positions, 50 auxiliary firefighters, two fire prevention officers, and three chief officers. Services provided include fire suppression, hazardous materials, confined space rescue, first medical responder, vehicle extrication, environmental protection and technical rescue.

Fire dispatch is delivered under contract to the North Island 911 Corporation. This centre is staffed with 11 dispatchers and provides professional dispatch service to 50 fire departments from Nanoose north on Vancouver Island and part of the Sunshine Coast including Powell River.



*Rescue training*

Career staff continue to train in specialized services such as confined/rope rescue and handling hazardous materials. This specialized training is in addition to the regular suppression and rescue duties they routinely provide.

**2006 Highlights**

- ✓ Responded to 1,889 calls, an increase of 21% from 2005
- ✓ 911 dispatchers handled 9,330 emergency incidents covering an area of 156,000 square kilometers
- ✓ Career firefighters trained to NFPA 472 Technician Level for hazardous material response
- ✓ Suppression staff conducted 3,000 inspections
- ✓ Juvenile Firesetter program to recognize and deal with juveniles who have set fires
- ✓ Implemented the Northern Communities Emergency program
- ✓ Provided woodstove inspections, trained public in the use of fire extinguishers, provided tours of No. 1 Fire Hall, presented information for babysitting courses and visited all Grade 3 classes with the Fire Safety House
- ✓ Hosted a regional training program, co-sponsored with the Justice Institute of British Columbia for firefighters on Vancouver Island
- ✓ Upgraded mapping software for fire dispatch
- ✓ Continued planning for relocation of No. 1 Fire Station

**2006 Progress Report**

Objective	Strategy	Measure
Increase public awareness of fire safety and prevention	Host two fire department open house programs; present awareness and early detection programs on broadcast media, and to First Nations and schools; carry detectors on apparatus to deal with potential life safety concerns	Increased number of homes with smoke detectors/alarms and carbon monoxide detectors

**2007 and 2008 Objectives and Measures**

Objective	Strategy	Measure
Improve air quality by reducing open burning within the City	Propose and obtain Council's approval of a new Clean Air Bylaw that controls open burning	Reduce number of complaints concerning poor air quality from open burning
Improve the management of resources to support the planned replacement of fire apparatus over a 20-year horizon	Develop and adopt a sustainable fire apparatus replacement plan in cooperation with Financial Services and the Public Safety Committee	Reduce delays in equipment replacements and acquisitions that result from lack of funding
Review and update the Fire Services Bylaw	Consult stakeholders and make revisions to Fire Services Bylaw 2612	Council's approval of the Fire Services Bylaw

**Police Protection Services** In 2006, the Campbell River RCMP continued to work in partnership with the City of Campbell River and other organizations to provide public safety services. The detachment's five-year Strategic Plan is reviewed annually and focuses on three primary goals – property crimes, drugs and traffic law enforcement.



**2006 Highlights**

- ✓ 16 trained auxiliary constables donated a total of 601 shifts for 3,145 hours, including 509 training hours, 1,086 “ride-along” hours and 1,550 community policing hours
- ✓ Citizens on Patrol continued to provide an excellent service thanks to 92 active volunteers who patrol our streets on a regular basis. They provided a total of 4,063 hours of community service to various functions such as Child Find, Lock it or Lose it, Stolen Auto Recovery, Speed Watch, Cops for Cancer, community events and patrolling high crime areas
- ✓ The RCMP joined with the Federal and Provincial governments at an official signing ceremony to enter into a tripartite agreement with the three local First Nations communities. The agreement established a protocol for policing within the three communities
- ✓ The aboriginal policing unit increased service delivery to Campbell River's three First Nation communities through involvement with the BC Youth Advisory group, Crystal Meth, After School Youth and Top Cop reading programs, as well as three community consultative groups
- ✓ Restorative Justice, a partnership program between the RCMP, City of Campbell River and the John Howard Society continued to develop good working relationships with School District 72, Crown Counsel, Ministry of Children & Family Development and Youth Mental Health / Probation Services. Facilitators assisted 109 citizens in forums in 2006, helping more than 37 youths and adults through this alternative justice program
- ✓ The Crimestoppers program continues to be an effective tool in helping the police solve crime, generating 165 TIP files in 2006, resulting in 27 arrests, 36 charges, 65 cases cleared, with more than \$3,000 in property recovered and more than \$202,600 worth of drugs seized. The program paid a total of \$4,475 in awards

*City of Campbell River 2006 Annual Report  
Departmental Highlights, Objectives and Measures*

- ✓ Drug Abuse Resistance Education (DARE) continues to be the focus of our drug prevention strategy. In 2006, five active DARE instructors facilitated students in Grade 5, and made special DARE presentations to Grade 9 classes
- ✓ The School Liaison officer coordinates several programs that focus on emergency planning for schools, sexual exploitation prevention, Internet safety, healthy breakfasts, mentoring and the prevention of alcohol and risk-related trauma
- ✓ The Crime Free Multi-housing program continues to grow. In 2006, 65 active members representing 50 properties were actively involved, and they reported a reduction of approximately 70% in calls for service to those properties. More than 300 hours of volunteer service was given to this program in 2006
- ✓ Victim Services program provides support services to victims of property crime and domestic violence. In 2006, three active volunteers provided nearly 500 hours of service. One volunteer accumulated nearly 2,500 volunteer hours in her 10 years of service
- ✓ The Campbell River detachment developed an emergency operation plan that will ensure a coordinated response from all RCMP resources during an emergency. Our office works closely with local emergency planning officials to coordinate emergency preparation for the community

**2006 Progress Report**

Objective	Strategy	Measure
Reduce the availability of illegal drugs and create an environment wherein the purchasing and/or selling of drugs is dissuaded	Through partnerships with community groups we will provide and increase drug awareness educational programs. In addition, greater emphasis will be placed on targeted enforcement of those who are most active in the local drug culture	Our enforcement team was redirected to other duties due to unexpected urgent matters. This had a direct effect on the development of our initiatives and we were unable to reach our intended level of success
Reduce property crime in Campbell River by 6% each year for a five year period	Continue efforts to reduce property crimes, with emphasis on break and enters, through education, and efficient use of community resources and increased enforcement.	Reduced number of property crime events by 11%, exceeding the target of 6% reduction from the previous year
Reduce the number of fatal and serious injury accidents in the City of Campbell River and surrounding area	In concert with the National Road Safety Vision 2010 we will offer educational programs and increase enforcement in those areas deemed high traffic accident zones. Our enforcement will target seat belt use, impaired driving and intersections	Reduced total number of traffic accidents by 5%; reduced collisions resulting in injury by 4%; fatal motor vehicle collisions were unchanged from the previous year

**2007 and 2008 Objectives and Measures**

Objective	Strategy	Measure
Reduce the availability of illegal drugs and create an environment wherein the purchasing and/or selling of drugs is dissuaded.	Through partnerships with community groups we will provide and increase drug awareness educational programs. In addition, greater emphasis will be placed on targeted enforcement of those who are most active in the local drug culture	Increase number of youth receiving DARE training; Reduce number of youth involved in drug related offences

City of Campbell River 2006 Annual Report  
 Departmental Highlights, Objectives and Measures

Objective	Strategy	Measure
Reduce property crime in Campbell River by 6% each year for a five year period	Continue efforts to reduce property crimes, with emphasis on break and enters, through education and efficient use of community resources and increased enforcement.	Reduce number of property crime events by 6% each year
Reduce the number of fatal and serious injury accidents in the City of Campbell River and surrounding area	In concert with the National Road Safety Vision 2010 we will offer educational programs and increase enforcement in those areas deemed high traffic accident zones. Our enforcement will target seat belt use, impaired driving and intersections	Reduce number of fatal motor vehicle collisions and collisions resulting in injury

**CORPORATE SERVICES DIVISION** provides financial, legal and technical support for the City. Its mandate is to

- Provide internal support services as required to all City departments on a timely and accurate basis
- Provide superior customer service and communication on a consistent, timely and accurate basis
- Ensure all business transactions comply with current legal practices and legislation
- Capitalize on technology where it is proven to be the most effective means of delivering service

**Financial Services** manages the City's financial activities, including the provision of accounting services such as payroll, accounts payable, taxation, utility billing, investments, debt management, and other revenue collections. The department is responsible for enforcing policies and procedures in matters related to finance. The department has 11.6 full-time equivalent staff, and is responsible for assembling and compiling the annual five-year financial plan and annual financial statements in accordance with generally accepted accounting principles.

**2006 Highlights**

- ✓ Prepared and published the 2005 Annual Report and Financial Statements, with revised concise format
- ✓ Recruited and hired new Financial Planning Manager
- ✓ Redesigned financial plan presentation by program to focus on service functions across departments
- ✓ Designed new colour Financial Plan and Annual Tax Information brochure included in the 12,000-piece tax notice mailing
- ✓ Recreated office workspace and front counter to enhance ergonomics, accessibility and work flows, and improve customer service
- ✓ Continued planning for integrated business systems replacement

**2006 Progress Report**

Objective	Strategy	Measure
Continue to reduce dependency on taxation from major industry	Adopt a financial plan that reduces dependency on major industry taxation by reducing costs, finding new sources of revenue, shifting the tax burden, or some combination of the above	Reduced major industry taxation to 28.65% of total, while keeping average residential tax increase to 4.77% over 2005
Increase opportunity for electronic interaction with customers	Partner with BC Online to make tax certificates available electronically; implement eCommerce initiatives	Released <i>Online Payments</i> link December 22, 2006 on City's website for parking tickets, dog licenses, and garbage tags; increased volume of electronic Home Owner Grant applications by 325%

City of Campbell River 2006 Annual Report  
 Departmental Highlights, Objectives and Measures

Objective	Strategy	Measure
Increase functionality of financial recording and reporting	Research and analyze financial systems options to find best fit for current and future needs; start implementation process	Defined terms of reference for business system replacement, struck steering committee; hired consultant to prepare request for proposal

**2007 and 2008 Objectives and Measures**

Objective	Strategy	Measure
Continue to reduce dependency on taxation from major industry	Adopt a financial plan that reduces dependency on major industry taxation by reducing costs, finding new sources of revenue, shifting the tax burden, or some combination of the above	Reduce major industry taxation so that the burden borne by this class is no more than 25% by the year 2009
Increase opportunity to customers for electronic interaction	Partner with BC Online to make tax certificates available electronically; implement, refine and enhance eCommerce initiatives	Release <i>Online Payments</i> for business licenses; increase volume of electronic Home Owner Grant applications and electronic interactions in general
Increase functionality of financial recording and reporting	Research and analyze financial systems options to find best fit for current and future needs; start implementation process	Reduction in number of days from end of month to distribution of management financial reports
Implement financial reporting compliance to PSAB 3150 (Tangible Capital Assets)	Research, develop policy, develop infrastructure asset database, implement changes to financial recording and reporting	Full compliance by January 1, 2009

**Information Services** 2006 was another year of great change for Information Services. The department relocated to newly reconfigured office space that combined enhanced security with environmental control for the computer servers and improved work flows and ergonomics for the staff. We embarked on a major infrastructure project to replace our entire wide area network with self-managed equipment. We also assisted the Public Works and Engineering Departments with implementation of a new SCADA System to remotely monitor our water, storm and sewage systems.



**2006 Highlights**

- ✓ Implemented a new City intranet site called StaffWeb using Microsoft's Sharepoint Services
- ✓ Installed dedicated data fibre to connect City Hall with the Community Center and Fire Hall No.1 as the first phase of our wide area network replacement project
- ✓ Implemented E-10 high speed internet access for City staff

*City of Campbell River 2006 Annual Report  
Departmental Highlights, Objectives and Measures*

- ✓ Supported Public Works in the implementation of 9 of 17 Supervisory Control and Data Acquisition (SCADA) sites as part of the first phase of the SCADA installation and deployment project
- ✓ Worked with Legislative Services to implement televised Council meetings
- ✓ Implemented the Self-service Helpdesk system to support internal operations by tracking the number of technical services calls and providing monthly comparisons and allowing diagnosis of problem areas before they reach a crisis level

**2007 and 2008 Objectives and Measures**

Objective	Strategy	Measure
Continue to improve operational stability of the wide area network	Increase familiarity with the services available through use of better network management tools and continue to automate and streamline network operations. Replace contracted wireless services with in-house network equipment to reduce costs, downtime and improve performance. Continue to enable wireless access within city buildings to more staff as equipment is upgraded	Reduce call severity and urgency, as tracked through the Self-service Helpdesk system and reduce number of service calls related to network speed and stability
Improve communication tools for staff and the public, using the power of the internet	Replace the City's website using Sharepoint Services 2007 and provide training to staff who will keep content current. Continue to develop the community portal and support content expansion, as we attract new community associates. Plan for future service delivery based on demand as indicated by use statistics. Continue to use the internet for application delivery for both staff and the public	Increase number of unique visitors to the City's website and increase usefulness and functionality for staff
Continue to improve our service to City staff by providing a secure up-to-date desktop environment	Upgrade the desktop environment to Office 2007 to combine Microsoft's Sharepoint Services integration with the Office suite and Sql*Server. Use the Helpdesk system's automated inventory and service call history to schedule devices due for maintenance or replacement. Reduce desktop application installation as web delivery becomes more widespread	Reduce severity of helpdesk calls, extended service life of shared devices and reduce number of service calls related to integration issues

**Legislative Services**, the office of the City Clerk, provides administrative services to Council and its committees, to all City departments and to the citizens of Campbell River.

The department contributes to the efficiency of local government by:

- Conveying and interpreting decisions of Council for action or information
- Ensuring accurate recording of the proceedings of City Council, committees and public hearings and the preservation of all minutes and records of Council business
- Processing and certifying City bylaws and ensuring availability to the public
- Preparing Council and committee agendas
- Providing effective channels of communication between Council, staff, citizens of Campbell River and other levels of government
- Publishing and disseminating information to ensure the public has knowledge of local government policies and procedures
- Conducting orderly and democratic elections
- Providing records management services
- Maintaining and preserving historical records of the City and administering the Freedom of Information and Protection of Privacy Act



### 2006 Highlights

- ✓ Expanded City boundaries to include Jubilee Parkway and Forbes Landing
- ✓ Provided staff support for the review of the Permissive Taxation Policy. Council approved increases to the level of tax exemptions to recognize the community programs provided by non-profit agencies
- ✓ Implemented the new Committees and Commissions structure
- ✓ Provided staff support to the Community Partnership Commission which included a complete review of both the level of funding and the overall commitment to support community groups. This resulted in new agreements for all groups which included a commitment to ongoing funding
- ✓ Assisted Corporate Services Director in establishing the Capital Lending Reserve
- ✓ Implemented filming of Council meetings, assisted by Information Services
- ✓ Completed road closures for Thanet Road and 301 Dogwood Street
- ✓ Developed Timberwest Local Area Service Bylaws in support of the agreement to install sewer and water through the Timberwest lands to the Airport
- ✓ Redrafted Council Procedure Bylaw to implement Strategic Committee system

### 2007 and 2008 Objectives and Measures

- ✓ Complete the review of Development Cost Charges Bylaw
- ✓ Review how municipal services will be offered to properties along Duncan Bay Road
- ✓ Continue to provide support for the Community Partnership Commission
- ✓ Hire and train Deputy Clerk as part of succession planning
- ✓ Establish a plan to provide expanded Transit service effective January 2008
- ✓ Provide administrative support to the Freeman Task Force to recognize 'community pioneers'
- ✓ Assist in reviewing Council remuneration

**Materials Management's** primary functions include building maintenance, general vehicle fleet planning, purchasing and stores. The department works closely with all other City departments and building tenants, and manages all major contracting competitions for goods and services for the City.

### 2006 Highlights

- ✓ Completed the implementation of a new system of electronic Tender/RFP/RFO posting and distribution, and an electronic bidder's list
- ✓ Updated audit and inventory records of City facilities to determine immediate and long-term needs
- ✓ Administered a facility maintenance, repair and upgrade budget of approximately \$1,500,000 covering 20 major facilities
- ✓ Conducted a City-wide fleet management review and presented the findings to Council
- ✓ Conducted negotiations and competitions for numerous City projects for a total value in excess of \$5,000,000



**Bylaw Enforcement/Property Services** provides bylaw enforcement, business licensing, property and risk management, and building inspection services to the City. This includes responding to complaints from the public regarding noise, animal control, and other bylaw infractions. The department also issues parking tickets and business licenses, and provides investigative support for other departments. Building inspection is a significant service provided by this department, handling more than \$115,000,000 in construction in 2006.

**2006 Highlights**

- ✓ Negotiated operations contract with the Campbell River Museum for the Haig-Brown heritage house
- ✓ Revised the animal control bylaw to reduce dog licence fees for 2007
- ✓ Issued 494 building permits, an 18% increase over 2005

**2006 Progress Report**

Objective	Strategy	Measure
Process 90% of all building permit applications within 10 working days from the receipt of fully completed application	Streamline the application process; monitor the number of applications and inspections, and if necessary, hire another building inspector	Reduced building permit process time from 15-20 working days down to 10 working days

**2007 and 2008 Objectives and Measures**

Objective	Strategy	Measure
Increase functionality of the building permit and inspection process and reporting	Implement new computer program for the building inspection function to replace the current paper-based process	Reduce staff time required to complete and file inspection reports
Provide better access to property files for property owners or their agents	Have all property files in digital format accessible through the City's website	Reduce staff time required to deal with inquires currently handled in person at City Hall
Increase the simplicity and ease for new business owners to obtain a business license	Partner with the Province's BizPaL to allow new business owners to apply and pay for a business license online with other required Provincial applications	Reduce number of applications received in person and through the City's website

**Public Transit** In partnership, BC Transit and the City have contracted with Watson and Ash Transportation Ltd. to provide public transit to all areas of the City and a portion of Area "D" of the Comox Strathcona Regional District. Service is provided six days a week, approximately 12 hours per day. It includes conventional transit service on an operating schedule, as well as a custom service for people with special needs.



**2006 Highlights**

- ✓ Conventional transit provided 16,959 hours of service, with a 7% increase in ridership
- ✓ Custom transit revenue was \$53,000, close to the same as in 2005

**OPERATIONS DIVISION** is responsible for the long-term physical planning of Campbell River through the management of five departments. The Planning Services department lays out the land use plans for the community, the Engineering Services department designs and constructs the infrastructure to match the land use plan and the Public Works department maintains the infrastructure. This division also manages the "people services" including the Parks, Recreation and Culture department and the Campbell River Airport.

**Engineering Services** focuses on providing specialized service in the areas of drinking water, rainwater management, liquid waste management, transportation services, environmental management and development services. The department's role within each of these areas includes long-term planning, detailed design, construction administration and records management.

**2006 Highlights**

- ✓ Began construction of enhanced ultraviolet water treatment facility
- ✓ Secured multi-level partnership required to extend sewer and water services to municipal airport
- ✓ Completed Integrated Storm Water Management Plan for the City's urbanized watersheds



*Ultraviolet water treatment facility under construction*

**2006 Progress Report**

Objective	Strategy	Measure
Improve capital works communications	Develop in-house monthly project update reports	Monthly status reports are provided to Mayor and Council, and are available to the public from City Hall and the City's website

**2007 and 2008 Objectives and Measures**

Objective	Strategy	Measure
Expand departmental annual reporting to include transportation and environment	Using the existing annual water report as a template, annual reports will be developed in-house for the areas of transportation and the environment	Present 2007 annual reports to Council in spring of 2008 and increase use of reports as web-based tool

City of Campbell River 2006 Annual Report  
 Departmental Highlights, Objectives and Measures

Objective	Strategy	Measure
Improve customer service	Develop enhanced web-based services for information, permits, procedures and standards Upgrade the Engineering Services office to be more efficient and user friendly	Increase use of web-based tools Fewer hours spent at front counter
Update of Water System Study and Sewer System Study	Maintain relevance and accuracy of long-term infrastructure plans to ensure alignment with servicing demands resulting from land-use objectives	Present updated reports to Council and adjust capital plan as needed
Provide improved drinking water quality	Complete construction and commission advanced ultraviolet water treatment facility	Improve water quality measures

**Parks, Recreation and Culture** oversees the operation of the Sportsplex, Community Centre, Centennial Pool, McIvor Lake and all of Campbell River's parks and public open spaces. The department works to enhance the lifestyle and health of the community of Campbell River through a variety of quality programs and services based on public consultation. To meet this goal, the department works with the Community Advisory Commission, Youth Advisory Committee, Campbell River Access Awareness Committee, Field User Fee Advisory Group, Happy Wanderers Committee, Community Beautification Committee, Communities in Bloom Committee and a variety of focus groups specific to program interests. Campbell River Parks, Recreation and Culture is committed to providing recreation and parks services for people of all ages, stages and abilities.



**2006 Highlights**

- ✓ Installed new playground equipment in Washington Park
- ✓ Upgraded Ellis Park adding a new native species garden
- ✓ Upgraded Nunn's Creek Park and ball fields to meet standards for Provincial ball tournaments
- ✓ Completed a second marsh bench for salmon habitat on Baikie Island
- ✓ Completed the Strategic Parks Plan adopted by Council in November 2006
- ✓ In consultation with stakeholders, developed plans for the future development of Frank James/Sybil Andrews Park
- ✓ Awarded 3 blooms in the *Communities in Bloom* competition
- ✓ Working with the community, raised more than \$300,000 for a skateboard facility at Willow Point Park.
- ✓ Completed Phase 1 of the Culture and Heritage Plan
- ✓ Partnered with the Museum at Campbell River to provide a day camp at the Haig-Brown House
- ✓ In cooperation with Pier Street merchants, developed an interpretive signage program
- ✓ Partnered with the Regional District to establish a Campbell River Active Communities Committee

**2006 Progress report**

Objective	Strategy	Measure
Increase the level of participation of the general public in fitness activities by 20% by 2010	Form an Active Communities Committee that develops initiatives to increase participation in fitness	Increase recreation program registrations and facility rentals to record levels

**2007 and 2008 Objectives and Measures**

Objective	Strategy	Measure
Implement the Strategic Parks Plan	Meet current demands for parks use and adapt for future conditions	Increase public support and satisfaction with City parks
Increase safety, attractiveness and use of the City's parks and playgrounds	Replace playground equipment in five parks and tot lots. Replace bleachers at Willow Point Park	Increase satisfaction with City parks and playgrounds
Expand parks and green spaces to meet the demands of a growing community	Complete Dick Murphy Park Phase 2 and expand Larwood Park	Increase satisfaction with City parks and green spaces
Regional Events Centre (REC)	Investigate the feasibility of developing a Regional Events Centre	Determine financial viability and public support for a Regional Event Centre
Expand City recreation facilities to meet the needs of the community	Construct skateboard facility at Willow Point Park	Increase satisfaction with City recreation facilities

**Planning Services** handles the development and application of land use policies and regulations, including the Official Community Plan (OCP), bylaws regulating zoning, subdivisions, development cost charges and others. Planning Services also processes applications for bylaw amendments and permits and deals with daily inquiries for the use and development of property.

**2006 Highlights**

- ✓ Processed high volume of planning applications, including new subdivisions, and exceeded revenue expectations

**2006 Progress report**

Objective	Strategy	Measure
Prepare and adopt new zoning bylaw	Complete review of draft zoning bylaw with Advisory Planning Commission (APC) and Development Advisory Commission (DAC), then review with public, prior to initiation of formal adoption process	Completed preparation of draft zoning bylaw, and initiated review with APC and DAC
Complete and implement Downtown Area Study	Complete study and present to public, then adopt zoning bylaw	Completed preparation and adopted new criteria for increased building heights and densities into zoning bylaw

**2007 and 2008 Objectives and Measures**

Objective	Strategy	Measure
Adopt new zoning bylaw	Complete review of draft zoning bylaw with Advisory Planning Commission (APC) and Development Advisory Commission (DAC), then review with public, prior to initiation of formal adoption process	Completion and adoption of new Zoning Bylaw

*City of Campbell River 2006 Annual Report  
Departmental Highlights, Objectives and Measures*

Complete and implement Smart Growth principles	Initiate pilot study for North Campbell River, adopt as appendix into the OCP and adopt zoning bylaw	Completion of pilot study and adoption of recommendations into appendix of the OCP as well as zoning bylaw
Prepare and implement review of long range policies for the Quinsam Heights / Nunn's Creek Area	Complete study and present to public, then adopt into OCP and zoning bylaw	Adoption into OCP and zoning bylaw

**Public Works** is responsible for maintaining the City's infrastructure, including water, sewer, storm sewer and drainage systems, roads, traffic signals and signs, street lights, parks and open spaces.

**2006 Highlights**

*Departmental*

- ✓ Responded to 2,656 service requests, an increase of 22% over 2005
- ✓ Created three new Foreman II positions and four new Foreman I positions. The department's Leadhands were promoted into these new roles
- ✓ Created and filled Infrastructure Technologist position
- ✓ Working with the Safety Coordinator, revalidated current risk assessments and safe work procedures
- ✓ Staff training included:
  - Safety Committee
  - WHMIS
  - Excavation Safety
  - Equipment Operator

*Water treatment and distribution*

- ✓ Treated and delivered 12 billion litres of potable water
- ✓ Completed the commissioning of the new chlorine facility at PRT
- ✓ Completed the commissioning of the upgrades to the main chlorine station
- ✓ Completed the commissioning of the re-chlorination station on South Dogwood
- ✓ Initiated SCADA system at all water facilities

*Roads*

- ✓ Completed Highway 19A reconstruction project
- ✓ Completed pavement overlays on 400 block of South Dogwood Street, and west-side curb lane of 800/900 blocks of South Alder Street
- ✓ In concert with Engineering Department, completed the installation of new traffic signal at Evergreen and Dogwood and upgraded the traffic signal at 7<sup>th</sup> and Dogwood
- ✓ Completed the underground utility upgrades for the Marina Boulevard Local Improvement Project.



*Marina Boulevard Local Improvement Project*

*Sanitary sewer collection and treatment*

- ✓ Collected and treated 6 billion litres of sewage

*City of Campbell River 2006 Annual Report  
Departmental Highlights, Objectives and Measures*

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- ✓ Installed new drain at No. 2 Lift Station
- ✓ Working closely with Engineering Services, constructed the Willow Creek Lift Station
- ✓ Maintained A+ rating in effluent quality at Norm Wood facility
- ✓ Recruited a replacement for the retiring Wastewater Management Foreman II
- ✓ Initiated SCADA system at main sewage facilities

*Storm water drainage*

- ✓ Completed Woodburn Road storm drainage improvements

*Parks, trails and open spaces*

- ✓ Enlarged the flower bed at the welcome to Campbell River sign at Jubilee parkway and Highway 19A
- ✓ Created a nature garden at Ellis Park
- ✓ Installed new playground structure at Washington Park
- ✓ Revitalized the landscaping at Lift Station No. 8
- ✓ Installed irrigation systems to the Maryland Estates eagle-nesting tree
- ✓ Working with Materials Management, made improvements to the Big House in Ostler Park prior to rededication ceremony

*Equipment fleet*

- ✓ Purchased a new sidewalk sweeper
- ✓ Purchased two new service trucks
- ✓ Purchased three new compact cars

**2006 Progress Report**

Objective	Strategy	Measure
Effectively manage infrastructure maintenance costs	Optimize maintenance procedures using new equipment and technologies	Managed infrastructure maintenance costs within allocated budget
Improve Public Works image	Reconfigure Municipal Services Centre to create a more approachable and business-like environment	Completed renovations to Municipal Services Centre Administration and Operations areas

**2007 and 2008 Objectives and Measures**

Objective	Strategy	Measure
Implement financial reporting compliance to PSAB 3150 (Tangible Capital Assets)	Work with Finance Department to provide a comprehensive inventory and valuation of all infrastructures	Full compliance by January 1, 2009
Increase the beauty of the City's landscaped areas	Work with the City's Beautification Committee and Parks, Recreation and Culture Department to plan and implement award-winning flower beds	Increase standing in the annual <i>Communities in Bloom</i> competition from 3 blooms to 5 blooms

**Campbell River Airport** is a Federally certified airport owned and operated by the City. The airport adheres to all Canadian Aviation Regulations for the operation of an airport and recovers 100% of its costs from user fees and other revenue. The airport manager develops short and long-term planning for economic development and capital improvements at the airport, with funding assistance through the Transport Canada Airport Capital Assistance Program. No City tax dollars are used to support airport operations or capital programs.

**2006 Highlights**

The City Airport received Provincial funding and signed agreements with project partners that allowed the water and sewer project to begin. Construction Phases 1 & 2 were completed and Phase 3 was started in the fall of 2006. Nav Canada moved their operations to their new control tower in September and construction began for a new hanger complex. Council endorsed a five year marketing plan in October.

**2006 Progress Report**

Objective	Strategy	Measure
Provide adequate water supply to meet domestic and fire flow demands for current and future airport users	Plan, organize, implement and monitor construction of water supply system, with Engineering Services	Phase 1 & 2 completed, Phase 3 started
Provide sanitary sewage disposal system to meet current and future needs of airport users	Plan, organize, implement and monitor construction of sewage disposal system, with Engineering Services	Phase 1 & 2 completed, Phase 3 started

**2007 and 2008 Objectives and Measures**

Objective	Strategy	Measure
Provide adequate water supply to meet domestic and fire flow demands for current and future airport users	Plan, organize, implement and monitor construction of water supply system, with Engineering Services	New system operational by late 2007
Provide sanitary sewage disposal system to meet current and future needs of airport users	Plan, organize, implement and monitor construction of sewage disposal system, with Engineering Services	New system operational by spring 2007
Obtain Federal capital funding for equipment purchase	Prepare ACAP submission for October 2007	Successful Federal funding announcement in April 2008
Increase activity at airport	Develop and implement recommendations arising out of the five-year marketing plan	Increase use statistics, and number of land leases



*Airport water and sewer main line construction*





City of  
Campbell  
River



# FINANCIAL STATEMENTS



*Discovery Harbour Walkway*

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### Financial Reporting Responsibility

The accompanying statements of the City of Campbell River are the responsibility of management. To ensure their integrity, objectivity and reliability, management has selected appropriate accounting policies that are in accordance with Canadian generally accepted accounting principles for local governments as recommended by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants.

The City of Campbell River maintains a system of internal accounting controls designed to provide reasonable assurance for the safekeeping of assets and the reliability of financial records. The audit firm of Meyers Norris Penny LLP, the City's independent auditors, has audited the accompanying financial statements. Their audit opinion letter is incorporated in the financial statements.

The Council is responsible for ensuring that management fulfils its responsibilities for financial reporting and internal control and exercises this responsibility through the Audit and Finance Committee of Council. This committee meets periodically with management and the independent auditors to satisfy themselves that management's responsibilities are properly discharged, and to review and approve the consolidated financial statements. The external auditors have full and unrestricted access to Council to discuss the audit and their related findings as to the integrity of the financial reporting process.

In management's opinion, these statements have been properly prepared within the framework of the accounting policies summarized in the Notes to the Consolidated Financial Statements and fairly present the financial position of the City of Campbell River as at December 31, 2006.



Douglas D. Raines  
City Manager



Tom Stevens, B.Sc., B.Comm., CMA  
Corporate Services Director  
Chief Financial Officer

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MEYERS NORRIS PENNY LLP

## Auditors' Report

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To the Mayor and Council of the City of Campbell River:

We have audited the consolidated statement of financial position of the City of Campbell River as at December 31, 2006 and the consolidated statements of changes in financial position and financial activities for the year then ended. These financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the City as at December 31, 2006 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The supplementary information, including schedules 1 to 4, is presented for purposes of additional analysis. Such supplementary information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the consolidated financial statements taken as a whole.

Campbell River, British Columbia

April 12, 2007

*Meyers Norris Penny LLP*

Chartered Accountants

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**STATEMENT A**

**Consolidated Statement of Financial Position  
 As at December 31, 2006**

	<u>2006</u>	<u>2005</u> Restated (Note 2)
<b>FINANCIAL ASSETS</b>		
Cash	\$ 504,615	\$ 636,549
Investments (Note 3)	40,428,674	41,933,808
Property taxes receivable	2,830,486	871,580
Accounts receivable (Note 5)	3,917,977	2,273,589
Inventory held for resale	57,333	60,399
Land held for resale	1,170,806	1,291,456
Tax sale properties	48,038	-
MFA debt reserve fund (Note 9)	3,782,851	3,761,659
Deposits	10,214	9,080
	<u>52,750,994</u>	<u>50,838,120</u>
<b>FINANCIAL LIABILITIES</b>		
Accounts payable and accrued liabilities (Note 6)	10,200,254	8,221,545
Deferred revenue (Note 8)	8,551,160	7,394,340
MFA debt reserve fund (Note 9)	3,782,851	3,761,659
Capital lease (Note 10) (Schedule 4)	2,233,016	2,539,713
Long-term debt (Note 11) (Schedule 4)	20,645,212	22,938,813
	<u>45,412,493</u>	<u>44,856,070</u>
<b>NET FINANCIAL ASSETS</b>	<u>7,338,501</u>	<u>5,982,050</u>
<b>NON-FINANCIAL ASSETS</b>		
Inventory of supplies	135,748	173,484
Physical assets (Note 13)	282,532,784	265,118,257
	<u>282,668,532</u>	<u>265,291,741</u>
	<u>290,007,033</u>	<u>271,273,791</u>
<b>FINANCIAL POSITION</b>		
Financial equity		
Operating funds (Note 14) (Schedule 1)	22,706,723	23,546,351
Capital funds (Note 14) (Schedule 2)	4,771,284	6,620,290
Reserve funds (Note 14) (Schedule 3)	2,738,722	1,293,935
	<u>30,216,729</u>	<u>31,460,576</u>
Equity in non-financial assets (Note 15)	259,790,304	239,813,215
	<u>\$ 290,007,033</u>	<u>\$ 271,273,791</u>

*Outstanding commitments and contingent liabilities (Notes 16 and 17)  
 The Notes to Consolidated Financial Statements are an integral part of this statement*



Tom Stevens, B.Sc., B.Comm., CMA  
 Corporate Services Director, Chief Financial Officer

**STATEMENT B**

**Consolidated Statement of Changes in Financial Position  
 For the Year Ended December 31, 2006**

	<u>2006</u>	<u>2005</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net revenue/(expenditure)	\$ 1,356,451	\$ 2,739,559
Add non-cash items		
Increase in deferred revenue	<u>1,156,820</u>	<u>1,543,583</u>
	<u>2,513,271</u>	<u>4,283,142</u>
Decrease (Increase) in		
Property taxes receivable	(1,958,906)	38,716
Accounts receivable	(1,644,388)	26,418
Inventory held for resale	3,066	(60,399)
Land held for resale	120,650	(672,097)
Tax sale properties	(48,038)	38,434
Deposits	(1,134)	64
Increase (Decrease) in		
Accounts payable and accrued liabilities	<u>1,978,709</u>	<u>1,434,593</u>
	<u>(1,550,041)</u>	<u>805,729</u>
	<u>963,230</u>	<u>5,088,871</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
New debt issued	2,551,500	2,500,000
Debt and lease principal repaid	<u>(5,151,798)</u>	<u>(4,967,801)</u>
	<u>(2,600,298)</u>	<u>(2,467,801)</u>
<b>CHANGE IN CASH AND EQUIVALENTS DURING THE YEAR</b>	(1,637,068)	2,621,070
<b>CASH AND EQUIVALENTS</b>		
Beginning of year	<u>42,570,357</u>	<u>39,949,287</u>
End of year	<u>40,933,289</u>	<u>42,570,357</u>
<b>REPRESENTED BY</b>		
Cash	504,615	636,549
Investments	<u>40,428,674</u>	<u>41,933,808</u>
	<u>\$ 40,933,289</u>	<u>\$ 42,570,357</u>

*The Notes to Consolidated Financial Statements are an integral part of this statement*



STATEMENT C

Consolidated Statement of Financial Activities  
For the Year Ended December 31, 2006

	<u>2006 Actual</u>	<u>2006 Budget</u>	<u>2005 Actual</u>
<b>REVENUE</b>			
Taxes and user fees	\$ 29,198,983	\$ 27,751,425	\$ 26,415,147
Payments in lieu of taxes	1,062,390	1,037,042	950,247
Services provided to other governments	681,728	645,300	636,141
Sale of services	2,461,222	2,320,068	2,443,755
Other revenue from own sources	3,171,448	2,469,915	3,265,542
Interest on investments	1,391,023	385,800	957,265
Development cost charges recognized	603,045	2,181,000	1,723,507
Land sale proceeds	1,444,120	1,000,000	124,050
Gifts and contributions	7,821,080	3,666,488	4,476,981
Unconditional transfers from other governments	432,803	434,000	434,291
Conditional transfers from other governments	2,248,132	6,301,949	1,893,816
MFA debt reserve fund refund	38,376	-	50,617
MFA surplus repatriation	726,717	-	170,858
Actuarial adjustment on debt	1,387,923	-	1,255,044
	<u>52,668,990</u>	<u>48,192,987</u>	<u>44,797,261</u>
<b>EXPENDITURE</b>			
General government	4,169,461	4,074,131	3,928,840
Protective services	10,773,923	11,468,743	10,793,196
Transportation services	15,341,960	13,372,656	13,027,136
Environmental health services	624,819	631,325	553,079
Public health services	69,872	94,466	69,091
Development services	2,918,959	3,124,893	1,976,981
Recreation and cultural services	4,519,021	5,002,977	4,677,846
Sewer utility	7,591,861	8,870,516	3,997,415
Water utility	5,302,663	11,113,533	3,034,118
	<u>51,312,539</u>	<u>57,753,240</u>	<u>42,057,702</u>
<b>NET REVENUE/(EXPENDITURE)</b>	<u>1,356,451</u>	<u>(9,560,253)</u>	<u>2,739,559</u>
<b>DEBT</b>			
Debt issued	2,551,500	2,551,500	2,500,000
Debt and lease principal repayments	(3,763,875)	(4,135,504)	(3,712,757)
Actuarial adjustment on debt	(1,387,923)	-	(1,255,044)
	<u>(2,600,298)</u>	<u>(1,584,004)</u>	<u>(2,467,801)</u>
<b>CHANGE IN FUND BALANCE</b>	(1,243,847)	(11,144,257)	271,758
<b>FUND BALANCE</b>			
Beginning of year	31,460,576	31,460,576	31,188,818
End of year	\$ <u>30,216,729</u>	\$ <u>20,316,319</u>	\$ <u>31,460,576</u>

The Notes to Consolidated Financial Statements are an integral part of this statement

## Notes to Consolidated Financial Statements

Year Ended December 31, 2006

The City of Campbell River was incorporated as a municipal district in 1947 under the provisions of the *British Columbia Municipal Act*, and was reincorporated as a city by letters patent in 2005. Its principal activities are the provision of local government services to the residents of the City, as governed by the *Community Charter* and the *Local Government Act*.

The notes to the consolidated financial statements are an integral part of these statements. They provide detailed information and explain the significant accounting and reporting policies and principles that form the basis for these statements. They also provide relevant supplementary information and explanations which cannot be conveniently expressed in the consolidated financial statements.

### 1. Significant accounting policies

The City's consolidated financial statements are prepared by management in accordance with generally accepted accounting principles for local governments, as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. The following is a summary of the City's significant policies:

#### a) Basis of presentation

The consolidated financial statements reflect the assets, liabilities, revenues, expenditures, and changes in fund balances and financial position of the City. The financial statements are comprised of all organizations and enterprises accountable for the administration of their financial affairs and resources to the City and which are owned or controlled by the City. This includes Campbell River Economic Development Corporation (Rivercorp). The Cemetery Trust Funds administered by the City are specifically excluded from the consolidated financial statements and are reported separately. The consolidated financial statements reflect the removal of internal transactions and balances.

The City follows the normal practice for local government accounting according to the principle of fund accounting. Funds are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. Currently in use are:

**Capital Funds** are used to account for physical assets and unfunded work-in-progress offset by related long-term debt and investment in physical assets. The Industrial Park Development Fund is used to account for the costs of developing and carrying the Industrial Park and to account for sales of Industrial Park land.

**General Operating Fund** is used to account for all financial resources except those required to be accounted for in another fund.

**Airport, Water, and Sewer Operating Funds** are used to account for operations that are financed and operated in a manner similar to private business, where the intent is that the costs of providing the services on a continuing basis be financed or recovered at least partially through user charges.

**Reserve Funds** are established for specific purposes with the approval of the Minister of Community Services. The reserve funds are governed by City bylaws defining their purpose and are funded primarily by sales of real property, MFA surplus repatriations, and other transfers from operating funds.

The budget figures used are based on the five-year financial plan approved by Council on May 1, 2006 in Bylaw 3231. They are presented on the basis used for actual results.

**1. Significant accounting policies (continued)**

**b) Basis of accounting**

All revenues and expenditures are recorded on a full accrual basis using guidelines issued by the Public Sector Accounting Board.

**Deferred payroll costs** are reported as accrued liabilities on the Consolidated Statement of Financial Position at 100% of the current obligation. Employees are entitled to accumulate benefits related to sick leave and overtime, and may defer vacation entitlements. Sick leave credits are paid out on retirement in accordance with the provisions of collective agreements. Sick leave, overtime and deferred vacation are valued at current wage rates. Pensions are provided by the Pension Corporation, and the City expenses its contribution to the plan annually and does not accrue any liability for future cost obligations (see Note 17 Contingent Liabilities).

**Liabilities to other governments** are recorded as liabilities at the time the obligation occurs, and reported as a liability on the Consolidated Statement of Financial Position.

**c) Revenue recognition**

**Revenues** are recorded in the period in which the transaction or events occurred that gave rise to the revenues. Gifts and contributions that are restricted by the legislation of senior governments or by agreement with external parties are reported as deferred revenue at the time they are received. When qualifying expenditures are incurred, these revenues are recognized as gifts and contributions or conditional transfers from other governments in proportion to the contributor's total share of the project expenditures for which the funding was received.

**Deferred revenues** received in advance of expenditures which will be incurred in a later period are deferred until they are earned by being matched against those expenditures. These amounts are reported as deferred revenue on the Consolidated Statement of Financial Position.

**Expenditures** are recorded in the period the goods and services are acquired and a liability is incurred, or transfers are due.

**Government transfers** are recognized as revenues or expenditures in the period that the events giving rise to the transfer occur.

**d) Investments** are held with the Municipal Finance Authority. The Money Market Fund provides a method by which municipalities in British Columbia can access high quality investments not otherwise available to them while retaining a high degree of security and liquidity. The interest rate is variable and the funds are redeemable upon 24 hours notice. The carrying value of investments is based on the cost method whereby the cost of the investment is adjusted to reflect investment income, which is accruing, and any permanent decline in market value. The investments balances detailed in Note 3 are reported at market value which is also cost on December 31, 2006.

**e) Inventory** is reported at the lower of cost or market value, on a weighted average basis.

**f) Land held for resale** is recorded at the lower of cost and market value.

**1. Significant accounting policies (continued)**

- g) Physical assets** (see Note 13) are recorded at cost, with the exception of the Municipal Airport acquisition and subdivision contributions. The Municipal Airport engineering structures and buildings are recorded at values determined by British Columbia Assessment Authority, machinery and equipment is recorded at market value determined for insurance purposes, and land is recorded at appraised value, all at the time of acquisition, January 1, 1996. Subdivision streets, lighting, sidewalks, drainage and other infrastructure are required to be provided by subdivision developers. Upon completion they are turned over to the City for no consideration. The City is not involved in the construction and does not budget for either the contribution from the developer nor the capital expenditure in its financial plan. The City records these assets at construction cost estimates provided by engineers' certificates, which are deemed to be equal to fair market value.

Physical assets are not depreciated; however, the City is preparing to implement depreciation of tangible capital assets in compliance with PSAB 3150 effective the fiscal 2009 reporting period.

**h) Long-term debt**

Interest payments related to long-term debt obligations are recorded on an accrual basis. Actuarial adjustments are the budgeted earnings on a member's principal payments made to the Municipal Finance Authority (MFA) that annually reduce the outstanding debt obligation. Each year, as the MFA receives principal payments from its members on an issue, it invests these monies in a sinking fund to be used to retire the debt at maturity. In this regard, the MFA annually recognizes an actuarial reduction to a member's borrowing based on the annual budgeted earnings of their cumulative principal payments made to date. These actuarial amounts are reported on a member's amortization/repayment schedule for an issue and are reflected in the reducing balance outstanding at each annual principal payment date. Actuarial reduction amounts are recognized and compounded annually following the first year of principal payments received on an issue. For all MFA issues prior to 2005, this rate is 5%; however, for debt issues launched in 2005 and later this rate is set at 4%. The MFA reserves the ability to adjust existing actuarial rates if market conditions dictate that a set earnings rate can no longer be achieved.

**i) Financial instruments**

The City's financial instruments consist of cash, investments, property taxes receivable, accounts receivable, accounts payable and accrued liabilities, capital lease, and long-term debt. Unless otherwise noted, it is management's opinion that the City is not exposed to significant interest, currency, or credit risk arising from these financial instruments. Interest rates for the capital lease and long-term debt are set at fixed rates for the term. The City does not have significant foreign currency denominated transactions. Accounts receivable are due from a broad base of customers, and property taxes receivable collections are assured through the tax sale process.

**j) Property tax collections for other governments**

The City is required by legislation to bill and collect property taxes on behalf of other governments (see Note 18). These revenues and payments are not included in the City's financial statements.

**k) Comparative figures**

Certain previous years' comparative figures have been restated to match this year's presentation, and to include the prior period restatement disclosed in Note 2. Transactions relating to the Vancouver Island Regional Library were eliminated from the Consolidated Statement of Financial Activities, resulting in a reduction of \$889,188 to both revenues and expenses in the prior period; there was no effect to the change in fund balance. Also included in this restatement is the reclassification of deferred revenue realized as development cost charges recognized, resulting in \$33,408 reclassified as other revenue from own sources in the prior period.

**1. Significant accounting policies (continued)**

**l) Use of estimates**

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported amounts of revenues and expenditures during the reporting period. Actual results will depend on future economic events and could differ from the estimates. Adjustments, if any, will be reflected in the period of settlement or upon a change in the estimate. Accounts where estimates were used include allowance for doubtful accounts, accrued liabilities, and actuarial adjustments to MFA debenture debt.

**2. Change in accounting policy**

Effective January 1, 2006 the City changed its accounting policy to report inventories of supplies as non-financial assets in accordance with Canadian generally accepted accounting principles. Prior to the change, the City's policy was to expense the cost of inventory in the year it was acquired. The effect of this change in accounting policy was to increase total non-financial assets and related opening equity at January 1<sup>st</sup> 2005 by \$173,484. There is no effect to the 2005 Consolidated Statement of Financial Activities.

**3. Investments**

	<u>2006</u>	<u>2005</u>
General Capital Fund	\$ 331,561	\$ 318,926
General Operating Fund	31,873,756	36,008,840
General Reserve Fund	-	736,122
Capital Lending Reserve Fund	2,319,240	-
Parkland Reserve Fund	371,370	354,067
Facility Reserve Fund	48,112	203,746
Development cost charges deferred revenue	5,484,635	4,312,107
	<u>\$ 40,428,674</u>	<u>\$ 41,933,808</u>

**4. Trust funds**

The City holds trust funds under British Columbia law for the purposes of maintaining public cemeteries. These funds are excluded from the Consolidated Statement of Financial Position and are comprised of the following:

	<u>2005</u>	Receipts and Interest	Expenditures	<u>2006</u>
Campbell River Municipal Cemetery	\$ 307,432	\$ 13,691	\$ 12,208	\$ 308,915
Elk Falls Memorial Cemetery	125,920	17,024	-	142,944
	<u>\$ 433,352</u>	<u>\$ 30,715</u>	<u>\$ 12,208</u>	<u>\$ 451,859</u>

**5. Accounts receivable**

	<u>2006</u>	<u>2005</u>
User fees	\$ 347,067	\$ 306,438
Due from Federal Government	798,957	358,397
Due from Provincial Government	224,905	28,744
Due from Regional District and other governments	-	3,762
Airport	490,367	103,634
Development cost charges	414,146	365,860
Other	1,642,535	1,106,754
	<u>\$ 3,917,977</u>	<u>\$ 2,273,589</u>

**6. Accounts payable and accrued liabilities**

	<u>2006</u>	<u>2005</u>
Due to other governments	\$ 2,214,970	\$ 1,528,986
Trade accounts payable	3,974,128	2,667,653
Accrued wages and benefits	1,846,556	2,637,388
Accrued interest	413,179	419,388
Other liabilities	427,827	-
Deposits and holdbacks	1,323,594	968,130
	<u>\$ 10,200,254</u>	<u>\$ 8,221,545</u>

**7. Restricted assets**

Included in the consolidated assets are short-term investments of \$5,484,635 (2005 – \$4,312,107) and installments receivable of \$414,146 (2005 – \$365,860). These assets can only be used for expenditures as permitted by the Development Cost Charges Bylaw and the relevant sections of the *Local Government Act*, unless otherwise authorized by the Ministry of Community Services.

### 8. Deferred revenue

Included in deferred revenue are contributions from developers collected under the Development Cost Charges Bylaw. These contributions will be recognized as revenue in future years when the related capital projects for which they were collected are completed.

	Deferred Revenue	Deferred Payments	2006	2005
Development cost charges				
Roads	\$ 2,980,338	\$ 142,573	\$ 3,122,911	\$ 2,892,048
Public open space	522,545	43,063	565,608	441,929
Water	1,279,294	151,681	1,430,975	832,583
Storm water drainage	182,204	-	182,204	143,927
Sanitary sewer	431,837	52,914	484,751	279,169
Other parks	88,417	23,915	112,332	88,311
	<u>5,484,635</u>	<u>414,146</u>	<u>5,898,781</u>	<u>4,677,967</u>
Other deferred revenue				
Prepaid property taxes	259,147	-	259,147	187,493
Future local improvement projects	1,047,871	-	1,047,871	613,833
Conditional transfers	929,696	-	929,696	1,760,000
Other	415,665	-	415,665	155,047
	<u>2,652,379</u>	<u>-</u>	<u>2,652,379</u>	<u>2,716,373</u>
	<u>\$ 8,137,014</u>	<u>\$ 414,146</u>	<u>\$ 8,551,160</u>	<u>\$ 7,394,340</u>

### 9. Municipal Finance Authority Debt Reserve Fund

The Municipal Finance Authority of British Columbia provides capital financing for regional districts and their member municipalities. The Authority is required to establish a Debt Reserve Fund. Each regional district, through its member municipalities who share in the proceeds of a debt issue, is required to pay into the Debt Reserve Fund certain amounts set out in the debt agreements. The Authority pays into the Debt Reserve Fund these monies from which interest earned thereon less administrative expenses becomes an obligation to the regional districts. It must then use this fund if at any time there are insufficient funds to meet payments on its obligations. When this occurs the regional districts may be called upon to restore the fund.

Upon the maturity of a debt issue, the unused portion of the Debt Reserve Fund established for that issue will be discharged to the City. The proceeds from these discharges will be credited to income in the year they are received. As at December 31, 2006 the total of the City's MFA Debt Reserve Fund is comprised of:

	2006	2005
General	\$ 2,139,198	\$ 2,140,496
Sanitary Sewer	1,259,596	1,244,483
Waterworks	384,057	376,680
	<u>\$ 3,782,851</u>	<u>\$ 3,761,659</u>

### 10. Capital lease

The City has a lease with ICI/Windley Group for the Community Centre at an annual cost of \$485,688, including GST and interest at 5.97%, until December 15<sup>th</sup> 2012. At that time the City has the option to purchase the facility for \$1.

### 11. Long-term debt

All debt is reported at the gross amount. The City has no debt assumed by others on its behalf, and has assumed no debt for others.

The principal payments for the next five years are:

	General	Sewer	Water	Total
2007	\$ 2,740,895	\$ 896,294	\$ 119,257	\$ 3,756,446
2008	2,185,762	669,706	119,257	2,974,725
2009	1,871,592	669,706	119,257	2,660,555
2010	1,506,868	431,192	-	1,938,060
2011	1,205,864	272,183	-	1,478,047
	<u>\$ 9,510,981</u>	<u>\$ 2,939,081</u>	<u>\$ 357,771</u>	<u>\$ 12,807,833</u>

### 12. Consolidated expenditures by object

	2006	2005	2004	2003	2002
Salaries, wages and benefits	\$16,056,151	\$14,804,997	\$12,642,651	\$11,390,833	\$11,360,905
Interest and debt issue expense	3,164,683	3,277,764	3,258,604	3,513,631	3,754,186
Operating expenditures	13,761,462	12,580,683	12,278,784	13,683,161	12,761,857
Purchase of physical assets	18,330,243	11,394,258	10,460,829	8,052,998	3,523,246
	<u>\$51,312,539</u>	<u>\$42,057,702</u>	<u>\$38,640,868</u>	<u>\$36,640,623</u>	<u>\$31,400,194</u>

### 13. Physical assets

	General and Rivercorp	Airport	Sanitary Sewer	Water	2006 Total	2005 Total
Engineering structures	\$ 115,752,121	\$ 11,858,615	\$ 64,775,834	\$ 33,787,141	\$ 226,173,711	\$ 210,092,732
Buildings	24,991,049	1,657,712	-	66,008	26,714,769	26,323,717
Machinery and equipment	10,004,737	1,915,930	461,951	834,380	13,216,998	11,974,942
Land	12,532,076	2,868,200	1,001,063	25,967	16,427,306	16,726,866
	<u>\$ 163,279,983</u>	<u>\$ 18,300,457</u>	<u>\$ 66,238,848</u>	<u>\$ 34,713,496</u>	<u>\$ 282,532,784</u>	<u>\$ 265,118,257</u>



**14. Fund balances**

	<u>2006</u>	<u>2005</u>
<b>Operating funds</b>		
General	\$ 12,313,154	\$ 10,489,255
Airport	1,086,011	1,455,007
Sanitary Sewer	4,432,843	5,953,401
Water	4,862,444	5,624,615
Rivercorp	12,271	24,073
	<u>22,706,723</u>	<u>23,546,351</u>
<b>Capital funds</b>		
General	3,253,313	5,020,774
Sanitary Sewer	783,626	754,347
Water	263,539	253,713
Industrial Park	470,806	591,456
	<u>4,771,284</u>	<u>6,620,290</u>
<b>Reserve funds</b>		
General	-	736,122
Capital Lending	2,319,240	-
Parkland	371,370	354,067
Facility	48,112	203,746
	<u>2,738,722</u>	<u>1,293,935</u>
	<u>\$ 30,216,729</u>	<u>\$ 31,460,576</u>

**15. Equity in non-financial assets**

	<u>2006</u>	<u>2005</u>
Capital expenditures	\$ 12,301,955	\$ 6,934,966
Change in accounting policy (Note 2)	-	173,484
Increase (decrease) in inventory of supplies	(37,736)	-
Contributions from others	6,028,288	4,459,292
Debt issued	(2,551,500)	(2,500,000)
Debt principal repayments	5,151,798	4,967,801
Disposals	(915,716)	(119,963)
Change in equity in physical assets	19,977,089	13,915,580
Balance, beginning of year	<u>239,813,215</u>	<u>225,897,635</u>
Balance, end of year	<u>\$ 259,790,304</u>	<u>\$ 239,813,215</u>

## 16. Outstanding commitments

The City has leased a fire truck from MFA Leasing Corporation at an annual cost of \$50,065, including taxes. The lease expires on July 28<sup>th</sup>, 2009, at which time the City acquires title.

## 17. Contingent liabilities

### a) Museum loan

The Campbell River & District Museum & Archives Society owes the Royal Bank \$23,542 as at December 31<sup>st</sup>, 2006. While no formal guarantee agreement exists, should future donations to the Society and related fund-raising projects not produce sufficient funds to repay the outstanding principal and interest, the City may assume liability for the remaining debt.

### b) Centre for Aquatic Health Sciences operating line of credit

The City has entered into an agreement with the Centre for Aquatic Health Sciences Society to provide an operating line of credit to a maximum of \$350,000, limited to the total of grant funds that the Centre is entitled to receive from external funding agencies. The outstanding balance as of December 31, 2006 is \$50,000 (2005 – \$100,000).

### c) Pension liability

The City 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 pension plan is a multi-employer contributory pension plan. Basic pension benefits provided are defined. The plan has about 140,000 active members and approximately 51,000 retired members. Active members include approximately 31,000 contributors from local governments.

Every three years an actuarial valuation is performed to assess the financial position of the plan and the adequacy of plan funding. The most recent valuation as at December 31, 2003 indicated an unfunded liability of \$789 million for basic pension benefits. The next valuation will be as at December 31, 2006 with results available in 2007. The actuary does not attribute portions of the unfunded liability to individual employers. The City paid \$974,232 (2005 – \$843,817) for employer contributions to the plan in fiscal 2006. The employees' contributions during 2006 amounted to \$780,905 (2005 – \$665,814).

### d) Regional District debt

Debt issued by the Comox Strathcona Regional District is a direct joint and several liability of the Regional District and each member municipality, including the City of Campbell River.

### e) Claims for damages

In the normal course of a year, the City is faced with lawsuits and other claims for damages. It is the opinion of management that at year end, the City's estimated exposure for such liabilities is not considered to be significant. Any ultimate settlements will be recorded in the year the settlements occur.

### f) Property assessment appeals

As at December 31, 2006, there were various assessment appeals pending with respect to properties. The outcome of those appeals may result in adjustments to property taxes receivable for the current and prior years. The City has made a general provision for refund of municipal taxes as the outcomes are presently indeterminable.

**18. Property tax collections for other governments**

	<u>2006</u>	<u>2005</u>
Provincial School Levy	\$ 14,710,997	\$ 13,591,821
Comox Strathcona Regional Hospital District	2,174,758	1,054,755
Comox Strathcona Regional District	3,275,491	3,016,905
Vancouver Island Regional Library	894,663	889,188
Municipal Finance Authority	843	655
BC Assessment Authority	381,126	337,585
	<u>\$ 21,437,878</u>	<u>\$ 18,890,909</u>

**19. Federal Gas Tax Agreement**

Gas Tax funding is provided by the Government of Canada. The use of the funding is established by a funding agreement between the City and the Union of British Columbia Municipalities. Gas Tax funding may be used towards designated community energy, water, wastewater, solid waste and capacity building projects, as specified in the funding agreements.

	<u>2006</u>	<u>2005</u>
Balance, beginning of year	\$ 372,530	\$ -
Funds received	371,394	371,668
Interest earned	18,538	862
	<u>762,462</u>	<u>372,530</u>
Expenditures	(72,678)	-
Administrative expenditures	-	-
Balance, end of year	<u>\$ 689,784</u>	<u>\$ 372,530</u>

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**Operating Funds**  
**Consolidated Schedule of Financial Activities**  
**For the Year Ended December 31, 2006**  
 Unaudited

	<b>2006 Actual</b>	<b>2006 Budget</b>	<b>2005 Actual</b>
<b>REVENUE</b>			
Taxes and user fees	\$ 29,198,983	\$ 27,751,425	\$ 26,415,147
Payments in lieu of taxes	1,062,390	1,037,042	950,247
Services provided to other governments	681,728	645,300	636,141
Sale of services	2,461,222	2,320,068	2,443,755
Other revenue from own sources	3,152,900	2,469,915	3,247,835
Interest on investments	1,107,783	375,000	802,379
Development cost charges recognized	64,276	60,000	33,408
Unconditional transfers from other governments	432,803	434,000	434,291
Conditional transfers from other governments	886,670	869,816	1,415,111
Actuarial adjustment on debt	1,387,923	-	1,255,044
	<b>40,436,678</b>	<b>35,962,566</b>	<b>37,633,358</b>
<b>EXPENDITURE</b>			
General government	3,847,866	3,582,431	3,820,898
Protective services	10,691,658	11,342,073	10,287,063
Transportation services	5,714,540	6,095,396	5,233,538
Environmental health services	624,819	631,325	553,079
Public health services	69,872	94,466	69,091
Development services	2,742,114	1,275,693	1,943,992
Recreation and cultural services	4,148,471	4,250,837	4,214,711
Sewer utility	3,053,409	3,323,641	2,827,232
Water utility	1,899,672	2,280,333	1,678,086
	<b>32,792,421</b>	<b>32,876,195</b>	<b>30,627,690</b>
<b>NET REVENUE</b>	<b>7,644,257</b>	<b>3,086,371</b>	<b>7,005,668</b>
<b>DEBT AND TRANSFERS</b>			
Net transfer from (to) reserves	(27,862)	-	158,000
Net transfer from (to) capital	(3,304,225)	(7,635,912)	(2,374,921)
Debt principal repayments	(3,763,875)	(4,135,504)	(3,712,757)
Actuarial adjustment on debt	(1,387,923)	-	(1,255,044)
	<b>(8,483,885)</b>	<b>(11,771,416)</b>	<b>(7,184,722)</b>
<b>CHANGE IN FUND BALANCE</b>	<b>(839,628)</b>	<b>(8,685,045)</b>	<b>(179,054)</b>
<b>FUND BALANCE</b>			
Beginning of year	23,546,351	23,546,351	23,725,405
End of year	<b>\$ 22,706,723</b>	<b>\$ 14,861,306</b>	<b>\$ 23,546,351</b>

**Capital Funds**  
**Consolidated Schedule of Financial Activities**  
**For the Year Ended December 31, 2006**  
 Unaudited

	<u>2006 Actual</u>	<u>2006 Budget</u>	<u>2005 Actual</u>
<b>REVENUE</b>			
Interest on investments	\$ 201,345	\$ 10,800	\$ 121,043
Gifts and contributions	7,821,080	3,666,488	4,476,981
Land sale proceeds	1,444,120	-	108,350
Development cost charges recognized	538,769	2,121,000	1,690,099
Conditional transfers from other governments	1,361,462	5,432,133	478,705
Other revenue from own sources	15,273	-	1,182
MFA debt reserve fund refund	38,376	-	50,617
MFA surplus repatriation	-	-	170,858
	<u>11,420,425</u>	<u>11,230,421</u>	<u>7,097,835</u>
<b>EXPENDITURE</b>			
General government	321,595	491,700	105,177
Protective services	82,265	126,670	506,133
Transportation services	9,627,420	7,277,260	7,793,598
Development services	176,845	1,849,200	32,989
Recreation and cultural services	370,550	752,140	463,135
Sewer utility	4,538,452	5,546,875	1,170,183
Water utility	3,402,991	8,833,200	1,356,032
	<u>18,520,118</u>	<u>24,877,045</u>	<u>11,427,247</u>
<b>NET EXPENDITURE</b>	<u>(7,099,693)</u>	<u>(13,646,624)</u>	<u>(4,329,412)</u>
<b>DEBT AND TRANSFERS</b>			
Net transfer from (to) reserves	(605,038)	1,265,200	(103,264)
Net transfer from (to) operating	3,304,225	7,635,912	2,374,921
Debt issued	2,551,500	2,551,500	2,500,000
	<u>5,250,687</u>	<u>11,452,612</u>	<u>4,771,657</u>
<b>CHANGE IN FUND BALANCE</b>	(1,849,006)	(2,194,012)	442,245
<b>FUND BALANCE</b>			
Beginning of year	<u>6,620,290</u>	<u>6,620,290</u>	<u>6,178,045</u>
End of year	\$ <u><u>4,771,284</u></u>	\$ <u><u>4,426,278</u></u>	\$ <u><u>6,620,290</u></u>

**Reserve Funds**  
**Consolidated Schedule of Financial Activities**  
**For the Year Ended December 31, 2006**  
 Unaudited

	<u>2006 Actual</u>	<u>2006 Budget</u>	<u>2005 Actual</u>
<b>REVENUE</b>			
Interest on investments	\$ 81,895	\$ -	\$ 33,843
Land sale proceeds	-	1,000,000	15,700
MFA surplus repatriation	726,717	-	-
Other revenue from own sources	3,275	-	16,525
	<u>811,887</u>	<u>1,000,000</u>	<u>66,068</u>
<b>EXPENDITURE</b>			
Cost of land sales	<u>-</u>	<u>-</u>	<u>2,765</u>
<b>NET REVENUE</b>	<u>811,887</u>	<u>1,000,000</u>	<u>63,303</u>
<b>TRANSFERS</b>			
Net transfer from (to) operating	27,862	-	(158,000)
Net transfer from (to) capital	605,038	(1,265,200)	103,264
	<u>632,900</u>	<u>(1,265,200)</u>	<u>(54,736)</u>
<b>CHANGE IN FUND BALANCE</b>	1,444,787	(265,200)	8,567
<b>FUND BALANCE</b>			
Beginning of year	1,293,935	1,293,935	1,285,368
End of year	\$ <u>2,738,722</u>	\$ <u>1,028,735</u>	\$ <u>1,293,935</u>

SCHEDULE 4

Consolidated Schedule of Long-term Liabilities  
As at December 31, 2006

Unaudited

Bylaw	Description	Maturity Date	Interest Rate %	Balance at Dec 31 2005	Debt Issued	Principal Payments	Actuarial Adjust	Balance at Dec 31 2006
<b>Chartered banks</b>								
Land Acquisition Loans								
2477	Works Yard Land	31/05/06	8.07	\$ 60,400	\$ -	\$ 60,400	\$ -	\$ -
2548	2658 S. Isl Hwy	02/12/06	5.99	31,000	-	31,000	-	-
2607	2147 S. Isl Hwy	09/11/07	5.97	79,000	-	39,000	-	40,000
				<u>170,400</u>	<u>-</u>	<u>130,400</u>	<u>-</u>	<u>40,000</u>
Short Term Capital Borrowing								
3092	Tyee Spit Dev	30/06/09	4.39	610,000	-	130,000	-	480,000
<b>Total chartered banks borrowing</b>				<u>780,400</u>	<u>-</u>	<u>260,400</u>	<u>-</u>	<u>520,000</u>
<b>Municipal Finance Authority</b>								
Storm Drains Construction								
2459	Issue #63	01/06/06	7.75	52,665	-	33,948	18,717	-
2468	Issue #64	25/09/06	7.25	23,928	-	15,424	8,504	-
2571	Issue #65	24/04/07	6.90	139,425	-	46,033	21,979	71,413
2672	Issue #68	24/03/08	5.50	209,488	-	47,226	19,226	143,036
2735	Issue #70	01/06/09	5.49	335,688	-	58,118	19,768	257,802
2805	Issue #72	27/03/10	6.45	569,097	-	80,697	22,294	466,106
2880	Issue #74	01/06/11	5.90	6,574	-	795	171	5,608
2958	Issue #78	03/12/12	5.25	33,721	-	3,578	564	29,579
3011	Issue #79	03/06/12	5.25	26,785	-	2,544	261	23,980
				<u>1,397,371</u>	<u>-</u>	<u>288,363</u>	<u>111,484</u>	<u>997,524</u>
Local Improvements								
2460	Issue #63	01/06/06	7.75	183,773	-	118,462	65,311	-
2572	Issue #65	24/04/07	6.90	209,498	-	69,169	33,025	107,304
2673	Issue #68	24/03/08	5.50	702,877	-	158,453	64,506	479,918
2736	Issue #70	01/06/09	5.49	914,760	-	158,373	53,861	702,526
2806	Issue #72	27/03/10	6.45	1,744,858	-	247,418	68,356	1,429,084
2879	Issue #74	01/06/11	5.90	255,042	-	30,848	6,648	217,546
2932	Issue #77	01/06/11	5.90	623,469	-	66,148	10,427	546,894
3012	Issue #79	03/06/12	5.25	745,780	-	70,839	7,260	667,681



Bylaw	Description	Maturity Date	Interest Rate %	Balance at Dec 31 2005	Debt Issued	Principal Payments	Actuarial Adjust	Balance at Dec 31 2006
2968	Issue #81	22/04/14	4.86	126,108	-	10,892	545	114,671
2969	Issue #81	22/04/14	4.86	207,111	-	17,889	894	188,328
3050	Issue #81	22/04/14	4.86	71,799	-	6,201	310	65,288
3073	Issue #85	02/12/14	4.90	1,840,991	-	159,009	7,949	1,674,033
2964	Issue #92	06/04/15	4.55	10,500	-	875	-	9,625
2966	Issue #92	06/04/15	4.55	8,500	-	708	-	7,792
2967	Issue #92	06/04/15	4.55	46,000	-	3,831	-	42,169
2968	Issue #92	06/04/15	4.55	27,500	-	2,291	-	25,209
3071	Issue #92	06/04/15	4.55	257,000	-	21,406	-	235,594
3073	Issue #92	06/04/15	4.55	2,122,500	-	176,785	-	1,945,715
3074	Issue #92	06/04/15	4.55	28,000	-	2,332	-	25,668
2967	Issue #99	19/10/16	5.00	-	1,154,000	-	-	1,154,000
3073	Issue #99	19/10/16	5.00	-	1,397,500	-	-	1,397,500
				<u>10,126,066</u>	<u>2,551,500</u>	<u>1,321,929</u>	<u>319,092</u>	<u>11,036,545</u>
<b>Other</b>								
2152	Issue #56 Sportsplex	19/11/08	8.00	787,092	-	139,027	110,645	537,420
2569	Issue #65 Police Facility	24/04/07	6.90	1,300,332	-	429,325	204,984	666,023
2933	Issue #77 Cambridge Park	01/06/12	5.90	24,354	-	2,584	407	21,363
				<u>2,111,778</u>	<u>-</u>	<u>570,936</u>	<u>316,036</u>	<u>1,224,806</u>
<b>Sanitary Sewer</b>								
2182	MFA Issue #58	10/05/14	8.95	5,133,150	-	272,182	193,343	4,667,625
2626	MFA Issue #66	11/05/07	5.85	686,287	-	226,588	108,187	351,512
2737	MFA Issue #70	01/06/09	5.49	1,377,650	-	238,514	81,117	1,058,019
2804	MFA Issue #72	27/03/10	6.45	1,121,374	-	159,009	43,931	918,434
				<u>8,318,461</u>	<u>-</u>	<u>896,293</u>	<u>426,578</u>	<u>6,995,590</u>
<b>Waterworks Utility</b>								
30	Grtr Campbell River Wtrwks	30/06/07	6.90	224,281	-	-	109,405	114,876
2708	District of Campbell River	01/06/09	5.49	688,825	-	119,257	40,559	529,009
				<u>913,106</u>	<u>-</u>	<u>119,257</u>	<u>149,964</u>	<u>643,885</u>
Accrued actuarial adjustment				<u>(708,369)</u>	<u>-</u>	<u>-</u>	<u>64,769</u>	<u>(773,138)</u>
<b>Total Municipal Finance Authority borrowing</b>				<u>22,158,413</u>	<u>2,551,500</u>	<u>3,196,778</u>	<u>1,387,923</u>	<u>20,125,212</u>
<b>Total long-term debt</b>				<u>22,938,813</u>	<u>2,551,500</u>	<u>3,457,178</u>	<u>1,387,923</u>	<u>20,645,212</u>
<b>Capital lease</b>								
	Community Centre Building (Note 10)	15/12/12	5.97	<u>2,539,713</u>	<u>-</u>	<u>306,697</u>	<u>-</u>	<u>2,233,016</u>
<b>Total long-term liabilities</b>				<u>\$ 25,478,526</u>	<u>\$ 2,551,500</u>	<u>\$ 3,763,875</u>	<u>\$ 1,387,923</u>	<u>\$ 22,878,228</u>

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City of  
Campbell  
River



## STATISTICS



*Campbell River Carvings*

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**Demographics**

<b>1</b>	<b>General</b>
Incorporated in 1947, Campbell River has a total land area of 143.48 square km (2006 Census). By highway the City is 264 km north of Victoria and 44 km north of Courtenay. Campbell River is in the Comox Strathcona Regional District.	

<b>2</b>	<b>Population Estimates</b>				<b>Age Distribution</b>				
<b>Annual Estimates</b>					<b>Age and Gender - 2001 Census</b>				
(as of July 1, includes estimate of Census undercount)					Campbell Riv		% Distribution *		
Year	Campbell Riv	% Change Prev. Year	BC	% Change Prev. Year	Male	Female	Campbell Riv	BC	
					All ages	14,120	14,335	100.0	100.0
2002	29,683	-	4,115,413	-	0 - 14	2,900	2,820	20.1	18.1
2003	30,023	1.1	4,155,370	1.0	15 - 24	1,980	1,875	13.5	13.2
2004	30,250	0.1	4,203,315	1.2	25 - 44	3,990	4,260	29.0	30.1
2005	30,806	1.8	4,257,833	1.3	45 - 64	3,835	3,635	26.3	25.1
2006	31,444	2.1	4,310,452	1.2	65 +	1,420	1,735	11.1	13.6

Source: BC STATS

Source: Statistics Canada

\* distribution based on published totals, both sexes

<b>3</b>	<b>Selected 2001 Census Characteristics</b>						
<b>Labour Force by Industry (NAICS)</b>				<b>Summary Characteristics</b>			
	Campbell River	%	BC %		Campbell River	BC	
Total labour force	14,975	100.0	100.0	Population, 2001	28,456	3,907,738	
Industry - Not applicable	435	2.9	2.2	Population (by citizenship)	28,295	3,868,875	
<b>All industries (Experienced LF)</b>	14,540	100.0	100.0	Non-immigrant	24,680	2,821,870	
111-112 Farms	370	2.5	1.9	Immigrant	3,530	1,009,820	
113 Forestry and logging	1,075	7.4	1.2	Labour force (15+ yrs.)	14,975	2,059,950	
114 Fishing, hunting and trapping	185	1.3	0.3	Employees	12,635	1,715,600	
1151/2 Support activities for farms	10	0.1	0.1	Self-employed	535	95,185	
1153 Support activities for forestry	155	1.1	0.5	Participation rate	% 66.4	% 65.2	
21 Mining and oil and gas extraction	400	2.8	0.7	Unemployment rate	% 12.7	% 8.5	
22 Utilities	60	0.4	0.6	Population, 20 yrs. & over	20,250	2,890,730	
23 Construction	865	5.9	5.9	Less than grade 9	1,290	190,905	
31-33 Manufacturing	1,420	9.8	9.6	Some high school	4,755	511,600	
311 Food manufacturing	215	1.5	1.1	High school graduate	3,060	354,130	
321 Wood product manufacturing	295	2.0	2.3	Trades certificate	3,300	370,170	
322 Paper manufacturing	625	4.3	0.8	College without diploma	1,485	208,385	
41 Wholesale trade	440	3.0	4.1	College diploma	3,485	482,050	
44-45 Retail trade	1,840	12.7	11.6	Some university	1,300	264,450	
441 Motor vehicle and parts dealers	240	1.7	1.1	University degree	1,580	509,030	
445 Food and beverage stores	695	4.8	3.0	Census families	8,275	1,086,030	
448 Clothing & clothing accessories	145	1.0	1.2	Lone-parent families	1,485	168,420	
452 General merchandise stores	125	0.9	1.3	Households	11,305	1,534,335	
48-49 Transportation & warehousing	640	4.4	5.7	1-family households	8,070	1,012,925	
51 Information and cultural industries	245	1.7	3.1	Multi-family households	105	35,050	
52 Finance and insurance	345	2.4	4.0	Non-family households	3,135	486,355	
53 Real estate & rental/leasing	250	1.7	2.1	Median Income	\$ 21,338	\$ 22,095	
54 Prof'sonal, scientific & tech. serv.	615	4.2	6.8	Males	\$ 32,001	\$ 28,976	
55 Mgmt. of companies/ent'prises	-	-	0.1	Females	\$ 15,261	\$ 17,546	
56 Admin+support, waste mgmnt srv.	495	3.4	4.0	Median Family Income	\$ 54,289	\$ 54,840	
61 Educational services	765	5.3	6.9	Economic Families	8,200	1,044,850	
62 Health care and social assistance	1,320	9.1	9.9	Incidence, low income	% 14.8	% 13.9	
71 Arts, entertainment and recreation	335	2.3	2.3	Unattached persons, 15+	3,880	576,825	
72 Accommodation and food services	1,465	10.1	8.3	Incidence, low income	% 42.7	% 38.1	
721 Accommodation services	415	2.9	1.9	Population in private hh.	28,175	3,785,270	
722 Food services & drinking places	1,055	7.3	6.4	Incidence, low income	% 18.3	% 17.8	
81 Other services (excl. public admin.)	620	4.3	4.9	Dwellings	11,310	1,534,335	
91 Public administration	625	4.3	5.6	Owned	7,940	1,017,485	
Agriculture, Food and Beverage	410	2.8	3.0	Rented	3,350	512,360	
Fishing and Fish Processing	375	2.6	0.5	Average gross rent	\$ 651	\$ 750	
Logging and Forest Products	2,145	14.8	4.7	Average owners' payments	\$ 771	\$ 904	
Mining and Mineral Products	485	3.3	2.0	Avg. value, owned dwel.	\$ 141,911	\$ 230,645	

Source: Statistics Canada, incomes are for 2000; rent/owner's payments are restricted to non-farm, non-reserve private dwellings.

### Demographics

4	Values of Building Permits								
	Residential				Non-Residential		Total		Year
	Number of Units		Value \$'000		Value \$'000		Value \$'000		
Campbell Riv	BC	Campbell Riv	BC	Campbell Riv	BC	Campbell Riv	BC		
2002	63	24,772	10,687	3,888,147	4,994	1,771,268	15,681	5,659,415	2002
2003	92	27,163	14,893	4,514,185	6,534	1,880,053	21,427	6,394,238	2003
2004	202	34,898	31,424	5,868,937	3,085	2,069,790	34,509	7,938,727	2004
2005	316	37,452	63,856	6,978,962	10,826	3,212,137	74,682	10,191,099	2005
2006	338	38,835	80,499	7,620,696	35,860	3,920,836	116,359	11,541,532	2006

Source: Statistics Canada

Note: Detailed non-residential permits data can be found on our Website: [www.bcstats.gov.bc.ca](http://www.bcstats.gov.bc.ca)

A dash can indicate a nil report, a value of less than \$500, or non-reporting.

5	Personal Taxation Statistics						Percent Change in Avg. Income
	Total Income of Taxable Returns						
	Taxable Returns (#)		Average Income (\$)		% Change avg. income		
Year	Campbell Riv	BC	Campbell Riv	BC	Campbell Riv	BC	
1998	16,900	1,915,220	37,010	38,398	n/a	n/a	
1999	16,840	1,937,520	38,702	39,758	4.6	3.5	
2000	16,730	1,928,560	40,992	42,121	5.9	5.9	
2001	16,980	1,981,530	40,690	42,095	-0.7	-0.1	
2002	17,340	1,994,810	41,259	43,096	1.4	2.4	
2003	17,480	1,993,800	42,287	44,371	2.5	3.0	
<b>Source of Total Income 2003</b>							
	Campbell Riv		BC		% Distribution, Total Income		
	\$Thousands	% of Total	% of Total				
Employment	544,682	67.9	66.4				
Pension	103,068	12.8	13.0				
Investment	35,567	4.4	7.2				
Self-Employed	37,427	4.7	5.8				
Other	55,076	6.9	5.3				
Tax Exempt	26,433	3.3	2.2				
Total	802,274	100.0	100.0				

Source: Canada Customs and Revenue Agency. Areas are defined by postal codes and may not match municipal boundaries.

6	Dependency on the Safety Net						Total Beneficiaries by Age Group, % (Basic BC Assistance & EI)
	Percentage of Population by Age Receiving Benefits - September 2006						
	Age Group	BC Basic* Income Assistance Recipients (%)		Employment Insurance Beneficiaries (%)		Total of BC Basic Income Assistance & EI Beneficiaries (%)	
Campbell Riv		BC	Campbell Riv	BC	Campbell Riv	BC	
Under 19	2.9	2.0					
19-24	2.9	1.2	3.7	1.9	6.6	3.1	
25-54	1.9	1.2	3.3	2.6	5.1	3.8	
55-64	1.0	0.5	2.3	1.2	3.3	1.7	
19-64	1.8	1.1	3.2	2.3	5.0	3.3	

\* On temporary assistance only. Excluded are those on Continuous Assistance, aboriginals living on reserve, seniors/OAS, & children living with relatives.

Source: BC STATS. Prepared using administrative files from the BC Ministry of Human Resources, and Human Resources Development Canada

7	Business Formations and Failures								
	Incorporations		Bankruptcies						
	Number		Year	Campbell Riv		Courtenay		BC	
Campbell Riv	BC	Business		Consumer	Business	Consumer	Business	Consumer	
2002	101	20,987	2002	13	198	11	170	1,105	9,527
2003	123	22,531	2003	20	182	13	148	1,002	9,394
2004	116	24,703	2004	14	132	10	146	921	8,386
2005	137	30,937	2005	8	144	8	130	786	8,179
2006	169	33,273	2006	9	110	3	124	587	7,022

Source: Ministry of Finance, B.C. Government

Source: Office of the Superintendent of Bankruptcy, Govt of Canada

Incorporations are counted in municipality of the registered office address which may differ from the actual business location.

Note: Bankruptcy is counted where it is filed. Bankruptcy data is available for urban areas only.

**Property Taxes**

**Taxable assessments for municipal purposes**

	<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>	<b>2002</b>
Residential	\$ 2,329,084,800	\$ 1,761,187,900	\$ 1,471,354,000	\$ 1,358,852,100	\$ 1,317,081,650
Utilities	34,936,800	32,801,300	31,688,700	31,633,000	31,981,500
Major Industry <sup>(1)</sup>	120,941,000	121,896,000	116,441,000	120,375,000	119,261,000
Light Industry	15,432,700	14,230,538	13,819,038	15,172,438	15,470,738
Business/Other	281,389,273	270,321,930	257,335,750	252,937,950	280,232,050
Managed Forest <sup>(2)</sup>	10,016,100	8,823,800	6,155,100	5,721,800	5,653,500
Recreation / Non-Profit	8,228,400	7,112,100	6,775,500	6,402,400	6,071,400
Farm	161,222	150,800	137,100	131,200	105,700
	<b>\$ 2,800,190,295</b>	<b>\$ 2,216,524,368</b>	<b>\$ 1,903,706,188</b>	<b>\$ 1,791,225,888</b>	<b>\$ 1,775,857,538</b>

**Tax rates for residential properties (\$ per \$1000 of assessed property value)**

	<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>	<b>2002</b>
Municipal	4.1510	4.9572	5.5123	5.6221	5.4547
Regional District	0.6520	0.7605	0.8657	0.8814	0.8803
School	3.1584	3.7410	4.3235	4.6060	4.7053
Regional Hospital	0.5880	0.3412	0.3958	0.4148	0.4227
Municipal Finance	0.0003	0.0003	0.0003	0.0003	0.0003
BC Assessment	0.0816	0.0920	0.1057	0.1159	0.1245
	<b>8.6313</b>	<b>9.8922</b>	<b>11.2033</b>	<b>11.6405</b>	<b>11.5878</b>

**Tax rates for other property classes (\$ per \$1000 of assessed property value)**

	<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>	<b>2002</b>
Utilities	36.5819	35.0002	35.2821	34.9212	33.7716
Major Industry <sup>(1)</sup>	73.7953	73.0700	75.9254	75.0018	74.5325
Light Industry	28.3621	27.4484	28.4438	28.8931	26.7757
Business	27.8031	27.1238	28.0674	28.4987	26.3738
Managed Forest <sup>(2)</sup>	21.9918	20.7979	22.9539	23.4248	22.9706
Recreation / Non-Profit	10.1649	10.4685	10.6063	10.7970	10.6692
Farm	12.2728	12.9511	13.6797	13.3495	14.4410

<sup>(1)</sup> Includes properties affected by boundary extension as per Supplementary Letters Patent (rate capped at 25.9802 for 2006)

<sup>(2)</sup> Includes properties affected by boundary extension as per Supplementary Letters Patent (rate capped at 6.5587 for 2006)

**Property Taxes**

**Total tax levies**

	2006	2005	2004	2003	2002
Municipal	\$ 21,108,342	\$ 18,569,046	\$ 18,004,347	\$ 17,662,075	\$ 16,855,098
School	14,710,996	13,591,821	13,160,284	13,118,775	13,339,974
Regional District	3,275,491	3,016,905	2,974,273	2,921,082	2,870,068
Regional Hospital District	2,174,758	1,054,755	1,083,139	1,086,827	1,122,532
Library	894,663	889,024	894,147	891,735	890,195
BC Assessment Authority	381,126	337,585	328,753	348,830	382,691
Municipal Finance Authority	843	655	561	530	548
	<u>\$ 42,546,219</u>	<u>\$ 37,459,791</u>	<u>\$ 36,445,504</u>	<u>\$ 36,029,854</u>	<u>\$ 35,461,106</u>

**Average residential home property assessment**

	2006	2005	2004	2003	2002
Residential assessed value <sup>(1)</sup>	\$ 2,329,084,800	\$ 1,617,835,600	\$ 1,351,509,800	\$ 1,241,649,700	\$ 1,202,829,450
Residential units (folios)	11,463	10,317	10,191	10,144	10,104
Average assessment	203,183	156,813	132,618	122,402	119,045

**Average property taxes and user fees**

	2006	2005	2004	2003	2002
<b>City taxes and user fees</b>					
Storm water parcel tax	\$ 12	\$ 12	\$ 12	\$ 12	\$ 12
Water parcel tax	10	10	10	10	10
Sewer parcel tax	64	64	64	64	64
Garbage user fees	107	107	107	107	107
Water user fees	96	96	96	96	96
Sewer user fees	234	234	222	210	198
Property taxes	843	777	731	688	649
	<u>1,366</u>	<u>1,300</u>	<u>1,242</u>	<u>1,187</u>	<u>1,136</u>
<b>Taxes for other taxing authorities <sup>(2)</sup></b>					
Total other taxes	910	774	755	737	730
Less Home Owner Grant <sup>(3)</sup>	(570)	(470)	(470)	(470)	(470)
	<u>340</u>	<u>304</u>	<u>285</u>	<u>267</u>	<u>260</u>
<b>Total taxes and user fees</b>	<u>\$ 1,706</u>	<u>\$ 1,604</u>	<u>\$ 1,527</u>	<u>\$ 1,454</u>	<u>\$ 1,396</u>

<sup>(1)</sup> Includes only improved residential single family and strata titled units. Does not include vacant land, ALR, farm or other properties.

<sup>(2)</sup> Includes school taxes, and taxes collected on behalf of the Regional District, Regional Hospital, BC Assessment Authority and Municipal Finance Authority.

<sup>(3)</sup> Represents the Provincial Home Owner Grant for taxpayers who both own and reside on the property. The actual amount varies based on circumstances. The amount shown is the basic grant for those under 65 years of age.



**Property Taxes**

**Tax collections**

	2006	2005	2004	2003	2002
Total current year levy <sup>(1)</sup>	\$ 47,034,459	\$ 43,730,214	\$ 42,516,303	\$ 41,937,561	\$ 41,324,115
Per capita	1,496	1,420	1,405	1,416	1,392
Current collections	44,523,666	43,235,858	41,980,642	41,406,357	40,614,320
Percent of current levy	94.7%	98.9%	98.7%	98.7%	98.3%
Total collected (including arrears)	\$ 45,297,397	\$ 43,970,102	\$ 42,954,465	\$ 42,440,812	\$ 41,624,977
Percent of current levy	96.3%	100.5%	101.0%	101.2%	100.7%

**Unpaid taxes**

Current	\$ 2,656,766	\$ 644,463	\$ 704,962	\$ 829,472	\$ 895,717
Arrears	173,720	227,117	205,334	293,553	380,531
	<u>2,830,486</u>	<u>871,580</u>	<u>910,296</u>	<u>1,123,025</u>	<u>1,276,248</u>
Per Capita	90.02	28.29	30.09	37.41	43.00

**Dimension of city (hectares)**

Land area subject to taxation	14,880	14,460	14,467	13,403	13,403
Parks and playground	108	107	106	106	106
Streets and lanes	207	206	201	200	199
Other lands	51	51	51	51	51
Water areas	1,204	1,204	1,204	1,144	1,144
	<u>16,450</u>	<u>16,028</u>	<u>16,029</u>	<u>14,904</u>	<u>14,903</u>

**Services**

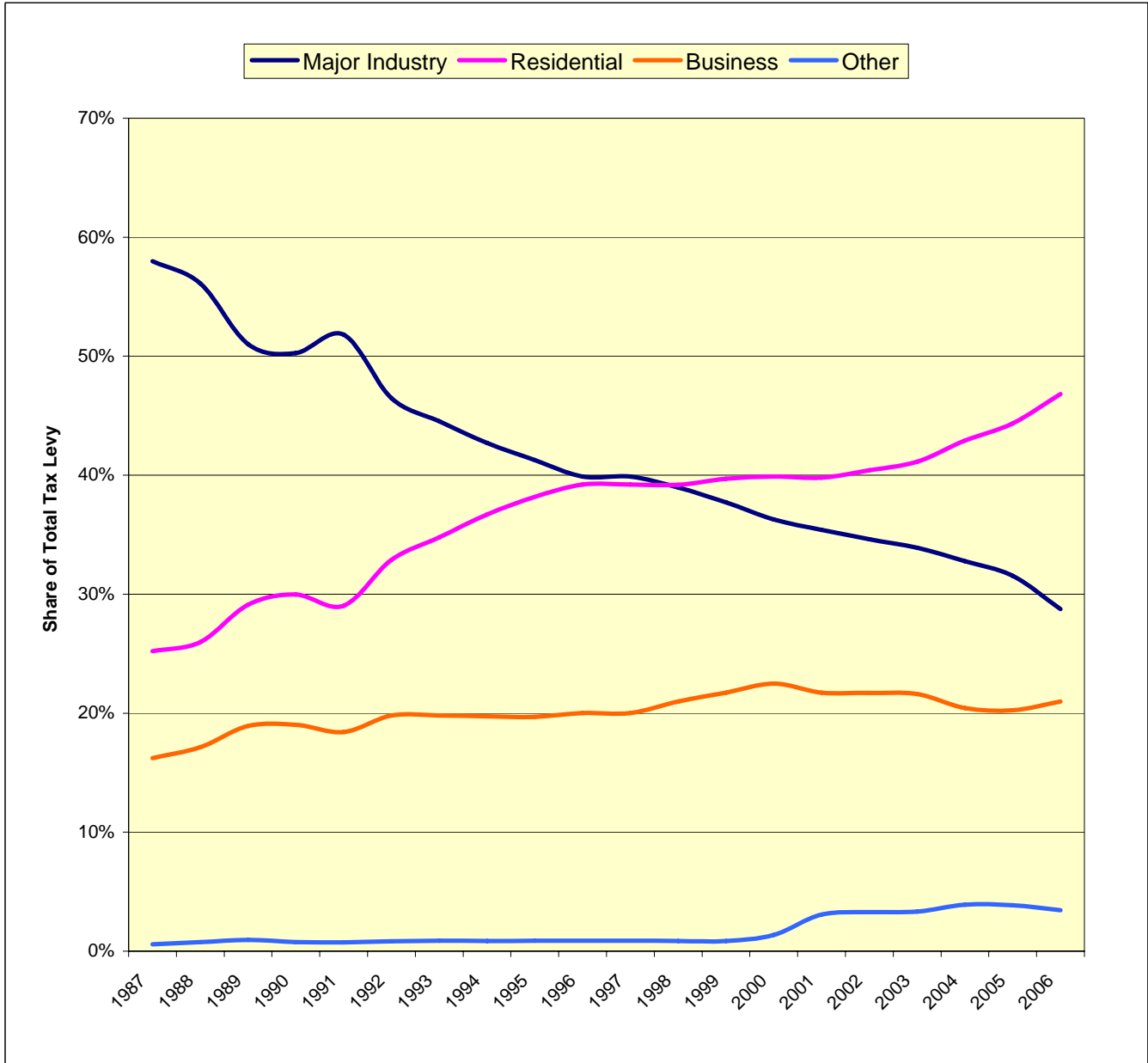
Paved roads (km)	196	193	190	188	187
Gravel roads (km)	56	56	56	56	56
Storm sewers (km)	144	140	135	131	129
Sanitary sewers-mains (km)	222	219	215	212	211
Water-mains (km)	238	235	232	228	227
Sani-sewer service connections	10,121	9,880	9,647	9,494	9,403
Water service connections	9,394	9,163	8,930	8,777	8,685
Hydrants (including private)	1,195	1,178	1,011	988	979

<b>Population <sup>(2)</sup></b>	<b>31,444</b>	<b>30,806</b>	<b>30,250</b>	<b>30,023</b>	<b>29,683</b>
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<sup>(1)</sup> Includes sewer & water user fees, garbage fee, and parcel taxes

<sup>(2)</sup> BC STATS

### Changes in Distribution of Tax Burden



**Major Property Taxpayers**

**2006 Taxation Year**

<b>Registered Owner</b>	<b>Taxes</b>	<b>Primary Property</b>
Elk Falls Pulp and Paper Ltd.	\$ 9,028,008	Pulp Mill
B.C. Hydro & Power Authority	1,158,669	John Hart Dam
B.C. Hydro & Power Authority	618,097	Ladore Dam
Discovery Harbour Holdings Ltd.	588,069	Discovery Harbour Mall
Timberwest Forest IV Limited	495,705	Sawmill
Quinsam Coal Corporation	329,139	Quinsam Coal Mine
Raven Forest Products Ltd.	218,955	Merecroft Village Mall
Tyee Plaza Development Inc.	215,292	Tyee Plaza
Elk Falls Pulp and Paper Ltd.	181,208	Water Intake/Pumphouse
Knockmaroon Holdings Ltd.	165,464	Save-On-More Plaza

## 2006 Property Tax Permissive Exemptions Granted

Organization	Civic Address	Value of Exemptions		
		City	Other	Total
Anglican Synod Diocese of BC	228 S Dogwood St	\$ 4,706	\$ 6,216	\$ 10,922
Association Francophone de Campbell River	891 13th Ave	189	194	383
Bethany Evangelical Lutheran Church	201 Birch St	1,670	2,206	3,876
Bishop of Victoria	2215 Campbell River Rd	1,288	1,701	2,989
Bishop of Victoria	34 S Alder St	4,425	5,845	10,270
Campbell River & District Association for Community Living	1185 Greenwood St	1,342	1,329	2,671
Campbell River & District Association for Community Living	1153 Greenwood St	3,699	3,663	7,362
Campbell River & District Museum and Archives	2250 Campbell River Rd	2,518	2,935	5,453
Campbell River & District Public Art Gallery & Tourist Info Centre	1235 Shoppers Row	7,222	7,152	14,374
Campbell River & District Senior Housing Society	1441 to 1451 Ironwood St	3,570	4,190	7,760
Campbell River & District Senior Housing Society	81 Dogwood St	473	555	1,028
Campbell River & District Winter Club	260 Cedar St	1,049	1,039	2,088
Campbell River & North Island Transition Society	608 Alder St	669	786	1,455
Campbell River Air Youth Association	2371 Airport Dr	877	869	1,746
Campbell River Alano Club	301 10th Ave	907	898	1,805
Campbell River Baptist Church	250 S Dogwood St	65,909	68,786	134,695
Campbell River Child Care Society	1048 Hemlock St	856	848	1,704
Campbell River Child Care Society	394 Leishman Rd	1,090	1,079	2,169
Campbell River Church of Christ	226 Hilchey Rd	837	1,106	1,943
Campbell River Church of the Way	451 7th Ave	1,591	2,101	3,692
Campbell River Community Arts Council	2131 S Island Hwy	5,466	5,413	10,879
Campbell River Community Network	900 Alder St	196	194	390
Campbell River Economic Development Corp (Rivercorp)	900 Alder St	60	59	119
Campbell River Fish and Wildlife Association	2641 Campbell River Rd	1,293	1,374	2,667
Campbell River Golf and Country Development	700 Petersen Rd	3,202	3,376	6,578
Campbell River Gun Club Society	2600 Quinsam Rd	61	70	131
Campbell River Gymnastics Association	1981 14th Ave	488	483	971
Campbell River Motocross Association	7021 Gold River Hwy	113	112	225
Campbell River Trail Riders	900 Parkside Dr	252	291	543
Campbell River Tye Judo Club	B 450 Merecroft Rd	112	112	224
Campbell River Wado Karate Club	B 450 Merecroft Rd	117	117	234
Campbell River Youth Soccer Association	450 Merecroft Rd	86	86	172
Community Futures Development Corp of Strathcona	900 Alder St	1,238	1,226	2,464

Organization	Civic Address	Value of Exemptions		
		City	Other	Total
Eagles - Found Bike Program (RCMP)	900 Alder St	14	14	28
Foursquare Gospel Church of Canada	181 to 191 Larwood St	1,751	2,314	4,065
Foursquare Gospel Church of Canada	403 5th Ave	1,344	1,775	3,119
Foursquare Gospel Church of Canada	422 Colwyn St	365	482	847
Governing Council of Salvation Army in Canada	271 to 291 Mclean St	5,271	6,962	12,233
Guru Nanak Sikh Society	735 Pinecrest Rd	3,712	4,904	8,616
Haig Brown Kingfisher Creek Society	2251 to 2252 Campbell River Rd	1,450	1,915	3,365
John Howard Society of North Island	401 11th Ave	553	548	1,101
Maritime Heritage Society (incl Genealogy Society)	621 Island Hwy	37,115	36,758	73,873
Museum of Campbell River Society	470 Island Hwy	57,788	57,233	115,021
Nature Trust of BC	1201 Homewood Rd	1,327	1,753	3,080
Navy League of Canada	911 to 931 13th Ave	982	1,093	2,075
North Island Supportive Recovery Society	647 Birch St	392	460	852
Pentecostal Assemblies of Canada	445 Merecroft Rd	14,262	14,125	28,387
President of the Lethbridge Stake	460 Goodwin Rd	8,953	11,826	20,779
Royal Canadian Legion - J Perkins Memorial Housing Society	931 14th Ave	3,189	3,742	6,931
Seventh Day Adventist Church	300 Thulin St	733	968	1,701
SPCA & North Island 911 Corp	275 to 385 S Dogwood St	106,161	105,142	211,303
St. John Council for BC	170 Dogwood St	1,808	1,790	3,598
St. John Society BC and Yukon	675 2nd Ave	426	422	848
Storey Creek Golf & Recreation Society	300 McGimpsey Rd	2,035	2,325	4,360
Tidemark Theatre Society	1220 to 1240 Shoppers Row	37,645	37,284	74,929
Tourism North Central Island	900 Alder St	60	59	119
Trinity Presbyterian Church	145 to 149 Simms Rd	1,325	1,750	3,075
Trustees of Rockland Congregation of Jehovah's Witnesses	1935 Evergreen Rd	2,238	2,956	5,194
United Church of Canada	415 Pinecrest Rd	3,265	4,312	7,577
Vancouver Island Health Authority	1351 Ironwood St	3,189	3,742	6,931
Vancouver Island Health Authority	375 to 555 2nd Ave	434,437	430,267	864,704
Vancouver Island Health Authority	433 Dogwood St	1,040	1,221	2,261
Willow Point Lions Club Society	2165 S Island Hwy	1,264	1,252	2,516
Willow Point Supportive Living Society	100 142 Larwood Rd	3,372	3,958	7,330
Willow Point Supportive Living Society	12 142 Larwood Rd	2,715	2,689	5,404
Willow Point Supportive Living Society	5 142 Larwood Rd	217	254	471
		<b>\$ 857,969</b>	<b>\$ 872,706</b>	<b>\$ 1,730,675</b>

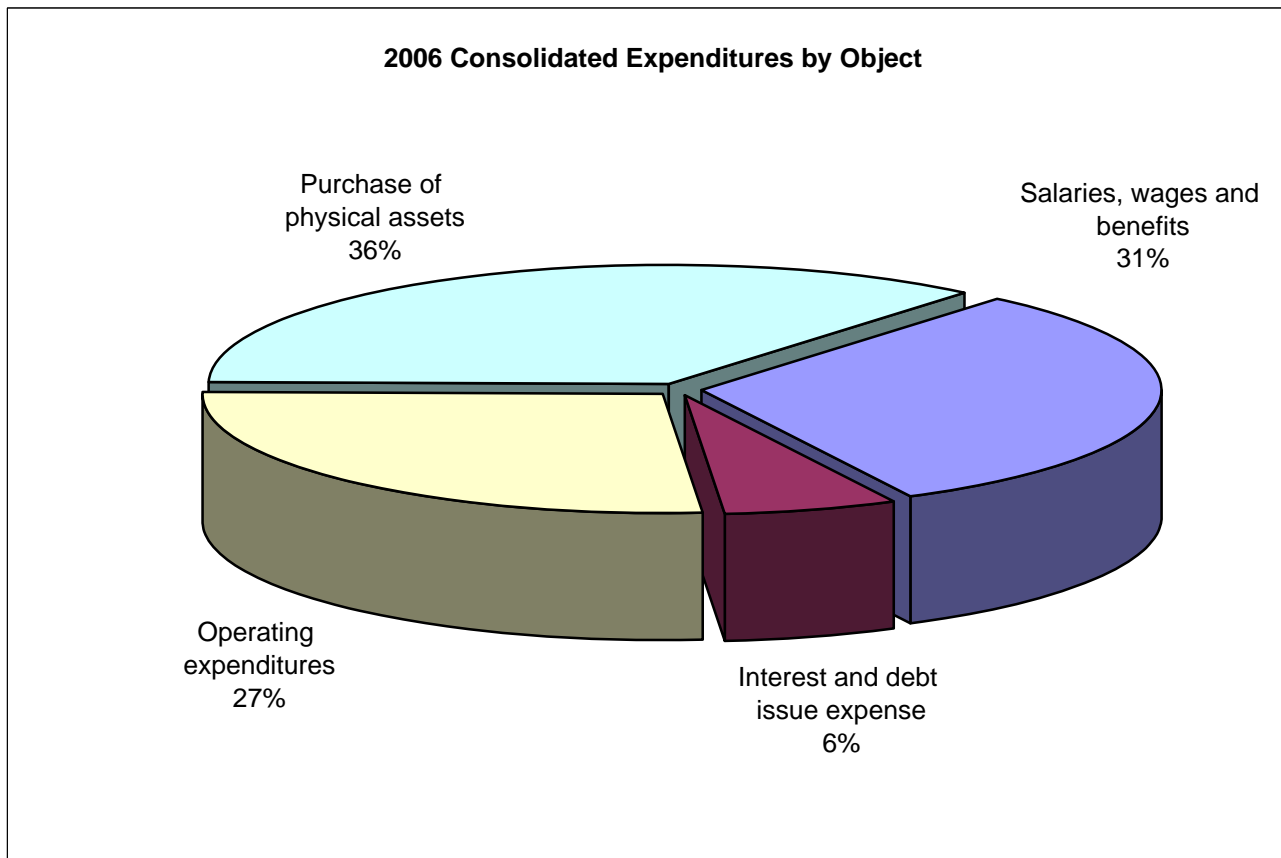
### Consolidated Operating Revenues and Expenditures

	2006	%	2005	%	2004	%	2003	%	2002	%
<b>Revenue</b>										
Taxes and user fees	\$ 29,198,983	72%	\$ 26,415,147	70%	\$ 26,412,932	73%	\$ 25,998,379	71%	\$ 24,957,078	73%
Payments in lieu of taxes	1,062,390	3%	950,247	3%	965,886	3%	929,992	3%	954,984	3%
Services provided to other governments	681,728	2%	636,141	2%	619,452	2%	1,099,841	3%	285,681	1%
Sale of services	2,461,222	6%	2,443,755	6%	2,638,591	7%	2,477,308	7%	2,325,286	7%
Other revenue from own sources	3,152,900	8%	3,247,835	9%	2,364,497	7%	2,063,201	6%	2,399,012	7%
Interest on investments	1,107,783	3%	802,379	2%	543,692	2%	1,150,775	3%	1,017,793	3%
Development cost charges recognized	64,276	0%	33,408	0%	-	-	-	0%	-	0%
Unconditional transfers from other gov'ts	432,803	1%	434,291	1%	523,890	1%	195,476	1%	247,122	1%
Conditional transfers from other gov'ts	886,670	2%	1,415,111	4%	787,253	2%	1,867,023	5%	875,173	3%
Actuarial adjustment on debt	1,387,923	3%	1,255,044	3%	1,132,238	3%	972,811	3%	1,230,453	4%
	<b>40,436,678</b>	<b>100%</b>	<b>37,633,358</b>	<b>100%</b>	<b>35,988,431</b>	<b>100%</b>	<b>36,754,806</b>	<b>100%</b>	<b>34,292,582</b>	<b>100%</b>
<b>Expenditure</b>										
General government	3,847,866	12%	3,820,898	12%	3,007,159	11%	3,430,032	12%	3,508,781	13%
Protective services	10,691,658	33%	10,287,063	34%	9,928,918	35%	9,626,033	34%	9,239,827	33%
Transportation services	5,714,540	17%	5,233,538	17%	4,982,188	18%	3,788,134	13%	3,614,875	13%
Environmental health services	624,819	2%	553,079	2%	531,998	2%	523,355	2%	471,592	2%
Public health services	69,872	0%	69,091	0%	79,245	0%	88,042	0%	78,008	0%
Development services	2,742,114	8%	1,943,992	6%	820,724	3%	917,450	3%	965,655	3%
Recreation and cultural services	4,148,471	13%	4,214,711	14%	4,391,945	16%	4,493,309	16%	4,194,245	15%
Sewer utility	3,053,409	9%	2,827,232	9%	3,013,642	11%	1,294,635	5%	1,276,524	5%
Water utility	1,899,672	6%	1,678,086	5%	1,360,155	5%	913,004	3%	709,726	3%
Interest and debt issue expense*	-	0%	-	0%	-	0%	3,513,631	12%	3,754,186	13%
	<b>32,792,421</b>	<b>100%</b>	<b>30,627,690</b>	<b>100%</b>	<b>28,115,974</b>	<b>100%</b>	<b>28,587,625</b>	<b>100%</b>	<b>27,813,419</b>	<b>100%</b>
<b>Net revenue</b>	<b>\$ 7,644,257</b>		<b>\$ 7,005,668</b>		<b>\$ 7,872,457</b>		<b>\$ 8,167,181</b>		<b>\$ 6,479,163</b>	

\*Consolidated by function from 2004 forward

### Consolidated Expenditures by Object

	2006	%	2005	%	2004	%	2003	%	2002	%
Salaries, wages and benefits	\$ 16,056,151	31.29%	\$ 14,804,997	35.20%	\$ 12,642,651	32.72%	\$ 11,390,834	31.09%	\$ 11,360,905	36.18%
Interest and debt issue expense	3,164,683	6.17%	3,277,764	7.79%	3,258,604	8.43%	3,513,632	9.59%	3,754,186	11.96%
Operating expenditures	13,761,462	26.82%	12,580,683	29.91%	12,278,784	31.78%	13,683,162	37.34%	12,761,857	40.64%
Purchase of physical assets	18,330,243	35.72%	11,394,258	27.09%	10,460,829	27.07%	8,052,995	21.98%	3,523,246	11.22%
	<b>\$ 51,312,539</b>	<b>100.00%</b>	<b>\$ 42,057,702</b>	<b>100.00%</b>	<b>\$ 38,640,868</b>	<b>100.00%</b>	<b>\$ 36,640,623</b>	<b>100.00%</b>	<b>\$ 31,400,194</b>	<b>100.00%</b>



**Consolidated Capital Acquisitions and Sources of Financing**

<b>Acquisitions</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>	<b>2002</b>
General government	\$ 283,647	\$ 105,177	\$ 91,440	\$ 60,791	\$ 112,071
Protective services	82,265	506,133	90,769	96,738	81,560
Transportation services					
Airport	70,822	350,063	237,796	266,270	201,880
Roads, storm drains and other	9,556,598	7,443,535	4,598,600	2,140,834	1,941,093
Development services	24,918	-	-	27,551	-
Recreation and cultural services	370,550	463,135	1,539,931	2,513,909	317,822
Sewer utility	4,538,452	1,170,183	1,189,727	914,447	296,076
Water utility	3,402,991	1,356,032	2,712,566	2,032,455	572,744
	<b>\$ 18,330,243</b>	<b>\$ 11,394,258</b>	<b>\$ 10,460,829</b>	<b>\$ 8,052,995</b>	<b>\$ 3,523,246</b>

**Sources of Financing**

Transfer from operating	\$ 4,642,462	\$ 2,374,921	\$ 3,769,663	\$ 2,590,959	\$ 1,236,467
Development cost charges recognized	538,769	1,690,099	110,717	61,745	601,002
Government grants	1,361,462	478,705	787,734	133,632	169,453
Gifts and contributions	7,821,080	4,476,981	3,628,874	3,878,932	50,000
Debt	2,480,126	2,143,552	2,163,841	1,387,727	1,448,913
Transfers from reserves	779,197	-	-	-	-
Transfers from own funds	707,147	230,000	-	-	17,411
	<b>\$ 18,330,243</b>	<b>\$ 11,394,258</b>	<b>\$ 10,460,829</b>	<b>\$ 8,052,995</b>	<b>\$ 3,523,246</b>





Fire Hall Circa 1960