

CITY OF CAMPBELL RIVER

Statement of Financial Information (SOFI)

For the year ended December 31, 2011

(Unaudited)

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City of Campbell River
Statement of Financial Information Approval

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



Natalie Aalderink, CMA
Finance Manager

June 26, 2012



Walter Jakeway
Mayor

June 26, 2012

**City of Campbell River
Management Report**

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 Council. Council 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, 2011.

Natalie Alderink, CMA
Finance Manager

June 26, 2012

City of Campbell River
Schedule of Remuneration and Expenses
For the Year Ended December 31, 2011

Elected Officials		Remuneration	Expenses
ADAMS, ANDREW	Councillor	\$ 21,117	\$ 6,988
CORNFIELD, CHARLIE	Mayor	57,955	11,036
GRANT, ROY	Councillor	20,430	6,560
JAKEWAY, WALTER	Mayor	2,033	-
KERR, RON	Councillor	687	-
MENNIE, RYAN A.	Councillor	21,117	3,205
MOGLOVE, CLAIRE I.	Councillor	21,117	6,662
SAMSON, LARRY	Councillor	687	-
STEWART, ZIGGY	Councillor	20,430	5,640
STORRY, MARY	Councillor	21,117	3,756
		<u>186,688</u>	<u>43,847</u>

Employees		Remuneration	Expenses
BAIKIE, IAN W.	Deputy Fire Chief	\$ 111,208	\$ 6,237
BAILEY, ANDREW	Facilities - Property Manager	92,628	3,645
BAKER, JOHN	Fire Captain	104,030	-
BELLEFLEUR, KELLY	Firefighter	88,407	793
BIEGLER, PAULA	Alarm Room Operator	79,922	293
BLACKWELL, ROSS	Land Use Manager	108,122	5,715
BRODIE, SARA	Land Use Supervisor	90,137	1,420
BRUNN, JENNIFER M	Water Supervisor	84,544	5,809
BUCK, IAN	Land Use Planner	77,554	1,732
CIARNIELLO, LAURA	GM Corporate Services	115,426	1,800
CLARKE, TOM	Parks Foreman II	75,096	1,260
CORCORAN, JAMES	Roads Supervisor	78,182	29
DAWSON, KEN. A	Fire Captain	106,106	1,733
DOUGLAS, JULIE	Communications Advisor	76,996	1,015
DUMONT, MICHAEL A	Firefighter	87,137	1,622
DUMONT, STEWART G	Firefighter	85,220	793
EPPLER, ANDREW	Firefighter	80,508	-
GRAEBNER, RICHARD	Foreman I	80,998	3,287
HADFIELD, DREW	Transportation Manager	102,026	6,669
HALL, SHAWN	Firefighter	79,026	651
HARTLEY, JASON	Capital Works Manager	100,584	2,430
HILDEBRAND, SETH	Fire Prevention Inspector	82,621	4,514
HOLBROOK, BRUCE C	Firefighter	86,851	793
IDIENS, CRAIG	Firefighter	81,079	793
JACOBS, CARRIE	RCMP Municipal Manager	82,293	4,268
KALYN, WARREN	Information Services Manager	90,431	9,213
KRATZMANN, SCOTT	Firefighter	83,482	1,151
LAGOS, DAVID	Firefighter	84,207	866
LAIDLAW, ANDY	City Manager	146,346	7,738
MASSE, TYLER D	Airport Supervisor	86,969	16
MCKENZIE, MARK E.	Firefighter	91,218	1,444
MILNTHORP, ROSS	GM Parks and Recreation Culture	104,866	7,864
MORRIS, DAVID G.	GM Facilities and Supply Management	116,414	6,609
NEUFELD, RONALD	GM Operations Manager	121,527	2,004
PARKER, GRANT S	Parks Operation Supervisor	85,122	7,128
PAUL, TIM	Deputy Fire Chief	157,368	-
	Multi-year remuneration not previously reported		
PENDERGAST, LEE S	Firefighter	83,105	2,260
PETERS, JENNIFER	Utilities Manager	96,731	8,170
SANDBERG, LORNE	Wastewater Foreman II	75,597	448
SAXBY, TYLER J	Firefighter	82,037	793
SIRETT J., MICHELE	Recreation and Culture Supervisor	86,871	3,528
SPRY, DEAN	Fire Chief	108,474	6,024
STEWART, ANDREW C	Firefighter	80,771	793
STEWART, GRAHAM	Wastewater Supervisor	95,089	2,765
TILLAPPAUGH, COLLEEN	Human Resources Supervisor	82,052	1,090
VATON, JOHN	Fire Captain	101,265	793
VRABEL, CHRISTOPHER	Deputy Fire Chief	103,887	5,964
WARK, LYNN B	Parks Project Supervisor	83,633	3,955
WHARTON, REID	Fire Captain	105,093	1,524
WILLIS, TIMOTHY	Firefighter	80,289	1,444
WIPPER, PETER	City Clerk	93,828	3,523
ZIRNHELDT, AMBER	Sustainability Manager	94,587	8,920
		<u>4,856,980</u>	<u>153,353</u>
Consolidated total of other employees with remuneration and expenses of \$75,000 or less		9,850,612	159,469
		<u>\$ 14,894,279</u>	<u>\$ 356,669</u>
Reconciling items			
Employer's portion of CPP and EI		719,390	
Change in accrued wages and benefits, severance agreements, non-taxable benefits paid to third party, allocated overhead and other		1,897,125	
Wages, salaries, and benefits per Consolidated Financial Statements		<u>\$ 17,510,794</u>	

Prepared under the Financial Information Regulation, Schedule 1, subsection 5(2), (3), (4), (5) and (6)

City of Campbell River
Schedule of Severance Agreements
For the Year Ended December 31, 2011

There was one (1) severance agreement under which payment commenced between the City of Campbell River and its non-unionized employees during the fiscal year 2011.

This agreement represents 24 months of compensation.*

* "Compensation" means a lump sum payment based on 24 months of salary.

**Schedule of Payments Made to Suppliers
For the year ended December 31, 2011**

Suppliers who received aggregate payments exceeding \$25,000

Supplier name	Total payments
ACE COURIER SERVICES	31,834.88
ACKLANDS-GRAINGER INC	62,673.65
ACME SUPPLIES LTD	53,856.20
AFC CONSTRUCTION	40,307.68
ANDERSON REFRIGERATION LTD.	31,360.74
ANDREW SHERET LIMITED	106,577.04
APGN INC	285,684.00
ARCONAS CORPORATION	40,544.00
ASHDOWN CONSTRUCTION	65,370.22
ASSOCIATED ENGINEERING (BC) LTD.	80,733.50
BAILEY WESTERN STAR TRUCKS INC	263,023.21
BC ASSESSMENT AUTHORITY ACCOUNTS DEPARTMENT	354,354.68
BC HYDRO & POWER	1,063,280.63
BC HYDRO CAD-130160 PAYMENT CONTROLS DEPT	161,721.03
BC TRANSIT	1,254,092.75
BERRY & VALE CONTRACTING LTD.	58,032.01
BLACK CREEK FARM & FEED SUPPLY	38,300.00
BLACK PRESS GROUP LTD	58,964.18
BRANDT TRACTOR LTD	176,803.82
C & L SUPPLY 1988 LTD	32,560.58
CAMPBELL RIVER ARTS COUNCIL	39,425.45
CAMPBELL RIVER EDC RIVERCORP ENTERPRISE	493,642.74
CAMPBELL RIVER HONDA	55,856.64
CAMPBELL RIVER TRAFFIC CONTROLLERS	50,099.28
CAMPBELL RIVER VOLUNTEER FIRE DEPT NO 1	25,881.17
CAMPBELL RIVER VOLUNTEER FIRE DEPT NO 2	40,221.52
CARSTAIRS MARY	78,384.65
CLEAN TEAM JANITORIAL INC	89,122.61
COAST HYDROVAC	29,549.59
COMMERCIAL SOLUTIONS INC	211,341.88
COMMUNITY SOLUTIONS INC	93,529.06
COMOX STRATHCONA REGIONAL HOSPITAL	3,550,144.02
COMOX VALLEY REGIONAL DISTRICT	230,885.50
CORIX WATER PRODUCTS LP	46,064.18
CR METAL FABRICATORS LTD	35,253.00
CUNNINGHAM & RIVARD APPRAISALS (C.R. 2008)	26,758.54
CUPE LOCAL 401	152,781.01
DA TOWNLEY & ASSOCIATES LTD	1,080,681.14
DARCY J FRANKLAND NOTARY PUBLIC (IN TRUST)	651,057.57
DAVEY TREE SERVICES A DIVISION OF DAVEY TREE	31,096.80
DOD PILEDRIVING 1990 LTD	28,896.00
DELL CANADA INC	92,379.82
DESIGNED AIR SYSTEMS LIMITED	25,597.60
DJB INVESTMENTS INC.	70,650.00

Supplier name	Total payments
DPOC NEOPOST CANADA LTD	26,880.00
DUNCAN ELECTRIC MOTOR LTD	30,191.38
EB HORSMAN AND SON CAMPBELL RIVER	55,491.65
EBA ENGINEERING CONSULTANTS LTD	511,136.65
EDMONTON AIRPORTS	30,820.86
EMCO CORPORATION	200,907.69
EMCO RESOURCES LTD	109,066.92
EMCON SERVICES INC	62,268.13
EMTERRA ENVIRONMENTAL (CUMBERLAND)	1,437,170.47
ESRI CANADA LIMITED	30,509.73
FORTIS-BC NATURAL GAS	126,398.41
FRED SURRIDGE LTD	103,093.12
FROM THE GROUND UP	28,045.27
FULLER SIDNEY C	28,321.92
GLOBAL PAYMENTS DIRECT INC	27,521.65
GOMERICH NANCY	37,489.20
GP ROLLO & ASSOCIATES LTD	35,896.68
GRAND & TOY	41,681.76
GRANT ILLUMINATED SIGNS LTD	40,578.72
GREENWAYS LAND TRUST	47,509.14
GUILLEVIN INTERNATIONAL CO	114,573.79
HB LANARC	311,248.35
HEART OF THE CITY IMPROVEMENT AREA	32,340.00
HEENAN BLAIKIE LLP	48,901.27
HENDERSON BRYCE	42,703.60
HIGHLAND ENGINEERING AND SURVEYING	299,299.14
HOULE ELECTRIC LIMITED	153,836.44
IAFF LOCAL 1668	41,701.00
ICI DEVELOPMENTS LTD & WINDLEY INVESTMENTS	523,120.64
IMPERIAL OIL	519,031.62
IMPERIAL OIL	302,286.38
INSURANCE CORPORATION OF BC	78,925.00
ISLAND WESTCOAST DEVELOPMENTS LTD	1,299,675.99
JIM CREIGHTON ENTERPRISES	60,480.00
JOHNSON SECURITY SOLUTIONS LTD	25,904.60
K&L SPOONER CONSTRUCTION LTD.	109,145.73
KETZA PACIFIC CONSTRUCTION 1993 LTD	1,356,932.49
KOERS & ASSOCIATES ENGINEERING LTD	35,306.94
LASER STAR SYSTEMS LTD	102,815.50
LEE MAC ELECTRIC LTD	163,557.30
LEVELTON CONSULTANTS LTD	28,763.12
MAINROAD PAVEMENT MARKING LP	69,956.87
MCELHANNEY CONSULTING SERVICES LTD	336,128.35
MEYERS NORRIS PENNY LLP	183,750.00
MICROSOFT LICENSING GP WRC-CA	58,189.01
MINISTER OF FINANCE	90,584.58
MINISTER OF FINANCE MUNICIPAL SUPERANNUATION	2,102,944.51
MINISTRY OF FINANCE PROPERTY TAXATION BRANCH	6,442,116.07
MONK OFFICE	31,235.22
MUNICIPAL FINANCE AUTHORITY OF BRITISH	28,828.02
MUNICIPAL INSURANCE ASSOCIATION OF BRITISH	175,720.32

Supplier name	Total payments
MUSEUM AT CAMPBELL RIVER	27,936.16
NELSON ROOFING & SHEET METAL LTD	143,343.34
NORTH ISLAND 911 CORPORATION	46,675.00
NORTH ISLAND COMMUNICATIONS INC	62,926.07
NORTH ISLAND CUSTOM CURBS	79,183.53
NORTHWEST HYDRAULIC CONSULTANTS	84,652.34
OKANAGAN FERTILIZER LTD	25,625.58
OPUS DAYTONKNIGHT CONSULTANTS LTD	163,070.27
ORLYN CONTRACTING & CORRUCHAN HOLDINGS LTD	28,727.80
POSTMEDIA PAYMENT CENTRE	35,331.53
PROFIRE EMERGENCY EQUIPMENT INC	46,052.20
PW TRENCHLESS CONSTRUCTION INC	83,287.62
QTRADE SECURITIES	44,564.27
RAYLEC POWER LTD	119,778.08
RECEIVER GENERAL FOR CANADA	3,904,370.30
RECEIVER GENERAL FOR CANADA RCMP POLICING	5,389,769.70
RICHARDSON LUISA	73,495.98
SAFETY NET SECURITY LTD	111,084.08
SCOTIABANK CENTRAL MORTGAGE UNIT SERVICING	31,992.40
SEAL TEC INDUSTRIES LTD	68,489.93
SEYMOUR PACIFIC DEVELOPMENTS LTD	232,607.53
SPCA	163,999.80
STAPLES MCDANNOLD STEWART	49,425.59
STAPLES MCDANNOLD STEWART (IN TRUST)	449,763.36
STEVE MARSHALL FORD	310,364.97
STRATHCONA REGIONAL DISTRICT	6,038,211.80
STREAMSIDE NATIVE PLANTS	28,397.60
SUPERIOR PROPANE	43,274.55
TAYCO PAVING COMPANY	694,380.20
TELUS	132,602.25
TELUS	81,051.54
TEMPEST DEVELOPMENT GROUP	143,586.86
TERASEN GAS	42,918.30
TERRATEK ENERGY SOLUTIONS INC	53,921.84
TRANE CANADA ULC T42324C	32,015.39
TRITON CONSULTANTS LTD	107,128.00
TWO HILLS VENTURES LTD	227,482.61
UNION OF B C MUNICIPALITIES	32,812.71
UNITED RENTALS OF CANADA INC	38,030.25
UNITY BUSINESS SYSTEMS LTD	34,705.17
UPLAND EXCAVATING LTD.	1,343,580.28
URBAN SYSTEMS LTD	110,940.19
US BANK - VISA	299,163.73
USQUEBAUGH LAND CORP LTD C/O BRIAN MCLEAN	65,293.00
VADIM SOFTWARE	53,963.42
VAN TINE JAMES A	64,491.36
VANCOUVER ISLAND MOWING LTD	32,533.20
VANCOUVER ISLAND REGIONAL LIBRARY	1,051,940.00
WACOR HOLDINGS LTD	2,480,630.91
WALCO INDUSTRIES LTD	83,671.13
WASTE MANAGEMENT OF CANADA CORPORATION	55,061.60

Supplier name	Total payments
WATERTEC IRRIGATION LTD	25,739.49
WESTECH MAINTENANCE AND REPAIRS LTD	99,000.53
WHITES DIESEL POWER & MARINE INC.	31,079.94
WILLIS CANADA VANCOUVER	100,581.00
WORKSAFE BC	213,135.94
YOUNG ANDERSON BARRISTERS & SOLICITORS	41,572.13
ZINC PUBLIC RELATIONS INC	91,944.92
	<u>55,421,735</u>
Consolidated total paid to suppliers who received aggregate payments of \$25,000 or less	<u>3,880,543</u>

Payments to suppliers for grants and contributions exceeding \$25,000

CAMPBELL RIVER AND DISTRICT ART GALLERY	39,700
CAMPBELL RIVER CREATIVE INDUSTRIES COUNCIL	30,000
INFILM	50,000.00
MUSEUM AT CAMPBELL RIVER	276,390
TIDEMARK THEATRE SOCIETY	160,000
	<u>556,090</u>

Subtotal 59,858,368

Reconciling items:

Debt and lease principal payments	(1,766,277)
Property tax collections for other governments	(21,284,771)
Amortization expenses	8,230,397
Tangible Capital Asset expenditures	(14,999,601)
Wages, salaries and benefits	17,510,794

Change in accounts payable and accrued expenses, employees' portion of payroll costs and benefit premiums, payments for non-expenditure items and other

	96,573
Reconciled Total	<u>47,645,483</u>
Total per Consolidated Statement of Financial Activities	<u>47,645,483</u>
	0

Accounts Payable Summary Listing	\$ 60,239,674.16
Less: Payroll Related/Severance Done through payroll	
Direct Payments to Employees	\$ (381,305.78)
Reconciled Total	<u>\$ 59,858,368</u>

City of Campbell River
Schedule of Guarantee and Indemnity Agreements
For the Year Ended December 31, 2011

This organization has not given any guarantees or indemnities under the *Guarantees and Indemnities Regulation*.

CITY OF CAMPBELL RIVER

ANNUAL FINANCIAL REPORT
For the Year Ended December 31, 2011

**CITY OF CAMPBELL RIVER
CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2011**

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Independent Auditors' Report

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

We have audited the accompanying consolidated financial statements of the City of Campbell River, which comprise the consolidated statement of financial position as at December 31, 2011 and the consolidated statements of operations, change in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies, schedules and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the City of Campbell River as at December 31, 2011 and the results of its operations, changes in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Campbell River, British Columbia

MNP LLP

May 8, 2012

Chartered Accountants



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CITY OF CAMPBELL RIVER
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at December 31, 2011

	2011	2010
FINANCIAL ASSETS		
Cash and equivalents (note 3)	39,058,282	33,396,038
Accounts receivable (note 5)	7,747,105	15,290,878
Inventory held for sale	68,940	81,990
Deposits	9,739	9,739
	46,884,066	48,778,645
LIABILITIES		
Accounts payable and accrued liabilities (note 6)	6,689,421	9,955,779
Deferred revenue (note 7)	13,912,056	13,144,685
Capital lease (note 9 & schedule 3)	410,788	845,071
Long-term debt (note 10 & schedule 3)	7,424,676	10,547,686
	28,436,941	34,493,221
NET FINANCIAL ASSETS	18,447,125	14,285,424
NON FINANCIAL ASSETS		
Inventory of supplies and prepaids	473,033	315,394
Tangible capital assets (schedule 1)	218,864,616	215,120,489
	219,337,649	215,435,883
ACCUMULATED SURPLUS (note 11)	237,784,774	229,721,307

See Commitment and Contingencies Note 12 and 13.

The Financial Statement Notes are an integral part of the Financial Statements.



Natalie Aalderink, CMA
 Finance Manager



Laura Ciarniello
 General Manager, Corporate Services

CITY OF CAMPBELL RIVER
CONSOLIDATED STATEMENT OF OPERATIONS
For the Year Ended December 31, 2011

	2011 Budget (unaudited, note 16)	2011 Actual	2010 Actual
REVENUE			
Municipal property taxes	26,320,980	26,293,274	27,255,538
Payments in lieu of taxes	520,334	531,129	590,769
Sale of services	14,975,185	14,529,341	13,628,818
Services provided to other governments	1,142,766	1,246,941	1,054,505
Transfers from other governments	7,197,875	5,600,189	11,647,799
Investment and other income	1,310,275	3,281,856	1,458,371
Other revenue	1,351,807	1,780,319	1,916,349
Development cost charges recognized	2,880,166	1,202,938	2,295,528
Contributed capital assets	-	1,209,443	1,592,180
Proceeds from sale of capital assets	-	33,518	189,887
	55,699,388	55,708,950	61,629,743
EXPENSES			
General government	6,259,423	6,101,530	6,170,637
Protective services	13,213,095	12,593,738	12,642,166
Transportation services	11,347,926	10,678,731	10,494,546
Environmental health services	2,203,994	2,088,676	1,636,813
Public health services	270,270	160,046	172,209
Development services	1,475,157	1,428,246	1,369,262
Recreation and cultural services	7,479,072	7,281,911	6,903,833
Sewer services	3,888,494	3,289,223	3,901,217
Water services	4,196,220	4,023,382	4,127,416
	50,333,651	47,645,483	47,418,100
ANNUAL SURPLUS	5,365,737	8,063,467	14,211,643
Accumulated Surplus, Beginning of Year	229,721,307	229,721,307	215,509,664
ACCUMULATED SURPLUS, End of Year	235,087,044	237,784,774	229,721,307

See Legislative Compliance Note 16.

The Financial Statement Notes are an integral part of the Financial Statements.

**CITY OF CAMPBELL RIVER
CONSOLIDATED STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2011**

	2011	2010
OPERATING ACTIVITIES		
Annual surplus	8,063,467	14,211,643
Non-cash items included in annual surplus:		
Amortization expense	8,230,398	7,925,848
Contributed tangible capital assets	(1,209,443)	(1,592,179)
(Gain)/loss on disposed of tangible capital assets	(15,009)	320,222
Long-term debt actuarial adjustment	(2,340,018)	(628,040)
(Increase)/decrease in inventory of supplies	(157,639)	(32,543)
Changes in financial assets and liabilities:		
Accounts receivable	7,543,773	(5,336,792)
Inventory held for resale	13,050	(26,151)
Land held for resale	-	470,806
Accounts payable and accrued liabilities	(3,266,358)	1,743,964
Deferred revenue	767,371	(637,906)
	17,629,592	16,418,872
CAPITAL ACTIVITIES		
Proceeds from sale of tangible capital assets	33,518	189,887
Reclassification of land held for resale	-	(400,000)
Built/purchased tangible capital assets	(10,783,589)	(19,163,803)
	(10,750,071)	(19,373,916)
FINANCING ACTIVITIES		
Debt proceeds	549,000	635,417
Debt and lease principal repaid	(1,766,274)	(2,221,216)
	(1,217,274)	(1,585,799)
INCREASE (DECREASE) IN CASH AND EQUIVALENTS	5,662,246	(4,540,843)
Cash & equivalents, beginning of year	33,396,038	37,936,881
CASH AND EQUIVALENTS, END OF YEAR	39,058,284	33,396,038
Interest paid	1,243,531	1,432,923
Interest received	281,734	325,234

The Financial Statement Notes are an integral part of the Financial Statements.

CITY OF CAMPBELL RIVER
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
For the Year Ended December 31, 2011

	2011 Budget	2011 Actual	2010 Actual
ANNUAL SURPLUS	5,365,737	8,063,467	14,211,643
TANGIBLE CAPITAL ASSETS			
Acquisition of tangible capital assets	(16,867,696)	(10,783,589)	(19,163,803)
Contributed tangible capital assets	-	(1,209,443)	(1,592,179)
Reclassification of land held for resale	-	-	(400,000)
Amortization	7,644,524	8,230,398	7,925,848
Net book value of disposed of tangible capital assets	-	18,509	510,109
	(9,223,172)	(3,744,125)	(12,720,025)
OTHER NON-FINANCIAL ASSETS			
Increase in inventory and prepaids	-	(157,639)	(32,543)
INCREASE IN NET FINANCIAL ASSETS	(3,857,435)	4,161,703	1,459,075
Net Financial Assets, Beginning of Year	14,285,424	14,285,424	12,826,349
NET FINANCIAL ASSETS, END OF YEAR	10,427,989	18,447,127	14,285,424

The Financial Statement Notes are an integral part of the Financial Statements.

City of Campbell River 2011 Annual Report - Financial Statements

Notes to Consolidated Financial Statements

Year Ended December 31, 2011

The City of Campbell River ("City") 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

a) Basis of presentation

The Consolidated Financial Statements of the City are the representations of management prepared in accordance with Canadian public sector accounting standards. Budget information has been aggregated to comply with these reporting standards. Certain comparative figures have been reclassified to conform to the current year's presentation.

b) Reporting entity

The Consolidated Financial Statements reflect the assets, liabilities, revenues, expenses, and changes in financial position of the reporting entity which comprises all the organizations that are accountable for the administration of their financial affairs and resources to Council and are owned or controlled by the City. This includes Campbell River Economic Development Corporation (Rivercorp). All inter-fund balances and transactions are eliminated.

The Cemetery Trust Funds administered by the City are specifically excluded from the consolidated financial statements and are reported separately (Note 4).

c) Accrual accounting

Items recognized in the financial statements are accounted for in accordance with the accrual basis of accounting. The accrual basis of accounting recognizes the effect of transactions and events in the period in which they occur, regardless of whether there has been a receipt or payment of cash or its equivalent. Liabilities are recognized until the obligation or condition(s) underlying the liability is partly or wholly satisfied. Assets are recognized until the future economic benefit underlying the asset is partly or wholly used or lost.

d) Revenue recognition

Taxation

Annual levies for non-optional City services and general administrative services are recorded as General Taxation. Levies imposed by other taxing authorities (Note 14) are not included in these financial statements.

Government transfers

Unconditional grant revenue is recognized either when it is received or when collectability is assured. Conditional grant revenue is recognized to the extent the conditions imposed on it have been fulfilled.

Development cost charges and other deferred revenues

Receipts which 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 the qualifying expenditures are incurred the related Deferred Revenue is brought into revenue. Deferred Revenues are comprised of the amounts shown in Note 7.

e) Cash and equivalents

Investments are held with the MFA. 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, 2011.

f) Long-term debt

All long-term debt is borrowed from the Municipal Finance Authority of BC (MFA). Interest payments and actuarial earnings related to long-term debt obligations are recorded on an accrual basis. Actuarial revenue is investment earnings on the City's principal payments made to, and invested by, the MFA, prior to the MFA using these funds to retire the related debt. The actuarial interest rate is set when the debt is issued to the City and may be adjusted by MFA during the term of the debt if market conditions dictate that the rate can no longer be achieved. For all MFA debt issued prior to 2005 the interest rate is 5%, and for issues in 2005 and later the rate is 4%. Actual actuarial earnings beyond the set rate are paid to the City when the related debt has been retired. Actuarial revenue is recognized and compounded annually starting in the second year of the debt term.

g) Financial Instruments

The City's financial instruments consist of cash and equivalents, accounts receivable, deposits, accounts payable and accrued liabilities 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, except as otherwise commented on in note 5, and property taxes receivable collections are assured through the tax sale provisions of the *Local Government Act*.

City of Campbell River 2011 Annual Report - Financial Statements

h) Non-financial assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of goods and services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

Intangible capital assets, such as water rights and mineral resources, are not recorded in the financial statements.

i) Tangible Capital Assets

Tangible capital assets are recorded at cost, net of disposals, write-downs and amortization. The useful life is applied on a straight line basis to calculate amortization that is calculated when the asset is put in use.

Asset	Useful Life (Years)
Land	n/a
Buildings	20-60
Furniture, machinery & equipment	3-25
Drainage infrastructure	30-80
Roads, bridges & highways	15-60
Marine infrastructure	30-40
Sewer infrastructure	20-60
Water infrastructure	20-60

Carrying costs directly attributable to the acquisition, construction or development activity, excluding interest costs, are capitalized to the point in time the asset is substantially complete and ready for use. Contributions of tangible capital assets are recorded at fair value at the date of contribution.

ii) Inventory

Inventories are recorded at the lower of cost and net realizable value. Cost is determined using the weighted average cost basis.

i) Use of estimates/measurement uncertainty

The preparation of financial statements 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. Significant areas requiring use of management estimates relate to the useful lives of tangible capital assets, determination of employee future benefits and the outcome of litigation and claims. Accounts receivable are recorded after considering the collectability of the amounts and setting up an allowance for doubtful accounts, if necessary. 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.

City of Campbell River 2011 Annual Report - Financial Statements

2. Related party transactions

The City is the sole shareholder of Campbell River Economic Development Corporation (Rivercorp). Its purpose is to provide economic development services to the City through retention, enhancement and recruitment of business. Transactions of Rivercorp are consolidated at December 31st each year. During the year Rivercorp received \$532,694 (2010 – \$466,099) as funding contributions from the City.

3. Cash and equivalents

	2011	2010
General Operating Fund	\$ 26,368,808	\$ 21,860,649
Capital Lending Reserve Fund	4,540,174	3,638,264
Parks Acquisition and Development Reserve Fund	937,329	679,544
Parkland Reserve Fund	357,920	354,237
Facility Reserve Fund	18,263	18,075
Development cost charges deferred revenue	6,835,788	6,845,269
	<u>\$ 39,058,282</u>	<u>\$ 33,396,038</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:

	Receipts and			
	2010	Interest	Expenditures	2011
Campbell River Municipal Cemetery	\$ 311,823	\$ 3,718	\$ 3,242	\$ 312,300
Elk Falls Memorial Cemetery	176,017	9,431	1,830	183,617
	<u>\$ 487,840</u>	<u>\$ 13,149</u>	<u>\$ 5,072</u>	<u>\$ 495,917</u>

5. Accounts receivable

	2011	2010
Property taxes	\$ 1,333,269	\$ 1,853,599
User fees	111,178	72,681
Due from Federal Government	3,097,356	5,282,789
Due from Provincial Government	827,396	5,441,475
Due from Regional District and other governments	44,886	-
Airport	26,292	40,443
Development cost charges	197,359	426,349
Other	2,109,370	2,173,542
	<u>\$ 7,747,105</u>	<u>\$ 15,290,878</u>

Other receivables includes from one customer an amount of \$900,172 (2010 – \$937,374) which is a structured payment established through a local service agreement and is collected as part of the annual tax levy with the final payment occurring in 2027.

Other receivables also included from one customer an amount of \$854,025 (2010 - \$845,025)

City of Campbell River 2011 Annual Report - Financial Statements

6. Accounts payable and accrued liabilities

	2011	2010
Due to other governments	\$ 1,570,906	\$ 78,873
Trade accounts payable	1,574,485	5,017,506
Accrued wages and benefits	2,532,611	2,478,473
Accrued interest	97,432	192,067
Deposits and holdbacks	913,986	2,188,860
	<u>\$ 6,689,421</u>	<u>\$ 9,955,779</u>

7. Deferred revenue

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

Funds collected as DCC's are included in consolidated assets as short-term investments of \$6,835,788 (2010 - \$6,845,270) and installments receivable of \$197,359 (2010 - \$426,349). 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 Sport & Cultural Services.

	December 31, 2010	Collections	Transfers	December 31, 2011
Development Cost Charges				
Roads	\$ 2,820,262	\$ 450,466	\$ 966,602	\$ 2,304,127
Public open space	645,779	94,120	-	739,899
Water	1,843,068	221,078	-	2,064,146
Storm water drainage	481,561	14,668	-	496,229
Sanitary sewer	1,234,223	85,423	188,858	1,130,787
Other parks	246,726	51,234	-	297,960
	<u>\$ 7,271,619</u>	<u>\$ 916,988</u>	<u>\$ 1,155,460</u>	<u>\$ 7,033,147</u>
Other deferred revenue				
Prepaid property taxes	\$ 244,938	\$ 649,732	\$ 515,357	\$ 379,313
Future local improvement projects	2,506,410	144,235	24,394	2,626,251
Community Works Fund (Note 15)	2,365,203	1,268,344	857,325	2,776,223
Parkland acquisition	354,237	3,683	-	357,920
Other	402,278	568,082	231,157	739,203
	<u>\$ 5,873,066</u>	<u>\$ 2,634,076</u>	<u>\$ 1,628,233</u>	<u>\$ 6,878,909</u>
	<u>\$ 13,144,685</u>	<u>\$ 3,551,064</u>	<u>\$ 2,783,693</u>	<u>\$ 13,912,056</u>

City of Campbell River 2011 Annual Report - Financial Statements

8. 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, 2010 the total of the City's MFA Debt Reserve Fund is comprised of:

	<u>2011</u>	<u>2010</u>
General	\$ 692,321	\$ 898,451
Sanitary Sewer	32,269	709,866
	<u>\$ 724,590</u>	<u>\$ 1,608,317</u>

9. Capital lease

The City has a lease with ICI/Windley Group for the Community Centre at an annual cost of \$513,180, including HST and interest at 5.97%, until December 15th, 2012. At that time the City has the option to purchase the facility for \$1.

10. 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:

<u>Year</u>	<u>General</u>	<u>Sewer</u>	<u>Total</u>
2012	\$1,005,692	\$49,891	\$1,055,583
2013	933,382	49,891	983,273
2014	860,000	49,891	909,891
2015	666,008	49,891	715,900
2016	457,781	49,891	507,672
Totals	<u>\$3,922,863</u>	<u>\$249,456</u>	<u>\$4,172,319</u>

Refer to Schedule 3 for maturity dates, interest rates, and payments in the year.

City of Campbell River 2011 Annual Report - Financial Statements

11. Accumulated surplus

Accumulated surplus is represented by:

	2011	2010
Unappropriated Surplus		
General	4,892,752	4,368,957
Water	896,197	1,722,382
Sanitary sewer	6,112,396	4,353,182
Airport	68,940	(167,777)
Rivercorp	(190)	(9,486)
	11,970,094	10,267,258
Non-Statutory Reserves		
General	6,994,786	8,859,884
Water	516,173	524,425
Sanitary sewer	1,094,631	973,590
Airport	223,720	279,011
Capital to be financed in future years	(165,850)	(165,850)
Unspent debt proceeds	326,304	619,376
	8,989,764	11,090,436
Statutory Reserves		
Capital lending	4,840,174	3,938,263
Parkland acquisition & development	937,329	679,543
Facilities	18,263	18,075
	5,795,766	4,635,881
Investment in Tangible Capital Assets	211,029,150	203,727,732
Total	237,784,774	229,721,307

The Unappropriated Surplus is the amount of Accumulated Surplus remaining after deducting the other surplus balances. It is available to temporarily finance operations until planned revenues (i.e. property taxes, grants etc.) are received, or for other operating or capital purposes as determined by Council.

The Non-Statutory Reserves are the amount of Accumulated Surplus that has been set-aside by decision of Council for a specified purpose. In the normal course of operations, these funds will be used to finance the future services or capital works for which they have been appropriated. The Reserve, "Capital to be Financed in Future Years", is equal to the tangible capital assets that have been temporarily financed with internal resources, and will be financed by long-term debt once the works are complete. The Reserve, "Unspent Debt Proceeds", is equal to long-term debt received to finance specific tangible capital assets that has not yet been spent; it is expected that these debt proceeds will be fully spent in fiscal 2012.

The Statutory Reserves have been established by bylaw in accordance with the *Community Charter* and their use is restricted by the legislation. In the normal course of operations, these funds will be used to finance the future services or capital works for which they have been appropriated.

City of Campbell River 2011 Annual Report - Financial Statements

Investment in Tangible Capital Assets is equal to tangible capital assets less related long-term debt (including the capital lease debt). In the normal course of operations, the tangible capital assets will be consumed/used to provide services, and debt will be repaid by future period revenues.

12. Outstanding commitments

The City has equipment capital lease obligations with MFA Leasing Corporation. The annual lease payments, including applicable taxes for the next five years are:

2012	2013	2014	2015	2016
\$ 16,588	\$ 2,446	\$ 1,166	\$ -	\$ -

13. Contingent liabilities

a) Pension liability

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

Every 3 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, 2009, indicated an unfunded liability of \$1.024 billion for basic pension benefits. The next valuation will be as at December 31, 2012, with results available in 2013. The actuary does not attribute portions of the unfunded liability to individual employers. The City paid \$1,226,755 (2010 - \$1,135,266) for employer contributions while employees contributed \$984,990 (2010 - \$882,663) to the plan in fiscal 2011.

b) Regional District debt

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

c) 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.

d) Property assessment appeals

As at December 31, 2011, there were three assessment appeals pending. The outcome of those appeals may result in adjustments to property taxes receivable for the current and prior years. The City has a non-statutory reserve for the provision for tax refunds totaling \$250,000 which is part of the General Fund non-statutory reserves in Note 11.

City of Campbell River 2011 Annual Report - Financial Statements

14. Property tax collections for other governments

	2011	2010
Provincial School Levy	\$ 14,076,993	\$ 14,166,167
Comox Strathcona Regional Hospital District	3,532,709	3,442,237
Strathcona Regional District	3,318,781	3,463,935
Municipal Finance Authority	992	979
BC Assessment Authority	354,902	377,957
	<u>\$ 21,284,377</u>	<u>\$ 21,451,275</u>

15. 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. The City reports the balance as deferred revenue until it is used to fund the specified projects outlined in the funding agreement. Interest is recorded and allocated to the balance.

	2011	2010
Balance, beginning of year	\$ 2,365,203	\$ 1,574,260
Funds received	1,242,179	1,242,318
Interest earned	26,166	11,676
	<u>3,633,547</u>	<u>2,828,254</u>
Expenses	(857,325)	(463,051)
	<u>\$ 2,776,223</u>	<u>\$ 2,365,203</u>

City of Campbell River 2011 Annual Report - Financial Statements

16. Legislative Compliance

The following table reconciles the difference between the Statement of Operations Surplus/Deficit and the Financial Plan (Budget) balance, where sources of funds equal use of funds, demonstrating how the City has complied with the legislative requirement for a balanced budget.

	2011 Budget
Statement of Operations, Annual Surplus	5,385,737
Adjustments for Non-Cash Items:	
Debt actuarial adjustment	(688,675)
Amortization	7,644,524
Debt proceeds	1,462,913
Debt principal repayments	(1,948,641)
Capital expenditures	(16,867,696)
Net Transfer (to)/from statutory reserves	(26,111)
Net Transfer (to)/from non-statutory reserves	3,000,851
Net Transfer (to)/from unappropriated surplus	2,057,098
Budget Balance	-

17. Segmented reporting

The City of Campbell River provides various City services within various divisions. The segmented information as disclosed in Schedule 2 reflects those functions offered by the City as summarized below:

General government – activities related to the administration of the City as a whole including central administration, finance, human resources, information systems and legislative operations.

Protective services – activities related to providing for the security of the property and citizens of the City including policing, fire protection, emergency planning, building inspection, animal control and bylaw enforcement.

Transportation services – activities related to transportation and transit services including airport operations, maintenance of roads, sidewalks, street lighting and signage.

Environmental health services – activities related to solid waste management.

Public health services – activities related to child care, victim services and cemetery maintenance.

Development services – activities related to community planning and development.

City of Campbell River 2011 Annual Report - Financial Statements

Recreation & cultural services – activities related to all recreational and cultural services including the maintenance of parks and facilities for recreational and cultural activities and the operation of the Vancouver Island Regional Library.

Sewer utility – activities related to gathering, treating, transporting, storing and discharging sewage or reclaimed water.

Water Utility – activities related to supplying, storing, treating and transporting water.

For each reported segment, revenues and expenses represent amounts that are directly attributable to the segment, in addition to amounts that are allocated to each segment on a reasonable basis. The reader is referred to Schedule 2 for segment revenue and expense detail on a comparative basis.

18. Comparative figures

The comparative figures have been reclassified where applicable to conform to the current year's presentation.

**CITY OF CAMPBELL RIVER
FINANCIAL STATEMENTS
CONSOLIDATED TANGIBLE CAPITAL ASSET CONTINUITY SCHEDULE
As at December 31, 2011**

	Land	Buildings	Machinery & Equipment *	Engineering Structures	Capital Assets Subtotal	Assets Under Construction	2011 Actual	2010 Actual
Opening Balance	31,960,371	31,611,877	15,271,737	268,526,473	347,370,458	3,193,729	350,564,186	330,662,826
Additions	652,244	1,811,649	1,322,219	10,463,858	14,249,970	749,631	14,999,601	21,155,982
Disposals/Transfers	-		(202,624)	-	(202,624)	(3,003,909)	(3,206,533)	(1,254,624)
Ending Balance	32,612,615	33,423,526	16,391,332	278,990,331	361,417,804	939,451	362,357,254	350,564,184
Opening Accumulated Amortization	-	(14,179,619)	(9,771,571)	(111,492,505)	(135,443,695)		(135,443,695)	(128,262,362)
Amortization Current Year	-	(945,140)	(1,012,777)	(6,272,480)	(8,230,398)	-	(8,230,398)	(7,925,848)
Adjustment for amortization on disposals	-		181,454		181,454	-	181,454	744,515
Ending Accumulated Amortization		(15,124,759)	(10,602,895)	(117,764,985)	(143,492,639)	-	(143,492,639)	(135,443,695)
Net Book Value	32,612,615	18,298,766	5,788,437	161,225,346	217,925,165	939,451	218,864,616	215,120,489
<i>* Includes RiverCorp</i>								

CITY OF CAMPBELL RIVER
 FINANCIAL STATEMENTS
 CONSOLIDATED SCHEDULE OF SEGMENTED INFORMATION
 For the Year Ended December 31, 2011

SCHEDULE 2
 (page 1 of 2)

	General Government		Protective Services		Transportation Services		Enviromental Health Services		Public Health Services		Development Services	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
REVENUE												
Taxes & user fees	\$ 24,542,921	\$ 25,514,429	-	-	\$ 201,812	\$ 205,929	-	-	-	-	\$ 52,700	\$ 51,000
Payments in lieu of taxes	531,129	590,769	-	-	-	-	-	-	-	-	-	-
Sale of services	146,583	155,322	1,341,281	1,366,252	2,039,184	1,894,420	2,174,477	1,640,555	48,964	108,689	748,033	827,753
Services provided to other governments	882,797	701,580	304,588	293,632	-	-	-	-	59,556	59,292	-	-
Transfers from other governments	664,325	669,561	453,959	421,540	3,701,502	7,852,854	60,207	21,363	-	-	8,153	19,739
Investment and other income	662,764	993,267	-	-	4,393	3,361	-	-	-	-	-	-
Other revenue	27,750	20,347	-	20	979,312	1,721,729	186,251	40,495	-	14,364	274,403	68,873
Development cost charges recognized	-	487,551	-	-	966,602	1,540,340	-	-	-	-	-	-
Contributed capital assets	-	-	-	-	545,852	1,149,070	-	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	34,298	189,887	-	-	-	-	(780)	-
	27,458,269	29,132,825	2,099,829	2,081,444	8,472,955	14,557,592	2,420,935	1,702,413	108,520	182,345	1,082,509	967,365
EXPENSES												
Amortization	341,058	301,107	438,918	470,968	4,393,123	4,185,514	-	-	2,210	4,303	6,021	-
Interest & debt issue	(5,139)	3,557	-	1,358	634,523	721,574	-	-	-	-	-	-
Operating expenses	786,805	1,223,889	6,837,008	6,775,785	3,664,514	3,792,901	2,078,440	1,614,401	48,179	47,603	994,753	1,055,033
Wages & benefits	4,978,808	4,642,084	5,317,812	5,394,055	1,986,571	1,794,558	10,236	22,413	109,657	120,304	427,472	314,229
	6,101,530	6,170,637	12,593,738	12,642,166	10,678,731	10,494,546	2,088,676	1,636,813	160,046	172,209	1,428,246	1,369,262
ANNUAL SURPLUS (DEFICIT)	\$ 21,356,738	\$ 22,962,188	\$ (10,493,910)	\$ (10,560,722)	\$ (2,205,776)	\$ 4,063,045	\$ 332,259	\$ 65,600	\$ (51,525)	\$ 10,135	\$ (345,737)	\$ (401,897)

CITY OF CAMPBELL RIVER
 FINANCIAL STATEMENTS
 CONSOLIDATED SCHEDULE OF SEGMENTED INFORMATION
 For the Year Ended December 31, 2011

SCHEDULE 2
 (page 2 of 2)

	Recreation & Cultural Services		Total General Gov't		Sewer Utility		Water Utility		Consolidated	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
REVENUE										
Taxes & user fees	\$ 670,935	\$ 666,335	\$ 25,468,367	\$ 26,437,694	692,887	\$ 687,114	\$ 132,020	\$ 130,730	\$ 26,293,274	\$ 27,255,538
Payments in lieu of taxes	-	-	531,129	590,769					531,129	590,769
Sale of services	901,335	854,533	7,399,858	6,847,524	4,030,724	3,987,107	3,098,760	2,794,187	14,529,341	13,628,818
Services provided to other governments			1,246,941	1,054,505					1,246,941	1,054,505
Transfers from other governments	128,476	289,380	5,016,622	9,274,438	530,188	2,373,361	53,379	-	5,600,189	11,647,799
Investment and other income			667,157	996,628	2,578,933	420,511	35,766	41,232	3,281,856	1,458,371
Other revenue	127,296	47,521	1,595,011	1,913,349	84,554	3,000	100,755	-	1,780,319	1,916,349
Development cost charges recognized			966,602	2,027,891	236,337	267,638			1,202,938	2,295,528
Contributed capital assets	370,807		916,659	1,149,070	140,665	201,652	152,119	241,458	1,209,443	1,592,180
Proceeds from sale of capital assets	-	-	33,518	189,887	-	-	-	-	33,518	189,887
	2,198,849	1,857,769	43,841,865	50,481,753	8,294,287	7,940,383	3,572,798	3,207,607	55,708,950	61,629,743
EXPENSES										
Amortization	1,161,828	1,137,235	6,343,159	6,099,127	823,931	801,987	1,063,307	1,018,691	8,230,397	\$ 7,919,805
Interest & debt issue	95,186	77,715	724,570	804,204	614,883	709,422	-	(6,768)	1,339,453	\$ 1,506,857
Operating expenses	2,872,757	2,770,087	17,282,454	17,279,699	1,312,239	1,798,867	1,970,145	2,250,189	20,564,839	\$ 21,328,755
Wages & benefits	3,152,140	2,918,796	15,982,695	15,206,438	538,170	590,941	989,929	865,304	17,510,794	\$ 16,662,683
	7,281,911	6,903,833	40,332,878	39,389,467	3,289,223	3,901,217	4,023,382	4,127,416	47,645,483	47,418,100
ANNUAL SURPLUS (DEFICIT)	\$ (5,083,062)	\$ (5,046,064)	\$ 3,508,987	\$ 11,092,286	\$ 5,005,063	\$ 4,039,166	\$ (450,584)	\$ (919,809)	\$ 8,063,467	\$ 14,211,643

**CITY OF CAMPBELL RIVER
FINANCIAL STATEMENTS
CONSOLIDATED SCHEDULE OF LONG-TERM LIABILITIES
As at December 31, 2011
(Unaudited)**

**SCHEDULE 3
(Page 1 of 2)**

Bylaw	Description	Maturity Date	Interest Rate %	Balance at Dec 31 2010	Debt Issued	Principal Payments	Actuarial Adjust	Balance at Dec 31 2011
Municipal Finance Authority								
Storm Drains Construction								
2880	Issue #74	01/06/11	5.90	1,233	-	795	438	-
2958	Issue #78	03/12/12	5.25	10,836	-	3,578	1,708	5,550
3011	Issue #79	03/06/12	5.25	11,286	-	2,544	1,036	7,706
				<u>23,355</u>	<u>-</u>	<u>6,917</u>	<u>3,182</u>	<u>13,256</u>
Local Improvements								
2879	Issue #74	01/06/11	5.90	47,855	-	30,848	17,007	-
2932	Issue #77	01/06/11	5.90	200,347	-	66,148	31,583	102,616
3012	Issue #79	03/06/12	5.25	314,232	-	70,839	28,838	214,555
2968	Issue #81	22/04/14	4.86	62,913	-	10,892	3,704	48,317
2969	Issue #81	22/04/14	4.86	103,324	-	17,888	6,084	79,352
3050	Issue #81	22/04/14	4.86	35,819	-	6,202	2,109	27,508
3073	Issue #85	02/12/14	4.90	918,434	-	159,009	54,078	705,347
2964	Issue #92	06/04/15	4.55	5,763	-	875	189	4,699
2966	Issue #92	06/04/15	4.55	4,665	-	708	153	3,804
2967	Issue #92	06/04/15	4.55	25,248	-	3,832	830	20,586
2968	Issue #92	06/04/15	4.55	15,094	-	2,290	496	12,308
3071	Issue #92	06/04/15	4.55	141,060	-	21,406	4,638	115,016
3073	Issue #92	06/04/15	4.55	1,164,977	-	176,786	38,301	949,890
3074	Issue #92	06/04/15	4.55	15,369	-	2,332	506	12,531
2967	Issue #99	19/10/16	5.00	745,839	-	96,118	16,326	633,395
3073	Issue #99	19/10/16	5.00	903,215	-	116,399	19,771	767,045
2964	Issue #102	12/01/12	4.82	129,500	-	14,576	1,820	113,104
2966	Issue #102	12/02/17	4.82	110,999	-	12,494	1,560	96,945
2967	Issue #102	12/03/17	4.82	81,400	-	9,162	1,144	71,094
3303	Issue #103	23/04/23	4.65	174,665	-	9,712	792	164,161
2964	Issue #104	20/11/18	5.15	493,487	-	49,516	4,041	439,930
2966	Issue #104	20/11/18	5.15	544,952	-	54,680	4,462	485,810
3074	Issue #104	20/11/18	5.15	199,220	-	19,990	1,631	177,599
3301	Issue #104	20/11/23	5.15	615,661	-	34,235	2,794	578,632
3302	Issue #104	20/11/23	5.15	449,060	-	24,970	2,038	422,052
3302	Issue #106	10/13/24	4.13	126,852	-	6,668	267	119,917
3301	Issue #112	06/10/25	3.73	185,417	-	9,260	-	176,157
				<u>7,815,367</u>	<u>-</u>	<u>1,027,835</u>	<u>245,162</u>	<u>6,542,370</u>

**CITY OF CAMPBELL RIVER
FINANCIAL STATEMENTS
CONSOLIDATED SCHEDULE OF LONG-TERM LIABILITIES
As at December 31, 2011
(Unaudited)**

**SCHEDULE 3
(Page 2 of 2)**

Bylaw	Description	Maturity Date	Interest Rate %	Balance at Dec 31 2010	Debt Issued	Principal Payments	Actuarial Adjust	Balance at Dec 31 2011
Other								
2933	Issue #77 Cambr	01/06/12	6.06	7,826		2,584	1,234	4,008
				<u>7,826</u>	-	<u>2,584</u>	<u>1,234</u>	<u>4,008</u>
Sanitary Sewer								
2182	MFA Issue #58	10/05/14	8.95	2,560,826		272,183	2,288,643	-
3345	MFA Issue #112	06/10/25	3.73	450,000		22,474		427,526
3345	MFA Issue #117	10/11/26	3.25		549,000			549,000
				<u>3,010,826</u>	<u>549,000</u>	<u>294,657</u>	<u>2,288,643</u>	<u>976,526</u>
Accrued actuarial adjustment				<u>(309,688)</u>			<u>(198,204)</u>	<u>(111,484)</u>
Total Municipal Finance Authority borrowing				<u>10,547,686</u>	<u>549,000</u>	<u>1,331,993</u>	<u>2,340,017</u>	<u>7,424,676</u>
Total long-term debt				<u>10,547,686</u>	<u>549,000</u>	<u>1,331,993</u>	<u>2,340,017</u>	<u>7,424,676</u>
Capital lease								
Equipment Capital Lease				33,039	-	20,490	-	12,550
Community Centre				812,032	-	413,794	-	398,238
Total capital lease				<u>845,071</u>	<u>-</u>	<u>434,283</u>	<u>-</u>	<u>410,788</u>
Total long-term liabilities				<u>\$11,392,757</u>	<u>\$549,000</u>	<u>\$1,766,276</u>	<u>\$2,340,017</u>	<u>\$7,835,464</u>